



## McCloud Community Services District

220 West Minnesota Avenue P.O. Box 640

McCloud, California 96057

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### REGULAR MEETING OF THE BOARD OF DIRECTORS

SCOUT HALL - 405 E. COLOMBERO DRIVE

June 12, 2023 6:00 pm

### AGENDA

The McCloud Community Services District welcomes you to this meeting. This agenda contains brief general descriptions of each item to be considered at this meeting by the Board of Directors. If you wish to speak on an item on the agenda, you will be provided the opportunity to do so prior to consideration of the item by the Board. If you wish to speak on an item that is not on the agenda, you are welcome to do so during the Public Comment portion of the meeting. Persons addressing the Board will be asked to step up to the podium and will be limited to three minutes or depending on the number of persons wishing to speak, it may be reduced to allow all members of the public the opportunity to address the Board. When addressing the Board, please state your name for the record prior to providing your comments. Please address the board as a whole through the President. Comments to individual Board members or staff are not permitted.

All documentation supporting the items on this agenda are available for public review in the District office, 220 W. Minnesota Avenue, McCloud CA 96057, during normal business hours of 9:00 a.m. to 12noon and 1:00 pm to 4:00 p.m. Monday through Friday.

In compliance with the Americans with Disabilities Act, those requiring accommodations for this meeting should notify the District office 48 hours prior to the meeting at (530) 964-2017.

1. **Call to Order**
2. **Pledge of Allegiance**
3. **Approval of Minutes: Discussion/action** regarding approval of the minutes of the Regular Meeting of May 22, 2023.
4. **Announcement of Events:**
5. **Communications:**
6. **Reports:**
  - A. General Manager
  - B. Finance Officer-See Written Report.
  - C. Fire Chief-See Written Report.
  - D. Public Works Superintendent
  - E. Directors
  - F. Committees
7. **Consent Agenda:**
  - A. Approval of Expenses in the amount of \$21,090.24
8. **Old Business:**
  - A. **Discussion/possible action regarding** the second reading of amendments to Ordinance No. 30.
9. **New Business:**

- A. Discussion/possible action** regarding the establishment of an ad hoc committee to research the need for possible future rate increases.
- B. Discussion/possible action** regarding bank reconciliations and clearing stale dated outstanding checks data in BMS software program.
- C. Discussion/possible action** regarding adoption of Resolution No. 5, 2023 to enable the District to participate in the California Employers Pension Prefunding Trust (CEPPT).
- D. Discussion/possible action** regarding approval of the 2022-23 GASB 75 Actuarial Valuations.
- E. Discussion/possible action** regarding approval of Lower Elk Springs Categorical Exemption Report
- F. Discussion/possible action** regarding approval of Application for new services, for both water and sewer hookups on a parcel in the McCloud Springs Ranch Subdivision parallel to Squaw Valley Rd. and north of the Golf Course.
- G. Discussion/possible action** regarding reserving use of scout hall for Committee meetings.

**10. Public Comment:** This time is provided to receive information from the public regarding issues that **do not** appear on the agenda (persons addressing the Board will be asked to step up to the podium and will be limited to three minutes or depending on the number of persons wishing to speak, it may be reduced to allow all members of the public the opportunity to address the Board).

**11 Adjourn open session.**

**12. Convene a Closed Session:**

**B. Pursuant to California Government Code §54957.6** – gain direction from the Board pertaining to Union negotiations.

**13. Reconvene** open session and announce any action taken.

**14. Adjourn**

#### MCSD Mission Statement

McCloud Community Services District will strive to provide the full range of municipal services, at a reasonable cost applied consistently to all customers, while maintaining a healthy infrastructure and environmental integrity.

**MINUTES OF A  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
May 22, 2023 6:00 pm**

A regular meeting of the Board of Directors of the McCloud Community Services District was called to order at 6:00 p.m. at the Scout Hall. Five Directors (Richey, Rorke, Hanson, Trent, Mullins.) were present. Also present were Eli Jones Public Works Superintendent, Finance Officer Jennifer Brunello and District Secretary Sarah Roberts. General Manager Amos McAbier was absent.

**1. Call to Order**

**2. Pledge of Allegiance.**

**3. Approval of Minutes:**

**A. Discussion/action** regarding approval of the minutes of the Regular Meeting of, May 8<sup>th</sup>, 2023.

*C. Richey made a motion to approve the minutes of the regular Meeting on May 8th, 2023; motion seconded by M. Rorke. Motion passed with 5 Ayes. (Rorke, Richey, Hanson, Trent, Mullins.)*

**4. Announcement of Events:** *None*

**5. Communications:** *None*

**6. Reports:**

**A.** General Manager-*Amos McAbier written report.*

**B.** Finance Officer-*None.*

**C.** Public Works Superintendent-*None.*

**D.** Fire Chief-*None.*

**E.** Directors-*None.*

**F.** Committees-*None*

**7. Consent Agenda:**

**A.** Approval of Expenses in the amount of \$12,199.09.

*M. Rorke made a motion to approve expenses in the amount of \$12,199.09; seconded by C. Richey. Motion passed with 5 Ayes. (Rorke, Richey, Hanson, Trent, Mullins)*

**8. Old Business:**

**A. Discussion/ action** Regarding the Second and Final Reading of Policy No. 1000 Purpose of Board Policies.

*C. Richey made a motion to approve the second and final reading of Policy No. 1000 Purpose of Board Policies; motion seconded by J. Mullins. Motion passed with 5 Ayes. (Rorke, Richey, Hanson, Trent, Mullins.)*

**B. Discussion/ action** Regarding the Second and Final Reading of Policy No. 1060 Miscellaneous Fee Schedule with Attachment A: Dumpster Rental Agreement.

*Tabled the second and final reading of Policy No. 1060 Miscellaneous Fee Schedule with Attachment A: Dumpster Rental Agreement. (Rorke, Richey, Hanson, Trent, Mullins.)*

**C. Discussion/ action** Regarding the Second and Final Reading of Policy No. 4090 Training, Education, and Conferences.

*M. Rorke made a motion to approve the second and final reading of Policy No. 4090 Training, Education, and Conferences; motion seconded by M. Trent. Motion passed with 5 Ayes. (Rorke, Richey, Hanson, Trent, Mullins.)*

**D. Discussion/ action** Regarding the Second and Final Reading of Policy No. 5020 Meetings of the Board of Directors.

*M. Rorke made a motion to approve the second and final reading of Policy No. 5020 Meetings of the Board of Directors with changes; motion seconded by M. Trent. Motion passed with 5 Ayes. (Rorke, Richey, Hanson, Trent, Mullins.)*

**E. Discussion/ action** Regarding the Second and Final Reading of Policy No. 6010 Development Improvement Standards.

*C. Richey made a motion to approve the second and final reading of Policy No. 6010 Development Improvement Standards; motion seconded by M. Rorke. Motion passed with 5 Ayes. (Rorke, Richey, Hanson, Trent, Mullins.)*

**F. Discussion/ action** Regarding the Second and Final Reading of Policy No. 6040 Project Approval

*M. Rorke made a motion to approve the second and final reading of Policy No. 6040 Project Approval; motion seconded by J. Mullins. Motion passed with 5 Ayes. (Rorke, Richey, Hanson, Trent, Mullins.)*

**G. Discussion/ action** Regarding the Second and Final Reading of Policy No. 6050 Development Agreements.

*C. Richey made a motion to approve the second and final reading of Policy No. 6050 Development Agreements; motion seconded by J. Mullins. Motion passed with 5 Ayes. (Rorke, Richey, Hanson, Trent, Mullins.)*

**H. Discussion/ action** Regarding Mike Quinn's previously board approved proposal for working as a temporary district employee part time to provide training for our new MCSD finance officer.

*No action to be taken.*

## **9. New Business:**

**A. Discussion/action** regarding the metal recycling bin and plastic recycling bins located outside of the MCSD office.

*Tabled no action taken.*

**B. Discussion/ action** regarding first reading of amendments to Ordinance No.30.

*M. Rorke made a motion to approve the first reading of amendments to Ordinance No.30 with changes; motion seconded by C. Richey. Motion passed with 5 Ayes. (Rorke, Richey, Hanson, Trent, Mullins.)*

**10. Public Comment:** This time is provided to receive information from the public regarding issues that **do not** appear on the agenda (persons addressing the Board will be asked to step up to the podium and will be limited to three minutes or depending on the number of persons wishing to speak, it may be reduced to allow all members of the public the opportunity to address the Board).

**11. Adjourn open session.**

**12. Convene a closed session:**

**B. Pursuant to California Government Code §54957.6** – gain direction from the Board pertaining to Union negotiations.

**13. Reconvene** open session and announce any action taken.

*Union Negotiation Committee received direction from the Board.*

**14. Adjourn** 9:03am

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Mick Hanson/President of the Board

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Sarah Roberts/Secretary of the Board

**MCSO BOARD OF DIRECTORS**  
**General Manager's Report**  
**Date 6-12-2023**

**AGENDA SUPPORTING DOCUMENT**  
**Agenda Item No. 6 A**

**Current Spring flows 2023** – we will keep the Board and public updated on these flows. Please note that these flows are at a certain time during the day and do not show the fluctuation from when town is watering their lawns. When we have our SCADA system up and running we will generate a report that will show these fluctuations and the times that the towns water spikes and decreases during usage.

**1-18-2023**

Intake Spring – 753 gpm

Elk Springs Combined – 942 gpm

Town Flow- 312 gpm

**4-28-2023 11:00 am** sunny 78 degrees some people already watering lawns.

Intake Spring – 642 gpm

Elk Springs Combined – 742 gpm

Town Flow- 608 gpm @ 10:00, 887 gpm @11:00, 633 gpm @ 4:30pm

**5-2-2023 Rain most of the day.12:00 pm**

Intake Spring – 669 gpm

Elk Springs Combined – 691 gpm

Town Flow- 360 gpm

**5-15-2023 10:15am**

Intake Spring – 827 gpm

Elk Springs Combined – 715 gpm

Town Flow- gpm

**5-18-2023 1:53pm**

Intake Spring –765 gpm

Elk Springs Combined –741 gpm

Town Flow- gpm

**5-19-2023 2:10pm**

Intake Spring – 774gpm

Elk Springs Combined – 723gpm

Town Flow- 889gpm

**6- 9-2023 1:30 PM**

Intake Spring – 1192gpm

Elk Springs Combined – 799gpm

Town Flow- 586gpm

In the last three weeks we have seen our Intake springs starting to increase, it is now producing a little over 400gpm more than the readings taken on 5-19-2023. And in the same time frame we have gained about 60gpm for the combined Elks Spring flows. We are hoping to keep seeing these increases and will continue to record and report.

**Park per Capita Grant.** We are in the filing process for a notice of exemption with Siskiyou County for the work that will be done with the grant. This will need to be filed for before construction can begin. We will also have to advertise the playgrounds pour in place rubber matting installation for bidding. There are not very many companies that we could find in the area for this kind of work, the closest one that we found was from the Bay Area, hopefully the advertisement process will provide a few interested contractors that can do this type of work. The Per Capita Grants contact persons also let me know that we all of the Per Capita Grants recipients were eligible for extensions on their timelines for completion. Just in case there are issues with getting contractors to be able to complete this project I have filed for and received the extension and it will give us until 2028 to use the entire grant fund. I do not foresee needing that amount of time but we have it just in case.

**Lower Elk Spring House replacement Project.** Our engineers are in the process of filling out the long forms for the bidding process for demo/construction. This will need to come to the board for review before we can put it out for bid.

**Upper to Lower Elks springs Collection and Delivery System Replacement Project.** We are working on getting information from the USFS on what they are going to require for the NEPA process. We have been working on that since December of last year in hopes that we could be

further along in the process by now. We have provided them with all the information they have requested and may need to meet with them for a site visit to help the process along.

I ordered the 6,800 feet of Ductile iron pipeline material for the remainder of the project about six months ago and it had a six-month waiting list for delivery. The company has called and confirmed it will be delivered this Wednesday June 14<sup>th</sup>, 2023.

**T/A Planning Grant Application.** We had also submitted a T/A Planning grant request last fall and have been waiting to hear back for its approval/ non approval- we have received some communication and they Have changed some of the requirements in the SOW and we are working on getting a DWRSF Construction Application completed as one of the items they have requested to be incorporated. This grant if successfully received would cover engineering environmental studies for CEQA / NEPA and permitting for the Combined elks pipeline replacement from Lower Elk to our 1.2 MG water tank. This would set us up with another project that is shovel ready and ready for us to apply for a construction grant.



## **MCSO BOARD OF DIRECTORS**

**Date: June 12, 2023**

### **AGENDA SUPPORTING DOCUMENT**

#### **Agenda Item No. 6 B**

#### **Finance Officer's Report**

I have been very busy and am constantly learning new things about this job. We recently had Smith & Newell Auditors come to our office for a few days, and it was quite the event. We were digging up all kinds of invoices and other documents from 2021-22 and had the guys doing inventory at the same time. It was very hectic, but we finished up and they finally left, as we breathed sighs of relief!

We also received the Actuarial Valuations for GASB 75 2022 and 2023, and once the board approves them, they can be finalized. So far, our investment gains from participating in the California Employer's Retiree Benefit Trust (CERBT) Program as of May are \$17,495, and we are eighty percent (80%) funded for our unfunded liability on the health insurance side. When we started this program in 2019, our unfunded liability was \$2,668,841 and now it is down to \$1,621,391. Considering we have only contributed \$430,270 and we've knocked down our unfunded liability by \$1,047,450, this program is definitely a win-win. Now we can hopefully start knocking down our unfunded liabilities on the retirement side as well. This is why I am bringing the papers to start participating in the California Employer's Pension Prefunding Trust (CEPPT) program to the Board so we can start working on paying down that debt as well.

I am also making progress on the 2023-24 Budget and received some good ideas and assistance from everyone during the last couple of Finance & Audit meetings. I am doing the format a bit differently than Mike did, so it is progressing, but changing a lot along the way. I am working on finishing up the tax roll documents from the county and that will help me with a few of the budget numbers I need to have. Hopefully, I will be able to finish it up soon!

# McCloud Fire Department Monthly Fire Chiefs Report



## May 2023

INCIDENT TYPE	# INCIDENTS
300 - Rescue, EMS incident, other	2
321 - EMS call, excluding vehicle accident with injury	3
322 - Motor vehicle accident with injuries	1
324 - Motor vehicle accident with no injuries.	2
554 - Assist invalid	2
661 - EMS call, party transported by non-fire agency	10
<b>Total Incidents</b>	<b>20</b>

### Fires

Total Fires: 0      Structure: 0      Vegetation: 0      Vehicle: 0      Nuisance: 0  
    In town: 0      Mutual Aid: 0      Z.I.B. Area: 0

**Fire Notes:** None.

### EMS Calls

Total Medical Aid Calls: 18 (includes traffic collisions)      BLS:1      ALS: 15  
 Transported by Medi 17: 4      Paramedic Intercept: 0      Transported by MSAS: 10      Non-Transport: 2  
 Traffic Collisions: 3      Non-Injury: 2  
    In town: 11      Mutual Aid: 0      Z.I.B. Area: 7

**EMS Call Notes:** No extraordinary calls this month.

### Miscellaneous Calls

HAZMAT: 0      Lift Assist: 2      Public Assist (other): 0      Gas Leak: 0  
 Rescue Calls: 0      Smoke Check: 0      Alarm Sounding: 0  
                                  In Town: 13      Mutual Aid/Auto Aid: 0      Z.I.B. Area: 7

**Miscellaneous call notes:** Several weather-related calls due to storms.

**Total ZIB Contract Calls this calendar year: 20**

**Total Calls for service this calendar year: 106**

# McCloud Fire Department Monthly Fire Chiefs Report



**May 2023**

## PERSONNEL

### FIRE CHIEF

**CHARLIE MILLER EMT-P**

### ASSISTANT CHIEF (FIRE) 1701

**TRENTON VOGUS EMT-1**

### ASSISTANT CHIEF (EMS) 1702

**KIRK THOMSEN EMT-P**

### FEMA RECRUITMENT/RETENTION COORDINATOR

**SEAN PROUTY EMT-P**

### DIVISION CHIEF (TRAINING)

**NATE GIRARD EMT-1**

### LIEUTENANT (FIRE) 1708

**NATE MASCIOLA EMR**

### CAPTAIN (EMS)

**STEPHEN RICHARDSON 1<sup>ST</sup> RESP.**

### LIEUTENANT (EMS) 1709

**DAN FAY EMT**

### FIREFIGHTERS

**Jettus Memmer (EMR)**

(Amb/Engine Operator)

**Parker Girard 1<sup>st</sup> Resp.**

Wildland FF

**James Lewis**

Amb/Engine Operator (Trainee)

**Alisa Glenn**

(Wildland FF)

**Joe Dewitt (EMR)**

Engine Operator

**KC Chandler**

(Wildland FF)

**Cindy Miller EMT-1**

Engine Driver Trainee

**Mike Worthington EMT-1**

Engine Operator

**Scott Oliver**

(Wildland FF & Driver Trainee)

### AUXILIARY/NON-FIREFIGHTERS, DRIVERS & SUPPORT STAFF

**Peter Tolosano**

(Battalion Chief)

**Jessie Gray**

(Wildland FF & Amb. Driver)

**Martin Glenn**

(Amb. Driver)

**Alex Bolado**

Administrative

**Donna Sager**

(Battalion Chief)

**Bob Masciola**

(Ambulance Driver)

**Merlin Huddleston**

Administrative

**Nicole Fetterhoff**

(Ambulance Driver)

**Ulianna Roseberry (EMT-1)**

(Amb. & Eng. Driver Trainee)

**Bruce French**

(Ambulance Driver)

**Carolyn Glenn**

Administrative

### SHIFT PROGRAM FIREFIGHTERS

**Mike Mullet (EMT-1)**

(Fire Captain)

**Justin Richardson**

(Fire Captain)

**Joel Lukenbill**

(Rope Rescue)

**Bill Lachenmeyer (EMT-1)**

(Wildland FF & Amb Driver)

**CJ Palmer**

(Dunsmuir FD)

# McCloud Fire Department Monthly Fire Chiefs Report



**May 2023**

## STATION

**STATION 17 (LEATHERMAN HALL):** Good Condition, nothing to report.

## APPARATUS

1700 (Dodge Ram): Good Condition, nothing to report.

1701 (White Tahoe): Good Condition, nothing to report.

1705 (Red Tahoe): Good Condition, nothing

Medic 17: Medic 17 was out of service for 3 weeks for repairs to the fuel system and other issues.

Engine 1711: Good Condition, nothing to report.

Engine 1712: Good Condition, nothing to report. Housed in Mt Shasta Forest Building.

Engine 1715: Good Condition, nothing to report. Stored in Mt Shasta Forest Building.

Engine 1717: Good Condition, nothing to report. Housed at Station 17 in McCloud.

Squad 1740: Good Condition, nothing to report.

Engine 1776: Not in service yet.

## Fire Department Drills

#1 Fire: (Thursday 6-10 pm) Date: 5/4/23 Topic: Pumping

#2 Fire: (Thursday 6-10 pm) Date: 5/11/23 Topic: Structure Fires

#3 Fire: (Thursday 6-10 pm) Date: 5/18/23 Topic: EMS Topic

#4 Fire: (Thursday 6-10 pm) Date: 5/25/23 Topic: Ladders

Training Notes: Several members attended the Siskiyou County Fire Chiefs Readiness exercises in Yreka in preparation for the upcoming fire season. outside trainings and classes were attended by department personnel.



# McCloud Fire Department Monthly Fire Chiefs Report

## May 2023

### Billing

#### EF Recovery (Fire/Rescue Responses only)

Billed This month: \$0 (FY 22/23): \$203.64 Received (FY 22/23): \$0

### Ambulance Billing

#### Fiscal Year 22/23 Wittman Enterprises Billing Report

	CHARGES	MCARE WRITE DOWNS	MCAL WRITE DOWNS	OTHER CONTRACTUAL WRITE DOWNS	NET CHARGES	PAYMENTS	REFUNDS	COLL ADJ	NET PAYMENTS	BAD DEBT WRITE OFFS	ADJUSTMENTS	NEW A/R BALANCE
JULY '22	\$ 49,776.70	\$ 20,291.68	\$ 10,287.43	\$ 2,479.64	\$ 16,717.95	\$ 12,815.05	\$ -	\$ -	\$ 12,815.05	\$ -	\$ -	\$ 79,201.05
AUGUST '22	\$ 18,065.05	\$ 7,131.25	\$ 10,610.58	\$ -	\$ 323.22	\$ 17,082.33	\$ -	\$ -	\$ 17,082.33	\$ -	\$ -	\$ 62,441.94
SEPTEMBER '22	\$ 36,989.65	\$ 6,695.02	\$ 10,732.03	\$ -	\$ 19,562.60	\$ 10,875.34	\$ -	\$ -	\$ 10,875.34	\$ -	\$ -	\$ 71,129.20
OCTOBER '22	\$ 2,422.45	\$ 1,083.91	\$ 2,126.92	\$ -	\$ (788.38)	\$ 6,805.53	\$ -	\$ -	\$ 6,805.53	\$ -	\$ -	\$ 63,535.29
NOVEMBER '22	\$ 36,905.30	\$ 15,231.79	\$ 2,317.11	\$ (506.10)	\$ 19,862.50	\$ 4,796.60	\$ -	\$ -	\$ 4,796.60	\$ -	\$ -	\$ 78,601.19
DECEMBER '22	\$ 12,838.35	\$ 10,586.17	\$ 5,624.92	\$ -	\$ (3,372.74)	\$ 7,844.55	\$ 1,661.83	\$ -	\$ 6,182.72	\$ -	\$ -	\$ 69,045.73
JANUARY '23	\$ 12,132.25	\$ 7,941.88	\$ 1,772.41	\$ -	\$ 2,417.96	\$ 4,423.45	\$ -	\$ -	\$ 4,423.45	\$ -	\$ -	\$ 67,040.24
FEBRUARY '23	\$ 11,592.65	\$ 3,015.20	\$ 170.25	\$ -	\$ 8,407.20	\$ 5,699.75	\$ -	\$ -	\$ 5,699.75	\$ -	\$ -	\$ 69,747.69
MARCH '23	\$ 22,991.80	\$ 8,990.66	\$ (6.92)	\$ -	\$ 14,008.06	\$ 12,463.18	\$ 546.65	\$ -	\$ 11,916.53	\$ -	\$ (91.57)	\$ 71,747.65
APRIL '23	\$ 20,283.57	\$ 10,082.65	\$ 1,550.53	\$ -	\$ 8,650.39	\$ 7,130.50	\$ 154.15	\$ -	\$ 6,976.35	\$ -	\$ -	\$ 73,421.69
MAY '23												
JUNE '23												
YEAR TO DATE TOTALS	\$ 223,997.77	\$ 91,050.21	\$ 45,185.26	\$ 1,973.54	\$ 85,788.76	\$ 89,936.28	\$ 2,362.63	\$ -	\$ 87,573.65	\$ -	\$ (91.57)	

(Fiscal year 22/23) Avg. Net Payments/Revenue: \$8,757.36

Projected FY: \$105,088.38

(Fiscal year 22/23) Avg. Net Charges: \$8,578.88

Projected FY: \$102,946.51

Outstanding Whitman Accounts Receivable as of 2/15/23: \$73,421.69

#### Fiscal Year 21/22 Wittman Enterprises Billing Report for comparison

	CHARGES	MCARE WRITE DOWNS	MCAL WRITE DOWNS	OTHER CONTRACTUAL WRITE DOWNS	NET CHARGES	PAYMENTS	REFUNDS	COLL ADJ	NET PAYMENTS	BAD DEBT WRITE OFFS	ADJUSTMENTS	NEW A/R BALANCE
JULY '21	\$ 23,780.75	\$ 9,805.84	\$ 76.07	\$ -	\$ 13,898.84	\$ 8,110.94	\$ -	\$ -	\$ 8,110.94	\$ -	\$ -	\$ 65,493.75
AUGUST '21	\$ 35,496.35	\$ 21,863.66	\$ 10,031.91	\$ -	\$ 3,600.78	\$ 13,484.85	\$ -	\$ -	\$ 13,484.85	\$ -	\$ 6.15	\$ 53,615.83
SEPTEMBER '21	\$ 28,923.66	\$ 12,423.89	\$ 2,161.33	\$ -	\$ 14,338.44	\$ 10,063.53	\$ -	\$ -	\$ 10,063.53	\$ -	\$ -	\$ 57,890.74
OCTOBER '21	\$ 21,265.55	\$ 14,457.06	\$ 7,221.40	\$ -	\$ (412.91)	\$ 8,448.29	\$ 466.45	\$ -	\$ 7,981.84	\$ -	\$ (324.81)	\$ 49,171.18
NOVEMBER '21	\$ 11,298.60	\$ 580.07	\$ 7,704.39	\$ -	\$ 3,014.14	\$ 9,616.79	\$ -	\$ -	\$ 9,616.79	\$ -	\$ -	\$ 42,568.53
DECEMBER '21	\$ 28,188.50	\$ 13,386.44	\$ 3,303.09	\$ -	\$ 11,498.97	\$ 2,100.87	\$ -	\$ -	\$ 2,100.87	\$ -	\$ -	\$ 51,966.65
JANUARY '22	\$ 20,828.00	\$ 7,626.35	\$ 3,960.48	\$ -	\$ 9,241.17	\$ 5,312.80	\$ -	\$ -	\$ 5,312.80	\$ -	\$ -	\$ 55,895.00
FEBRUARY '22	\$ 18,372.05	\$ 11,465.43	\$ 141.51	\$ -	\$ 7,265.11	\$ 4,542.87	\$ -	\$ -	\$ 4,542.87	\$ -	\$ (125.00)	\$ 58,492.24
MARCH '22	\$ 19,237.20	\$ (476.24)	\$ 9,797.72	\$ -	\$ 9,915.72	\$ 10,027.15	\$ -	\$ -	\$ 10,027.15	\$ -	\$ -	\$ 58,380.81
APRIL '22	\$ 29,117.65	\$ 11,690.26	\$ 6,864.54	\$ -	\$ 10,622.85	\$ 1,888.71	\$ -	\$ -	\$ 1,888.71	\$ -	\$ -	\$ 67,114.95
MAY '22	\$ 34,138.50	\$ 14,496.89	\$ 9,756.65	\$ -	\$ 9,944.96	\$ 9,202.78	\$ -	\$ -	\$ 9,202.78	\$ -	\$ -	\$ 67,857.13
JUNE '22	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
YEAR TO DATE TOTALS	\$ 271,146.81	\$ 117,199.65	\$ 61,019.09	\$ -	\$ 92,928.07	\$ 82,799.58	\$ 466.45	\$ -	\$ 82,333.13	\$ -	\$ (443.66)	

(Fiscal year 21 / 22) Avg. Net Payments/Revenue: \$6,861.09

21/22 FY: \$82,333.13

(Fiscal year 21 / 22) Avg. Net Charges: \$7,744.00

21/22 FY: \$92,928.07

**Billing Notes:** We received checks from the Ground Emergency Medical Transport (GEMT) Program that we will be receiving checks exceeding \$11,000.00. The GEMT program is designed to pay the difference between billed amounts and what Medicare/Medi-Cal will normally pay for ambulance transport. (a small portion of write-downs from the charts above). We will be using these monies to continue with the program which is forecasted to bring in approximately \$30,000.00 in additional revenue with the new PPGEMT program that begins in July.

# McCloud Fire Department Monthly Fire Chiefs Report



May 2023

## General department messages:

- Department staff morale is high. Training nights and calls are well attended.
- Chief Miller was on vacation for the first part of the month. Medic 17 was overdue for service on several issues that it has been experiencing so it was taken out of service and repaired at the Chevrolet Dealer in Redding. Repairs took three weeks to complete due to part issues.
- We are preparing for an Animal Technical Rescue Class the first weekend of June. This class will be at very little cost to the department as we have been granted tuition (\$750.00 per student) from the Halter Project. They are a non-profit non-governmental agency (NGO). They have also promised us a donation of approximately \$5,000.00 in equipment to deal with animal rescue in South Siskiyou County. Dan Fay and Chief Miller have extensive experience in this area, and after the class 11 more personnel will have the knowledge, skills, and abilities to stay safe in these high-risk low frequency events should we be called out for one.
- Firefighters assisted the MCFA in a donation drive over the Memorial Day Holiday weekend. \$3,4000.00 was raised.
- Preparation for Wildfire season are complete, and we are hopping for a break this season.
-

**MCS D BOARD OF DIRECTORS**

**Public Works Superintendent Report**

**Date 6-12-2023**

**AGENDA SUPPORTING DOCUMENT**

**Agenda Item No. 6 D**

**Spring house inspections**– We got the road cleared to Intake. Clean and inspected the spring housing. Walked and inspected the pipeline to check for leaks or trees. That may be across pipeline. We did the same to Upper and Lower Elk.

**Spring flows are rising**- The spring flows are slowly rising, but they are still down. On Friday the 9<sup>th</sup>, Upper was at 1174 gpm. Elks was at 791 gpm.

**Water leaks**- Crew is very busy doing water leak repairs everyday. We are trying to get ahead of them.

**Water use awareness**- I do a drive through town everyday checking that folks have their water turned off their waters after 10 and that they are watering on the correct day. If they are not in compliance I leave them with the flier that explains outside water use.

\* ... Over spent expenditure

Claim/	Check	Invoice #/Inv Date/Description	Vendor #/Name/	Document \$/	Disc \$	FO #	Fund Org Acct	Object	Proj	Cash
				Line \$						Account
11610		1 ACE HARDWARE		90.25						
		Shovels and Needle Valves for public works								
	579444	06/07/23 Shovels & Needle Valves		22.56		0225	1050 403000	400		101000
	579444	06/07/23 Shovels & Needle Valves		22.56		0225	1090 403000	400		101000
	579444	06/07/23 Shovels & Needle Valves		22.56		0225	2000 403000	400		101000
	579444	06/07/23 Shovels & Needle Valves		22.57*		0225	3000 403000	400		101000
		<b>Total for Vendor:</b>		<b>90.25</b>						
		*** Claim from another period ( 5/23) ****								
11582		1204 Actuarial Retirement Consulting		3,000.00						
		Actuarial Services: GASB 75 Valuation Report for 21-22 Audit, Disclosure Report for 22-23 Audit								
	1497	05/19/23 GASB 75 Valutn Rpt 21-22 Audit		2,500.00		0252	1010 402000	391		101000
	1497	05/19/23 GASB 75 Dscslr Rpt 22-23 Audit		500.00		0252	1010 402000	391		101000
		<b>Total for Vendor:</b>		<b>3,000.00</b>						
		*** Claim from another period ( 5/23) ****								
11607		1174 BARTKIEWICZ, KRONICK & SHANAHAN		351.25						
		Legal Services								
	May2023	06/05/23 Legal Services		111.25			1010 402000	390		101000
	May2023	06/05/23 Legal Services		240.00			3000 402000	390		101000
		<b>Total for Vendor:</b>		<b>351.25</b>						
		*** Claim from another period ( 5/23) ****								
11605		10 BAXTER AUTO PARTS		192.50						
		Parts for Repair Backhoe								
	1567420080	05/23/23 Backhoe Repair Parts 1/4th		48.13*		3523	1050 403000	520		101000
	1567420080	05/23/23 Backhoe Repair Parts 1/4th		48.13		3523	1090 403000	520		101000
	1567420080	05/23/23 Backhoe Repair Parts 1/4th		48.13		3523	2000 403000	520		101000
	1567420080	05/23/23 Backhoe Repair Parts 1/4th		48.11		3523	3000 403000	520		101000
		<b>Total for Vendor:</b>		<b>192.50</b>						
		*** Claim from another period ( 5/23) ****								
11596		11 BLACK BUTTE TRANSFER STATION		4,776.00						
		Dump Fees								
	May2023	06/05/23 Dump Fees		4,776.00			1090 405000	710		101000
		<b>Total for Vendor:</b>		<b>4,776.00</b>						



\* ... Over spent expenditure

Claim/	Check	Invoice #/Inv Date/Description	Vendor #/Name/	Document \$/ Line \$	Disc \$	PO #	Fund	Org	Acct	Object	Proj	Cash Account
11606		12 BLACK MOUNTAIN SOFTWARE		780.00								
		Black Mountain Software Bill for Asset Manager we used for audit.										
		29031 04/28/23 Asset Manager Conversion charg		780.00*			1010		402000	396		101000
		<b>Total for Vendor:</b>		<b>780.00</b>								
		*** Claim from another period ( 5/23) ****		200.00								
11595		1145 CARLOS CALVILLO										
		BootBarn Reimb for Clothing Allowance		50.00*		0160	1050		402000	360		101000
		BootBarn 05/29/23 BootBarn Reimb(Clthng Allwn		50.00		0160	1090		402000	360		101000
		BootBarn 05/29/23 BootBarn Reimb(Clthng Allwnc		50.00		0160	2000		402000	360		101000
		BootBarn 05/29/23 BootBarn Reimb(Clthng Allwnc		50.00		0160	3000		402000	360		101000
		BootBarn 05/29/23 BootBarn Reimb(Clthng Allwnc		50.00								
		<b>Total for Vendor:</b>		<b>200.00</b>								
		*** Claim from another period ( 5/23) ****		435.25								
11608		42 DON R ERICKSON OIL										
		114 Gal Dyed Diesel @ \$3.69		108.82*			1050		403000	420		101000
		190574 05/25/23 Dyed Diesel 114 @ \$3.69 1/4		108.81			1090		403000	420		101000
		190574 05/25/23 Dyed Diesel 114 @ \$3.69 1/4		108.81*			2000		403000	420		101000
		190574 05/25/23 Dyed Diesel 114 @ \$3.69 1/4		108.81			3000		403000	420		101000
		<b>Total for Vendor:</b>		<b>435.25</b>								
11589		416 MT SHASTA IT SERVICES		800.00								
		June 2023 IT Services					1010		402000	396		101000
		INV-0237 06/01/23 Jun 2023 IT Services		800.00*								
		<b>Total for Vendor:</b>		<b>800.00</b>								
		*** Claim from another period ( 5/23) ****		150.00								
11588		1219 Pace Analytical Services LLC										
		2 Coliform & E, Coli tests-Drinking Water Monitoring		150.00			3000		402000	392		101000
		230467928 05/26/23 2 Coliform		150.00								
		<b>Total for Vendor:</b>		<b>150.00</b>								
		*** Claim from another period ( 5/23) ****		1,168.73								
11601		399 POWERPLAN - OIB										
		Steering Repairs on JD410G		292.18*		0163	1050		403000	520		101000
		2943116 05/31/23 JD 410G Steering Repair 1/4th		292.18		0163	1090		403000	520		101000
		2943116 05/31/23 JD 410G Steering Repair 1/4th		292.18		0163	2000		403000	520		101000



\* ... Over spent expenditure

Claim/	Check	Invoice #/Inv Date/Description	Vendor #/Name/	Document \$/	Disc \$	PO #	Fund Org Acct	Object	Proj	Cash
				Line \$						Account
11591		1280 TODD WEAVER, DDS		217.00	****					
Employee Dental Expense										
acc 3172 05/24/23		Employee Dental Expense		217.00		0161	1010 401300	270		101000
		<b>Total for Vendor:</b>		<b>217.00</b>						
		*** Claim from another period ( 5/23) ****								
11598		345 US BANK EQUIPMENT FINANCE		499.05	****					
Office Copy Machine Monthly lease										
501967608 05/21/23		Richoh Copier 5/14/23-6/14/		410.13*						
501967608 05/21/23		Sales&Use Tax 6/14/23		29.74*						
501967608 05/21/23		4/14/23-5/14/23 Overage		55.18*						
501967608 05/21/23		Sales&Use Tax 5/14/23		4.00*						
		<b>Total for Vendor:</b>		<b>499.05</b>						
		*** Claim from another period ( 5/23) ****								
11600		1240 VALLEY PACIFIC PETROLEUM		1,326.47	****					
Fuel 5/16-5/31/23										
CL23632864 05/31/23		Fire Eng 1717 5/18/23 41,7		65.30						
CL23632864 05/31/23		Fire Eng 1717 5/20/23		105.21						
CL23632864 05/31/23		Fire WtTahoe 5/19/23 149,6		54.05						
CL23632864 05/31/23		Fire WtTahoe 5/26/23 149,8		80.31						
CL23632864 05/31/23		SltvFord 5/19/23 88,021mi		24.89						
CL23632864 05/31/23		SltvFord 5/19/23 88,021mi		24.89*						
CL23632864 05/31/23		SltvFord 5/19/23 88,021mi		24.88						
CL23632864 05/31/23		SltvFord 5/19/23 88,021mi		24.88						
CL23632864 05/31/23		FltBed 5/19/23 6,375mi 1/4		35.79*						
CL23632864 05/31/23		FltBed 5/19/23 6,375mi 1/4		35.79						
CL23632864 05/31/23		FltBed 5/19/23 6,375mi 1/4		35.79*						
CL23632864 05/31/23		FltBed 5/19/23 6,375mi 1/4		35.77						
CL23632864 05/31/23		ForcF350 5/25/23 71,686 1/		38.06						
CL23632864 05/31/23		ForcF350 5/25/23 71,686 1/		38.06*						
CL23632864 05/31/23		ForcF350 5/25/23 71,686 1/		38.06*						
CL23632864 05/31/23		ForcF350 5/25/23 71,686 1/		38.05						
CL23632864 05/31/23		ParcTrk 5/25/23 148,210mi		90.88						
CL23632864 05/31/23		Generator Gas 1/4th		3.54						
CL23632864 05/31/23		Generator Gas 1/4th		3.54*						
CL23632864 05/31/23		Generator Gas 1/4th		3.54*						
CL23632864 05/31/23		Generator Gas 1/4th		3.55						

\* ... Over spent expenditure

Claim/	Check	Invoice	Vendor #/Name/ #/Inv Date/Description	Document \$/ Line \$	Disc \$	PO #	Fund	Org	Acct	Object	Proj	Cash Account
	CL23632864	05/31/23	Rear Loader 5/23/23 22,086	166.11			1090		403000	420		101000
	CL23632864	05/31/23	Side Loader 5/30/23 27,652	172.64			1090		403000	420		101000
	CL23632864	05/31/23	Medic 17 5/28/23 34,752mi	106.79			1040		403000	420	20	101000
	CL23632864	05/31/23	Fire-Squad 1740 5/27/23 10	76.09			1040		403000	420		101000
			<b>Total for Vendor:</b>	<b>1,326.47</b>								
			*** Claim from another period ( 4/23) ****									
			170 WITTMAN ENTERPRISES, LLC	558.11								
11592	2023 Ambulance Billing Services			558.11			1040		402000	394		20 101000
April	2304028 06/06/23 Apr 2023 Ambulance Bill			558.11								
			<b>Total for Vendor:</b>	<b>558.11</b>								
			<b># of Claims</b>	<b>21</b>								
			<b># of Vendors</b>	<b>20</b>								
			<b>Total:</b>	<b>21,090.24</b>								

Fund/Account	Amount
1010 GENERAL	
101000 Operating Cash	\$10,564.27
1040 FIRE	
101000 Operating Cash	\$1,738.41
1050 ALLEYS	
101000 Operating Cash	\$623.97
1070 PARKS	
101000 Operating Cash	\$370.88
1080 LIBRARY	
101000 Operating Cash	\$92.00
1090 REFUSE	
101000 Operating Cash	\$5,738.71
2000 SEWER	
101000 Operating Cash	\$623.96
3000 WATER	
101000 Operating Cash	\$1,338.04
<b>Total:</b>	<b>\$21,090.24</b>

The foregoing claims are approved for payment in the manner provided by Resolution #3, dated November 8, 1965."

Prepared by: Keith Anderson  
Reviewed by: \_\_\_\_\_

Claims Total: \$21,090.24  
Signature #2

Signature #4

Signature #3

Signature #5



## McCloud Community Services District

220 West Minnesota Avenue P.O. Box 640

McCloud, California 96057

Phone (530) 964-2017 Fax (530) 964-3175 e-mail [mcsd@ci.mccloudcsd.ca.us](mailto:mcsd@ci.mccloudcsd.ca.us)

### Ordinance No. 30

Adopted by the MCS D on March 13th, 2023

#### Adopting an Emergency Drought Water Program

**WHEREAS**, conservation of current water supplies and minimization of the effects of water supply shortages that are the result of an emergency drought or necessity in order to prevent water contamination are essential to **the public health, safety and welfare**; and

**WHEREAS**, regulation of the time of certain water use, manner of certain water use, design of rates, method of application of water for certain uses, installation and use of water-saving devices, provide an effective and immediately available means of conserving water; and

**WHEREAS**, California Water Code sections 375 et seq. authorize water suppliers to adopt and enforce an emergency drought water program; and

**WHEREAS**, adoption and enforcement of an Emergency Drought water program will allow the McCloud Community Services District (**MCS D**) to delay or avoid implementing measures such as water rationing or more restrictive water use regulations pursuant to a declared water shortage emergency as authorized by California Water Code sections 350 et seq.; and

**WHEREAS**, pursuant to Water Code section 376 and Government Code 6061, the MCS D must publish in a newspaper of general circulation any ordinance or resolution adopting an Emergency Drought Water Program within 10 days after its adoption; and

**WHEREAS**, on July 16th, 2022, the MCS D declared the existence of a local water emergency; and

**WHEREAS**, on February 13th, 2023, the MCS D held a **Public Hearing** and made appropriate findings of necessity for the adoption of an Emergency Drought Water Program; and

**WHEREAS**, Water Code 377 establishes that, from the publication of an ordinance or resolution pursuant to Section 376 until the repeal of the ordinance or end of the emergency, it is a misdemeanor punishable by up to 30 days in county jail and/or a fine of up to \$1,000 for any person to violate a requirement of the Emergency Drought Water Program: and

**WHEREAS**, this ordinance will provide guidance for ~~the~~ MCS D to manage water supply and demand

within all areas supplied water by ~~the~~ MCSD in the event of a water supply disruption due to drought, earthquake, fires or other natural disasters or emergencies. It addresses progressive situations, such as those that are weather-related where conditions may change over time, and more immediate situations, such as facility emergencies like a pipeline break. ~~The~~ MCSD has primary responsibility for administering and implementing this ordinance; and

**WHEREAS**, the Emergency Drought Water Program measures and sets progressive restrictions on water use and method of use identified by this ordinance provide certainty to water users and enable MCSD to control water use, provide water supplies, and plan and implement water management measures in a fair and orderly manner for the benefit of the public.

**NOW, THEREFORE, BE IT ORDAINED** by ~~the~~ MCSD, as follows:

1. This ordinance is effective 30 days after its adoption or as otherwise established by State law; and
2. Pursuant to Water Code section 376 and Government Code 6061, ~~the~~ MCSD shall publish in a Newspaper of general circulation this ordinance adopting an Emergency Drought Water Program within ten (10) days after its adoption; and
3. This ordinance establishes water management requirements necessary to conserve water, enable effective water supply planning, assure reasonable and beneficial use of water, prevent waste of water, prevent unreasonable use of water, prevent unreasonable method of use of water within ~~the~~ MCSD in order to assure adequate supplies of water to meet the needs of the public, and further public health, safety, and welfare, recognizing that water is a scarce natural resource that requires careful management not only in times of drought, but at all times; and
4. This ~~O~~rdinance establishes four (4) levels of Emergency Drought response actions to be implemented in times of shortage, with increasing restrictions on water use in response to intensifying drought conditions and decreasing available supplies; and determine by demand and availability with respect to environmental integrity, and when to move to next level if previous level is not sufficient; and

~~5.—The Board of Directors will determine the level of the Emergency Drought response needed and will direct the General Manager to publish notifications on the MCSD website, bills, Facebook, and post notices in the community. Mandatory conservation measures would take effect within 10 days after declaration of the response level is published. In emergency situations, notice will be given by door-to-door delivery within three days after declaration of the response level is made, and~~

5. *The General Manager shall review and analyze all available water supply data and shall*



*recommend to the Board of Directors the level of Emergency Drought response. The issue may be addressed at a regular, special, or emergency special meeting. Upon review of the recommendation, the Board shall declare the existence of an Emergency Drought and adopt the appropriate response level measures by resolution. MCSD staff will be directed to publish notifications on the MCSD website, bills, Facebook, and post notices in the community. Mandatory conservation measures would take effect within ten (10) calendar days after the date of publication. In the event of an extreme emergency, additional notice will be given **by mail** within three (3) days after the declaration of the emergency.*

6. **During a Level One (1) Emergency Drought Response Condition**, MCSD will increase its ~~P~~public education and outreach efforts to emphasize increased public awareness of the need to implement the following water conservation practices:
- a.) Stop washing down paved surfaces, including but not limited to sidewalks, driveways, parking lots, tennis courts, or patios, except when it is necessary to alleviate safety or sanitation hazards.
  - b.) Wash vehicles using a bucket and a handheld hose with positive shut-off nozzle, mobile high pressure/low volume wash system, or at a commercial site that recirculates water on-site. Avoid washing in hot conditions when additional water is required due to evaporation.
  - c.) Irrigate residential and commercial landscape before 10 am or after 7 pm only. Outdoor irrigation shall be limited to three (3) days a week, with specific days to be designated by the General Manager or Board of Directors.
  - d.) Use recirculated water to operate ornamental fountains.
  - e.) Serve and refill water in restaurants and food service establishments only upon request.
  - f.) MCSD customers shall ~~R~~repair all water leaks within five (5) days of notification by the MCSD unless other arrangements are made with the General Manager *or Public Works Superintendent.*
  - g.) Use recycled or non-potable water for construction purposes ~~when available and public events.~~
  - h.) No landscape irrigation during or within 24 hours of rain.
  - i.) Draining and refilling of private swimming pools is prohibited unless necessary for public health and safety and approved by the General Manager *or Public Works Superintendent.*
  - j.) *Fire hydrants shall be used for fire suppression only.*

7. **During a Level two (2) Emergency Drought Response Condition**, all persons using MCSD water shall comply with level one (1) Emergency Drought Response water conservation practices during a level two (2) Emergency Drought Alert, and shall also comply with the following additional mandatory conservation measures:

- a.) ~~The General Manager~~ MCSD shall continue all public information actions specified for Stage one (1) but shall request that customers immediately reduce their usage.
- b.) Irrigate residential and commercial landscape before 10 am or after 7 pm only. Outdoor irrigation shall be limited to two f (2) days a week, with specific days to be designated by the Board of Directors.

8. **During a Level Three (3) Emergency Drought Response: "Drought Critical Condition,"**

All persons using MCSD water shall comply with level one (1) and level two (2) Emergency Drought Response water conservation practices during a Level three f (3) Emergency Drought Alert, and shall also comply with the following additional mandatory conservation measures:

- a.) ~~The General Manager~~ MCSD shall continue all public information actions specified for Stage one (1) and two (2) but shall request that customers immediately reduce their usage.
- b.) Irrigate residential and commercial landscape before 10 am or after 7 pm only. Outdoor irrigation shall be limited to one (1) day a week, with specific days to be designated by the General Manager or Board of Directors.
- c.) The use of fountains or other decorative water features is prohibited unless necessary as habitat for aquatic pets, in which case recirculating water shall be permitted.

9. **During a Level Four (4) Emergency Drought Response "Drought Emergency"**

All persons using MCSD water shall comply with Levels one (1) through three (3) Emergency Drought Response water conservation practices during a Level Four (4) Emergency Drought Alert, and shall also comply with the following additional mandatory conservation measures:

- a.) ~~The General Manager~~ MCSD shall continue all public information actions specified for Stages one (1), two (2) and three (3), but shall request that customers immediately reduce their usage.
- b.) All residential, commercial, and industrial outdoor irrigation is prohibited.

~~10. Determination and Declaration of Emergency Drought Stages/Levels~~

~~The General Manager shall review and analyze all available water supply data and shall regularly report findings to the Board of Directors during Emergency Drought stages one (1) through four (4.) The Board of Directors shall declare the existence of an Emergency Drought Stages 1 through 4 conditions by Resolution adopted at a regular, special, or emergency public meeting.~~

**10. Fines and Penalties**

1.) *Violations.* Pursuant to Section 377 of the Water Code, violation of this ordinance may be prosecuted as a misdemeanor, punishable by imprisonment in the County jail for no more than thirty (30) days or by fine not exceeding \$1,000, or by both. In addition to the Water Code penalties, violations of this ordinance may result in the imposition of fines and restriction by the General Manager or designee as set forth below:

- a.) First Violation, Notice of Violation and Warning of Penalties, a written warning accompanied by a copy of this ordinance, delivered by certified U.S. Mail and hand delivered or posted on customer's door.
- b.) Second Violation (within one year of the date of the last violation) A fine of \$100.00.
- c.) Third Violation (within one year of the date of the last violation) A fine of \$500.00.
- d.) Fourth and subsequent Violations (within one year of the date of the last violation) A fine of \$1,000.00.

Before imposing the fines authorized by this section, the General Manager or designee shall provide notice and an opportunity for a hearing. The General manager shall initiate the process to impose a fine by sending a written complaint to the customer at least *Thirty (30)* days before the hearing of the complaint. The complaint shall state the basis for the proposed fine.

2.) *Fines, additional charges.* Any fine ~~hereunder~~ *herein* shall be in addition to the basic water rates and other charges for the account and shall appear on and be payable with the billing statement for the period during which the violation occurred; nonpayment shall be subject to the same remedies available for non-payment of basic water rates.

**11. Effective Dates and Publication**

This ordinance was adopted pursuant to Section 375 of the Water Code. This ordinance shall take effect immediately pursuant to the provisions of Section 376 (a) of the Water Code. Pursuant to Water Code Section 376 and Government Code 6061, the Secretary of the Board shall publish in a newspaper of general circulation this ordinance, or summary thereof, adopting a water conservation program within 10 days after its adoption.

Passed and adopted this ~~13<sup>th</sup> day of March, 2023~~ by the following vote:

AYES:

NOES:

**ABSTAIN:**

ABSENT:

---

~~Mick~~ *Michael* Hanson, Board President

**SIGNED AND CERTIFIED THAT A COPY  
OF THIS DOCUMENT HAS BEEN DELIVERED  
TO THE BOARD OF DIRECTORS.**

---

Sarah Roberts, ~~District~~ *Secretary of the Board*

**MCSD BOARD OF DIRECTORS- Finance & Audit Committee**  
**June 5, 2023**

**AGENDA SUPPORTING DOCUMENT**

**Agenda Item No. 1**

**Adopting a Resolution to enable the District to participate in the CEPPT**

**Background:**

The District affords its employees and retirees with pension and health insurance benefits and the District contracts with CalPERS for both its pension and health plans, including retiree health (OPEB). These commitments have current and long-term costs, and while the District has made significant proactive strides towards funding the pension and retiree healthcare costs, the related unfunded liabilities remain the largest debts of the District.

An appropriate goal for our Reserve Policy would be to achieve a 90% funded status for both pension and retiree health while also maintaining strong District Operating and Capital Reserves to meet our on-going commitments to the community and our customers.

One tool that the District has utilized in an effort to fund its retiree health commitment is the California Employer's Retirement Benefit Trust (CERBT). The CERBT is an investment fund that allows the District to use higher yielding investment strategies than LAIF to reduce the payment burden on future annual operating budgets. As of May 19, 2023, the District has made \$430,270 in investments/contributions since we established our CERBT account. We have investment gains of \$17,494.73 and the current balance is \$446,718.56. The annualized Rate of Return after CalPERS fees is 4.2 % to 5.9%.

In 2019, CalPERS established the California Employer's Pension Prefunding Trust (CEPPT). The CEPPT is an IRS Section 115 Trust where contributions/investments and investment returns can be made to address current and future pension costs. Just like CERBT, the CEPPT represents a tool that the District may utilize in order to help reduce the cost required of general fund revenues. The Resolution, if adopted, enables the District to participate in the CEPPT, but does not, in and of itself, obligate the District to fund the CEPPT and all funding or refunding of the CEPPT is discretionary (i.e., it is authorizing the District to open the account, not to fund the account).

Jennifer Brunello

**From:** Lookingbill, Karen <Karen.Lookingbill@calpers.ca.gov>  
**Sent:** Monday, May 22, 2023 2:44 PM  
**To:** Sarah Roberts; Jennifer Brunello  
**Subject:** CalPERS CEPPT Pension Prefunding Contracting Information for the McCloud Community Services District  
**Attachments:** Truckee Sanitary District - Staff Report 05212020.pdf; June 9, 2021 staff Recommendation - Beaumont-Cherry Valley Recreation and Park District.pdf

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Hi again Jennifer and Mike,

In the event a recommendation is made by the CSD to setup a CEPPT account before June 2023, it's a very easy and simple process. The common step is for an agenda action item to request approval to join the CEPPT; once that vote has passed a second action item seeks approval of the authority to request disbursements. Some employers combine these into a single action item. These documents do not have to be signed during the meeting.

I'm also sharing a few sample staff reports so you can review how other agencies made their recommendation. Linked below are the three (3) documents and process needed to establish your CEPPT Participation Agreement (i.e. "Contract").

1. **CEPPT Participation Agreement (i.e. "Contract")** *(Approved in a public meeting of your Governing Body and then signed by the presiding officer)* - . We ask for two (2) wet-signed original physical versions of the Agreement. This form can be used without a resolution and will act as the resolution. You can attach a copy of a resolution to this form as well. This is the ONLY document we need to receive a wet-signed original physical version of via traditional mail.
2. **CEPPT Delegation of Authority to Request Disbursements** *(Approved in a public meeting of your Governing Body and then signed by the presiding officer)* - We recommend that at least 2 positions (3 is preferred) be used with this form because disbursements of more than \$10K require 2 signatures. It is the position titles that are being delegated the authority and NOT the individuals holding those positions.
3. **CEPPT Certification of Funding Policy** – This document is typically completed by agency staff and does not require Governing Body approval. It helps to inform CEPPT staff of your asset allocation strategy selection and outlines your prefunding plans. Please remember that contributions are never required so this does not create an obligation to send money to the CEPPT.

Please scan and email these documents to [CEPPT4U@calpers.ca.gov](mailto:CEPPT4U@calpers.ca.gov) and [Karen.Lookingbill@calpers.ca.gov](mailto:Karen.Lookingbill@calpers.ca.gov) then mail the wet-signed original *CEPPT Participation Agreement* to the address below.

**If sending via FedEx please use the following address:**

CalPERS  
 Financial Office  
 CEPPT  
 Attn: Karen Lookingbill  
 400 Q Street  
 Sacramento, CA 95811

**If sending via USPS please use the following address:**

CalPERS  
 Financial Office  
 CEPPT  
 Attn: Karen Lookingbill  
 P.O. Box 1494  
 Sacramento, CA 95812-1494

Once your CEPPT contract is approved, a welcome letter is sent to you via email. The letter will contain your CEPPT account number and information about accessing your online record keeping system account and guidelines in making contributions should you wish to do so. Please contact me directly if you have any questions.

Regards,

~Karen

Karen Lookingbill  
Customer Outreach and Support Manager  
CalPERS Prefunding Programs ([CEPPT](#) and [CERBT](#))  
(916) 795-1387 Desk  
(916) 501-2219 Cell  
[Karen.Lookingbill@calpers.ca.gov](mailto:Karen.Lookingbill@calpers.ca.gov)

From: Lookingbill, Karen <Karen.Lookingbill@calpers.ca.gov>  
 Sent: Monday, May 22, 2023 2:41 PM  
 To: Sarah Roberts; Jennifer Brunello  
 Subject: McCloud Community Services District - CERBT Assets as of May 19, 2023

Hi Jennifer and Mike,

Great to catch up with you today. Here are the CSD's CERBT Account Summary as of May 19, 2023.

Strategy 2	
Contributions	\$430,270.00
Investment Gains	\$17,494.73
CERBT Fees	(\$1,046.17)
Ending Balance	\$446,718.56

Below are the 2022 Capital Market Projections I was referring to earlier. For Strategy 2, the 1-20 years is 5.5% but near term 1-5 years, the projection is 4.2%

CalPERS Prefunding Programs

## 2022 CERBT Projected Returns & Volatility

<u>2022 Capital Market Assumptions</u>	CERBT Strategy 1	CERBT Strategy 2	CERBT Strategy 3
Projected Compound Return 1-5 Years <sup>1</sup> (General Inflation Rate Assumption of 2.4%)	5.1%	4.2%	3.5%
Projected Compound Return 1-20 Years <sup>1</sup> (General Inflation Rate Assumption of 2.3%)	6.0%	5.5%	5.0%
Projected Compound Return 6-20 Years <sup>1</sup> (General Inflation Rate Assumption of 2.3%)	6.3%	5.9%	5.5%
Projected Volatility (20-Year Standard Deviation of Projected Returns)	12.1%	9.9%	8.4%

<sup>1</sup> Projected Compound Return for each CERBT Strategy is time-weighted and net of all fees.





## CERBT Portfolio Details

Asset Classification	Benchmark	CERBT Strategy 1		CERBT Strategy 2		CERBT Strategy 3	
		2018	2022	2018	2022	2018	2022
Capital Market Assumptions as of							
Global Equity	MSCI All Country World Index IMI (Net)	59% ±5%	49% ±5%	40% ±5%	34% ±5%	22% ±5%	23% ±5%
Fixed Income	Bloomberg Long Liability Index	25% ±5%	23% ±5%	43% ±5%	41% ±5%	49% ±5%	51% ±5%
Global Real Estate (REITs)	FTSE EPRA/NAREIT Developed Index (Net)	8% ±5%	20% ±5%	8% ±5%	17% ±5%	8% ±5%	14% ±5%
Treasury Inflation Protected Securities (TIPS)	Bloomberg US TIPS Index, Series L	5% ±3%	5% ±3%	5% ±3%	5% ±3%	16% ±3%	9% ±3%
Commodities	S&P GSCI Total Return Index	3% ±3%	3% ±3%	4% ±3%	3% ±3%	5% ±3%	3% ±3%
Cash	91-Day Treasury Bill	0% +2%	0% +2%	0% +2%	0% +2%	0% +2%	0% +2%
Expected Return	N/A	7.59%	6.0%	7.01%	5.5%	6.22%	5.0%
Standard Deviation	N/A	11.83%	12.1%	9.24%	9.9%	7.28%	8.4%



Thanks,  
~Karen

Karen Lookingbill  
Customer Outreach and Support Manager  
CalPERS Prefunding Programs ([CEPPT](#) and [CERBT](#))  
(916) 795-1387 Desk  
(916) 501-2219 Cell  
[Karen.Lookingbill@calpers.ca.gov](mailto:Karen.Lookingbill@calpers.ca.gov)

## Additional Discretionary Employer Contributions

The minimum required employer contribution towards the Unfunded Accrued Liability (UAL) for this rate plan for the 2023-24 FY is \$46,619. CalPERS allows agencies to make additional discretionary payments (ADPs) at anytime and in any amount. These optional payments serve to reduce the UAL and future required contributions and can result in significant long-term savings. Agencies can also use ADPs to stabilize annual contributions as a fixed dollar amount, percent of payroll or percent of revenue.

Provided below are select ADP options for consideration. Making such an ADP during FY 2023-24 does not require an ADP be made in any future year, nor does it change the remaining amortization period of any portion of unfunded liability. For information on permanent changes to amortization periods, see the "Amortization Schedule and Alternatives" section of the report.

Agencies considering making an ADP should contact CalPERS for additional information.

### Minimum Required Employer Contribution for Fiscal Year 2023-24

Estimated Normal Cost	Minimum UAL Payment	ADP	Total UAL Contribution	Estimated Total Contribution
\$5,908	\$46,619	\$0	\$46,619	\$52,527

### Alternative Fiscal Year 2023-24 Employer Contributions for Greater UAL Reduction

Funding Target	Estimated Normal Cost	Minimum UAL Payment	ADP <sup>1</sup>	Total UAL Contribution	Estimated Total Contribution
15 years	\$5,908	\$46,619	\$6,161	\$52,780	\$58,688
10 years	\$5,908	\$46,619	\$22,057	\$68,676	\$74,584
5 years	\$5,908	\$46,619	\$71,483	\$118,102	\$124,010

<sup>1</sup> The ADP amounts are assumed to be made in the middle of the fiscal year. A payment made earlier or later in the fiscal year would have to be less or more than the amount shown to have the same effect on the UAL amortization.

Note that the calculations above are based on the projected Unfunded Accrued Liability as of June 30, 2023 as determined in the June 30, 2021 actuarial valuation. New unfunded liabilities can emerge in future years due to assumption or method changes, changes in plan provisions, and actuarial experience different than assumed. Making an ADP illustrated above for the indicated number of years will not result in a plan that is exactly 100% funded in the indicated number of years. Valuation results will vary from one year to the next and can diverge significantly from projections over a period of several years.

**McCloud Community Service District  
 GASB 75 Note Disclosures and Required Supplementary Information  
 for the Reporting Year Ended June 30, 2023**

**Changes in the Net OPEB Liability**

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) – (b)
<b>Balances at June 30, 2021</b>	\$1,648,321	\$382,404	\$1,265,917
<b>Changes for the year:</b>			
Service cost	44,370		44,370
Interest	102,578		102,578
Changes of benefit terms	0		0
Difference between expected and actual experience	(68,316)		(68,316)
Changes in assumptions or other inputs	51,427		51,427
Contributions – employer		262,989	(262,989)
Net investment income		(46,870)	46,870
Benefit payments	(156,989)	(156,989)	0
Administrative expenses		(98)	98
<b>Net changes</b>	<b>(26,930)</b>	<b>59,032</b>	<b>(85,962)</b>
<b>Balances at June 30, 2022</b>	<b>\$1,621,391</b>	<b>\$441,436</b>	<b>\$1,179,955</b>

**Sensitivity of the net OPEB liability to changes in the discount rate**

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (5.35%)	Discount Rate (6.35%)	1% Increase (7.35%)
Net OPEB liability (asset)	1,335,318	1,179,955	1,048,022

**Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates**

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease (4.20% current, 3.00% ultimate, 3.00% Medicare)	Trend Rate (5.20% current, 4.00% ultimate, 4.00% Medicare)	1% Increase (6.20% current, 5.00% ultimate, 5.00% Medicare)
Net OPEB liability (asset)	1,045,044	1,179,955	1,339,433



McCloud Community Service District  
 GASB 75 Note Disclosures and Required Supplementary Information  
 for the Reporting Year Ended June 30, 2023

Schedules of Required Supplementary Information

Schedule of Changes in the District's Net OPEB Liability and Related Ratios

Reporting fiscal year ending	2023	2022	2021	2020	2019
Discount rate	6.35%	6.35%	6.35%	6.25%	6.10%
<b>Total OPEB liability</b>					
Service cost	44,370	44,699	58,146	61,121	102,897
Interest	102,578	102,844	127,813	124,481	96,813
Changes of benefit terms	0	0	0	0	0
Differences between expected and actual experience	(68,316)	0	(159,040)	0	0
Change of assumptions	51,427	0	(281,894)	(33,405)	(738,374)
Benefit payments	(156,989)	(145,972)	(167,736)	(124,581)	(118,332)
<b>Net change in total OPEB liability</b>	(26,930)	1,571	(422,711)	27,616	(656,996)
<b>Total OPEB liability – beginning</b>	1,648,321	1,646,750	2,069,461	2,041,845	2,698,841
<b>Total OPEB liability – ending (a)</b>	<u>\$1,621,391</u>	<u>\$1,648,321</u>	<u>\$1,646,750</u>	<u>\$2,069,461</u>	<u>\$2,041,845</u>
<b>Plan fiduciary net position</b>					
Contributions - employer	262,989	262,615	265,736	234,208	118,332
Net investment income	(46,870)	49,725	8,588	0	0
Benefit payments	(156,989)	(145,972)	(167,736)	(124,581)	(118,332)
Administrative expense	(98)	(92)	(87)	0	0
<b>Net change in plan fiduciary net position</b>	59,032	166,276	106,501	109,627	0
<b>Plan fiduciary net position - beginning</b>	382,404	216,128	109,627	0	0
<b>Plan fiduciary net position – ending (b)</b>	<u>\$441,436</u>	<u>\$382,404</u>	<u>\$216,128</u>	<u>\$109,627</u>	<u>\$0</u>
<b>District's net OPEB liability – ending (a) – (b)</b>	<u>\$1,179,955</u>	<u>\$1,265,917</u>	<u>\$1,430,622</u>	<u>\$1,959,834</u>	<u>\$2,041,845</u>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	27.23%	23.20%	13.12%	5.30%	0.00%
<b>Covered-employee payroll</b>	\$453,814	\$353,382	\$361,762	\$324,131	\$287,916
<b>District's net OPEB liability as a percentage of covered-employee payroll</b>	260.01%	358.23%	395.46%	604.64%	709.18%





California Public Employees' Retirement System  
 California Employers' Pension Prefunding Trust (CEPPT)  
 400 Q Street, Sacramento, CA 95811  
 www.calpers.ca.gov

## California Employers' Pension Prefunding Trust (CEPPT) CERTIFICATION OF FUNDING POLICY

EMPLOYER NAME: \_\_\_\_\_

**SECTION I: CEPPT Asset Allocation Strategy Selection**

As the employer, I certify that my agency chooses the following CEPPT asset allocation strategy (select one):

CEPPT Asset Allocation Strategy	10 Year Expected Rate of Return	Expected Volatility (Standard Deviation)
<input type="checkbox"/> Strategy 1	4.5%	8.8%
<input type="checkbox"/> Strategy 2	3.5%	6.1%
<input type="checkbox"/> Concurrent Enrollment	-	-

**SECTION II: Contributions and Reimbursements**

As the employer, I certify that we intend to make CEPPT contributions and request eligible reimbursements in the following manner:

**Contributions:**

We intend to make an initial contribution of \$ \_\_\_\_\_ on or around 06/2023.  
 (MM/YYYY)

For fiscal year ending June 30, 2023 we intend to contribute the estimated following amount(s) in:  
 (YYYY)

Strategy 1: \$ \_\_\_\_\_ and/or

Strategy 2: \$ \_\_\_\_\_

For fiscal year ending June 30, \_\_\_\_\_ we intend to contribute the estimated following amount(s) in:  
 (YYYY)

Strategy 1: \$ \_\_\_\_\_ and/or

Strategy 2: \$ \_\_\_\_\_



California Public Employees' Retirement System  
 California Employers' Pension Prefunding Trust (CEPPT)  
 400 Q Street, Sacramento, CA 95811  
 www.calpers.ca.gov

## California Employers' Pension Prefunding Trust (CEPPT) CERTIFICATION OF FUNDING POLICY

**Reimbursements:**

During the two years period identified above, do you intend to seek a reimbursement?

Yes

No

If you answered yes:

For fiscal year ending June 30, \_\_\_\_\_ we intend to seek an approximate reimbursement of \$\_\_\_\_\_.  
 (YYYY)

For fiscal year ending June 30, \_\_\_\_\_ we intend to seek an approximate reimbursement of \$\_\_\_\_\_.  
 (YYYY)

**COMMENTS:**



California Public Employees' Retirement System  
 California Employers' Pension Prefunding Trust  
 (CEPPT)  
 400 Q Street, Sacramento, CA 95811  
 www.calpers.ca.gov

## California Employers' Pension Prefunding Trust (CEPPT) CERTIFICATION OF FUNDING POLICY

We understand we will be asked to provide information to CalPERS as required to facilitate compliance with Governmental Accounting Standards Board (GASB) reporting requirements and we agree to provide this information to CalPERS on a timely basis.

We understand that CEPPT will be reported in aggregate as a fiduciary fund for CalPERS reporting. CEPPT assets will not be reported under GASB 67/68.

We understand that the cash flow information provided in Section II are estimated amounts and is being used for CEPPT asset management purposes. There is no implied commitment to contribute or reimburse.

McCloud Community Services District  
 Employer Name

\_\_\_\_\_  
 Printed Name of Person Signing the Form

\_\_\_\_\_  
 Title of Person Signing the Form

Signature

Date

Designated Employer Contact Name	
Title of Designated Employer Contact	
Phone #	Email Address



California Public Employees' Retirement System  
California Employers' Pension Prefunding Trust  
(CEPPT)  
400 Q Street, Sacramento, CA 95811  
[www.calpers.ca.gov](http://www.calpers.ca.gov)

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## California Employers' Pension Prefunding Trust (CEPPT) CERTIFICATION OF FUNDING POLICY

This page provides instructions to complete each section of the Certification of Pension Funding Policy.

### **SECTION I: CEPPT Asset Allocation Strategy Selection**

Your CEPPT assets will be invested using the asset allocation strategy checked here. Each strategy has a different assumed 10 year expected rate of return and risk profile.

### **SECTION II: Contributions and Reimbursements**

Here we ask you to indicate how you expect to make contributions to, and seek reimbursement from, the trust. All contributions are voluntary and never required. This section is for informational purpose. There is no implied commitment to contribute or reimburse. Information provided is intended for investment forecast and asset management purposes.





California Public Employees' Retirement System  
California Employers' Pension Prefunding Trust (CEPPT)  
400 Q Street, Sacramento, CA 95811  
www.calpers.ca.gov

Delegation of Authority to Request Disbursements  
California Employers' Pension Prefunding Trust  
(CEPPT)

RESOLUTION  
OF THE

Board of Directors

(GOVERNING BODY)

OF THE

McCloud Community Services District

(NAME OF EMPLOYER)

The MCS D Board of Directors delegates to the incumbents  
(GOVERNING BODY)

in the positions of Finance Officer and  
(TITLE)

General Manager, and/or  
(TITLE)

\_\_\_\_\_ authority to request on behalf of the  
(TITLE)

Employer disbursements from the Pension Prefunding Trust and to certify as to the purpose  
for which the disbursed funds will be used.

By \_\_\_\_\_

Title Board President

Witness \_\_\_\_\_

Date \_\_\_\_\_

## Resolution No. 5, 2023

## CALIFORNIA EMPLOYERS' PENSION PREFUNDING TRUST PROGRAM

**AGREEMENT AND ELECTION  
OF**

**McCloud Community Services District**

(NAME OF EMPLOYER)

**to Prefund Employer Contributions to a Defined Benefit  
Pension Plan**

WHEREAS (1) Government Code (GC) Section 21711(a) establishes in the State Treasury the California Employers' Pension Prefunding Trust Fund (CEPPT), a special trust fund for the purpose of allowing eligible employers to prefund their required pension contributions to a defined benefit pension plan (each an Employer Pension Plan) by receiving and holding in the CEPPT amounts that are intended to be contributed to an Employer Pension Plan at a later date; and

WHEREAS (2) GC Section 21711(b) provides that the California Public Employees' Retirement System (CalPERS) Board of Administration (Board) has sole and exclusive control of the administration and investment of the CEPPT, the purposes of which include, but are not limited to (i) receiving contributions from participating employers; (ii) investing contributed amounts and income thereon, if any, in order to receive yield on the funds; and (iii) disbursing contributed amounts and income thereon, if any, to pay for costs of administration of the CEPPT and to deposit employer contributions into Employer Pension Plans in accordance with their terms; and

WHEREAS (3) McCloud Community Services District  
(NAME OF EMPLOYER)

(Employer) desires to participate in the CEPPT upon the terms and conditions set by the Board and as set forth herein; and

WHEREAS (4) Employer may participate in the CEPPT upon (i) approval by the Board and (ii) filing a duly adopted and executed Agreement and Election to Prefund Employer Contributions to a Defined Benefit Pension Plan (Agreement) as provided in the terms and conditions of the Agreement; and

WHEREAS (5) The CEPPT is a trust fund that is intended to perform an essential governmental function (that is, the investment of funds by a State, political subdivision or 115 entity) within the meaning of Internal Revenue Code (Code) Section 115 and Internal Revenue Service Revenue Ruling 77-261, and as an Investment Trust Fund, as defined in Governmental Accounting Standards Board (GASB) Statement No. 84, Paragraph 16, for accounting and financial reporting of fiduciary activities from the

external portion of investment pools and individual investment accounts that are held in a trust that meets the criteria in Paragraph 11c(1).

WHEREAS (6) The CEPPT is not a Code Section 401(a) qualified trust and the assets held in the CEPPT are not assets of any Employer Pension Plan or any plan qualified under Code Section 401(a).

NOW, THEREFORE, BE IT RESOLVED THAT EMPLOYER HEREBY MAKES THE FOLLOWING REPRESENTATION AND WARRANTY AND THAT THE BOARD AND EMPLOYER AGREE TO THE FOLLOWING TERMS AND CONDITIONS:

A. Employer Representation and Warranty

Employer hereby represents and warrants that it is the State of California or a political subdivision thereof, or an entity whose income is excluded from gross income under Code Section 115(1).

B. Adoption and Approval of the Agreement; Effective Date; Amendment

(1) Employer's governing body shall elect to participate in the CEPPT by adopting this Agreement and filing with the Board a true and correct original or certified copy of this Agreement as follows:

Filing by mail, send to: CalPERS  
CEPPT  
P.O. Box 1494  
Sacramento, CA 95812-1494

Filing in person, deliver to: CalPERS Mailroom  
CEPPT  
400 Q Street  
Sacramento, CA 95811

(2) Upon receipt of the executed Agreement, and after approval by the Board, the Board shall fix an effective date and shall promptly notify Employer of the effective date of the Agreement. Employer shall provide the Board such other documents as the Board may request, including, but not limited to a certified copy of the resolution(s) of the governing body of Employer authorizing the adoption of the Agreement and documentation naming Employer's successor entity in the event that Employer ceases to exist prior to termination of this Agreement.

(3) The terms of this Agreement may be amended only in writing upon the agreement of both the Board and Employer, except as otherwise provided herein. Any such amendment or modification to this Agreement shall be adopted and executed in the same manner as required for the Agreement. Upon receipt of the executed amendment or modification, the Board shall fix the effective date of the amendment or modification.

(4) The Board shall institute such procedures and processes as it deems necessary to administer the CEPPT, to carry out the purposes of this Agreement, and to maintain the tax-exempt status of the CEPPT. Employer agrees to follow such procedures and processes.

### C. Employer Reports Provided for the Board's Use in Trust Administration and Financial Reporting and Employer Contributions

(1) Employer shall provide to the Board a defined benefit pension plan cost report on the basis of the actuarial assumptions and methods prescribed by Actuarial Standards of Practice (ASOP) or prescribed by GASB. Such report shall be for the Board's use in trust administration and financial reporting and shall be prepared at least as often as the minimum frequency required by applicable GASB Standards. This defined benefit pension plan cost report may be prepared as an actuarial valuation report or as a GASB compliant financial report. Such report shall be:

- 1) prepared and signed by a Fellow or Associate of the Society of Actuaries who is also a Member of the American Academy of Actuaries or a person with equivalent qualifications acceptable to the Board;
- 2) prepared in accordance with ASOP or with GASB; and
- 3) provided to the Board prior to the Board's acceptance of contributions for the reporting period or as otherwise required by the Board.

(2) In the event that the Board determines, in its sole discretion, that Employer's cost report is not suitable for the Board's purposes and use or if Employer fails to provide a required report, the Board may obtain, at Employer's expense, a report that meets the Board's trust administration and financial reporting needs. At the Board's option, the Board may recover the costs of obtaining the report either by billing and collecting such amount from Employer or through a deduction from Employer's Prefunding Account (as defined in Paragraph D(2) below).

(3) Employer shall notify the Board in writing of the amount and timing of contributions to the CEPPT, which contributions shall be made in the manner established by the Board and in accordance with the terms of this Agreement and any procedures adopted by the Board.

(4) The Board may limit Employer's contributions to the CEPPT to the amount necessary to fully fund the actuarial present value of total projected benefit payments not otherwise prefunded through the applicable Employer Pension Plan (Unfunded PVFB), as set forth in Employer's cost report for the applicable period. If Employer's contribution would cause the assets in Employer's Prefunding Account to exceed the Unfunded PVFB, the Board may refuse to accept the contribution. If Employer's cost report for the applicable period does not set forth the Unfunded PVFB, the Board may

refuse to accept a contribution from Employer if the contribution would cause the assets in Employer's Prefunding Account to exceed Employer's total pension liability, as set forth in Employer's cost report.

(5) No contributions are required. Contributions can be made at any time following the effective date of this Agreement if Employer has first complied with the requirements of this Agreement, including Paragraph C.

(6) Employer acknowledges and agrees that assets held in the CEPPT are not assets of any Employer Pension Plan or any plan qualified under Code Section 401(a), and will not become assets of such a plan unless and until such time as they are distributed from the CEPPT and deposited into an Employer Pension Plan.

#### D. Administration of Accounts; Investments; Allocation of Income

(1) The Board has established the CEPPT as a trust fund consisting of an aggregation of separate single-employer accounts, with pooled administrative and investment functions.

(2) All Employer contributions and assets attributable to Employer contributions shall be separately accounted for in the CEPPT (Employer's Prefunding Account). Assets in Employer's Prefunding Account will be held for the exclusive purpose of funding Employer's contributions to its Employer Pension Plan(s) and defraying the administrative expenses of the CEPPT.

(3) The assets in Employer's Prefunding Account may be aggregated with the assets of other participating employers and may be co-invested by the Board in any asset classes appropriate for a Code Section 115 trust, subject to any additional requirements set forth in applicable law, including, but not limited to, subdivision (d) of GC Section 21711. Employer shall select between available investment strategies in accordance with applicable Board procedures.

(4) The Board may deduct the costs of administration of the CEPPT from the investment income of the CEPPT or from Employer's Prefunding Account in a manner determined by the Board.

(5) Investment income earned shall be allocated among participating employers and posted to Employer's Prefunding Account daily Monday through Friday, except on holidays, when the allocation will be posted the following business day.

(6) If, at the Board's sole discretion and in compliance with accounting and legal requirements applicable to an Investment Trust Fund and to a Code Section 115 compliant trust, the Board determines to its satisfaction that all obligations to pay defined benefit pension plan benefits in accordance with the applicable Employer Pension Plan terms have been satisfied by payment or by defeasance with no remaining risk regarding the amounts to be paid or the value of assets held in the

CEPPT, then the residual Employer assets held in Employer's Prefunding Account may be returned to Employer.

#### E. Reports and Statements

(1) Employer shall submit with each contribution a contribution report in the form and containing the information prescribed by the Board.

(2) The Board, at its discretion but at least annually, shall prepare and provide a statement of Employer's Prefunding Account reflecting the balance in Employer's Prefunding Account, contributions made during the period covered by the statement, investment income allocated during such period, and such other information as the Board may determine.

#### F. Disbursements

(1) Employer may receive disbursements from the CEPPT not to exceed, on an annual basis, the amount of the total annual Employer contributions to Employer's Pension Plan for such year.

(2) Employer shall notify the Board in writing in the manner specified by the Board of the persons authorized to request disbursements from the CEPPT on behalf of Employer.

(3) Employer's request for disbursement shall be in writing signed by Employer's authorized representative, in accordance with procedures established by the Board, and the Board may rely conclusively upon such writing. The Board may, but is not required to, require that Employer certify or otherwise demonstrate that amounts disbursed from Employer's Prefunding Account will be used solely for the purposes of the CEPPT. However, in no event shall the Board have any responsibility regarding the application of distributions from Employer's Prefunding Account.

(4) No disbursement shall be made from the CEPPT which exceeds the balance in Employer's Prefunding Account.

(5) Requests for disbursements that satisfy the above requirements will be processed on at least a monthly basis.

(6) The Board shall not be liable for amounts disbursed in error if it has acted upon the written instruction of an individual authorized by Employer to request disbursements, and is under no duty to make any investigation or inquiry about the correctness of such instruction. In the event of any other erroneous disbursement, the extent of the Board's liability shall be the actual dollar amount of the disbursement, plus interest at the actual earnings rate but not less than zero.

## G. Costs of Administration

Employer shall pay its share of the costs of administration of the CEPPT, as determined by the Board and in accordance with Paragraph D.

## H. Termination of Employer's Participation in the CEPPT

(1) The Board may terminate Employer's participation in the CEPPT if:

- (a) Employer's governing body gives written notice to the Board of its election to terminate; or
- (b) The Board determines, in its sole discretion, that Employer has failed to satisfy the terms and conditions of applicable law, this Agreement or the Board's rules, regulations or procedures.

(2) If Employer's participation in the CEPPT terminates for either of the foregoing reasons, all assets in Employer's Prefunding Account shall remain in the CEPPT, except as otherwise provided below, and shall continue to be invested and accrue income as provided in Paragraph D, and Employer shall remain subject to the terms of this Agreement with respect to such assets.

(3) After Employer's participation in the CEPPT terminates, Employer may not make further contributions to the CEPPT.

(4) After Employer's participation in the CEPPT terminates, disbursements from Employer's Prefunding Account may continue upon Employer's instruction or otherwise in accordance with the terms of this Agreement.

(5) After Employer's participation in the CEPPT terminates, the governing body of Employer may request either:

- (a) A trustee to trustee transfer of the assets in Employer's Prefunding Account to a trust dedicated to prefunding Employer's required pension contributions; provided that the Board shall have no obligation to make such transfer unless the Board determines that the transfer will satisfy applicable requirements of the Code, other law and accounting standards, and the Board's fiduciary duties. If the Board determines that the transfer will satisfy these requirements, the Board shall then have one hundred fifty (150) days from the date of such determination to effect the transfer. The amount to be transferred shall be the amount in Employer's Prefunding Account as of the date of the transfer (the "transfer date") and shall include investment earnings up to an investment earnings allocation date preceding the transfer date. In no event shall the investment earnings allocation date precede the transfer date by more than 150 days.

(b) A disbursement of the assets in Employer's Prefunding Account; provided that the Board shall have no obligation to make such disbursement unless the Board determines that, in compliance with the Code, other law and accounting standards, and the Board's fiduciary duties, all of Employer's obligations for payment of defined benefit pension plan benefits and reasonable administrative costs of the Board have been satisfied. If the Board determines that the disbursement will satisfy these requirements, the Board shall then have one hundred fifty (150) days from the date of such determination to effect the disbursement. The amount to be disbursed shall be the amount in Employer's Prefunding Account as of the date of the disbursement (the "disbursement date") and shall include investment earnings up to an investment earnings allocation date preceding the disbursement date. In no event shall the investment earnings allocation date precede the disbursement date by more than 150 days.

(6) After Employer's participation in the CEPPT terminates and at such time that no assets remain in Employer's Prefunding Account, this Agreement shall terminate. To the extent that assets remain in Employer's Prefunding Account, this Agreement shall remain in full force and effect.

(7) If, for any reason, the Board terminates the CEPPT, the assets in Employer's Prefunding Account shall be paid to Employer to the extent permitted by law and Code Section 115 after retention of (i) an amount sufficient to pay the Unfunded PVFB as set forth in a current defined benefit pension plan(s) cost report prepared in compliance with ASOP and the requirements of Paragraph C(1), and (ii) amounts sufficient to pay reasonable administrative costs of the Board. Amounts retained by the Board to pay the Unfunded PVFB shall be transferred to (i) another Code Section 115 trust dedicated to prefunding Employer's required pension contributions, subject to the Board's determination that such transfer will satisfy applicable requirements of the Code, other law and accounting standards, and the Board's fiduciary duties or (ii) Employer's Pension Plan, subject to acceptance by Employer's Pension Plan.

(8) If Employer ceases to exist but Employer's Prefunding Account continues to exist, and if no provision has been made to the Board's satisfaction by Employer with respect to Employer's Prefunding Account, the Board shall be permitted to identify and appoint a successor to Employer under this Agreement, provided that the Board first determines, in its sole discretion, that there is a reasonable basis upon which to identify and appoint such a successor and provided further that such successor agrees in writing to be bound by the terms of this Agreement. If the Board is unable to identify or appoint a successor as provided in the preceding sentence, then the Board is authorized to appoint a third-party administrator or other successor to act on behalf of Employer under this Agreement and to otherwise carry out the intent of this Agreement with respect to Employer's Prefunding Account. Any and all costs associated with such appointment shall be paid from the assets attributable to Employer's Prefunding Account. At the Board's option, and subject to acceptance by Employer's Pension Plan,



the Board may instead transfer the assets in Employer's Prefunding Account to Employer's Pension Plan and terminate this Agreement.

(9) If the Board determines, in its sole discretion, that Employer has breached the representation and warranty set forth in Paragraph A., the Board shall take whatever action it deems necessary to preserve the tax-exempt status of the CEPPT.

I. Indemnification

Employer shall indemnify, defend, and hold harmless CalPERS, the Board, the CEPPT, and all of the officers, trustees, agents and employees of the foregoing from and against any loss, liability, claims, causes of action, suits, or expense (including reasonable attorneys' fees and defense costs, lien fees, judgments, fines, penalties, expert witness fees, appeals, and claims for damages of any nature whatsoever) not charged to the CEPPT and imposed as a result of, arising out of, related to or in connection with (1) the performance of the Board's duties or responsibilities under this Agreement, except to the extent that such loss, liability, suit or expense results or arises from the Board's own gross negligence, willful misconduct or material breach of this Agreement, or (2) without limiting the scope of Paragraph F(6) of this Agreement, any acts taken or transactions effected in accordance with written directions from Employer or any of its authorized representatives or any failure of the Board to act in the absence of such written directions to the extent the Board is authorized to act only at the direction of Employer.

J. General Provisions

(1) Books and Records

Employer shall keep accurate books and records connected with the performance of this Agreement. Such books and records shall be kept in a secure location at Employer's office(s) and shall be available for inspection and copying by the Board and its representatives.

(2) Notice

(a) Any notice or other written communication pursuant to this Agreement will be deemed effective immediately upon personal delivery, or if mailed, three (3) days after the date of mailing, or if delivered by express mail or e-mail, immediately upon the date of confirmed delivery, to the following:

For the Board:

Filing by mail, send to:  
CalPERS  
CEPPT  
P.O. Box 1494  
Sacramento, CA 95812-1494

Filing in person, deliver to:  
CalPERS Mailroom  
CEPPT  
400 Q Street  
Sacramento, CA 95811

For Employer:

McCloud Community Services District  
PO Box 640  
McCloud, CA 96057

(b) Either party to this Agreement may, from time to time by notice in writing served upon the other, designate a different mailing address to which, or a different person to whom, all such notices thereafter are to be addressed.

### (3) Survival

All representations, warranties, and covenants contained in this Agreement, or in any instrument, certificate, exhibit, or other writing intended by the parties to be a part of this Agreement shall survive the termination of this Agreement.

### (4) Waiver

No waiver of a breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this Agreement shall be effective unless it is in writing and signed by the party waiving the breach, failure, right, or remedy. No waiver of any breach, failure, right, or remedy shall be deemed a waiver of any other breach, failure, right, or remedy, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies.

### (5) Necessary Acts; Further Assurances

The parties shall at their own cost and expense execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of this Agreement.

### (6) Incorporation of Amendments to Applicable Laws and Accounting Standards

Any references to sections of federal or state statutes or regulations or accounting standards shall be deemed to include a reference to any amendments thereof and any successor provisions thereto.

(7) Days

Wherever in this Agreement a set number of days is stated or allowed for a particular event to occur, the days are understood to include all calendar days, including weekends and holidays, unless otherwise stated.

(8) No Third Party Beneficiaries

Except as expressly provided herein, this Agreement is for the sole benefit of the parties hereto and their permitted successors and assignees, and nothing herein, expressed or implied, will give or be construed to give any other person any legal or equitable rights hereunder. Notwithstanding the foregoing, CalPERS, the CEPPT, and all of the officers, trustees, agents and employees of CalPERS, the CEPPT and the Board shall be considered third party beneficiaries of this Agreement with respect to Paragraph I above.

(9) Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

A majority vote of Employer's Governing Body at a public meeting held on the 12th day of the month of June in the year 2023, authorized entering into this Agreement.

Signature of the Presiding Officer: \_\_\_\_\_

Printed Name of the Presiding Officer: Michael Hanson

Name of Governing Body: MCSD Board of Directors

Name of Employer: McCloud Community Services District

Date: \_\_\_\_\_

BOARD OF ADMINISTRATION  
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY \_\_\_\_\_  
MELODY BENAVIDES

DIVISION CHIEF, PENSION CONTRACTS AND PREFUNDING PROGRAMS  
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

To be completed by CalPERS

The effective date of this Agreement is: \_\_\_\_\_



May 23, 2023

Jennifer Brunello  
Finance Officer  
McCloud Community Service District  
PO Box 640  
McCloud, CA 96057

Re: June 30, 2023 GASB 75 Disclosure for the McCloud Community Service District

This report provides the note disclosures and required supplementary information for the McCloud Community Service District (District)'s other postemployment benefits (OPEB) plan for the reporting period ending June 30, 2023.

Governmental Accounting Standards Board (GASB) Statement No. 75 allows for a roll forward of results from the prior actuarial valuation date to a reporting date no more than 30 months and 1 day following. If significant changes occur between the valuation date and the measurement date, consideration should be given to whether a new actuarial valuation is needed. The District provided changes since the June 30, 2022 actuarial valuation and it was determined that a new actuarial valuation was not needed for this measurement period. The results set forth in this report are established from the District's June 30, 2022 valuation and are based on the same census, benefit provisions, and assumptions. The District provided contributions, payroll, and any applicable asset information for the measurement period ending June 30, 2022.

We appreciate the opportunity to work on this report with the District and are available to answer any questions the District or its auditors may have regarding this report.

Sincerely,

A handwritten signature in black ink that reads "Molly McGee".

Molly McGee, ASA, EA, FCA, MAAA  
Consulting Actuary

## General Information about the OPEB Plan

### Plan Description

The District sponsors healthcare coverage under the California Public Employees Medical and Hospital Care Act ("PEMHCA"), commonly referred to as PERS Health. PEMHCA provides health insurance through a variety of Health Maintenance Organization (HMO) and Preferred Provider Organization (PPO) options.

### Benefits Provided

The District joined PEMHCA in 1986 under the unequal contribution method in which District contributions for retirees would phase in over 20 years until they become 100% equal with the active employee contribution. Since the District's contract with PEMHCA originated in 1986, the retiree medical benefit is now equal to the medical benefit paid to active employees.

#### Eligibility

Employees hired before 1/1/2013, who have attained age 50 and completed at least 5 years of CalPERS service, are eligible upon retirement directly from the District. Employees hired on or after 1/1/2013, who have attained age 52 and completed at least 5 years CalPERS service, are eligible upon retirement directly from the District.

#### Benefit

Employees hired before 2/1/2018 receive 100% District paid medical benefits for themselves and any eligible dependents for life. The District paid benefit is capped at \$17,122 per year.

Employees hired on or after 2/1/2018 will receive the minimum of:

- (1) 100% District paid medical benefits for themselves and any eligible dependents for life. The District paid benefit is capped at \$17,122 per year.
- (2) CalPERS 100/90 formula with vesting. The monthly 100/90 formula caps, in 2022, are \$816 for single coverage, \$1,548 for two party coverage, and \$1,983 for family coverage. The vesting formula starts at 50% after 10 years of service and increases 5% per year to 100% after 20 years of service.

The District provides benefits to any eligible surviving dependents.

### Employees Covered by Benefit Terms

Retirees or beneficiaries receiving benefit payments as of June 30, 2022	14
Active eligible employees as of June 30, 2022	8

### Contributions

The District contributed \$106,000 into the California Employers' Retiree Benefit Trust (CERBT) for the fiscal year ended June 30, 2022. The District pays retiree benefits from sources outside the irrevocable OPEB trust.

## Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

### Actuarial Assumptions

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation rate	2.50 percent
Salary increases	3.00 percent
Discount rate	6.35 percent
Investment rate of return	6.35 percent, net of OPEB plan investment expense
Healthcare cost trend rate	5.20 percent for 2022 through 2034; 5.00 percent for 2035 through 2049; 4.50 percent for 2050 through 2064; and 4.00 percent for 2065 and later years

Mortality rates were based on the most recent experience study for CalPERS members.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of the most recent applicable experience study and a review of plan experience during the period June 30, 2020 to June 30, 2022.

### Discount Rate

GASB 75 requires the use of a discount rate that considers the availability of the OPEB plan's fiduciary net position associated with the OPEB of current active and inactive employees and the investment horizon of those resources.

OPEB plans with irrevocable trust accounts can utilize a discount rate equal to the long-term expected rate of return to the extent that the OPEB plan's fiduciary net position is projected to be sufficient to make projected benefit payments and the OPEB plan assets are expected to be invested using a strategy to achieve that return.

To determine if the OPEB plan assets are sufficient, a calculation of the projected fiduciary net position and the amount of projected benefit payments is compared in each period. When OPEB plan assets are determined to not be sufficient, a blended rate is calculated.

For OPEB plans that do not have irrevocable trust accounts, GASB 75 requires a discount rate equal to the yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

The District has an irrevocable trust account for prefunding OPEB liabilities. Plan assets are expected to be sufficient. The discount rate used to measure the total OPEB liability is equal to the long-term expected rate of return.

## Discount Rate (cont.)

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of real rates of return for each major asset class, based on published capital market assumptions, are summarized in the following table:

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Rate of Return</u>
Global ex-U.S. Equity	40%	5.9%
U.S. Fixed	43%	0.9%
Real Estate	8%	3.3%
TIPS	5%	0.4%
Commodities	4%	0.4%



## Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) – (b)
<b>Balances at June 30, 2021</b>	\$1,648,321	\$382,404	\$1,265,917
<b>Changes for the year:</b>			
Service cost	44,370		44,370
Interest	102,578		102,578
Changes of benefit terms	0		0
Difference between expected and actual experience	(68,316)		(68,316)
Changes in assumptions or other inputs	51,427		51,427
Contributions – employer		262,989	(262,989)
Net investment income		(46,870)	46,870
Benefit payments	(156,989)	(156,989)	0
Administrative expenses		(98)	98
<b>Net changes</b>	(26,930)	59,032	(85,962)
<b>Balances at June 30, 2022</b>	<u>\$1,621,391</u>	<u>\$441,436</u>	<u>\$1,179,955</u>

### Sensitivity of the net OPEB liability to changes in the discount rate

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (5.35%)	Discount Rate (6.35%)	1% Increase (7.35%)
Net OPEB liability (asset)	1,335,318	1,179,955	1,048,022

### Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease (4.20% current, 3.00% ultimate, 3.00% Medicare)	Trend Rate (5.20% current, 4.00% ultimate, 4.00% Medicare)	1% Increase (6.20% current, 5.00% ultimate, 5.00% Medicare)
Net OPEB liability (asset)	1,045,044	1,179,955	1,339,433

## OPEB Plan Experience

Reporting period July 1, 2022 to June 30, 2023  
 Measurement period July 1, 2021 to June 30, 2022

### Benefit Payments and Contributions

	<u>Benefit Payments</u>
Benefits paid from the trust	0
Benefits paid outside of trust	123,734
Implicit benefits paid	33,255
<b>Total benefit payments</b>	<u><u>\$156,989</u></u>
	 <b>Contributions</b>
Contributions to the trust - employer	106,000
Contributions - benefits paid outside of trust	123,734
Contributions – implicit benefits paid	33,255
<b>Total contributions</b>	<u><u>\$262,989</u></u>

### Investment Rate of Return

The District's policy regarding the allocation of the plan's invested assets is established and may be amended by District management. The primary objective is to maximize total Plan return, subject to the risk and quality constraints set forth in the investment guidelines. The investment objective the District has selected is CERBT Strategy 2. The asset allocation ranges for this objective are listed below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Target Range</u>	<u>Benchmark</u>
Global Equity	40%	± 5%	MSCI All Country World Index IMI (net)
Fixed Income	43%	± 5%	Bloomberg Barclays Long Liability Index
Treasury Inflation Protected Securities (TIPS)	5%	± 3%	Bloomberg Barclays US TIPS Index, Series L
Real Estate Investment Trusts	8%	± 5%	FTSE EPRA/NAREIT Developed Liquid Index (net)
Commodities	4%	± 3%	S&P GSCI Total Return Index
Cash	0%	± 2%	91 Day Treasury Bill

For the year ended on the measurement date, the annual money-weighted rate of return on investments, net of investment expense, was -10.74 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

## OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB

### Annual OPEB Expense

The annual OPEB expense is the sum of the change in Net OPEB Liability, the change in deferred outflows, and the change in deferred inflows, reduced by the employer contributions.

Net OPEB liability at beginning of measurement period (a)	\$1,265,917
Net OPEB liability at end of measurement period (b)	\$1,179,955
Change in net OPEB liability (b)-(a)	(85,962)
Change in deferred outflows	(100,467)
Change in deferred inflows	(232,302)
Employer contributions	262,989
<b>Net OPEB expense from June 30, 2021 to June 30, 2022</b>	<b><u>\$(155,742)</u></b>

### Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the reporting year ending June 30, 2023, the District recognized deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	0	125,336
Changes in assumptions or other inputs	41,141	127,974
Differences between projected and actual return investments	60,235	19,375
<b>Total</b>	<b><u>\$101,376</u></b>	<b><u>\$272,685</u></b>

The District has a lookback measurement date. For the reporting year ending June 30, 2023, the District uses a measurement year ending June 30, 2022. The deferred resources listed above do not include any District contributions made after the measurement period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Reporting Fiscal Year Ending June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
2024	25,497	(104,467)	(78,970)
2025	25,497	(101,778)	(76,281)
2026	25,194	(52,780)	(27,586)
2027	25,188	(13,660)	11,528
2028	0	0	0
2029	0	0	0
2030	0	0	0
2031	0	0	0
2032	0	0	0

### Schedule of Deferred Outflows of Resources

Year	Source	Initial Amount	Initial Amortization Period (Years)	Annual Recognition	Current Balance
2018	Difference between expected and actual experience	0	0.0	0	0
2018	Changes in assumptions or other inputs	0	0.0	0	0
2018	Net difference between projected and actual earnings on OPEB plan investments	0	0.0	0	0
2019	Difference between expected and actual experience	0	0.0	0	0
2019	Changes in assumptions or other inputs	0	0.0	0	0
2019	Net difference between projected and actual earnings on OPEB plan investments	0	0.0	0	0
2020	Difference between expected and actual experience	0	0.0	0	0
2020	Changes in assumptions or other inputs	0	0.0	0	0
2020	Net difference between projected and actual earnings on OPEB plan investments	0	0.0	0	0
2021	Difference between expected and actual experience	0	0.0	0	0
2021	Changes in assumptions or other inputs	0	0.0	0	0
2021	Net difference between projected and actual earnings on OPEB plan investments	1,515	5.0	303	606
2022	Difference between expected and actual experience	0	0.0	0	0
2022	Changes in assumptions or other inputs	0	0.0	0	0
2022	Net difference between projected and actual earnings on OPEB plan investments	0	0.0	0	0
2023	Difference between expected and actual experience	0	0.0	0	0
2023	Changes in assumptions or other inputs	51,427	5.0	10,286	41,141
2023	Net difference between projected and actual earnings on OPEB plan investments	74,537	5.0	14,908	59,629
				<b>Total</b>	<b>\$101,376</b>

### Schedule of Deferred Inflows of Resources

Year	Source	Initial Amount	Initial Amortization Period (Years)	Annual Recognition	Current Balance
2018	Difference between expected and actual experience	0	0.0	0	0
2018	Changes in assumptions or other inputs	266,200	4.4	61,195	0
2018	Net difference between projected and actual earnings on OPEB plan investments	0	0.0	0	0
2019	Difference between expected and actual experience	0	0.0	0	0
2019	Changes in assumptions or other inputs	738,374	4.4	169,741	0
2019	Net difference between projected and actual earnings on OPEB plan investments	0	0.0	0	0
2020	Difference between expected and actual experience	0	0.0	0	0
2020	Changes in assumptions or other inputs	33,405	4.4	7,679	2,689
2020	Net difference between projected and actual earnings on OPEB plan investments	0	0.0	0	0
2021	Difference between expected and actual experience	159,040	5.4	29,452	70,684
2021	Changes in assumptions or other inputs	281,894	5.4	52,203	125,285
2021	Net difference between projected and actual earnings on OPEB plan investments	0	0.0	0	0
2022	Difference between expected and actual experience	0	0.0	0	0
2022	Changes in assumptions or other inputs	0	0.0	0	0
2022	Net difference between projected and actual earnings on OPEB plan investments	32,293	5.0	6,459	19,375
2023	Difference between expected and actual experience	68,316	5.0	13,664	54,652
2023	Changes in assumptions or other inputs	0	0.0	0	0
2023	Net difference between projected and actual earnings on OPEB plan investments	0	0.0	0	0
				<b>Total</b>	<b>\$272,685</b>

## Schedules of Required Supplementary Information

### Schedule of Changes in the District's Net OPEB Liability and Related Ratios

Reporting fiscal year ending	2023	2022	2021	2020	2019
Discount rate	6.35%	6.35%	6.35%	6.25%	6.10%
<b>Total OPEB liability</b>					
Service cost	44,370	44,699	58,146	61,121	102,897
Interest	102,578	102,844	127,813	124,481	96,813
Changes of benefit terms	0	0	0	0	0
Differences between expected and actual experience	(68,316)	0	(159,040)	0	0
Change of assumptions	51,427	0	(281,894)	(33,405)	(738,374)
Benefit payments	(156,989)	(145,972)	(167,736)	(124,581)	(118,332)
<b>Net change in total OPEB liability</b>	(26,930)	1,571	(422,711)	27,616	(656,996)
<b>Total OPEB liability – beginning</b>	1,648,321	1,646,750	2,069,461	2,041,845	2,698,841
<b>Total OPEB liability – ending (a)</b>	<u>\$1,621,391</u>	<u>\$1,648,321</u>	<u>\$1,646,750</u>	<u>\$2,069,461</u>	<u>\$2,041,845</u>
<b>Plan fiduciary net position</b>					
Contributions - employer	262,989	262,615	265,736	234,208	118,332
Net investment income	(46,870)	49,725	8,588	0	0
Benefit payments	(156,989)	(145,972)	(167,736)	(124,581)	(118,332)
Administrative expense	(98)	(92)	(87)	0	0
<b>Net change in plan fiduciary net position</b>	59,032	166,276	106,501	109,627	0
<b>Plan fiduciary net position - beginning</b>	382,404	216,128	109,627	0	0
<b>Plan fiduciary net position – ending (b)</b>	<u>\$441,436</u>	<u>\$382,404</u>	<u>\$216,128</u>	<u>\$109,627</u>	<u>\$0</u>
<b>District's net OPEB liability – ending (a) – (b)</b>	<u>\$1,179,955</u>	<u>\$1,265,917</u>	<u>\$1,430,622</u>	<u>\$1,959,834</u>	<u>\$2,041,845</u>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	27.23%	23.20%	13.12%	5.30%	0.00%
<b>Covered-employee payroll</b>	\$453,814	\$353,382	\$361,762	\$324,131	\$287,916
<b>District's net OPEB liability as a percentage of covered-employee payroll</b>	260.01%	358.23%	395.46%	604.64%	709.18%

**Schedule of Changes in the District's Net OPEB Liability and Related Ratios (cont.)**

Reporting fiscal year ending	2018
Discount rate	3.53%
<b>Total OPEB liability</b>	
Service cost	116,926
Interest	84,000
Changes of benefit terms	0
Differences between expected and actual experience	0
Change of assumptions	(266,200)
Benefit payments	(132,660)
<b>Net change in total OPEB liability</b>	(197,934)
<b>Total OPEB liability – beginning</b>	2,896,775
<b>Total OPEB liability – ending (a)</b>	<u>\$2,698,841</u>
<b>Plan fiduciary net position</b>	
Contributions - employer	132,660
Net investment income	0
Benefit payments	(132,660)
Administrative expense	0
<b>Net change in plan fiduciary net position</b>	0
<b>Plan fiduciary net position - beginning</b>	0
<b>Plan fiduciary net position – ending (b)</b>	<u>\$0</u>
<b>District's net OPEB liability – ending (a) – (b)</b>	<u>\$2,698,841</u>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	0.00%
<b>Covered-employee payroll</b>	\$266,233
<b>District's net OPEB liability as a percentage of covered-employee payroll</b>	1006.16%

## Schedule of District Contributions

Reporting fiscal year ending	2023	2022	2021	2020
Actuarially determined contribution	\$120,218	\$129,351	125,279	244,167
Contributions in relation to the actuarially determined contribution	262,989	262,615	265,736	241,136
Contribution deficiency (excess)	<u>\$(142,771)</u>	<u>\$(133,264)</u>	<u>\$(140,457)</u>	<u>\$3,031</u>
 Covered-employee payroll	 \$453,814	 \$353,382	 \$361,762	 \$324,131
 Contributions as a percentage of covered-employee payroll	 57.95%	 74.31%	 73.46%	 74.39%

## Notes to Schedule

Valuation date	June 30, 2022
Reporting period	July 1, 2022 to June 30, 2023
Measurement period	July 1, 2021 to June 30, 2022
Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Amortization period	30 years
Asset valuation method	Market value
Inflation	2.50 percent
Healthcare cost trend rates	5.20 percent for 2022 through 2034; 5.00 percent for 2035 through 2049; 4.50 percent for 2050 through 2064; and 4.00 percent for 2065 and later years
Salary increases	3.00 percent
Investment rate of return	6.35 percent, net of OPEB plan investment expense
Retirement age	Based on the most recent experience study for CalPERS members
Mortality	Based on the most recent experience study for CalPERS members



## Actuarial Certification


The results presented in this disclosure are based on the District's June 30, 2022 valuation. The valuation was performed in accordance with generally accepted actuarial principles and practices. The actuarial assumptions and methodologies used in these calculations are believed to be reasonable under the requirements set forth in GASB 75 and the Actuarial Standards of Practice (ASOP).

Supporting documentation provided by the District was relied upon without audit. This information includes, but is not limited to, census data, premiums, OPEB plan provisions, contributions, payroll, and any applicable asset statements. The data was reviewed in accordance with ASOP 23. The valuation results, and subsequent disclosure information, depend on the integrity of the provided information.

The results in this report were calculated with the assistance of ProVal actuarial valuation software. The model was developed in 1994 and is maintained by Winklevoss Technologies (WinTech). Through ProVal, WinTech provides valuation and projection software for both pension and other postemployment benefit plans. We utilize ProVal in accordance with its intended purpose and have not identified any material inconsistencies in the ProVal assumptions or outputs that would affect this valuation.

The undersigned actuary is a member of the American Academy of Actuaries and meets the qualification standards to render the actuarial opinion contained in this report.

Certified by:



Molly McGee, ASA, EA, FCA, MAAA  
Consulting Actuary



May 23, 2023

Jennifer Brunello  
Finance Officer  
McCloud Community Service District  
PO Box 640  
McCloud, CA 96057

Re: June 30, 2022 GASB 75 Valuation for the McCloud Community Service District

This report sets forth the results of our GASB 75 actuarial valuation of the McCloud Community Service District (District)'s other postemployment benefits (OPEB) plan as of June 30, 2022. Governmental Accounting Standards Board (GASB) Statement No. 75 requires an actuarial valuation of OPEB liabilities at least once every two years. This report may be compared with the valuation performed by Actuarial Retirement Consulting as of June 30, 2020, to see how the liabilities have changed since the last valuation.

Under GASB 75, actuarial valuations may be rolled forward, up to a reporting date of 30 months and 1 day following the valuation date, to produce note disclosures and required supplementary information for each fiscal year end. Separate GASB 75 disclosure reports will be provided annually.

The results set forth in this report are based on census, benefit provisions, employee agreements, premiums, contributions, and trust documents, if applicable, provided by the District. Certain assumptions were made regarding rates of employee turnover, retirement, and mortality, as well as economic assumptions regarding healthcare inflation and interest rates. A complete list of the actuarial assumptions used in this valuation, as well as a glossary of terms, can be found at the end of the report.

We appreciate the opportunity to work on this report with the District. We are available to answer any questions the District or its auditors may have regarding this report.

Sincerely,



Molly McGee, ASA, EA, FCA, MAAA  
Consulting Actuary

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## Executive Summary

This report presents the results of the District's June 30, 2022 actuarial valuation of the OPEB plan. Actuarial valuations determine, as of a valuation date, certain actuarial measurements that assess an employer's financial liability and annual costs.

Results of an actuarial valuation reflect plan census, benefit provisions, premium rates, decrement assumptions, discount rate, and assets, if applicable, as of the valuation date. Future valuation results may differ significantly to the extent that actual plan experience differs from the expected plan experience detailed in this report. Future results are also dependent on any change to the discount rate and actual experience of plan assets, if applicable.

The District's prior actuarial valuation was dated June 30, 2020 and the total OPEB liability at 6.35% was \$1,646,750. The District's current June 30, 2022 valuation has a discount rate of 6.35% and a total OPEB liability of \$1,621,391.

This valuation includes benefits for 14 retirees and 8 active employees who may become eligible to retire and receive benefits in the future. It excludes employees hired after the valuation date.

The District's net OPEB liability as of June 30, 2022 is:

Discount rate	6.35%
Total OPEB liability	\$1,621,391
Plan fiduciary net position	\$441,436
Net OPEB liability	\$1,179,955

Plan fiduciary net position as a percentage of the total OPEB liability	27.23 %
---	---------

The total OPEB liability includes both explicit and implicit subsidies. The explicit subsidy includes any employer paid benefits for retirees. Explicit subsidies can include, but are not limited to, payments towards medical, dental and vision coverage. The implicit subsidy values the difference between the expected retiree claims and the actual premium charged for retiree coverage.

The District's total OPEB liability in this valuation reflects the value of an explicit subsidy liability equal to \$1,482,209 and an implicit subsidy liability equal to \$139,182.

The results of this actuarial valuation are intended to be used for the District's June 30, 2023 and June 30, 2024 disclosure reports. The next actuarial valuation is scheduled to be completed as of June 30, 2024. An updated actuarial valuation may need to be completed at an earlier date if the District experiences any significant changes to plan census, benefit provisions, or funding strategy. We are available to discuss any changes to determine the significance and, if needed, any adjustments to future reporting dates.

### Changes Since the Prior Valuation

The District's most recent prior valuation was completed as of June 30, 2020 and the total OPEB liability, at 6.35%, was \$1,646,750. The District's June 30, 2022 total OPEB liability, at 6.35%, is \$1,621,391.

Several factors can cause the total OPEB liability to change over time. Liabilities often increase as employees accrue more service and get closer to receiving benefits. Liabilities can decrease as benefits are paid out. Other factors include changes in the plan census (including actual versus expected termination, retirement, and mortality), changes in healthcare costs, and changes (updates) to the actuarial assumptions and methodology for the current valuation.

The changes from June 30, 2020 to June 30, 2022 are as follows:

Total OPEB Liability as of June 30, 2020	<u>\$1,646,750</u>
Changes due to plan experience	
Passage of time	(6,576)
Change in census - terminations, retirements, and mortality experience different than expected	(80,396)
Change in premium rates - healthcare premiums different than expected	14,049
Change in employer cap - employer-paid caps different than expected	(3,863)
Changes due to assumptions or other inputs	
Change in trend rate - update to assumed future medical trend	55,863
Change in salary increases - update to assumed future salary increase	2,062
Change in withdrawal - update to assumed future withdrawal	(2,383)
Change in mortality - update to assumed future mortality	(4,115)
Total OPEB Liability as of June 30, 2022	<u><u>\$1,621,391</u></u>

## Results

### Discount Rate

GASB 75 requires a discount rate that reflects the long-term expected rate of return on OPEB plan investments (if any) and a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

To determine the discount rate, the amount of the plan's projected fiduciary net position (if any) and the amount of projected benefit payments are compared in each future period.

At June 30, 2022, the District has an irrevocable trust account for prefunding OPEB liabilities. Plan assets are expected to be sufficient. The discount rate used is 6.35%, equal to the long-term expected rate of return.

### Liability Measurements

The present value of projected benefit payments for the District's current and future retirees is \$2,150,894 as of June 30, 2022. If the District were to place this amount in a fund earning interest at the rate of 6.35% per year, and all other actuarial assumptions were exactly met, the fund would have exactly enough to pay all expected benefits to the current closed group of employees covered by benefit terms.

When the present value of projected benefit payments is allocated into past service and future service components under the Entry Age, Level Percent of Pay Cost Method, the total OPEB liability is \$1,621,391 as of June 30, 2022. This represents the present value of all benefits accrued through the valuation date if each employee's liability is expensed from hire date until retirement date as a level percentage of pay.

The service cost is the portion of the present value of all benefits expected to be paid that are attributed to the current valuation year.

These liability measurements could be visually represented as follows:

Present value of projected benefit payments		
Total OPEB liability	Service Cost	Future service costs

## Results (cont.)

### Valuation Results

Valuation date	June 30, 2022
Discount rate	6.35%
Employees covered by benefit terms	
Actives	8
Retirees	14
Total	<u>22</u>
Present value of projected benefit payments	
Actives	\$672,399
Retirees	1,478,495
Total	<u>\$2,150,894</u>
Total OPEB liability (actuarial accrued liability)	
Actives	\$142,896
Retirees	1,478,495
Total	<u>\$1,621,391</u>
OPEB plan fiduciary net position	<u>\$441,436</u>
Net OPEB liability (unfunded actuarial accrued liability)	<u>\$1,179,955</u>
Service Cost (beginning of year)	\$50,935

### Sensitivity of the net OPEB liability

The change in net OPEB liability, if the District used a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (5.35%)	Discount Rate (6.35%)	1% Increase (7.35%)
Net OPEB liability (asset)	<u>\$1,335,318</u>	<u>\$1,179,955</u>	<u>\$1,048,022</u>

The change in net OPEB liability, if the District used healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease (4.20% current, 3.00% ultimate, 3.00% Medicare)	Trend Rate (5.20% current, 4.00% ultimate, 4.00% Medicare)	1% Increase (6.20% current, 5.00% ultimate, 5.00% Medicare)
Net OPEB liability (asset)	<u>\$1,045,044</u>	<u>\$1,179,955</u>	<u>\$1,339,433</u>

### Actuarially Determined Contribution

An actuarially determined contribution is a potential payment to the plan determined using a contribution allocation procedure. It is not a required contribution, but a measurement commonly used to prefund OPEB benefits. The components of the actuarially determined contribution are an amortization of the net OPEB liability, using a 30-year amortization as a level percentage of pay, the service cost at the beginning of the year, and the interest amount to the end of the year.

Discount Rate	<u>6.35%</u>
Actuarially Determined Contribution (2022-23)	
Amortization of Net OPEB Liability	\$62,105
Service Cost (beginning of year)	50,935
Interest	<u>7,178</u>
Total	<u>\$120,218</u>
Actuarially Determined Contribution (2023-24)	
Amortization of Net OPEB Liability	63,968
Service Cost (beginning of year)	52,463
Interest	<u>7,393</u>
Total	<u>\$123,824</u>



## Projected Benefits

The following projection of future benefit payments shows expected explicit subsidy and implicit subsidy amounts separately.

An implicit subsidy is valued when claims costs for retirees are expected to be higher than the premium charged, due to a pooled environment. If an employer provides retired employees with the option to participate in the same health insurance pool as active employees, the premiums paid for coverage of active employees are higher than what the premiums would be if the active employees were rated separately.

<b>Year Beginning</b>	<b>Explicit Subsidy (pay-as-you-go)</b>	<b>Implicit Subsidy</b>	<b>Total</b>
2022	\$125,115	\$28,802	\$153,917
2023	127,752	15,120	142,872
2024	130,242	18,398	148,640
2025	124,937	22,331	147,268
2026	116,754	14,657	131,411
2027	118,682	17,582	136,264
2028	124,726	20,940	145,666
2029	125,271	10,973	136,244
2030	115,639	12,975	128,614
2031	102,917	264	103,181
2032	103,424	621	104,045
2033	104,176	1,494	105,670
2034	105,000	2,874	107,874
2035	105,092	1,284	106,376
2036	106,210	2,238	108,448
2037	108,035	3,817	111,852
2038	111,192	6,312	117,504
2039	114,286	10,135	124,421
2040	118,982	15,644	134,626
2041	122,948	6,613	129,561
2042	128,337	11,258	139,595
2043	135,660	14,508	150,168
2044	142,317	22,152	164,469
2045	148,695	33,012	181,707
2046	152,789	36,902	189,691
2047	163,493	52,329	215,822
2048	174,122	71,257	245,379
2049	169,006	21,031	190,037
2050	168,044	948	168,992
2055	133,145	0	133,145
2060	127,375	0	127,375
2065	119,645	0	119,645
2070	107,052	0	107,052
2075	83,523	0	83,523

## Fiscal Year End Disclosure Report Tie In

The schedule of changes in the net OPEB liability shown below is consistent with the District's June 30, 2023 disclosure report. The District uses a lookback measurement period. For the reporting fiscal year ending June 30, 2023, the measurement period is for fiscal year ending June 30, 2022.

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) – (b)
<b>Balances at June 30, 2021</b>	\$1,648,321	\$382,404	\$1,265,917
<b>Changes for the year:</b>			
Service cost	44,370		44,370
Interest	102,578		102,578
Changes of benefit terms	0		0
Difference between expected and actual experience	(68,316)		(68,316)
Changes in assumptions or other inputs	51,427		51,427
Contributions – employer		262,989	(262,989)
Net investment income		(46,870)	46,870
Benefit payments	(156,989)	(156,989)	0
Administrative expenses		(98)	98
<b>Net changes</b>	<b>(26,930)</b>	<b>59,032</b>	<b>(85,962)</b>
<b>Balances at June 30, 2022</b>	<b>\$1,621,391</b>	<b>\$441,436</b>	<b>\$1,179,955</b>

## Actuarial Certification

The results presented in this report are based on our actuarial valuation of the OPEB plan of the McCloud Community Service District (District) as of June 30, 2022. The valuation was performed in accordance with generally accepted actuarial principles and practices. The actuarial assumptions and methodologies used in these calculations are believed to be reasonable under the requirements set forth in GASB 75 and the Actuarial Standards of Practice (ASOP).

Supporting documentation provided by the District was relied upon without audit. This information includes, but is not limited to, census data, premiums, OPEB plan provisions, contributions, payroll, and any applicable asset statements. The data was reviewed in accordance with ASOP 23. The valuation results, and subsequent disclosure information, depend on the integrity of the provided information.

The results in this report were calculated with the assistance of ProVal actuarial valuation software. The model was developed in 1994 and is maintained by Winklevoss Technologies (WinTech). Through ProVal, WinTech provides valuation and projection software for both pension and other postemployment benefit plans. We utilize ProVal in accordance with its intended purpose and have not identified any material inconsistencies in the ProVal assumptions or outputs that would affect this valuation.

The undersigned actuary is a member of the American Academy of Actuaries and meets the qualification standards to render the actuarial opinion contained in this report.

Certified by:



Molly McGee, ASA, EA, FCA, MAAA  
Consulting Actuary

## Plan Provisions

### Plan Description

The District sponsors healthcare coverage under the California Public Employees Medical and Hospital Care Act ("PEMHCA"), commonly referred to as PERS Health. PEMHCA provides health insurance through a variety of Health Maintenance Organization (HMO) and Preferred Provider Organization (PPO) options.

### Benefits Provided

The District joined PEMHCA in 1986 under the unequal contribution method in which District contributions for retirees would phase in over 20 years until they become 100% equal with the active employee contribution. Since the District's contract with PEMHCA originated in 1986, the retiree medical benefit is now equal to the medical benefit paid to active employees.

#### Eligibility

Employees hired before 1/1/2013, who have attained age 50 and completed at least 5 years of CalPERS service, are eligible upon retirement directly from the District. Employees hired on or after 1/1/2013, who have attained age 52 and completed at least 5 years CalPERS service, are eligible upon retirement directly from the District.

#### Benefit

Employees hired before 2/1/2018 receive 100% District paid medical benefits for themselves and any eligible dependents for life. The District paid benefit is capped at \$17,122 per year.

Employees hired on or after 2/1/2018 will receive the minimum of:

- (1) 100% District paid medical benefits for themselves and any eligible dependents for life. The District paid benefit is capped at \$17,122 per year.
- (2) CalPERS 100/90 formula with vesting. The monthly 100/90 formula caps, in 2022, are \$816 for single coverage, \$1,548 for two party coverage, and \$1,983 for family coverage. The vesting formula starts at 50% after 10 years of service and increases 5% per year to 100% after 20 years of service.

The District provides benefits to any eligible surviving dependents.

The following select monthly premium rates and caps were in effect as of June 30, 2022:

<u>Coverage</u>	<u>PERS Platinum</u>	<u>PERS Platinum Medicare</u>	<u>100/90 Caps</u>
Single	\$1,057.01	\$381.94	\$816.00
2 Party	2,114.02	763.88	1,548.00
Family	2,748.23	1,145.82	1,983.00

## Census Data

The following table shows the age distribution of retirees included in the valuation:

Age	Total
Under 55	0
55-59	2
60-64	2
65-69	3
70-74	2
75-79	2
80-84	1
85+	2
All Ages	14

Average Age: 72.4

The following table shows the age and service distribution of active employees included in the valuation:

Age	Years of Service								Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+	
<25	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0
30-34	0	0	0	0	0	0	0	0	0
35-39	2	1	0	0	0	0	0	0	3
40-44	1	0	0	0	0	0	0	0	1
45-49	1	0	0	0	0	0	0	0	1
50-54	1	0	0	0	0	0	0	0	1
55-59	1	0	0	0	0	0	0	0	1
60-64	0	0	0	0	0	0	0	0	0
65+	1	0	0	0	0	0	0	0	1
All Ages	7	1	0	0	0	0	0	0	8

Average Age: 47.4

Average Service: 2.6

## Assumptions

The liabilities set forth in this report are based on the actuarial assumptions described in this section.

Valuation Date: June 30, 2022

Actuarial Cost Method: Entry Age, Level Percent of Pay

Discount Rate: 6.35%

Salary Increases: 3.00%

Inflation Rate: 2.50%

Withdrawal: CalPERS Public Agency Miscellaneous (2021 CalPERS Experience Study) Sample Rates:

Service	Male Entry Age			Female Entry Age		
	20	30	40	20	30	40
0	18.5%	16.3%	14.9%	19.4%	18.2%	17.3%
5	4.6	3.6	2.6	5.5	4.6	3.5
10	1.1	0.8	0.5	1.3	1.1	0.7
15	0.0	0.0	0.0	0.0	0.0	0.0

Pre-retirement Mortality: CalPERS Public Agency Miscellaneous and Schools Pre-Retirement Mortality, with fully generational mortality improvement using 80% of MP-2020 (2021 CalPERS Experience Study)

Post-retirement Mortality: CalPERS Public Agency Post-Retirement Mortality with fully generational mortality improvement using 80% of MP-2020 (2021 CalPERS Experience Study)

Retirement: CalPERS Public Agency Miscellaneous Retirement (2021 CalPERS Experience Study), varying by date of hire as follows:

Hired before 1/1/2013: 2% at age 60

Hired on or after 1/1/2013: 2% at age 62

Medical Claim Cost: Annual Per Retiree or Spouse

Age	Medical
50	\$12,048
55	15,120
60	18,744
64	22,476
65	4,572
70	4,392
75	4,704

**Assumptions (cont.)**

Medical Trend:

Sample Rates:

<u>Year</u>	<u>Pre-Medicare</u>	<u>Medicare</u>
2021 – 2034	5.20%	4.00%
2035 – 2049	5.00%	4.00%
2050 – 2064	4.50%	4.00%
2065 +	4.00%	4.00%

Increase in District-Paid Caps: Assumed to follow Medical Trend in all future years

Increase in 100/90 Caps: Assumed to follow Medical Trend in all future years

Percent Electing Coverage: Varies by date of hire as follows:

Hired before 1/1/2013: 100%

Hired on or after 1/1/2013: Varies by years of service as follows:

<u>Service Years</u>	<u>Election Percent</u>
< 10	0%
10	75%
11	80%
12	85%
13	90%
14	95%
15 +	100%

Spouse Coverage:

Future retirees: 60%

Current retirees: Actual dependent data used.

Female spouses are assumed to be three years younger than male spouses.

## **Glossary**

The following definitions are a selection of terms used throughout the report. A more extensive list of terms can be found in the glossary section of Statement No. 75 of the Governmental Accounting Standards Board. The definitions are intended to provide clarity in relation to how they are used in GASB 75. They are organized in the order they appear in this report.

### **Other postemployment benefits (OPEB)**

Benefits (such as death benefits, life insurance, disability, and long-term care) that are paid in the period after employment and that are provided separately from a pension plan, as well as healthcare benefits paid in the period after employment, regardless of the manner in which they are provided. OPEB does not include termination benefits or termination payments for sick leave.

### **Actuarial present value of projected benefit payments**

Projected benefit payments discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment.

### **Total OPEB liability**

The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service.

### **Service costs**

The portions of the actuarial present value of projected benefit payments that are attributed to valuation years.

### **Actuarially determined contribution**

A target or recommended contribution to a defined benefit OPEB plan for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.

### **Projected benefit payments**

All benefits (including refunds of employee contributions) estimated to be payable through the OPEB plan to current active and inactive employees as a result of their past service and their expected future service.

### **Explicit Subsidy (pay-as-you-go)**

The explicit subsidy includes any employer benefits paid subsequent to the termination of employment. Explicit subsidies can include, but are not limited to, payments towards medical, dental and vision coverage.

### **Implicit Subsidy**

The implicit subsidy values the difference between the expected retiree claims and the actual premium charged for retiree coverage.

### **Healthcare cost trend rates**

The rates of change in per capita health claims costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design, and technological developments.



# **ADMINISTRATIVE DRAFT**

## **McCLOUD COMMUNITY SERVICE DISTRICT – LOWER ELK WOODEN SPRING HOUSE REMOVAL AND REPLACEMENT PROJECT**

### **ENVIRONMENTAL EVALUATION – CATEGORICAL EXEMPTION**

**PREPARED FOR:**

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McCloud, CA 96057  
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**June 2022**

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## Acronyms and Abbreviations

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BMPs	best management practices
CDFW	California Department of Fish and Wildlife
CEQA	California Environmental Quality Act
CESA	California Endangered Species Act
CNDDDB	California Natural Diversity Database
CNPS	California Native Plant Society
CHRIS	California Historic Resources Information System
CRHR	California Register of Historic Resources
CRPR	California rare plant rank
EIR	Environmental Impact Report
ESA	Endangered Species Act
MBTA	Migratory Bird Treaty Act
MCSD	McCloud Community Service District
NAHC	Native American Heritage Commission
NEIC	Northeast Information Center
proposed project	McCloud Community Service District Lower Elk Spring house Removal and Replacement Project
USGS	U.S. Geological Survey
USFWS	U.S. Fish and Wildlife Service

# Chapter 1

## Introduction/Project Description

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The McCloud Community Service District (MCSD) is proposing to replace the failing wooden springhouse at Lower Elk Spring with a concrete vault to secure and protect the domestic water supply of McCloud, Siskiyou County, California (proposed project; Figure 1). The replacement and reconstruction of the springhouse infrastructure meets the conditions for California Environmental Quality Act (CEQA) Categorical Exemption Class 2 (CEQA Guideline Section 15302). This environmental evaluation provides documentation that supports the determination that the project qualifies for this CEQA exemption.

The California State Water Resources Control Board, Division of Drinking Water recommended the removal of the wood enclosure at Lower Elk Spring and replacement with a concrete spring vault (Schlumpberger Consulting Engineers, Inc. 2009). This recommendation was made because Lower Elk Spring must regularly be taken off-line due to water contamination from small mammals that reside in the wooden spring house. Due to spring water contamination, public health violations have been issued and as a result, replacement of the existing springhouse with a new concrete vault is warranted.

The proposed project would occur within the existing footprint of the facility and not substantially change the purpose or capacity of the structure; the spring would continue to provide a domestic water supply to McCloud. The existing spring house would be demolished and removed and replaced with a reinforced concrete slab and steel beam flat roof structure. The existing concrete foundation walls would be modified for the new steel beam and concrete roof. A brief description of the project is outlined below.

- Remove the existing Lower Elk Spring house wood structure, retain the existing foundation walls and footings for reuse.
- Remove existing soil cap and visqueen layer over spring inside the spring house.
- Remove entire french drain system for overflow and collection pipe with drain rock to uncover the native spring area and restore as close to natural condition as possible.
- Build up the existing concrete foundation walls.
- Remove and replace the existing concrete spring retaining wall below the spring.
- Construct a new concrete and steel spring cap/roof structure with galvanized wide flange steel beams, galvanized cold formed steel decking and a reinforced 4-inch concrete slab.
- Replace the existing 10-inch welded steel pipe from Upper Elk Springs with a new 16-inch epoxy lined welded steel pipe, connect to the existing 10-inch pipe outside of the springhouse between the existing concrete deflection wall and springhouse.
- Replace the existing 4-foot diameter by 9-foot-tall unsecure riveted steel surge tank with a new 3.5-foot diameter by 6-foot tall epoxy coated welded steel surge tank, and connect new 16-inch Upper Elk pipeline.



Figure 1. McCloud Community Service District Lower Elk Spring House Removal and Replacement Project

- Replace the existing 12-inch welded steel pipe surge tank outlet to distribution box with a new 16-inch epoxy lined welded steel pipe and 16-inch gate valve.
- Replace the existing PVC collection and overflow pipes with epoxy lined welded steel pipes of the same size or larger. Stub both pipes directly into the new concrete spring retaining wall for the spring outlet. Connect the new collection pipe to the new concrete distribution box and the new overflow pipe should be stubbed directly through the new exterior concrete wall and outlet to the drainage ditch and new culvert under the access road.
- Re-grade dirt area below the spring retaining wall to support the new pipes.
- Remove the existing concrete distribution box and replace with a new cast-in-place distribution/weir box approximately 4 feet wide by 8 feet long by 4 feet deep with a secure concrete lid and galvanized locking steel hatch.
- Replace the existing concrete encased tapered welded steel pipe outlet from the distribution box to the Lower Elk pipeline. Replace with a new 24-inch epoxy lined welded steel pipe stubbed through existing and new concrete exterior walls. Connect to the existing Lower Elk pipeline.
- Construct a new 12-inch interior concrete retaining wall and footing on the lower end of the springhouse in the outlet and overflow area to secure and seal the interior of springhouse.
- Install two stainless steel, 3-foot by 3-foot lockable, access hatches with interior access ladders.
- Install three debris flow structures on north side of facility to protect vault from debris flows associated with Mud Creek. The debris flow structures will be approximately 180 feet long by 20 wide by 10 tall and constructed of rip-rap rock that is installed in a keyway below grade.

### **Utility Coordination**

The MCS D will coordinate an alternative water supply for McCloud while the Lower Elk Spring house is off-line and under construction. The proposed project would not require coordination or relocation of any other utility services (e.g., electrical), and no other utilities conflict with proposed improvements.

### **Construction Access and Staging**

Construction access to the project will be from existing public roads managed by the Shasta-Trinity National Forest. The MCS D maintains a special use permit from the Forest Service that allows use of forest roads to access the existing facility. Vehicular travel lane closures would not be required during construction. A temporary staging area approximately 0.1 acre in size would be established immediately north-west of the spring house (Figure 1). All staging (equipment and materials) would be located within the staging and work area which has been previously disturbed.

### **Construction Phases and Equipment**

The proposed project is comprised of seven phases which combined will take roughly 104 days to complete (Table 1). Equipment that will be used during the project will include four crew trucks, two dump trucks, one excavator, one bulldozer, one backhoe, and one water truck. This equipment list was used to assess potential air quality and greenhouse gas emissions impacts in Chapter 2.

**Table 1. Construction Phases and Schedule**

<u>Project Phase</u>	<u>Number of Days</u>	<u>Month of Phase</u>
Mobilization	5	July
Spring House Demolition	7	July
Site Preparation	26	July/August
Foundation Upgrade	12	August/September
Spring House Construction	34	September/October
Debris Flow Structure Construction	13	October
Demobilization	5	October

**Schedule**

The MCSD anticipates construction of the proposed project would take approximately 104 working days, beginning mid-July, 2022 and ending late-October, 2022. The proposed work schedule is Monday through Friday from 7 a.m. to 5 p.m.

**Environmental Commitments**

As part of the proposed project, the MCSD (and their construction contractor) will implement the following Best Management Practices (BMPs) and other measures to avoid short- and long-term effects on the physical and human environment.

- If construction activities will occur during the breeding season (February 15 through August 31), a qualified wildlife biologist will be retained to conduct a preconstruction survey for nesting birds and raptors for all trees and shrubs and ground-nesting habitat located within 500 feet of construction activities, including grading, vegetation removal, and staging areas. The nesting survey will be conducted no greater than 14 days prior to the start of construction.
- If an active nest is located during the preconstruction survey, the following actions will be taken:
  - An appropriate no-disturbance buffer will be established by the wildlife biologist. The buffer distance should be determined based on the species, nature of construction activities, bird behavior, nest chronology, distance of nest from work area and line of sight from the work area.
  - A qualified wildlife biologist will monitor the nest to determine when the young have fledged/nest status.
  - The wildlife biological monitor will have the authority to halt construction if there is any sign of distress to any raptor or migratory bird.
- To avoid and minimize potential impacts to sensitive freshwater mollusks (e.g., Shasta pebblesnail) which are known to occupy the spring house overflow drainage channel south of the spring house, this area will be temporarily fenced or conspicuously flagged and completely avoided. Fencing will be inspected daily and maintained as needed. The current flow of water to the channel will be maintained and its flow monitored/assessed daily during construction.



- Prior to construction, the spring house will be inspected for roosting bats. If bats are observed, then the spring house will be demolished in segments which will discourage bat use allow for bats to leave the structure.
- Perform the refueling of equipment within the staging area; away from the spring house and overflow drainage channel. Install a containment area where refueling will occur and maintain spill prevention and cleanup equipment/material is readily available.
- To prevent entrapment of wildlife in excavations trenches or holes, fit open trenches or steep-walled holes with escape ramps of plywood boards, logs, or sloped earthen ramps. Crew foreman will inspect open trenches and holes prior to the start of construction each morning to ensure wildlife is not trapped. If wildlife is trapped, then ensure escape ramps are sufficient and notify ICF wildlife biologist Steve Yonge (530-708-2102).
- Implement measures to protect previously unidentified archaeological resources by ensuring that construction specifications include the following information.
  - Construction shall stop if potential archaeological resources are encountered and Jim Fitzgerald (GeoServ; 530-227-8963) will be contacted immediately. It is possible that previous activities have obscured surface evidence of cultural resources. If signs of an archeological site, such as any unusual amounts of stone, bone, or shell, are uncovered during grading or other construction activities, work will be halted within 100 feet of the find and the MCSD will be notified. A qualified archeologist will be consulted for an onsite evaluation. If the site appears to be eligible for listing in state or federal registers, additional mitigation, such as further testing for evaluation or data recovery, may be necessary.
  - In the event resources are discovered, the MCSD will retain a qualified archaeologist to assess the find and to determine whether the resource requires further study. Any previously undiscovered resources found during construction will be recorded on appropriate California Department of Parks and Recreation 523 forms and evaluated for significance under all applicable regulatory criteria.
  - All work will stop in the immediate vicinity of the find until its significance is determined. As necessary, additional avoidance measures will be implemented and the appropriate reporting procedures followed. Construction work may continue on other parts of the project while the archaeological investigations takes place.
- Ensure that construction specifications include the following in the grading notes to ensure construction activities do not inadvertently disturb human remains:
  - If human remains are discovered during any phase of construction, including disarticulated or cremated remains, the construction contractor will immediately cease all ground-disturbing activities within 100 feet of the remains and notify the MCSD.
  - In accordance with California State Health and Safety Code Section 7050.5, no further disturbance will occur until the following steps have been completed.
  - The County Coroner has made the necessary findings as to origin and disposition pursuant to Public Resources Code Section 5097.98.
  - If the remains are determined by the County Coroner to be Native American, NAHC will be notified within 24 hours, and the treatment and disposition of the remains will comply with NAHC guidelines.

- Comply with BMPs to prevent or minimize the potential release of equipment-related petroleum contaminants into groundwater. Implementation of standard construction procedures and precautions for working with petroleum and construction chemicals would further ensure that the impacts related to chemical handling during project construction would be minor.
- Comply with silt fencing, straw waddle and erosion control recommendations detailed in the project's engineering drawings.
- The MCSD would implement appropriate hazardous material management practices and other good housekeeping measures to reduce the potential for chemical spills or releases of contaminants, including any non-stormwater discharges.

### **Surrounding Land Uses and Setting**

The proposed project is on undeveloped private lands surrounded by public lands managed by the Shasta-Trinity National Forest and private timber land. The private parcel is accessed from Forest Service Road 40N56. The Lower Elk Spring house is found on the United States Geological Survey (USGS) 7.5 minute Elk Spring quadrangle at T40N, R2W, Section 21 and at coordinates 41.298594, -121.077856. The elevation is approximately 3,840 feet and the dominate land cover is a mixed montane conifer forest.

## Environmental Factors Potentially Affected

The environmental factors checked below would potentially be affected by this project (i.e., the project would involve at least one impact that is a “Potentially Significant Impact”), as indicated by the checklist on the following pages.

- |  |  |   |
|--|--|---|
| <input type="checkbox"/> Aesthetics                                  | <input type="checkbox"/> Agricultural and Forestry Resources | <input type="checkbox"/> Air Quality                        |
| <input type="checkbox"/> Biological Resources                        | <input type="checkbox"/> Cultural Resources                  | <input type="checkbox"/> Energy                             |
| <input type="checkbox"/> Geology/Soils/<br>Paleontological Resources | <input type="checkbox"/> Greenhouse Gas Emissions            | <input type="checkbox"/> Hazards and Hazardous Materials    |
| <input type="checkbox"/> Hydrology/Water Quality                     | <input type="checkbox"/> Land Use/Planning                   | <input type="checkbox"/> Mineral Resources                  |
| <input type="checkbox"/> Noise                                       | <input type="checkbox"/> Population/Housing                  | <input type="checkbox"/> Public Services                    |
| <input type="checkbox"/> Recreation                                  | <input type="checkbox"/> Transportation                      | <input type="checkbox"/> Tribal Cultural Resources          |
| <input type="checkbox"/> Utilities/Service Systems                   | <input type="checkbox"/> Wildfire                            | <input type="checkbox"/> Mandatory Findings of Significance |

## Determination

On the basis of this initial evaluation: I find that the proposed project does not fall under any of the exceptions to the use of Categorical Exemptions per CEQA Guidelines Section 15300.2 and qualifies for a Class 2 Categorical Exemption under CEQA Guidelines Section 15302).

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Signature

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Date

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Printed Name

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For

# Evaluation of Environmental Impacts

1. A brief explanation is provided for all answers except “No Impact” answers that are adequately supported by the information sources a lead agency cites in the parentheses following each question. A “No Impact” answer is adequately supported if the referenced information sources show that the impact simply does not apply to projects like the one involved (e.g., the project falls outside a fault rupture zone). A “No Impact” answer should be explained if it is based on project-specific factors as well as general standards (e.g., the project would not expose sensitive receptors to pollutants, based on a project-specific screening analysis).
2. All answers must take account of the whole action involved, including offsite as well as onsite, cumulative as well as project-level, indirect as well as direct, and construction as well as operational impacts.
3. Once the lead agency has determined that a particular physical impact may occur, the checklist answers must indicate whether the impact is potentially significant, less than significant with mitigation, or less than significant. “Potentially Significant Impact” is appropriate if there is substantial evidence that an effect may be significant. If there are one or more “Potentially Significant Impact” entries when the determination is made, an Environmental Impact Report (EIR) is required.
4. The Class 2 Categorical Exemption applies to replacement or reconstruction of existing facilities on the same site having substantially the same purpose and capacity and that include but are not limited to:
  - a. Replacement or reconstruction of existing schools and hospitals to provide earthquake resistant structures which do not increase capacity more than 50 percent.
  - b. Replacement of a commercial structure with a new structure of substantially the same size, purpose, and capacity.
  - c. Replacement or reconstruction of existing utility systems and/or facilities involving negligible or no expansion of capacity.
  - d. Conversion of overhead electric utility distribution system facilities to underground including connection to existing overhead electric utility distribution lines where the surface is restored to the condition existing prior to the undergrounding.
5. In addition to meeting the above qualifications, the project must not fall within the following applicable exceptions to use of a Categorical Exemption set out in CEQA Guidelines Section 15300.2.
  - a. Cumulative Impact. All exemptions for these classes are inapplicable when the cumulative impact of successive projects of the same type in the same place, over time is significant.
  - b. Significant Effect. A categorical exemption shall not be used for an activity where there is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances.
  - c. Scenic Highways. categorical exemption shall not be used for a project which may result in damage to scenic resources, including but not limited to, trees, historic buildings, rock outcroppings, or similar resources, within a highway officially designated as a state scenic highway. This does not apply to improvements which are required as mitigation by an adopted negative declaration or certified EIR.

- d. Hazardous Waste Sites. A categorical exemption shall not be used for a project located on a site which is included on any list compiled pursuant to Section 65962.5 of the Government Code.
- e. Historical Resources. A categorical exemption shall not be used for a project which may cause a substantial adverse change in the significance of a historical resource.

# I. Aesthetics

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less-than-Significant Impact	No Impact
Except as provided in Public Resources Code Section 21099, would the project:				
a. Have a substantial adverse effect on a scenic vista?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
b. Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings along a scenic highway?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
c. In non-urbanized areas, substantially degrade the existing visual character or quality of public views of the site and its surroundings? (Public views are those that are experienced from publicly accessible vantage point). If the project is in an urbanized area, would the project conflict with applicable zoning and other regulations governing scenic quality?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
d. Create a new source of substantial light or glare that would adversely affect daytime or nighttime views in the area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X

## Affected Environment

The proposed project is in a non-urbanized environment on private lands surrounded by public lands managed by the Shasta-Trinity National Forest. Public lands are also undeveloped and accessed from various Forest Service roads. Topography is flat and the site is not readily visible from public lands.

## Discussion

### *a. Have a substantial adverse effect on a scenic vista?*

The proposed project is in a conifer forest and not visible from public roads. The topography is relatively flat with no prominent scenic vistas that would provide a view of the spring house. The spring house is not a prominent visual feature and construction of the spring house would not have an effect on a scenic vista.

### *b. Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings along a scenic highway?*

The proposed project does not adjoin a scenic highway.

***c. In non-urbanized areas, substantially degrade the existing visual character or quality of public views of the site and its surroundings? (Public views are those that are experienced from publicly accessible vantage point). If the project is in an urbanized area, would the project conflict with applicable zoning and other regulations governing scenic quality?***

The proposed project is on private lands not visible from publicly accessible vantage points.

***d. Create a new source of substantial light or glare that would adversely affect daytime or nighttime views in the area?***

The proposed project would not create a substantial new source of light or glare.

## II. Agricultural and Forestry Resources

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less-than-Significant Impact	No Impact
<p>In determining whether impacts on agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997) prepared by the California Department of Conservation as an optional model to use in assessing impacts on agriculture and farmland. In determining whether impacts on forest resources, including timberland, are significant environmental effects, lead agencies may refer to information compiled by the California Department of Forestry and Fire Protection regarding the state's inventory of forest land, including the Forest and Range Assessment Project and the Forest Legacy Assessment Project, and forest carbon measurement methodology provided in the Forest Protocols adopted by the California Air Resources Board.</p> <p>Would the project:</p>				
a. Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
b. Conflict with existing zoning for agricultural use or conflict with a Williamson Act contract?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
c. Conflict with existing zoning for, or cause rezoning of forest land (as defined in Public Resources Code Section 12220(g)), timberland (as defined by Public Resources Code Section 4526), or timberland zoned Timberland Production (as defined by Government Code Section 51104(g))?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
d. Result in the loss of forest land or conversion of forest land to non-forest use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
e. Involve other changes in the existing environment that, due to their location or nature, could result in conversion of Farmland to non-agricultural use or conversion of forest land to non-forest use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X

### Affected Environment

The proposed project is located within a mixed montane conifer forest.

### Discussion

***a. Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?***

No agricultural lands would be affected by the proposed project.



***b. Conflict with existing zoning for agricultural use or conflict with a Williamson Act contract?***

No agricultural lands would be affected by the proposed project.

***c. Conflict with existing zoning for, or cause rezoning of forest land (as defined in Public Resources Code Section 12220(g)), timberland (as defined by Public Resources Code Section 4526), or timberland zoned Timberland Production (as defined by Government Code Section 51104(g))?***

No forest or timberlands would be affected by the proposed project. Construction would occur within the existing footprint of the facility and no timber or mature vegetation would be removed.

***d. Result in the loss of forest land or conversion of forest land to non-forest use?***

No forest or timberlands would be affected by the proposed project.

***e. Involve other changes in the existing environment that, due to their location or nature, could result in conversion of Farmland to non-agricultural use or conversion of forest land to non-forest use?***

The proposed project is not near any agricultural or forestry lands that could be indirectly affected by construction. Construction would occur within the existing footprint of the facility (Figure 1).

### III. Air Quality

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less-than-Significant Impact	No Impact
Where available, the significance criteria established by the applicable air quality management district or air pollution control district may be relied upon to make the following determinations. Would the project:				
a. Conflict with or obstruct implementation of the applicable air quality plan?	<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>
b. Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is a nonattainment area for an applicable federal or state ambient air quality standard?	<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>
c. Expose sensitive receptors to substantial pollutant concentrations?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
d. Result in other emissions (such as those leading to odors) adversely affecting a substantial number of people?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X

### Affected Environment

The proposed project lies within the Siskiyou County Air Pollution Control District which takes part in the State funded Community Air Protection Program. This program offers incentives and grants with the goal of improving air quality and reducing exposure to air pollutants and toxic air contaminants (Siskiyou County 2022). The Air Pollution Control District has established a smoke management program and wood smoke reduction program to improve air quality. They have also enacted visible emission and air contaminant standards as described by the California Air Resources Control Board (2022).

### Discussion

***a. Conflict with or obstruct implementation of the applicable air quality plan?***

The proposed project would comply with Siskiyou County Air Pollution Control District and California Air Resources Board rules and regulations and not obstruct implementation of the county’s air quality plan. Therefore, the impact would be less than significant and no mitigation is required.

***b. Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is a nonattainment area for an applicable federal or state ambient air quality standard?***

The proposed project does not require extensive use of machinery during construction and would comply with Siskiyou County Air Pollution Control District and California Air Resources Board rules and regulations. In addition, the project would not make a considerable contribution to any cumulative impact. Therefore, the impact would be less than significant and no mitigation is required.

***c. Expose sensitive receptors to substantial pollutant concentrations?***

Project construction is roughly 4 miles northeast of McCloud. There are no sensitive receptors near the project site. In addition, project construction would not be extensive nor continue for a long period. Once the new spring house is built, there would be no pollutant emissions associated with this domestic water source.

***d. Result in other emissions (such as those leading to odors) adversely affecting a substantial number of people?***

Project construction is roughly 4 miles northeast of McCloud and is away from populated areas. Construction activities would not result in odors or other emissions that could affect a substantial number of people.

## IV. Biological Resources

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less-than-Significant Impact	No Impact
Would the project:				
a. Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special-status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Wildlife or U.S. Fish and Wildlife Service?	<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>
b. Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, or regulations, or by the California Department of Fish and Wildlife or U.S. Fish and Wildlife Service?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
c. Have a substantial adverse effect on state or federally protected wetlands (including, but not limited to, marshes, vernal pools, coastal wetlands, etc.) through direct removal, filling, hydrological interruption, or other means?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
d. Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
e. Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
f. Conflict with the provisions of an adopted habitat conservation plan, natural community conservation plan, or other approved local, regional, or state habitat conservation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X

### Affected Environment

The proposed project is in a mixed conifer forest at an elevation of approximately 3,850 feet above mean sea level. The project area is on an 80-acre parcel owned by the MCSD and surrounded by public lands managed by the Shasta-Trinity National Forest. Mud Creek is approximately 1,200 feet north of the spring house where large debris flows have occurred and have disturbed the proposed project site. The spring was developed roughly 60 years ago as a domestic water source and is maintained regularly to ensure compliance with county and State regulatory requirements.

## Methods

An ICF wildlife biologist reviewed existing information and conducted a field survey on June 8, 2022 to document existing conditions and determine if the proposed project would impact sensitive biological resources. The following sources of information were reviewed to support this analysis.

- California Natural Diversity Database (CNDDDB) species list query of a 5-mile radius around the project location (California Department of Fish and Wildlife 2022a).
- California Native Plant Society (CNPS) Inventory of Rare and Endangered Plants of California species list query of the U.S. Geological Service 7.5-minute Elk Spring, Kinyon, McCloud, Girard Ridge, Lake McCloud, Grizzly Peak, Ash Creek Butte, Mt. Shasta, and Rainbow Mountain quadrangles (California Native Plant Society 2022)
- U.S. Fish and Wildlife Service (USFWS) Information for Planning and Conservation species list query of the study area (U.S. Fish and Wildlife Service 2022a)
- USFWS National Wetland Inventory (U.S. Fish and Wildlife Service 2022b)
- Aerial imagery on Google Earth (Google Earth 2022)

## Special-Status Species

For the purpose of this evaluation, special-status species are plants and animals that are legally protected under the federal Endangered Species Act (ESA), California Endangered Species Act (CESA), or other regulations, and species that are considered sufficiently rare by the scientific community to qualify for such listing. Special-status plants and animals are those species in any of the categories listed below.

- Species listed or proposed for listing as threatened or endangered under the federal ESA (50 Code of Federal Regulations 17.11 [listed animals], 50 Code of Federal Regulations 17.12 [listed plants], and various notices in the Federal Register [proposed species]).
- Species that are candidates for possible future listing as threatened or endangered under the federal ESA.
- Species listed or proposed for listing by the State of California as threatened or endangered under CESA (14 California Code of Regulations 670.5).
- Species that meet the definitions of rare or endangered under CEQA (State CEQA Guidelines Section 15380).
- Plants listed as rare under California Native Plant Protection Act (California Fish and Game Code 1900 et seq.).
- Plants and animals that meet the criteria for listing, even if not currently included on any list, as described in the California Environmental Quality Act (CEQA) Guidelines Section 15380(b), (c), and (d). Species that may meet this definition include the following.
  - Plants ranked as “rare, threatened, or endangered in California” (California rare plant rank [CRPR] 1B and 2B).
  - Plants and animals that may warrant consideration on the basis of local significance or recent biological information (State CEQA Guidelines 15380[d]), which may include plants

rated CRPR 3 (plants about which more information is needed to determine their status) and CRPR 4 (plants of limited distribution). CRPR 3 and CRPR 4 plants are not tracked in the CNDDDB but are recorded at the county level and therefore are usually not included on lists generated from specific quadrangles. However, CRPR 4 plants that were previously ranked CRPR 1 or 2 were tracked at the quadrangle level in the past, and those records remain in the CNDDDB. This is why some CRPR 3 and CRPR 4 plants appear in the CNDDDB. Their inclusion in the database is therefore a historical artifact and not related to current rarity or whether they would warrant consideration under CEQA (Section 15125 [c] or 15380[d]).

- Animal species designated as species of special concern by California Department of Fish and Wildlife (CDFW; 2022b).
- Animals fully protected in California (California Fish and Game Code Section 3511 [birds], Section 4700 [mammals], Section 5050 [amphibians and reptiles], and Section 5515 [fish]).

Based on a review of this information, the project supports suitable nesting habitat for migratory birds and raptors that are protected by the Migratory Bird Treaty Act (MBTA) and the California Fish and Game Code; Sections 3503 and 3503.5. Additionally, although no special status species have previously been recorded on or adjacent to the proposed project (California Department of Fish and Wildlife 2022a), the project may still have the potential to support special-status plant and wildlife species.

Special status wildlife species reported from the project's vicinity (California Department of Fish and Wildlife 2022a) with potential to occur include the federal and State threatened northern spotted owl (*Strix occidentalis caurina*) and the State species of special concern southern long-toed salamander (*Ambystoma macrodactylum sigillatum*). The spring house is not within, but is adjacent to federally designated critical habitat for northern spotted owl and there are three owl activity centers within 3 miles of the facility.

The spring house provides roosting habitat for a suite of bat species that are not State or federally listed, or State species of special concern, but have a state rank of S2 (Imperiled – “At high risk of extirpation in the state due to restricted range, few populations or occurrences, steep declines, severe threats, or other factors”) and/or S3 (Vulnerable – “At moderate risk of extirpation in the state due to a fairly restricted range, relatively few populations or occurrences, recent and widespread declines, threats, or other factors”). The long-eared myotis (*Myotis evotis*) and silver haired myotis (*Lasiorycteris noctivagans*) have been documented within 5-miles of the spring (California Department of Fish and Wildlife 2002). These two species have a State rank of S3 (vulnerable) or S3S4 (vulnerable/apparently secure), respectively.

During the June 8, 2022 survey, the interior and exterior of the spring house was examined for bat use (e.g., presence of bats, guano, and urine staining). From the entrance of the spring house and with the use of a high powered flashlight, the interior of the spring house was examined; no bats were observed or heard and no guano was seen in areas visible from the entrance. The exterior of the springhouse was also surveyed. A small amount of bat guano was observed on a ledge above the entrance door. The area above the door is open to the environment and is constructed of wooden beams which may be used periodically as a night roost. No other bat guano or sign of bat use was observed along the exterior of the structure. The spring house was not being used as a maternity roost, but as described above, the exposed wooden beams above the entrance door may be occasional used as a night roost.

The Shasta pebblesnail (*Fluminicola multifarius*), a freshwater aquatic mollusk has been previously identified in the overflow channel of the spring house. During the June 8, 2022 site visit, one Shasta pebblesnail was found in the overflow channel approximately 200 feet downstream of the spring house. The Shasta pebblesnail is not State or federally listed, is not a State species of special concern and does not have a State ranking. However, because of its restricted range (known from 20 locations) and habitat requirements (perennial springs) it was petitioned to be listed in 2008 (Center for Biological Diversity 2008). However, in 2012 the USFWS determined it was not warranted for listing (U.S. Fish and Wildlife Service 2012).

Special status plants associated with meadows and seeps that could occur in the spring house's overflow drainage channel includes slender-stemmed androsace (*Androsace filiformis*; California Rare Plant Rank {CRPR} 2B.s)), rattlesnake fern (*Botrypus virginianus*; CRPR 2B.2), Aleppo avens (*Geum aleppicum*; CRPR 2B.2), and alkali hymenoxys (*Hymenoxys lemmonii*; CRPR 2B.2). The immediate area around the spring house is heavily disturbed and has no potential to support special status plants.

Lower Elk Spring and the overflow channel would be considered waters of the United States and waters of the State. The overflow channel terminates approximately 0.75 miles downstream of the structure. The channel is not connected to any other channel, is not readily apparent on aerial imagery (Google Earth 2022) and is not a mapped watercourse on the Elk Spring USGS topographic quadrangle. The nearest mapped wetland or watercourse is Mud Creek that is mapped as riverine habitat and approximately 1,200 feet northeast of the spring house (U.S. Fish and Wildlife Service 2022).

## Discussion

***Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special-status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Wildlife or U.S. Fish and Wildlife Service?***

Nesting migratory birds and raptors could nest in and adjacent to the spring house. The mixed conifer habitat provides foraging and nesting habitat for a variety of bird species. Three northern spotted owl activity centers are known from approximately 3 miles from the spring house (California Department of Fish and Wildlife 2022a). Noise associated with construction activities may range from 83-84 decibels (U.S. Fish and Wildlife Service 2006) which has an estimated harassment distance of 165 feet. As described in the proposed project description, the MCS D will implement best management practices to avoid effects on nesting migratory birds and raptors.

The overflow channel downstream of the spring house is known to support freshwater aquatic mollusks. Schlumberger Consulting Engineers, Inc (2009) reported the occurrence of "Lower Elk Fluminicola" in the overflow drainage channel of the spring house. This mollusk was found approximately 500 feet downstream from the spring house. The taxonomy of this species has changed and is now classified as the Shasta pebblesnail (U.S. Fish and Wildlife Service 2012).

The overflow channel may also support the southern long-toed salamander and four special status plant species. As described in the proposed project description, this channel would be completely avoided and the current volume of water supplied to this channel would be maintained. With

complete avoidance of this channel in addition to the water supply being maintained, impacts to special status species would be avoided.

The spring house may provide roosting habitat for a variety of bat species. The spring has been contaminated multiple times due to the presence of small mammal occupancy (Schlumpberger Consulting Engineers, Inc (2009). The long-eared myotis (*Myotis evotis*) and silver haired myotis (*Lasionycteris noctivagans*) have been documented within 5-miles of the spring (California Department of Fish and Wildlife 2002). There are six other species of bat that have potential to occur within the project vicinity and use the spring house for roosting. These six species have a state rank of “secure” to “imperiled”, and are not State or federally listed and are not State species of special concern. During the June 8, 2022 site visit, no bats were observed using the spring house and only a small amount of guano was observed above the entrance. Above the entrance there are exposed wooden beams that provide roosting habitat that may be periodically used as a night roost. To minimize disturbance to roosting bats, the BMPs described in the project description will be implemented.

With implementation of BMPs described in the project description, the proposed project would not have a direct or indirect substantial adverse effect on species identified as a candidate, sensitive, or special-status species in local or regional plans, policies, or regulations, or by the CDFW or USFWS. This impact would be considered less than significant with the implementation of BMPs and no mitigation is required.

***b. Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, or regulations, or by the California Department of Fish and Wildlife or U.S. Fish and Wildlife Service?***

The proposed project would not have a substantial adverse effect on riparian habitat or other sensitive natural communities identified in local or regional plans, policies, or regulations, or by CDFW or USFWS. The overflow channel would be avoided and its flow maintained.

***c. Have a substantial adverse effect on state or federally protected wetlands (including, but not limited to, marshes, vernal pools, coastal wetlands, etc.) through direct removal, filling, hydrological interruption, or other means?***

The proposed project would replace the existing spring house with a new spring house vault. This spring was developed roughly 60 years ago for domestic use. The overflow channel downstream of the spring house would be avoided during construction and its source of water maintained during and after construction has been completed. With avoidance of the overflow channel, the proposed project would not have a substantial adverse effect on state or federally protected wetlands.

***d. Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?***

The proposed project would not interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors or impede the use of native wildlife nursery sites.



***e. Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?***

The proposed project would not conflict with local polices or ordinances protecting biological resources (Siskiyou County Planning Department 1973).

***f. Conflict with the provisions of an adopted habitat conservation plan, natural community conservation plan, or other approved local, regional, or state habitat conservation plan?***

The proposed project would not conflict with any provisions of an adopted habitat conservation plan, natural community conservation plan, or other approved local, regional, or state habitat conservation plan.

## V. Cultural Resources

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less-than-Significant Impact	No Impact
Would the project:				
a. Cause a substantial adverse change in the significance of a historical resource pursuant to Section 15064.5?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
b. Cause a substantial adverse change in the significance of an archaeological resource pursuant to Section 15064.5?	<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>
c. Disturb any human remains, including those interred outside of dedicated cemeteries?	<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>

### Affected Environment

The proposed project corresponds to the northeast quarter of the southeast quarter of Section 21 of Township 40 North, Range 2 West, Mount Diablo Base and Meridian as depicted on the Elk Spring 7.5-minute USGS topographic quadrangle map.

#### Records Search

A cultural resources records search was conducted at the California Historical Resources Information System's (CHRIS) Northeast Information Center (NEIC) in Chico, California on November 12, 2021 (Record Search #W21-19; ICF 2021). The records search covered the entire project area and all areas within a 0.5-mile radius of the project area. The records search indicated that two cultural resources studies had been conducted within the records search radius; both studies encompassed the entirety of the project (ICF 2021). The records search identified one resource directly outside of the project area. This resource involved a segment of railroad grade that was potentially associated with the McCloud River Railroad system used in the 1920s.

#### Native American Heritage Commission Sacred Lands File Search

The Native American Heritage Commission (NAHC) was contacted December 13, 2021, to request a search of its sacred lands file. On March 1, 2021, NAHC responded, stating that the sacred lands file has no record of any recorded sacred lands in the immediate vicinity of the project site. NAHC also provided a list of Native American contacts.

#### Field Survey

A pedestrian surface survey of each of the proposed project was conducted November 12, 2021, using transects spaced approximately 10 meters apart. Visibility surrounding the spring house was generally fair, averaging 40 percent surface visibility due to disturbances from grading, facilities maintenance, and clearing. Areas beyond the facilities and roadways averaged about 20 percent visibility due to pine needle duff and shrubs (ICF 2021).

As a result of the survey, no archaeological sites were identified within the surveyed area and no indications of the previously recorded adjacent railroad grade or other features associated with the McCloud River Lumber Company Archaeological District were observed.

The Lower Elk Springs Spring house was evaluated for listing in the California Register of Historic Resources (CRHR) as an individual resource. According to historic maps and aerial photographs, the spring house was built sometime between 1951 and 1960 (ICF 2021). Due to its lack of historical and architectural significance, the spring house was ineligible for listing in the CRHR (ICF 2021).

## **Historic Map Research**

Historic map and aerial photograph research included analyzing USGS maps from 1886, 1935, 1954 and 1986 and historic aerial imagery taken in 1955, and 1960.

The aerial photo and map review revealed that the land within the project area has remained mostly undeveloped except for the spring house and associated underground pipelines. The first indication of the spring house was from the 1954 Shasta, California map identifying the Spring House as a "Reservoir" on the topographic map. In addition, two "Pipelines heading northwest and southeast from the "Reservoir" were depicted on the map (ICF 2021).

## **Discussion**

### ***a. Cause a substantial adverse change in the significance of a historical resource pursuant to Section 15064.5?***

There are no known historical resources located on the proposed project site and no historical resources were identified during the field survey. The Spring house was evaluated for its historical significance, but was ineligible for listing in the CRHR. Because there were no historical resources identified in the project site, the proposed project would not have a substantial adverse change in the significance of a historical resource as defined in Section 15064.5.

### ***b. Cause a substantial adverse change in the significance of an archaeological resource pursuant to Section 15064.5?***

There are no known archaeological resources located on the proposed project site and no archaeological resources were identified within the immediate vicinity as a result of the record search or field survey. However, there is always the possibility that buried archaeological materials could be present. The MCSD will implement BMPs (as described in the project description) to ensure the proposed project does not result in the destruction of buried archaeological resources. This impact would be considered less than significant with implementation of BMPs and no mitigation is required.

***c. Disturb any human remains, including those interred outside of dedicated cemeteries?***

There are no known formal cemeteries within the project site, and neither the results of the records search nor the pedestrian survey indicates that human remains are present on the project site. However, there is always the possibility that ground-disturbing activities during construction may uncover previously unknown buried human remains. The MCS D will implement BMPs (as described in the project description) to ensure that the proposed project does not disturb any human remains. This impact would be considered less than significant with implementation of BMPs and no mitigation is required.

## VI. Energy

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less-than-Significant Impact	No Impact
Would the project:				
a. Result in potentially significant environmental impact due to wasteful, inefficient, or unnecessary consumption of energy resources, during project construction or operation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
b. Conflict with or obstruct a state or local plan for renewable energy or energy efficiency?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X

### Affected Environment

The proposed project site is located outside of McCloud, Siskiyou County. The site is undeveloped and operation of the spring house does not consume substantial energy resources.

### Discussion

***a. Result in potentially significant environmental impact due to wasteful, inefficient, or unnecessary consumption of energy resources, during project construction or operation?***

The proposed project involves minor construction energy outputs from demolition of the existing springhouse and installation of the new springhouse vault and debris structure walls. Operation of the new springhouse would utilize similar amounts of energy as the current springhouse. The operation of the springhouse is not wasteful, inefficient, nor unnecessary.

***b. Conflict with or obstruct a state or local plan for renewable energy or energy efficiency?***

The proposed project is not subject to any plan for renewable energy or energy efficiency. Therefore, there would be no conflict with state or local plans.

## VII. Geology, Soils, and Paleontological Resources

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less-than-Significant Impact	No Impact
Would the project:				
a. Directly or indirectly cause potential substantial adverse effects, including the risk of loss, injury, or death involving:				
1. Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
2. Strong seismic ground shaking?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
3. Seismic-related ground failure, including liquefaction?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
4. Landslides?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
b. Result in substantial soil erosion or the loss of topsoil?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
c. Be located on a geologic unit or soil that is unstable or that would become unstable as a result of the project and potentially result in an onsite or offsite landslide, lateral spreading, subsidence, liquefaction, or collapse?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
d. Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial direct or indirect risks to life or property?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
e. Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems in areas where sewers are not available for the disposal of wastewater?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
f. Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X

### Affected Environment

No major faults cross Lower Elk Spring (California Department of Conservation 2022). The nearest recorded fault is roughly 12 miles northeast of Elk Spring.

## Discussion

**a. Directly or indirectly cause potential substantial adverse effects, including the risk of loss, injury, or death involving:**

**1. Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42.**

The proposed project is not located within or adjacent to a known fault. The new spring house vault is not for human occupancy. There would not be any impact.

**2. Strong seismic ground shaking?**

The proposed project consists of a concrete vault that is not for human occupancy. The new spring house vault would not exacerbate any risk to human life from strong seismic ground shaking.

**3. Seismic-related ground failure, including liquefaction?**

The proposed project consists of a concrete vault that is not for human occupancy. The new spring house vault would not exacerbate any risk to human life from ground failure.

**4. Landslides?**

The proposed project would be located on relatively level ground that is not subject to potential landslides, but is subject to debris flows. However, the new spring house would not be inhabited, therefore would not exacerbate any risk to human life.

**b. Result in substantial soil erosion or the loss of topsoil?**

The proposed project would not involve extensive grading or excavation. In addition, the MCSD will employ standard BMPs to avoid erosion. The proposed project would not result in soil erosion or the loss of topsoil.

**c. Be located on a geologic unit or soil that is unstable or that would become unstable as a result of the project and potentially result in an onsite or offsite landslide, lateral spreading, subsidence, liquefaction, or collapse?**

The site of the proposed project is not known to be unstable. The proposed project would not exacerbate any risk of landslide, lateral spreading, subsidence, liquefaction, or soil collapse.

**d. Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial direct or indirect risks to life or property?**

The proposed project is not known to be on expansive soil. Soil types within the project include soil types 290 (Shasta family) and 291 (Shasta-Germany, deep families complex). These soil types are composed of mud flow deposits that are well drained (Soilweb 2022). Therefore, the proposed project would not exacerbate any risks to life or property and would not exacerbate any risk from expansive soils.

***e. Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems in areas where sewers are not available for the disposal of wastewater?***

The proposed project does not involve any uses that require wastewater disposal systems. The proposed project would have no impact.

***f. Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?***

There are no known paleontological resources on the proposed project site. The proposed project consists of the removal of an existing wooden spring house and replacing it with a concrete vault spring house design. It would not require or result in extensive grading nor excavation depths that would be expected to encounter paleontological resources. The proposed project would have no impact.



## VIII. Greenhouse Gas Emissions

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less-than-Significant Impact	No Impact
Would the project:				
a. Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?	<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>
b. Conflict with an applicable plan, policy, or regulation adopted for the purpose of reducing the emissions of greenhouse gases?	<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>

### Affected Environment

The emission of greenhouse gases contributes to global climate change. At the local level, greenhouse gas emissions tend to originate from transportation, construction, and other activities that involve the burning of fossil fuels, the release of greenhouse gases from operational activities, and consumption of energy derived from the burning of fossil fuels.

### Discussion

***a. Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?***

The proposed project would generate greenhouse gas emissions during construction from gasoline and diesel-powered equipment. No greenhouse gases would be emitted during operation of the proposed project. These emissions would not significantly impact the environment.

***b. Conflict with an applicable plan, policy, or regulation adopted for the purpose of reducing the emissions of greenhouse gases?***

The proposed project would not conflict with any applicable plan, policy or regulation adopted by Siskiyou County for the purpose of reducing the emissions of greenhouse gases.

## IX. Hazards and Hazardous Materials

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less-than-Significant Impact	No Impact
Would the project:				
a. Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
b. Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
c. Emit hazardous emissions or involve handling hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
d. Be located on a site that is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
e. Be located within an airport land use plan area or, where such a plan has not been adopted, be within two miles of a public airport or public use airport, and result in a safety hazard or excessive noise for people residing or working in the project area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
f. Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
g. Expose people or structures, either directly or indirectly, to a significant risk of loss, injury, or death involving wildland fires?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X

### Affected Environment

There are no known hazardous materials sites within the proposed project area.

The proposed project is within a “very high” fire hazard severity zone (CalFire 2007). The region’s hot, dry summers create an annual high wildfire threat.

## Discussion

***a. Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?***

The proposed project would use standard fuels and lubricants for machinery during construction. No hazardous materials would be used. Best management practices employed as part of the proposed project would ensure that spills will not occur or are cleaned up appropriately. The proposed project would have no impact.

***b. Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?***

The proposed project would use standard fuels and lubricants for machinery during construction. No hazardous materials would be used. Best management practices employed as part of the proposed project would ensure that spills would not occur. The proposed project would have no impact.

***c. Emit hazardous emissions or involve handling hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?***

The proposed project would use standard fuels and lubricants for machinery during construction. No hazardous materials would be used. Best management practices employed as part of the proposed project would ensure that spills would not occur. The proposed project would have no impact.

***d. Be located on a site that is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?***

There are no known hazardous materials sites within the proposed project area. The proposed project would have no impact.

***e. Be located within an airport land use plan area or, where such a plan has not been adopted, be within two miles of a public airport or public use airport, and result in a safety hazard or excessive noise for people residing or working in the project area?***

The proposed project is not located within an airport land use plan area and is greater than 2 miles from the nearest airport. The proposed project would not create any structure or introduce any new use that would exacerbate safety or noise impacts to an airport. The proposed project would have no impact.

***f. Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?***

The proposed project would not affect any emergency response of an evacuation plan. The proposed project would have no impact.

***g. Expose people or structures, either directly or indirectly, to a significant risk of loss, injury, or death involving wildland fires?***

The proposed project would not expose people or structures to a significant risk of loss, injury, or death involving wildland fires. The project would not exacerbate any wildfire hazard.

## X. Hydrology and Water Quality

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less-than-Significant Impact	No Impact
Would the project:				
a. Violate any water quality standards or waste discharge requirements or otherwise substantially degrade surface or groundwater quality?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
b. Substantially decrease groundwater supplies or interfere substantially with groundwater recharge such that the project may impede sustainable groundwater management of the basin?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
c. Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river or through the addition of impervious surfaces, in a manner that would:				
X 1. Result in substantial erosion or siltation on or off site;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
2. Substantially increase the rate or amount of surface runoff in a manner that would result in flooding on or off site;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
3. Create or contribute runoff water that would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff; or	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
4. Impede or redirect flood flows?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
d. In flood hazard, tsunami, or seiche zones, risk release of pollutants due to project inundation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
e. Conflict with or obstruct implementation of a water quality control plan or sustainable groundwater management plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X

### Affected Environment

The proposed project site consists of a developed spring that has been operational for roughly 60 years. Due to the development of the spring and ongoing maintenance, the site has been disturbed repeatedly. The spring house is not in a Federal Emergency Management Agency identified flood zone (Siskiyou County 2022), but is subject to debris flows associated with Mud Creek.

## Discussion

***a. Violate any water quality standards or waste discharge requirements or otherwise substantially degrade surface or groundwater quality?***

The proposed project would use standard fuels and lubricants for machinery during construction. No hazardous materials would be used. Best management practices employed as part of the proposed project would ensure that spills would not occur. The proposed project would have no impact.

***b. Substantially decrease groundwater supplies or interfere substantially with groundwater recharge such that the project may impede sustainable groundwater management of the basin?***

The proposed project would not substantially decrease groundwater supplies; the project would replace an existing wooden spring house with a new concrete vault design. The proposed project would have no impact.

***c. Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river or through the addition of impervious surfaces, in a manner that would:***

***1. Result in substantial erosion or siltation on or off site?***

The proposed project would not involve extensive grading or excavation. Best management practices employed as part of the proposed project would ensure that any siltation does not leave the proposed project site. The proposed project would have no impact.

***2. Substantially increase the rate or amount of surface runoff in a manner that would result in flooding on or off site?***

The proposed project would not change the topography of the project site. The proposed project would have no impact.

***3. Create or contribute runoff water that would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?***

The proposed project would not change the topography of the project site. The proposed project would have no impact.

***4. Impede or redirect flood flows?***

Three debris flow structures would be installed immediately north of the new spring house vault. These three structures would be designed to redirect debris flows associated with Mud Creek. The redirection of a debris flow would push debris around the new structure and into adjacent mixed conifer forest. The debris flow structures are designed to protect the spring house and would not substantially change or alter debris flows.

***d. In flood hazard, tsunami, or seiche zones, risk release of pollutants due to project inundation?***

The proposed project would not have pollutants when in operation. During construction, any potential pollutants such as fuel and lubricants would be stored to avoid spillage pursuant to project BMPs. The proposed project would have no impact.

***e. Conflict with or obstruct implementation of a water quality control plan or sustainable groundwater management plan?***

The proposed project would not affect any water quality control plan or groundwater management plan. MCSD will comply with the project's BMPs, county, and State regulatory requirements to ensure this domestic water source is not contaminated. The proposed project would have no impact.

## XI. Land Use and Planning

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less-than-Significant Impact	No Impact
Would the project:				
a. Physically divide an established community?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
b. Cause a significant environmental impact due to a conflict with any land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X

### Affected Environment

The proposed project involves the replacement of an existing spring house that has been in operation for roughly 60 years.

### Discussion

**a. *Physically divide an established community?***

The proposed project would not create any new physical divisions within the established community of McCloud.

**b. *Cause a significant environmental impact due to a conflict with any land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect?***

The proposed project would not cause a significant environmental impact due to a conflict with any land use plan, policy, or regulation. The proposed project would have no impact.



## XII. Mineral Resources

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less-than-Significant Impact	No Impact
Would the project:				
a. Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
b. Result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan, or other land use plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X

### Affected Environment

The proposed project site may contain mineral resources, but since the spring is used as a domestic water supply, measures are taken to ensure contamination of the spring does not occur. Potential mineral resources are not available within the immediate area of the spring due to the potential for contamination of the spring which would jeopardize McCloud.

### Discussion

***a. Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?***

The proposed project would not make any mineral resource unavailable. The project involves installation of a new vault over an existing spring that is developed for domestic water supply.

***b. Result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan, or other land use plan?***

The proposed project is not within or adjacent to any locally important mineral resource recovery sites. The proposed project would have no impact.

### XIII. Noise

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less-than-Significant Impact	No Impact
Would the project:				
a. Generate a substantial temporary or permanent increase in ambient noise levels in the vicinity of the project in excess of standards established in a local general plan or noise ordinance or applicable standards of other agencies?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
b. Generate excessive groundborne vibration or groundborne noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
c. Be located within the vicinity of a private airstrip or an airport land use plan, or, where such a plan has not been adopted, within two miles of a public airport or public use airport and expose people residing or working in the project area to excessive noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X

### Affected Environment

The project site is located in an undeveloped area, not adjacent to single family housing units. The anticipated noise generated by construction is roughly 83-84 decibels.

### Discussion

***a. Generate a substantial temporary or permanent increase in ambient noise levels in the vicinity of the project in excess of standards established in a local general plan or noise ordinance or applicable standards of other agencies?***

Construction of the proposed project would require the temporary use of machinery for approximately 104 days. Construction would occur during daytime hours and not violate the Siskiyou County General Plan.

***b. Generate excessive groundborne vibration or groundborne noise levels?***

Neither construction nor operation of the proposed project would involve activities that would result in significant groundborne vibration or noise. The proposed project would have no impact.

***c. Be located within the vicinity of a private airstrip or an airport land use plan, or, where such a plan has not been adopted, within two miles of a public airport or public use airport and expose people residing or working in the project area to excessive noise levels?***

The proposed project is not near any private airstrip or airport and installation of the proposed project would not exacerbate the exposure of individuals to noise. The proposed project would have no impact.

## XIV. Population and Housing

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less-than-Significant Impact	No Impact
Would the project:				
a. Induce substantial unplanned population growth in an area, either directly (e.g., by proposing new homes and businesses) or indirectly (e.g., through extension of roads or other infrastructure)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
b. Displace a substantial number of existing people or housing, necessitating the construction of replacement housing elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X

### Affected Environment

McCloud has a population of roughly 1,020 people; within the MCSD there are an estimated 1043 parcels that would eventually require water extensions.

### Discussion

***a. Induce substantial unplanned population growth in an area, either directly (e.g., by proposing new homes and businesses) or indirectly (e.g., through extension of roads or other infrastructure)?***

The proposed project would not result in significant population growth. The new springhouse vault would better protect the spring and ensure a reliable and safe water. The proposed project would not induce new growth.

***b. Displace a substantial number of existing people or housing, necessitating the construction of replacement housing elsewhere?***

No persons would be displaced by the proposed project. The proposed project would have no impact.

## XV. Public Services

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less-than-Significant Impact	No Impact
Would the project:				
a. Result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities or a need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times, or other performance objectives for any of the following public services:				
Fire protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
Police protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
Schools?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
Parks?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
Other public facilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X

### Affected Environment

Construction of a new spring house vault does not affect any governmental facilities. The proposed project is on private lands.

### Discussion

***a. Result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities or a need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times, or other performance objectives for any of the following public services:***

***Fire protection?***

The proposed project does not require any new fire protection infrastructure. The proposed project would have no impact.

***Police protection?***

The proposed project does not require any new police protection infrastructure. The proposed project would have no impact.

***Schools?***

The proposed project does not require any new school infrastructure. The proposed project would have no impact.

***Parks?***

The proposed project would not require any new parks or park infrastructure. The proposed project would have no impact.

***Other public facilities?***

The proposed project does not require any new public infrastructure. The proposed project would have no impact.

## XVI. Recreation

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less-than-Significant Impact	No Impact
Would the project:				
a. Increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
b. Include recreational facilities or require the construction or expansion of recreational facilities that might have an adverse physical effect on the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X

### Affected Environment

The proposed project is on private lands; recreational opportunities do not exist.

### Discussion

***a. Increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?***

The proposed project would not increase the use of existing recreational facilities; the proposed project would have no impact.

***b. Include recreational facilities or require the construction or expansion of recreational facilities that might have an adverse physical effect on the environment?***

The proposed project does not support recreational infrastructure or require new construction or expansion of recreational facilities. The proposed project would have no impact.

## XVII. Transportation

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less-than-Significant Impact	No Impact
Would the project:				
a. Conflict with a program, plan, ordinance, or policy addressing the circulation system, including transit, roadway, bicycle, and pedestrian facilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
b. Conflict or be inconsistent with State CEQA Guidelines section 15064.3, subdivision (b)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
c. Substantially increase hazards because of a geometric design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
d. Result in inadequate emergency access?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X

### Affected Environment

The proposed project is in an undeveloped area accessed by gated roads that are either dirt or gravel and subject to low levels of vehicle traffic.

### Discussion

**a. Conflict with a program, plan, ordinance, or policy addressing the circulation system, including transit, roadway, bicycle, and pedestrian facilities?**

The proposed project would have no impact.

**b. Conflict or be inconsistent with State CEQA Guidelines section 15064.3, subdivision (b)?**

The proposed project would not generate any vehicle miles travelled (VMT). The proposed project would have no impact.

**c. Substantially increase hazards because of a geometric design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?**

The proposed project would have no impact.

**d. Result in inadequate emergency access?**

The proposed project would not adversely affect existing emergency access to the spring house. The proposed project would have no impact.

## XVIII. Tribal Cultural Resources

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less-than-Significant Impact	No Impact
Would the project cause a substantial adverse change in the significance of a tribal cultural resource, defined in Public Resources Code Section 21074 as either a site, feature, place, cultural landscape that is geographically defined in terms of the size and scope of the landscape, sacred place, or object with cultural value to a California Native American tribe, and that is:				
a. Listed or eligible for listing in the California Register of Historical Resources, or in a local register of historical resources as defined in Public Resources Code section 5020.1(k), or	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
b. A resource determined by the lead agency, in its discretion and supported by substantial evidence, to be significant pursuant to criteria set forth in subdivision (c) of Public Resources Code Section 5024.1. In applying the criteria set forth in subdivision (c) of Public Resource Code Section 5024.1, the lead agency shall consider the significance of the resource to a California Native American tribe.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X

### Discussion

- a. ***Listed or eligible for listing in the California Register of Historical Resources, or in a local register of historical resources as defined in Public Resources Code section 5020.1(k), or***

See Section V Cultural Resources. No tribal cultural resources are known from the project site.

- b. ***A resource determined by the lead agency, in its discretion and supported by substantial evidence, to be significant pursuant to criteria set forth in subdivision (c) of Public Resources Code Section 5024.1. In applying the criteria set forth in subdivision (c) of Public Resource Code Section 5024.1, the lead agency shall consider the significance of the resource to a California Native American tribe.***

See Section V Cultural Resources. No tribal cultural resources are known from the project site.



## XIX. Utilities and Service Systems

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less-than-Significant Impact	No Impact
Would the project:				
a. Require or result in the relocation or construction of new or expanded water, wastewater treatment, stormwater drainage, electric power, natural gas, or telecommunications facilities, the construction or relocation of which could cause significant environmental effects?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
b. Have sufficient water supplies available to serve the project and reasonably foreseeable future development during normal, dry, and multiple dry years?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
c. Result in a determination by the wastewater treatment provider that serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
d. Generate solid waste in excess of state or local standards, or in excess of the capacity of local infrastructure, or otherwise impair the attainment of solid waste reduction goals?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
e. Comply with federal, state, and local management and reduction statutes and regulations related to solid waste?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X

### Affected Environment

The proposed project involves the replacement of an existing spring house that has been in operation for roughly 60 years.

### Discussion

***a. Require or result in the relocation or construction of new or expanded water, wastewater treatment, stormwater drainage, electric power, natural gas, or telecommunications facilities, the construction or relocation of which could cause significant environmental effects?***

The proposed project would not relocate any utilities and would not require any new utilities. The proposed project would have no impact.

***b. Have sufficient water supplies available to serve the project and reasonably foreseeable future development during normal, dry, and multiple dry years?***

Small amounts of water may be used during construction for dust control. The proposed project would not need to use water during operations. The proposed project would have no impact.

***c. Result in a determination by the wastewater treatment provider that serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?***

The proposed project would not produce any wastewater. The proposed project would have no impact.

***d. Generate solid waste in excess of state or local standards, or in excess of the capacity of local infrastructure, or otherwise impair the attainment of solid waste reduction goals?***

The proposed project would not produce solid waste. The proposed project would have no impact.

***e. Comply with federal, state, and local management and reduction statutes and regulations related to solid waste?***

The proposed project would not produce solid waste. The proposed project would have no impact.

## XX. Wildfire

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less-than-Significant Impact	No Impact
If located in or near state responsibility areas or lands classified as very high fire hazard severity zones, would the project:				
a. Substantially impair an adopted emergency response plan or emergency evacuation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
b. Due to slope, prevailing winds, and other factors, exacerbate wildfire risks of, and thereby expose project occupants to, pollutant concentrations from a wildfire or the uncontrolled spread of a wildfire?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
c. Require the installation or maintenance of associated infrastructure (such as roads, fuel breaks, emergency water sources, power lines, or other utilities) that may exacerbate fire risk or that may result in temporary or ongoing impacts on the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
d. Expose people or structures to significant risks, including downslope or downstream flooding or landslides, as a result of runoff, post-fire slope instability, or drainage changes?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X

### Affected Environment

The proposed project is in a high wildfire risk area. The region's hot, dry summers create an annual wildfire threat.

### Discussion

**a. Substantially impair an adopted emergency response plan or emergency evacuation plan?**

The proposed project would not impair any emergency response plan or evacuation plan. The proposed project would have no impact.

**b. Due to slope, prevailing winds, and other factors, exacerbate wildfire risks of, and thereby expose project occupants to, pollutant concentrations from a wildfire or the uncontrolled spread of a wildfire?**

The proposed project would replace the existing wooden spring house structure that is more susceptible to wildfire with a concrete vault that is resistant to fire. The proposed project would have no impact.

***c. Require the installation or maintenance of associated infrastructure (such as roads, fuel breaks, emergency water sources, power lines, or other utilities) that may exacerbate fire risk or that may result in temporary or ongoing impacts on the environment?***

There would not be any additional infrastructure associated with the proposed project. The proposed project would have no impact.

***d. Expose people or structures to significant risks, including downslope or downstream flooding or landslides, as a result of runoff, post-fire slope instability, or drainage changes?***

The proposed project is not expected to exacerbate wildfire hazard. Therefore, it would not expose people or structures to significant new risks. The proposed project would have no impact.

## XXI. Mandatory Findings of Significance

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less-than-Significant Impact	No Impact
a. Does the project have the potential to substantially degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, substantially reduce the number or restrict the range of a rare or endangered plant or animal, or eliminate important examples of the major periods of California history or prehistory?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
b. Does the project have impacts that are individually limited but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
c. Does the project have environmental effects that will cause substantial adverse effects on human beings, either directly or indirectly?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X

### Affected Environment

The MCSDD is proposing to replace the existing wooden spring house with a concrete vault. This new spring house vault is necessary to better protect the domestic water source to ensure the safe and reliable delivery of drinking water to MCSDD customers. This spring was developed roughly 60 years ago and is periodically disturbed by routine maintenance.

### Discussion

***a. Does the project have the potential to substantially degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, substantially reduce the number or restrict the range of a rare or endangered plant or animal, or eliminate important examples of the major periods of California history or prehistory?***

The proposed project would not substantially degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, substantially reduce the number or restrict the range of a rare or endangered plant or animal, or eliminate important examples of the major periods of California history or prehistory.

***b. Does the project have impacts that are individually limited but cumulatively considerable? (“Cumulatively considerable” means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects.)***

The proposed project would not contribute to any significant cumulative impact.

***c. Does the project have environmental effects that will cause substantial adverse effects on human beings, either directly or indirectly?***

As discussed in the sections above, the proposed project would provide improvements to the community through a secured water supply. The proposed project would have no substantial adverse effects on humans either directly, or indirectly.

## Chapter 3 References Cited

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**McCLOUD COMMUNITY SERVICES DISTRICT**  
**WATER SERVICE PERMIT APPLICATION-NEW SERVICE**

Please complete this document and the attached Fixture Count Form. Return both to:

MCSD  
P.O. Box 640  
McCloud, California 96057

Physical Address: 049-031-130 County Permit # \_\_\_\_\_

Owner: Robert and Karen Dais APN: \_\_\_\_\_

Mailing Address: 81 Hood Road  
City Underwood  
State Washington  
Zip 98651

<i>Section to be completed by District</i>
Date Received:
Permit # Issued:
Applicant Notified:

Telephone: (541) 490-4875

Contractor: Dave Camp Construction - McCloud, California

Construction Planned to Begin on (Date): July 2023

**Description of Work:** Connect water line, leading into the property to main District Water line. Connect Sewer line into the property to service line on Squaw Valley Road

<b>Owner authorization to enter property for required inspection(s):</b>	<b>Robert Dais</b>
--	--------------------

*Signature*

**NOTICE**

**This permit application is not an approval to proceed with any work until such time as you have obtained the stamped District permit.**

I hereby certify that I have read and examined this application and know the same to be true and correct. All provisions of laws and ordinances governing this type of work will be complied with whether specified herein or not. The granting of a permit does not presume authority to violate or cancel the provisions of any other state or local law regulating construction or the performance of construction.

<b>Robert Dais</b>	<b>June 5, 2023</b>
<i>Signature of Property Owner or Agent</i>	<i>Date</i>

**McCLOUD COMMUNITY SERVICES DISTRICT**  
**WATER SERVICE PERMIT APPLICATION - FIXTURE COUNT FORM**

Please list below all currently planned and anticipated future water using fixtures on the property. This information will be used by the District to calculate the appropriately sized water service line to serve your property. Water rates are based on the size of water service line serving your property, so be sure to accurately list these fixtures, however, do not underestimate as the customer is responsible for the cost of installation of a larger service line if required in the future.

Fixture Type	Number of Fixtures
Bathtub	2
Kitchen Sink	2
Wash Sink (each set of faucets)	4
Laundry Sink	1
Shower Head (Shower only)	2
Water Closet (toilet) Flush Valve (Commercial)	
Water Closet (toilet) Tank Type (Residential)	2
Dishwasher 1/2 inch connection	1
Dishwasher 3/4 inch connection	
Washing Machine 1/2 inch connection	1
Washing Machine 3/4 inch connection	
Outside Hose Bibs 1/2 inch	
Outside Hose Bibs 3/4 inch	5
Other:	
Fire Sprinkler System - Requires 1" meter service	

**Irrigation**

Approximate square footage of irrigated lawn: 2000 sq ft

Type of Irrigation (Circle One): Spray (Pop-Up, Non-Rotating)  
Rotary (Rainbird or Toro Style)

Department of Real Estate  
of the  
State of California

FINAL SUBDIVISION PUBLIC REPORT  
STANDARD

In the matter of the application of

MCCLLOUD MEADOW RANCH, INC.  
a California Corporation

FILE NO.: 144009SA-A01

ISSUED: MAY 22, 2014

AMENDED &  
RENEWED: JULY 24, 2019

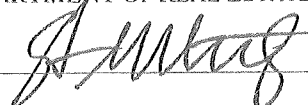
EXPIRES: JULY 23, 2024

for a Final Subdivision Public Report on

McCloud Springs Ranch Subdivision  
Tract No. 1193

DEPARTMENT OF REAL ESTATE

by



Shane McLatchey

SISKIYOU COUNTY, CALIFORNIA

CONSUMER INFORMATION

- This report is not a recommendation or endorsement of the subdivision; it is informative only.
- Buyer or lessee must sign that (s)he has received and read this report.
- A copy of this subdivision public report along with a statement advising that a copy of the public report may be obtained from the owner, subdivider, or agent at any time, upon oral or written request, *must* be posted in a conspicuous place at any office where sales or leases or offers to sell or lease interests in this subdivision are regularly made. [Reference Business and Professions (B&P) Code Section 11018.1(b)]

This report expires on the date shown above. All material changes must be reported to the Department of Real Estate. (Refer to Section 11012 of the B&P Code; and Chapter 6, Title 10 of the California Administrative Code, Regulation 2800.) Some material changes may require amendment of the Public Report; which Amendment must be obtained and used in lieu of this report.

Section 12920 of the California Government Code provides that the practice of discrimination in housing accommodations on the basis of race, color, religion, sex, marital status, domestic partnership, national origin, physical handicap, ancestry, gender identity, gender expression, sexual orientation, familial status, source of income, disability, or genetic information is against public policy.

Under Section 125.6 of the B&P Code, California real estate licensees are subject to disciplinary action by the Real Estate Commissioner if they discriminate or make any distinction or restriction in negotiating the sale or lease of real property because of the race, color, sex, religion, ancestry, national origin, disability, medical condition, genetic information, marital status, sexual orientation, or physical handicap of the client. If any prospective buyer or lessee believes that a licensee is guilty of such conduct, (s)he should contact the Department of Real Estate.

*Read the entire report on the following pages before contracting to buy or lease an interest in this subdivision.*

THIS REPORT COVERS LOTS 1 THROUGH 10.

**SPECIAL INTEREST AREAS IN THIS FINAL SUBDIVISION PUBLIC REPORT:** YOUR ATTENTION IS ESPECIALLY DIRECTED TO THE PARAGRAPH(S) BELOW ENTITLED: USES/ZONING/HAZARD DISCLOSURES, TITLE, TAXES, FINANCING, PURCHASE MONEY HANDLING, AND UTILITIES AND OTHER SERVICES.

IN ADDITION TO THESE AREAS IT IS IMPORTANT TO READ AND THOROUGHLY UNDERSTAND THE REMAINING SECTIONS SET FORTH IN THIS FINAL SUBDIVISION PUBLIC REPORT PRIOR TO ENTERING INTO A CONTRACT TO PURCHASE.

**BEFORE SIGNING, YOU SHOULD READ AND THOROUGHLY UNDERSTAND ALL SALES CONTRACT AND LOAN DOCUMENTS. IF YOU DO NOT UNDERSTAND THE TERMS OF YOUR CONTRACT OR LOAN DOCUMENTS, YOU MAY WISH TO CONSIDER CONSULTING WITH YOUR OWN ATTORNEY BEFORE ENTERING INTO A CONTRACT TO PURCHASE THE PROPERTY.**

THE USE OF THE TERM "PUBLIC REPORT" SHALL MEAN AND REFER TO THIS FINAL PUBLIC REPORT.

### OVERVIEW OF SUBDIVISION

**Location:** This subdivision contains 93 acres divided into 10 lots and is located at Squaw Valley Road and State Highway 89 in the County of Siskiyou approximately 12 miles west of Mt. Shasta, California.

**Interest to be Conveyed:** You will receive fee title to a specified lot.

**SUBDIVIDER AND PURCHASER OBLIGATIONS:** IF YOU PURCHASE FIVE OR MORE SUBDIVISION LOTS FROM THE SUBDIVIDER, THE SUBDIVIDER IS REQUIRED TO NOTIFY THE REAL ESTATE COMMISSIONER OF THE SALE. IF YOU INTEND TO SELL YOUR INTERESTS OR LEASE THEM FOR TERMS LONGER THAN ONE YEAR, YOU ARE REQUIRED TO OBTAIN AN AMENDED FINAL PUBLIC REPORT BEFORE YOU CAN OFFER THE INTERESTS FOR SALE OR LEASE.

NOTWITHSTANDING ANY PROVISION IN THE PURCHASE CONTRACT TO THE CONTRARY, A PROSPECTIVE BUYER HAS THE RIGHT TO NEGOTIATE WITH THE SELLER TO ALLOW AN INSPECTION OF THE PROPERTY BY THE PURCHASER OR THE PURCHASER'S DESIGNEE UNDER TERMS MUTUALLY AGREEABLE TO THE PROSPECTIVE BUYER AND SELLER.

### USES/ZONING/HAZARD DISCLOSURES

The subdivider has set forth below references to various uses, zoning, hazards and other matters based on information from a variety of sources. You should independently verify the information regarding these matters, as well as all other matters that may be of concern to you regarding the subdivision and all existing, proposed or possible future uses adjacent to or in the vicinity of the subdivision. At the

time this Public Report was issued, some of the land uses that surround the subdivision include, but are not limited to, the following:

**Zoning:**

North – Residential  
South – Golf Course  
East – Timber Preserve Zone  
West – Timber Preserve Zone/Residential

**Uses:** The subdivider advises as follows regarding surrounding property uses:

- Golf Course directly south

**Hazards:** The subdivider advises that the following hazards or unusual conditions exist within or near this development:

- Timber Land Production to the west and east.

The subdivider has advised that all or portions of the subdivision subject to this Public Report are located within a *Special Flood Hazard Area* as designated by the Federal Emergency Management Agency. Additionally, the subdivider has advised that prospective purchasers within this Area will be provided a separate disclosure required under Government Code Section 8589.3.

The subdivider has advised that all or portions of the subdivision subject to this Public Report are located within an *Area of Potential Flooding* as shown on an inundation map. Additionally, the subdivider has advised that prospective purchasers within this Area will be provided a separate disclosure required under Government Code Section 8589.4.

The subdivider has advised that all or portions of the subdivision subject to this Public Report are located within a *State Responsibility Area* (wildland area that may contain substantial forest fire risks and hazards) as determined by the California State Board of Forestry. Additionally, the subdivider has advised that prospective purchasers within this Area will be provided a separate disclosure required under Public Resources Code Section 4136.

If any disclosure, or any material amendment to any disclosure, required to be made by the subdivider regarding this natural hazard is delivered after the execution of an offer to purchase, the purchaser shall have three days after delivery in person or five days after delivery by deposit in the mail to terminate the offer by delivery of a written notice of termination to the subdivider or the subdivider's agent.

If your lot is located within one or more Statutory Natural Hazard Areas, your ability to further develop the real property, to obtain insurance, or to receive assistance after a disaster may be affected. You should therefore contact your lender and insurance

carrier for more information regarding types of insurance and costs to cover your property.

If any disclosure, or any material amendment to any disclosure, required pursuant to Civil Code Section 1103 et seq, is delivered after the execution of an offer to purchase, the purchaser shall have three days after delivery in person and five days after delivery by deposit in the mail to terminate the offer by delivery of a written notice of termination to the subdivider or subdivider's agent.

PURCHASERS SHOULD FAMILIARIZE THEMSELVES WITH THE SURROUNDING AREAS OF THE SUBDIVISION BEFORE SIGNING A PURCHASE AGREEMENT/CONTRACT.

### TITLE

**Preliminary Report:** A preliminary report will be issued by the title insurer to reflect those items that affect the condition of title. You are encouraged to request a copy of this preliminary report for review of those items that affect the lot you are purchasing. Those items typically shown include, but are not limited to, general and special taxes, easements, mechanic liens, monetary encumbrances, trust deeds, utilities, rights-of-way and CC&Rs. In most instances, copies of documents can be provided to you upon request. Additionally, the preliminary report shows title, among other things, to be subject to the following:

The terms and provisions contained in the document entitled "McCloud Springs Ranch Roadway Easement and Maintenance Agreement" recorded April 23, 2014 as Instrument No. 14-0003216 of Official Records.

A note appears on the final recorded map, among other things, as follows:

At the time of building permit issuance for each lot in the subdivision, a payment in the amount of \$675 shall be paid to the Siskiyou County Road Department to off-set the impacts of the development to the condition of Squaw Valley Road and its long-term maintenance requirements.

**Easements:** Easements for utilities, sewer, private road, ingress and egress, waterline, storm drain, trail and other purposes are shown on the Title Report and Subdivision Map recorded in the Office of the Siskiyou County Recorder, Book 8 of Maps at page 71.

Adjustments to the original subdivision map(s) may also be recorded. You may ask the subdivider about such changes. If you purchase a lot subject to said adjustment, this information will be included in your title policy.

**Restrictions (CC&Rs):** This subdivision is subject to CC&Rs recorded April 23, 2014 in the Office of the Siskiyou County Recorder as Instrument No. 14-0003215 of Official Records, which includes among other provisions, the following (see next page):

Use Restrictions, Improvements to Lots and Residences, Maintenance of Property, Property Disclosures, Easements, Enforcement, Protection of Mortgagees, Declarant's Development Right, Amendment and General Provisions.

FOR INFORMATION AS TO YOUR OBLIGATIONS AND RIGHTS, YOU SHOULD READ THE CC&Rs. THE SUBDIVIDER MUST MAKE THEM AVAILABLE TO YOU.

**Mineral Rights:** You will not own the mineral, oil and gas rights under your land. These have been reserved as per your grant deed as follows:

EXCEPTING AND RESERVING ALL OIL, GAS, MINERALS AND OTHER VALUABLE DEPOSITS OF EVERY DESCRIPTION IN, ON, UNDER OR THAT MAY BE PRODUCED FROM THE ABOVE DESCRIBED PROPERTY, AS RESERVED BY CHAMPION REALTY CORPORATION, A DELEWAR CORPORATION IN THE GRANT DEED RECORDED NOVEMBER 1, 1993 AS DOCUMENT NO. 93014519.

The right to surface entry has not been waived, and the owners of the mineral rights may enter upon the land at some future date to extract minerals, etc. This right could affect your ability to obtain financing for building on your property.

### TAXES

**Regular Taxes:** The maximum amount of any tax on real property that can be collected annually by counties is 1% of the full cash value of the property. With the addition of interest and redemption charges on any indebtedness, approved by voters prior to July 1, 1978, the total property tax rate in most counties is approximately 1.25% of the full cash value. In some counties, the total tax rate could be well above 1.25% of the full cash value. For example, an issue of general obligation bonds previously approved by the voters and sold by a county water district, a sanitation district or other such district could increase the tax rate.

For the purchaser of a lot in this subdivision, the full cash value of the lot will be the valuation, as reflected on the tax roll, determined by the county assessor as of the date of purchase of the lot or as of the date of completion of an improvement on the lot if that occurs after the date of purchase.

### Notice of Your Supplemental Property Tax Bill

California property tax law requires the assessor to revalue real property at the time the ownership of the property changes. Because of this law, you may receive one or two supplemental tax bills, depending on when your loan closes. The supplemental tax bills are not mailed to your lender. If you have arranged for your property tax payments to be paid through an impound account, the supplemental tax bills will not be paid by your lender. It is your responsibility to pay these supplemental bills directly to the tax collector. If you have any questions concerning this matter, please call your local tax collector's office.

**Special Taxes and Assessments:** This subdivision lies within the boundaries of the following Districts and is subject to any taxes, assessments, and obligations thereof:

- McCloud Community Services District
  - Current assessment for fire and ambulance services (\$76.68).
  - Current assessment for park and recreation management (\$56.06).
  - Current assessment for library services (\$8.06).
- College of the Siskiyou Series A-C Bond - .033000% of assessed property value.
- Siskiyou Union High School District - .029500% of assessed property value

This subdivision lies within the boundaries of the CSA #3 District and is subject to any taxes, assessments, and obligations thereof. This district was formed to provide ambulance services. The District budget for each fiscal year will be based upon the actual costs provided for in the awarded contract for these services. This means assessments can fluctuate from year to year as contracts expire. As of the date of this Public Report, assessment for each lot within this development will be \$2.00. The administration of this district will be provided by the County of Siskiyou.

The buyer has five days after delivery of these Notices by deposit in the mail, or three days after delivery of any Notice in person, to terminate the purchase agreement/contract by giving written notice of that termination to the owner, subdivider, or agent selling the property.

### **FINANCING**

Pursuant to Civil Code Sections 2956 through 2967, inclusive, subdivider and purchasers must make certain written disclosures regarding financing terms and related information. The subdivider will advise purchasers of disclosures needed from them, if any.

If your purchase involves financing, a form of deed of trust and note will be used. The provisions of these documents may vary depending on the lender selected. These documents may contain the following provisions:

**Acceleration Clause:** This is a clause in a mortgage or deed of trust which provides that if the borrower (trustor) defaults in repaying the loan, the lender may declare the unpaid balance of the loan immediately due and payable.

**Due-On-Sale Clause:** If the loan instrument for financing your purchase of an interest in this subdivision includes a due-on-sale clause, the clause will be automatically enforceable by the lender when you sell the property. This means that the loan will not be assumable by a purchaser without the approval of the lender. If the lender does not declare the loan to be all due and payable on transfer of the property by you, the lender is nevertheless likely to insist upon modification of the terms of the instrument as a condition to permitting assumption by the purchaser. The lender will almost certainly insist upon an increase in the interest rate if the prevailing interest rate at the time of the proposed sale of the property is higher than the interest rate of your promissory note.



**Balloon Payment:** This means that your monthly payments are not large enough to pay off the loan, with interest, during the period for which the loan is written and that at the end of the loan period, you must pay the entire remaining balance in one payment. If you are unable to pay the balance and the remaining balance is a sizeable one, you should be concerned with the possible difficulty in refinancing the balance. If you cannot refinance or sell your property, or pay off the balloon payment, you will lose your property.

**Prepayment Penalty:** This means that if you wish to pay off your loan in whole or in part before it is due, you must, in addition, pay a penalty.

**Late Charge:** This means that if you fail to make your installment payment on or before the due date, or within a specified number of days after the due date, you, in addition, must pay a penalty.

**Adjustable Rate Loan:** The subdivider may assist you in arranging financing from a federal or state regulated lender which will make loans that allow the interest rates to change over the life of the loan. An interest rate increase ordinarily causes an increase in the monthly payment that you make to the lender. The lender will provide you with a disclosure form about the financing to assist you in evaluation of your ability to make increased payments during the term of the loan. This disclosure form will be furnished to you at the time you receive your loan application and before you pay a nonrefundable fee.

BEFORE AGREEING TO ANY FINANCING PROGRAM OR SIGNING ANY LOAN DOCUMENTS, YOU SHOULD READ AND THOROUGHLY UNDERSTAND ALL THE PROVISIONS CONTAINED IN THE LOAN DOCUMENTS.

#### PURCHASE MONEY HANDLING

The subdivider must impound all funds (purchase money) received from you in an escrow depository until legal title is delivered to you. [Refer to Business and Professions Code Sections 11013, 11013.1, and 11013.4(a)]

If the escrow has not closed on your lot within twelve (12) months of the date of your purchase agreement acceptance, you may request the return of your purchase money deposit.

THE SUBDIVIDER HAS NO FINANCIAL INTEREST IN THE ESCROW COMPANY WHICH IS TO BE USED IN CONNECTION WITH THE SALE OR LEASE OF LOTS IN THIS SUBDIVISION.

#### SOILS AND GEOLOGIC CONDITIONS

Soils and filled ground information is available at Siskiyou County Community Development Department at 806 South Main Street, Yreka, CA 96097

CALIFORNIA IS SUBJECT TO GEOLOGIC HAZARDS SUCH AS LANDSLIDES, FAULT MOVEMENTS, EARTHQUAKE SHAKING, RAPID EROSION OR SUBSIDENCE. THE UNIFORM BUILDING CODE, APPENDIX CHAPTER 33, PROVIDES FOR LOCAL BUILDING OFFICIALS TO EXERCISE PREVENTIVE MEASURES DURING GRADING TO ELIMINATE OR MINIMIZE DAMAGE FROM SUCH GEOLOGIC HAZARDS. THIS SUBDIVISION IS LOCATED IN AN AREA WHERE SOME OF THESE HAZARDS MAY EXIST. SOME CALIFORNIA COUNTIES AND CITIES HAVE ADOPTED ORDINANCES THAT MAY OR MAY NOT BE AS EFFECTIVE IN THE CONTROL OF GRADING AND SITE PREPARATION.

PURCHASERS MAY CONTACT THE SUBDIVIDER, THE SUBDIVIDER'S ENGINEER, THE ENGINEERING GEOLOGIST AND THE LOCAL BUILDING OFFICIALS TO DETERMINE IF THE ABOVE-MENTIONED HAZARDS HAVE BEEN CONSIDERED AND IF THERE HAS BEEN ADEQUATE COMPLIANCE WITH APPENDIX CHAPTER 33 OR AN EQUIVALENT OR MORE STRINGENT GRADING ORDINANCE DURING THE CONSTRUCTION OF THIS SUBDIVISION.

### UTILITIES AND OTHER SERVICES

**Water:** The McCloud Community Services District advises as follows by letter dated May 23, 2019, in part, as follows:

1. Yes, the project is in our water service supply area and water is available for these lots.
2. The main water lines are complete. Service lines must be completed by each lot owner prior to water service. The hook up fees are \$5,000.00 per each lot – this does not include any labor or materials cost to get water to a lot, its just the buy in fee for the water service. Monthly bills are charged according to line size.
3. Our system has plenty of water available for normal use and fire suppression for these lots. There is a 6" main water line with fire hydrants installed running parallel to Squaw Valley Road which is adjacent to most the lots. Lot number 9 has a sewer and water easement deeded for utility services. This water line can be tapped into for water supply.
4. All these lots will have MCSD water. The exceptions are that the hookup fees per lot must be paid in full before they can be hooked up. All approved by the MCSD or the MCSD can be hired if available to install water lines. The property owner is responsible for providing all building materials and must conform to our specifications and details for water lines. The property owner is responsible for providing all building materials and must conform to our specifications and details for water line installation.
5. Our water is potable. We are proud to provide (rare) natural spring water that is so pure that it does not need to be treated with any chemicals or go through a filtering process. As deemed by the State of California, our water is tested monthly and conforms to state regulations.

6. Our fees are as follows:

One-time connection fee - \$5,000 per lot.

Any new construction is required to install a meter at owners' expense, but we do not charge by meters yet.

Monthly charges are currently by line size – example ¾" water line to a residence is \$40.00 per month. Bigger line sizes increase price. No limit to water use until the state requires us to meter our residential water connections.

Stand by fee - \$142.00 annually or \$11.83 monthly. This fee applies after the \$5,000.00 water connection fee has been paid but before the connection to supply water has been made. After water connection is made it's a flat \$40.00 per month and you cannot go back to a standby fee.

**Sewage Disposal:** Sewer service to each lot in this subdivision will be provided by the McCloud Community Services District. (Approximately \$40/month sewer service fee)

You will be required to pay costs for hook-up to sewer service. The subdivider estimates the hook-up fees to be \$5,000.00.

Subdivider's engineer provides the following information by letter dated 2/28/2014, in part, as follows:

**“..Note: Forced Sewer Main Information for 5 Lots of Subdivision**

A shared common 3-inch Schedule 80 PVC sewer forced main in the trail easement along Squaw Valley Road is a common pipeline STEP system for the benefit of the 5 lots. The pipeline is approximately 1940 feet long and extends into a manhole. It has an isolation valve and cleanout for maintenance. The 5 lots that would use it for wastewater discharge to the McCloud Community Services District Manhole would have their own separate pump system that would pump into the common line. Maintenance for the line is estimated at \$96 per year per lot for a total of \$480 per year. Maintenance is recommended every year to inspect the system for leaks and flush if needed. A reserve account should be started with the extra unused amount for capital repairs or system replacement.”

**Gas:** The subdivider advises as follows: “Natural gas not available”

**Electricity:** Pacific Power – Phone: (888) 221-7070

**Telephone:** Frontier Communications – Phone: (844) 730-5922

**Building Permit:** If you purchase a vacant lot within this subdivision, you will be required to obtain a building permit and pay all applicable fees prior to construction. These fees may include, but may not be limited to the following: schools, sewer, water, drainage, traffic mitigation, park, infrastructure, etc. Vacant lot purchasers should

contact the local building and planning departments for the current list of fees and other requirements prior to purchasing a lot. Purchasers of vacant lots should realize, however, that these fees and requirements could change.

**Fire Protection:** McCloud Fire Department provides by letter dated March 11, 2019, in part, as follows:

- a. The McCloud Fire Department is located at 319 Tucci Avenue in the town of McCloud. It is approximately 1.5 miles to the furthest driveway access as delineated on your map you submitted for reference.
- b. The source of water for fire protection in the area is provided by a municipal water system with fire hydrants. The system is composed of 6" main lines, and each hydrant is capable of flowing approximately 1000 g.p.m.
- c. Services provided by the McCloud Fire Department are as follows:
  1. Structural fire suppression.
  2. EMS treatment and transport.
  3. Technical rescue (vehicle entrapment, structural collapse, etc.)
  4. Hazardous materials response at the First Responder Operational level.
  5. Wildland fire suppression in a support role with CAL-FIRE (CAL-FIRE has primary jurisdiction for wildland fire response in the community).
- d. The community is located within a Moderate Fire Hazard Severity Zone as defined by CAL-FIRE. The community is surrounded by a Very High Fire Severity Zone, with shaded fuel breaks separating the community from the Very High Fire Hazard Severity Zone. The department has an ISO rating of 5.

CAL-FIRE advises as follows:

Your proposed McCloud Springs Ranch Subdivision is in the unincorporated area of Siskiyou County. This area is designated as State Responsibility Area (SRA) for wildland fire protection and is protected by the California Department of Forestry and Fire Protection (CAL-FIRE). CAL FIRE also provides structural fire protection and emergency medical services for this area.

The closest CAL FIRE station is located just south of McCloud Golf Resort and is approximately 1.5 miles from the most northern point of your subdivision along Hwy 89. The McCloud CAL FIRE station is staffed with 2 fire engines from approximately June through October. In the winter months from approximately November to May the fire station is staffed with one engine and under an Amador Contract with the County of Siskiyou. McCloud CAL FIRE is staffed 7 days a week, 24 hours per day, all year.

The closest source of water for fire protection comes from a hydrant system located in the neighborhood just west of your subdivision and is maintained by the McCloud Community Services District.

This proposed subdivision is in a High to Very High fire hazard severity zone with most parcels falling under the Very High Severity.

If you have any need for additional information please call (530) 842-3516.

**Flood and Drainage Conditions:** The County of Siskiyou provides, in part, by letter dated April 15, 2014 as follows:

"..The project site is located within Flood Zones AO and X as identified in FEMA, FIRM Community Panel 060362-3044D and Panel 060362-3457D. All construction in flood zones shall comply with Chapter 10 of Title 10 of the Siskiyou County Code for flood damage prevention."

**Streets and Roads:** Squaw Valley Road within this subdivision has been dedicated to and accepted by the County for public use and for maintenance. Old Mill Drive within this subdivision is a private road. Subdivider's engineer provides, by letter dated 7/22/2019, as follows:

"The Reserve Calculations shown below, from the letter dated 2/28/2014, has not changed and is still a good current estimate of maintenance at this time. This may change in the future depending upon labor and material costs, weather conditions, road usage and ageing infrastructure.

The shared roadway designated as Old Mill Drive was constructed per the following information:

- a) The type of road construction is a 35 foot wide road constructed to County asphalt roadway standards
- b) with 3 foot aggregate base shoulders.
- c) The annual cost for maintenance per lineal foot is \$3.32
- d) The total number of lineal feet of road to be privately maintained is 850.
- e) The annual road maintenance cost per lot is \$28.80. Monthly cost is \$2.40 per lot.
- f) Old Mill Drive construction has been completed and provides access to Squaw Valley Road, a Siskiyou County maintained road."

The repair and maintenance of the private road will be in accordance with the Road Maintenance Agreement referenced in TITLE section above.

THE SUBDIVIDER SHOULD PROVIDE YOU WITH A COPY OF THIS AGREEMENT.

**Schools:** This project lies within the Siskiyou Union High School District. This district advises that the schools initially available to this subdivision are the following:

McCloud Elementary School (K-8)  
332 Hamilton Way  
McCloud, CA 96057  
(530) 964-2133

Siskiyou Union High School District  
McCloud High School (9-12)  
133 Campus Way  
McCloud, CA 96057  
(530) 964-2181

The above school information was provided prior to the date of issuance of this public report and is subject to change. For the most current information regarding school assignments, boundary changes, facilities and bus service, purchasers are encouraged to contact the above school district(s).

#### CONTACTING THE DEPARTMENT OF REAL ESTATE

If you need clarification as to the statements in this Public Report or if you desire to make arrangements to review the documents submitted by the subdivider which the Department of Real Estate used in preparing this Public Report, you may contact:

Department of Real Estate  
Northern California Office  
Subdivisions North  
1651 Exposition Blvd.  
Sacramento, CA 95815  
(916) 576-3374

# RECEIPT FOR PUBLIC REPORT OR CALIFORNIA PERMIT

The Laws and Regulations of the California Real Estate Commissioner requires that you as a prospective purchaser or lessee be afforded an opportunity to read the public report or permit for this subdivision before you make any written offer to purchase or lease a subdivision interest or before any money or other consideration toward purchase or lease of a subdivision interest is accepted from you.

In the case of a preliminary or interim public report or permit, you must be afforded an opportunity to read the public report or permit before a written reservation or any deposit in connection therewith is accepted from you.

In the case of a conditional public report or permit, delivery of legal title or other interest contracted for will not take place until issuance of a final public report or permit. Provision is made in the sales agreement and escrow instructions for the return to you of the entire sum of money paid or advanced by you if you are dissatisfied with the final public report or permit because of a material change. (See California Business and Professions Code §11012.)

**DO NOT SIGN THIS RECEIPT UNTIL YOU HAVE RECEIVED  
A COPY OF THE PUBLIC REPORT OR PERMIT AND HAVE READ IT.**

I read the Commission's Public Report or Permit on

144009SA-A01

[FILE NUMBER]

McCloud Springs Ranch Subdivision – Tract No. 1193

[TRACT NUMBER OR NAME]

I understand the public report or permit is not a recommendation or endorsement of the subdivision, but is for information only.

The issue date of the public report or permit which I received and read is

July 24, 2019

\_\_\_\_\_  
[SIGNATURE]

\_\_\_\_\_  
[DATE]

\_\_\_\_\_  
[ADDRESS]