

MEETING AGENDA

**Del Norte Local Agency Formation Commission
VIDEO/TELECONFERENCE MEETING
April 26, 2021 4:00 pm**

LISTEN TO THE MEETING AND COMMENT REMOTELY:

Join Zoom Meeting:

<https://us02web.zoom.us/j/84268801488?pwd=QjY0K3F5eGxuQ09nV0FHtCszVmJPQT09>

www.zoom.us/join

Meeting ID: 842 6880 1488

Passcode: 068939

Or call in to the following telephone number and use the Meeting ID and Password above: 1 (669) 900-6833 (use *6 to mute and unmute)

Due to the ongoing COVID-19 issues, the Governor of the State of California has issued Executive Order N-29-20 and Order N-25-20 establishing social distancing measures and suspending provisions of the Brown Act. For this reason we ask that you:

PLEASE SUBMIT ANY PUBLIC COMMENTS AHEAD OF TIME IF AT ALL POSSIBLE. Please send comments to eo@delnortelafo.org. Your comment will be limited to 3000 characters. Your comment will be read aloud during the public comment period. Comments for general public comment and specific agenda items may be submitted until 2 p.m. on Monday April 26, 2021. Please submit only one comment per agenda item and only one general public comment. Comments for general public comment and specific agenda items may also be mailed to Del Norte LAFCo, 1125 16th Street Suite, 202 Arcata, CA 95521. Written comments must be received by 2 p.m. Monday April 26, 2020.

IF YOU REQUIRE AN ACCOMMODATION DUE TO DISABILITY under the Americans with Disability Act that does not allow you to participate remotely please notify LAFCo Executive Officer eo@delnortelafo.org or phone number (707) 825-9301. If you know you require an accommodation, please let LAFCO know as soon as possible no later than 24 HOURS before the meeting in order to make other arrangements for viewing the meeting and/ or comment.

1. Call to Order/Roll Call
 - Pledge of Allegiance
2. Public Hearings
 - A. Del Norte Resource Conservation District Municipal Service Review & Sphere of Influence Update - Adopt Resolution 21-01 (ATTACHMENT 2A)
 - B. County Service Area No.1 Municipal Service Review & Sphere of Influence Update - Adopt Resolution 21-02 (ATTACHMENT 2B)
 - C. Del Norte LAFCo Proposed FY 2021-22 Budget (ATTACHMENT 2C)
3. Regular Business
 - A. Approval of February 22, 2021 Draft Minutes (ATTACHMENT 3A)

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4. Inquiries, Correspondence, Application Status and Referrals
 - A. Staff - The Executive Officer will provide a report of current projects, issues of interest, and pending legislation.
 - B. Commission - On their own initiative, Commission members may make brief announcements or reports on their own activities. They may ask questions for clarification, make a referral to staff or request a business matter for a future agenda per Government Code Section 54954.2 (a).
 - C. Public - Public comment on items of interest within LAFCo subject matter jurisdiction, and not otherwise appearing on the agenda. No action may be taken on any item not appearing on the agenda.

5. Adjournment

Next Regular Meeting Scheduled for May 24, 2021.

**DEL NORTE
LOCAL AGENCY FORMATION COMMISSION**
1125 16th Street, Suite 202
Arcata, California 95521
TEL (707) 825-9301 FAX (707)825-9181
eo@delnortelafo.org

AGENDA ITEM 2A

MEETING DATE: April 26, 2021
TO: Del Norte Local Agency Formation Commission
FROM: George Williamson AICP, Executive Officer
SUBJECT: Del Norte Resource Conservation District Municipal Service Review and Sphere of Influence Update

RECOMMENDATION

The following procedures are recommended for the Commission's consideration of this item:

- Receive verbal report from staff;
- Open the public hearing and invite testimony; and
- Discuss item and - if appropriate - close the hearing and consider recommendation:
 1. Adopt Resolution 21-01 approving the Del Norte County Resource Conservation District Municipal Service Review and Sphere of Influence 2021 Update

DISCUSSION

Del Norte Resource Conservation District (DNRCD) was formed as an independent special district and board members were appointed by the Del Norte County Board of Supervisors on August 9, 2005. The purpose of the district is to provide local leadership to help people within the district conserve, improve, and sustain their natural resources and environment and improve the area's economic viability. The District provides procurement and coordination of grant funds for resource conservation uses.

The DNRCD is located between the communities of Crescent City and Smith River, west of Highway 101 in Del Norte County in the northwest corner of the State of California. The District covers approximately two percent of Del Norte County's land area and lies in the alluvial plains of Smith River and Elk Creek. The district's boundary includes two main areas; Area One surrounds the lower Smith River and Area Two surrounds Lake Earl. The district covers approximately 18,093 acres (28 square miles). The DNRCD proposed SOI included within the Municipal Service Review includes adjacent resource and agricultural lands that may benefit from District conservation and restoration programs, based on the level and range of services offered.

DNRCD's primary revenue sources are state and federal grants with reimbursable administrative and indirect costs. The District has been particularly successful at procuring grant funding for its programs. In 2020, the District reported over \$140,000 in income working in watershed restoration, invasive species removal and soil health management and promotion. The District currently receives no property taxes, special assessments, or other local funding. Grants with reimbursable administrative and indirect costs are required. The district lacks a source for base line funding.

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LAFCo staff presented a 2021 Administrative Draft MSR and SOI Update to the District Board at their January 20,2021 Board meeting. The Board discussed expanding the SOI as presented in the MSR/SOI update and maintaining a District website.

ATTACHMENTS

Attachment 1: Del Norte Resource Conservation District Commission Draft MSR & SOI Update

Attachment 2: Resolution 21-01 Approving the Del Norte Resource Conservation District Commission Draft MSR & SOI Update

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**RESOLUTION 21-01
APPROVING THE DEL NORTE RESOURCE CONSERVATION DISTRICT
MUNICIPAL SERVICE REVIEW & SPHERE OF INFLUENCE UPDATE**

WHEREAS, the Del Norte Local Agency Formation Commission, hereinafter referred to as the "Commission", is authorized to establish, amend, and update spheres of influence for local governmental agencies whose jurisdictions are within Del Norte County; and

WHEREAS, the Commission staff prepared a municipal service review to evaluate the availability and performance of governmental services provided by the Del Norte Resource Conservation District, pursuant to California Government Code Section 56430; and

WHEREAS, the Executive Officer gave sufficient notice of a public hearing to be conducted by the Commission in the form and manner prescribed by law; and

WHEREAS, the Executive Officer's report and recommendations on the sphere of influence update were presented to the Commission in the manner provided by law; and

WHEREAS, the Commission heard and fully considered all evidence presented at a public hearing on April 26, 2021; and

WHEREAS, the Commission considered all the factors required under California Government Code Section 56425.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The Commission hereby accepts the Del Norte Resource Conservation District Municipal Service Review, incorporated herein by reference.
2. The Del Norte Resource Conservation District sphere of influence included within the Municipal Service Review has been expanded, to include adjacent resource and agricultural lands that may benefit from District conservation and restoration programs, based on the Commission's evaluation of the level and range of governmental services offered.
3. Pursuant to Government Code Section 56425(e), the Commission makes written statement of determinations for the Del Norte Resource Conservation District Municipal Service Review & Sphere of Influence Update, hereby incorporated by reference.
4. The Commission, as Lead Agency, determines that the sphere of influence update is exempt from further review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3). This finding is based on the Commission determining with certainty the update will have no possibility of

significantly effecting the environment given no new land use or municipal service authority is granted.

PASSED AND ADOPTED at a meeting of the Del Norte Local Agency Formation Commission, State of California, on the 26th day of April 2021, by the following vote:

AYES:	Commissioners:
NOES:	Commissioners:
ABSENT:	Commissioners:
ABSTAIN:	Commissioners:

Jason Greenough, Chair

Attest:

George Williamson, Executive Officer

Del Norte Resource Conservation District

DEL NORTE



RESOURCE

CONSERVATION DISTRICT

Municipal Service Review & Sphere of Influence Update

Commission Review Draft

April 2021



Del Norte Local Agency Formation Commission

Jason Greenough	Chair & City Member
Bob Berkowitz	County Member
Darrin Short	Vice Chair & County Member
Blake Inscore	City Member
Duane (Sparky) Countess	Public Member
Valerie Starkey	Alternate County Member
Isaiah Wright	Alternate City Member
Judy Dobbs	Alternate Public Member

Staff

George Williamson, AICP, Executive Officer
Vanessa Blodgett, Services Analyst/ Administrator
Joel Campbell-Blair, Legal Counsel
Nicole Burshem, PS Business Services, Clerk
Emily Morris, Assistant Analyst
Jason Barnes, GIS & Spatial Data Analyst

Acknowledgements

LAFCo staff would like to thank the contributors to this Municipal Service Review. Input instrumental in completing this report was provided by past Resource Conservation District manager, Linda Crockett, current District Manager Tera Dettmar and other District staff. This report would not have been possible without the District's assistance. In addition, Del Norte County provided valuable assistance and information.

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1.0 INTRODUCTION

The Del Norte Local Agency Formation Commission (LAFCo) conducts municipal service reviews (“service reviews” or MSRs) 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 Del Norte Resource Conservation District (DNRCD or District). This chapter provides a background of the service review requirements and an overview of the process and methodology of the review.

Resource Conservation Districts & Principal Act Overview

Resource Conservation Districts (RCDs) are independent special districts under Public Resources Code §9151 et seq. An RCD manages a diversity of resource conservation projects, including soil and water conservation projects, wildlife habitat enhancement and restoration, control of exotic plant species, watershed restoration, conservation planning, education, and many others. RCDs are governed by a board of five, seven, or nine Directors, either elected by resident voters to 4-year terms or appointed by County Supervisors.

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.

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 an 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).

Review Methods

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

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

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

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: Del Norte RCD Agency Profile

Formation	
Agency Name	Del Norte Resource Conservation District
Formation Date	August 9, 2005
Principal Act	Federal Standard State Conservation District Law of 1937 and Division 9 of the California Public Resources Code
Contact	
Contact (s)	Brian Ferguson, Board Chair, Rich Wetherell, Board Vice-Chair, Tara Dettmar, Executive Director; Linda Crockett, Former District Manager
E-mail	delnorteRCD@yahoo.com
Website	https://carcd.org/rcds/north-coast/
District Office	241 1st Street, Unit B Smith River, CA 95567
Mailing Address	P.O. Box 75, Smith River, CA 95567
Phone	(707) 487-7630
Governance	
Governing Body	Seven-member Board of Directors
Board Meetings	Third Wednesday of every month at 10:00 AM
Staffing	District Manager, Tera Dettmar & contract staff as needed
Services	
Services Provided	Assistance for projects to benefit the land, water, and life of Del Norte County
Areas Served	Lower Smith River and Lake Earl

District Overview and Formation

The Del Norte Resource Conservation District (DNRCD) was formed as an independent special district and board members were appointed by the Del Norte County Board of Supervisors on August 9, 2005. The purpose of the district is to provide local leadership to help people within the district conserve, improve, and sustain their natural resources and environment and improve the area's economic viability. The District provides procurement and coordination of grant funds for resource conservation uses.

"The mission of the DNRCD is to protect, enhance, nurture and conserve the natural resources of land owners (public and private) by providing technical & planning advice, education, financial aid, and assistance for projects to benefit and meet the needs of the land, water and life in Del Norte County."

RCDs have their origins in the Federal "Standard State Conservation District Law"; commonly known as the "Standard Act" of 1937 and a modified version adopted by the State of California in 1938.

RCDs are legal, non-regulatory, political subdivisions of state government. Division 9 of the California Public Resources Code authorizes the formation of RCDs, defines the State of California’s framework for conducting the business of resource conservation within the State, and details the general powers and operations of RCDs.

RCDs were first founded after the Dust Bowl in the 1930s to bring federal and state funding and technical assistance to farmers and ranchers so that they could voluntarily conserve water, soil, and wildlife habitat on their land with the help of a local and neutral partner.¹ Today each RCD’s projects and programs are different, and their services often include habitat restoration, forest health, healthy soils, public education, landscape-scale conservation planning, climate resilience, and assisting municipalities and the state in managing water use and preparing for drought and fire.

RCDs across the nation focus attention on local land, water and related resource issues, then work to develop programs to address those issues. RCDs enlist and coordinate help from all public and private sources that can contribute to accomplishing the District’s goals. RCDs also work to further conservation education in the local community.

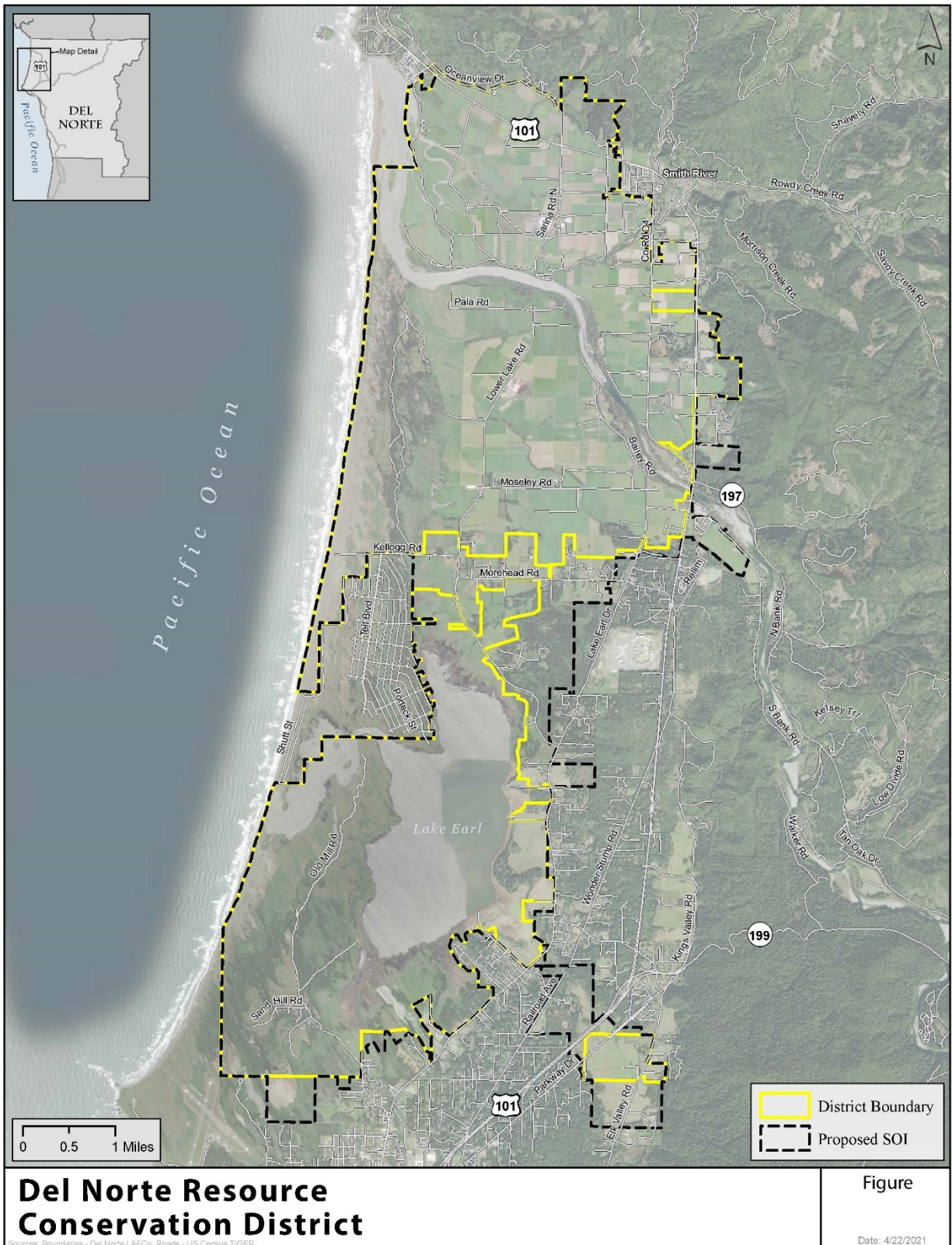
Boundary and Sphere of Influence

The DNRCD is located between the communities of Crescent City and Smith River, west of Highway 101 in Del Norte County in the northwest corner of the State of California. The District covers approximately two percent of Del Norte County’s land area and lies in the alluvial plains of Smith River and Elk Creek. The district’s boundary includes two main areas; Area One surrounds the lower Smith River and Area Two surrounds Lake Earl. The district covers approximately 18,093 acres (28 square miles).

The existing sphere of influence (SOI) is coterminous with the District boundary. As part of this MSR & SOI update, adjacent resource and agricultural lands that may benefit from District conservation and restoration programs were analyzed for potential SOI expansion. Figure 1 shows the DNRCD boundary and proposed expanded SOI.

¹ <https://carcd.org/rcds/what-are-rcds/>

Figure 1. DNRCD Boundary & Proposed SOI



Accountability and Governance

The DNRCD is governed by a seven-member Board of Directors appointed by the Del Norte County Board of Supervisors to serve four-year terms. Meetings are held on the third Wednesday of every month at 10:00 AM and are noticed by posting notice and e-mail.

The District office is open Monday through Friday 9:00 AM to 3:00 PM and staffed through a partnership with USDA Natural Resources Conservation Services. The District is available by e-mail and phone.

Table 2: Del Norte RCD Board of Directors

Board Member	Title	Term Expiration
Rob Miller	Chair	6/23/2023
Rich Wetherell	Vice-Chair	12/12/2021
Blake Alexandre	Treasurer/Secretary	12/12/2021
Joyce Crockett	Director	6/23/2023
Robert Tedsen	Director	6/23/2023
Matthew Westbrook	Director	12/12/2021
Steven Westbrook	Director	6/23/2023

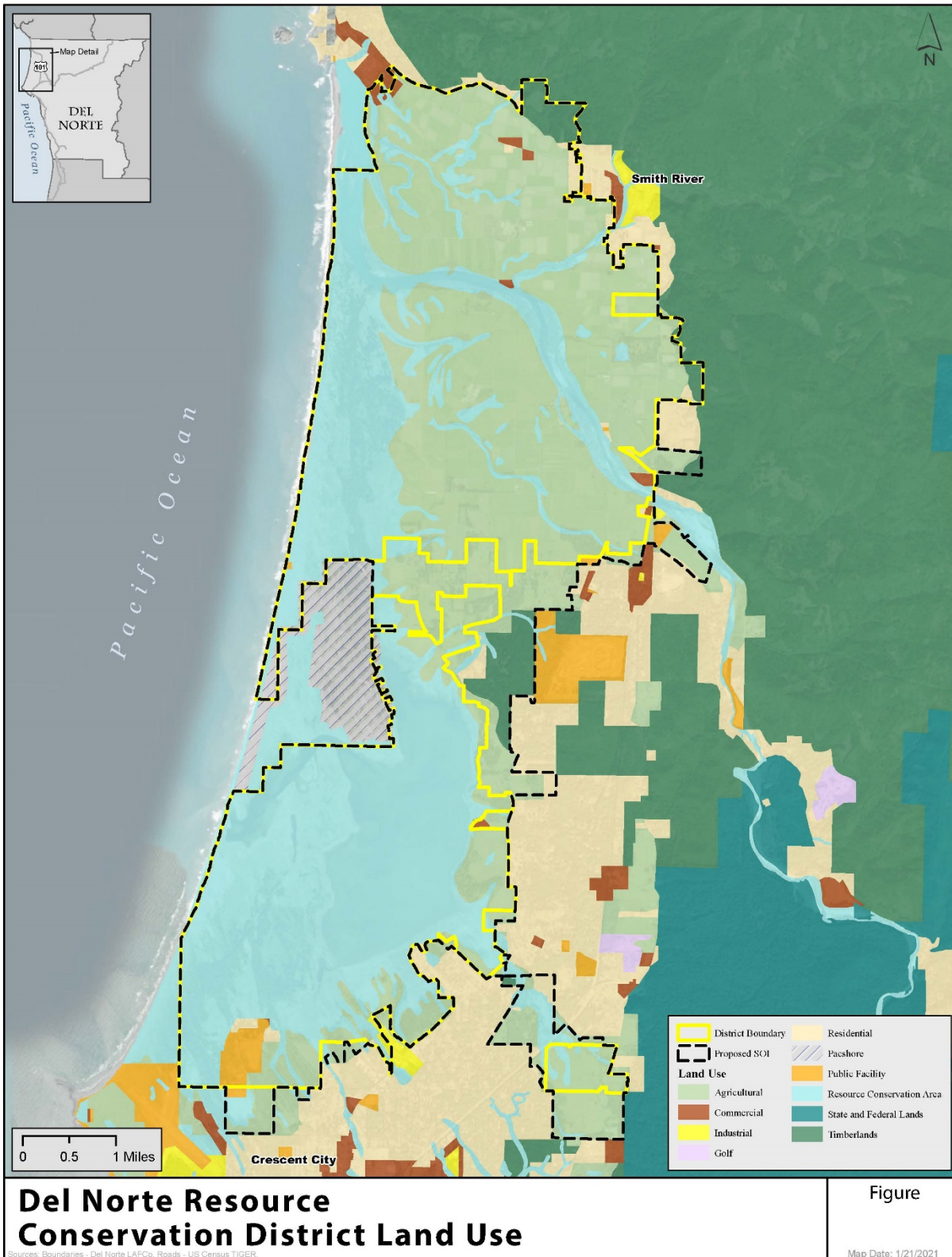
DNRCD demonstrated full accountability and transparency in its disclosure of information and cooperation with Del Norte LAFCo during the MSR process. The District responded to the questionnaires and cooperated with the document requests.

Public Outreach

The District currently does not currently have a website. However, the California Association of Resource Conservation Districts maintains website at www.carcd.org that provides information regarding the District and links to other RCDs in the North Coast region, including Humboldt and Trinity RCDs. The Del Norte RCD is listed, and a phone number is provided but it is the only listed North Coast region RCD without a website link. Del Norte RCD staff has stated that a domain name is being purchased and a website is being designed.

SB 929 (McGuire) was signed into law on September 14, 2018 requiring all independent special districts to have and maintain a website by January 1, 2020. 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 inadequate internet access; significantly limited financial resources; or insufficient staff resources.

Figure 2: DNRCD Land Use



Population and Land Use

Land Use

The DNRCD serves the unincorporated area of Del Norte County west of Highway 101 between Crescent City and Smith River, which is primarily designated Resource Conservation Area, Prime Agriculture, General Agriculture and Timberland (Figure 2). The Del Norte County General Plan (2003) and Zoning Code guides land use decisions within the DNRCD.

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 American Community Survey 5-year estimate, which is an approximately 2.7% population decrease². 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.

To approximate the population within the DNRCD boundary, a centroid method was applied to U.S. Census Bureau 2010 blocks within the district boundary. Since the District boundary is not coincident to the census blocks, a single census block may overlap multiple district boundaries. To prevent double-counting of census information within multiple districts, the census block polygons were converted to centroid points, and then assigned to the district in which the centroid resided. The population was then summarized for the district based on which centroids for each census block resided within the boundary. According to the above centroid method, the DNRCD had an approximate 2010 population of 900.

The DNRCD growth is concentrated primarily in lower Smith River. The district largely contains resource conservation area and prime agricultural lands, and will likely continue to develop at or less than the current county-wide rates of 0.4 percent per year, the DNRCD population at approximately 972 people in 2025.

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

² U.S. Census QuickFacts. Del Norte County, CA.
<https://www.census.gov/quickfacts/fact/table/delnortecountycalifornia/PST045218#PST045218>

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 2014-2018 American Community Survey 5-Year Estimates, the California median household income (MHI) was \$71,228. The Del Norte countywide MHI is \$45,258, which places it at 64% 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 DNRCD does not provide any of the three basic services- water, sewer, or structural fire protection. Fire protection services are provided by the Smith River Fire Protection District (FPD), Fort Dick FPD and Crescent FPD. Water services are provided by Crescent City and Smith River CSD; many areas within the district boundaries are removed from water systems and rely on private water supply. There is no wastewater services in DNRCD boundary.

3.0 DISTRICT SERVICES & INFRASTRUCTURE

DNRCD provides resource management services to in-district public and private landowners including:

- o Promoting voluntary action to resolve natural resource issues;
- o Focusing attention on local resource problems and opportunities;
- o Developing and implementing educational programs for landowner benefit;
- o Providing input for the development and implementation of government programs; and
- o Coordinating with federal, state, and local agencies as needed for technical assistance.

The DNRCD has identified five priority natural resource issues to focus their resource management services:

Aleutian Geese Depredation: Working with state and federal agencies, the district is developing an overall plan for goose management through a comprehensive, region-wide hazing program with neighboring counties. This program will alleviate the Aleutian Geese' impact on private lands by opening up 500 acres of short grass habitat for the geese to move to.

Water Quality (Erosion and Runoff): This district aims to achieve erosion control on 50% of lily bulb fields in the district. The program includes development and implementation of nutrient management plans for dairies including soil sampling and manure sampling as part of a non-point source pollution prevention program.

Noxious Weeds: The district is developing a County-wide Weed Management Program that includes a redemption program for tansy ragwort, reed canary grass, and scotch broom.

Stream Enhancement: The district will continue working on stream bank and riparian enhancements. This includes fencing of livestock, implementing demonstration projects, resolving gravel issues, improving channels, and monitoring fish populations on the lower Smith River and its tributaries.

Gravel Extraction: The district provides technical and environmental assistance to rural gravel operators, including geomorphic and watershed studies.

The DNRCD is currently involved in six projects furthering their resource management goals:

Name: Lower Tryon Creek Passage and Off Channel Habitat Design Project

Dates: 6/1/2020 to 3/31/22

Project Contract Total: \$7, 111.00.

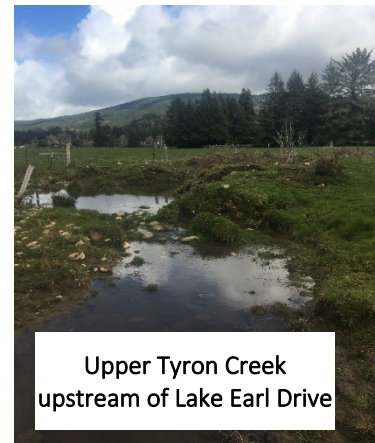
Activities: Site visits only

Name: Upper Tryon Creek Stream Enhancement Design Project

Dates: 4/17/2019 to 8/15/2020 (Completed)

Project Contract Total: \$8,888.

Activities: Site visits only



Name: Delilah Creek Habitat and Water Quality Enhancement Design Project

Dates: 5/12/20 to 9/22/20

Project Contract Total \$16,650.00

Activities: Surveys and permits started.

Name: Enhancing Wildlife Habitat and Carbon Sequestration on California Working Lands- Carbon Farming

Dates: 9/17/19 to 11/15/22

Project Contract Total: \$58,694.70

Activities: Soil sampling, Landowner meetings.

Name: Middle Fork Smith River Invasive Plant Project

Dates: 5/31/19 to 3/31/23

Project Contract Total \$15,187.28 for 2020. 2020 final billing due.



Northwest Youth Corps at the Middle Fork Smith pose for a photo after treating the invasive French and Scotch Broom at the confluence of the Middle Fork and Main Stem Smith River.

The DNRCD has not changed its services since its last MSR (2015) and does not foresee expanding its current services or functions in the near future. The District has not considered any annexations or consolidations in the past five years.

Infrastructure Needs and Deficiencies

The District does not own or maintain equipment, vehicles, or buildings at this time.

Shared Services

The DNRCD works in partnership with various government agencies including the Natural Resources Conservation Service (NRCS), the CA Department of Fish and Wildlife, and the State Water Resources Control Board (SWRCB). The District is a member of the North Coast Resource Partnership and participates in regional planning activities. The District maintains Memorandums of Understanding (MOUs) with the Del Norte Weed Management Area (WMA) and North Coast Integrated Water Management Plan (NCIWMP).

Del Norte RCD is a member of the Northwest California RC&D Area, which is sponsored by County Boards of Supervisors and RCDs representing Trinity, Humboldt and Del Norte Counties. The Northwest California RC&D Area was established in 1994, covering only Trinity County. In 2006, the RCD Area was expanded from one to three counties and officially changed its name to "Northwest California RC&D". The Northwest California RC&D Council is made up of 15 Board members, five from each of the three counties. In addition to the two sponsoring members from each county that represent the RCDs and Board of Supervisors, nine "at-large" Council positions are available: three from each county. This local input and county representation make the RC&D program unique in its ability to solve problems at a regional level.

In 1997, Del Norte, Humboldt, Mendocino, Siskiyou & Trinity Counties agreed to collaborate on a proactive, positive response to the federal listing of Coho salmon as a Threatened species by forming the Five Counties Salmonid Conservation Program (5C). Upon the acquisition of 5C in 2009, the Council executed MOUs with neighboring RCD Councils - North Coast and OreCal - to facilitate 5C work outside Northwest RCD Council boundaries (Mendocino and Siskiyou Counties)³. The primary 5C goal is to strive to protect the economic and social resources of Northwestern California by providing for the conservation and restoration of salmonid populations to healthy and sustainable levels and to base decisions on watersheds rather than county boundaries.⁴

According to the District, there are no current projects with Humboldt RCD. However, there are potential opportunities for shared services in the future as Humboldt RCD manages California Department of Fish and Wildlife contracts that could service the DNRCD.

³ <http://www.5counties.org/>

⁴ <http://northwestcarcdc.org/projects.html>

4.0 FINANCIAL INFORMATION

Budget

The DNRCD's primary revenue sources are state and federal grants with reimbursable administrative and indirect costs. The District has been particularly successful at procuring grant funding for its programs. In 2020, the District reported over \$140,000 in income working in watershed restoration, invasive species removal and soil health management and promotion. The District currently receives no property taxes, special assessments, or other local funding. Grants with reimbursable administrative and indirect costs are required. The district lacks a source for base line funding.

It would be beneficial to the District to have a local funding source to maintain operations when grant funding is not available. Grant funding can be cyclical in nature, meaning that the availability of funding is greatly dependent on economic conditions at the time. As a result, many RCDs in the State have faced challenges in ensuring sufficient funding to maintain staff and minimum service levels. The District does not have any outstanding debt. Budget decisions are made at annual operational meetings.

Table 3. Del Norte RCD Revenues & Expenses

Revenues	Budget 2018	Budget 2019	Budget 2020
CASH	\$10,152	\$31,209	\$27,422
CDFG Leases	\$0	\$0-	\$0
CA Capacity Building	\$1,637	\$618	\$0
Resource Advisory Committee Project	\$5,821	\$0	\$0
ES RCD-CA Department of Farm & Agriculture (CDFA) Soils Health-Workshops/AMMP	\$8,413	\$3,479	\$0
Middle Fork Smith River (Invasive Plant Monitoring)	\$8,338	\$10,557	\$10,000
CA RCD Financial Assistance Program (FAP)	\$12,507	\$2,283	\$0
Fisheries Restoration Grant Program (FRGP) Tryon Creek Planning	\$0	\$0	\$15,998
North Coast Integrated Regional Watershed Management Plan Projects	\$27,450	\$0	\$23,564
CA RCD Wildlife Conservation Board (WCB) Carbon Farming	\$0	\$0	\$47,095
Delilah Creek Plan Development	\$2,700	\$5,400	\$16,650
Watershed projects-State Responsibility Area (SRA) Prop 1 & Phase 3	\$2,960	\$160	\$0
Total Revenues	\$79,978	\$22,497	\$140,297

Expenses	Budget 2018	Budget 2019	Budget 2020
<i>Project/Program Expenses</i>			
SRA PM Carbon Farming	\$0	\$0	\$28,847
SRA JB PM Carbon Farming	\$0	\$0	\$12,772
CDFG Leases 65% to CDFG	\$0	\$0	\$0
WMA implementation	\$0	\$0	\$0
RAC Partners	\$4,719	\$0	\$0
Smith River Middle Fork Partners	\$6,022	\$8,237	\$8,300
ES RCD-CDFG Soils Health-Workshops	\$127	\$0	\$0
Audit-HC RCD	\$1,735	\$0	\$0
NCIRWMP Projects	\$18,209	\$0	\$0
<i>Subtotal</i>	\$30,812	\$8,237	\$49,919
<i>RCD Expenses</i>			
Rent \$350 per month at 12 months	\$3,850	\$4,200	\$4,200
District Manager/Bookkeeping/other	\$10,750	\$10,472	\$10,000
Printing Supplies	\$0	\$0	\$0
Office Supplies/postage	\$237	\$215	\$215
Equipment Purchase	\$0	\$0	\$0
Dues CARCD/NCRCD	\$400	\$250	\$250
Professional Fees Accounting/Audit	\$500	\$750	\$750
Insurance – Liability	\$1,200	\$1,200	\$1,200
Travel - Directors/Conference	\$0	\$0	\$0
Internet	\$1,020	\$960	\$870
Education/Public Outreach	\$0	\$0	\$0
<i>Subtotal</i>	\$17,957	\$18,047	\$17,485
Total Expenses	\$48,769	\$26,284	\$67,404
Balance Forward	\$31,209	\$27,422	\$73,325

Audits

DNRCDC requested that the Del Norte County Board of Supervisors (BOS) approve a change from the annual audit required by Government Code 26909 for Special Districts to an audit covering a 5-year period. This request was pursued by the District as a substantial revenue saving procedure and was approved unanimously by the BOS on December 11, 2018. The District still undergoes annual financial review without receiving a formal audit and this represents a large cost saving for the District on the order of thousands of dollars annually.

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 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.

1) Growth and population projections

The DNRCD has an approximate population of 900, based on 2010 Census Block data.

The district largely contains resource conservation area and prime agricultural lands and will likely continue to develop at or less than the current county-wide rates of 0.4 percent per year, putting the DNRCD population at approximately 972 people in 2025.

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

The community of Smith River is adjacent to District boundaries and has been identified as a disadvantaged unincorporated community.

Because the DNRCD does not provide water, sewer or structural fire protection services, the District is not responsible for assuring that these services are adequately provided to communities that meet the DUC thresholds.

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

The District provides valuable resource conservation services to landowners and collaborates with several other agencies. Countywide growth may increase pressure to convert resource lands; therefore, demand for services may increase due to this and other regulatory requirements.

The District currently does not own or maintain any facilities and consequently does not have any infrastructure needs or deficiencies associated with district-owned infrastructure.

4) Financial ability of agencies to provide services

The District relies on grant funding for its programs and does not receive a constant, reliable funding source. DNRCD has been successful at procuring grant funding as shown by the increase in revenue from 2018 to 2020. The District is saving money currently by only undergoing a full audit every five years upon approval by the Del Norte County Board of Supervisors December 11, 2018.

5) Status of, and opportunities for, shared facilities

According to the District, there are no current projects with Humboldt RCD. However, there are potential opportunities for shared services in the future as Humboldt RCD manages California Department of Fish and Wildlife contracts that could service the DNRCD.

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

The DNRCD is governed by a seven-member Board of Directors appointed by the County Board of Supervisors. The district holds public meetings in accordance with the Brown Act. District staff is currently working remotely because of Covid-19 restrictions and is best reached by email.

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

Other RCDs in California cover larger portions of the Counties that they serve; for instance, the Humboldt County RCD boundary includes the entire County. As part of the MSR/SOI Update expanding the SOI to include more of Del Norte County's northern agricultural lands has been considered.

6.0 SPHERE OF INFLUENCE DETERMINATIONS

The Del Norte Resource Conservation District proposed expanded sphere of influence included within the Municipal Service Review includes adjacent resource and agricultural lands that may benefit from District conservation and restoration programs.

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

The district largely contains resource conservation areas and prime agricultural lands. Little change in actual or designated land uses within the District is anticipated over the next 20 years.

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

While not easily quantifiable, the District appears to have experienced an increase in demand for its services over the last few years, as indicated by the increase in grant funding for specific projects. Countywide growth may increase pressure to convert resource lands; therefore, demand for services may increase due to this and other regulatory requirements.

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

The District provides valuable resource conservation services to landowners and collaborates with several other agencies. RCD's generally are constrained by available funding sources; DNRCD has been successful in receiving grant funds to continue providing services.

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 District includes resource and agricultural lands. The communities of Smith River and Fort Dick are adjacent to District boundaries.

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 District provides resource conservation and management services. The community of Smith River is adjacent to District boundaries and has been identified as a disadvantaged unincorporated community. Smith River is provided water, sewer and fire services by other service providers.

7.0 REFERENCES

California Association of Resource Conservation Districts. <https://carcd.org/>

Del Norte Resource Conservation District Municipal Service Review, January 2015. Del Norte Local Agency Formation Commission.

Del Norte Resource Conservation District Municipal Service Review Questionnaire. Completed by Andrea Souther in January 2015.

Del Norte Resource Conservation District Municipal Service Review Questionnaire. Completed by Linda Crockett, October 2020.

Five Counties Salmonid Conservation Program. <http://www.5counties.org/>

Northwest California RC&D Area <http://northwestcarcdc.org/projects.html>

Personal communication with former District Manager Linda Crockett, October 2020.

Personal communication with District Manager, Tara Dettmar, December 2020.

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AGENDA ITEM 2B

MEETING DATE: April 26, 2021
TO: Del Norte Local Agency Formation Commission
FROM: George Williamson AICP, Executive Officer
SUBJECT: County Service Area No. 1 Municipal Service Review and Sphere of Influence Update

RECOMMENDATION

The following procedures are recommended for the Commission's consideration of this item:

- Receive verbal report from staff;
- Open the public hearing and invite testimony; and
- Discuss item and - if appropriate - close the hearing and consider recommendation:
 1. Adopt Resolution 21-02 approving the County Service Area No. 1 Municipal Service Review and Sphere of Influence 2021 Update

DISCUSSION

CSA No. 1 provides wastewater collection services to unincorporated areas within the Crescent City urban area. Wastewater flows through the CSA No. 1 collection system, then discharges into to the City of Crescent City's collection system and is treated at the City's wastewater treatment plant. CSA No. 1 includes three Assessment Districts (AD):

- AD1, or Bertsch-Ocean View Assessment District;
- AD2, or Northcrest Assessment District; and
- AD97, commonly referred to as AD3, a separate parcel assessment, not a separate geographic area, encompassing both AD1 and AD2.

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 ADs were formed for the purpose of collecting wastewater from the unincorporated Bertsch-Ocean View and Northcrest areas. AD97 was established for the purpose of repaying an approximately \$3M loan the CSA took out in 1997, for AD1 and AD2 repairs and improvements. The final AD 97 loan payment was made September 2, 2018 however the AD will continue, to cover outstanding debts such as a property in tax default or a property in a tax repayment plan until the end of 2024.

The CSA No. 1 service area (AD1 and AD2) is adjacent to the City of Crescent City (MSR Figure 1). AD1 serves the Bertsch-Ocean View unincorporated community located southeast of Crescent City. 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. AD2 serves the unincorporated community located immediately north and west of the City, known as Northcrest. Residential and resource lands lie to the west of AD2, and the Pacific Ocean lies to the southwest.

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During MSR preparation County and Del Norte LAFCo staff noted District boundary inconsistencies among various paper and electronic files. State Board of Equalization (BOE) records were also requested and analyzed for this MSR. The District boundary, updated for consistency, is reflected in Figure 1 in the MSR document. The CSA No. 1 Sphere of Influence (SOI), updated in 2015, is the same as the Crescent City Urban Boundary except it includes the Elk Valley Rancheria Off-Reservation Trust Land, known as Martin Ranch, located directly south-east of AD1. CSA No. 1/AD1 and Bertsch-Ocean View Community Services District (BOV CSD), providing water 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 No. 1 provides customers with wastewater collection service, and conveyance to the City of Crescent City wastewater treatment facility.

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. Community Development Department). A recommended budget is prepared by Community Development Department staff which is presented to the Board of Supervisors (acting as the CSA Board of Directors) 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 main line or equipment failure. CSA No. 1 and City staff are working together and independently to identify and apply for funding to rehabilitate identified aging infrastructure.

ATTACHMENTS

Attachment 1: County Service Area No. 1 Commission Draft MSR & SOI Update

Attachment 2: Resolution 21-02 Approving the County Service Area No. 1 Commission Draft MSR & SOI Update

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**RESOLUTION 21-02
APPROVING THE COUNTY SERVICE AREA NO.1
MUNICIPAL SERVICE REVIEW & SPHERE OF INFLUENCE UPDATE**

WHEREAS, the Del Norte Local Agency Formation Commission, hereinafter referred to as the "Commission", is authorized to establish, amend, and update spheres of influence for local governmental agencies whose jurisdictions are within Del Norte County; and

WHEREAS, the Commission staff prepared a municipal service review to evaluate the availability and performance of governmental services provided by the County Service Area No.1, pursuant to California Government Code Section 56430; and

WHEREAS, the Executive Officer gave sufficient notice of a public hearing to be conducted by the Commission in the form and manner prescribed by law; and

WHEREAS, the Executive Officer's report and recommendations on the sphere of influence update were presented to the Commission in the manner provided by law; and

WHEREAS, the Commission heard and fully considered all evidence presented at a public hearing on April 26, 2021; and

WHEREAS, the Commission considered all the factors required under California Government Code Section 56425.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The Commission hereby accepts the County Service Area No.1 Municipal Service Review, incorporated herein by reference.
2. The County Service Area No.1 sphere of influence included within the Municipal Service Review has been appropriately informed by the Commission's evaluation of the level and range of governmental services provided.
3. Pursuant to Government Code Section 56425(e), the Commission makes written statement of determinations for the County Service Area No.1 Municipal Service Review & Sphere of Influence Update, hereby incorporated by reference.
4. The Commission, as Lead Agency, determines that the sphere of influence update is exempt from further review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3). This finding is based on the Commission determining with certainty the update will have no possibility of significantly effecting the environment given no new land use or municipal service authority is granted.

PASSED AND ADOPTED at a meeting of the Del Norte Local Agency Formation Commission, State of California, on the 26th day of April 2021, by the following vote:

AYES: Commissioners:
NOES: Commissioners:
ABSENT: Commissioners:
ABSTAIN: Commissioners:

Jason Greenough, Chair

Attest:

George Williamson, Executive Officer

County Service Area No. 1 (Assessment Districts 1, 2, and 97)

Municipal Service Review & Sphere of Influence Update

Commission Review Draft
April 2021



Del Norte Local Agency Formation Commission

Commissioners

Jason Greenough	Chair & City Member
Bob Berkowitz	County Member
Darrin Short	Vice Chair & County Member
Blake Inscore	City Member
Duane (Sparky) Countess	Public Member
Valerie Starkey	Alternate County Member
Isaiah Wright	Alternate City Member
Judy Dobbs	Alternate Public Member

Staff

George Williamson, AICP, Executive Officer
Vanessa Blodgett, Services Analyst/ Administrator
Joel Campbell-Blair, Legal Counsel
Nicole Burshem, PS Business Services, Clerk
Emily Morris, Assistant Analyst
Jason Barnes, GIS & Spatial Data Analyst

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 Director Heidi Kunstal and Assistant County Engineer Rosanna Bower. In addition, other Del Norte County staff provided valuable assistance and information.

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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 County Service Area No. 1 (CSA No. 1 or District). This chapter provides a background of the service review requirements and an overview of the process and methodology of the review.

County Service Areas Principal Act Overview

The California State Legislature passed the original County Service Area Law in 1953. The statute was significantly overhauled with the passage of SB 1458 and the updated CSA law took effect in 2009. CSAs are dependent special districts under Government Code §25210-25217.4. A CSA provides a specific service to an unincorporated section of a County. CSAs are governed by the County Board of Supervisors, which are elected by resident voters to 4-year terms.

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.

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).

Review Methods

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

- o Agency-specific data: responses to LAFCo Requests for Information.
- o Land Use and Del Norte County General Plan and Zoning data: Del Norte County Planning Division and GIS webpage.
- o Demographic data: U.S. Census Bureau; Department of Finance; CA Water Resources Board.
- o Finances: budgets, rates and fees.
- o Personal Communications with County staff
- o Other Reports: Bertsch-Ocean View Community Services District (BOV-CSD) & Crescent City MSRs/SOI Updates

Information gathered was analyzed and applied to make the required determinations.

California Environmental Quality Act

California Public agencies are required to evaluate the potential environmental effects of their actions per Public Resources Code § 21000 et seq., the California Environmental Quality Act (CEQA). 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.

AGENCY PROFILE

Overview

CSA No. 1 provides wastewater collection services to unincorporated areas within the Crescent City urban area. Wastewater flows through the CSA No. 1 collection system, then discharges into to the City of Crescent City’s collection system and is treated at the City’s wastewater treatment plant. CSA No. 1 includes three Assessment Districts (AD):

- AD1, or Bertsch-Ocean View Assessment District;
- AD2, or Northcrest Assessment District; and
- AD97, commonly referred to as AD3, a separate parcel assessment, not a separate geographic area, encompassing both AD1 and AD2.

Table 1: CSA No. 1 Agency Profile

Formation	
Agency Name	County Service Area No. 1
Dates of Formation	Assessment District 1: 1976 Assessment District 2: 1978 Assessment District 97: 1997
Enabling Legislation	California Government Code §25210-25217.4
Contact	
Contact	Heidi Kunstal, Del Norte County Community Development Director
Alternate Contact	Rosanna Bower, PE, Assistant County Engineer
E-mail	hkunstal@co.del-norte.ca.us, rbower@co.del-norte.ca.us
Website	www.co.del-norte.ca.us (County of Del Norte website)
19District Office	981 H Street, Suite 110, Crescent City, CA 95531
Mailing Address	c/o Del Norte County Community Development Department 981 H Street, Suite 110, Crescent City, CA 95531
Phone/ Fax	Planning Division Engineering and Surveying Division Phone: (707) 464-7254 Phone: (707) 464-7229 Fax: (707) 465-0340
Governance	
Governing Body	Board of Directors (County Board of Supervisors)
Board Meetings	Second and fourth Tuesday of each month
Staffing	County Community Development Department
Services	
Services Provided	Wastewater collection
Areas Served	Unincorporated Crescent City urban areas

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 ADs were formed for the purpose of collecting wastewater from the unincorporated Bertsch-Ocean View and Northcrest areas. AD97 was established for the purpose of repaying an approximately \$3M loan the CSA took out in 1997, for AD1 and AD2 repairs and improvements. The final AD 97 loan payment was made September 2, 2018 however the AD will continue to cover outstanding debts such as a property in tax default or a property in a tax repayment plan until the end of 2024.

Boundary and Sphere of Influence

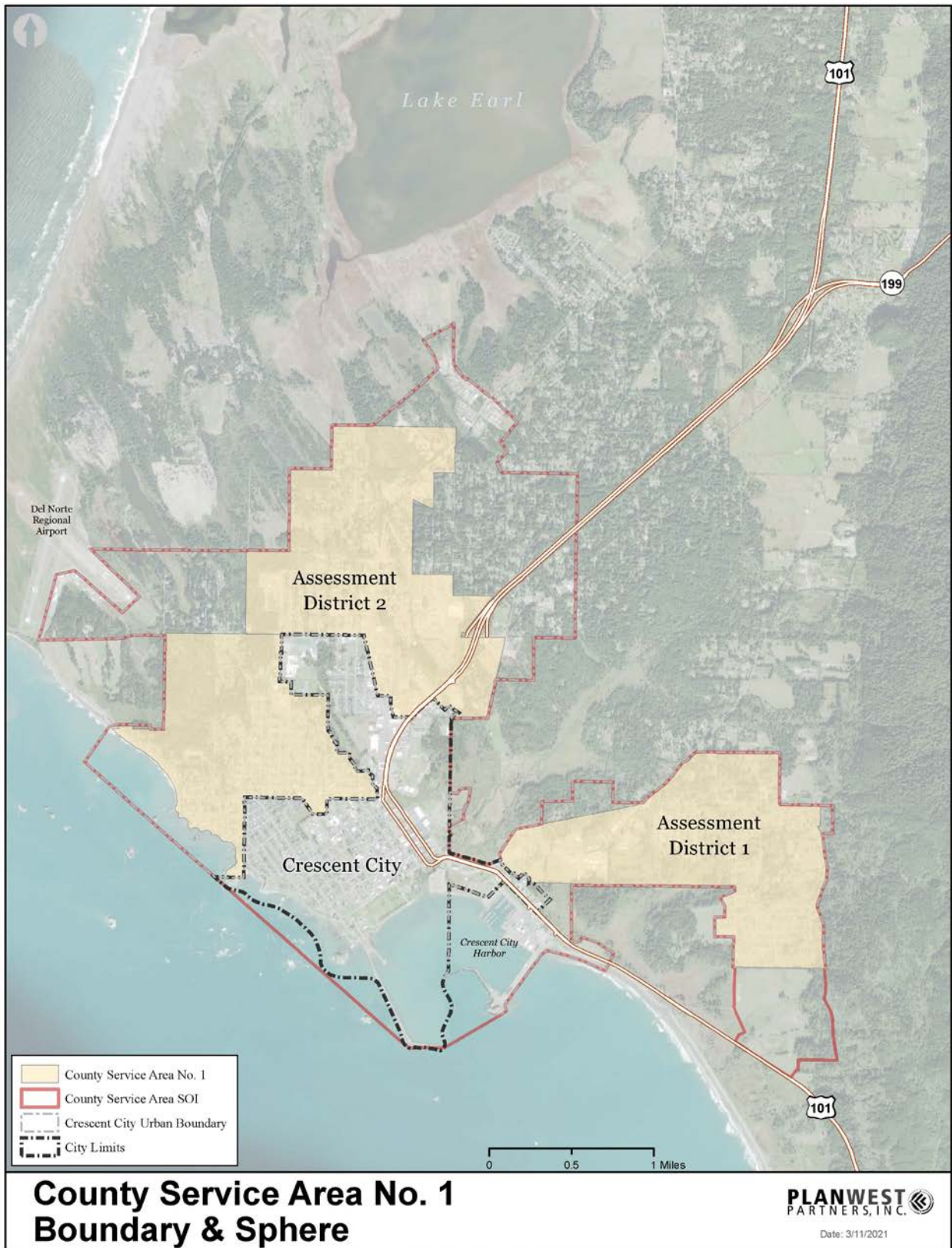
The CSA No. 1 service area (AD1 and AD2) is adjacent to the City of Crescent City (Figure 1). AD1 serves the Bertsch-Ocean View unincorporated community located southeast of Crescent City. The lands surrounding AD1 to the north, east, and south, are residential and resource lands. The City of Crescent City and the Crescent City Harbor area lie to the west. AD2 serves the unincorporated community located immediately north and west of the City, known as Northcrest. Residential and resource lands lie to the west of AD2, and the Pacific Ocean lies to the southwest.

During MSR preparation County and Del Norte LAFCo staff noted District boundary inconsistencies among various paper and electronic files. State Board of Equalization (BOE) records were also requested and analyzed for this MSR. The District boundary, updated for consistency, is reflected in Figure 1. The CSA No. 1 Sphere of Influence (SOI), updated in 2015, is the same as the Crescent City Urban Boundary except it includes the Elk Valley Rancheria Off-Reservation Trust Land, known as Martin Ranch, located directly south-east of AD1. CSA No. 1 is providing sewer service to Martin Ranch and the City of Crescent City is providing water. CSA No. 1/AD1 and BOV CSD, providing water 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 No. 1 provides customers with wastewater collection service, and conveyance to the City of Crescent City wastewater treatment facility.

CSA No. 1 also serves the new passenger terminal building at the Del Norte County Regional Airport (Jack McNamara Field) that was completed in the spring of 2019. A Local Coastal Program Amendment was approved to allow the extension of public water (provided by the City) and sewer service to the terminal, located at 1650 Dale Rupert Road, within the CSA No. 1 SOI, but not currently in its boundary. Because the District is providing wastewater collection services to the terminal, it should be annexed into the District boundary.

The CSA No. 1 boundary and SOI are shown in Figure 1.

Figure 1. County Service Area No. 1 Boundary and SOI



Accountability and Governance

The Del Norte County Board of Supervisors, which serves as the CSA No. 1 Board of Directors have five elected members that serve four-year terms. The Board meets on the second and fourth Tuesday 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, Suite 100, Crescent City (due to on-going COVID-19 issues and related Executive Orders, meetings are currently held virtually via Zoom). Meetings are posted on site a minimum of three days prior to the meeting date, notification is given in the local newspaper (the Del Norte Triplicate) and the agenda is posted on the County website the Friday prior to the meeting date. Agenda 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 CSA No. 1 staff. 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

Board Member	Title	Term Expiration
Darrin Short	Supervisor, District 1	2024
Valerie Starkey	Supervisor, District 2	2024
Chris Howard, Chair	Supervisor, District 3	2022
Gerry Hemmingsen	Supervisor, District 4	2022
Bob Berkowitz, Vice-Chair	Supervisor, District 5	2024

CSA No. 1 staff disclosed requested information and cooperated with Del Norte LAFCo staff during the MSR and SOI update process. Staff responded to questionnaires and document requests.

CSAs are dependent special districts that are administered by the County and are not required to have a website per SB 929. A separate tab on the County website would facilitate accessing specific information about CSA No. 1. However, information regarding the CSA No. 1 is available on the Engineering and Surveying Division website of the Community Development Department.

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 General Plans designate a Crescent City Urban Boundary, which is the same as the current CSA No. 1 SOI and encompasses urban and rural transition areas. This includes residential neighborhoods, commercial and industrial areas, resource lands 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.

As part of the 2019 MSR and SOI Update, the City of Crescent City SOI was reduced to 10,270 acres from 12,031 (a 15% reduction). The SOI reduction removes portions of Del Norte County designated Resource Conservation Areas and Agriculture General that are adjacent to federal and state conservation areas¹.

Population and Growth

The Del Norte County population was 28,610 in 2010 (US Census) and estimated at 27,828 in 2018 (American Community Survey 5-year estimate), which is an approximately 2.7% population decrease². California Department of Finance projections also show similar 5-year population decreases. However, it should be noted that the County population has historically fluctuated and future population increases are also likely.

While the City of Crescent City encourages infill development, and directing future growth within the existing City boundary, there is a lack of developable land available. Future development is more 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 Boundary offers growth opportunities at densities contingent on availability of public infrastructure, specifically water and wastewater services.

For the past thirteen years, unincorporated area growth has been focused in the Washington Boulevard/Summer Lane area. Approximately 136 apartment units (Hidden Creek Apartments and Summer Park Apartments), six single family homes, and retail commercial expansion have occurred within this area. The Summer Park Apartments, Phase 1 development is complete and there are two remaining phases of up to 104 additional apartments.

According to the County, the CSA No. 1 population is approximately 8,000 and changes will likely be similar to overall County estimates, which indicated slight population decreases as noted above. However, there has been a recent increase in home purchases by out of area buyers seeking more rural environments due to pandemic concerns, which if continued would increase wastewater collection demand in the MSR timeframe.

Disadvantaged Unincorporated Communities

LAFCo evaluates water service, sewer service, and structural fire protection within disadvantaged unincorporated communities (DUCs) 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).

¹ City of Crescent City Municipal Service Review and Sphere of Influence Update 2019

² U.S. Census QuickFacts. Del Norte County, CA.

<https://www.census.gov/quickfacts/fact/table/delnortecountycalifornia/PST045218#PST045218>

According to the 2014-2018 American Community Survey 5-Year Estimates, the California median household income (MHI) was \$71,228. The Del Norte countywide MHI is \$45,258, which places it at 64% 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 (DWR) 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.

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 AD2 and delivers water to the Bertsch-Ocean View Community Services District (BOV CSD) for their use in serving AD1 customers. Crescent Fire Protection District (Crescent City Fire and Rescue) provides fire protection services within all of CSA No. 1.

SERVICES & INFRASTRUCTURE

Services Overview

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

Infrastructure Overview

CSA No. 1 maintains a collection system covering approximately 32 miles. Collection lines range in size from 6-18 inches in diameter and there are 15 wastewater lift stations located across the collection system that pump wastewater to the City treatment plant. The CSA's current method of identifying service needs is by tracking planned development activities and identifying areas subject to public health risk related to failing septic systems in an effort to preserve at-risk housing.

Infrastructure Projects and System Upgrades

A number of wastewater collection system improvement projects have been completed or are underway since the last MSR was approved in 2015. The projects listed below have addressed aging infrastructure and installed new equipment to maintain and upgrade the existing system.

- The Sanitary Sewer Lift Station Rehabilitation Project included rehabilitation of nine lift stations and improvements to one lift station's wet well. It was funded with CSA No. 1 and USEPA Clean Water Act Tribe Set-Aside (CWATSA) funds from the Indian Health Service administered by the Elk Valley Rancheria and was completed in 2017.

- The CSA No.1 and Crescent City Lift Station Rehabilitation Project was completed in two informal phases. Phase I included rehabilitation of three lift stations (one CSA and two City) and was completed in 2019. Phase II included Supervisory Control and Data Acquisition (SCADA) control systems at all City and CSA No. 1 lift stations. It was funded with CSA No. 1, City of Crescent City, and Proposition 84 funds and was completed in 2020.
- The Sewer Crawler project included the purchase of an EnviroSight Rover X Inspection Crawler allowing visual inspection of sewer mains. It was funded with CSA No. 1, City of Crescent City, Cathode Ray Tubes (CRT) Settlement Funds, and Emergency Management Preparedness Grant Program money and was completed in 2018.
- Replacement of 30 kW Cummins fixed generator at the Olive Lift Station that was funded by the CSA No. 1 and Emergency Management Preparedness Grant Program and completed in 2019.
- Purchase of a 100 kW Generac Portable generator funded through the CSA No. 1, Local Agency PSPS (Public Safety Power Shutoff) Resiliency Program, and Emergency Management Preparedness Grant Program. The generator was purchased and put into service in 2020.
- Purchase of a Sewer Push Camera for visual inspection of sewer laterals and small sewer mains was funded through the CSA No. 1, City of Crescent City, and Emergency Management Preparedness Grant Program. The push camera was purchased and put into service in 2020.

CSA No. 1 is also planning the following projects:

- Onsite Emergency Power Supply for Sanitary Sewer Lift Stations project will improve emergency power supply for all CSA No. 1 lift stations by securing generators and protective structures. It has been funded with CSA No. 1 and Proposition 1 funding. The grant agreement is in the process of being executed.

Mainline sewer inspections by crawler have identified much needed sewer mains repairs. CSA No. 1 does not have sufficient budget to perform these repairs and intends to identify and pursue grant funding when available.

Other Service Providers

Wastewater Treatment

The City's Wastewater Treatment Plant (WWTP) was upgraded in 2010 to comply with Regional Water Quality Control Board (RWQCB) 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.

The City of Crescent City first major WWTP improvement phase provided over 1,000 additional single family residential equivalent (SFRE) connections. It is anticipated that the upgraded WWTP has capacity beyond the theoretical 1,000+ SFRE's. In addition to the first phase improvements, due to through-put efficiency increases 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 WWTP performance and project demands. Connection charges pay for additional capacity, and a portion of present capacity, therefore, additional capacity, if needed can be added in the future.

Water Service

The City of Crescent City provides potable water service within City limits which include Pelican Bay State Prison, and certain unincorporated areas around the City. The City of Crescent City delivers water directly to AD2 customers and delivers water to the Bertsch-Ocean View Community Services District (BOV CSD) for their use in serving AD1 customers.

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 pumped out of the Smith River groundwater basin via a Ranney well to a chlorination and fluoridation facility, then pumped via 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.

The City of Crescent City commissioned a preliminary engineering report (PER) for a water improvement project. The report covered needed upgrades to the water system including identifying planned upgrades to the existing reservoirs and transmission lines ³.

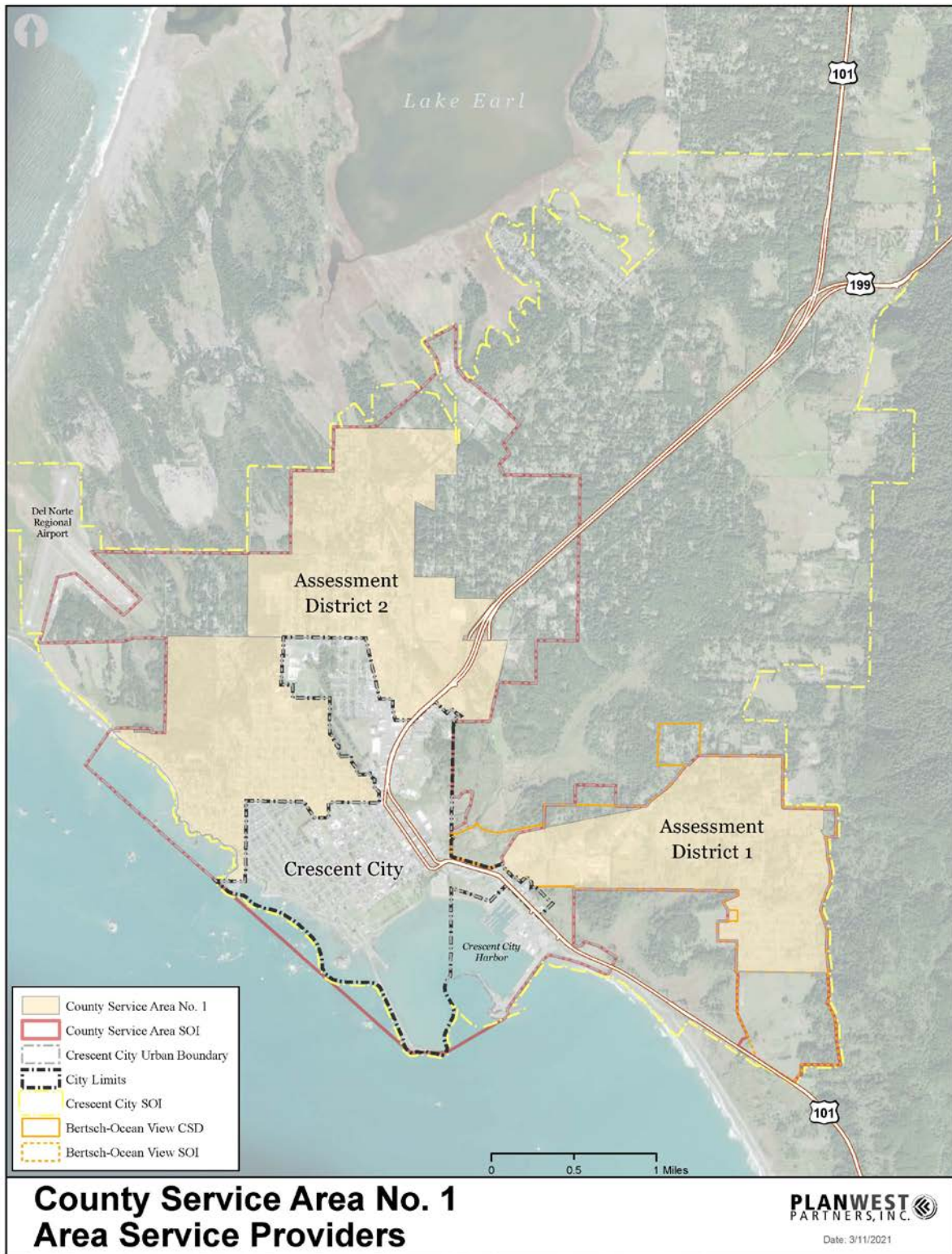
Other Service Providers

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). The Crescent City Harbor District provides harbor services, related maintenance activities, and

³ City of Crescent City Preliminary Engineering Report. Coleman Engineering 2017.

recreation services within the CSA SOI. The Boundaries and SOIs for the service providers listed above are shown on Figure 2.

Figure 2. Area Service Provider Boundaries and SOIs



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 wastewater collection infrastructure and conveyed for treatment at the City WWTP. The CSA contracts with the City for routine facilities maintenance and partners with the City in the acquisition and utilization of inspection and maintenance equipment. 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. Community Development Department) (Table 3).

A recommended budget is prepared by Community Development Department staff which is presented to the Board of Supervisors (acting as the CSA Board of Directors) 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 main line or equipment failure.

Based upon the CSA’s actual and adopted FY 2016-17 through 2020-21 budgets, total expenditures are consistently greater than the total revenues obtained. There are no reserves for unanticipated system needs, which creates financial challenges for the operation of the CSA. A reserve fund could be created which will be capable of funding long-term capital improvements to the system. The CSA could also consider increasing user fees, or obtaining a loan, if substantial expenses are foreseen that cannot be covered by the existing revenue. The CSA has no outstanding debt resulting from collection system construction or rehabilitation.

Table 3. CSA No. 1 Revenues & Expenditures*

Revenue	Actual 2016-17	Actual 2017-18	Actual 2018-19	Adopted 2019-20
Sewer Receipts	\$232,138	\$241,465	\$236,098	\$235,000
Inspection Fees	\$1,250	\$1,250	\$3,653	\$2,540
Interest - CSA	\$2,718	\$5,216	\$7,502	\$6,726
Misc. Receipts	\$603,253	\$965,195	\$955,195	\$516,555
Total Revenue	\$899,953	\$1,256,445	\$1,196,445	\$844,958
Expenditures	Actual 2016-17	Actual 2017-18	Actual 2018-19	Budget 2019-20
Services and Supplies	\$774,829	\$1,126,678	\$1,115,980	\$706,421
Depreciation Expense	\$160,000	\$160,000	\$160,000	\$160,000
Fixed Assets	\$0	\$0	\$15,000	\$93,463
Staffing (Interfund Transfers)	\$144,061	\$138,436	\$136,804	\$130,095
Total Expenditures	\$1,138,890	\$1,485,114	\$1,427,784	\$1,059,438
Net Total (Deficit)	(\$238,937)	(\$228,669)	(\$231,339)	(\$214,480)

*Source: CSA No. 1 Department Budget Report

Service Rates

User fees are charged annually on property tax bills. Annual user fees per single-family equivalent are \$72.00 in the Northcrest area and \$78.00 in the Bertsch Ocean View area. Table 4 shows fees for other CSA related services.

Table 4. CSA No. 1 Fee Schedule

Description	Fees
Sewer Capacity Analysis- Review	\$150
Sewer Inspection-Sewer Cleanout Lateral	\$80
Sewer Inspection-Camera Lateral	\$150
Sewer Inspection-Camera Main	\$365
Sewer Lateral Location In Field – No Camera	\$75 + \$75/Hr > 1 Hr
Sewer Lateral Location In Field – Camera	\$150 + \$110/Hr > 1 Hr
Sewer Lateral Line Inspection–Camera	\$150 + \$75/Hr > 1 Hr
Government to Government Envirosight Rover X Inspection Crawler	\$50/Half-Day + Employees at Billable Rates
Pebble Beach Drive Lift Station – Lift Station 5 Development Fee Per Equivalent Single-Family Connection (ESFC)*	January 1-June 30: \$1,424.00 + ((2 Years Previous Cpi-W)/134.3), July 1-December 31: \$1,424.00 + [(1 Year Previous Cpi-W)/134.3]
AD 1 (Bertsch Ocean View) Connection Charge	\$125 Per ESFC
AD 2 (Northcrest) Connection Charge	\$180 Per ESFC
AD 97 (Bertsch Ocean View & Northcrest) Connection Charge	\$1,215 Per ESFC

*ESFC is an equivalent measurement unit to the single family residential equivalent (SFRE) mentioned previously, generally used as a wastewater measurement unit by Del Norte County. One ESFC is defined as 300 gallons per day for average wastewater return flow.

MUNICIPAL SERVICE REVIEW DETERMINATIONS

For Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (California Government Code § 56430) consistency, LAFCo makes written statements of determinations in each of the categories listed below as part of the MSR process.

1) Growth and population projections

The CSA No. 1 population is approximately 8,000. Population growth for the area served is expected to be limited but there is some potential for increased demand for service, due to in-migration during the MSR timeframe.

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

Most of Del Norte County's population exists in unincorporated communities that qualify as disadvantaged including the incorporated Crescent City urban area. According to the 2014-2018 American Community Survey 5-Year Estimates, the California median household income (MHI) was \$71,228. The Del Norte countywide MHI is \$45,258, which places it at 64% of the California MHI. 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. 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 CSA provides adequate wastewater collection services for the current population. A number of projects have been completed or are underway to address aging infrastructure. In addition, equipment to maintain and upgrade the existing system have been purchased.

The City's WWTP was upgraded in 2010 to comply with RWQCB discharge requirements. The upgrade increased the plant's treatment capacity and took into consideration the County General Plan growth for land located within the City's Urban Boundary (CSA No. 1 SOI). Therefore, the City's existing collection system and treatment plant are designed for future service demand within the CSA No. 1 boundary and SOI.

4) Financial ability of agencies to provide services

Based upon the CSA's actual and adopted FY 2016-17 to FY 2019-21 budgets, it appears that the CSA's total expenditures consistently exceed revenues. There are no reserves for unanticipated system failures which creates financial challenges for CSA operations. A reserve fund could be created which will be capable of funding long-term capital improvements to the system. The CSA could also consider obtaining a loan, if substantial expenses are foreseen that cannot be covered by the existing revenue. The CSA has no outstanding debt resulting from construction or rehabilitation to the sewer collection system.

CSA No. 1 could consider increasing user fees or obtaining a loan, if substantial expenses are foreseen that cannot be covered by the existing revenue.

5) 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 conveyed for treatment at the City WWTP. The CSA contracts with the City for routine facilities maintenance. Because the urban area is also in the City SOI, it is expected that annexations would result in CSA No. 1 detachments and direct City management of wastewater collection infrastructure.

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

The Del Norte County Board of Supervisors serve as the CSA No. 1 Board of Directors 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 structure appears to provide necessary services to its customers.

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

CSA No. 1/AD1 has a similar boundary and serves similar customers as BOV CSD which provides water service. CSA No. 1 and BOV CSD are both within the City of Crescent City SOI. Given these conditions, a future consolidation of these service providers may be warranted.

SPHERE OF INFLUENCE DETERMINATIONS

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

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

The CSA No. 1 SOI is largely coterminous with the Crescent City Urban boundary and encompasses urban and rural transition areas. This includes residential neighborhoods, commercial and industrial areas, resource lands and regional facilities such as the harbor, community college, hospital, and airport. The existing SOI extends beyond the CSA No. 1/AD1 boundary to the south to Elk Valley Rancheria Off Reservation Trust Land (Martin Ranch). The County will be preparing its 6th Cycle Housing Element and considering density increases to accommodate affordable housing within this MSR cycle.

2) 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 RWQCB discharge requirements. The upgrade increased the plant's treatment capacity and took into consideration the County General Plan Land Use development potential for land located within the City's Urban Boundary (CSA No. 1 SOI).

3) 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. CSA and City staff are working together and independently to identify and apply for funding to rehabilitate identified aging infrastructure. As discussed above, the City's WWTP was upgraded to accommodate existing and future demand within the City's urban boundary (CSA No. 1 SOI).

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 CSA No. 1/AD1 includes the Elk Valley Rancheria, a federally recognized tribe of Tolowa and Yurok people. CSA No. 1 also coordinates with the City of Crescent City on infrastructure improvement projects.

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 unincorporated communities that qualify as disadvantaged including the communities of Smith River, Fort Dick, 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 AD2 and delivers water to the BOV CSD for their use in serving AD1 customers. Crescent Fire Protection District (Crescent City Fire and Rescue) provides fire protection services within all of CSA No. 1. The MSR determination made for DUCs applies to this determination as well. No changes to the CSA No.1 SOI are proposed at this time.

REFERENCES

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

City of Crescent City Preliminary Engineering Report. Coleman Engineering 2017.

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).

Personal communication with Rosanna Bower, Del Norte County Assistant County Engineer. May 4, 2020.

BOV-CSD & Crescent City MSRs/SOI Updates, 2019.

U.S. Census QuickFacts. Del Norte County, CA.

<https://www.census.gov/quickfacts/fact/table/delnortecountycalifornia/PST045218#PST045218>

**DEL NORTE
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AGENDA ITEM 2C

MEETING DATE: April 26, 2021
TO: Del Norte Local Agency Formation Commission
FROM: George Williamson AICP, Executive Officer
SUBJECT: FY 2021-2022 Proposed Budget

RECOMMENDATION

The following procedures are recommended with respect to the Commission's consideration of this item:

- Receive report from staff with recommendation;
- Open the public hearing and invite testimony; and
- Discuss item, close the hearing and consider action on recommendation:
 - 1) Approve proposed FY 2021-2022 budget, as provided in Attachment A, and
 - 2) Direct the Executive Officer to distribute the proposed budget to the City of Crescent City and County of Del Norte, and schedule final budget adoption for a public hearing at the Commission's May meeting.

BACKGROUND

Local Agency Formation Commissions (LAFCos) are responsible under State law for annually adopting a proposed budget by May 1st and a final budget by June 15th. State law specifies the proposed and final budgets shall - at a minimum - be equal to the budget adopted for the previous fiscal year unless LAFCo finds the reduced costs will nevertheless allow the agency to fulfill its prescribed regulatory and planning duties.

DISCUSSION

LAFCo Funding Sources:

Del Norte LAFCo's annual operating expenses are principally funded through appropriations from the County of Del Norte and City of Crescent City, in addition to application fees and interest earnings. Each fiscal year, after the Commission adopts the final budget, operating expenses are apportioned in the following manner: the County pays 1/2; and the City pays 1/2. The apportioned amounts are deposited into the Del Norte LAFCo account with the County Auditor.

Proposed Operating Expenses:

The proposed operating expenses reflect the anticipated staffing services for day-to-day operations and for conducting municipal service reviews and sphere of influence updates. The proposed FY 2021-22 operating expenses are similar to the FY 2020-21 budget. A FY 2021-22 expense summary, compared to last year's budget is described below.

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- Insurance budget increased to \$2,500.
- CALAFCO membership dues increased to \$1,385.
- Printing/postage and advertising/publications budgets remain the same.
- MSR/SOI preparation Increased due to number and time needed to complete the MSRs and SOIs scheduled for the coming year
- Application processing amount remains the same. At least one annexation is expected in the coming year.
- Professional Executive Officer/Administrative services costs are proposed to be reduced, to allocate additional resources to complete the MSRs and SOIs scheduled for the coming year.
- Legal Counsel budget stays the same.
- Public member stipend are reduced, to 6 meetings at \$40.00 per meeting.
- Interest income to increase slightly to \$ 712.00

Proposed Operating Revenues:

City and County contributions to remain the same. Projected FY 2021-22 expenses are projected be same as revenues, which will preserve unrestricted fund. A portion of those unrestricted funds go to cover Commissioner travel expenses for CALAFCO Board meetings.

ATTACHMENTS

FY 2021-22 Proposed Budget

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FY 2021-22 PROPOSED BUDGET

Account	EXPENDITURES	FY 2020-21 Final	FY 2021-22 Draft
Line #	SERVICES & SUPPLIES		
20150	Insurance	\$2,400.00	\$2,500.00
20200	CALAFCO Membership	\$1,373.00	\$1,385.00
20221	Printing	\$50.00	\$50.00
20223	Postage	\$50.00	\$50.00
20230	Professional Services		
	MSR/SOI Preparation	\$24,500.00	\$32,000.00
	Application Processing	\$10,000.00	\$10,000.00
20231	Prof. Serv. Executive Officer/ Admin.	\$47,520.00	\$40,100.00
20232	Prof. Serv. Legal Counsel	\$2,000.00	\$2,000.00
20240	Advertising/Publications	\$400.00	\$400.00
	Conferences (CALAFCO when funds available)	\$0.00	\$0.00
70530	Interfund-Cost Plan	\$1,692.00	\$1,692.00
20233	Public Member Stipend (up to 6 mtgs @ \$40/mtg)	\$320.00	\$240.00
	TOTAL EXPENDITURES	\$90,305.00	\$90,417.00
	REVENUES		
91125	Project Revenue (Application Deposit)*	\$10,000.00	\$10,000.00
90300	Interest	\$600.00	\$712.00
90780	Del Norte County	\$39,852.50	\$39,852.50
90781	City of Crescent City	\$39,852.50	\$39,852.50
07100	Funds from Account #42801007100	\$0.00	\$0.00
	TOTAL REVENUES	\$90,305.00	\$90,417.00
	Contingency (Unrestricted) Fund Allocations		
	Authorized CALAFCO Board Travel Expenses	\$4,300.00	\$2,200.00
	FUND BALANCE		
07100	Account #42801 007 100	\$16,552.00	\$25,284.32
*Deposit paid by applicants to cover application processing. Projected amount for auditor use in issuing payment for expense claims.			

MEETING MINUTES

**Del Norte Local Agency Formation Commission
VIDEO/TELECONFERENCE MEETING
February 22, 2021 4:00 pm**

REMOTE MEETING:

Due to the ongoing COVID-19 issues, the Governor of the State of California has issued Executive Order N-29-20 and Order N-25-20 establishing social distancing measures and suspending provisions of the Brown Act. Meeting held by teleconference.

Members present: Jason Greenough (City Member & Chair), Blake Inscore (City Member), Valerie Starkey (Alternate County Member), Judy Dobbs (Alternate Public Member)

Members absent: Sparky Countess (Public Member), Bob Berkowitz (County Member & Vice-Chair), Darrin Short (County Member)

Others present: George Williamson (Executive Officer), Joel Campbell-Blair (Legal Counsel); Emily Morris (Service Specialist)

1. Call to Order/Roll Call

Chairman Greenough called the meeting to order at 4:00 p.m. A voice roll call was taken. Commissioner Inscore led the Pledge of Allegiance.

The Commission acknowledged new County Members, Supervisors Short and Starkey.

2. Election of Officers

On a motion by Commissioner Starkey, seconded by Commissioner Inscore and carried by a 4-0 vote the Commission re-elected Jason Greenough to serve as Commission Chairperson for 2021.

On a motion by Commissioner Greenough, seconded by Commissioner Inscore and carried by a 4-0 vote the Commission elected Darrin Short to serve as Commission Vice- Chairperson for 2021.

3. Regular Business

A. Approval of November 23, 2020 Draft Minutes

On a motion by Commissioner Inscore, seconded by Commissioner Dobbs and carried by a 4-0 vote the Commission approved the November 23, 2020 Minutes.

B. FY 2020-21 Midyear Accounting

Staff presented the midyear accounting, noting that all revenues had been recorded and no expenses had exceeded budgeted amounts. This was a receive and file agenda item, no Commission action necessary.

Del Norte Local Agency Formation Commission
VIDEO/TELECONFERENCE MEETING
February 22, 2021 4:00 pm

C. MSR Compliance Work Program

Staff presented the MSR Compliance Work Program, noting that the MSR and SOI Updates scheduled for FY 2020-21 were on schedule to be completed this Fiscal Year. For FY 2021-22, five Community Service Districts (CSDs), including Big Rock, Gasquet, Hunter Valley, Klamath and Redwood Park CSDs are due for MSR & SOI reviews. All five Del Norte County Fire Protection Districts (FPDs) are also due for MSR & SOI reviews in 2021: Crescent, Fort Dick, Gasquet, Klamath and Smith River FPDs. Commissioner Inscore emphasized the importance of District accountability for the FPD MSR and SOI Updates. This was a receive and file agenda item, no Commission action necessary

4. Inquiries, Correspondence, Application Status and Referrals

- A. Staff - The Executive Officer will provide a report of current projects, issues of interest, and pending legislation. No report.
- B. Commission - On their own initiative, Commission members may make brief announcements or reports on their own activities. They may ask questions for clarification, make a referral to staff or request a business matter for a future agenda per Government Code Section 54954.2 (a).

Commissioner Inscore reported that the CALAFCO Board voted to maintain the current dues structure; and not adjust the FY 2021-22 Dues for CPI Increase. He also reported that the CALAFCO Executive Director Pamela Miller had withdrawn her resignation and was staying on as a CALAFCO employee, and that CALAFCO U was proving to be an efficient training resource during the pandemic.

- C. Public - Public comment on items of interest within LAFCo subject matter jurisdiction, and not otherwise appearing on the agenda. No action may be taken on any item not appearing on the agenda. No report.

5. Adjournment

Chairman Greenough adjourned the meeting at 4:35 p.m.

Next Regular Meeting Scheduled for April 26, 2021.