

Bertsch-Ocean View Community Services District

Municipal Service Review & Sphere of Influence Update

Adopted April 20, 2020



Del Norte Local Agency Formation Commission

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Acknowledgements

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1.0 INTRODUCTION

The Del Norte Local Agency Formation Commission (LAFCo) conducts municipal service reviews (hereafter referred to as “service reviews”) to assess existing and future public service conditions for cities and special districts within Del Norte County. This service review allows LAFCo, local agencies, and the public to better understand how public services are provided by the Bertsch Oceanview Community Services District (BOV CSD). This chapter provides a background of the service review requirements and an overview of the process and methodology of the review.

1.1 Community Service Districts & Principal Act Overview

Community Service Districts (CSDs) are independent special districts under Community Service District Law (Government Code § 61000 - 61850). A CSD is authorized to provide a wide variety of services including domestic water, wastewater treatment, garbage collection, security, fire protection public recreation, street lighting, and many others to unincorporated areas. CSDs are governed by a board of five directors, all of whom are elected at large.

The principal act governing CSDs is the Community Service District law (Government Code §61000 - 61850) which authorizes CSDs to provide a variety of service within its boundaries. BOV CSD is authorized to provide domestic water services. All other remaining services, facilities, functions or powers enumerated in the District’s principal act but not identified in the formation resolution are “latent,” meaning that they are authorized by the principal act under which the District is formed but are not being exercised. Activation of these latent powers and services requires LAFCo authorization.

1.2 Municipal Service Review Determinations

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

1. Growth and population projections for the affected area;
2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence;
3. 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);
4. Financial ability of agencies to provide services;
5. Status of, and opportunities for, shared facilities;
6. Accountability for community service needs, including governmental structure and operational efficiencies; and
7. Any other matter affecting or related to effective or efficient service delivery, as required by Commission policy.

State Guidelines and Commission policies encourage stakeholder cooperation in the municipal service review process. It also provides a basis to evaluate, and make changes to Spheres of Influence, if appropriate.

1.3 Sphere of Influence Determinations

A Sphere of Influence (SOI) is a LAFCo-approved plan that designates an agency's probable physical boundary and service area. Spheres are planning tools used to provide guidance for individual boundary change proposals and are intended to encourage efficient provision of organized community services, discourage urban sprawl and premature conversion of agricultural and open space lands, and prevent overlapping jurisdictions and duplication of services.

LAFCo is required to establish SOIs for all local agencies and enact policies to promote the logical and orderly development of areas within the SOIs. Furthermore, LAFCo must update those SOIs every five years. For a SOI update, LAFCo is required to conduct a Municipal Services Review (MSR) and adopt related determinations. It must also make the following SOI determinations:

1. The present and planned land uses in the area, including agricultural and open-space lands;
2. The present and probable need for public facilities and services in the area;
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide;
4. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency; and
5. The present and probable need for public facilities and services related to sewers, municipal or industrial water, or structural fire protection of any disadvantaged unincorporated communities within the existing sphere of influence (effective July 1, 2012).

1.4 Review Methods

The following information was considered in the development of this service review:

- Agency-specific data: responses to LAFCo Requests for Information.
- Land Use and Del Norte County General Plan and Zoning data: Del Norte County Planning Division and GIS webpage.
- Demographic data: U.S. Census Bureau; Department of Finance; CA Water Resources Board.
- Finances: budgets, rates and fees.
- Personal Communications with District staff.
- Other Reports: State Water Resources Control Board, Division of Drinking Water sanitary survey.

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

1.5 California Environmental Quality Act

The California Environmental Quality Act (CEQA) is contained in Public Resources Code § 21000 et seq. Public agencies are required to evaluate the potential environmental effects of their actions. MSRs are statutorily exempt from CEQA pursuant to § 15262 (feasibility or planning studies) and categorically exempt pursuant to CEQA Guidelines § 15306 (information collection). CEQA requirements are applicable to SOI Updates. The CEQA lead agency for SOI Updates is most often LAFCo, unless an agency has initiated an SOI expansion or update.

2.0 AGENCY PROFILE

Table 1: Bertsch-Ocean View CSD Agency Profile

| Formation | |
|-------------------|---|
| Agency Name | Bertsch-Ocean View Community Services District |
| Formation Date | May 25, 1970 |
| Principal Act | Government Code §61000 – 61850 |
| Contact | |
| Main Contact | Charlie Wick, Board President |
| E-mail | charliewick.1067@gmail.com |
| District Office | n/a |
| Mailing Address | 900 Northcrest Dr #256 Crescent City, CA 95531 |
| Phone | (707) 218-7021 |
| Governance | |
| Governing Body | Board of Directors |
| Board Meetings | Last Monday of every month |
| Staffing | General Manager, Part-time District Secretary (currently both positions vacant) |
| Services | |
| Services Provided | Domestic Water |
| Areas Served | The unincorporated community of Bertsch-Ocean View |

2.1 District Overview

The BOV CSD is organized as an independent special district under Community Service District law (Government Code § 61000 et seq). BOV CSD provides domestic water service to the unincorporated community of Bertsch-Ocean View located along the Del Norte County coast, adjacent to, and south of Crescent City. The District serves a population of approximately 2,000 people through 629 connections¹. A municipal service review was previously conducted in 2010. This document will update the previous MSR and build upon information provided therein.

¹ CA Drinking Water Watch: https://sdwis.waterboards.ca.gov/PDWW/JSP/WaterSystemDetail.jsp?tinwsys_is_number=279&tinwsys_st_code=CA&wsnumber=CA0810003

2.2 Formation

BOV CSD was formed by Resolution of the Del Norte County Board of Supervisors on May 25, 1970. The special district was formed for the purpose of providing potable water to the district.

2.3 Boundary and Sphere of Influence

BOV CSD covers approximately 900 acres (1.4 square miles) east of Crescent City. Figure 1 shows the district boundary and sphere of influence. BOV CSD has similar boundaries to County Service Area #1, Assessment District #1 (CSA#1/1), which provides wastewater services within the BOV CSD area. BOV CSD was established as a separate District providing water service only for bond repayment. Bond payments will be completed in 2034.

BOV CSD was originally established as a district under Resolution 70-65 dated May 25, 1970. The District boundary was modified a few months later on December 14, 1970 and expanded through annexations in 1991, 1993 and 1995. During MSR preparation Del Norte LAFCo staff noted District boundary inconsistencies among various paper and electronic files. State Board of Equalization (BOE) records were requested and analyzed for this MSR. The District boundary, updated for consistency with BOE records, is reflected in Figure 1. The District SOI is coterminous with District boundaries except for the Elk Valley Off-Reservation Trust Land, known as Martin Ranch, located directly south-east of the district boundaries.

BOV CSD and CSA #1/1, providing wastewater services, share a similar boundary and are both within the Crescent City SOI. BOV CSD provides customers with water from the City of Crescent City and CSA#1/1 provides customers with wastewater collection service, and conveyance to the City of Crescent City wastewater treatment facility.

2.4 Accountability and Governance

BOVCSD is governed by a five-member Board of Directors, elected at large by District residents to serve four-year terms (Table 2). The Board meets on the last Monday of each month at the Lighthouse Community Church 2455 Oliver Ave. in Crescent City. Meeting dates and agendas are posted 72 hours prior to the meetings at the local fire station on Humboldt Road (175 Humboldt Rd. Crescent City). The District does not currently maintain a website; however the fees and service area are listed on the Crescent City website (<https://crescentcity.org/csa.html>).

Management & Staffing

The District currently employs one part-time Office Manager who is in the process of phasing out of the position. The District intends to use a secretary service to fill the vacant position once it is vacated entirely. The District was overseen by former District engineer Steve Paynter as an unpaid Interim Manager, but he indicated during the preparation of this document that it was essential that the District actively search for another General Manager as he intended to retire. The District is actively searching for a new General Manager.² All agency decisions are overseen by the Board of Directors upon consideration of public input and discussion.

² Personal communication with Board President Charlie Wick April 2020

Figure 1. District Boundary and SOI

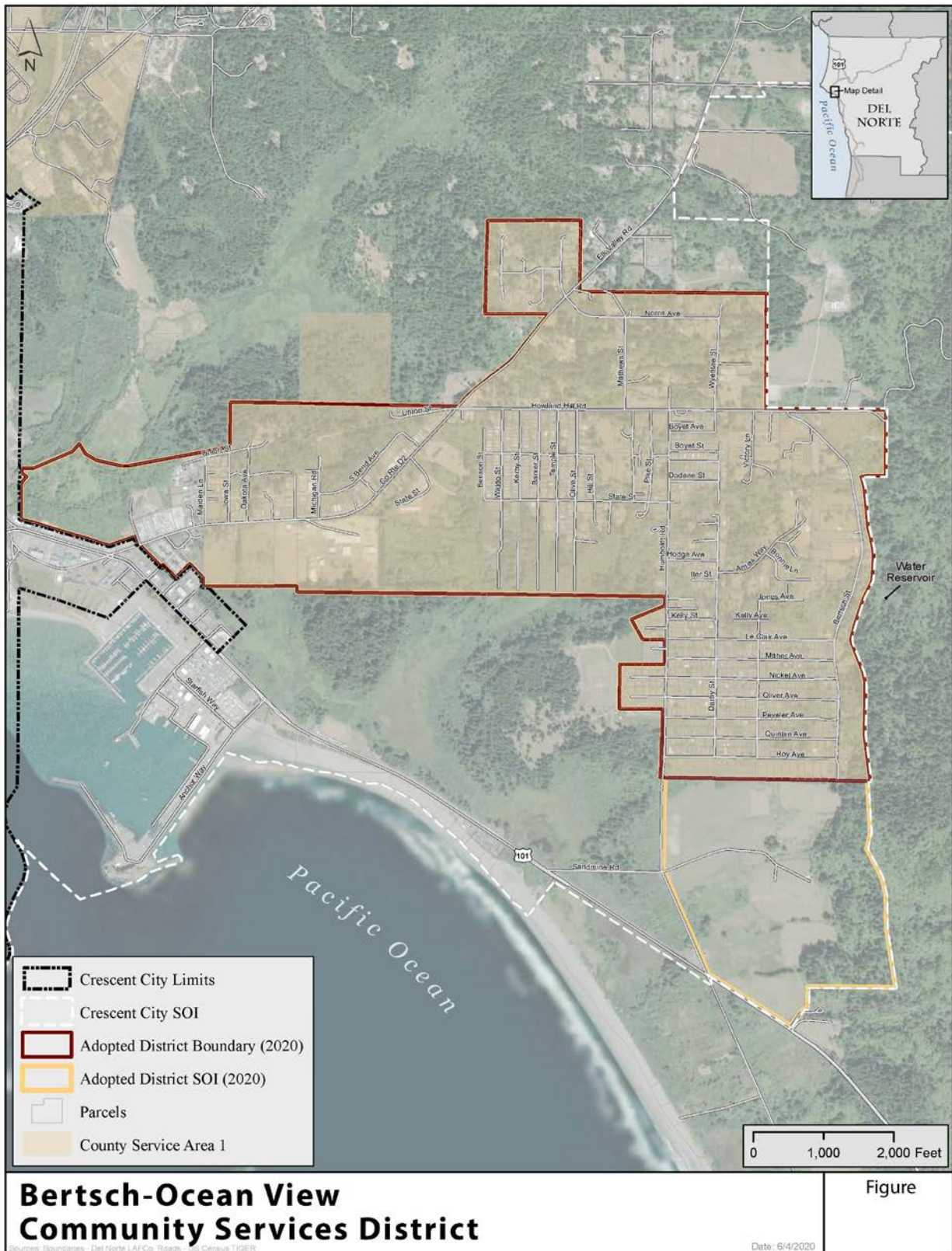


Table 2: Bertsch-Ocean View CSD Board of Directors

| Board Member | Title | Term Expiration |
|---------------------|--------------|------------------------|
| David Markel | Board Member | 2022 |
| James Herrick | Board Member | 2020 |
| Kristen Peterson | Board Member | 2022 |
| Thomas Cochran | Board Member | 2020 |
| Charlene Wick | Board Member | 2022 |

2.5 Present and Planned Land Use

Existing Land Uses

The Del Norte County General Plan (2003) and Zoning Code guide land use decisions within the unincorporated portion of Del Norte County including the community of Bertsch-Ocean View. BOV CSD primarily consists of rural residential, industrial, timberland, and resource conservation area land use designations. The Elk River Rancheria, a federally recognized tribe of Tolowa and Yurok people, is also in the BOVCSD boundary.

Future Development Potential

Much of the District is generally surrounded by agricultural, timber, resource conservation, or State and Federal Lands; and therefore has limited development potential. Just outside of, and directly north of the District boundary, is an area designated as residential. There is some development in this area, but it remains relatively undeveloped.

BOV CSD currently provides water service to the Elk Valley Rancheria off reservation trust land, commonly known as the Martin Ranch parcel which is undeveloped except for a single residence. Since the Cortese Knox Hertzberg Local Government Reorganization Act discourages the provision of or extension of services outside of a District’s service boundary, the District SOI was expanded to include Martin Ranch in the 2010 MSR/SOI Update. The Martin Ranch parcel is also located within the City of Crescent City SOI and in 2016 LAFCo approved a City application to extend water service to Martin Ranch for future development.

2.6 Population and Growth

According to the U.S. Census, the total Del Norte County population was 28,610 in 2010 and estimated at 27,828 in the 2018, which is an approximately 2.7% population decrease³. California Department of Finance projections also show similar population decreases throughout the MSR planning period. However, it should be noted that the County population has historically fluctuated and future population increases are also likely.

³ U.S. Census QuickFacts. Del Norte County, CA.
<https://www.census.gov/quickfacts/fact/table/delnortecountycalifornia/PST045218#PST045218>

Bertsch-Ocean View is a census-designated place (CDP) that according to the 2010 census had a population of 2,436; and based on American Community Survey (ACS) 5-year estimates a 2018 population of 2,042.⁴ The CDP boundary is larger than BOV CSD, however other areas of the CDP are not heavily populated, meaning the CDP population is likely representative of the BOV CSD population.

Based on the population estimates above which indicate slight population decreases in Del Norte County and the Bertsch-Ocean View CDP, it is unlikely that the district will have a significant increase in demand for water service during the MSR timeframe.

2.7 Disadvantaged Unincorporated Communities

LAFCo is required to evaluate water service, sewer service, and structural fire protection within disadvantaged unincorporated communities (DUC)s as part of this service review, including the location and characteristics of any such communities. A 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 §56033.5 and Water Code §79505.5). Within a DUC, three basic services are evaluated: water, sewage, and fire protection. The District provides domestic water services only and is therefore responsible for assuring that this service is adequately provided to the community. CSA #1 provides wastewater collection and treatment and Crescent Fire and Rescue provides fire protection services.

According to the 2014-2018 American Community Survey 5-Year Estimates, the California median household income (MHI) was \$71,228. Bertsch-Ocean View CDP had an estimated MHI of \$38,603, which is 54.2% of the state average MHI, thereby qualifying the area as disadvantaged. Should territory in the surrounding area be proposed for annexation in the future, disadvantaged communities in the area should be considered.

3.0 DISTRICT SERVICES & INFRASTRUCTURE

3.1 Water Service Overview

As per Resolution 1991-63 passed by the City Council of Crescent City, BOV CSD contracts with the City of Crescent City to provide water services on behalf of the district. BOV CSD owns the system, while the City water department delivers water and provides billing services. The District is responsible for major repairs and system integrity. Main line repairs in excess of 10% of that year's water revenues are paid by the District and the District is responsible for all power and maintenance costs for the booster pump and storage reservoir. The City maintains water meters, service lines and appurtenances and is responsible for hook-up deposits and monthly billing pursuant to the City Water Ordinance. The District charges \$700.00 per unit to connect into the system and this fee is collected by the City plus the city's connection fee of \$2,700 per single family equivalent.

⁴ U.S. Census Bertsch-Oceanview CDP, California. <https://data.census.gov/cedsci/profile?g=1600000US0606150&q=Bertsch-Oceanview>

BOV CSD is one of several Districts that contracts with Crescent City for water service including Church Tree CSD. The City provides potable water service to the area within the City boundary, which includes Pelican Bay State Prison, an incorporated island of the City, and unincorporated areas around the City. Due to its location Pelican Bay State Prison is served by a separate water main off of the main transmission line.

BOV CSD provides water distribution to customers within its boundaries, as well as to the Martin Ranch parcel outside of the district boundary, but within the District's SOI. Of the District's 750,000-gallon reservoir capacity, 300,000 gallons are maintained for fire flows. The remaining 450,000 gallons are available for the District's use to deliver to its customers.

BOV CSD holds a state water permit for water delivery for municipal purposes (CA0810003). The water system, originally permitted in January 1976, provides service to approximately 629 active connections. The District reports that there is sufficient capacity within the existing reservoir to maintain the Maximum Daily Demand (MDD) of the BOV CSD without having to utilize the booster station's available pumping capacity. The water system is reviewed annually by the Del Norte County Public Health Department.

Water Source

BOV CSD receives water from the City of Crescent City, which obtains its water supply from the Smith River groundwater basin located 8.5 miles north of the City. The basin produces approximately 2.9 million acre-feet (944,265 million gallons per year) of high-quality water per year. Water is pumped out of the Smith River groundwater basin via the Ranney well, which has a capacity of 6,700 acre-feet per year. According to Water Resources Control Board water right permits, the appropriation from the Smith River is specified as an average of 12.8 cubic feet per second (8.3 million gallons per day) with a maximum annual diversion of 3,666 acre-feet per year (1,194 million gallons per year) (Urban Water Management Plan (UWMP), 2014).

Water Treatment

Water from the Smith River is naturally filtered through the sand and gravel bed of the river and collected by intake lines 30 feet below the river. From there, water is pumped southward to the treatment facility off Kings Valley Road, where chlorine is added to meet State compliance standards. The City ceased adding fluoride to its water supply in 2012 per Ballot Measure A.

Water Demand

The normalized MDD was recorded as 370,337 gallons in 2018. The population has not changed significantly in the last 10 years so it is unlikely the demand has changed substantially. The Crescent City UWMP projected an increase in demand for the City from 2,459 acre-feet annually to 2,887 acre-feet in 2025. A 2017 inspection of the Crescent City water system showed good water quality and adequate capacity.

Elk Valley Off-Reservation Trust Land, commonly known as Martin Ranch, is within the BOV CSD SOI and is planned for current casino relocation and resort development. The City of Crescent City received LAFCo approval for water service extension to the Martin Ranch parcel. Water supply system extension components would consist of a 3-to 4 inch pipeline connection, an on-site reservoir with a 500,000-700,000 gallon capacity and a booster pump for potable water.

The Casino/Resort Project 2008 Final Environmental Impact Statement (Bureau of Indian Affairs, California, Elk Valley Rancheria Martin Ranch 203.5 - Acre Fee-to-Trust Transfer and Casino/Resort Project, Implementation, Federal Trust Elk Valley Rancheria Tribe, Crescent City Del Norte, California No. 20060394), stated that significant system improvements would not be necessary. Estimated average daily water demand is estimated at 60,000 gallons per day and estimated peak flow is 150 gallons per minute.

Infrastructure Overview

Treated water from Crescent City is conveyed south to the BOV CSD through a 12-inch diameter BOV CSD waterline until it reaches a booster station located on Elk Valley Road. The booster station contains two pumps with sufficient generator backup power for simultaneous operation. Each pump can deliver approximately 550 gallons per minute (GPM) and together, approximately 900 GPM. Typically, a single pump is operated daily for 7-9 hours (depending on the season). The backup power generator has enough electrical capacity and fuel to continuously operate both pumps for a minimum of 24 hours.

The BOV CSD water distribution system is primarily upstream of the booster station with a few connections located downstream of the booster station as well. The BOV CSD distribution system contains approximately 12.8 miles of 4-to- 12-inch piping, the majority of which (74%) is 6-to 8-inches in diameter. The majority of BOVCSD's existing water distribution system was constructed in 1973 and is predominately Asbestos Cement Pipe. The District maintains a 750,000-gallon reservoir that was constructed in 1998.

Planned Upgrades

The District had Oscar Larson Engineering prepare a Capital Improvement Plan (CIP) in 2010. In the CIP, the District envisioned two waterline improvement projects. The first improvement project, known as the State Street extension project, has been completed. This project involved a 10-inch waterline extension that runs from the intersection of Elk Valley Road and the County Solid Waste Transfer Station, through the County Transfer Station property and intersects with State Street at the Olive Street intersection.

The second improvement project is the Broad Street extension project, which has not yet been implemented. This project will involve a waterline extension that will run from the booster station, along Broad Street, to the intersection of Elk Valley Road and North Bend Street. The project will result in the placement of over a mile of 12-inch diameter waterline. The line will run parallel to the existing 12-inch Elk Valley Road waterline.

Since 2010 no CIP has been prepared and the status of the waterline improvement projects discussed above was reviewed by personal communication with Steve Paynter, former Interim District Manager and former owner of Oscar Larson Engineering.

Infrastructure Needs and Deficiencies

Crescent City is planning to implement a water project that will provide better service and reliability to customers. The project updates sections of transmission lines as well as storage tanks and water meters. The City water system updates will provide improved water service to BOV CSD

and the Broad Street extension mentioned above would also provide important upgrades to the District's water system when implemented.

3.2 Shared Facilities & Services

BOV CSD took out a Davis Grunsky loan from the State Revolving Fund to finance construction of its water system and its interconnection with the City of Crescent City's water system. BOV CSD purchases water from the City of Crescent City and the District has an agreement with Crescent City that the City will provide system maintenance and upkeep. According to the City of Crescent City Resolution 1991-63, BOV CSD is responsible for major repairs and repair costs over 10% of that year's water revenues. The City bills customers and collects water service fees for the District. When the District's loan reaches completion in 2034, BOV CSD needs to evaluate its purpose.

3.3 Other Service Providers

Wastewater

Wastewater collection and treatment within the District are provided by CSA #1. CSA#1 owns and maintains wastewater conveyance within the CSA and under contractual agreements the wastewater is treated by the City of Crescent City.

Other Services

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).

4.0 FINANCIAL INFORMATION

4.1 Water Loan

BOV CSD took out a Davis Grunsky loan from the State Revolving Fund to finance construction of its water system and its interconnection with the City of Crescent City's water system. The loan amount is \$529,000.00, commenced in 1972 and is scheduled to be paid off at the end of 2034. The loan repayment is approximately \$18,500.00 annually, which includes an interest payment due every six months and an interest rate of 2.5%. When the loan reaches completion in 2034, BOV CSD needs to evaluate its purpose. Should the District consider a change of organization after that a successor agency would need to be identified. A Capital Improvement Plan (CIP) will need to be developed to document future uses of District revenue.

4.2 Budget

The District's primary revenue sources include water fees and service fees (standby and connection fees). The District's primary operational expenditures are salaries, utilities, professional fees, and loan repayment.

Table 3: Bertsch-Ocean View CSD Budget Summary

| | FY 2017/18 Adopted* | FY 2018/19 Adopted** | FY 2019/20 Adopted* |
|--|------------------------|-------------------------|------------------------|
| REVENUES | | | |
| Water Revenues | \$99,000 | \$96,000 | \$89,503 |
| Connection Fees/Misc. Receipts | \$0 | \$12,000 | \$12,636 |
| Property Taxes | \$5,000 | \$5,000 | \$5,264 |
| Interest Income | \$1,200 | \$1,500 | \$2,894 |
| Total Revenue | \$105,200 | \$114,500 | \$110,297 |
| EXPENSES | | | |
| Insurance | \$5,000 | \$6,500 | \$4,138 |
| Maintenance | \$11,100 | \$21,100 | \$655 |
| Office Expense | \$100 | \$100 | \$7,870 |
| Professional Services | \$9,300 | \$9,500 | \$2,100 |
| Legal Fees (Attorney & Engineering) | \$33,000 | \$34,000 | \$7,800 |
| Special Departmental Expenses/Interest Expense | \$8,600 | \$9,800 | \$21,869 |
| Regulatory Fees | \$6,000 | \$6,000 | \$0 |
| Depreciation | \$32,100 | \$35,000 | \$31,795 |
| Total Expenditures | \$105,200 | \$122,000 | \$76,227 |
| NET INCOME | \$0 | -\$7,500 | \$34,070 |

*County of Del Norte

**District Communication

Service Rates

As noted above, Crescent City distributes water to the district and bills the district’s customers directly at a set rate effective July 1, 2017 (Table 4). These rates include 500 cubic feet of monthly usage, excluding fire services fixed rates.

Table 4: Bertsch-Ocean View Water Service Fixed Rates

| Meter Size | Amount |
|---|----------|
| 5/8 by 3/4 inch (most homes have these) | \$22.49 |
| 3/4 inch | \$22.49 |
| 1 inch | \$31.66 |
| 1 1/2 inch | \$50.35 |
| 2 inch | \$76.85 |
| 3 inch | \$113.24 |
| 4 inch | \$147.93 |

| Meter Size | Amount |
|----------------------|----------|
| 6 inch | \$210.95 |
| 4 inch Fire Service | \$13.33 |
| 6 inch Fire Service | \$17.60 |
| 8 inch Fire Service | \$26.28 |
| 10 inch Fire Service | \$44.12 |

Table 5: Bertsch-Ocean View CSD Fee Schedule

| Water (0-500 c.f.) | Special District Fee | Minimum Bill Amount | Deposit |
|--------------------|----------------------|---------------------|----------|
| \$ 22.49* | \$9.75 | \$32.24 | \$100.00 |

*BOV Water Accounts are charged \$2.62 for every 100 c.f. above the 500 c.f. minimum charge.

5.0 MUNICIPAL SERVICE REVIEW DETERMINATIONS

This chapter addresses the requirements of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (California Government Code §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.

1) Growth and population projections

The population of the Bertsch-Oceanview CDP is approximately 2,042 according to the American Community Survey 2014-2018 estimate. Population growth for the area served is expected to be limited and it is unlikely that the District will have a significant increase in demand for water service during the MSR timeframe.

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

According to the 2014-2018 American Community Survey 5-Year Estimates, the California median household income (MHI) was \$71,228. Bertsch-Ocean View CDP had an estimated MHI of \$38,603, which is 54.2% of the state average MHI, thereby qualifying the area as disadvantaged. Should territory in the surrounding area be proposed for annexation in the future, disadvantaged communities in the area should be considered.

3) Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies

The BOV CSD water system infrastructure is adequate to serve resident needs. The District has identified one improvement project that has not yet been completed (Broad Street extension). The City of Crescent City has plans to upgrade its water system, including its storage tanks, water meters and transmission lines. This will upgrade the system that delivers water to the BOV CSD. There is currently excess water system capacity to serve all the active service connections.

4) Financial ability of agencies to provide services

BOV CSD is currently able to provide services throughout the district. Although the FY 2018-19 adopted budget shows expenditures exceeded revenues due to increased maintenance costs, the FY 2019-20 adopted budget shows revenues will exceed expenditures by about \$34,000. BOV CSD has a loan through the State of California's Department of Water Resources with the last payment due December 31, 2034.

5) Status of, and opportunities for, shared facilities

BOV CSD is adjacent to the City of Crescent City and provides customers with water that is purchased from the City; the City provides general system maintenance and upkeep. BOV CSD is responsible for major repairs and repair costs over 10% of that year's water revenues. The City bills customers and collects water service fees for the District. BOV CSD also has a similar boundary and serves similar customers as CSA #1/1, which collects and conveys wastewater that is ultimately treated by the City of Crescent City. Given these conditions, a future consolidation of these service providers may be warranted, as would consideration of future annexation to the City of Crescent City due to this area being in the City sphere of influence. When the District's loan nears completion in 2034, BOV CSD needs to evaluate its purpose and service delivery options.

6) Accountability for community service needs, including governmental structure and operational efficiencies

BOV CSD is governed by a Board of Directors. Meetings are held on the last Monday of every month and are open to the public. There is currently no website for BOV CSD and one will need to be constructed to meet new special district website requirements. SB 929 was signed into law on September 14, 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. The legislation outlines minimum data required on the website, including contact information, financial reports, and meeting agendas/minutes. Only hardship-based findings, identified in a board resolution approved at a regular meeting, would allow a district to be exempt from establishing or maintaining a website. The findings may include but are not limited to: inadequate internet access; significantly limited financial resources; or insufficient staff resources. BOV CSD currently has only one part-time staff member, so it would likely qualify for hardship-based findings, making the District exempt from the website requirement. The resolution would be valid for one year and would need to be adopted annually so long as the hardship exists.

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

BOV CSD was originally established as a district under Resolution 70-65 dated May 25, 1970. The District boundary was modified a few months later on December 14, 1970. State Board of Equalization records obtained by LAFCo staff in the preparation of this report were analyzed and the updated District boundary is reflected in Figure 1.

6.0 SPHERE OF INFLUENCE DETERMINATIONS

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

BOV CSD primarily contains rural residential, industrial, timberland, and resource conservation area land use designations. Land uses within District boundaries are subject to the Del Norte County General Plan. Little change in actual or designated land uses within the District is anticipated over the next 20 years. The existing SOI extends beyond the District boundary to the south to Elk Valley Rancheria off reservation trust land (Martin Ranch). BOV CSD currently provides water service to one residence on this parcel. The Martin Ranch area is also located within the City of Crescent City SOI and in 2016 LAFCo approved an application from the City to extend water service to Martin Ranch for future development.

2) Present and probable need for public facilities and services in the area.

Land adjacent to the district boundary is primarily designated as agricultural, timberland, and State and Federal Lands. Opportunities for growth are limited by resource constraints and development potential. Need for substantial increases beyond existing water service in the area is not expected.

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

BOV CSD currently provides adequate public services to the residents of its District. Improvements are underway in the City of Crescent City to update transmission lines, storage facilities and water meters. These updates will ensure that BOV CSD is able to continue providing adequate services. There is currently excess water system capacity to serve all the active service connections.

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

The Bertsch-Ocean View area is located south of the City of Crescent City, which provides a major shopping and service industry hub for local residents in Del Norte County. The BOV CSD boundary includes the Elk River Rancheria, which is a federally recognized tribe of Tolowa and Yurok people. The District also provides water service to Elk Valley Rancheria off-reservation trust land (Martin Ranch) located in the District's existing SOI.

5) 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 communities that qualify as disadvantaged including the unincorporated communities of Smith River, Hiouchi, Gasquet, Klamath, Bertsch-Oceanview and parts of the incorporated City of Crescent City. The MSR determination made for DUCs applies to this determination as well. No changes to the District SOI are proposed at this time.

7.0 REFERENCES

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