

County Service Area No. 1

(Assessment Districts 1, 2, and 97)

Municipal Service Review & Sphere of Influence Update

Approved April 26, 2021



Del Norte Local Agency Formation Commission

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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

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LAFCo staff would like to thank the contributors to this Municipal Service Review. Input instrumental in completing this report was provided by Del Norte County Community Development Director Heidi Kunstal and Assistant County Engineer Rosanna Bower. In addition, other Del Norte County staff provided valuable assistance and information.

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INTRODUCTION

The Del Norte Local Agency Formation Commission (LAFCo) conducts municipal service reviews (hereafter referred to as “service reviews”) to assess existing and future public service conditions for cities and special districts within Del Norte County. This service review allows LAFCo, local agencies, and the public to better understand how public services are provided by County Service Area No. 1 (CSA No. 1 or District). This chapter provides a background of the service review requirements and an overview of the process and methodology of the review.

County Service Areas Principal Act Overview

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

Municipal Service Review Determinations

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

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

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

Sphere of Influence Determinations

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

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

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

Review Methods

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

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

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

California Environmental Quality Act

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

AGENCY PROFILE

Overview

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

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

Table 1: CSA No. 1 Agency Profile

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

Formation

CSA No. 1/AD1 was formed by resolution of the Del Norte County Board of Supervisors in 1976, and AD2 was formed in 1978. The ADs were formed for the purpose of collecting wastewater from the unincorporated Bertsch-Ocean View and Northcrest areas. AD97 was established for the purpose of repaying an approximately \$3M loan the CSA took out in 1997, for AD1 and AD2 repairs and improvements. The final AD 97 loan payment was made September 2, 2018 however the AD will continue to cover outstanding debts such as a property in tax default or a property in a tax repayment plan until the end of 2024.

Boundary and Sphere of Influence

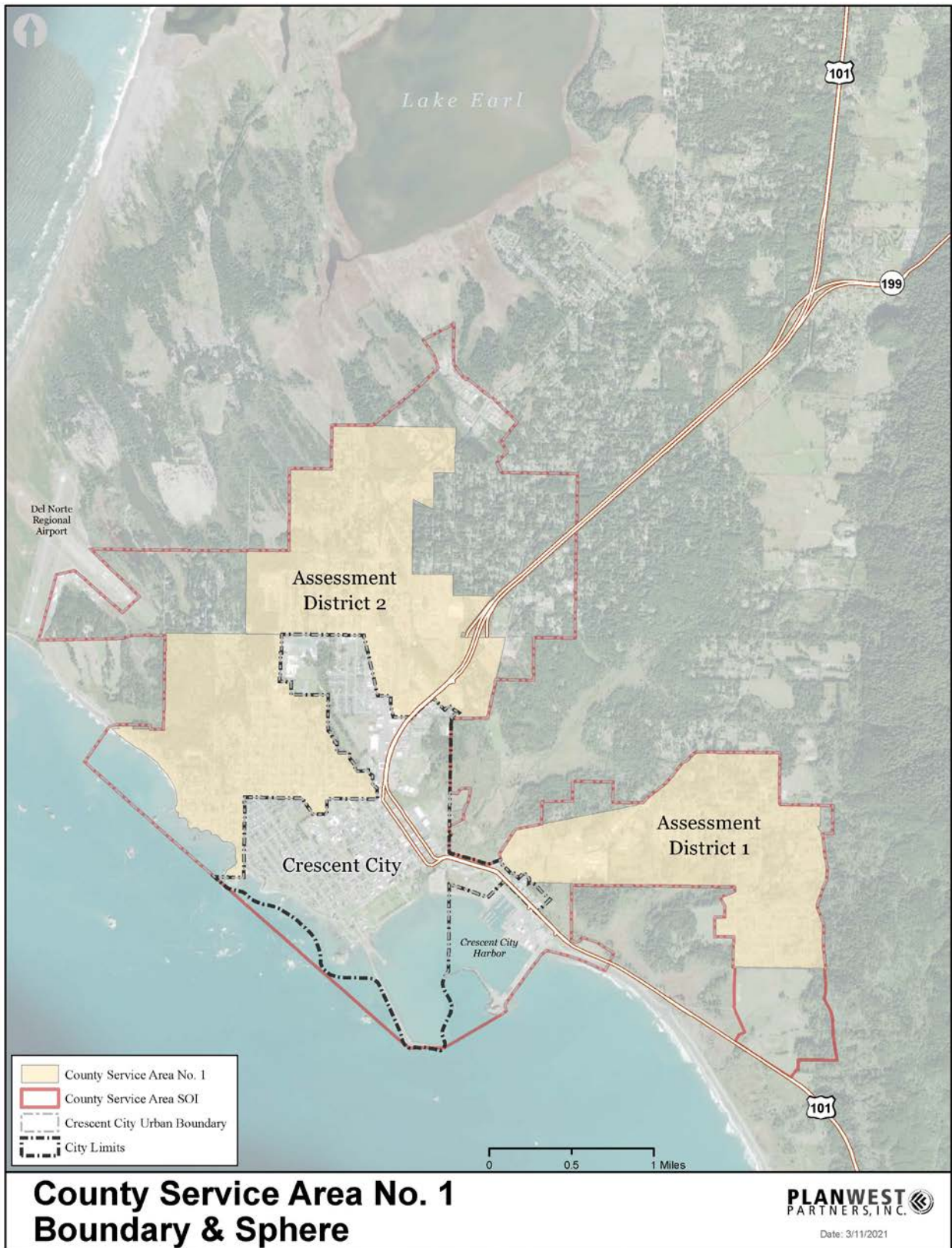
The CSA No. 1 service area (AD1 and AD2) is adjacent to the City of Crescent City (Figure 1). AD1 serves the Bertsch-Ocean View unincorporated community located southeast of Crescent City. The lands surrounding AD1 to the north, east, and south, are residential and resource lands. The City of Crescent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

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

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

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

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



Accountability and Governance

The Del Norte County Board of Supervisors, which serves as the CSA No. 1 Board of Directors have five elected members that serve four-year terms. The Board meets on the second and fourth Tuesday of each month at 10:00 am. The meetings are held in the Board of Supervisors Chambers located in the Flynn Administration Center at 981 H Street, Suite 100, Crescent City (due to on-going COVID-19 issues and related Executive Orders, meetings are currently held virtually via Zoom). Meetings are posted on site a minimum of three days prior to the meeting date, notification is given in the local newspaper (the Del Norte Triplicate) and the agenda is posted on the County website the Friday prior to the meeting date. Agenda Items involving the CSA No. 1 are placed upon the Board’s agenda on an as-needed basis.

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

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

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

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

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

POPULATION AND LAND USE

Land Use

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

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

Population and Growth

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

While the City of Crescent City encourages infill development, and directing future growth within the existing City boundary, there is a lack of developable land available. Future development is more likely to occur in areas outside of the City, yet within the City's Urban Boundary, as designated by the City and County General Plans. The Crescent City Urban Boundary offers growth opportunities at densities contingent on availability of public infrastructure, specifically water and wastewater services.

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

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

Disadvantaged Unincorporated Communities

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

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

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

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

According to the 2014-2018 American Community Survey 5-Year Estimates, the California median household income (MHI) was \$71,228. The Del Norte countywide MHI is \$45,258, which places it at 64% of the California MHI. With only one incorporated city, Crescent City, most of the County's population exists in unincorporated communities that qualify as "disadvantaged".

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

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

SERVICES & INFRASTRUCTURE

Services Overview

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

Infrastructure Overview

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

Infrastructure Projects and System Upgrades

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

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

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

CSA No. 1 is also planning the following projects:

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

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

Other Service Providers

Wastewater Treatment

The City's Wastewater Treatment Plant (WWTP) was upgraded in 2010 to comply with Regional Water Quality Control Board (RWQCB) discharge requirements. The upgrade increased the plant's treatment capacity and took into consideration the County General Plan Land Use designation (i.e. development potential) for land located within the City's Urban Boundary (CSA No. 1 sphere).

Therefore, the City's existing collection system and treatment plant are designed for future service demand within the CSA No. 1 boundary and sphere.

The City of Crescent City first major WWTP improvement phase provided over 1,000 additional single family residential equivalent (SFRE) connections. It is anticipated that the upgraded WWTP has capacity beyond the theoretical 1,000+ SFRE's. In addition to the first phase improvements, due to through-put efficiency increases with respect to aerobic digestion volumetric limitations and outfall flow constrictions, additional processing capacity can be achieved through future phase improvements to the existing treatment works and in-flow/infiltration upgrades to the collection system if growth rates were to exceed that anticipated for the facility's 20-year planning period.

There will also be a second phase of improvements at which time additional capacity can be built into the project based on actual WWTP performance and project demands. Connection charges pay for additional capacity, and a portion of present capacity, therefore, additional capacity, if needed can be added in the future.

Water Service

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

The City of Crescent City obtains its water supply from the Smith River groundwater basin, which is located 8.5 miles north of the City. Water is pumped out of the Smith River groundwater basin via a Ranney well to a chlorination and fluoridation facility, then pumped via a 2.85 mile transmission line, to a 50,000 gallon elevated storage tank near Crescent City. The water is then gravity fed approximately two miles via a 24-inch line to the City's distribution system and reservoirs.

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

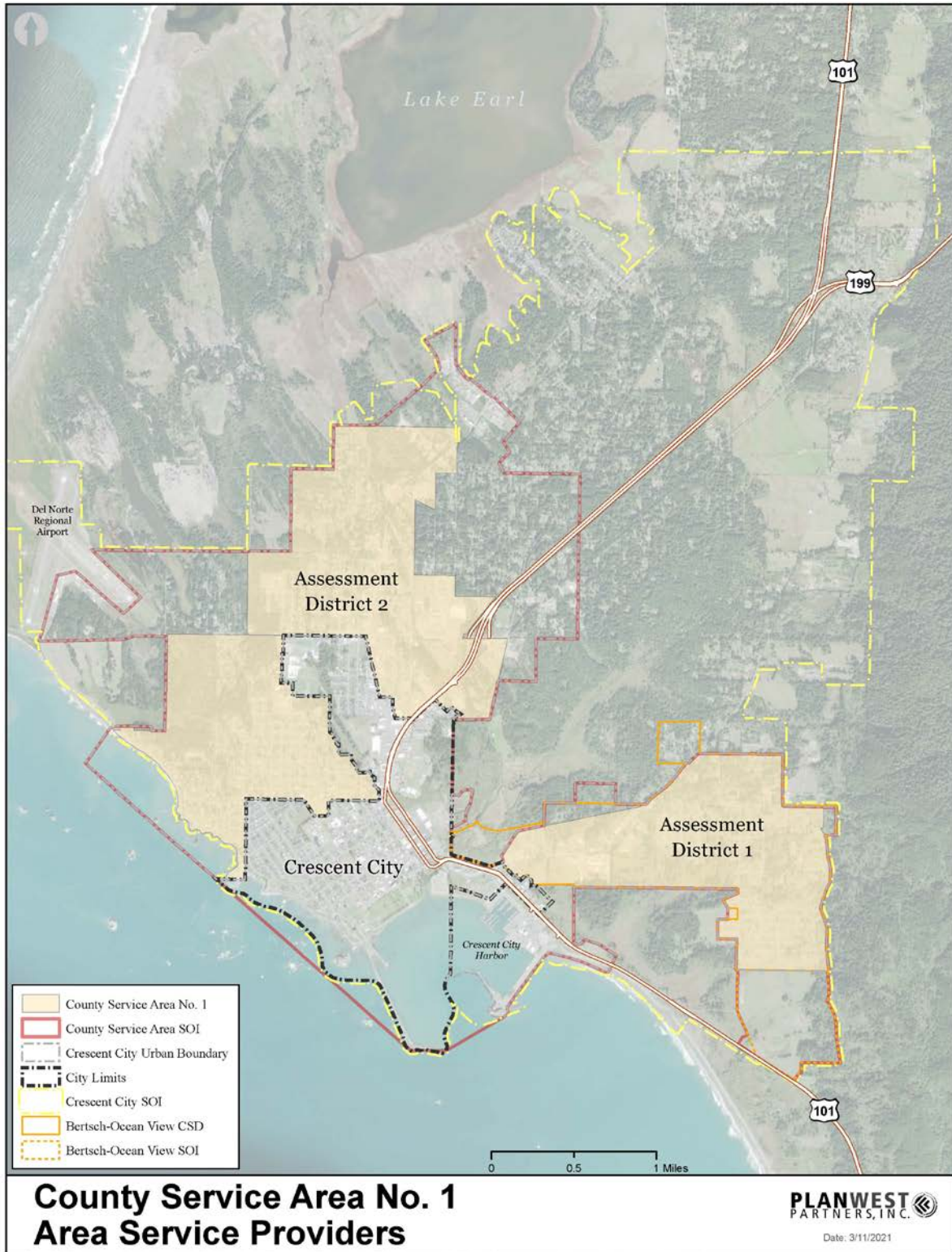
Other Service Providers

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

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

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

Figure 2. Area Service Provider Boundaries and SOIs



Shared Facilities

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

Budget

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

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

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

Table 3. CSA No. 1 Revenues & Expenditures*

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

*Source: CSA No. 1 Department Budget Report

Service Rates

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

Table 4. CSA No. 1 Fee Schedule

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

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

MUNICIPAL SERVICE REVIEW DETERMINATIONS

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

1) Growth and population projections

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

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

Most of Del Norte County's population exists in unincorporated communities that qualify as disadvantaged including the incorporated Crescent City urban area. According to the 2014-2018 American Community Survey 5-Year Estimates, the California median household income (MHI) was \$71,228. The Del Norte countywide MHI is \$45,258, which places it at 64% of the California MHI. The CSA No. 1 provides one of the three basic services - sewer collection service – to areas that are considered disadvantaged. There are areas within and adjacent to the CSA No. 1 SOI that rely on individual septic systems. Should territory in the surrounding area be proposed for annexation in the future, disadvantaged communities in the area should be considered.

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

The CSA provides adequate wastewater collection services for the current population. A number of projects have been completed or are underway to address aging infrastructure. In addition, equipment to maintain and upgrade the existing system have been purchased.

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

4) Financial ability of agencies to provide services

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

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

5) Status of, and opportunities for, shared facilities

As mentioned previously, CSA No. 1 owns and operates wastewater collection infrastructure in the Crescent City urban area that connects to the City's collection infrastructure and conveyed for treatment at the City WWTP. The CSA contracts with the City for routine facilities maintenance. Because the urban area is also in the City SOI, it is expected that annexations would result in CSA No. 1 detachments and direct City management of wastewater collection infrastructure.

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

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

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

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

SPHERE OF INFLUENCE DETERMINATIONS

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

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

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

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

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

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

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

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

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

5) For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere.

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

The CSA No. 1 provides one of the three basic services - sewer collection service – to areas that are considered disadvantaged. The City of Crescent City delivers water directly to customers within AD2 and delivers water to the BOV CSD for their use in serving AD1 customers. Crescent Fire Protection District (Crescent City Fire and Rescue) provides fire protection services within all of CSA No. 1. The MSR determination made for DUCs applies to this determination as well. No changes to the CSA No.1 SOI are proposed at this time.

REFERENCES

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

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

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

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

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

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

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