

# County Service Area No. 1

(Assessment Districts 1, 2, and 97)

Municipal Service Review &  
Sphere of Influence Update

Del Norte  
Local Agency Formation Commission

*Adopted*  
November 30, 2015

## Del Norte Local Agency Formation Commission

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### Acknowledgements

LAFCo staff would like to thank the contributors to this Municipal Service Review. Input instrumental in completing this report was provided by Del Norte County Community Development Department staff. This report would not have been possible without their assistance.

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# INTRODUCTION

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This report is prepared pursuant to legislation enacted in 2000 that requires Local Agency Formation Commissions (LAFCo) to conduct a comprehensive review of municipal services and update the spheres of influence (SOI) of all agencies under LAFCo's jurisdiction. This service review focuses on County Service Area No. 1 (CSA No. 1 or CSA).

## Service Review Determinations

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (California Government Code Section 56000 et seq.) requires LAFCo to review and update spheres of influence not less than once every five years and to review municipal services prior to or in conjunction with sphere updates. The requirement for service reviews arises from the identified need for a more coordinated and efficient public service structure to support California's anticipated growth.

Effective January 1, 2008, Government Code Section 56430 requires LAFCo to conduct a review of municipal services provided in the county by region, sub-region or other designated geographic area, as appropriate, for the service or services to be reviewed, and prepare a written statement of determination with respect to each of the following topics:

- Growth and population projections for the affected area;
- The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence (effective July 1, 2012);
- Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies (including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence);
- Financial ability of the agency to provide services;
- Status of, and opportunities for, shared facilities;
- Accountability for community service needs, including governmental structure and operational efficiencies; and
- Any other matter affecting or related to effective or efficient service delivery, as required by Commission policy.

## Uses of This Report

The service review process provides LAFCo with a tool to study current and future public service conditions and to evaluate organizational options for fostering orderly growth and development, promoting the efficient delivery of services, and encouraging the preservation of open space and agricultural lands. The potential uses of this report are described below.

## **Update Spheres of Influence**

The CSA No. 1 proposes to provide sewer services by way of an Out of Agency Service Agreement to the Elk Valley Rancheria's Martin Ranch (APN 115-020-28) and Ocean Way Motel (APN 115-020-20) properties. In order to extend sewer services outside district boundaries, an SOI amendment (expansion) is required. As such, this municipal service review has been prepared in conjunction with the proposed sphere amendment.

An annexation is not proposed at this time as it would require the County to amend its urban/rural boundary designation in its Local Coastal Program based on recent comments provided by California Coastal Commission staff. The County amended its Local Coastal Program to allow an exception for these properties to be connected to the public sewer system while remaining outside of the designated urban boundary. From the Coastal Commission staff's viewpoint, an Out of Agency Service Agreement is preferred over an annexation of the CSA No. 1 boundary as it is consistent with their analysis of the County's policy exception.

## **Consider Jurisdictional Boundary Changes**

LAFCo is not required to initiate any boundary changes based on service reviews. However, LAFCo, local agencies, or the public may subsequently use this report together with additional research and analysis, where necessary, to pursue changes in jurisdictional boundaries.

## **Resource for Further Studies**

Other entities and the public may use this report for further studies and analysis of issues relating to sewer services in Del Norte County.

## **Review Methods**

The agency reviewed as part of this service review process demonstrated full accountability in disclosure of information and cooperation with LAFCo. The following information was considered in the service review:

- Agency-specific data: responses to LAFCo Requests for Information, budgets, maps, and district plans.
- Demographic data: U.S. Census Bureau; Department of Finance.
- Finances: Del Norte County Budget Book.

Information gathered was analyzed and applied to make the required determinations for each agency. All information gathered for this report is filed by LAFCo for future reference.

# COUNTY SERVICE AREA NO. 1

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## Overview

The CSA No. 1 provides wastewater collection services to unincorporated areas within the Crescent City urban area. The collection system connects to the City of Crescent City's collection system where it is treated at the City's wastewater treatment plant. The CSA No. 1 includes three Assessment Districts (AD): AD1, or Bertsch-Ocean View Improvement District; AD2, or Northcrest Improvement District; and AD97. The AD97 is a separate parcel assessment, not a separate geographic area, encompassing both AD1 and AD2.

## Formation

CSA No. 1/AD1 was formed by resolution of the Del Norte County Board of Supervisors in 1976, and AD2 was formed in 1978. The Assessment Districts were formed for the purpose of providing sewer services to residents of the unincorporated Bertsch-Ocean View and Northcrest areas. The AD97 was established for the purpose of repaying an approximately three million dollar loan that the CSA took out in 1997. The loan was obtained to pay for repairs and improvements to existing sewer lines within the AD1 and the AD2.

## Boundary and Sphere of Influence

The AD1 and the AD2 are not physically connected and are both adjacent to the City of Crescent City (Figure 1). The AD1 serves the unincorporated community located southeast of Crescent City, Bertsch-Ocean View. The lands surrounding AD1 to the north, east, and south, are residential and resource lands. The City of Crescent City and the Crescent City Harbor area lie to the west. The AD2 serves the unincorporated community located immediately north and west of the City, Northcrest. Residential and resource lands lie to the west of AD2, and the Pacific Ocean lies to the southwest.

The CSA No. 1 sphere of influence (SOI), updated in 2010, is coterminous with the Crescent City Urban Boundary and generally includes land to the southwest of AD1 and to the east and west of AD2. The proposed amendment would expand the SOI south of AD1 to include two parcels owned by the Elk Valley Rancheria (Tribe) (Figure 2). The first parcel, Assessor Parcel No. 115-020-28, is approximately 203.5 acres in size and is referred to as the Martin Ranch Parcel. The second parcel, Assessor Parcel No. 115-020-20, is approximately 2.0 acres in size and was the prior location of the Ocean Way Motel which remains in place but is shuttered/abandoned. These two parcels are located near the intersection of U.S. Highway 101 and Humboldt Road approximately one mile south of Crescent City.

Figure 1. County Service Area No. 1

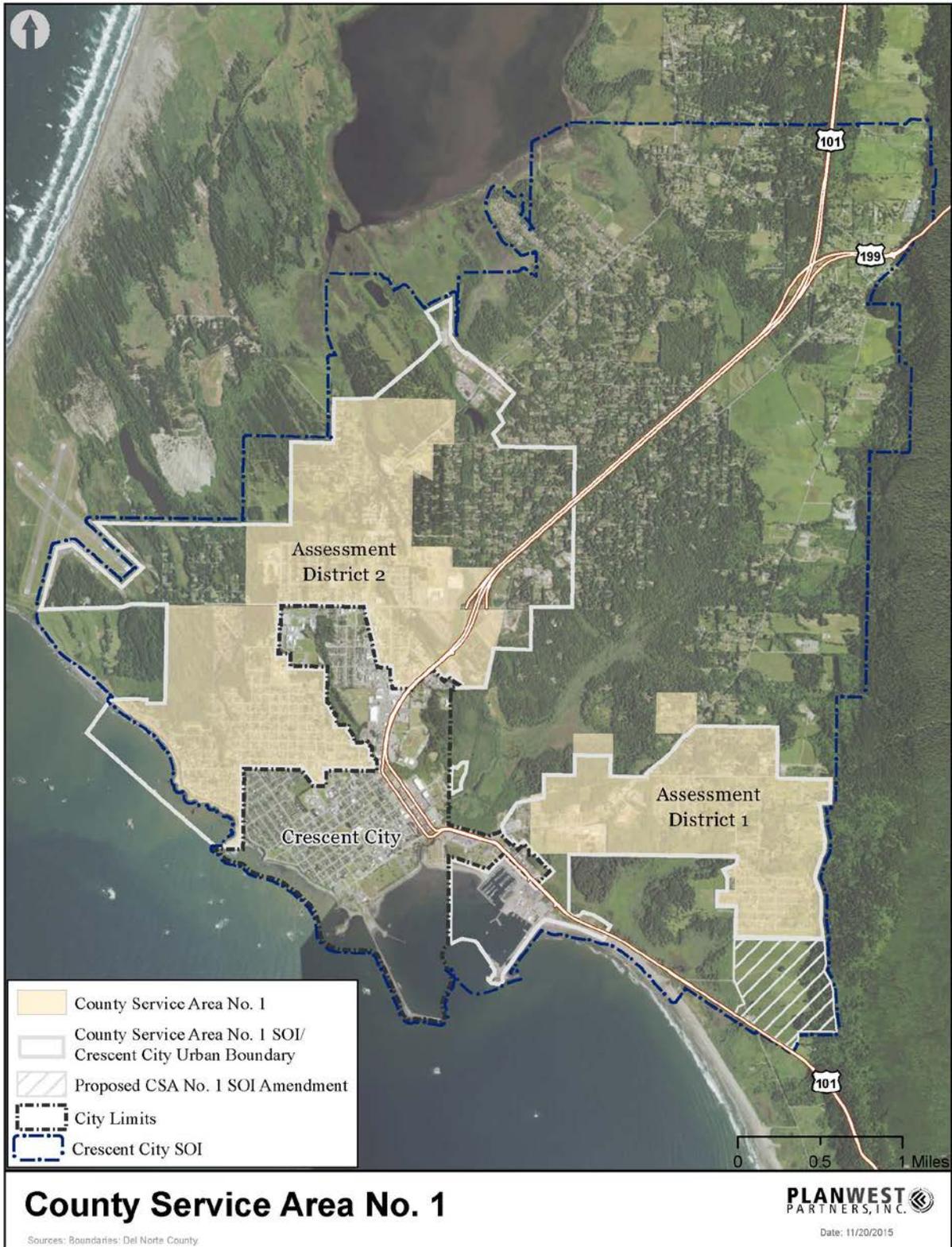


Figure 2 CSA No. 1 Proposed SOI Amendment



**Table 1: CSA No. 1 Agency Profile**

<b>Formation</b>	
<b>Agency Name</b>	County Service Area (CSA) No. 1
<b>Date of Formation</b>	Assessment District 1: 1976 Assessment District 2: 1978 Assessment District 97: 1997
<b>Enabling Legislation</b>	California Government Code §56425
<b>Contact</b>	
<b>Contact</b>	Heidi Kunstal, Del Norte County Community Development Director
<b>Alternate Contact</b>	James Barnts, Del Norte County Engineer
<b>E-mail</b>	hkunstal@co.del-norte.ca.us, jbarnts@co.del-norte.ca.us
<b>Website</b>	www.co.del-norte.ca.us (County of Del Norte website)
<b>District Office</b>	981 H Street, Suite 110, Crescent City, CA 95531
<b>Mailing Address</b>	c/o Del Norte County Community Development Department 981 H Street, Suite 110, Crescent City, CA 95531
<b>Phone/ Fax</b>	<b>Planning Division</b> <b>Engineering Division</b> Phone: (707) 464-7254                      Phone: (707) 464-7229 Fax: (707) 465-0340
<b>Governance</b>	
<b>Governing Body</b>	Board of Directors (County Board of Supervisors)
<b>Board Meetings</b>	Second and fourth Tuesday of each month
<b>Staffing</b>	County Community Development and Engineering staff
<b>Services</b>	
<b>Services Provided</b>	Wastewater collection
<b>Areas Served</b>	Unincorporated Crescent City urban areas

## Accountability and Governance

The Del Norte County Board of Supervisors serves as the Board of Directors for the CSA No. 1. The Board is comprised of five elected members that serve a four year term. The Board meets on the second and fourth Tuesday’s of each month at 10:00 am. The meetings are held in the Board of Supervisors Chambers located in the Flynn Administration Center at 981 H Street, Crescent City. Meetings are posted on site a minimum of three days prior to the meeting date, notification is given in the local newspaper and the agenda is posted in the County website the Friday prior to the meeting date. Items involving the CSA No. 1 are placed upon the Board’s agenda on an as-needed basis.

The Del Norte County Community Development Department (CDD) acts as staff for the CSA No. 1. The CDD office is open Monday through Friday (except holidays) from 8:00 am to 5:00 pm.

**Table 2: CSA No. 1 Board of Directors – County Board of Supervisors**

<b>Board Member</b>	<b>Title</b>
Roger Gitlin	Supervisor, District 1
Martha McClure	Supervisor, District 2
Chris Howard	Supervisor, District 3
Gerry Hemmingsen	Supervisor, District 4
David Finigan	Supervisor, District 5

The District demonstrated full accountability and transparency in its disclosure of information and cooperation with Del Norte LAFCo during the MSR process. The District responded to the questionnaires and cooperated with the document requests.

## **Population and Land Use**

### **Land Use**

The Del Norte County General Plan (2003) and Zoning Code guides land use decisions within the unincorporated portion of Del Norte County and the CSA No. 1’s jurisdiction. Both the Del Norte County and the City of Crescent City’s General Plans designate the Crescent City Urban Boundary, which is coterminous with the current CSA No. 1 SOI and encompasses existing and developing urban and rural transition areas. This includes residential neighborhoods, commercial and industrial areas and regional facilities such as the harbor, community college, hospital, and airport. Immediately adjacent to the urban areas are several state and federal resource and recreation areas including Lake Earl Wildlife Area, State Parks Dead Lake Area, Elk Creek Wildlife Area and the Redwood National and State Parks.

### **County Population and Growth**

According to the Census, the total population in Del Norte County was 27,507 in 2000 and 28,610 in 2010. The Del Norte County population grew at a rate of 4.0 percent between the 2000 and 2010 census, or at an annual growth rate of 0.4 percent. The County will likely continue to develop at current rates of 0.4 percent per year, putting the County population at approximately 30,987 in 2030.

### **District Population and Growth**

While the City encourages infill development, and directing future growth within the existing City boundary and footprint, the City is constrained by the lack of developable land available. Future development is likely to occur in areas outside of the City, yet within the City’s Urban Boundary, as designated by the City and County General Plans. The Crescent City urban area offers growth opportunities at densities that are contingent upon the public infrastructure, specifically water and wastewater services.

According to the CSA No. 1 questionnaire responses, for the past ten years growth has been focused in the Washington Boulevard/Summer Lane area in the vicinity of Walmart.

Approximately 136 apartment units (Hidden Creek Apartments and Summer Park Apartments), five single family homes, and the expansion of the Walmart to a Supercenter have occurred within this area. The Summer Park Apartments has two remaining phases, which would include up to 104 additional apartments.

According to the County, the population within the CSA No. 1 is approximately 8,000. Development within the CSA No. 1 will likely continue at the current county-wide rate of 0.4 percent per year, putting the CSA No. 1 population at approximately 8,494 in 2030.

## **Disadvantaged Unincorporated Communities**

LAFCo is required to evaluate water service, sewer service, and structural fire protection within disadvantaged unincorporated communities as part of this service review, including the location and characteristics of any such communities. A disadvantaged unincorporated community (DUC) is defined as any area with 12 or more registered voters where the annual median household income is less than 80 percent of the statewide annual median household income (pursuant to Government Code Section 56033.5 and Water Code Section 79505.5).

According to the 2008-2012 American Community Survey 5-Year Estimates, the California median household income (MHI) is \$61,400. The Del Norte countywide MHI is \$39,626, which places it at 65% of the California MHI. With only one incorporated city, Crescent City, most of the County's population exists in unincorporated communities that qualify as "disadvantaged".

The California Department of Water Resources has mapped communities that are at or below 80 percent of the annual median household income by using census data for each county. According to this data, the communities of Smith River, Hiouchi, Gasquet, Klamath, and parts of the incorporated City of Crescent City are classified as disadvantaged within Del Norte County.

The CSA No. 1 provides one of the three basic services - sewer collection service – to areas that are considered disadvantaged. The City of Crescent City delivers water directly to customers within the Northcrest Improvement District (AD2) and delivers water to the Bertsch-Ocean View Community Services District (BOV CSD) for the BOV CSD's use in serving customers within AD1. Crescent Fire Protection District (Crescent City Fire and Rescue) provides fire protection services within all of CSA No. 1.

## **Services & Infrastructure**

### **Services Overview**

The CSA No. 1 owns and maintains wastewater collection infrastructure within their jurisdiction. The CSA No. 1's collection lines feed into the wastewater treatment plant operated by the City of Crescent City. The City Public Works Department provides maintenance and emergency response services, under contractual agreements, with the CSA, but does not fund, operate, or have control over the CSA collection system (County 2012). The CSA No. 1 currently provides wastewater collection services to 2,436 customers (i.e. connections).

## Infrastructure Overview

The CSA No. 1 has 15 lift stations and maintains a main line collection system of approximately 32 miles. The lines range in size from 6-8 inches in diameter. A series of wastewater lift stations are located across the collection system that are responsible for pumping wastewater to the treatment plant and are equipped with pumps, mechanical systems, and electrical controls. The existing infrastructure is over 40 years old and is deteriorating, inefficient, and requires weekly maintenance to remove debris from pumps and check controllers. Controllers are antiquated mechanical relays that do not allow for remote diagnosis of pump status or operations mode. Servicing the pumps and controllers currently requires a confined space entry team with dangerous working conditions. Failures of the lift stations can result in sanitary sewer overflows.

## Infrastructure Needs and Deficiencies

The CSA's current method of identifying service needs is by tracking planned development activities as well as identifying areas subject to public health risk related to failing septic systems in an effort to preserve at-risk housing. The following infrastructure and funding needs were identified by the CSA No. 1:

### Infrastructure Needs

- 1) Rehabilitation of all aged sanitary sewer lift stations.
- 2) Installation of a supervisory control and data acquisition (SCADA) system.

### Funding Needs

- 1) Identify funding sources to complete rehabilitation of all lift stations and installation of SCADA.
- 2) Ability to save user fees in order to build a reserve to pay for unexpected repairs to the CSA's wastewater collection lines.

The CSA No. 1 and the City are working together to identify and apply for funding to rehabilitate the aging infrastructure. The existing lift stations have been assessed to determine the extent of rehabilitation necessary. Full rehabilitation of a lift station would consist of replacing pumps with two chopper pumps, motors, installing electronic controllers, valves, sump pump, blower dehumidifier, and programming and integration of a SCADA system.

The CSA No. 1 and the City of Crescent City collaborated on and are recommended to receive an \$812,000 grant under the final round of Prop. 84 Grant funding for jurisdictions with integrated regional water management plans. If the Department of Water Resources awards the grant, the City will upgrade two sanitary sewer lift stations, the CSA will upgrade four lift stations, and a SCADA system will be installed for all City and CSA No. 1 sewer lift stations (21 total).

Additionally, the Board of Directors for the CSA have authorized staff to pursue a Memorandum of Agreement with the Elk Valley Rancheria for use of an already awarded grant for wastewater system improvements for the tribal community. If this agreement is approved, it is anticipated that \$570,000 in additional lift station upgrades will occur in the Crescent City area.

## Other Service Providers

### Wastewater Treatment

The City's wastewater treatment plant (WWTP) was upgraded in 2010 to comply with Regional Water Quality Control Board discharge requirements. The upgrade increased the plant's treatment capacity and took into consideration the County General Plan Land Use designation (i.e. development potential) for land located within the City's Urban Boundary (CSA No. 1 sphere). Therefore the City's existing collection system and treatment plant are designed for future service demand within the CSA No. 1 boundary and sphere.

As state above, the City of Crescent completed the first phase of a major improvement to its WWTP. This first phase provides over 1000 additional single family equivalent (SFRE) connections. It is anticipated that the new WWTP will demonstrate that it has capacity beyond the theoretical 1000+ SFRE's.

In addition to the first phase improvements, due to the increases in plant's through-put efficiencies with respect to aerobic digestion volumetric limitations and outfall flow constrictions, additional processing capacity can be achieved through future phase improvements to the existing treatment works and in-flow/infiltration upgrades to the collection system if growth rates were to exceed that anticipated for the facility's 20-year planning period.

There will also be a second phase of improvements at which time additional capacity can be built into the project based on actual experience with both the WWTP performance and the actual project demands. To pay for additional capacity, connection charges will be collected to pay a portion of the present capacity utilized and the future capacity to be constructed. Therefore, additional capacity, if needed can be added in the future.

The Coastal Commission's determined the expansion of the County Service Area No. 1 's wastewater collection and treatment public works facilities to serve the development that the approved LCP amendment would facilitate (Elk Valley Rancheria's casino and resort project on the Martin Ranch property) would not deprive services to other essential and priority types of development.

### Water Service

The City of Crescent City provides potable water service within the City, certain unincorporated areas around the City, and Pelican Bay State Prison. The City of Crescent City delivers water directly to customers within the Northcrest Improvement District (AD2) and delivers water to the Bertsch-Ocean View Community Services District (BOV CSD) for the BOV CSD's use in serving customers within AD1. In regards to the proposed SOI expansion area, the Martin Ranch property is located in both the BOV CSD SOI and City of Crescent City SOI; the Ocean Way Motel property is located in the City's SOI.

The City of Crescent City obtains its water supply from the Smith River groundwater basin, which is located 8.5 miles north of the City. Water is first pumped out of the Smith River groundwater

basin via the Ranney well. From the Ranney well, water is pumped to a chlorination and fluoridation facility. It is then pumped via the Ranney collector, a 2.85 mile transmission line, to a 50,000 gallon elevated storage tank near Crescent City. The water is then gravity fed approximately two miles via a 24-inch line to the City's distribution system and reservoirs.

### **Other Service Providers**

The County of Del Norte provides general governmental services including social services, emergency services, planning, county roads and parks, etc. to the unincorporated areas of Del Norte County. Law Enforcement is provided by the Del Norte County Sheriff's Office and fire protection is provided by Crescent Fire Protection District (Crescent City Fire and Rescue).

### **Shared Facilities**

As mentioned previously, CSA No. 1 owns and operates wastewater collection infrastructure in the Crescent City urban area that connects to the City's collection infrastructure and is treated at the City WWTP. The CSA contracts with the City for routine maintenance of its facilities. No other shared service opportunities have been identified.

### **Budget**

The CSA's primary revenue source is user fees collected twice each year. Primary expenditures are services and supplies including maintenance costs and staffing through other County departments (i.e. engineering and community development) (Table 3).

A recommended budget is prepared by Community Development Department staff which is presented to the Board of Supervisors (acting as the Board of Directors of the CSA) for final adoption. Pre-budget planning takes into consideration typical maintenance and operation expenses, expenses related to planned capital improvements such as lift stations upgrades, and unexpected expenses such as a leaking line or equipment failure within lift station infrastructure.

Based upon the CSA's actual and adopted budgets for the 2013-16 fiscal years, it appears that the CSA's total expenditures are consistently greater than the total revenues obtained. Within the past three years, the CSA has seen a growth in operation and maintenance costs associated with aging lift stations along with increased utility expenses. According to the County Engineer, the upgrade/replacement of the oldest lift stations, which should occur with the award of the Prop. 84 funds, will substantially help in reducing the operation and maintenance costs as well as help lower utility costs.

Reserves do not exist for unanticipated system failures which create financial challenges for the operation of the CSA. With the proposed rehabilitation projects, it is anticipated that a reserve will be created which will be capable of funding long-term capital improvements to the system. The CSA could also consider increasing the User Fees, which have not been increased since 1981, or obtaining a loan, if substantial expenses are foreseen that cannot be covered by the existing revenue. Additionally, the CSA Board of Directors will be considering a CSA-wide financing plan package for new and existing customers related to the payment of connection charges. The CSA

also has outstanding debt from loan repayments for the construction of the sewer collection system and rehabilitation to it.

**Table 3. CSA No. 1 Revenues & Expenditures**

Revenue	Actual 2013-14	Actual 2014-15	Adopted 2015-16
Sewer Receipts	\$227,844	\$234,070	\$225,000
Inspection Fees	\$1,643	\$1,148	\$1,000
Interest - CSA	\$ (438)	\$(1,052)	\$0
Collection System Oversizing Charges	\$0	\$83	\$0
Misc. Receipts	\$14,627	\$151	\$500
<b>Total Revenue</b>	<b>\$243,676</b>	<b>\$234,400</b>	<b>\$226,500</b>
Expenses	Actual 2013-14	Actual 2014-15	Budget 2015-16
Services and Supplies	\$173,939	\$190,446	\$238,834
Fixed Assets – Lift Stations	\$18,625	\$0	\$0
Staffing (through Interfund Transfers)	\$131,353	\$136,895	\$119,516
<b>Total Expenses (without depreciation)</b>	<b>\$323,917</b>	<b>\$327,341</b>	<b>\$358,350</b>
<b>Net Total (Deficit)</b>	<b>\$(80,241)</b>	<b>\$(92,941)</b>	<b>\$(131,850)</b>

Source: CSA No. 1 Department Budget Report

## Service Rates

As stated above, user fees are collected twice each year. Table 4 shows fees for other CSA related services.

**Table 4. CSA No. 1 Fee Schedule**

		Fees 2011	Fees 2015
<b>County Service Area</b>			
Lateral Location in Field	No Camera	\$55 + \$55/hr > 1hr	\$75 + \$75.00/hr > 1 hr
	Camera	165 + \$110/hr > 1hr	\$150 + \$110/hr > 1hr
Sewer Capacity Analysis (Review)		\$110 + \$110/hr > 1hr	\$150
Sewer Lateral Line Inspection	Camera	\$110 + \$55/hr > 1hr	\$150 + \$75/hr > 1hr
Sewer main Inspection	Camera	\$165 + \$110/hr > 1hr	\$150 + \$75/hr > 1hr

## MUNICIPAL SERVICE REVIEW DETERMINATIONS

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This chapter addresses the requirements of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (California Government Code Section 56430). As part of the municipal service review process, LAFCo is required to make written statements of determinations in each of the categories listed below.

### **Growth and population projections**

According to the County, the population within the CSA No. 1 is approximately 8,000. Development within the CSA No. 1 will likely continue at the current county-wide rate of 0.4 percent per year, putting the CSA No. 1 population at approximately 8,494 in 2030.

### **The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the Sphere of Influence**

The bulk of Del Norte County's population exists in unincorporated communities that qualify as disadvantaged including parts of the incorporated City of Crescent City and surrounding unincorporated areas. The CSA No. 1 provides one of the three basic services - sewer collection service – to areas that are considered disadvantaged. There are areas within and adjacent to the CSA No. 1 SOI that rely on individual septic systems.

### **Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies**

The CSA provides adequate wastewater collection services. However, the existing infrastructure is over 40 years old and is deteriorating, inefficient, and requires weekly maintenance to remove debris from pumps and check controllers. The following infrastructure and funding needs were identified by the CSA No. 1:

#### **Infrastructure Needs**

- 1) Rehabilitation of all aged sanitary sewer lift stations.
- 2) Installation of a SCADA system.

#### **Funding Needs**

- 1) Identify funding sources to complete rehabilitation of all lift stations and installation of SCADA.
- 2) Ability to save user fees in order to build a reserve to pay for unexpected repairs to the CSA's wastewater collection lines.

The CSA No. 1 and the City are working together to identify and apply for funding to rehabilitate the aging infrastructure. The CSA No. 1 and the City of Crescent City collaborated on and are recommended to receive an \$812,000 grant under the final round of Prop. 84 Grant funding. If the grant is awarded the City will upgrade two sanitary sewer lift stations, the CSA will upgrade

four lift stations, and a SCADA system will be installed for all of City and CSA No. 1's sewer lift stations (21 total).

The City's wastewater treatment plant (WWTP) was upgraded in 2010 to comply with Regional Water Quality Control Board discharge requirements. The upgrade increased the plant's treatment capacity and took into consideration the County General Plan Land Use designation (i.e. development potential) for land located within the City's Urban Boundary (CSA No. 1 sphere). Therefore the City's existing collection system and treatment plant are designed for future service demand within the CSA No. 1 boundary and sphere.

### **Financial ability of agencies to provide services**

Based upon the CSA's actual and adopted budgets for the 2013-16 fiscal years, it appears that the CSA's total expenditures are consistently greater than the total revenues obtained. According to the County Engineer, the upgrade/replacement of the oldest lift stations, which should occur with the award of the Prop. 84 funds will substantially help in reducing the operation and maintenance costs as well as help lower utility costs.

The CSA Board of Directors will be considering a CSA-wide financing plan package for new and existing customers related to the payment of connection charges. The CSA could also consider increasing the user fees, which have not been increased since 1981, or obtaining a loan, if substantial expenses are foreseen that cannot be covered by the existing revenue.

### **Status of, and opportunities for, shared facilities**

As mentioned previously, CSA No. 1 owns and operates wastewater collection infrastructure in the Crescent City urban area that connects to the City's collection infrastructure and is treated at the City WWTP. The CSA contracts with the City for routine maintenance of its facilities. No other shared service opportunities have been identified.

### **Accountability for community service needs, including governmental structure and operational efficiencies**

The Del Norte County Board of Supervisors serves as the Board of Directors for the CSA No. 1 and the Del Norte County Community Development Department acts as staff. The Board is comprised of five elected members that serve a four year term. The current government structure is operating efficiently, and appears to provide necessary services to its customers.

### **Any other matter related to effective or efficient service delivery, as required by commission policy**

There are no further matters related to effective or efficient service delivery at this time.

# SPHERE OF INFLUENCE DETERMINATIONS

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## Sphere of Influence Amendment

The current CSA No. 1 SOI is coterminous with the Crescent City Urban Boundary. The proposed amendment would expand the SOI to include two parcels held in trust for the Elk Valley Rancheria (Tribe). The first parcel, Assessor Parcel No. 115-020-28, is approximately 203.5 acres in size and is referred to as the Martin Ranch Parcel. The second parcel, Assessor Parcel No. 115-020-20, is approximately 2.0 acres in size and was the prior location of the Ocean Way Motel which remains in place but vacant. The subject parcels are located near the intersection of U.S. Highway 101 and Humboldt Road approximately one mile south of Crescent City.

The following statement of determinations is prepared pursuant to Government Code Section 56425 and fulfills LAFCo requirements to review and amend the sphere of influence (SOI).

### **Present and planned land uses in the area, including agricultural and open-space lands.**

Martin Ranch is undeveloped and the Tribe currently uses it for limited grazing purposes. The Tribe has long anticipated development of the Martin Ranch property for a casino and resort and has designated it as Planned Use Development. The Tribe proposes a phased development of the resort and casino project on the Martin Ranch parcel with the casino to be completed during an early phase. The casino would be similar in size and features to the existing casino that is located on Howland Hill Road; upon completion of the new casino, the existing casino would be closed. The Ocean Way Motel is a former motel that has been vacant for many years. There are no current development plans associated with this parcel, but the Tribe has applied for and received grant funding to demolish the motel structures.

In 2010 the County amended its LCP to allow public services (i.e. water and sewer) to the Martin Ranch and Ocean Way Motel parcels as they are currently located outside of the County's urban services boundary. The policy amendment was an exception to provide public services only to the two identified parcels with no additional laterals to be provided to adjoining or nearby parcels. The purpose of this requirement was to prevent growth inducement outside of the urban boundary into agricultural or environmentally sensitive areas. Little change in actual or designated land uses within the CSA is anticipated over the next 20 years.

### **Present and probable need for public facilities and services in the area.**

The CSA No. 1 provides wastewater collection services to unincorporated areas within the Crescent City urban area. The collection system connects to the City of Crescent City's collection system where it is treated at the City's wastewater treatment plant. The City's wastewater treatment plant (WWTP) was upgraded in 2010 to comply with Regional Water Quality Control Board discharge requirements. The upgrade increased the plant's treatment capacity and took into consideration the County General Plan Land Use designation (i.e. development potential) for land located within the City's Urban Boundary (CSA No. 1 sphere). Therefore, the City's existing

collection system and treatment plant are designed for future service demand within the CSA No. 1 boundary and sphere.

It has been the intention of the Elk Valley Rancheria to connect to the public sewer system since the early stages of planning to re-locate the Elk Valley Casino to the Martin Ranch parcel. The SOI extension is needed to allow the CSA to provide services to the subject parcels.

**Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.**

The CSA provides adequate wastewater collection services. The CSA No. 1 and the City are working together to identify and apply for funding to rehabilitate the aging infrastructure. As discussed above, the City's WWTP was recently upgraded; the WWTP is designed to accommodate future demand within the City's urban boundary (CSA No. 1 SOI). According to final environmental documentation at the time of the consistency determination for the Martin Ranch federal action (2005) it was determined that the first phase improvements to the City's WWTP, and other efficiency improvements, resulted in a reserve capacity for approximately 1,000 single family residential equivalent (SFRE) connections becoming available. The County is unaware of any development that has occurred during the interim time period that would have caused this conclusion to be any different.

Based on information provided to the County Engineer by Tribal staff in the fall of 2014, the proposed Martin Ranch casino resort development will require 27 SFREs of wastewater demand. Thus, based on this data, approximately 973 SFRE wastewater treatment connections would remain available in the Crescent City WWTP's system above and beyond that needed to serve planned-for growth in its urban service area. In addition, in 2007, the Coastal Commission authorized further improvements to the treatments works to meet anticipated growth identified under the County's and City's 2003 General Plan/LCP updates through the year 2027. Additionally, due to the increases in plant's through-put efficiencies with respect to aerobic digestion volumetric limitations and outfall flow constrictions, additional processing capacity can be achieved through future phase improvements to the existing treatment works and in-flow/infiltration upgrades to the collection system if growth rates were to exceed that anticipated for the facility's 20-year planning period.

Thus the City's WWTP has the capacity available to serve the proposed project and the service extension would not impact the CSA's ability to provide sewer services to existing or future development within the CSA's SOI (City's urban service boundary).

**Existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.**

The proposed SOI extension encompasses two parcels held in trust by the U.S. government for the benefit of the Elk Valley Rancheria.

**For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the**

**present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere.**

The bulk of Del Norte County's population exists in unincorporated communities that qualify as disadvantaged including the communities of Smith River, Hiouchi, Gasquet, Klamath, and parts of the incorporated City of Crescent City.

The CSA No. 1 provides one of the three basic services - sewer collection service – to areas that are considered disadvantaged. The City of Crescent City delivers water directly to customers within the Northcrest Improvement District (AD2) and delivers water to the Bertsch-Ocean View Community Services District (BOV CSD) for the BOV CSD’s use in serving customers within AD1. The City recently submitted an application to provide water service within the SOI expansion area. It is anticipated that this proposal will be reviewed by LAFCo staff and presented to the Commission in early 2016. Crescent Fire Protection District (Crescent City Fire and Rescue) provides fire protection services within all of CSA No. 1.

## REFERENCES

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Application to Provide Services Outside Agency Boundaries, submitted by CSA No. 1, August 2015 (on file with Del Norte LAFCo).

[County 2012] Del Norte County Community Development Department. January 2012. County of Del Norte Sanitary Sewer Management Plan.

Del Norte LAFCo MSR and SOI Update Information Questionnaire for County Service Area No. 1. Completed by Heidi Kunstal and James Barnts, September 2015 (on file with Del Norte LAFCo).

Sphere of Influence Amendment Application submitted by CSA No. 1, August 2015 (on file with Del Norte LAFCo).

Appendix A – County Service Area No. 1 Boundary and SOI - Adopted Nov. 30, 2015

