

MEETING AGENDA

Del Norte Local Agency Formation Commission VIDEO/TELECONFERENCE MEETING June 28, 2021 4:00 pm

LISTEN TO THE MEETING AND COMMENT REMOTELY:

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Meeting ID: 826 1541 9413

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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 June 28, 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 June 28, 2021.

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. Smith River Cemetery District MSR/SOI Update - by Resolution 21-04 (ATTACHMENT 2A)
 - B. Crescent City Harbor District MSR/SOI Update - by Resolution 21-05 (ATTACHMENT 2B)

Del Norte Local Agency Formation Commission
VIDEO/TELECONFERENCE MEETING
June 28, 2021 4:00 pm

3. Regular Business

- A. Professional Services Agreement Extension (ATTACHMENT 3A)
- B. Draft Minutes April 26, 2021 (ATTACHMENT 3B)
- C. Draft Minutes May 24, 2021 (ATTACHMENT 3C)

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.

Remaining Meeting Dates 2021 (ATTACHMENT 4A)

- 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 August 23, 2021.

**DEL NORTE
LOCAL AGENCY FORMATION COMMISSION**
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AGENDA ITEM 2A

MEETING DATE: June 28, 2021
TO: Del Norte Local Agency Formation Commission
FROM: George Williamson AICP, Executive Officer
SUBJECT: Smith River Cemetery 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 21-04 approving the Smith River Cemetery District Municipal Service Review and Sphere of Influence 2021 Update

DISCUSSION

Smith River Cemetery District provides cemetery services to unincorporated Smith River area of Del Norte County. The Smith River Cemetery has been in existence since 1862 and perhaps longer. It originally served not only the Smith River valley but also its neighbors in the Chetco and Brookings (Oregon) areas. The cemetery memorializes veterans from the Civil War, the Spanish-American War, as well as both World Wars, the Korean War, and Vietnam. Local citizens formed a cemetery district to properly care for the site and honor those buried there. The Cemetery has ongoing capacity for burial, estimated at a remaining capacity of approximately 0.53 acres, excluding cremation plots based on available Cemetery acreage.

The District was formed on July 28, 1969 for the purpose of maintaining the Smith River Cemetery. Cemetery Districts are independent public agencies, authorized under State of California Health and Safety Code § 9000.

Del Norte LAFCo received one comment from former Board member Colleen Lutrell regarding the precarious position of the District's finances. She is extremely concerned about the District's future, as its income has dwindled down to nothing. This ongoing concern has also been brought up by current Board member John Roberts. Potential solutions and caveats are addressed in detail in section 4 (Financial Information) of the MSR up for review.

ATTACHMENTS

Attachment 1: Smith River Cemetery District Commission Draft MSR & SOI Update

Attachment 2: Resolution 21-04 Approving the Smith River Cemetery District MSR & SOI Update

Smith River Cemetery District

Municipal Service Review & Sphere of Influence Update



Commission Draft
June 2021



Del Norte Local Agency Formation Commission

Commissioners

Jason Greenough	Chair & City Member
Darrin Short	Vice Chair & County Member
Blake Inscore	City Member
Bob Berkowitz	County 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
Emily Morris, Staffing Services
Joel Campbell-Blair- General Counsel

Acknowledgements

LAFCo staff would like to thank the contributors to this Municipal Service Review. Input instrumental in completing this report was provided by the Smith River Cemetery District Board. This report would not have been possible without the District's assistance.

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1 INTRODUCTION

The Del Norte Local Agency Formation Commission (LAFCo) conducts municipal service reviews (MSRs) to assess existing and future public service conditions for cities and special districts within Del Norte County. This MSR update will allow LAFCo, local agencies, and the public to better understand how public services are provided by the Smith River Cemetery District (SRCD).

The purpose of this study is to examine and evaluate local governmental services in order to improve overall understanding of local service conditions and to enhance these conditions through comprehensive review and analysis. This MSR includes a discussion, analysis, and recommendations regarding services currently provided by the District. The current sphere of influence for the District was last updated and adopted on July 29, 1975 which established a “status quo” sphere of influence for the district. In spheres of this nature, district service area boundaries and sphere boundaries are coterminous to limit service expansion outside the service area boundary. This update serves to review relevant data on services provided within the SRCD’s Sphere of Influence (SOI).

1.1 Statutory Authority

The fundamental role of the Local Agency Formation Commission (LAFCo) is to implement the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 consistent with local conditions and circumstances. The major LAFCo goals, as established by the Cortese-Knox-Hertzberg Act are to:

- Encourage orderly growth and development;
- Discourage urban sprawl;
- Preserve open-space and prime agricultural lands by guiding minimizing resource loss;
- Exercise its authority to ensure that affected populations receive efficient services;
- Promote logical formation and boundary modifications that direct the burdens and benefits of additional growth to those local agencies that are best suited to provide services;
- Make studies and obtain and furnish information which will contribute to the logical and reasonable development of local agencies to provide for present and future needs;
- Establish priorities by assessing and balancing community service needs with financial resources available to secure and provide community services and to encourage government structures that reflect local circumstances, conditions and financial resources; and
- Determine whether new or existing agencies can feasibly provide needed services in a more efficient or accountable manner and, are where deemed necessary.

1.2 Municipal Service Reviews

LAFCo operates under the provisions of the Cortese-Knox-Hertzberg (CKH) Local Government Reorganization Act of 2000, commencing with California Government Code § 56000. The CKH Act authorizes LAFCo to conduct comprehensive studies of the delivery of municipal services provided in the county or other area deemed appropriate by the Commission. The term “municipal services” refers to the full range of services that a public agency provides or is authorized to provide.

The MSR update process provides LAFCo with a tool for studying existing and future public service conditions, evaluating organizational options for accommodating growth, and examining whether critical services are provided in an efficient and cost-effective manner. This includes making determinations on the adequacy, efficiency, and effectiveness of these services in relationship to local conditions and circumstances.

The MSR process does not require LAFCo to initiate changes of organization based on service review findings; it only requires that LAFCo make determinations regarding the provision of public services in accordance with Government Code § 56430. However, MSR updates help to inform the SOI update process with regard to identifying an appropriate and probable District service area. MSRs are exempt from the California Environmental Quality Act (CEQA) because they are feasibility or planning studies for possible future actions that LAFCo has not approved (CEQA Guidelines § 15262).

The CKH Act requires that LAFCo review municipal services before or in conjunction with updating spheres of influence and prepare a written statement of determinations with respect to each of the factors summarized in the following table.

Municipal Service Review Determinations
1. Growth and population projections for the affected area
2. The location and characteristics of any disadvantaged unincorporated communities ¹ within or contiguous to the sphere
3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies
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
7. Any other matter related to effective or efficient service delivery, as required by commission policy

¹ "Disadvantaged unincorporated community" means an inhabited community (12 or more registered voters) with an annual median household income that is less than 80 percent of the statewide annual median household income.

1.3 Sphere of Influence

LAFCo establishes, amends, and updates spheres for all cities and special districts to designate the territory it believes represents the appropriate and probable future service area and jurisdictional boundary of the affected agency. Importantly, all jurisdictional changes, such as annexations and detachments, must be consistent with the spheres of the affected local agencies with limited exceptions.

The authority for LAFCo to adopt, review, and amend spheres of influence is contained in various sections of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. Specifically, Government Code § 54625(a) states that:

“In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local government agencies to advantageously provide for the present and future needs of the county and its communities, the commission shall develop and determine the sphere of influence of each local governmental agency with the county and enact policies designed to promote the logical and orderly development of areas within the sphere.”

Government Code § 56425(g) specifies that, beginning in 2008, LAFCo shall, as necessary, review and update each sphere of influence every five years. In making sphere determinations, LAFCo is required to prepare written statements addressing five specific planning factors listed under Government Code § 56425(e). The mandatory factors range from evaluating current and future land uses to the existence of pertinent communities of interest.

The intent in preparing the written statements is to focus LAFCo in addressing the core principles underlying the sensible development of each local agency consistent with the anticipated needs of the affected community. The five planning factors are summarized in the following table.

Sphere of Influence Determinations
1. Present and planned land uses in the area, including agricultural and open space
2. Present and probable need for public facilities and services in the area
3. Present capacity of public facilities and adequacy of public services the agency provides or is authorized to provide
4. Existence of any social or economic communities of interest in the area if the commission determines they are relevant to the agency
5. If the city or district provides water, sewer, or fire, the present and probable need for those services of any disadvantaged unincorporated communities within the existing sphere

1.4 Review Methods

This service review was prepared by LAFCo staff in 2019-2021. A District Board Member, John Roberts, was contacted and current District information was requested. All information gathered for this report is stored in Del Norte LAFCo files for future reference.

1.5 California Environmental Quality Act

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

1.6 Background on Cemetery Districts

Public cemeteries in California are among the earliest public facilities in the state and many existed prior to the enactment of the first public cemetery district law in 1909. As of 2009, there were 252 cemetery districts in California, including one in Del Norte County. Cemetery districts rank fourth in the total number of special districts in California, behind water districts, fire districts and community services districts. Cemetery districts are organized and have powers pursuant California Health and Safety Code § 9000 et seq. This law was revised in its entirety and recodified effective January 1, 2004. cemetery districts are special districts that are legally separate from any other unit of local government. Each district's board of trustees is solely responsible for all aspects of district operations. Trustees, who must be registered voters in the district, are appointed by a county board of supervisors to fixed, four-year terms of office. Alternatively, a board of supervisors can appoint itself to be the board of trustees.

Public Cemetery District Law provides broad statutory authority for public cemetery districts to own, improve, expand, and operate public cemeteries. The law provides for the formation of new cemetery districts, defines the selection, role and functioning of the cemetery district board of trustees, outlines the powers of the district, limits who may be interred in district cemeteries, requires cemetery districts to establish and maintain an endowment care fund for the long-term care of burial plots, sets forth requirements and authorities relating to district finances, including the ability to raise additional revenue, and provides for zones to be established within district boundaries for different levels of service.

Unlike most special districts, cemetery districts do not hold monopoly service authority. Private cemeteries, both religious and secular, can and do compete with public cemeteries particularly in more urbanized areas. Therefore, existing cemetery districts face market pressures usually not associated with the delivery of most other government services. As a result, the formation of new public cemetery districts has been uncommon in the state for many years.

2 AGENCY PROFILE

The SRCD is located approximately ten miles north of the City of Crescent City. The District lies between the Pacific Ocean and the Smith River National Recreation Area and is bisected by Highway 101. The District's northernmost border parallels the California/Oregon State line. The District covers approximately 14.2 square miles (9,109 acres) including the unincorporated town of Smith River and the Tolowa-Dee-Ni' Nation. The SRCD's boundary lies within and overlaps the Smith River Community Service District (SRCSD) and Smith River Fire Protection District (SRFPD) boundaries.

2.1 District Formation

The Smith River Cemetery has been in existence since 1862 and perhaps longer. It originally served not only the Smith River valley but also its neighbors in the Chetco and Brookings (Oregon) areas. The cemetery memorializes veterans from the Civil War, the Spanish-American War, as well as both World Wars, the Korean War, and Vietnam. Local citizens formed a cemetery district to properly care for the site and honor those buried there.²



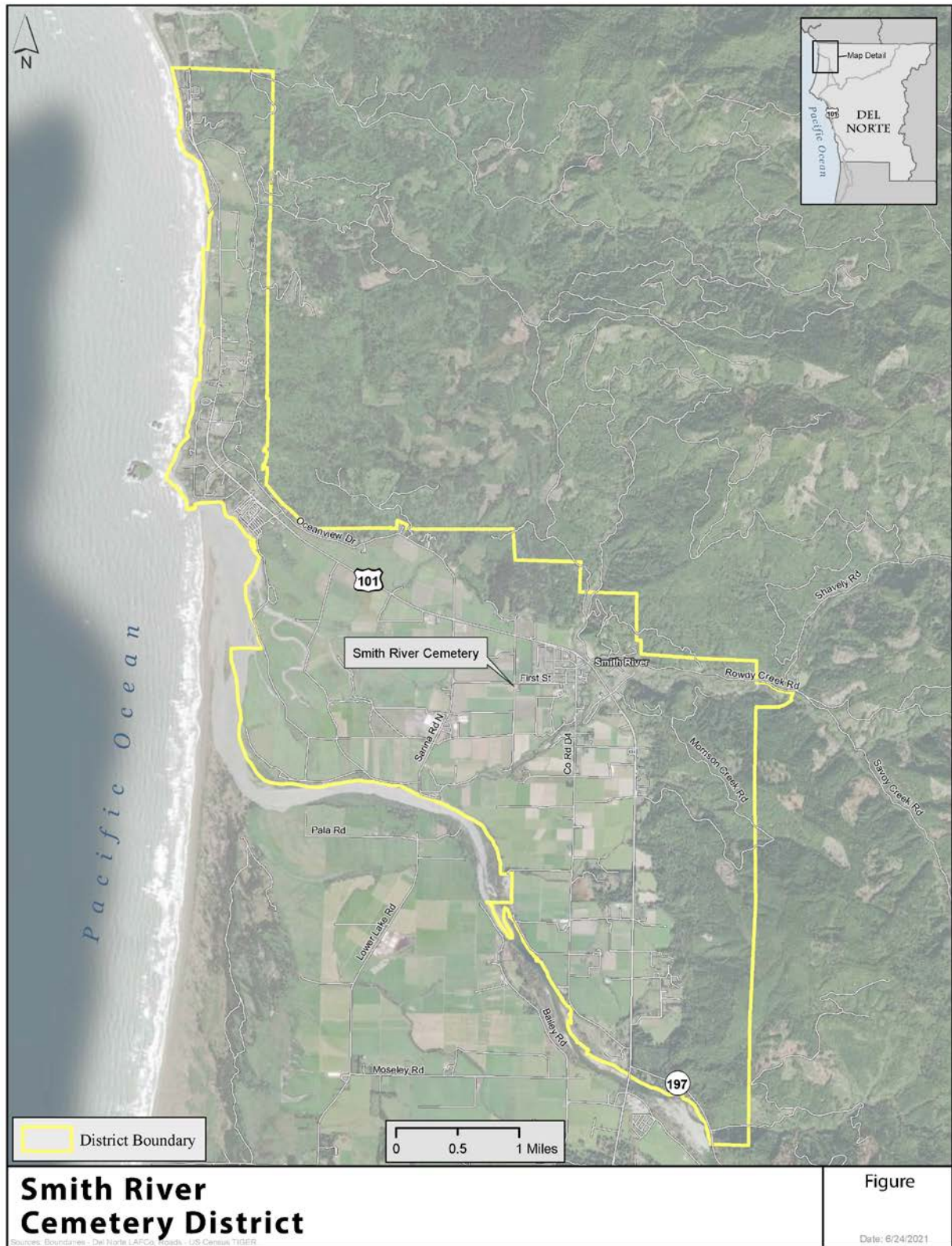
The District was formed on July 28, 1969 for the purpose of maintaining the Smith River Cemetery. Cemetery Districts are independent public agencies, authorized under State of California Health and Safety Code § 9000.

Table 1: Agency Profile

Agency Name	Date of Formation	Enabling Legislation
Smith River Cemetery District	July 28, 1969	GC §9000 et seq.
Contact Person	Contact Title	Email/Website
John Roberts	Board Member	at17n22@hotmail.com
Mailing Address	Physical Address	Phone
P.O. Box 762 Smith River, CA 95567	N/A	(707) 487-3025

² California's Redwood Coast: Paradise Untamed. National Geographic. Accessed September 9, 2013.
<http://www.visitredwoodcoast.com/content/smith-river-cemetery/ncoCDC3B0F39DE6EBEE1>

Figure 1 District Boundary



2.2 Accountability and Governance

The Smith River Cemetery District is governed by a five-member appointed Board of Trustees. The Board meets quarterly, on the second Wednesday of the month. Meeting notices are posted at two locations within the District: the Smith River Post Office located at 291 South Fred Haight Drive, and the Smith River Community Hall located at 241 First Street. The District currently retains one part-time pro-bono secretary to maintain District function. All agency decisions are overseen by the Board of Directors.

Table 2: Smith River Cemetery District Board of Directors

Board Member	Title	Term Expiration
Nancy Westbrook	Trustee	2020
Juanita Henson	Trustee	2020
Pat Jensen	Trustee	2022
John Roberts	Trustee	2022
Vacant	Trustee	2020

2.3 Present and Planned Land Use

The Del Norte County General Plan guides land use decisions within the County and SRCD's jurisdiction. Del Norte County covers approximately 1,008 square miles, or 640,000 acres. More than eighty percent of this land is publicly owned. The County has 600,000 acres of forestland and 10,000 acres of agricultural land.³ The SRCD largely contains resource and rural residential land and will likely continue to develop at current county-wide rates of 0.4 percent per year.

2.4 Population and Growth

The estimated 2019 Del Norte County population was 27,812, down from 28,610, as reported by the 2010 U.S. Census, but up from 27,507 reported in the 2000 census. This indicates very little growth from 2000 to 2019. The community of Smith River is a Census-Designated Place (CDP); the U.S. Census Bureau defines CDPs as:

"The statistical counterparts of incorporated places... delineated to provide data for settled concentrations of population that are identifiable by name but are not legally incorporated under the laws of the state in which they are located."

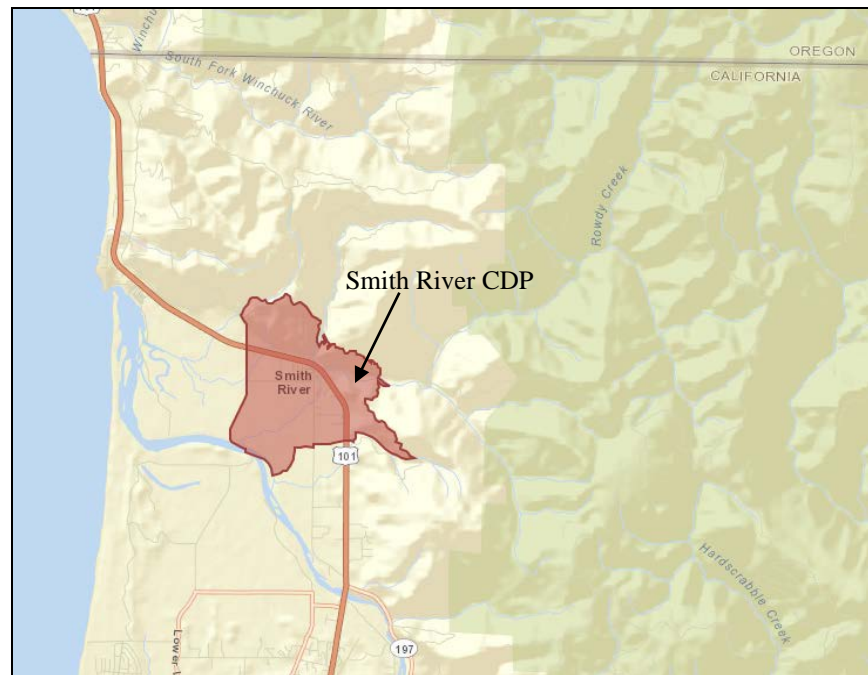
According to the 2010 U.S. Census, the Smith River CDP population was 866 residents. However, the SRCD covers a larger area than the CDP including the Tolowa Dee-ni' Nation, formerly known as the Smith River Rancheria; the SRCD covers approximately 14.2 square miles while the CDP is only approximately 4 square miles. The Tolowa Dee-ni' Nation owns 805 acres of land and has over 1,700 tribal members governed by a seven-member Tribal Council.⁴ Therefore, it is estimated that there are approximately 2,566 residents within the District boundary.

³ DNRCD flier. *Del Norte Resource Conservation District: Benefiting Land and People in Del Norte County.* http://ruralhumanservices.org/nortec/July_Sept06/DNRCD%20Flyer/DNRCD%20Flyer.pdf.

⁴ Tolowa Dee-ni' Nation <https://www.tolowa-nsn.gov/who-we-are/about-tolowa-dee-ni-nation/> Accessed October 11th, 2018

2.5 Disadvantaged Unincorporated Communities

The Cortese-Knox-Hertzberg Act defines a "disadvantaged unincorporated community" as inhabited territory (12 or more registered voters), or as determined by commission policy, that constitutes all or a portion of a "disadvantaged community" as defined by § 79505.5 of the Water Code. The Water Code § 79505.5 defines a "disadvantaged community" as a community with an annual median household income that is less than 80 percent of the statewide annual median household income.



Source: Department of Water Resources <http://www.water.ca.gov/irwm/grants/resourceslinks.cfm>

The State Department of Water Resources (DWR) has mapped for each county those communities that are at or below 80 percent of the annual median household income by using Census Designated Places.⁵ While the CDP data is a helpful tool in identifying DUCs, not all unincorporated areas that arguably should be defined as disadvantaged unincorporated communities are defined as CDPs. The Smith River CDP is identified as a disadvantaged unincorporated community as shown on the map above; however the entire SRCD is not covered by the CDP.

⁵ State Department of Water Resources (DWR). Disadvantaged Communities (DAC) Mapping Tool.

3 DISTRICT SERVICES & INFRASTRUCTURE

The Smith River Cemetery District maintains the Smith River Cemetery located on approximately 4.9 acres at the intersection of 1st Street and Westbrook Lane in Smith River, CA. The Smith River Cemetery is estimated to have a remaining capacity of approximately 0.53 acres, excluding cremation plots.

The SRCD maintains a water distribution system within their boundaries that is only used to irrigate the Smith River Cemetery. There are no known deficiencies or planned upgrades to the District's water distribution system at this time.

3.1 Other Service Providers

The Tolowa Dee-ni' Nation owns and maintains the Howonquet Cemetery for tribal members. The District's water is received from the Smith River CSD; fire protection is provided by the Smith River Fire Protection District (FPD) and CalFIRE; and the Del Norte County Sheriff's Office provides law enforcement services.

4 FINANCIAL INFORMATION

As a district's cemetery becomes full, the income from service fees declines, ultimately to zero unless a district has the capability of acquiring more land for cemetery purposes and/or better utilizing existing land the district already owns. Thus, declining capacity of the cemeteries owned by cemetery districts can be a significant financial constraint. The relatively near term capacity constraint is a financial constraint for the District. The lack of adequate records about remaining capacity could also result in a potential financial constraint for the SRCD.

While each district should regularly review rates and make adjustments based on expenses, the ability to restructure rates and service fees is impacted by competition from private cemeteries. Also, as cemeteries become full, neither rate restructuring or cost avoidance are sufficient to overcome the financial constraints resulting from a lack of capacity within cemeteries.

The Public Cemetery District Law requires the board of trustees to create and maintain an endowment care fund and requires a payment into the endowment care fund for each internment right sold. Districts are able to use interest income received from an endowment care fund investment solely for the care of the cemeteries owned by the district; however, trustees cannot spend the endowment fund principal.

Cemetery districts can levy special taxes, applied uniformly to owners of real property. For example, per parcel assessments can be implemented with voter approval. Now, special taxes are subject to approval of two-thirds of the voters in a district as required by Article XIII A of the

state constitution. Because of the high voter approval threshold and competing demands for additional income for other public services, approval of special taxes for cemetery districts is difficult at best. This is especially true if a district does not have the income necessary to consider and pay for an election, as is probably the case with the SRCD.

The Public Cemetery District Law also provides for cemetery districts to establish Mello-Roos Community Facilities Districts. These types of “districts” can be used to finance the purchase, construction, expansion, improvement or rehabilitation of real property with a useful life of five years or more, a variety of capital facilities, and certain types of direct services that are in addition to services already provided.

Forming community facilities districts is complex and, due to vote requirements, is usually done before an area develops. Because of the requirements for forming these types of financing districts, they are not a viable source of new operating revenues given existing conditions. However, based on new growth within the boundaries of a cemetery district, community facilities districts possibly could be a means of financing the acquisition of land for new or expanded cemeteries.

Public cemetery districts have the ability to borrow money and incur indebtedness (bond cap is 2% of the assessed value of all taxable property), and to establish a revolving fund in an amount not to exceed 110% of one-twelfth of the district’s adopted budget for that fiscal year to pay any authorized expenditures of the district. However, the ability to borrow or restrict funds is predicated on the underlying financial condition of the district and is not a source of new income.

The Public Cemetery District Law provides that the funds of cemetery districts with annual income of less than \$500,000 be kept in the county treasury. While the board of trustees of each District is solely responsible for the affairs of the District, including receipts and disbursements, all warrants are to be drawn on the funds maintained in the county treasury.

The District is investigating potential revenue sources including contacting local congressional offices and levying a parcel tax⁶.

⁶ Personal communication with Board Member John Roberts 10/13/19.

4.1 Budget

The SRCD's fiscal year 2018-19 actual budget included \$5,923 in revenues and \$3,581 in expenditures (Table 3). The primary sources of revenues are the selling of cemetery plots and other/donations. The primary expenditures are equipment and grounds maintenance. The District has been operating on a small surplus for the past three years but only by ceasing to pay any salary for any District employees.

Table 3: Budget Summary

Smith River Cemetery District	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Adopted
Revenues			
Cemetery Plot Fees	\$5,430	\$8,750	\$7,500
Other (yield tax, interest, misc.)	\$493	\$646	\$750
Total Revenue	\$5,923	\$9,396	\$8,250
Expenditures			
Payroll and Employee Benefits	\$0	\$0	\$0
Insurance	\$554	\$562	\$650
Maintenance (equipment and grounds)	\$3,000	\$3,750	\$6,300
Other (office expense, prof. services, etc.)	\$27	\$1,259	\$800
Total Expenditures	\$3,581	\$5,571	\$7,750
Amount Over/(Under)	\$2,342	\$3,825	\$500

5 MSR DETERMINATIONS

CKH § 56430(a) notes that: in order to prepare and to update spheres of influence in accordance with § 56425, the commission shall conduct a service review of the municipal services provided in the county or other appropriate area designated by the commission. The commission shall include in the area designated for service review the county, the region, the subregion, or any other geographic area as is appropriate for an analysis of the service or services to be reviewed, and shall prepare a written statement of its determinations with respect to the following:

1) Growth and population projections for the affected area.

Smith River is a census designated place with a 2010 population of 866 residents. The District also includes the Tolowa Dee'ni' Nation with a tribal membership of over 1,700. Therefore, the District population is estimated to be approximately 2,566 residents. The SRCD will likely continue to develop at current county-wide rates of 0.4 percent per year, which would result in a 2030 population of approximately 2690 people.

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

The Smith River CDP, which covers a portion of the District, has been identified as a disadvantaged unincorporated community by the State Department of Water Resources.

3) Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere.

The Smith River Cemetery is estimated to have a remaining capacity of approximately 0.53 acres, excluding cremation plots.

4) Financing ability of agencies to provide services.

The District is primarily funded through plot sales. The SRCD's Fiscal Year 2019-20 adopted budget included \$8,250 in revenues and \$7,750 in expenditures. The primary revenue sources are the selling of cemetery plots and other/donations. The primary expenditures are equipment and grounds maintenance. The District has been operating without paid employees for at least the past three years. Continued District operation is a significant concern. Documents included in the original district formation file indicate that the county collected property based assessments for the District, however this assessment collection stopped at some point in the 1970's. It is recommended that the District pursue potential revenue sources listed in the Financial Information section above and report back to the LAFCo Commission in one year.

5) Status of and, opportunities for, shared facilities.

Given that the District's boundary overlaps with the Smith River CSD's boundary and given the District's financial state and limited service provided, a future special district consolidation with the Smith River CSD may be warranted, although it is not currently supported by the CSD.

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

The SRCD is governed by a five-member appointed Board of Directors that meets regularly (quarterly). All meetings are noticed and held at a consistent location within the District. The District currently has no paid employees which makes it difficult to operate efficiently.

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

The key factor affecting organizational efficiency is lack of revenues described in this MSR.

6 SPHERE OF INFLUENCE STATUS

Government Code § 56430 requires LAFCo to periodically perform municipal service reviews, also known as service reviews, in order to prepare for sphere of influence review and adoption. The purpose of service reviews is to get a “big picture” of the public service needs and to identify opportunities for improved service efficiencies. A draft service review was prepared in conjunction with this sphere update. In summary, the service review found that the Smith River Cemetery District is generally efficiently providing services within its existing boundaries; however, a key factor affecting organizational efficiency is lack of revenues.

During the prior 2013 Commission approved MSR, the LAFCo Commission reviewed District boundaries and identified two potential sphere areas east of the District. Given that the District has a minimum ten year supply of vacant plots and limited revenues, a SOI expansion is not warranted at this time.

7 SPHERE OF INFLUENCE DETERMINATIONS

CKH § 56425. (e) In determining each local agency's sphere of influence, the commission shall consider and prepare a written statement of its determinations with respect to the following:

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

The SRCD largely contains resource (agriculture and timber) and rural/low density residential land. Little change in actual or designated land uses within the District is anticipated over the next 20 years.

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

Currently there is limited need for additional service capacity within the District. To provide adequate services for future growth, additional land may need to be acquired for cemetery use. Once the revenue recommendations have been addressed, the SOI should be amended to include two new subdivisions at the east edge of the district, as recommended by the commission.

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

The District provides adequate services to meet current needs. The Smith River Cemetery is estimated to have a remaining capacity of approximately 0.53 acres, excluding cremation plots.

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.

The Tolowa Dee-ni' Nation is located within District boundaries and maintains Howonquet Cemetery for tribal members.

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 cemetery services. A portion of the district has been identified as a disadvantaged incorporated community; this area is provided water, sewer and fire services by other service providers.

**DEL NORTE
LOCAL AGENCY FORMATION COMMISSION**
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**RESOLUTION 21-04
APPROVING THE SMITH RIVER CEMETERY 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 Smith River Cemetery 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 June 28, 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 Smith River Cemetery District Municipal Service Review, incorporated herein by reference.
2. The Smith River Cemetery District 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 Smith River Cemetery 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 28th day of June 2021, by the following vote:

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

Jason Greenough, Chair

Attest:

George Williamson, Executive Officer

**DEL NORTE
LOCAL AGENCY FORMATION COMMISSION**
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AGENDA ITEM 2B

MEETING DATE: June 28, 2021
TO: Del Norte Local Agency Formation Commission
FROM: George Williamson AICP, Executive Officer
SUBJECT: Crescent City Harbor 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 21-05 approving the Crescent City Harbor District Municipal Service Review and Sphere of Influence 2021 Update
 2. Continue the Public Hearing to allow more time for District Review

DISCUSSION

The Crescent City Harbor District supports fishing, recreation, and commercial activities, which play vital roles in the Del Norte County economy. The Crescent City Harbor serves as a commercial boat basin for salmon, shrimp, tuna, cod, and Dungeness crab fishing vessels, as well as a basin for recreational watercraft. The Harbor is also home to multiple fishing and non-fishing related businesses and Harbor District offices. The District leases several commercial buildings and businesses located upon District owned land surrounding the harbor. The District was formed November 10, 1931 to assume responsibility for improvements, maintenance, and management of the Crescent City Marina and related harbor facilities.

The District Boundary, which is countywide, also serves as the District's Sphere of Influence (SOI). The District owns and controls both land and tideland properties at Crescent Bay, bounded by Crescent City to the west, Crescent Beach to the east, the Highway 101 corridor to the north, and Whaler's Island and the breakwater to the south. The District ownership encompasses roughly 150 acres of land. The District currently provides the following services:

- Boat Slip Rentals
- Equipment Rentals and Services
- Harbor Dredging and Maintenance
- Open Space, Recreation, and Preservation Areas
- Public Facilities
- Rents and Concessions
- Roads and Parking

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The District has made significant progress towards implementing many of the goals outlined in its Master Plan (2006) including completing numerous infrastructure improvements in recent years. The District has also completed recreational, commercial and visitor serving improvements intended to accommodate an increase in usage of the District's public facilities and services.

The District's primary revenue sources are commercial leases including rents and concession, inner/outer boat basin rentals and RV Park Income. The District also receives income from property taxes and assessments. Primary expenditures include payroll expenses and utilities. Capital expenditures vary widely between years and can be a significant expense depending upon needed repairs and improvements. In addition to the operating revenues and expenses shown below, the District was awarded several grants since the last MSR approval in 2015 including an RSTP Grant for extension of CA Coastal Trail in the amount of \$472,657.

The District is planning to have a financial assessment prepared to evaluate and conduct a comprehensive organizational and operational assessment of the District's financial operations. The assessment is intended to identify the best principles and opportunities to maximize the financial organization and operations of the District and then develop a plan with District staff to implement them. In planning for the future, the District's focus includes strategic capital investments that keep facilities in step with today's trade and industry demands by developing new maritime commercial opportunities, utilizing underdeveloped lands enhancing recreation and tourism activities, tackling infrastructure improvements, and modernizing the Harbor. The District intends to actively pursue new business opportunities to expand coastal related visitor serving uses in the Harbor that have the promise of generating revenue.

The District's sphere is coterminous with the District boundary and the Del Norte County boundary; there is no opportunity to expand the sphere and therefore no recommended changes.

ATTACHMENTS

Attachment 1: Crescent City Harbor District Commission Draft MSR & SOI Update

Attachment 2: Resolution 21-05 Approving the Crescent City Harbor District MSR & SOI Update



Crescent City Harbor District

Municipal Service Review & Sphere of Influence Update

Commission Draft
June 2021



Del Norte Local Agency Formation Commission

Jason Greenough	Chair & City Member
Bob Berkowitz	Vice Chair & County Member
Darrin Short	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 Charlie Helms, former Crescent City Harbor CEO/Harbormaster 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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INTRODUCTION

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

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:

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

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.

CRESCENT CITY HARBOR DISTRICT

Overview

The Crescent City Harbor District (CCHD or District) is located on the Northern California Coast adjacent to the City of Crescent City, approximately 20 miles south of the Oregon border. Crescent City Harbor is located in Crescent Bay, just south of town, both on lands granted by the State Lands Commission to the Harbor District and lands owned fee and title by the District. The Harbor is protected by a 4,100-foot outer breakwater, a 1,200-foot inner breakwater, and a 2,400-foot sand barrier, all of which combine to create the only “harbor of refuge” between Humboldt and Coos Bay. The Harbor is a shallow-draft critical harbor of refuge, supporting a Coast Guard search and rescue station, commercial and sport fishing, and recreational boating. The District was formed November 10, 1931 to assume responsibility for improvements, maintenance, and management of the Crescent City Marina and related harbor facilities.

The District supports commercial fishing activities, which play a vital role in the Del Norte County economy. The Crescent City Harbor serves as a commercial boat basin for salmon, shrimp, tuna, cod, and Dungeness crab fishing vessels, as well as a basin for recreational watercraft. The Harbor is also home to multiple fishing and non-fishing related businesses and Harbor District offices. The District leases several commercial buildings and businesses located upon District owned land surrounding the harbor.

Crescent City and Del Norte County is in a state of transition from resource production to a tourism and recreation services-based economy. The 2006 Crescent City Harbor District Master Plan emphasizes the District’s intention to retain and improve existing harbor facilities in support of commercial fishing and recreational boating, while expanding coastal related visitor serving uses in the Harbor. These uses have the potential of generating the revenue necessary to keep the District economically viable, sustaining its ability to meet its mandates under the State Tidelands Grant and the California Coastal Act. The Tidelands Grant to the Harbor District by the state of California mandates specific functions that the District must guarantee for public use including the development of a public harbor to meet the needs of the people of the State and the provision of recreational and visitor-serving uses within the granted lands.

The District prepared a Coastal Land Use Plan (LUP) that is in the process of being certified by the California Coastal Commission. The Harbor LUP is implemented through Harbor-specific County zoning districts and policies. The prior Harbor LUP was originally certified by the California Coastal Commission in 1987 as an independent geographic segment of the County’s LUP covering the Harbor Area. The 2020-21 LUP update includes land use designations that will help support the District’s transition from a more resource-based economy to one that provides more opportunities for visitors while continuing to value commercial and recreational fishing.

The California Coastal Act emphasizes support for coastal-dependent uses (i.e. those uses that must have a waterfront site in order to exist), and coastal-related, visitor-serving, recreation, and

commercial uses. Harbor District policies and programs that carry out the administrative mandates of the State are encompassed in the Crescent City Harbor District Harbor Master Plan, the Del Norte County Local Coastal Program, and the City of Crescent City Local Coastal Plan for the Harbor Dependent and Harbor Related planning areas.

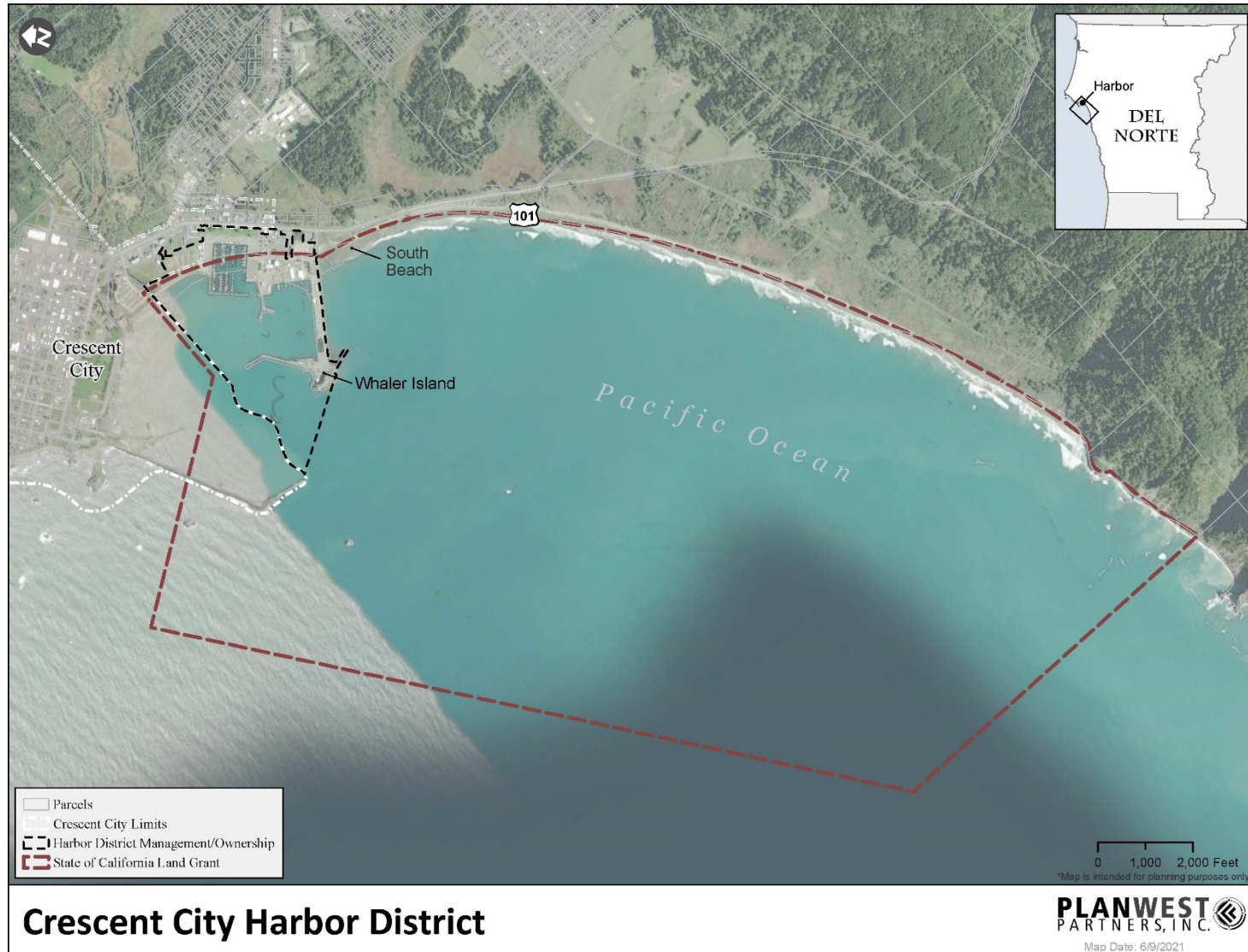
Table 1: Crescent City Harbor District Agency Profile

Formation	
Agency Name	Crescent City Harbor District
Date of Formation	November 10, 1931
Enabling Legislation	Harbors and Navigation Code §7080-7090
Contact	
Contact	Tim Petrick, Interim CEO/Harbormaster
Alternate Contact	
E-mail	tpetrick@ccharbor.com
Website	www.ccharbor.com
District Office	101 Citizens Dock Road Crescent City, CA 95531
Mailing Address	101 Citizens Dock Road Crescent City, CA 95531
Phone	(707) 464-6174 Fax: (707) 465-3535
Governance	
Governing Body	Board of Harbor Commissioners
Board Meetings	First and third Tuesday of each month at 2:00 p.m.
Staffing	12 full-time and 6 part-time employees
Services and Facilities	
Services Provided	Operation and maintenance of docks, piers, slips, and facilities for the promotion and accommodation of commerce, navigation, fisheries, and public recreation including: boat slip rentals, equipment rentals and services, harbor dredging and maintenance, open space, recreation, and preservation areas, public facilities, rents and concessions, roads and parking.
Areas Served	Crescent City Harbor, Del Norte County, City of Crescent City
Facilities	Harbor lands and infrastructure including, inner and outer boat basins, public facilities, commercial buildings, recreation facilities.

Boundary and Sphere of Influence

The District Boundary, which is countywide, also serves as the District's Sphere of Influence (SOI). The District owns and controls both land and tideland properties at Crescent Bay, bounded by Crescent City to the west, South Beach to the east, the Highway 101 corridor to the north, and Whaler's Island and the breakwater to the south. The District ownership encompasses roughly 150 acres of land, Figure 1.

Figure 1. Crescent City Harbor District Management/ Ownership



Accountability and Governance

The Harbor District Board of Commissioners is comprised of five members, each elected by Del Norte County voters. Each Commissioner serves a four-year term and receives an annual stipend of \$3,833.32, paid in twice monthly payments, less standard payroll taxes. Each Commissioner receives medical insurance for themselves as well as an air ambulance service membership. Table 2, below, shows the existing Board composition.

The Commissioners appoint a Harbormaster, who directs staff in the day-to-day operations of the Harbor. The District employs twelve full-time and six part-time employees to provide services and maintain the Harbor. District staff includes five full-time and two part time administrative staff, four full-time maintenance staff, one full-time and four part-time security staff and two full-time RV Park administrators. The Harbor District typically hires two part-time Maintenance Team workers for the summer season, but in light of decreased seasonal demand for District Services due to the COVID-19 Pandemic, the District did not hire seasonal workers during summer 2020. The District Office is open and staffed Monday through Friday between 7:30 a.m. and 4:30 p.m.

The Board meets on the first and third Tuesdays of each month at 2:00 p.m. The meetings are held at the Harbor District Office, 101 Citizens Dock Road, Crescent City. Meeting agendas are published 72 hours in advance of the meeting and are posted at the District Office and on the District's website.

Table 2: Crescent City Harbor District Board of Commissioners

Board Member	Title	Term Expiration
Brian L. Stone	President	December 2024
G. Wesley White	Secretary	December 2024
Gerhard Weber	Commissioner	December 2022
Rick Shepherd	Commissioner	December 2022
Harry Adams	Commissioner	December 2024

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

POPULATION AND LAND USE

Land Use

On March 9, 2021 the Del Norte County Board of Supervisors unanimously adopted a Local Coastal Program Amendment for the Crescent City Harbor area composed of a comprehensive Harbor Land Use Plan as well as updates to the harbor-specific zoning districts of the Countywide Implementation Plan. The Harbor Coastal Land Use Plan is a document that formalizes a long-term vision for the physical evolution of the harbor area and outlines goals, policies, and programs to guide future development of the harbor.

The LUP update must undergo final certification by the California Coastal Commission. The proposed land use/zoning designations support visitor serving and recreational land uses within the District that allow more flexibility in accommodating diverse uses within the Harbor Area. The proposed Harbor LUP includes four Harbor-specific land use classifications: Harbor Dependent Marine Commercial (HDMC), Harbor Dependent Recreational (HDR), Harbor Visitor Serving Commercial (HVSC) and Harbor Greenery (HG). These proposed land use designations can be seen in Figure 2.

Figure 2: Crescent City Harbor – Coastal Land Use Designations



Population and Growth

The harbor area does not have permanent residences within the District's jurisdiction. However, the District does lease land to RV parks, which accommodates RV units for extended stays. The District can also accommodate live aboard vessels for fees established in the adopted fee schedule.

According to the U.S. Census, the total Del Norte County population was 28,610 in 2010 and estimated at 27,828 in the 2014-2018 American Community Survey 5-year population estimate, which is an approximately 2.7% population decrease¹. 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.

Disadvantaged Unincorporated Communities

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

According to the 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 District does not provide any of the three basic services - water, sewer, or structural fire protection; therefore, the District is not responsible for assuring that these services are adequately provided to communities that meet the DUC thresholds.

¹ U.S. Census QuickFacts. Del Norte County, CA.
<https://www.census.gov/quickfacts/fact/table/delnortecountycalifornia/PST045218#PST045218>

SERVICES & INFRASTRUCTURE

Services Overview

The District currently provides the following services:

- Boat Slip Rentals
- Equipment Rentals and Services
- Harbor Dredging and Maintenance
- Open Space, Recreation, and Preservation Areas
- Public Facilities
- Rents and Concessions
- Roads and Parking

Infrastructure Overview

A series of natural disasters, including 2006 and 2008 winter storms and 2006 and 2011 tsunamis, badly damaged portions of the District's infrastructure. As a result, it was determined that all docks and pilings in the inner boat basin should be replaced. Infrastructure was replaced over a three-year period and the new Inner Boat Basin was designed to withstand a 50-year tsunami event. The District began reconstruction of the inner boat basin in May 2012 and it was dedicated in March 2014. The District funded required repairs through FEMA and Cal OES disaster funds, grants, and loans.

Additionally, the District has re-roofed numerous facilities since 2015:

- Car wash facility and two-bay garage on Harbor District property at 730 South U.S. Hwy 101,
- Harbor District Maintenance Storage Garage and Shops.
- Administration building at Redwood Harbor Village RV Park at 159 Starfish Way.
- Building at 201 Citizens Dock Road, the old Englund Marine building, and stripped and refinished the concrete floors.
- Damaged sections of Alber Seafoods at 161 Starfish Way.
- Fashion Blacksmith building located at 121 Starfish Way.
- Harbor District Office located at 101 Citizens Dock Road.

In addition, the District repaired roadway on Anchor Way near the Chart Room restaurant and by the vacant lot at the corner of Starfish and Anchor Way.

Other District Infrastructure projects include:

- A Solar Power Project that consists of rooftop solar panels and solar carports on the southern edge of the marina parking lot.
- Design for replacement of 300 feet of steel sheet pile seawall located at the eastern end of Citizens Dock.

INNER BOAT BASIN

The inner boat basin is the main berthing marina for commercial and pleasure crafts in the Harbor. The inner boat basin slips are rented on a daily, monthly, semi-annual, and annual basis. The Crescent City Harbor District boasts a new, state-of-the-art marina, with modern amenities for both commercial fisherman and recreational boaters. All facilities within the reconstructed Inner Boat Basin are ADA accessible. The inner boat basin marina has 240 slips which range in size from 30 feet to 70 feet with side-tie availability for vessels up to 100 feet. The harbor is dredged to a 12 foot depth.

As discussed in the Infrastructure Overview, the docks and pilings in the inner boat basin were severely damaged by a tsunami on November 15, 2006 and before that damage could be repaired, they were completely destroyed by a tsunami on March 11, 2011. These two tsunamis also damaged the seawall and the rock slope protection surrounding the inner boat basin. As a result of this substantial amount of damage, the inner boat basin has been fully reconstructed to withstand a 50-year tsunami event, primarily with disaster assistance funds from CalOES, as well as funds from FEMA. Thirty inch diameter piles, enclosed in HDPE sleeves, were driven from twenty one to thirty seven feet into the bedrock. “H” dock is designed as a wave and current attenuator with many closely spaced piles to disrupt tsunami flow patterns within the harbor.

OUTER BOAT BASIN

This area which has historically served recreational boaters and sports fishing operations during the summer months is located along the west side of the Anchor Way Groin and on the north side of the breakwater leading out from Whaler’s Island. The outer boat basin includes the boat launch ramp that is built into the Anchor Way Groin. Because there is sufficient capacity in the reconstructed inner boat basin to service all the recreational vessels, and because installing and maintaining the floating docks in the outer boat basin is expensive, the District decided not to install these temporary docks. In the future, should demand warrant it, the District may install new, modern floating docks in the outer boat basin.

EQUIPMENT RENTALS

The District can provide gear storage, pump vessels, dispose of waste oil or oily bilge water, provide launch ramp access, and provide the equipment necessary to maneuver vessels to and from the Harbor waters. Such equipment can be rented for fees defined in the adopted fee schedule and includes:

- Forklift;
- Mobile Crane;
- Port Boat (towing);
- Public Hoist;
- Thirty ton Travelift and a dry storage area for light do-it-yourself repairs; and
- Laydays.

HARBOR DREDGING AND MAINTENANCE

The open water planning areas located at the mouth of the inner boat basin, in and around the Citizen's Dock, the outer boat basin, and the working waterfront areas of the Harbor core need regular maintenance dredging or the operation and use of these facilities will become extremely limited in the future. The District has an existing upland site that was previously used for dewatering of dredge materials. However, no material has been removed from the dredge dewatering area since the U.S. Army Corps of Engineers (USACE) placed approximately 90,000 cubic yards of dredged material there. The site cannot be used until that material is removed.

The US Army Corps of Engineers dredged the Federal Channel in 2019-20 and the dredged material was deposited in the Whaler Island Groin. USACE, through its Dredged Material Management Plan team, is investigating, along with EPA cooperation, the re-opening of SF-1 a dredged material site 3 miles offshore Crescent City. In addition, the District is working with an USACE project team on the establishment of a Ten Year Dredge Plan and the associated permit which will allow dredging in the Inner Boat Basin. The District is also looking into other dredge material disposal and reuse options.

OPEN SPACE, RECREATION, AND PRESERVATION AREAS

The District is making great progress towards increasing visitor serving infrastructure. The District contracted with PND Engineers in 2018 for the design of a Harbor District Vertical Evacuation Center/Tsunami Learning Center with a cost estimate ranging from \$8.8 million to \$10.6 million and for design for a Marine Mammal Viewing Piers with construction estimates of +/- \$250,000.

Highway 101 Frontage

The Harbor District's Highway 101 Frontage extends from the inner boat basin to the motel at the Highway 101 and Anchor Way intersection. The portion adjacent to the inner boat basin is a tree-studded green open space with some signage and harbor entry monuments. There is also a green space adjacent to the motel at Highway 101 and Anchor Way. These green spaces are designated "Harbor Greenery" (HG) in the County LCP update.

Western Uplands Area

The Western Uplands planning area is located in the westernmost section of the Harbor overlooking a sandy beach to the south. It is comprised of an outdoor storage area and a 5.3-acre site that is used for the dewatering of dredge materials. The storage area has potential for other uses, including visitor-serving development.

Whaler's Island

Whaler's Island used to be an isolated rocky island off the crest of Crescent Bay until it was connected to the Harbor by the Anchor Way Groin. Surfers and other personal water craft users can access a small cove on the east side of the Anchor Way Groin, and there is an informal trail that leads hikers over Whaler's Island and out to views of open-water. There is also a small cove that serves as a put-in facility for kayakers on the northeast side of the island.

The Coast Guard is located on the north side of Whaler's Island, taking advantage of shelter for the cutter and access to the inner Harbor and open-ocean. The Coast Guard operates a dock and station on this site within Harbor waters and the Coast Guard's 87-foot cutter is a permanent resident of the Harbor.

PUBLIC FACILITIES

Anchor Way Groin

The Anchor Way Groin contains fill that extends out from the Harbor land mass south to Whaler's Island. This groin contains a number of facilities and serves as a platform for the outer boat basin, the boat launch ramp, and the restrooms and parking areas that serve it.

Citizen's Dock

The Citizen's Dock is the only public pier in Crescent City Harbor that is managed by the District. The pier is used primarily for loading and unloading operations of fishing vessels. It does not afford much of an opportunity for public fishing directly from the pier.

The Dock splits into two legs at its mid-point with one configuring to the west and the other to the southwest. The southwest portion of the dock holds five small buildings used by commercial fishing operations to unload their catch. The leg pointing directly west is home to the two-story icehouse which provides flake ice to the fishing fleet. Two small fish unloading buildings are adjacent to the icehouse.

Harbormaster/District Office and Restroom Buildings

The District's office is located along Citizen's Dock Road, just south of the inner boat basin. This building serves as the administrative headquarters of the District. A new ADA compliant restroom facility with showers, a laundry facility and fish cleaning station was constructed adjacent to the inner boat basin with a grant from the Wildlife Conservation Board.

RENTS AND CONCESSIONS

The District derives a substantial part of its current revenues from the rents paid by lessees and other businesses operating on Harbor District property, including tenants, licensees, permit holders and other private users authorized by the District.

Boat Repair and Marine Supply Shops

The District leases the Harbor's boat repair facility to Fashion Blacksmith, Inc. Boat repair and building takes place in 2 large bays within the building and also occupies the large yard between the building and the shiplift "Syncrolift" at the adjacent dock. Fashion Blacksmith is a full service shipyard with a shiplift 100 feet long and 34 feet wide, with a maximum 275 long ton lifting capacity. The District contracted with Stover Engineering for a Marine Storage facility on Starfish way across from Fashion Blacksmith.

The District also leases a nearby space to Englund Marine Supply, a related use that sells marine supplies. Englund Marine recently began construction of a greatly expanded retail and warehouse facility along the east side of Citizen's Dock Road. The District expects this to improve the retail

ambiance along Citizen's Dock Road, attract new retail customers and allow for new uses for the existing building occupied by Englund Marine.

Fuel Docks

A boating fuel terminal is present on Citizen's Dock that is currently being leased to Renner Petroleum.

Restaurants and Retail

Situated in the Central Harbor is a cluster of buildings with retail uses including the Fisherman Wives Hall, the Coast Redwoods Art Association, and the Yacht Club. The Chart Room Restaurant, an important income generator for the District, resides on Anchor Way Groin. The District purchased an existing building overlooking Crescent Beach and renovated it into a full service restaurant for lease. The Crescent City Crab Shack, Kim's Hair Salon, and South Beach Outfitters are all located along Anchor Way. Crescent Seafood off of Citizen's Dock Road, at the end of Marine Way, offers a dockside fish market selling the local catch as well as a variety of other food. The District leased the vacant building at 170 Marine Way to Crescent Seafood, a seafood market and restaurant - which started operations in 2016.

RV Parks

The northeastern harbor area includes two existing RV parks: the 117-space Harbor RV Anchorage Park, accessed from Starfish Way, and the 125-space Bayside RV Park which is accessed from either Highway 101 or Citizen's Dock Road. The District contracted with the Bud Surles Consulting Group in 2016 to create plan for re-development of the RV Park at the northeast corner of Starfish and Anchor Way, currently named Redwood Harbor Village, and for a tent/yurt/ camping cabin site at the northwest corner of Starfish and Anchor Way. The new design was delivered in 2017.

Seafood Processing Buildings

The District owns a number of fish processing buildings associated with the Harbor that have not been used to capacity for some time. On the southwest corner of the Harbor are the Alber Seafood, Inc. building and Pacific Choice building, which are two of the largest buildings on the site. The District met with Oregon State University at Newport in 2019 to learn about their aquaculture projects. The District is interested in the feasibility of a seaweed growing project to diversify District revenue streams.

ROADS AND PARKING

Vehicle access to the Harbor is provided at three locations off of Highway 101: Anchor Way, Neptune Way, and Citizen's Dock Road. Citizen's Dock Road is the main access roadway and serves as the primary Harbor entryway from Highway 101. It serves the Central Harbor area and Citizen's Dock. Anchor Way provides secondary access to and defines the southern border of the Harbor. Anchor Way provides direct access to the boat launch and the Coast Guard facility that resides at the Harbor. Neptune Way also provides secondary access to the Harbor and is located between the two other access roads.

Crescent City Harbor has substantial parking lots that are seldom fully occupied. Parking and net repair areas surround the inner boat basin, Anchor Way Groin, which is predominantly used for

parking, and Citizen's Dock Road. There is ample parking to adequately accommodate existing and future parking needs.

Infrastructure Needs and Deficiencies

The District has made significant progress towards implementing many of the goals outlined in the Master Plan including completing numerous infrastructure improvements in recent years. The District has also actively pursued new business opportunities to expand coastal related visitor serving uses in the Harbor to generate revenue. ADA accessibility improvements were made as the District remodeled buildings at 170 Marine Way and 110 Anchor Way; however the District Office requires renovation to meet ADA requirements.

Other Service Providers

The City of Crescent City maintains the water distribution system within the Harbor area, other than individual service lines to Harbor owned facilities. The water lines presently serving the Harbor are adequately sized to meet the needs of future development with simple lateral extensions. The District's wastewater is collected and treated by the City's WWTP.

The County of Del Norte provides general governmental services – which includes social services, emergency services, planning, public works, county roads and parks, etc. – to the unincorporated areas of Del Norte County. The City of Crescent City provides similar general governmental services within city limits.

U.S. COAST GUARD

The U.S. Coast Guard Flotilla 11N-08-11 is located in the Crescent City Harbor. It is responsible for the Crescent City bay area, extending north to the Oregon border and south to Klamath and Humboldt County. Flotilla Meetings are held the fourth Wednesdays of each month at 6:00 PM. Auxiliary members perform a variety of activities and missions in support of the Coast Guard including:

- Search and Rescue
- Patrols
- Navigation Aid
- Vessel Checks
- Support to federal-state-and local agencies
- Public Education
- Marine Dealer Visits
- Public Affairs
- Coast Guard Operational Support
- Social Environmental Watch
- Member Training

Shared Facilities

The District took the lead coordinating and obtaining funding for the design of a multi-agency visitor center at the corner of Citizen's Dock Road and Highway 101. In partnership with 16 local, state, and federal agencies the District facilitated multiple community meetings to gauge interest and commitment to a visitor center. The District received a grant from the California State Wildlife

Conservation Board for the visitor center design plans, which have been completed. Funding for visitor center construction has not been secured at this time.

FINANCES

Budget

The District's primary revenue sources are Commercial Leases including rents and concession, inner/outer boat basin rentals and RV Park Income. The District also receives significant income from property taxes and assessments. Primary expenditures include payroll expenses and utilities. Capital expenditures vary widely between years and can be a significant expense depending upon needed repairs and improvements. In addition to the operating revenues and expenses shown below, the District was awarded several grants since the last MSR approval in 2015 including an RSTP Grant for extension of CA Coastal Trail in the amount of \$472,657.

Ballot Measure C, a transient occupancy tax (TOT), for tourist and short-term vacation lodging located in Del Norte County was passed in 2018. The County's existing TOT was increased by 2% and a new TOT on RV Parks was established by the ballot measure. Prior to the ballot measure's passage, RV Parks in the County were exempt from TOT. The proceeds of the 2% increase and the new 2% levy go to the Harbor District to pay the USDA Rural Development Loan. The County reimbursed the Harbor District in the sum of \$164,000 – the total that had been collected from the new TOT – in March, 2020 to help offset the District's September 2019 loan payment.

Table 3. Crescent City Harbor District Income & Expenses

	Actual 2017-18	Actual 2018-19	Adopted 2019-20	Adopted 2020-21
Operating Income				
Marina/Administration	-	\$52,518	\$47,125	\$26,814
Harbor Services: Launching, day use fees, travelift use, transient and other services	\$140,750	\$32,207	\$26,150	\$27,688
Marina Inner/Outer Docks	\$384,175	\$637,868	\$593,500	\$501,715
Commercial Leases including rents and concessions	\$624,000	\$620,279	\$543,500	\$557,772
RV Park income	\$266,707	\$415,872	\$396,100	\$666,036
Total Operating Income	\$1,415,632	\$1,808,744	\$1,559,250	\$1,779,025
Non-Operating Income¹				
Property Taxes and assessments	\$343,655	\$311,023	\$520,000	\$402,076
Interest income	\$11,768	\$21,981	\$25,600	\$18,009
Other revenue	\$0	\$0	\$500,000	\$530,000
Total Non-Operating Income	\$355,423	\$333,004	\$1,045,600	\$950,085
Total Income	\$1,771,055	\$2,141,748	\$2,604,850	\$1,780,025

	Actual 2017-18	Actual 2018-19	Adopted 2019-20	Adopted 2020-21
Expenses				
Operating Expenses				
Office/Marina	\$298,833	\$298,684	\$311,510	\$254,888
Fuel	\$12,000	\$19,821	\$18,600	\$20,727
Payroll Expenses and Taxes	\$909,176	\$773,748	\$957,879	\$832,286
Commissioners/Retirees	\$6,000	\$152,375	\$153,476	\$161,726
Professional Fees	\$190,600	\$95,751	\$135,500	\$183,937
Repairs & Maintenance – materials & services	\$94,000	\$66,459	\$48,875	\$88,937
Operating Supplies	\$43,778	\$98,798	\$100,730	\$103,118
Utilities	\$289,594	\$339,473	\$309,988	\$349,811
Consulting	\$80,000	\$18,316	\$25,000	\$19,881
Travel, Training & Meetings	\$12,000	\$14,033	\$25,000	\$27,490
Total Operating Expenses	\$1,935,981	\$1,877,457	\$2,086,557	\$2,042,801
Non-Operating Expenses				
Depreciation	\$3,726,601	\$2,794,951	\$2,700,000	\$3,875,664
RV TOT Tax	\$0	\$0	\$0	\$727
Election Cost	\$0	\$13,040	\$0	\$12,000
Other Expense	\$6,000	\$0	\$29,000	\$0
Capital Expenditure	\$300,000	\$27,709	\$143,000	\$104,007
Interest Expense	-	\$80,000	\$80,000	-
Total Non-Operating Expense	\$306,000	\$2,915,700	\$2,972,000	\$3,992,398
Total Expenses (excluding depreciation)	\$2,241,981	\$1,998,206	\$2,358,557	\$2,159,535
Net Total (Deficit) excluding depreciation	(\$470,926)	\$143,542	\$246,293	(\$379,510)

¹ Not including grant income.

Source: FY 2017-18, 2018-19 Actual and 2019-20, 2020-2021 Adopted Budgets from District.

The District recently issued a Request for Proposal (RFP) and is seeking a financial assessment to evaluate and conduct a comprehensive organizational and operational assessment of the District's financial operations. The Assessment is intended to identify the best principles and opportunities to maximize the financial organization and operations of the District and then develop a plan with District staff to implement them.

Service Rates

The District has an adopted fee schedule establishing fees and charges for services and use of District facilities (Ordinance No.'s 42, 43, and 44). The fee schedule covers services such as copies, showers, laundry, late fees, clerical, concession, forklift, public hoist, travelift, moorage, and live aboard fees.

Audits

The most recent audit covers FY 2017-18 and was prepared by Donald R. Reynolds, CPA in accordance with the requirements of the State Controller's Office. The District reported total revenues, total expenses, and District's change in net position are included in the Audit.

Loans and Debts

The District received federal financing in the form of a loan from the US Department of Agriculture (USDA) Rural Development for Harbor reconstruction in 2012 for \$5,424,000. The loan matures in 2052 and an estimated payment schedule can be seen in Table 4 below. The period from 2024 through the end of the loan period in 2052 gives an average annual payment of about \$174,460. The District has not incurred any other debts.

Table 4: USDA Rural Development Debt Service

Fiscal Years	Principal	Interest	Total Debt Service
2018-19	\$78,085	\$182,390	\$260,475
2019-20	\$80,818	\$178,450	\$259,268
2020-21	\$83,647	\$174,372	\$258,019
2021-22	\$86,575	\$170,151	\$256,726
2022-23	\$89,605	\$165,785	\$255,390
2023-24 to 2051-52	\$4,666,203	\$2,176,715	\$6,842,918
Total Estimated Payments	\$5,084,933	\$3,047,863	\$8,132,796

Source: FY 2017-18 Audited Financial Statements

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

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

The Del Norte County population was estimated at 27,828 in the 2014-2018 American Community Survey 5-year population 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.

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

The bulk of Del Norte County's population exists in unincorporated communities that qualify as disadvantaged including the communities of Smith River, Hiouchi, Gasquet, Klamath, and parts of the incorporated City of Crescent City. Because the District 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's Master Plan encourages and plans for increased usage of harbor facilities and services. The District has made significant progress towards implementing many of the goals outlined in the 2006 Master Plan including completing numerous infrastructure improvements in recent years. These improvements include, but are not limited to, reconstructed inner boat basin to resist a 50-year tsunami, breakwater repairs, new restroom facility with fish cleaning station, inner boat basin promenade, and other repairs related to storm and tsunami damage. The District

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

has also completed recreational, commercial and visitor serving improvements intended to accommodate an increase in usage of the District's public facilities and services.

4) Financial ability of agencies to provide services

The District's primary revenue sources are rents and concessions and inner boat basin rentals; primary expenditures are payroll expenses and utilities. The District has also been successful at obtaining grant funds for the design and construction of numerous recreational and visitor serving improvements. The primary financial challenge is servicing the new debt incurred to complete the reconstruction and improvement projects. It is imperative that the District attract more visitors and new businesses.

The District is planning to have a financial assessment prepared to evaluate and conduct a comprehensive organizational and operational assessment of the District's financial operations. The Assessment is intended to identify the best principles and opportunities to maximize the financial organization and operations of the District and then develop a plan with District staff to implement them. In planning for the future, the District's focus includes strategic capital investments that keep facilities in step with today's trade and industry demands by developing new maritime commercial opportunities, utilizing underdeveloped lands enhancing recreation and tourism activities, tackling infrastructure improvements, and modernizing the Harbor. The District intends to actively pursue new business opportunities to expand coastal related visitor serving uses in the Harbor that have the promise of generating revenue.

5) Status of, and opportunities for, shared facilities

The District took the lead coordinating and obtaining funding for the design of a multi-agency visitor center at the corner of Citizen's Dock Road and Highway 101. In partnership with 16 local, state, and federal agencies the District facilitated multiple community meetings to gauge interest and commitment to a visitor center. The District received a grant from the California State Wildlife Conservation Board for the visitor center final design plans, which have been completed. Funding for visitor center construction has not been secured at this time.

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

The District is governed by a five-member Board of Commissioners, elected by voters in Del Norte County. The District employs 12 full-time and six part-time employees including a CEO/Harbormaster. The District holds public meetings in accordance with the Brown Act. District staff can be reached by phone, email, or at the district office during normal business hours.

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

None.

SPHERE OF INFLUENCE DETERMINATIONS

Sphere of Influence Status

The District's sphere is coterminous with the District boundary and the Del Norte County boundary; there is no opportunity to expand the sphere and therefore no recommended changes. In determining the SOI of each local agency, the commission shall consider and prepare a written statement of its determinations with respect to each of the categories listed below.

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

The current sphere is coterminous with the District boundary, which encompasses the entire County including the entire unincorporated area of Del Norte County and the incorporated City of Crescent City. Land uses within the District boundaries are subject to the Del Norte County General Plan and Crescent City General Plan. Del Norte County is comprised of approximately 683,500 acres, of which approximately 192,357 acres (28 percent) are privately owned and 489,697 acres (72 percent) are publicly owned.

The District prepared a Coastal Land Use Plan (LUP) that is in the process of being certified by the California Coastal Commission. The Harbor LUP is implemented through the Countywide Implementation Plan (IP), with Harbor-specific zoning districts and public access policies included in Title 21 Coastal Zoning, Chapter 21.47. The LUP update includes land use designations that help support the District's transition from a resource-based economy to one that provides more opportunities for visitors while continuing to value commercial and recreational fishing.

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

The Harbor District provides a variety of public harbor related facilities and services that support commercial, recreational and visitor serving uses. The Harbor serves as a commercial boat basin for salmon, shrimp, tuna, cod, and Dungeness crab fishing vessels, as well as a basin for recreational watercraft. The Harbor is also home to multiple fishing and non-fishing related businesses and Harbor District offices. The District leases several commercial buildings and businesses located upon District owned land surrounding the harbor. The District operates and provides services within the only harbor of refuge between Humboldt Bay and Coos Bay; the need for harbor related facilities and services will continue in the future.

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

The District's Master Plan (2006) encourages and plans for increased usage of harbor facilities and services. The District has made significant progress towards implementing many of the goals outlined in the Master Plan including completing numerous infrastructure improvements in recent years. These improvements include, but are not limited to, reconstructed inner boat basin to resist a 50-year tsunami, breakwater repairs, new restroom facility with fish cleaning station, inner boat

basin promenade, and other repairs related to storm and tsunami damage. The District has also completed recreational, commercial and visitor serving improvements intended to accommodate an increase in usage of the District's public facilities and 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 serves all of Del Norte County including unincorporated communities and the City of Crescent City. No areas of social or economic interest are known that are not already being served by the District.

- 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, Hiouchi, Gasquet, Klamath, and parts of the incorporated City of Crescent City. Because the District 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.

REFERENCES

Crescent City Harbor Coastal Land Use Plan. Approved by County Board of Supervisors, March 2021.

Crescent City Harbor District Audited Financial Statements, June 30, 2018. Prepared by Donald R. Reynolds, CPA.

Del Norte LAFCo MSR and SOI Update Information Questionnaire for the Crescent City Harbor District. Completed by Charlie Helms, Harbormaster, May 29, 2020 (on file with Del Norte LAFCo).

RRM Design Group. January 2006. *Crescent City Harbor Master Plan*.

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

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

**DEL NORTE
LOCAL AGENCY FORMATION COMMISSION**
1125 16th Street, Suite 202
Arcata, California 95521
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**RESOLUTION 21-05
APPROVING THE CRESCENT CITY HARBOR 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 Crescent City Harbor 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 June 28, 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 Crescent City Harbor District Municipal Service Review, incorporated herein by reference.
2. The Crescent City Harbor District 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 Crescent City Harbor 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 28th day of June 2021, by the following vote:

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

Jason Greenough, Chair

Attest:

George Williamson, Executive Officer

**DEL NORTE
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AGENDA ITEM 3A

MEETING DATE: June 28, 2021
TO: Del Norte Local Agency Formation Commission
FROM: George Williamson AICP, Executive Officer
SUBJECT: Staffing Services Agreement Extension

Discussion

The "Agreement for the Provision of Executive Officer Services for the Del Norte Local Agency Formation Commission", between the Commission and Planwest Partners, has been guiding staffing services for eight years. The term and budget provisions have been extended annually based on favorable Commission action.

Approved amendments in the last year have clarified which charges, including travel expenses, meeting staffing and minutes recording (by a subcontractor), application processing costs, and published noticing costs in the Daily Triplicate, may be itemized and submitted for reimbursement separate from hourly costs for staffing services.

Planwest Partners Inc. will continue to provide office equipment, clerical assistance, utilities, telephone charges, and office supplies at no charge to the Commission. Reimbursable charges include (1) public hearing notices in the Daily Triplicate, (2) Contract Services costs to perform staffing, recording, copying and posting services (as a subcontractor) and (3) meeting travel as stated below:

6. STATUS OF CONTRACTOR: At all times during the term of this Agreement, CONTRACTOR shall be responsible for his own operating costs and expenses, property and income taxes, workers' compensation insurance, and other operating costs and expenses in connection with performance of services under this Agreement. CONTRACTOR shall receive reimbursement of costs advanced by CONTRACTOR on behalf of COMMISSION, as well as other expenses, in addition to fees for services, within adopted budget. Reimbursable costs include, but are not limited to, out of county automobile mileage for travel at the current IRS rate per mile, newspaper publishing and mailing of public notices, subcontractor costs for noticing, staffing, minutes recording, and packet printing and distribution at LAFCo meetings, and other items necessary for LAFCo activities.

Recommendation

Staff recommends the Commission extend "Agreement for the Provision of Executive Officer Services for Del Norte LAFCo" for FY 2021-2022.

ATTACHMENT 3A



PROFESSIONAL SERVICES CONTRACT EXTENSION

DATE: June 28, 2021
TO: Jason Greenough, Chair
Del Norte LAFCo
FROM: George Williamson, AICP
SUBJECT: Del Norte LAFCo Agreement for Executive Officer Services

Planwest Partners Inc. is authorized to continue providing professional staffing services to the Del Norte Local Agency Formation Commission (LAFCo), for Fiscal Year 2021-2022. Planwest will perform the tasks and activities for Del Norte LAFCo identified in Exhibit A, Scope of Services (attached).

All provisions of the Agreement for the Provision of Executive Officer Services for the Del Norte LAFCo remain in effect, except:

Part 5 - Term, which will be extended from July 1, 2021 to June 30, 2022.

Jason Greenough, Chair
Del Norte LAFCo

Date

“EXHIBIT A” - SCOPE OF SERVICES

Task 1 Performance of Executive Officer Duties

Perform Executive Officers duties including preparing staff reports, proposed findings and other agenda materials for routine Del Norte Local Agency Formation Commission (LAFCo) activities: This includes coordinating boundary adjustment proposals; reviewing applications for provision of new and extended services outside city and district boundaries; reviewing Sphere of Influence and Municipal Service Review reports and amendments; and reviewing environmental documents for California Environmental Quality Act (CEQA) compliance, submitted by member organizations. Preparation of all application materials for LAFCo actions would be the responsibility of the applicant and /or member organization, or may be prepared by the Executive Officer for an additional cost paid by applicant and /or member organization.

Task 2 Develop and Implement Policies

Develop and implement policies within Del Norte LAFCo's authority under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

Task 3 Maintain Website Postings

Provide materials to CALAFCO webmaster, to keep the Del Norte LAFCo website update, and to make Agendas and Minutes available to the public in an electronic web-based format.

Task 4 Organization and Administration of LAFCo Business

Respond to inquiries and provide technical assistance and make information available to interested public agencies and individuals.

Task 5 Record Keeping

Distribute, file, publish and keep records of agendas, notices and other required official documents on behalf of LAFCo, and keep the Commission informed of LAFCo budget activities.

Task 6 Staff Support at Meetings

Schedule, post notices and provide staff support at up to eight LAFCo meetings in accordance with the Act and LAFCo policies and procedures. Additional meeting support will be provided on a time and materials basis.

Task 7 Representation

Represent Del Norte LAFCo to CALAFCO and to various other policy-making agencies as directed by the Commission.

Task 8 Keep LAFCo Informed

Inform LAFCo of new legislation, correspondence, CALAFCO activities, current events and matters of interest related to LAFCo.

DRAFT MINUTES

Del Norte Local Agency Formation Commission VIDEO/TELECONFERENCE MEETING April 26, 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), Darrin Short (County Member and Vice Chair)

Members absent: Sparky Countess (Public Member), Bob Berkowitz (County Member & Vice-Chair), Judy Dobbs (Alternate Public Member)

Others present: George Williamson (Executive Officer), Vanessa Blodgett, (Administrator/Analyst), 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.

2. Public Hearings

A. Del Norte Resource Conservation District Municipal Service Review & Sphere of Influence Update - Adopt Resolution 21-01

The Commission received a staff report and Chair Greenough opened the public hearing. Commissioners asked about RCD review of the Sphere of Influence (SOI) expansion. Staff responded that the expansion, limited to resource and agricultural lands adjacent to the existing SOI had been reviewed by the RCD Board.

On a motion by Commissioner Inscore, seconded by Commissioner Short and carried by a 4-0 vote the Commission approved the MSR /SOI Update by Resolution 21-01.

B. County Service Area No.1 Municipal Service Review & Sphere of Influence Update - Adopt Resolution 21-02

The Commission received a staff report and Chair Greenough opened the public hearing. Staff reported that there had been several meetings with County staff and their comments have been included in the MSR/SOI Update.

On a motion by Commissioner Short, seconded by Commissioner Inscore and carried by a 4-0 vote the Commission approved the MSR /SOI Update by Resolution 21-02.

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

C. Del Norte LAFCo Proposed FY 2021-22 Budget

The Commission received a staff report and Chair Greenough opened the public hearing. Staff reported that the overall budget was slightly increased, due to additional interest revenues, but that City and County contributions remained the same.

On a motion by Commissioner Inscore, seconded by Commissioner Short and carried by a 4-0 vote the Commission approved the Proposed FY 2021-22 Budget. Staff to distribute.

3. Regular Business

A. Approval of February 22, 2021 Draft Minutes

On a motion by Commissioner Inscore, seconded by Commissioner Starkey and carried by a 4-0 vote the Commission approved the Minutes.

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 held a full Board Meeting on April 30, 2021. Key item being the CALAFCO dues. There will be an annual in person conference in the fall.

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

Meeting adjourned at 4:45 PM.

DRAFT MINUTES

Del Norte Local Agency Formation Commission VIDEO/TELECONFERENCE MEETING May 24, 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:), Darrin Short (County Member & Vice Chair) Blake Inscore (City Member), Valerie Starkey (Alternate County Member),

Members absent: Sparky Countess (Public Member), Bob Berkowitz (County Member & Vice-Chair), Jason Greenough (City Member & Chair) Judy Dobbs (Alternate Public Member)

Others present: George Williamson (Executive Officer), Vanessa Blodgett, (Administrator/Analyst); Emily Morris (Service Specialist)

1. Call to Order/Roll Call

Vice Chairman Short called the meeting to order at 4:04 p.m. A voice roll call was taken. Commissioner Starkey led the Pledge of Allegiance.

2. Public Hearings

A. Del Norte LAFCo Final FY 2021-22 Budget

The Commission received a staff report and Vice Chair Short opened the public hearing. Staff reported the draft budget had been distributed to the City and County.

On a motion by Commissioner Inscore, seconded by Commissioner Starkey and carried by a 3-0 vote the Commission approved the Final FY 2021-22 Budget by Resolution 21-03. Staff to distribute.

3. Regular Business

None

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. none

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). none

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. none

5. Adjournment - Meeting Adjourned at 4:15PM

**DEL NORTE
LOCAL AGENCY FORMATION COMMISSION**
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AGENDA ITEM 4A

MEETING DATE: June 28, 2021
TO: Del Norte Local Agency Formation Commission
FROM: George Williamson AICP, Executive Officer
SUBJECT: Remaining Meeting Dates 2021

DISCUSSION

The Commission generally meets on the fourth Monday of every other month, unless rescheduled due to holidays or other considerations. The remainder of the 2021 meeting dates are listed below.

August 23, 2021

October 25, 2021

December 27, 2021 * (Monday after Christmas)