

## MEETING AGENDA

**Del Norte Local Agency Formation Commission**  
**VIDEO/TELECONFERENCE MEETING**  
**January 24, 2022 4:00 pm**

**LISTEN TO THE MEETING AND COMMENT REMOTELY:**

**Join Zoom Meeting:**

<https://us02web.zoom.us/j/86111691542?pwd=L21RS3JFSHp2U09TWZpT25CT3RNUT09>

[www.zoom.us/join](http://www.zoom.us/join)

**Meeting ID:** 861 1169 1542

**Passcode:** 787990

**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](mailto: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 January 24, 2022. 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 16<sup>th</sup> Street Suite, 202 Arcata, CA 95521. Written comments must be received by 2 p.m. Monday January 24, 2022.

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](mailto: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

Acknowledgement of any new Commissioners: County Supervisors or City Council

Certificate of Appreciation to Duane 'Sparky' Countess for Public Member Service

2. Election of Officers for 2022

**Del Norte Local Agency Formation Commission**  
**VIDEO/TELECONFERENCE MEETING**  
**January 24, 2022 4:00 pm**

3. Public Hearings

- A. South County Community Services Districts MSR/SOI Update (ATTACHMENT 3A)
- B. Hunter Valley CSD Park & Recreation Powers Activation by Resolution 22-01 (ATTACHMENT 3B)

4. Regular Business

- A. Draft Minutes August 23, 2021 (ATTACHMENT 4A)
- B. Public Member Appointment (ATTACHMENT 4B)
- C. General Counsel Selection (ATTACHMENT 4C)
- D. FY 2021-22 Mid-Year Budget Review (ATTACHMENT 4D)
- E. 2022 Meeting Schedule (ATTACHMENT 4E)
- F. FY 2021-22 Compliance Work Plan (ATTACHMENT 4F)

5. Inquiries, Correspondence, Application Status and Referrals

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

6. Adjournment

Next Regular Meeting Scheduled for March 28, 2022.

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

**AGENDA ITEM 3A**

**MEETING DATE:** January 24, 2021  
**TO:** Del Norte Local Agency Formation Commission  
**FROM:** George Williamson AICP, Executive Officer  
**SUBJECT:** South County Community Services Districts Municipal Service Review and Sphere of Influence Update

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**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 -and consider recommendation:
  1. Continue the Public Hearing to allow more time for District Review

**DISCUSSION**

This is a noticed public hearing item. The three Klamath Area Community Services Districts, named the South County Community Services Districts, for the purposes of this Municipal Service Review and Sphere of Influence Update provide the following services

**Hunter Valley CSD-** water services and proposed Park & Recreation Services (activation pending)  
This CSD is located along Hunter Creek in the Terwer Valley, north of the Klamath River and community of Klamath. HVCSO serves the community of Hunter Creek Subdivision. The area is 38 acres with a population of approximately 178. The District serves residential uses. The District provides water services to the community and has proposed activation of parks and recreation powers. Currently, the District has a three-person board.

**Redwood Park CSD** - water and wastewater services

This CSD is located in the Terwer Valley along Highway 101, inland from the Pacific Ocean just north of the mouth of the Klamath River. The District's boundary covers 40 acres, with a District population of approximately 300. The District's wastewater services are limited to wastewater connections, exclusively within the Redwood Park subdivision. There is still some missing information for this CSD, however the staff is working to provide that information.

**Klamath CSD** - water and wastewater services

Klamath CSD is located within the northern part of the Yurok Reservation. The CSD serves the relocated Klamath townsite including Yurok Tribal facilities, and housing. The District's boundary covers 319 acres, with a population of approximately 240. The District offers water and wastewater services and has 63 water connections and 49 wastewater connections. A Sphere of Influence expansion is proposed for service areas to the South and Southeast.

**ATTACHMENTS**

Attachment 1: Commission Draft MSR & SOI Update

# South County Community Services Districts

Municipal Service Review &  
Sphere of Influence Update

Hunter Valley, Klamath, and Redwood Park  
Community Services Districts



Del Norte  
Local Agency Formation Commission

Initial Review Draft January 2022

# Del Norte Local Agency Formation Commission

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## Commissioners

Jason Greenough	Chair & City Member
Darrin Short	Vice Chair & County Member
Bob Berkowitz	County Member
Blake Inscore	City Member
_____	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  
Jason Barnes, GIS Analyst

## Acknowledgements

LAFCo staff would like to thank the contributors to this Municipal Service Review. Input instrumental in completing this report was provided by each community service district.

Hunter Valley CSD	Paul Crandall
Redwood Park CSD	Robert Nulph
Klamath CSD	Margaret Caldwell

This report would not have been possible without their assistance.

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# INTRODUCTION

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This report is prepared pursuant to legislation enacted in 2000 that requires Local Agency Formation Commissions (LAFCo) to conduct a comprehensive review of municipal services and update the spheres of influence of all agencies under LAFCo's jurisdiction. This service review focuses on community service district services (CSD) in southern Del Norte County including Hunter Valley CSD, Klamath CSD, and Redwood Park CSD.

## Service Review Determinations

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

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

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

## Uses of This Report

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

### Update Spheres of Influence

LAFCo will use this report as a basis to update the spheres of influence (SOI) of the districts. Markedly, spheres of influence designate the territory that LAFCo believes represents the affected agencies' appropriate future jurisdictions and service areas. All boundary changes, such as annexations, must be consistent with the affected agencies' spheres of influence with limited exceptions.



### Consider Jurisdictional Boundary Changes

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

### Resource for Further Studies

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

## Review Methods

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

- Agency-specific data: responses to LAFCo Requests for Information, budgets, fee schedules, maps, and district plans.
- Demographic data: U.S. Census Bureau; Department of Finance.
- Population projections: Department of Finance.
- Long-Term Debt: California State Controller.
- Revenue: California State Controller; Del Norte County Auditor/Controller; Comprehensive Annual Financial Reports.

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

## PURPOSE

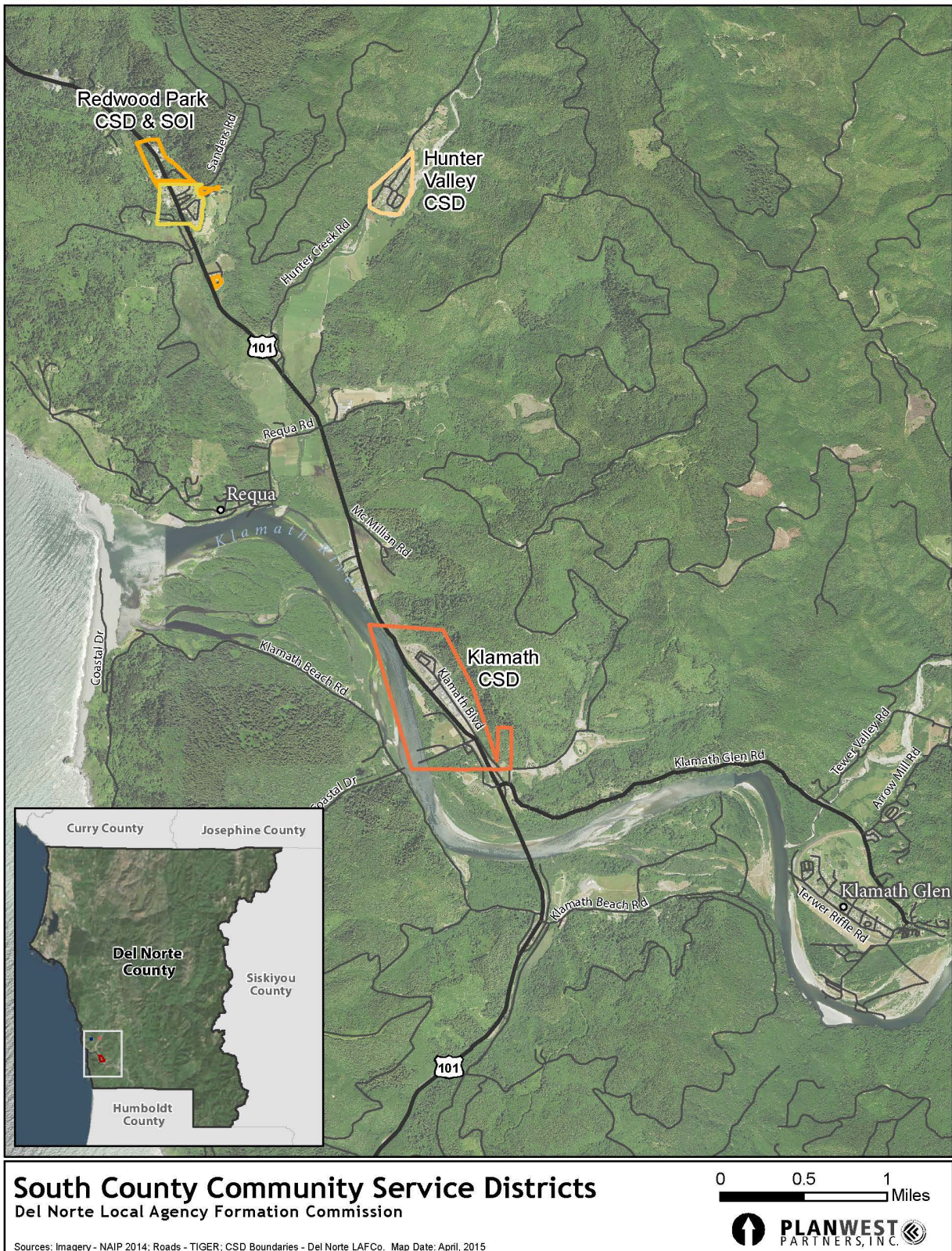
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This report focuses on the community services districts located in the Terwer /lower Klamath Valleys of southern Del Norte County, including: Hunter Valley CSD, Klamath CSD, and Redwood Park CSD (Figure 1). Due to the rural nature and topography in this region, water and wastewater services are not provided on a regional basis, but rather by small individual districts. In addition to the CSDs listed above, there are small community water systems in Requa and Klamath Glen managed by the Yurok Tribe; these water services are not subject to LAFCo review and are not discussed further in this document.

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 presents for the Commission's consideration a discussion, analysis, and determinations regarding services provided by the three CSDs. This MSR serves to update the relevant data on services provided within each District's boundary and define appropriate spheres of influence.

Figure 1. Regional Community Services District Map



# HUNTER VALLEY COMMUNITY SERVICES DISTRICT

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## Overview

The Hunter Valley Community Services District (HVCSO) is located in southern Del Norte County, approximately 20 miles south of Crescent City, along Hunter Creek in the Terwer Valley, just north of the Klamath River and the community of Klamath.

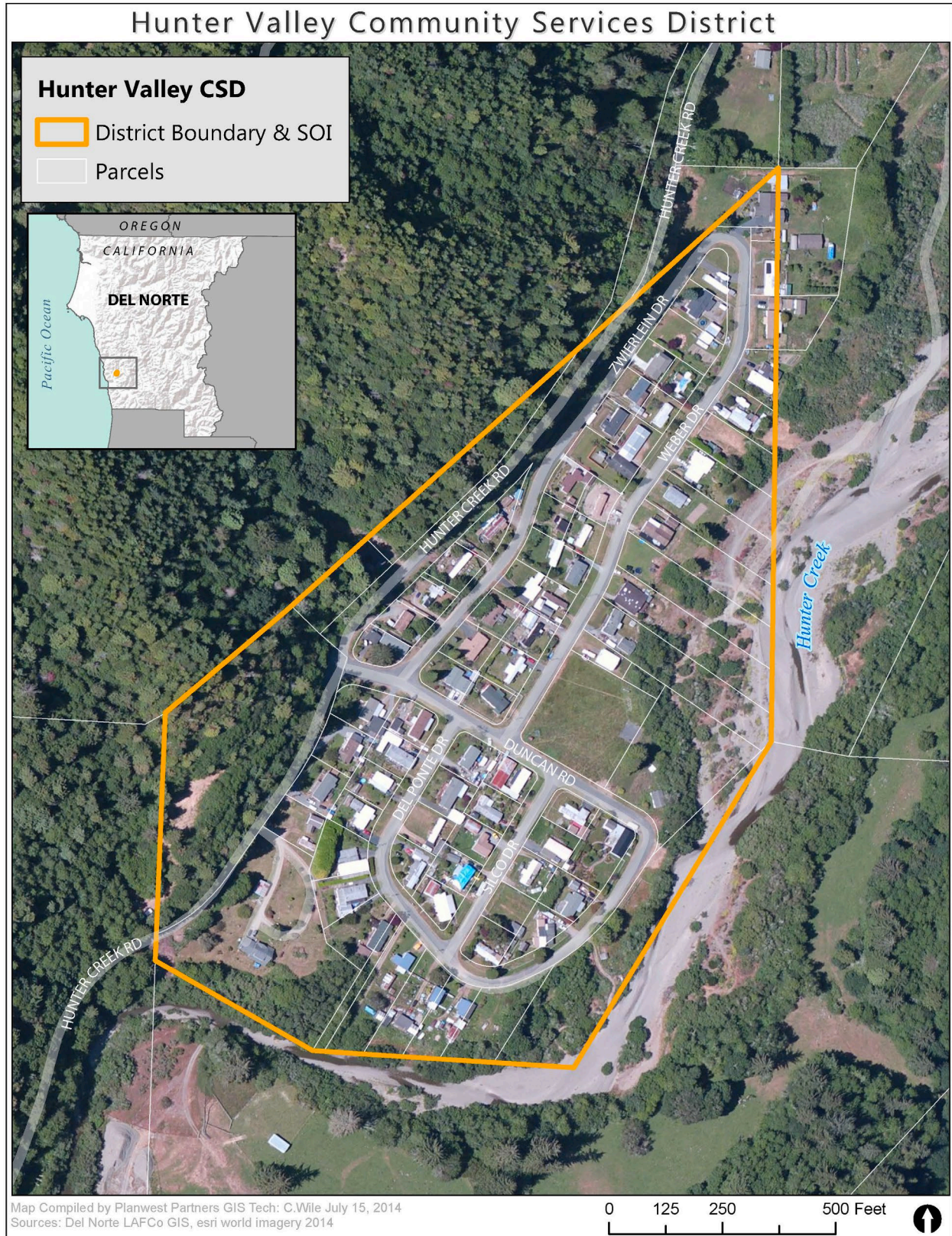
The HVCSO was formed by Resolution of the Del Norte County Board of Supervisors on May 3, 1965 under CSD Law, GC §61000. The special district was formed as an independent special district to provide potable water to residents within the Hunter Creek Subdivision. An annexation was last made to the District on April 24, 1967, in which 3 parcels totaling 5 ½ acres were annexed to the northwest of the old District boundary. The District’s SOI was adopted a short time later by Resolution 76-8 on June 22, 1976, and is coterminous with the District Boundary. The service area boundary for the HVCSO is shown on Figure 2.

Mission Statement
The Hunter Valley Community Services District mission is to provide sanitary, clear, fresh, and abundant water to our customers

**Table 1: Hunter Valley CSD Agency Profile**

Formation	
<b>Agency Name</b>	Hunter Valley Community Services District
<b>Date of Formation</b>	May 3, 1965
<b>Enabling Legislation</b>	State of California GC §61000, et seq.
Contact	
<b>Contact</b>	Paul Crandall, Secretary Treasurer
<b>E-mail</b>	plcrandall@hughes.net
<b>District Office</b>	25 Del Ponte Drive Klamath, CA 95548
<b>Mailing Address</b>	Same as above
<b>Phone</b>	(707) 482-0369 <b>Fax:</b> same, call first
<b>Website</b>	<a href="https://www.huntervalleycsd.com/">https://www.huntervalleycsd.com/</a>
Governance	
<b>Governing Body</b>	Board of Directors, elected, 4-year terms
<b>Board Meetings</b>	Monthly, first Friday of each month, at District Office
Services	
<b>Services Provided</b>	Drinking Water, Parks & Recreation proposed
<b>Areas Served</b>	Hunter Creek Subdivision
<b>Acres (District)</b>	Approx. 38 <b>Population (District):</b> Approx. 178

Figure 2. Hunter Valley CSD Boundary and Sphere of Influence



## Governance Structure and Administration

HVCSD is an independent special district that is governed by a five-member Board of Directors, elected by District residents, or appointed by the County Board of Supervisors. Board members are volunteers who serve four year terms and oversee District needs and services, along with budget issues. Board Members may be appointed by the Del Norte County Board of Supervisors in lieu of election if there are insufficient candidates to require an election. There are currently two vacancies on the Board. Board Members receive no compensation, or benefits. Table 4 below shows the existing Board composition.

**Table 2: Hunter Valley CSD Board of Directors**

Board Member	Title	Term Expiration
Paul Crandall	Secretary/Treasurer/Board Chair	December 2024
Bob Rodgers	Board Member	December 2022
Sally Rodgers	Board Member	December 2024

The Board meets once per month on the first Friday of the month. Meetings are held at 25 Del Ponte Drive Klamath, CA 95548, and noticed verbally and by e-mail. The HVCSD maintains no office or staff. The district is operational 24/7 and district volunteers are available by phone to customers and members of the public.

## Population and Land Use

### Land Uses

The HVCSD contains the Hunter Creek Subdivision and associated residential development. Lands within the district are primarily designated rural residential and residential neighborhood, with a small portion designated general agriculture, resource conservation, and timberland; the District is surrounded by resource lands. Land uses within the District are subject to the Del Norte County General Plan (2003) and Zoning Code.

### Current Population

The HVCSD serves a population that is primarily low and fixed income elderly, on disability or retirement (HVCSD, 2014). HVCSD currently serves 68 residential units within the Hunter Creek Subdivision. According to the State of California, Department of Finance, the average population per household in Del Norte County is 2.615. Therefore, the District's estimated population is 178.

### Projected Growth

According to the Census, the total Del Norte County population was 27,743 in 2020. The Del Norte County population decreased slightly between 2010 and 2020 census. According to the Census, the Klamath Area of Del Norte County population was 1,088 in 2020. The Klamath Area population grew by 195 between 2010 and 2020 census.

There is limited area within the District that could be developed with additional housing units in the future. The HVCSD does not foresee significant growth within district boundaries, nor any increase in service demands as a result of population growth. The District will likely continue to develop at or less than the current county-wide rates of 0.4 percent per year, putting the HVCSD population at approximately 185 in 2025.

## **Disadvantaged Unincorporated Communities**

LAFCo is required to evaluate water service, sewer service, and structural fire protection within disadvantaged unincorporated communities as part of this service review, including the location and characteristics of any such communities. GC §56033.5 defines a disadvantaged unincorporated community (DUC) 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.

According to the 2008-2012 American Community Survey 5-Year Estimates, the median household income (MHI) in California is \$80,440. The Del Norte countywide MHI is \$45,283, which puts it at 56% of the California MHI. The Klamath Area MHI is \$35,455, which places it at 78% of the Del Norte County MHI and 44% of the California MHI. With only one incorporated city, Crescent City, the bulk 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. With only one incorporated city, Crescent City, the bulk of the County's population exists in unincorporated communities that qualify as "disadvantaged." The Klamath Area unincorporated community qualifies as "disadvantaged."

The HVCSD provides one of the three basic services – water service – to areas that are considered disadvantaged. Structural fire protection services are the responsibility of the Klamath Fire Protection District. There are no sewer services within District boundaries; residents rely on individual septic systems.

## **Present and Planned Facilities**

### **Services Provided**

The HVCSD currently provides water service to 68 connections, with a maximum capacity of 80 connections. The District is operating at approximately 80 percent of its capacity. The HVCSD does not foresee changing, adding to, or expanding their District water services, beyond 80 connections.

### ***Water Service***

The District's water is stored in a 10,000-gallon steel storage tank that is supplied from a pumphouse containing distribution pumps. The pumps provide 50 psi pressure water service in the lines serving District customers. There is a single hydrant located in front of the Klamath Fire Station. It is not permissible to draw water from the hydrant, except for emergencies. The District's water demand is approximately 156,000 gallons pumped per year. The District does not plan on changing to metered connections.

### **Infrastructure**

HVCSD's water source is a single well located adjacent to Hunter Creek. According to the State Water Resources Control Board's (SWRCB) Drinking Water Information Clearinghouse DRINC Portal (<https://drinc.ca.gov>), the water for HVCSD is untreated. State sampling performed on May 27, 2014 indicated no deficiencies or contaminants. The District sanitizes the water system once per month with chlorine using a drip monitor. Total District water use is metered, however individual residential connections are not. Water is supplied to homes through 1" PVC supply lines on an unlimited basis. The District's water system consists of the following infrastructure:

- One well,
- One well pump,
- One 10,000 gallon storage tank,
- Two distribution pumps,
- One back-up generator, and
- A polyvinyl chloride (PVC) piping distribution system.

The HVCS D infrastructure is not designed to meet fire flow requirements. Water for structural fire suppression is provided by the Klamath Fire Protection District from a water tender.

### **Infrastructure Needs and Deficiencies**

HVCS D’s water system is operating at 85% of its service capacity. The water system adequately serves the existing connections with no major deficiencies, however, the system is operating near its capacity. Also, in light of current statewide drought conditions HVCS D should consider metering all connections within the District and adopting conservation policies. The District does not have any outstanding infrastructure needs that could be addressed in a Capital Improvement Plan.

### **Planned Upgrades**

HVCS D does not currently have a Capital Improvement Plan (CIP) or any planned upgrades.

The District is working to obtain the deed for the Hunter Creek Park property in the Hunter Creek Subdivision. The Park is currently being mowed by volunteer Hunter Creek Property owners. A lightly used industrial grade playground was donated to the District for the Park. It will be installed once the Park is deeded to Hunter Creek CSD.

### **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 the Klamath Fire Protection District and California Department of Forestry and Fire Protection (CAL FIRE).

### **Shared Facilities**

The HVCS D does not currently contract with other districts to receive or provide shared facilities or services. Any future contracts would be dependent on the District’s water system capacity. Although Klamath CSD and Redwood Park CSD operate within the region, due to the rural nature and topography of this area there are no opportunities for shared facilities at this time.

### **Budget**

The HVCS D revenues are comprised of annual water sales and late fees. The District’s primary expenditures include District expenses (including utilities), equipment maintenance, and professional services. The District currently has no outstanding debt. The District has a relatively fixed income, so additional expenses such as annual auditing and increasing regulatory agency fees oftentimes prove cumbersome for the HVCS D.

The budgets below are for FY 2020-2022. The District should develop a reserve policy to facilitate saving for unexpected increases in district administrative costs and other unexpected maintenance costs.

**Table 3. Hunter Valley CSD Revenues & Expenditures**

	FYE 2020	FYE 2021	FYE 2022
<b>SERVICES &amp; SUPPLIES</b>			
20150 Insurance	\$0.00	\$0.00	\$0.00
20170 Maintenance of Equipment	\$3,000.00	\$1,000.00	\$1,500.00
20220 Office Expense	\$500.00	\$900.00	\$700.00
20230 Professional Services	\$4,200.00	\$5,200.00	\$5,300.00
20300 Utilities	\$4,500.00	\$5,600.00	\$5,400.00
<b>OTHER CHARGES</b>			
30500 Department Allotment	\$0.00	\$0.00	\$0.00
<b>TOTAL EXPENDITURES</b>	<b>\$12,200.00</b>	<b>\$12,700.00</b>	<b>\$12,900.00</b>
<b>REVENUES</b>			
90300 Interest	\$0.00	\$0.00	\$0.00
91000 Water	\$12,200.00	\$12,700.00	\$12,900.00
<b>TOTAL REVENUES</b>	<b>\$12,200.00</b>	<b>\$12,700.00</b>	<b>\$12,900.00</b>
<b>NET</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

The three year trend shows the maintenance of equipment funds are decreasing. Office Expense and Professional Services funds have increased since 2020. Utilities are expected to increase due to the increasing cost of electricity. The District has no insurance premium.

**Service Rates**

The current annual water rate for HVCSO customers is \$200.00. Table 4 shows the HVCSO 2020-21 Fee Schedule. These charges are based on an unlimited supply of water per connection, and connections are not metered. According to a water district cost comparison conducted by the HVCSO, the District charges approximately half the monthly water charge compared to other districts in the region. The District supplies unmetered water, with no overage fees.

**Table 4. Hunter Valley CSD Rate Fee Schedule**

<b>HVCSO Rate Fee Schedule 2020-2021</b>	
Annual Water Fee	\$200.00
Connection Fee	\$75.00
Reconnection Fee (disconnect after non-payment)	\$300.00
Backhoe Fee (\$50/hr, 2hr min)	\$100.00
Late Fee-Outstanding Balance-per month	10%
Returned/Bounced Check Fee	\$25.00

The District could consider raising water rates comparable to other Districts to meet increased costs of annual auditing and regulatory agencies’ fees. Also, in light of conservation practices HVCSO should consider metering connections, and developing a maximum water allotment per month, with subsequent fees for overages. The District should also encourage conservation.



## **Proposed Parks and Recreation Powers**

HVCSD submitted a Resolution of Application to activate Parks and Recreation powers within the District boundary. They currently offer water service and propose to add parks and recreation services to the District's offerings. If the District receives approval, they plan to request the County transfers Hunter Creek Park to the District for park purposes. The District will be responsible for maintaining and improving the park. The activation of park services will increase community costs.

The community has expressed interest in a county parcel within the District's boundaries for park and recreation use. The parcel's ownership will need to be transferred from the County to the District. Property owners have expressed support for additional Parks and Recreation revenues that could be added to annual Water Fee invoices. The fee money will be used for park maintenance and improvement. Initially, the District will receive funding primarily from community sources.

Should the District have the Parks and Recreation power activated and receive the parcel from the County, they have plans to install a commercial grade playground and swing set. They have made improvements to the covered school bus stop on the parcel. The District has expressed their willingness to repair an existing basketball court by resurfacing the court, painting new court lines, refurbish the backboard, and installing a net. The District also plans to create a walking path around the park's perimeter, as well as refurbish the existing baseball field, as funds are available.

## **MSR Determinations: Hunter Valley CSD**

### **Growth and population projections for the affected area**

The HVCSD serves 68 residential units and an estimated population of 178. There is limited land within the District that could be developed with additional housing units in the future; therefore population growth is expected to be minimal.

At the current County annual growth rate of 0.4 percent, the District's estimated 2025 population is 185; which would require approximately 70 connections, still within the District's maximum capacity of 80 connections.

### **Location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere**

The bulk of Del Norte County's population exists in unincorporated communities that qualify as disadvantaged. HVCSD provides water service to all areas within its District boundary, including areas that are considered disadvantaged. There are no sewer services within the District; residents rely on individual septic systems.

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

The District provides adequate water service to its existing connections. The water system is operating at 85% of its capacity. There are 12 available connections; which would serve an additional population of approximately 31 people based on an average household size of 2.615 person. An increased population is projected for HVCSD over the next 10 years; and the District has capacity to serve anticipated growth.

HVCSD should consider metering water connections and implement conservation practices.

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

The HVCSD revenues come from water sales and late fees. The District budget indicates revenues exceeding expenses for FY 2010-11 and FY 2011-12. The District should develop a reserve policy to facilitate saving for increases in district administrative costs (i.e. annual auditing and regulatory agencies' fees) and other unexpected maintenance costs.

The District could consider raising water rates and developing a maximum water allotment per month, with subsequent fees for overages, comparable to other District's fees and charges.

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

The HVCSD does not currently contract with other districts to receive or provide shared facilities or services. Any future contracts would be dependent on the District's water system capacity. There are limited opportunities for the District to share facilities with adjacent local agencies due to geographical constraints.

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

The HVCSD is governed by a three-member Board of Directors that meets regularly. The members are elected by District residents and hold four year terms of office. The District has a General Manager and volunteers. The current government structure is operating efficiently and appears to provide the necessary services to its customers.

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

There are no further matters to report related to the water service provided by the HVCSD.

## **Sphere of Influence Determinations: Hunter Valley CSD**

### **Sphere of Influence Status**

The current HVCSD SOI is coterminous with District boundaries and is sufficient to accommodate projected growth within the District over the next 10+ years. No services are provided outside of the District boundary or SOI. The District currently has no expansion plans. Based on the results of this MSR, no expansion or reduction to the HVCSD's SOI are necessary at this time.

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

Lands within the District are primarily designated rural residential and residential neighborhood; the District is surrounded by resource lands. Little change in actual or designated land uses within the District is anticipated over the next 20 years.

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

The HVCSD is meeting current water needs of District residents. There is limited land within the District that could be developed with additional housing units in the future; therefore population growth is expected to be minimal. It is anticipated that existing infrastructure and resources could accommodate future development within the District.

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

The District provides adequate water service and has adequate capacity to serve customers within its existing service area boundary. The water system is currently operating at 85% of its capacity.

**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 provides water service to the Hunter Creek Subdivision which, according to the District, is primarily comprised of low income elderly residents on fixed incomes. There are no other communities of interest in the area.

**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. HVCSD provides water service to all areas within its District boundary, including areas that are considered disadvantaged. There are no sewer services within District boundaries; residents rely on individual septic systems and structural fire protection services are the responsibility of the Klamath Fire Protection District.

# KLAMATH COMMUNITY SERVICES DISTRICT

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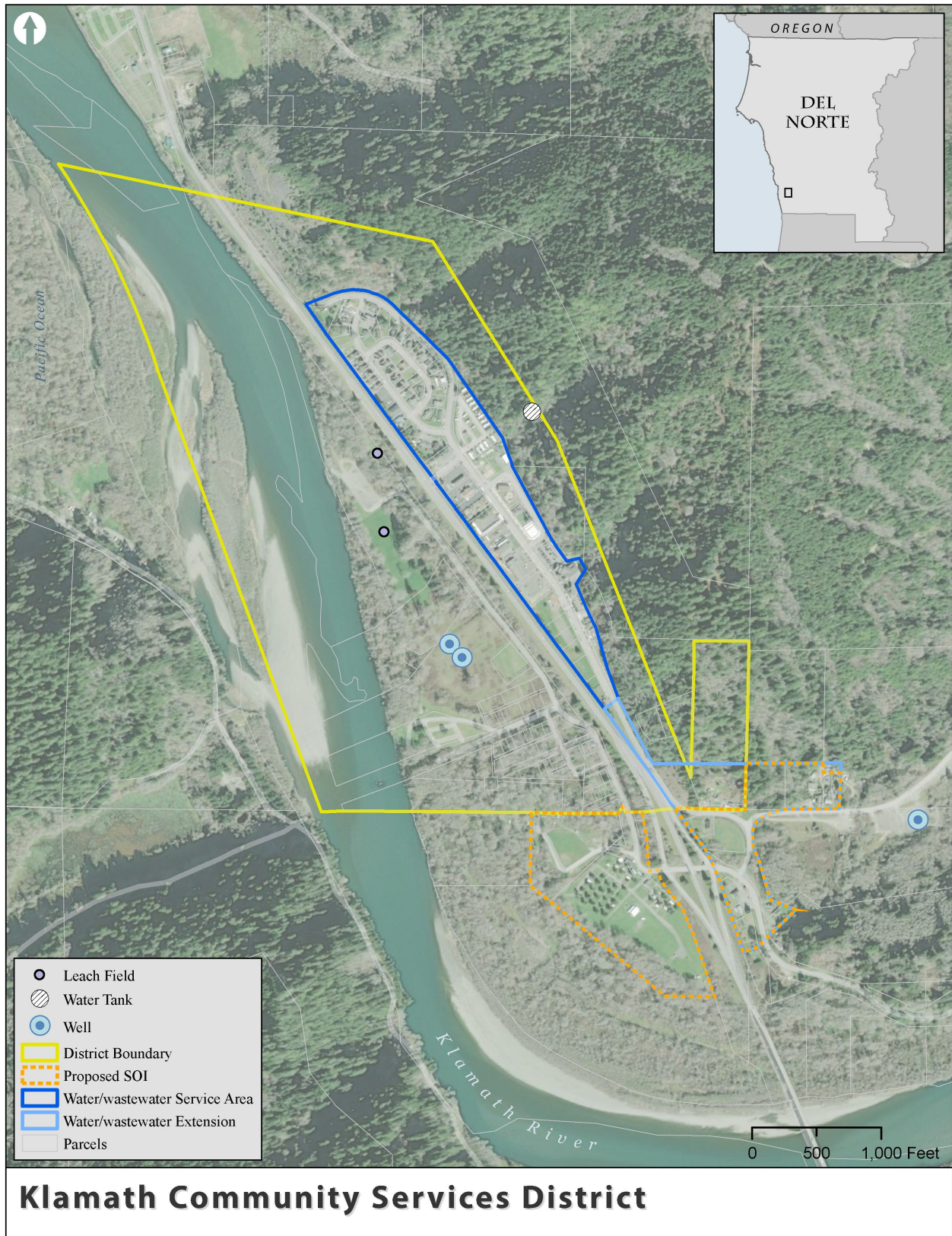
## Overview

The Klamath Community Services District (KCSO) is located in southern Del Norte County, CA, approximately 20 miles south of Crescent City and 55 miles north of Arcata. The Klamath CSD was formed June 14, 1965 for the purpose of providing water and wastewater services to the unincorporated community of Klamath. Klamath is located within the northern part of the Yurok Reservation and Klamath CSD serves Yurok Tribal, facilities, and housing at the relocated Klamath Townsite. This includes Tribal Headquarters, a Casino and Hotel. The District is approximately 0.44 square miles (285 acres), with a boundary that extends along both sides of Highway 101 for approximately one mile north of the Klamath Glen Road exit. The District extends west to the Klamath River and east to approximately 400 feet beyond existing development. The Klamath CSD service area boundary and proposed SOI are shown on Figure 3.

**Table 5: Klamath CSD Agency Profile**

Formation	
<b>Agency Name</b>	Klamath Community Service District
<b>Date of Formation</b>	June 14, 1965
<b>Enabling Legislation</b>	CA GC §61000, et seq.
Contact	
<b>Contact</b>	Margaret Caldwell, Board President
<b>Alternate Contact</b>	
<b>Mailing Address</b>	P.O. Box 430, Klamath, CA 95548
<b>E-mail</b>	klamathcsd@gmail.com
<b>Phone</b>	(707) 482-0723
Governance	
<b>Governing Body</b>	Board of Directors, elected, 4-year term
<b>Board Meetings</b>	Monthly, third Wednesday of each month, at District Office
Services and Facilities	
<b>Services Provided</b>	Water and Wastewater
<b>Areas Served</b>	Klamath town-site
<b>Acres (District)</b>	Approx. 319 <b>Population (District):</b> Approx. 240

Figure 3. Klamath CSD Boundary and Sphere of Influence



## Governance Structure and Administration

The Klamath CSD is an independent special district governed pursuant to Community Services District Law (GC §61000, et seq.), by a five member Board of Directors, elected for four-year terms by registered voters residing within the District. Board members must reside within District boundaries, and oversee District needs and services, along with budget issues. The Del Norte County Board of Supervisors may appoint members to the District's Board if there is a lack of candidates for election. A \$40 stipend is paid to each Director for each board meeting attended. Table 6 below shows the existing Board composition.

**Table 6: Klamath CSD Board of Directors**

Board Member	Title	Term Expiration
Margaret Caldwell	Board President	2022
Veronica Downs	Board Member	2024
Laurette Taylor	Board Secretary	2024
Carol Nova	Board Member	2024
David Gensaw	Board Member	2022

The Board of Directors meets on the third Wednesday of each month at the Klamath Community Center at 6p.m. Meetings are noticed at the post office, Klamath Market, and on bills sent out. The Annual Board Meeting is held the second Monday of December at 6pm at the Klamath Community Center.

The District employs part time staff, including a field operator, who is a CA water distribution/treatment operator, maintenance worker and a bookkeeper Contract staff includes a district engineer, a district attorney, and an auditor. The District office, located at 219 Salmon Avenue, is open by appointment only.

The District has no website. SB 929 (McGuire) was signed into law on September 14, 2018 requiring all independent special districts to have and maintain a website by January 1, 2020. Only hardship-based findings, identified in a board resolution approved at a regular meeting, would allow a district to be exempt from establishing or maintaining a website. The District has adopted a hardship resolution citing findings of significantly limited financial resources and insufficient staff resources.

## Population and Land Use

### Land Uses

The Klamath CSD serves the unincorporated community of Klamath including a mix of residential and commercial uses and Tribal facilities. The District also contains lands designated public facility, resource conservation area, and timberland. Land uses within the District are subject to the Del Norte County General Plan (2003) and Zoning Code.

### Current Population and Customers

According to the District, there are approximately 41 residential customers 20 commercial customers within the District boundaries. This includes the Village Mobile & RV Park which has 33 lots, two hotels, and one seasonal RV park. The District estimates a year-around population of 240. Due to seasonal tourism and recreational uses, the District estimates that the summer population exceeds 360.

### Projected Growth

According to the Census, the total Del Norte County population was 27,743 in 2020. The Del Norte

County population decreased slightly between 2010 and 2020 census. According to the Census, the Klamath Area of Del Norte County population was 1,088 in 2020. The Klamath Area population grew by 195 between 2010 and 2020 census.

The District contains vacant residential and commercial lands that will likely continue to develop at or near the current county-wide rates of 0.4 percent per year, putting the Klamath CSD population at approximately 250 in 2025. The District projects a population of approximately 260 in 2025.

The proposed SOI expansion is located on the southeast corner of the district boundary. A portion of the proposed SOI location already receives water from the District.

### **Sphere of Influence**

The current Sphere of Influence (SOI) is coterminous with the District Boundary. There is a water service area that extends outside the District boundary, to the South and Southeast. This area is proposed for a SOI expansion, in anticipation of future annexation.

### **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. GC §56033.5 defines a disadvantaged unincorporated community (DUC) 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.

According to the American Community Survey 5-Year Estimates, the median household income (MHI) in California is \$80,440. The Del Norte countywide MHI is \$45,283, which puts it at 56% of the California MHI. The Klamath Area MHI is \$35,455, which places it at 78% of the Del Norte County MHI and 44% of the California MHI. With only one incorporated city, Crescent City, the bulk 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. With only one incorporated city, Crescent City, the bulk of the County's population exists in unincorporated communities that qualify as "disadvantaged." The Klamath Area unincorporated community qualifies as "disadvantaged."

The Klamath CSD provides two of the three basic services – water and wastewater services – to areas that are considered disadvantaged. Structural fire protection services are the responsibility of the Klamath Fire Protection District.

## **Present and Planned Facilities**

### **Services Provided**

The Klamath CSD currently provides the following services:

- Water storage and distribution; and
- Wastewater collection, treatment, and disposal.



A summary of services, facilities and capacity follows.

### ***Water Service***

The Klamath CSD water infrastructure includes three active wells, one 125,000 gallon water storage tank, and a water distribution system. Water is metered and supplied to homes through 3/4" supply lines. The Klamath CSD serves approximately 63 water connections. This includes 41 residential connections, 20 commercial connections, and 2 irrigation connections for landscaping. The District overall annual average water use is approximately 48,000 gallons per day. The commercial facilities connected to the water system including the Yurok hotel/casino, Knowledge and Cultural Park, Yurok Administrative Center, and Tribe Justice Center. The water system was designed to meet both domestic water and fire flow requirements. There is currently a water moratorium until a new tank is constructed and brought online. It is anticipated that the Tribe's Emergency Operations Center will be connected when the moratorium is lifted and new rates are established. Planned improvements include a new storage tank and connection to the existing system.

### ***Wastewater Service***

The Klamath CSD is responsible for collection, treatment, and disposal of the community's wastewater. The present service area consists of commercial and residential areas within the Klamath CSD. As of 2021, the wastewater system has 56 connections that include 25 single sewer line connection and 31 multiple service sewer line connections. The District provides approximately 37 residential and 12 commercial wastewater service connections as of 2021. These numbers have not changed due to a North Coast Regional Water Quality Control Board (NCRWQCB) Cease and Desist Order placed on the wastewater system. The wastewater system is capable of serving 49 connections.

Existing facilities consist of a gravity collection system and transmission lines including two pumping stations, a package type contact stabilization treatment facility, and a system of leachfields. The wastewater collection system includes 3,000 feet of 8-inch and 1,950 feet of 6-inch Vitrified Clay Pipe (VCP); 10 manholes; two 200 gallon per minute (GPM) lift station pumps and vault; chambered septic tank; two 50 GPM effluent pumps; and sewer forcemain (Yurok Tribe, 2012). The existing wastewater leachfields are located directly west of the Klamath community and U.S. Highway 101, and directly east and in the vicinity of the Klamath River. The leachfield system is on Del Norte County land leased to Klamath CSD for wastewater disposal. Waste discharge requirements are set by the NCRWQCB and must approve system expansion and increased wastewater flows. The District is currently preparing engineering plans to address these issues.

A sewer force-main located adjacent to the wastewater treatment facility and on the west side of Hwy 101 was replaced after 2006 storms. In 2012, 900 feet of new 4-in HDPE sewer force-main was installed on the east side of Hwy 101 and crossing to the west side of the highway in the vicinity of the leachfield system, removing the threat of Klamath River caused force-main damage. Two new leachfields were installed in 2009 to replace leachfield capacity lost to the Klamath River, one was replaced via United Indian Health Services (UIHS) funding while the other was replaced via FEMA funding.

Two new effluent pumps and new pump chamber were constructed in 2015 to bring the wastewater system and current operation more into compliance with NCRWQCB standards. The overall wastewater collection piping condition was evaluated in an Inflow and Infiltration (I/I) Study completed by Graysky Engineering. Average annual wastewater flows are 15,192 gallons per day (GPD) with a range of between 11,500-20,000 GPD.

In 2018, KCD received grant funding for a wastewater system upgrade. This includes engineering and installing a package treatment plant with increased capacity. The update includes additional influent and effluent pumping stations, an electrical building, and an additional drain field.

## **Infrastructure Needs and Deficiencies**

### ***Water***

The Klamath CSD's water system is being updated with a new tank. The water system renovation planning project, per the Yurok Tribe, has not been completed according to the 2014 agreement. An application for a Water Engineering Grant, a capitol replacement, has been submitted through the California Rural Water Association. The existing tank roof received storm damage. It has been sufficiently repaired and is operational until the new tank is brought online.

Rural Counties Assistance Corporation (RCAC) conducted a Financial Report in 2018, that included the following water system information. "Seasonal usage fluctuations are relatively small and insignificant among residential users. The commercial customers' monthly water usage shows an irregular, high water usage during the months of December to March. Other than this single irregularity, the customers seem to follow a consistent monthly water usage pattern. KCSD currently uses a tiered block rate with four customer classes: 600 CF Included, 2000 CF Included, 6000 CF Included, except for Green Diamond with a flat rate. While the overage usage rate charges are the same for the first three customer classes, Green Diamond has a flat rate of \$70 with no overage "

### ***Wastewater***

The Engineering grant for the wastewater plant expansion has been completed, but they are currently waiting for a construction grant.

#### ***Wastewater System Renovation Planning Project***

The RCAC 2018 Financial Report, prepared with grant funding, reviewed long-term wastewater treatment and disposal options for the Klamath community. The feasibility study included the following:

"The wastewater system has 56 connections consisting of 25 single sewer line connection and 31 multiple service sewer line connections. The system currently has an influent pumping station, primary treatment station, effluent pumping station, wastewater treatment facility and five drain fields. There are four septic tanks, three primary treatment septic tanks, and one effluent tank. There are four submersible pumps, two influent pump, and two effluent pumps.

Due to the need for increased capacity, KCSD has been provided a grant to expand their wastewater system with the help of Stover Engineering. Some of the KCSD wastewater system infrastructure improvements include additional influent and effluent pumping stations, an electrical building and an additional drain field."

## **Planned Water System Upgrades**

The Yurok Tribe has entered into an agreement with the District to provide capital improvements such as a new water storage tank and a new well. The Wastewater System Renovation Planning Project described above will help guide future wastewater system improvements. The water system renovation has not been started or been completed in accordance with the agreement. The District is preparing a Capital Improvement Plan (CIP).

## 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 the Klamath Fire Protection District and California Department of Forestry and Fire Protection (CAL FIRE).

The Yurok Tribe provides various governmental and social services to Tribal members within the Klamath community including but not limited to: governance, planning, emergency services, and environmental services. The hotel/casino (Holiday Inn Express Redwood Hotel Casino), Yurok Justice Center, and Yurok Tribe's Administration building all have self-contained wastewater treatment systems.

## Shared Facilities

Klamath CSD and Redwood Park CSD contract with the same licensed field operator. Although Klamath CSD and Redwood Park CSD operate within the region, due to the rural nature and topography of this area there are limited opportunities for shared facilities at this time.

## Budget

The majority of water and wastewater revenues come from service charges, but funding also comes from connection fees, late charges, grant funds and other smaller sources. Equipment repair and maintenance, permit and professional fees, wages and insurance are some of the larger expenditures incurred by the District. A summary of Klamath CSD Operating Revenues & Expenditures for Fiscal Years 2019-2021 are shown in Table 7 below. The

**Table 7. Klamath CSD Operating Revenues & Expenditures**

	FYE 2019	FYE 2020	FYE 2021
Operating Income	\$71,358.00	\$77,335.00	\$103,068.00
Operating Expense	\$60,846.00	\$65,617.00	\$94,611.00
Net Operating Income (Loss)	\$10,512.00	\$13,718.00	\$8,457.00
Other Income	\$86,200.00	\$4,895.00	\$2,870.00
Other Expense	\$20,205.00	\$23,757.00	\$29,090.00
Net Other Income (Loss)	\$65,995.00	-\$18,862.00	-\$26,220.00
<b>TOTAL Net Income</b>	<b>\$76,507.00</b>	<b>-\$7,144.00</b>	<b>-\$22,210.00</b>

Source: Klamath CSD

Operating income, operating expense, and other expense have increased in the past three fiscal years. Other Income has decreased in that time. The District provided financial audits for Fiscal Years 2018, 2019 and 2020. In the Statement of Net Position for the most recent audit, the following was reported as of June 30, 2020:

Total Assets:	\$1,538,384
Total Liabilities	\$ 438,537
Total Net Position	\$ 1,099,847

## Service Rates

The 2018 RCAC Financial Report included the following rate information: Water rates are based on the actual District financial need. Water related revenue covers costs of procuring, treating and distributing

water within its service area, plus any administrative costs and reserves. The same applied to the wastewater rates. Proposed rates are based on the KCSD's Budget, Capital Replacement Program, and a sales forecast.

The current water rate for Klamath CSD is \$36/month based on the first 600 cubic feet used. Additional water charges are applied for overages. The rates for water are based on a tiered block rate and has customer classes. Current wastewater rates are \$43.00/ month based on the Equivalent Dwelling Units (EDU) per EPA plus .006/cubic foot of water usage. KCSD has a total of 99 EDU. The District has identified that the sewer rates are not covering the costs of operation. The District has requested grant funding through the RCAC to perform a rate study to address this issue.

**Table 8. Klamath CSD Water Rates.**

Meter Size	Base	Per (100 cubic ft.)
3/4"	\$30.39	\$0.09
1"	\$50.65	\$0.09
1 1/2"	\$101.29	\$0.09
2"	\$162.07	\$0.09
3"	\$324.13	\$0.09
4"	\$506.46	\$0.09
5"	Calculated to Specifications	\$0.09
6"	Calculated to Specifications	\$0.09

**Table 9. Klamath CSD Wastewater Rates.**

Rate Selected per EDU
\$29.00
\$36.00
\$43.00
\$50.00
\$57.00

## **MSR Determinations: Klamath CSD**

### **Growth and population projections for the affected area**

The Klamath CSD serves both a permanent population and a visitor population within the existing boundaries, based on District estimates. Both are expected to increase in the coming years.

The unincorporated community of Klamath will likely continue to develop at or near the current County annual growth rate of 0.4 percent,. The District projects a population of approximately 260 in 2025. The visitor population may increase as well as a hotel expansion is being considered by the Yurok Tribe.

### **Location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere**

The bulk of Del Norte County's population exists in unincorporated communities that qualify as disadvantaged. The Klamath CSD provides two of the three basic services – water and wastewater services – to areas that are considered disadvantaged. The town of Klamath is located within the northern part of the Yurok Reservation and Klamath CSD serves Yurok Tribal lands, facilities, and housing.

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

The District's water system adequately serves the existing connections with no major deficiencies. The Klamath CSD serves residential water connections, and commercial facilities including a hotel/casino, a Yurok Knowledge and Cultural Facility, Yurok Administrative Center and the Yurok Tribe Justice Center. The water system was designed to meet both domestic water and fire flow requirements. The Yurok Tribe has an agreement with the District for improvements such as a new water storage tank and a new well.

There are plans in preparation for upgrading the community systems, to comply with NCRWQCB standards. The current wastewater system is operating at capacity. In order for expansion of the wastewater system to be considered Klamath CSD will need to upgrade to a pressurized package system. The District is continuing to work on system upgrades. Costs are projected to be \$6.5 million and financed by grant funding.

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

The majority of water and wastewater revenues come from service charges, but funding also comes from connection fees, late charges, grant funds and other smaller sources. Equipment repair and maintenance, permit and professional fees, wages and insurance are some of the larger expenditures incurred by the District. The District has identified that the sewer rates are not covering the costs of operation. The District has requested grant funding thru the RCAC to perform a rate study to address this issue.

Based on the most recent financial audit total District assets of \$1,538,384 exceed total liabilities of \$438,537, for a net position of \$ 1,099,847.

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

Klamath CSD and Redwood Park CSD contract with the same licensed field operator. There are limited opportunities for the District to share facilities with adjacent local agencies due to geographical constraints, and governance factors. The District coordinates with the Yurok Tribe.

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

The Klamath CSD is governed by a five-member Board of Directors that meets regularly. The members are elected by District residents and hold four year terms of office. The District employs one part-time employee as a maintenance worker. The current government structure appears to operating efficiently and to provide the necessary services to its customers.

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

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

## **Sphere of Influence Determinations: Klamath CSD**

### **Sphere of Influence Status**

According to LAFCo files, the Klamath CSD SOI is described as “the development just south of the District boundary” (Del Norte LAFCo Resolution 76-06). Staff propose the SOI shown on Figure 3, which should be sufficient to accommodate projected growth within the District for the next 5 years.

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

The Klamath CSD serves the unincorporated community of Klamath including a mix of residential, commercial uses, and Tribal uses. The District also contains lands designated public facility, resource conservation area, and timberland.

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

The Klamath CSD current water/wastewater service area encompasses developed and undeveloped lands on the east side of Highway 101. The Klamath CSD is meeting current water needs of District residents. It is anticipated that existing water infrastructure and resources could accommodate future development within the District. The District is currently working on a feasibility study that will help guide future wastewater system improvements to allow for service expansion. The hotel/casino (Holiday Inn Express Redwood Hotel Casino), Yurok Tribe Justice Center, and Yurok Tribe’s Administration building all have self-contained wastewater treatment systems.

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

The District currently has adequate capacity to provide necessary water service within its existing boundary. The current wastewater system is operating at capacity, the NCRWQCB will not allow system expansion due to its location in the 100-year floodplain. In order for expansion of the wastewater system to be considered Klamath CSD will need to locate an alternate wastewater disposal location. The District is currently working with the Rural Counties Assistance Corporation (RCAC) on grant funding to conduct a feasibility study to analyze long-term community wastewater treatment and disposal options.

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

The community of Klamath is located within the northern part of the Yurok Reservation; Klamath CSD serves Yurok Tribal lands, facilities, and housing.

**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. The Klamath CSD provides water and wastewater services to an area that qualifies as a disadvantaged unincorporated community. Structural fire protection services are the responsibility of the Klamath Fire Protection District.

# REDWOOD PARK COMMUNITY SERVICES DISTRICT

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## Overview

The Redwood Park Community Services District (RPCSD) is located in the Terwer Valley of southern Del Norte County, along Highway 101, 17 miles south of Crescent City. The District lies approximately three miles inland from the Pacific Ocean just north of the mouth of the Klamath River and covers approximately 40 acres. Figure 4 below shows RPCSD’s service areas.

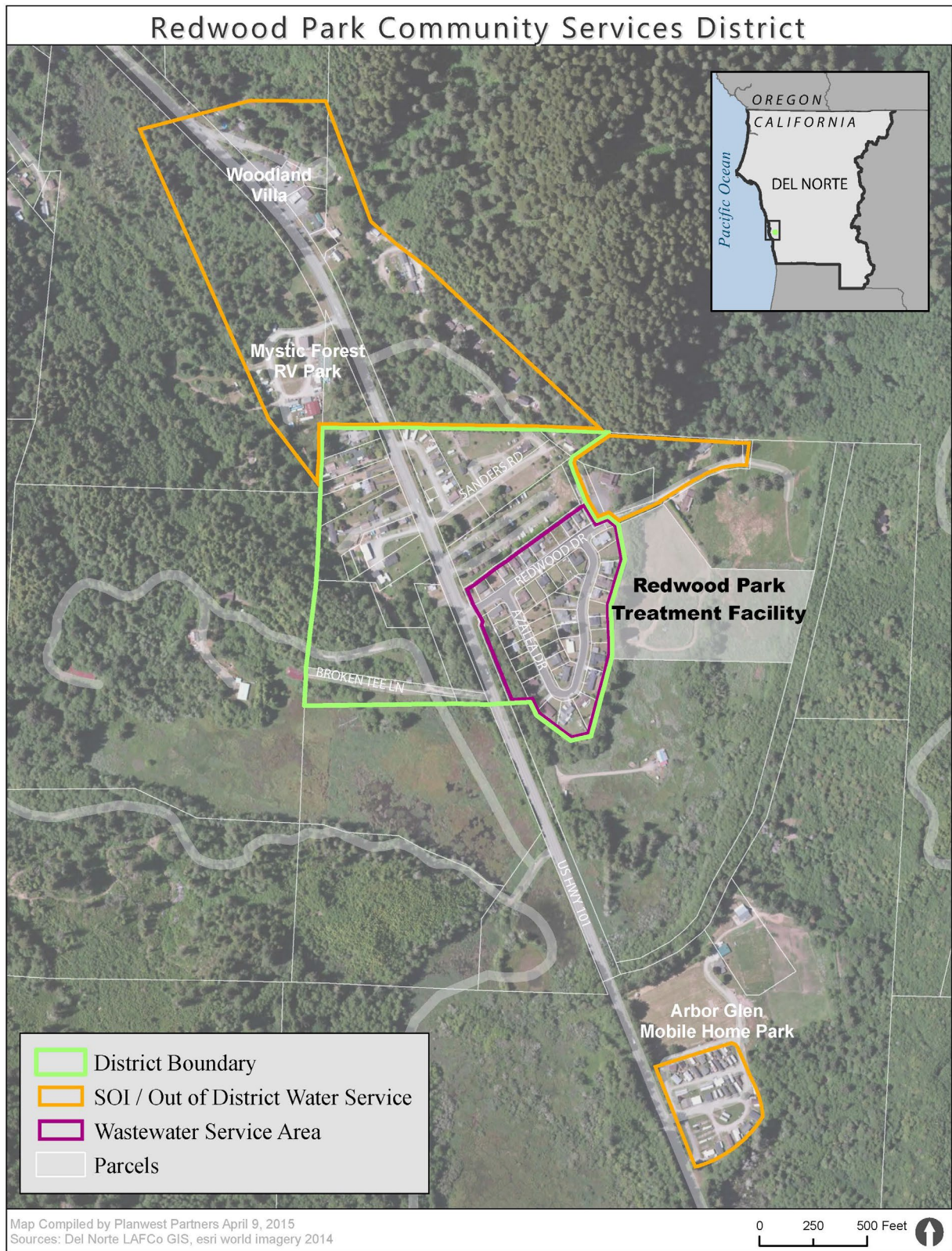
The RPCSD was formed around 1960, when Simpson Timber Company transferred the subdivision of Redwood Park and its infrastructure to the landowners. Upon this transfer, the RPCSD was formed, providing potable water and wastewater services to district residents. The RPCSD’s SOI was adopted on June 22, 1976 and according to LAFCo files, includes the areas of High Prairie, Sander’s Court, Redwood Camp, Marigold Camp, and Woodland Villa. A map of these sphere areas could not be found; however the District identified current out of District water service areas shown on Figure 4.

**Table 10: Redwood Park CSD Agency Profile**

Formation	
<b>Agency Name</b>	Redwood Park Community Services District
<b>Date of Formation</b>	1960
<b>Enabling Legislation</b>	State of California GC §61000, et seq.
Contact	
<b>Contact</b>	Robert Nulph, Chairperson
<b>Contact Phone</b>	(707) 954-8166
<b>Alternate Contact</b>	
<b>Alt. Contact Phone</b>	
<b>E-mail</b>	rnulph@delnorte.k12.ca.us
<b>District Office</b>	110 Redwood Drive Klamath, CA 95548
<b>Mailing Address</b>	P.O. Box 650 Klamath, CA 95548
<b>Phone</b>	(707) 954-8166
Governance	
<b>Governing Body</b>	Board of Directors
<b>Board Meetings</b>	As needed, usually 4 to 6 times/year
Services and Facilities	
<b>Services Provided</b>	Water and Sewer
<b>Areas Served</b>	Redwood Park Subdivision
<b>Acres (District)</b>	Approx. 40 <b>Population:</b> Approx. 300



Figure 4. Redwood Park CSD Boundary and Sphere of Influence



## Governance Structure and Administration

The RPCSD is an independent special district that is governed pursuant to Community Services District Law (GC §61000, et seq.) by a five-member Board of Directors, elected by District residents to serve four-year terms. In recent years, Board Members have been appointed, due to lack of interest. Table 11, below, shows the existing Board composition. Board Members are all volunteer and receive no monetary compensation.

**Table 11: Redwood Park CSD Board of Directors**

Board Member	Title	Term Expiration
Robert Nulph	Chairperson	
Bonnie Peterson	Director	
Gordon Karnes	Director	
Gail Tarbell	Director Secretary/Treasurer	
vacant	Director /	

Board meetings are scheduled as needed, typically four to six times per year, and held at the Secretary/Treasurer's home. The agenda is posted at the local post office and gas station 72 hours prior to the meeting.

The RPCSD staffing is a licensed water technician and serves as the District water operator. The RPCSD does not have a formal office, but Board members are available by phone to customers.

The District has no website. SB 929 (McGuire) was signed into law on September 14, 2018 requiring all independent special districts to have and maintain a website by January 1, 2020. Only hardship-based findings, identified in a board resolution approved at a regular meeting, would allow a district to be exempt from establishing or maintaining a website. The findings may include inadequate internet access; significantly limited financial resources; or insufficient staff resources.

## Population and Land Use

### Land Uses

District lands are primarily designated rural residential, residential neighborhood, and visitor-serving commercial, with a small portion designated prime agriculture. Land uses within the District are subject to the Del Norte County General Plan (2003) and Zoning Code.

### Current Population

The RPCSD estimates the service area population to be approximately 300 residents; this includes approximately 150 residents within the District boundary and approximately 150 residents outside the District boundary.

### Projected Growth

According to the Census, the total Del Norte County population was 27,743 in 2020. The Del Norte County decreased slightly between 2010 and 2020 census. According to the Census, the Klamath Area of Del Norte County population was 1,088 in 2020. The Klamath Area population grew by 195 between 2010 and 2020 census.

The RPCSD does not anticipate considerable growth within the District, or a significant increase in service demands as a result of population growth and will likely continue to develop at or near the current county-wide rates of 0.4 percent per year, putting the RPCSD population at approximately 313 in 2025.

## **Disadvantaged Unincorporated Communities**

LAFCo is required to evaluate water service, sewer service, and structural fire protection within disadvantaged unincorporated communities as part of this service review, including the location and characteristics of any such communities. GC §56033.5 defines a disadvantaged unincorporated community (DUC) 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.

According to the American Community Survey 5-Year Estimates, the median household income (MHI) in California is \$80,440. The Del Norte countywide MHI is \$45,283, which puts it at 56% of the California MHI. The Klamath Area MHI is \$35,455, which places it at 78% of the Del Norte County MHI and 44% of the California MHI. With only one incorporated city, Crescent City, the bulk 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. With only one incorporated city, Crescent City, the bulk of the County's population exists in unincorporated communities that qualify as "disadvantaged." The Klamath Area unincorporated community qualifies as "disadvantaged."

The RPCSD provides two of the three basic services – water and wastewater services –to areas that are considered disadvantaged. There are areas adjacent to District boundaries that do not have a wastewater service provider and rely on private septic systems. Structural fire protection services are the responsibility of the Klamath Fire Protection District.

## **Present and Planned Facilities**

### **Services Provided**

The RPCSD currently provides water service to residents within and outside of the District boundary as shown on Figure 4. Wastewater services are only provided to the Redwood Park subdivision (Figure 4). A summary of services, facilities and capacity follows.

### ***Water***

The RPCSD provides water services to 34 residential connections and 10 commercial industrial connections according to the Electronic Annual Report (EAR) for 2020 the District has filed with the State Waterboard. Some of these connections serve an entire mobile home park or multiple residential units.

The RPCSD water system facilities include: one 60 foot deep groundwater well, a gravity fed pipeline distribution system, one 15 horsepower pump and two redwood storage tanks including one 60,000 gallon and one 150,000 gallon tank. The RPCSD water is metered, and is typically supplied to homes through ¾-inch supply lines. Mystic Forest RV Park has a two-inch water line and Arbor Glen Mobile Home and RV Park has a one-inch water line and two on-site 2,500 gallon storage tanks. The District's total amount of water delivered annually is 25 million gallons (MG) based on the 2020 EAR filed with the State Waterboards, none of which is recycled.

**Table 12 Water Rates**

<b>Customer Class &amp; Billing Tiers -</b>	<b>Base Rate</b>	<b>Unit of Measure (UOM)</b>	<b>Cost per UOM</b>
<b>Residential</b>			
Tier 1	22.50	5	22.50
Tier 2	0	6	0.015
Tier 3	0	7	0.02
Tier 4	0	8	0.025
Tier 5	0	9	0.03
Tier 6	0	10	0.035
<b>Commercial</b>			
Tier 1	150	500	150
Tier 2	0	100	0.015
Tier 3	0	100	0.02
Tier 4	0	100	0.25
Tier 5	0	100	0.03
Tier 6	0	100	0.035

Electronic Annual Report (EAR) for 2020 filed with State Waterboard

***Wastewater***

The District serves 40 wastewater connections, exclusively within the Redwood Park subdivision. The RPCSD’s wastewater system consists of 0.25 miles of six inch mains, a gravity collection system, two lift stations, Imhoff tank, and five-acre leach field. The wastewater treatment facility is located adjacent to and east of the District Boundary and has a capacity of 15,400 gallons per day.

**Infrastructure Needs and Deficiencies**

***Water***

The RPCSD water system is in fair condition and adequately serves the District’s residents at this time. Much of the District’s infrastructure was installed in the 1950’s by Simpson Timber Company and will likely need replacement within the next 20 years. The District’s 150,000 gallon redwood water tank is leaking and needs replacement. Some of the system’s piping currently needs repair/replacement and the District needs additional storage capacity to adequately provide water in an emergency.

***Wastewater***

The wastewater system serves a small portion of the District. The sewer mains will need replacement in the future.

**Planned Upgrades**

RPCSD does not have a Capital Improvement Plan (CIP) or any planned upgrades for water or wastewater at this time. The District is seeking grant funding to assist with replacing the 150,000 gallon water tank.

**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 the

Klamath Fire Protection District (FPD) and California Department of Forestry and Fire Protection (CAL FIRE). Annual standpipe inspections are conducted by the Klamath FPD, They recommend that all dry barrel fixtures be replaced with wet barrel fixtures for improved fire response.

## Shared Facilities

Redwood Park CSD and Klamath CSD contract with the same licensed water operator. The RPCSD does not currently contract with other districts to receive or provide shared facilities or services. Due to the rural nature and topography of the region, there are limited opportunities for shared facilities at this time.

## Budget

All of RPCSD revenue comes from sales of water and wastewater services. The District receives no Federal, State, or County funds. The District’s primary expenditures include routine maintenance costs and professional services. All work is provided by volunteers. The RPCSD has no outstanding debt.

**Table 13. Redwood Park CSD Revenues & Expenditures** *TO BE COMPLETED*

<b>Revenues</b>	<b>FY ____</b>	<b>FY ____</b>	<b>FY ____</b>
Water Sales			
Interest Income			
<b>Total Revenue</b>			
<b>Expenditures</b>	<b>FY ____ (Actual)</b>	<b>FY ____ (Actual)</b>	<b>FY ____ (Adopted)</b>
Maintenance of Equipment			
Professional Services			
Utilities			
Water Treatment			
Transmission and Distribution			
Depreciation and Amortization			
Other Charges			
<b>Total Expenditures</b>			
<b>Balance</b>			

Sources: CA State Controllers Special Districts Annual Report FY \_\_\_\_\_. Del Norte County Budget Book FY”s \_\_\_\_.

## Service Rates

The current water rate for RPCSD is \$10.00 per month base rate with additional charges per cubic foot of water use. Wastewater fees are \$20.00 per month. According to the RPCSD, current rates cover operation of the District, however the district is looking into increasing their rates to generate more revenue for district services and maintenance.

## **MSR Determinations: Redwood Park CSD**

### **Growth and population projections for the affected area**

The RPCSD estimates the service area population to be approximately 300 residents; this includes approximately 150 residents within the District boundary and approximately 150 residents outside the District boundary.

The District largely contains rural residential lands and will likely continue to develop at or near the current county-wide growth rate of 0.4 percent per year, putting the District population at approximately 313 in 2025.

### **Location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere**

The bulk of Del Norte County's population exists in unincorporated communities that qualify as disadvantaged. RPCSD provides water service to all areas within its District boundary, and wastewater service to a portion of the District. Water service is also provided to mobile home/RV parks located in the District's SOI. There are areas within and adjacent to District boundaries that do not have a wastewater service provider and rely on private septic systems.

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

The RPCSD's existing infrastructure and facilities are adequate to provide water and wastewater services to its customers. The District's 150,000 gallon water storage tank is leaking and needs to be replaced.

The District will need the following upgrades in the future to continue providing this level of service: some of the system's water system piping currently needs repair/replacement; the District needs additional storage capacity to adequately provide water in an emergency; and the wastewater mainlines will need to be replaced in the future.

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

All of RPCSD's revenue comes from sales of water and wastewater services. According to the previous three years budgets, the RPCSD has had excess revenues totaling an average \$10,000 per year. The District should develop a reserve policy as well as a Capital Improvement Plan to facilitate saving for future expenses related to district maintenance, and infrastructure repairs and replacements.

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

Redwood Park CSD and Klamath CSD contract with the same licensed water operator. There are limited opportunities for the District to share facilities with adjacent local agencies due to geographical constraints.

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

The RPCSD is governed by a five-member Board of Directors that meets regularly. The members are elected by District residents and hold four year terms of office. The District has no paid staff; one board member is a licensed water technician and serves as the District water operator. The current government structure is operating efficiently and appears to provide the necessary services to its customers.

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

There are no further matters to report related to the services provided by the RPCSD.

## **Sphere of Influence Determinations: Redwood Park CSD**

### **Sphere of Influence Status**

According to LAFCo files RPCSD’s SOI was adopted on June 22, 1976 and includes the areas of High Prairie, Sander’s Court, Redwood Camp, Marigold Camp, and Woodland Villa. A map of these sphere areas could not be found; however, the District identified current out of District water service areas (Figure 4). This SOI update will include those areas that are currently receiving out of District water services.

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

Lands within the District are primarily designated rural residential, residential neighborhood and visitor-serving commercial, with a small portion designated prime agriculture. The District is surrounded by resource lands, mostly timber and agriculture. Land uses within the District are subject to the Del Norte County General Plan (2003) and Zoning Code. Little change in actual or designated land uses within the District is anticipated over the next 20 years.

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

The RPCSD is meeting current water and wastewater needs of its customers. The RPCSD does not anticipate considerable growth within the District, or a significant increase in service demands as a result of population growth. It is anticipated that existing infrastructure and resources could accommodate future development within the District and SOI.

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

The District provides adequate services and has the capacity to provide the necessary water and wastewater services to its customers.

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

Sphere areas that are currently receiving water service include, but are not limited to Arbor Glen Mobile Home Park located on the east side of U.S. Highway 101 south of the District boundary; Mystic River RV Park located on the west side of U.S. Highway 101 north of the District boundary; and Woodland Villa located on the east side of U.S. Highway 101 north of the District boundary.

**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; RPCSD provides services to areas that are considered disadvantaged. The District is currently providing water service to areas that are outside its boundary but within the sphere including Arbor Glen Mobile Home Park, Mystic River RV Park and Woodland Villa. Sewer services within District boundaries are limited to the Redwood Park subdivision, all other residents rely on private septic systems. Structural fire protection services are the responsibility of the Klamath Fire Protection District.

## REFERENCES

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Hunter Valley CSD (HVCSD) Municipal Service Review Questionnaire. Completed by Paul Crandall.

Klamath CSD (KCSD), Municipal Service Review Questionnaire. Completed by Margaret Caldwell.

Klamath CSD (KCSD), Financial Audits, completed by Don Reynolds

Redwood Park CSD (RPCSD) Municipal Service Review Questionnaire to be completed

State Water Resources Control Board (SWRCB), Drinking Water Information Clearinghouse Portal, accessed <http://drinc.ca.gov/dnn/default.aspx>

Request for Bids, Engineering Professional Services for Klamath Long Term Wastewater Feasibility Study Yurok Tribe.



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**AGENDA ITEM 3B**

**MEETING DATE:** January 24, 2022  
**TO:** Del Norte Local Agency Formation Commission  
**FROM:** George Williamson AICP, Executive Officer  
**SUBJECT:** Hunter Valley CSD Park & Recreation Services Activation

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**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. Approve the proposal as presented by adopting attached Resolution 22-01.

**DISCUSSION**

**Project Summary**

Del Norte LAFCo received a proposal, submitted by Hunter Valley Community Services District (HVCSD) Resolution of Application, to activate Parks and Recreation powers within District boundaries. HVCSD currently provides water service to District residents. The District will continue to provide water service and proposes to add parks and recreation services within its boundary. Should this services activation proposal be approved by Del Norte LAFCo, the District intends to request that the County of Del Norte transfer the Hunter Creek Park Parcel (APN 127-220-050) to the District for park and recreation purposes.

This activation was originally considered and approved by the Commission in August 2020, but rescinded due to not having a property tax revenue sharing agreement with Del Norte County. The County-HVCSD property tax revenue sharing agreement has now been approved, by County Board of Supervisors Resolution 2021-048, which is attached to this staff report.

**Cortese Knox Herzberg (CKH) Act Sections 56824.10 - 56824.14**, directs that the Commission consider the following key information in reviewing a request to activate a new or additional function/class of service:

- 1) Whether the special district will have sufficient revenues or other resources to carry out the proposed new or different functions of class of services;
- 2) Whether another local agency already provides substantially similar services or facilities to the territory where the district proposes to exercise that latent power;
- 3) The Plan for Services to provide a new or different function or class of services.

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**Analysis - Required Review Factors**

G.C. Section 56668 requires the Commission to consider 15 specific factors anytime it reviews a proposed change of organization. No single factor is determinative. The purpose in considering these factors is to help inform the Commission in its decision-making process. An evaluation of these factors as it relates to the proposal follows.

- 1) Population and population density; land area and land use; per capita assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent areas, during the next 10 years.**

HVCSD currently serves 68 parcels within the Hunter Creek Subdivision. According to the State of California, Department of Finance, the average population per household in Del Norte County is 2.62. Therefore, the District's estimated population is 178. The HVCSD does not foresee significant growth within district boundaries, nor any increase in service demands as a result of population growth. The District will likely continue to develop at or less than current county-wide rates of 0.4 percent per year.

The HVCSD serves the Hunter Creek Subdivision. Lands within the district are primarily designated rural residential and rural neighborhood, with a small portion designated general agriculture, resource conservation, and timberland; the District is surrounded by resource lands. Land uses within the District are subject to the Del Norte County General Plan (2003) and Zoning Code.

- 2) The need for organized community services; the present cost and adequacy of governmental services and controls in the area; probable future needs for those services and controls; probable effect of the proposed incorporation, formation, annexation, or exclusion and of alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas.**

HVCSD currently provides water service only within the affected territory. The Commission's 2016 HVCSD municipal service review, currently being updated, determines the District has generally established adequate administrative controls and service capacities in providing water service consistent with the needs and preferences of constituents. The HVCSD's services activation to include maintaining and improving the park parcel as proposed is consistent with the overall mission of HVCSD to support the orderly development of the Hunter Valley community. The proposed activation of service is expected to lead to maintenance responsibilities, should the park parcel be dedicated to the HVCSD, as discussed further in item 10.

- 3) The effect of proposed action and alternative actions, on adjacent areas, on mutual social and economic interests, and on local governmental structure of the county.**

The proposed action is expected to enhance mutual social interests within the affected territory by establishing control and maintenance of a parcel which provides existing park services within HVCSD boundaries. The land is already used for recreation by the local community and this would establish District oversight.

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- 4) The conformity of the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development and the policies set forth in G.C. Section 56377.**

The proposed action does not conflict with any adopted Commission policies nor will it induce, facilitate, or lead to the conversion of any open-space land.

- 5) The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by G.C. Section 56016.**

The proposed action involves a parcel surrounded by non-agricultural uses. The proposed activation of park and recreation powers is not expected to affect the physical and economic integrity of agricultural lands.

- 6) The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.**

The proposed action will not make any changes to HVCSD's existing jurisdictional boundary, on file with the Commission.

- 7) Consistency with the city and county general plan and specific plans.**

The proposed action to improve and maintain parkland within the affected territory is consistent with Residential Neighborhood (RN) designation under the County General Plan. Small public facilities, such as the proposed park, are considered with a conditional use permit.

- 8) The sphere of influence (SOI) of any local agency applicable to the proposal.**

The affected territory is located within HVCSD's SOI. The Commission updated the sphere of influence with no changes as part of a comprehensive review in May 2016. The SOI Update is also being reviewed at the January 24 2022 Commission meeting

- 9) The comments of any affected local agency or other public agency.**

On June 23, 2020 staff circulated copies of the application materials for review to local governmental agencies including the Yurok Tribal Government. No substantive comments were received.

- 10) The ability of the newly formed or receiving entity to provide the services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.**

HVCSD receives a majority (about 95%) of its revenue from annual water sales and late fees. It projects about \$20,000 in revenue and \$4,000 in expenses for FY 2020-21, but due to COVID-19 disruptions this budget is subject to change. According to the District

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75% of residents have committed pledges towards for improvements and maintenance costs. These projected improvements include:

- a. Installing a donated commercial grade playground with an approximate perimeter boundary of 30' x 60' to replace old playground equipment,
- b. Refurbishing an existing basketball court with pressure washing, reseal/resurfaced court, paint new court lines, repair/replace backboard/hoop and install new basket net,
- c. Replacing existing school bus stop with a new structure at corner of Duncan and Weber Drive,
- d. Refurbishing the baseball diamond back stop

This commitment to the park parcel improvement and maintenance, reflects community and the HVCSB Board dedication. It is expected that volunteer efforts will be organized for much if not all of the maintenance. The HVCSB Board will be responsible for scheduling volunteer work days and maintenance tasks. They will also be responsible for training of volunteers on use of equipment and other maintenance practices. There should be appropriate measures for volunteers to sign liability waivers to address potential liability.

As such, the Commission finds the HVCSB will have sufficient revenue, in the form of community donations and grants, to provide the park and recreation services in accordance with Government Code Section 56824.14.

**11) Timely availability of water supplies adequate for projected needs as specified in G.C. Section 65352.5.**

The proposed action will not significantly impact the current or future demand for water supplies within the affected territory, although there will be some water usage for irrigating the baseball diamond. The District currently has adequate water supplies to accommodate this increase.

**12) The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments consistent with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7.**

The proposed action will not affect the County with respect to accommodating its assigned housing needs allocation as determined by the Crescent City Housing Authority (serving all of Del Norte County).

**13) Any information or comments from the landowner or owners, voters, or residents of the affected territory.**

As provided under G.C. Section 56153, a notice on the proposed action was published in the local newspaper 21 days in advance of the hearing. No comments have been received as of the date of this report.

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**14) Any information relating to existing land use designations.**

Lands within the district are primarily designated rural residential and rural neighborhood, with a small portion designated general agriculture, resource conservation, and timberland; the District is surrounded by resource lands. The proposed park parcel is zoned Residential Neighborhood. Land uses within the District are subject to the Del Norte County General Plan (2003) and Zoning Code.

**15) The extent to which the proposal will promote environmental justice. As used in this subdivision, “environmental justice” means the fair treatment of people of all races, cultures, and incomes with respect to the local of public facilities and the provision of public services.**

There is no documentation or evidence suggesting the proposed action will have a measurable effect with respect to promoting environmental justice.

**Conditions of Approval**

- a) Payment of any and all outstanding fees owed the Commission and/or other agencies involved in the processing of this proposal.

**Environmental Determination**

The activation of park and recreation powers by HVCS D is covered by the general rule exemption (CEQA Guidelines 15061(b)(3)) indicating that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. This is the case for HVCS D assuming maintenance and control over the parcel within their District that is already used as a public park. There are no land use changes or environmental impacts in activating park and recreation powers. A Notice of Exemption further explains this specific exemption.

**Public Noticing**

A noticed public hearing was held by the HVCS D Board of Directors on June 12, 2020. There were no objections to HVCS D proposing activating park and recreation powers to maintain the open space parcel within its jurisdictional boundaries. HVCS D Resolution 005-2020 was approved applying to Del Norte LAFCo for activation of HVCS D park and recreation powers.

Del Norte LAFCo issued a notice of application on June 23, 2020, and requested agency comments by July 12. No agency comments were received. Notices of public hearing for the August 24, 2020 and January 24, 2022 Commission hearings were published 21 days prior to the meetings in accordance with Government Code Section 56824.14(a)(2)(b).

**Reconsideration**

Pursuant to Government Code 56895, after LAFCo adoption of a resolution making determinations, any person or affected agency may file a written request with the LAFCo Executive Officer requesting amendments to, or reconsideration of the resolution with 30 days.

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**Protest Proceedings**

No conducting authority proceedings (i.e., protest hearing) is required for district latent powers activation unless specified in the district's principal act. In this case, Community Services District Law does not require a protest proceeding in accordance with Government Code Section 61106(b)<sup>1</sup>. Furthermore, district latent powers activations are not subject to an election in accordance with Government Code Section 56824.14(a)(2).

**ATTACHMENTS**

- Attachment 1: Resolution 21-01 Approving the Hunter Valley Community Services District Park and Recreation Latent Powers Activation
- Attachment 2: Plan for Services
- Attachment 3: Del Norte County Board of Supervisors Resolution 2021-048

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<sup>1</sup> Government Code Section 61106 (b) states that "After receiving the approval of the local agency formation commission, the board of directors may, by ordinance, order the exercise of that power."

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**RESOLUTION 21-01  
APPROVING THE HUNTER VALLEY COMMUNITY SERVICES DISTRICT LATENT POWERS  
ACTIVATION FOR PARK AND RECREATION SERVICES**

WHEREAS, a resolution of application of the Hunter Valley Community Services District, hereinafter referred to as the “District” or “HVCS D”, proposing the activation of certain latent powers has been filed with the Executive Officer of the Del Norte Local Agency Formation Commission, hereinafter referred to as the “Commission”, pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and

WHEREAS, the HVCS D currently provides water service within District boundaries; and

WHEREAS, the HVCS D desires to activate its latent power to provide recreation and park services in accordance with Government Code Section 56824.10 et seq.

WHEREAS, upon receiving the District’s application, the Executive Officer distributed a notice of application on June 23, 2020, to affected agencies advising the filing by the HVCS D, with no comments received.

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 Commission heard and fully considered all the evidence presented at a public hearing held on said proposal; and

WHEREAS, the HVCS D’s proposal seeks to activate latent powers to improve and maintain a parcel used for recreation within its jurisdictional boundary; and

WHEREAS, the Executive Officer reviewed the proposal and prepared a report with recommendations; and

WHEREAS, the Commission considered all the factors required under California Government Code Section 56668, and

WHEREAS, the Commission found the proposal consistent with the sphere of influence established for the District and with the Commission’s adopted policy determinations.

**NOW, THEREFORE, BE IT RESOLVED** as follows:

1. The Commission has determined under the California Environmental Quality Act (CEQA), that the activation of park and recreation powers by HVCS D is covered by the general rule exemption (CEQA Guidelines 15061 (b)(3)) indicating that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The Commission further finds that future projects will be subject to environmental review as they materialize.

2. The Commission finds the HVCS D will have sufficient revenue, in the form of community donations and grants, to provide the park and recreation services in accordance with Government Code Section 56824.14.
3. The proposal is APPROVED subject to conditions.
4. The approved proposal affects territory located within Hunter Valley Community Services District’s existing jurisdictional boundary as depicted in Exhibit “A”.
5. The approved proposal is subject to the Del Norte County property tax revenue sharing agreement, specifying no property tax revenue allocation changes for all Districts and County in affected tax rate areas, as adopted by County Board of Supervisors on December 14, 2021 via Resolution 2021-048.
6. Recordation of a Certificate of Completion is contingent upon the following conditions:
  - (a) Payment of any and all outstanding fees owed the Commission and/or other agencies involved in the processing of this proposal.
  - (b) Successful completion of park parcel transfer by the County of Del Norte.
7. The effective date shall be the date of recordation of the Certificate of Completion.

**PASSED AND ADOPTED** at a meeting of the Del Norte Local Agency Formation Commission, State of California, on the 24th day of January 2022, by the following vote:

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

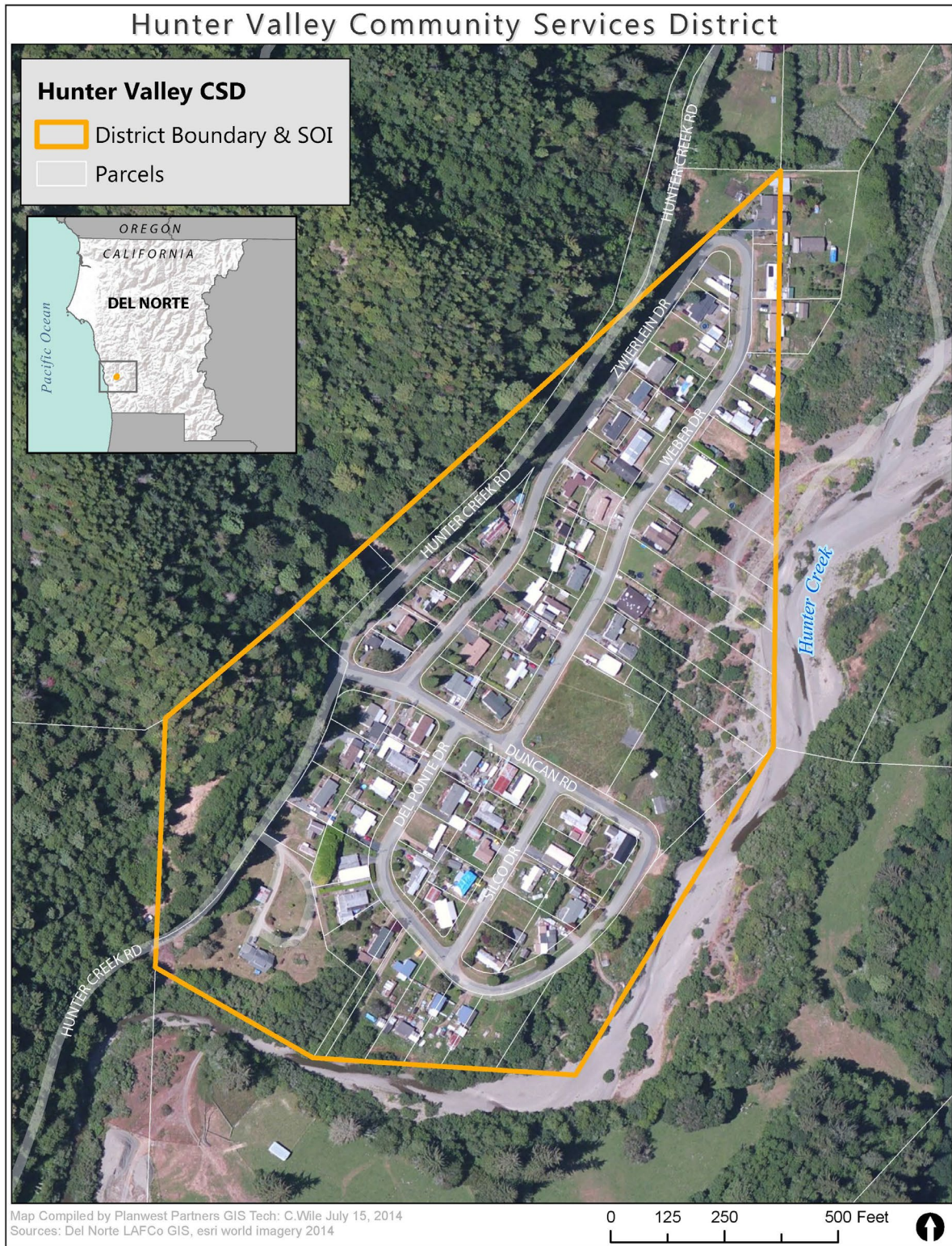
\_\_\_\_\_  
 \_\_\_\_\_, Chair

Attest:

\_\_\_\_\_  
 George Williamson, Executive Officer



Exhibit A





**Hunter Valley Community Services District  
Proposed Park and Recreation Power Activation Application  
Plan for Service  
Updated January 24, 2022**

**Introduction**

The Plan for Service (Government Code § 56653) describes how the service provider, the Hunter Valley Community Services District (HVCS D or District) will expand its services. It documents the District's ability to provide park and recreation services, considering capacity, revenues and operations adequacy and how those services would be affected by the proposed LAFCo action. A Plan for Service, accepted by the Del Norte LAFCo Executive Officer, is required for the application to be deemed complete. This plan of service is presented to Del Norte LAFCo in support of the District's proposal.

**District Profile**

The HVCS D was formed on May 3, 1965 and is located in the southerly portion of Del Norte County in the Hunter Valley north of the town of Klamath. It primarily serves the Hunter Creek subdivision. The District boundary encompasses approximately 38 acres with a coterminous Sphere of Influence (SOI). In 1965 & 1966 HVCS D was Deeded five sections of land located throughout the Hunter Creek Subdivision including the small developed lot of land for the Well, Wellhouse, pumping and distribution infrastructure and a 10,000-gallon steel storage tank.

The District has a three-member Board of Directors that meets on the first Friday of each month. The District provides municipal water only. The District proposes to add Park & Recreation services to the community. The District maintains an office in a private residence located at 25 Del Ponte Drive, Klamath, CA 95548 and serves the Hunter Creek Subdivision.

The District population is approximately 178. According to the California Department of Water Resources, the District is considered to be a Disadvantaged Unincorporated Community (DUC). The Klamath Census Designated Place (CDP) has a median household income (MHI) that qualifies the district as a DUC.

**The Need for Powers Activation**

Community Services District Law, GC §61000 allows for independent special districts to provide a broad range of services, including parks and recreation services. There is a Del Norte County parcel of land (APN 127-220-050) within the Hunter Valley CSD boundaries with potential for park and recreation use. Hunter Valley CSD residents have expressed interest in park and recreation use for the County parcel, backing their dedication with subdivision resident's support is so overwhelming many have committed to

funding pledges and many more pledges in amounts as yet to be undetermined for startup operations. Furthermore, aside from the annual water fee, there is a community commitment to volunteer efforts for Hunter Creek Community Park future maintenance and improvements.

## **Plan for Services**

This plan shall, at a minimum, respond to the following and be signed by the proponent.

### **1. Level and range of services to be provided to the territory.**

The District will continue to provide water and proposed to add parks and recreation services within its boundary. Water service will continue for those parcels already receiving water service. Parks and recreation will be added, as the District intends to request that the County of Del Norte transfer APN 127-220-050 to the District for park purposes.

### **2. Indicate when service would be activated.**

As of March 13, 2020, Hunter Creek Subdivision residents have assumed a volunteer role to mow and trim Hunter Creek Park. Weeks later the County of Del Norte granted these volunteers authority to officially perform the park landscaping maintenance recognizing them as volunteer employees. Upon approval from LAFCo and receipt of the County parcel, the District will implement park development and maintenance, collect confirmed pledges, collect the many unspecified pledge amount collectively and begin billing customers, (per parcel per year) an agreed upon annual Park and Recreation fee in conjunction to; but a separate accounting line item, on the Annual Water Fee billing statement.

### **3. Identify any improvements, structures, other infrastructure, or other conditions the district would need to provide the service.**

The District proposes to add the capacity to operate a park and maintain recreational equipment. Proposed improvements to the park parcel include the acceptance and installation of a commercial grade playground and swing set, replace an existing covered school bus stop, repairing the existing basketball court by resurfacing the court, painting new court lines, refurbish the backboard, installing a net, create a park perimeter walking path and refurbishing the existing baseball field as funds become available.

### **4. Estimated cost of services and description of how services or required improvements will be financed. A revenues sufficiency discussion is required.**

The parcel is already used for recreation by community residents and this will essentially be a property transfer from Del Norte County to the HVCSD to allow the District to properly maintain the parcel and implement improvements. The HVCSD will initially receive funding primarily from community sources. The District has a small population (roughly 178) but upon two informal surveys of residents by HVCSD Board of Directors and Staff, there was 97.9 approval for transferring the proposed park parcel to the District. Residents are committed to covering the upfront costs through committed pledges totaling \$11,000.00. Another 70% of other property owners pledging amounts "To Be Determined" once known expenses are identified, HVCSD's Park and Recreation powers are activated and the park is deeded to HVCSD. Volunteer efforts toward future maintenance and improvements expenses are expected, as coordinated by the HVCSD Board.

**5. Indicate whether the territory is or will be proposed for inclusion within a proposed improvement zone/district, assessment district, or community facilities district.**

This territory is not proposed for inclusion in an improvement zone, assessment, or community facilities district at this time.

**6. Outline of the proposed governing body structure and projected revenues and expenditures. The budget presented will need to indicate the source and amount of revenues and expenditures based upon services to be provided.**

**Governing Body**

The Hunter Valley CSD maintains a Board of Directors of up to five-members, although two spots are often vacant in this very small community. Meetings are conducted on the first Friday of each month at the District Office, 25 Del Ponte Drive Klamath, CA 95548. Vacancy announcements are published in the local newspaper, the Klamath Community and Senior Center Public Library, and local public places for a minimum of three weeks. Candidates are interviewed and voted by District Board and the selected name goes to the Del Norte County Board of Supervisors for approval. The current Board, listed below, will continue to meet without interruption.

1. Paul Crandall, Chair & General Manager
2. Eddie Roane, Board Member
3. Bob Rodgers, Board Member

**Revenues and Expenditures**

The Hunter Valley CSD receives the majority of its revenue from annual water sales and late fees. This accounts for approximately 95% of its annual revenue. A summary of budgeted revenues and expenditures is provided below. The budget has been updated according to the MSR.

	FYE 2020	FYE 2021	FYE 2022
<b>SERVICES &amp; SUPPLIES</b>			
20150 Insurance	\$0.00	\$0.00	\$0.00
20170 Maintenance of Equipment	\$3,000.00	\$1,000.00	\$1,500.00
20220 Office Expense	\$500.00	\$900.00	\$700.00
20230 Professional Services	\$4,200.00	\$5,200.00	\$5,300.00
20300 Utilities	\$4,500.00	\$5,600.00	\$5,400.00
<b>OTHER CHARGES</b>			
30500 Department Allotment	\$0.00	\$0.00	\$0.00
<b>TOTAL EXPENDITURES</b>	<b>\$12,200.00</b>	<b>\$12,700.00</b>	<b>\$12,900.00</b>
<b>REVENUES</b>			
90300 Interest	\$0.00	\$0.00	\$0.00
91000 Water	\$12,200.00	\$12,700.00	\$12,900.00
<b>TOTAL REVENUES</b>	<b>\$12,200.00</b>	<b>\$12,700.00</b>	<b>\$12,900.00</b>
<b>NET</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

According to the most recent Audit Report for FY 2018-19 prepared by Smith and Newell CPAs in Yuba City, CA, HVCSD had approximately \$13,233 in revenues (including all sources such as charges for service, grant funds, etc.) and \$11,307 in expenses (including, operating expenses, professional fees, utilities, etc.) for a net position of \$18,215. The fiscal year prior also reported a net increase in position. As such, it is anticipated that charges for services and other sources of revenue will continue to provide adequate funding for services in the areas proposed for annexation. HVCSD Fiscal Year runs from July 1st of one year and ends on June 30th the following year. Due to coronavirus disruptions that have delayed a decision transferring the park to HVCSD by the County of Del Norte Board of Supervisors will have short term impact on HVCSD not being able to start its collection of community pledged startup funds or the proposed Annual Park and Recreation fee proposal.

The current fiscal year ends on June 30, 2020, therefore HVCSD may not be able to realize projected Water Charges or Donations and the projected Operating Expenditures is far less than projections in FY 2019/20 above. However, the Water Charges for FY 2020/21 are attainable in that the Donations from FY 2019/20 would slide over to FY 2020-21 Donations (totaling \$15,000.00) as the community startup pledges are received, the "To Be Determined" pledges are identified/collected and the Park & Recreation fee & existing Water Charges are calculated together but accounted for separately.

The FY 2021/2022 budget column will show an additional line item for Park and Recreation, along with Water Charges and Donations income/expenditures. This will differentiate between the line items of the various revenue streams and applicable expenditure projections for each of the three; Water Charges, Donations and Park and Recreation categories.

Respectfully Submitted,

Paul Crandall  
HVCSD General Manager and Treasurer

Board Members:  
Eddie Roane  
Bob Rodgers

**RESOLUTION NO. 2021-048**

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY  
OF DEL NORTE REGARDING THE ALLOCATION OF PROPERTY  
TAXES AS A RESULT OF THE ACTIVATION OF PARK AND  
RECREATION POWERS BY THE HUNTER VALLEY COMMUNITY  
SERVICES DISTRICT**

**WHEREAS**, the Hunter Valley Community Services District (HVCSD) has initiated the process with the Del Norte Local Agency Formation Commission (LAFCO) for activation of latent Park and Recreation Powers.

**WHEREAS**, the Revenue and Taxation Code Section (RTC) requires that a determination be made, as well as a consultation with affected local agencies and special districts, regarding the allocation of property tax revenues to be exchanged resulting from a proposed jurisdictional change.

**WHEREAS**, notwithstanding any other provision of law, the LAFCO Executive Officer shall not issue a certificate of filing pursuant to Section 56658 of the Government Code until the local agencies included in the property tax revenue exchange negotiation present resolutions adopted by each such county and city whereby each county and city agrees to accept the exchange of property tax revenues, per RTC §99.b.6.

**WHEREAS**, on August 30, 2021, the LAFCO Executive Officer transmitted a request to the Clerk of the Board of Supervisors for the Board of Supervisors' consideration of a property tax revenue sharing agreement relating to HVCSD providing services to an area where those services have not been previously provided by any local agency resulting from the activation of latent Parks and Recreation Powers.

**WHEREAS**, within 45-days of the filing of an application or resolution, the County Auditor shall notify the governing body of each local agency whose service area or service responsibility will be altered by the jurisdictional change of the amount of, and allocation factors with respect to, property tax revenue that is subject to a negotiated exchange, per RTC §99.b.3.

**WHEREAS**, on September 14, 2021 the County Auditor transmitted a notification to all local agencies and special districts that receives an apportionment of property tax revenue from the area in question indicating that no change in the allocation of property tax revenue is proposed, per RTC §99.01.a.1.

**WHEREAS**, upon receipt of the estimated allocation, the local agencies shall commence negotiations to determine the amount of property tax revenues to be exchanged between and among the local agencies. Except as otherwise provided, this negotiation period shall not exceed 60 days. If a local agency involved in these negotiations notifies the other local agencies, the County Auditor, and the LAFCO in writing of its desire to extend the negotiating period, the negotiating period shall be 90 days, per RTC §99.b.4.

**WHEREAS**, more than 60 days have now been provided and, to date, no special district or local agency has provided notification of their desire to extend the negotiation period.

**WHEREAS**, if a special district involved in the negotiation (other than the district which will provide one or more services to the area where those services have not been previously provided) fails to adopt a resolution providing for the exchange of property tax revenue, the Board of Supervisors shall determine the exchange of property tax revenue for that special district, per RTC §99.01.a.4.

**NOW, THEREFORE, BE IT RESOLVED** by the County of Del Norte Board of Supervisors, in accordance with Revenue and Taxation Code, hereby adopts the terms of the Property Tax Revenue Sharing Agreement as stated below, to be effective upon the recordation of the Executive Officer's Certificate of Completion for the subject activation of power.

**BE IT FURTHER RESOLVED** that the County hereby agrees to accept the exchange of property taxes as provided in the Property Tax Revenue Sharing Agreement as follows:

*No property tax revenue allocation changes for all Districts and County in affected tax rate areas.*

**BE IT FURTHER RESOLVED** that the Clerk of the Board is hereby directed to immediately forward a copy of this Resolution to the Auditor-Controller for the County of Del Norte, the Board of Directors of the HVCSD, and the Executive Officer of the LAFCO.

**THE FOREGOING RESOLUTION WAS DULY AND REGULARLY ADOPTED** by the County of Del Norte Board of Supervisors, at a regular meeting of the Board held on the 14th day of December, 2021, by the following vote:

AYES: Supervisor Short, Starkey, Howard, Hemmingsen, Berkowitz

NOES: None

ABSENT: None



Chris Howard  
Chair of the Board of Supervisors

ATTEST:



Kylie Goughnour  
Clerk of the Board of Supervisors

## 4A DRAFT MINUTES

### Del Norte Local Agency Formation Commission VIDEO/TELECONFERENCE MEETING August 23, 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), Bob Berkowitz (County Member),

**Members absent:** Jason Greenough (City Member & Chair), Sparky Countess (Public Member),

**Others present:** George Williamson (Executive Officer); Emily Morris (Service Specialist); Jason Barnes (GIS Analyst/video-conference host)

#### 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 Inscore led the Pledge of Allegiance.

#### 2. Public Hearings

Given the attendance of Hunter Valley Community Services District (CSD) representatives, the Commission revised the agenda to consider hearing item 2B Hunter Valley CSD Park & Recreation Powers prior to hearing item 2A

#### 2B) Hunter Valley CSD Park & Recreation Powers – Rescinded by Resolution 21-06

The Commission received a staff report and Chair Vice-Chair Short requested a staff report. Staff reported that the prior commission action approving the activation of Park & Recreation Powers was not valid due to there not being a property tax revenue sharing agreement in place, per CA Revenue and Taxation Code Section 99(b)(6). Staff outlined the following steps to remedy this:

1. LAFCO Commission rescinds powers activation at this hearing
2. County & District Property Tax revenue agreement (not a LAFCO function)
3. LAFCO Certificate of Filing, after tax share agreement
4. LAFCO hearing on powers activation. After certificate filing.

Vice-Chair Short opened the public hearing; Sally Rogers, representing the Hunter Valley CSD, commented on the frustration the CSD feels over delays in the powers activation process. She acknowledged the community efforts towards park development, including donations of funds and playground equipment, mowing and improvement of a bus stop. She requested that the Commission move quickly to activate powers so that the CSD could request park parcel transfer from the County.

Commissioners asked for clarification on the property tax revenue sharing agreement. Even if the agreement is for no change in property tax allocations, the Del Norte County Board of Supervisors must still take an action per CA Revenue and Taxation Code Section 99(b)(6). Commissioners discussed dates and identified September 14, 2021 as the next Board of Supervisors meeting date where the



**Del Norte Local Agency Formation Commission**  
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**August 23, 2021 4:00 pm**

agreement could be considered. The Commission directed Del Norte LAFCo staff to schedule and notice a special meeting to bring back the activation of powers, after the County agreement is complete.

On a motion by Commissioner Inscore, seconded by Commissioner Berkowitz and carried by a 3-0 vote the Commission approved the rescinding of Hunter Valley CSD Park & Recreation Powers by Resolution 21-06.

**2A) Crescent City Harbor District MSR/SOI Update (CONTINUED) - by Resolution 21-05**

The Commission received a staff report and Vice-Chair Short opened the public hearing. Staff reported that the new CEO/Harbormaster had the opportunity to review the Draft MSR /SOI Update and had provided several comments. The comments have been incorporated into the MSR /SOI Update. Commissioner Inscore commented on the sustainability of relying on grants as a long-term revenue source. He also inquired into the District / County agreement for allocation of Measure C funds and requested that staff inquire as to whether that agreement could be modified.

On a motion by Commissioner Berkowitz, seconded by Commissioner Inscore and carried by a 3-0 vote the Commission approved the Crescent City Harbor District MSR/SOI Update by Resolution 21-05.

**3. Regular Business**

**3A) Draft Minutes June 28, 2021**

On a motion by Commissioner Inscore, seconded by Commissioner Berkowitz and carried by a 3-0 vote the Commission approved the June 28, 2021 Minutes

**3B) Public Member Recruitment**

The Commission directed staff to initiate public member recruitment. They will also make announcements at upcoming City Council and Board of Supervisors meetings to publicize the recruitment.

**3C) FY 2020-21 Year End Budget Review & Amendment**

Staff presented the FY 2020-21 Year End revenues and expenses, with expenses slightly exceeding revenues. On a motion by Commissioner Berkowitz, seconded by Commissioner Inscore and carried by a 3-0 vote the Commission approved the Budget Amendment and Fund Transfer Request of \$1,458.81 from the Unrestricted reserve fund to the FY 2020-21 Budget.

**3D) CALAFCO 2021 Annual Conference Voting Delegates**

On a motion by Commissioner Berkowitz, seconded by Commissioner Inscore and carried by a 3-0 vote the Commission approved Commissioner Inscore as the

**Del Norte Local Agency Formation Commission**  
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CALAFCO 2021 Annual Conference Primary Voting Delegate. The Executive Officer would serve as alternate.

**4. Inquiries, Correspondence, Application Status and Referrals**

**4A) Staff - The Executive Officer will provide a report of current projects, issues of interest, and pending legislation. CALAFCO Award Nomination.**

Staff reported that Commissioner Inscore had been nominated for a CALAFCO Award.

**4B) 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

**4C) 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 5:05 PM. Next Regular Meeting: January 19, 2022.

**DEL NORTE LOCAL AGENCY FORMATION COMMISSION**

1125 16<sup>th</sup> Street, Suite 202  
Arcata, California 95521  
TEL (707) 825-9301 FAX (707)825-9181  
eo@delnortelafo.org

**ATTACHMENT 4B**

MEETING DATE: January 24 2022  
TO: Del Norte Local Agency Formation Commission  
FROM: George Williamson AICP, Executive Officer  
SUBJECT: Public Member Recruitment for 2022-26 Term

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**RECOMMENDATION**

Staff recommends the Commission direct staff to continue recruiting to fill the public member vacancy, and schedule evaluation of applicants and potential selection at a future Commission meeting. This could include interviews.

**DISCUSSION**

The current public member term expired at the end of 2021. The following describes the actions to appoint a public member position on the Commission for the 2022-26 Term. As directed by the Commission, the Executive Officer will notice the vacancy as described below.

The Executive Officer will send notice of vacancy to special districts and the City of Crescent City and other organizations as deemed appropriate. In addition, the notice of vacancy will be posted on the Del Norte LAFCo website. Unless otherwise directed by the Commission, an application period of 30 days from the date of the posting of the notice will be established for acceptance of applications. The notice and application form are attached.

Del Norte LAFCo invited interested persons to apply for the position of the public member on the Commission. The position is a four-year term from January 2022 to December 2026. The public member who is elected will serve as a voting member.

Applicants must be residents of Del Norte County, regularly attend meetings, and not be officers or employees of the county, city, or special district within the county. Prior involvement in or experience with issues of local concern is desired. The elected member is a public official who is required to file a standard financial disclosure statement annually with the California Fair Political Practices Commission.

Interested Individuals should send their application and resume with applicable experience and/or service electronically to [eo@delnortelafo.org](mailto:eo@delnortelafo.org), or by mail to Del Norte LAFCo at 1125 16<sup>th</sup> Street, Suite 202, Arcata, CA 95521, by January 31, 2022. The initial application due date was January 7, 2022. No applications were received by that initial filing date. Therefore, the filing date was extended to January 31 2022.

Attachments: NOTICE OF POSITION AVAILABILITY: PUBLIC MEMBER  
APPLICATION: PUBLIC MEMBER

**NOTICE OF POSITION AVAILABILITY:  
PUBLIC MEMBER**

The Del Norte Local Agency Formation Commission (LAFCo) invites interested persons to apply for the position of the public member on the Commission, for a term ending in January 2026. The public member elected will serve as a “voting member”.

LAFCo is an independent regulatory agency charged with encouraging the orderly formation and development of local governmental agencies, preserving agricultural resources, discouraging urban sprawl, and assuring efficient local government services. LAFCo meets, as needed, six times per year on the fourth Monday of the month at the Del Norte County Administrative Center, Board of Supervisors Chambers, 981 H Street, Suite 100, Crescent City at 4:00 p.m. The meetings are held remotely during the COVID-19 Pandemic.

The Commission is composed of five voting members representing local government and the public: two members representing the County of Del Norte, two members representing the City of Crescent City, and one member representing the general public. There are also three alternate members that represent each category - county, city, and public - who vote only in the absence of a voting member.

Interested individuals must be residents of Del Norte County, be able to attend LAFCo meetings, and not be officers or employees of the county, city or special district within the county. Previous involvement in or experience with issues of local concern in Del Norte County is desired. The public member is a public official and is required to file a standard financial disclosure statement annually with the California Fair Political Practices Commission.

Candidates for the position must complete an application form and provide a qualifications statement indicating applicable experience and/or service. All application materials must be submitted to Del Norte LAFCo, 1125 16th Street, Suite 202, Arcata, CA 95521. Interviews of candidates will be held at a Commission meeting. The Del Norte LAFCo Commission will make the Public Member appointment by the end of 2021.

For more information, please call George Williamson, LAFCo Executive Officer, at (707) 825-9301 or email [eo@delnortelafco.org](mailto:eo@delnortelafco.org).

**APPLICATION: PUBLIC MEMBER**

Candidates for the position of public member must complete this application and provide a supplemental resume. All application materials must be submitted by email, or to the LAFCo office at 1125 16th Street, Suite 202, Arcata, CA 95521.

DATE:

NAME:

ADDRESS:

PHONE:

E-MAIL:

LENGTH OF RESIDENCE IN DEL NORTE COUNTY:

ARE YOU AN OFFICER/ EMPLOYEE OF THE COUNTY, A CITY OR SPECIAL DISTRICT WITHIN DEL NORTE COUNTY?

PRESENT OCCUPATION:

DUE TO YOUR CURRENT EMPLOYMENT OR OCCUPATION, DO YOU ANTICIPATE ANY CONFLICTS OF INTEREST REGARDING DECISIONS YOU WILL BE ASKED TO MAKE AS A LAFCO MEMBER? IF SO, PLEASE EXPLAIN.

ORGANIZATION MEMBERSHIP(S):

SPECIAL INTERESTS/ EXPERIENCE:

3 REFERENCES (NAME AND PHONE);

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

**ATTACHMENT 4C**

MEETING DATE: January 24, 2022  
TO: Del Norte Local Agency Formation Commission  
FROM: George Williamson AICP, Executive Officer  
SUBJECT: General Counsel Services - Qualifications Review & Selection

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**RECOMMENDATION**

Staff recommends the Commission Review Qualifications & Select General Counsel.

The Del Norte Local Agency Formation Commission (LAFCo) requested Statements of Qualifications from qualified attorneys or law firms interested in providing LAFCo with the following general legal services:

- Routine legal advice, telephone and personal consultations with LAFCo staff and Commissioners.
- Review and/or preparation of staff reports, ordinances, resolutions, agreements, contracts, forms, notices, certificates, and other LAFCo required documents.
- Attendance (in person or remotely) at LAFCo regular and special meetings.
- meetings (in person or remotely) with staff and Commissioners when necessary.

Del Norte LAFCo will award a contract to a single attorney or firm to represent LAFCo in all routine legal matters. LAFCo may also contract for specialized legal services outside of this solicitation. LAFCo is an Equal Opportunity Employer and does not discriminate on the basis of race, color, national origin, sex, religion, age or handicapped status in employment or the provision of services. It reserves the right to accept or reject any and all qualification packages either in whole or in part with or without cause, waive any conditions provided in the RFQ or cancel the RFQ. LAFCo shall make the award to respondent that would serve in LAFCo's best interest.

**MINIMUM QUALIFICATIONS**

The selected attorney or firm must meet and comply with the following requirements:

- Admitted to practice law in State of California and be in good standing.
- Familiarity with Cortese-Knox-Hertzberg Local Government Reorganization Act; California Environmental Quality Act; special district law; Brown Act; and related California Codes.
- Professional liability insurance.
- Confirmation that firm is free from potential conflicting interests.

## SUBMITTAL REQUIREMENTS

Each respondent was requested to submit the following:

**Letter of Interest**, not exceeding three pages, summarizing attorney or firm's expertise, qualifications and approach to providing services to a small LAFCo with limited budget. The letter shall include the attorney or firm name, mailing address, telephone number, e-mail address, and name of contact for further information.

**Qualifications and Related Experience**, with sufficient information to address the minimum qualifications above.

**Resumes and References**, of firm's principal and key personnel assigned to this engagement; contact information and e-mail address for three references.

Qualifications were received by 5:00 p.m. September 28, 2021 by email to:  
Del Norte LAFCo Executive Officer George Williamson AICP [eo@delnortelafco.org](mailto:eo@delnortelafco.org)

Four submittals were received;

Colantuono, Highsmith, Whatley, PC,  
The Mitchell Law Firm, LLP, and

Dohn R. Henion,  
Underwood Law Offices, P.C.

The applicants each provided information on their respective firm and practice and responded to the RFQ.

While well qualified, Dohn R. Henion serves as legal counsel for several Special Districts in Del Norte County. This may pose a conflict of interest for LAFCo. A long time Del Norte County resident, Mr. Henion has relocated to Southern Oregon. Colantuono, Highsmith, Whatley, PC are also well qualified, serving multiple LAFCos throughout California. One of the firm's partners, Michael Colantuono is very active in CALAFCO. While highly qualified, they're furthest away, with their closest office in Grass Valley. Although meetings are currently online, travel to and from Grass Valley would be expensive when in person meetings resume. They also have the highest rates of the four firms.

The Mitchell Law Firm, LLP is based in Eureka California, provides general counsel services to Humboldt LAFCo, and have a thorough understanding of LAFCo law and practices. They have Del Norte LAFCo experience on the Fairgrounds Park and Recreation District formation. Underwood Law Offices, P.C. located in Weaverville California, provides general counsel services to Shasta LAFCo and also have a thorough understanding of LAFCo law and practices. Hourly rates are slightly lower for Jim Underwood, which is an important consideration given the limited budget. Both are well qualified for the position and should be considered for the position.

Attachments - Submittals for:

The Mitchell Law Firm, LLP, and  
Underwood Law Offices, P.C.

*Note*, should the Commission want to see qualification submittals of the others, they will be provided.



# THE MITCHELL LAW FIRM, LLP

CLIFFORD B. MITCHELL (1927 - 2010)

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RUSSELL S. GANS  
NICHOLAS R. KLOEPPEL  
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EMERY F. MITCHELL (1896 - 1991)  
WALTER J. CARTER (1949 - 1993)  
R.C. DEDEKAM (1929 - 2011)

\* Of Counsel

\*\* Provisionally Licensed

September 28, 2021

Del Norte Local Agency Formation Commission  
Attn: George Williamson  
1125 16<sup>th</sup> Street, Suite 202  
Arcata, CA 95521

## **Re: Response to Request for Qualification for General Counsel Services**

Dear Mr. Williamson:

On behalf of The Mitchell Law Firm, LLP, we write to express our interest in providing General Counsel Services to the Del Norte LAFCo. If selected, Russell S. Gans and Ryan T. Plotz would constitute the primary responsible attorneys for providing services to the Commission with associate attorney Edwin Aguilar providing additional support as needed. Information about our firm is provided below.

### **1. Office Location, Hours of Operation, Contact Information and Year Organized**

Our law office is located at 426 First Street, in Eureka, California. Our offices are open Monday through Friday, from 8:30 A.M. through 5:00 P.M. We can be contacted by mail, telephone: (707) 443-5643 or e-mail. The e-mail address for Russell Gans is: [rgans@mitchelllawfirm.com](mailto:rgans@mitchelllawfirm.com). The e-mail address for Ryan Plotz is: [rplotz@mitchelllawfirm.com](mailto:rplotz@mitchelllawfirm.com).

Our law office was established in 1945. Russell Gans has been with the law firm since 1996. Ryan Plotz has been with the law firm since 2014. Edwin Aguilar joined the firm on February 1, 2021, after passing the California Bar Exam.



## 2. Qualifications and Capabilities

We believe that one of our law firm's strengths is the quality and depth of our attorneys and support staff. While having a primary attorney to interact with the Commission and its Staff would provide continuity, this depth and diversification would allow us to direct a particular issue to an attorney with specific and specialized experience when applicable. It would also provide immediate response to emergency issues when the primary attorney is not available.

### a. Russell S. Gans

Russell ("Russ") Gans was raised in Fortuna, California, where both of his parents taught at Fortuna High School. Russ graduated from Saint Mary's College in Moraga, California with a degree in History in 1992. Russ graduated in the top ten percent of his class, was inducted in the Saint Mary's Honor Society, and received the Henry George Award for outstanding scholarship as a History Major.

Following his undergraduate education, Russ attended the University of Oregon Law School and graduated in the top one-third of his class in May of 1996. While at law school, Russ served as the Business Editor for the *Journal of Environmental Law and Litigation* (a law review) and obtained a Certificate of Completion in Environmental Law and Litigation, which included extended course work in water law, pollution and land use law and related issues. Russ interned for the California Department of Fish and Game during the summer of 1995, working primarily on CEQA and California Endangered Species Act related issues germane to litigation in which the Department was a party.

Russ took and passed the July 1996, California Bar examination, and began employment at The Mitchell Law Firm in the Fall of 1996. His law practice has included civil litigation and substantial work in the firm's commercial and business practice. Russ is involved in a significant amount of the firm's transactional work related to employment, contract and real property law. His real property experience has included purchase and sale agreements, easements and licenses, commercial and residential leases, restrictive covenants, conservation easements, and land use, zoning and permitting/entitlement issues.

Russ is also very active in the firm's municipal practice, and he principally serves on a contract basis as the City Attorney for Blue Lake, Rio Dell, and Trinidad, and

General Counsel for the McKinleyville Community Services District, Manilla Community Services District and Garberville Sanitary District.

Russ is rated “AV Preeminent” by Martindale-Hubbell in both the legal and judicial rating divisions (the highest possible rating), as an attorney possessing the highest level of professional ability and ethical standards.

b. Ryan T. Plotz

Ryan Plotz graduated *cum laude* from San Jose State University in 2009 and received his law degree from UC Davis School of Law, graduating in the top 25% of his class. During law school, Ryan received numerous academic awards, including awards for excellence in Property Law, Legal Writing and Research, Civil Procedure, and Criminal Law. Ryan focused his law school curriculum on municipal law, receiving a public law certificate. Prior to joining The Mitchell Law Firm, Ryan worked as a legal intern for the San Francisco City Attorney’s Office, gaining valuable experience and knowledge on many issues pertinent to California municipalities.

Since joining The Mitchell Law Firm in January of 2014, Ryan has focused his practice on representing public entities, both in an advisory capacity and in the defense of legal claims. Ryan serves as counsel for the Humboldt LAFCo, and serves as City Attorney for Fortuna and Ferndale, and regularly advises the cities of Rio Dell, Trinidad, and Blue Lake. Ryan also serves as District Counsel to other public entity clients, such as the Humboldt Bay Harbor Recreation and Conservation District, the Humboldt Bay Municipal Water District, the Humboldt Community Services District, the Arcata Fire Protection District, and the Smith River Community Services District.

c. Edwin Aguilar

Born and raised in Del Norte County, Edwin Aguilar joined The Mitchell Law Firm on February 1, 2021, after graduating from Santa Clara Law School in 2020 and following completion of his bachelor’s degree in History at University of California, Santa Cruz in June of 2015. While in law school he interned at the Equal Employment Opportunity Commission, gaining valuable experience in employment law matters. He also volunteered at his law schools law center which provides legal services for low-income members of the community.

d. Municipal Law Background and Relevant Experience

Our law firm has substantial experience in municipal and public entity law and litigation. Our law firm currently serves as general counsel for multiple public entities, including: the Humboldt LAFCo; Humboldt Bay Harbor Recreation and Conservation District; the McKinleyville Community Services District; the Humboldt Community Services District; the City of Rio Dell; the City of Ferndale; the City of Fortuna; the City of Blue Lake; the City of Trinidad; the Garberville Sanitary District (on an assignment basis); the Manila Community Services District; the Loleta Community Services District (on an assignment basis); the Arcata Fire Protection District; and the Smith River Community Services District.

Additionally, our law firm regularly represents the Cities of Eureka and Arcata, among others, in various legal matters and litigation. Likewise, our firm has regularly represented the Counties of Humboldt and Del Norte, and at times Mendocino and Siskiyou. Our law firm has successfully defended these public and municipal entities in litigation in both state and federal courts arising out of claims for dangerous conditions on public property, excessive force claims against law enforcement, and legal challenges to various public policy determinations. We also serve many of these entities in non-litigation matters when county counsel or the city attorney has a conflict of interest or is otherwise unable to represent the entity.

Our consultations with public entities on non-litigation matters have included public works project bid procedures; Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Brown Act and Public Records Act inquiries; ordinance preparation and enactment procedure; conflict of interest, personnel matters, public entity tort claim procedures; condemnation and eminent domain procedures; and public entity immunities.

**3. Client References**

Individual references (all in the public entity context) familiar with the work of The Mitchell Law Firm, LLP, and Russ Gans and Ryan Plotz include:

- (1) Colette Metz Santsche, Executive Officer, Humboldt LAFCo; (707) 445-7508.
- (2) Merritt Perry, City Manager, City of Fortuna, 621 11th Street Fortuna, CA 95540, (707) 725-1410.

- (3) Amanda (“Mandy”) Mager, City Manager, City of Blue Lake, 111 Greenwood Ave., Blue Lake, CA 95525 (707) 668-5655.
- (4) Larry Oetker, Executive Director, Humboldt Bay Harbor, Recreation and Conservation District, 601 Startare Drive, Eureka (707) 443-0801.

#### **4. Potential Conflict of Interest Assessment**

As noted, our law firm represented the County of Del Norte in civil litigation matters which has the potential to create a conflict of interest for any direct agreements or disputes between the Commission and the County. Although this representation may have the potential for creating a conflict of interest in limited circumstances, we have been successful in obtaining conflict waivers where the other public entity is being represented by their staff counsel (such as County Counsel).

Although our private practice and client base is diverse, we do not believe that our law office has worked on any matters for any private entity which would present a conflict of interest in representing the Commission.

#### **5. Fee Structure**

We propose providing legal services on an hourly rate basis, billed monthly. Our rates for Russell Gans and Ryan T. Plotz would be \$200.00 per hour. Rates for associates would be \$175 per hour. Paralegals would be billed at \$95 per hour.

We do not foresee the need for much, if any, out-of-town travel. However, if necessary, out-of-town travel costs are charged at actual air travel, hotels, etc. cost incurred without markup. Use of private automobiles for out-of-area travel is charged at the IRS rate. If travel time and actual legal representation results in a day in excess of 8 hours, we generally make an equitable adjustment to the hours billed. (For example, if an attorney spends a 12-hour day in combined travel and representation, the hours billed may be reduced to 10.) If expert consultants are required (primarily in litigation matters) we work with the client in selecting the expert and contracting for the service, and usually have the expert directly bill the client.

If a matter requires extensive copying, the material is sent out to a commercial copy center (unless unusual circumstances of confidentiality, critical document control,

etc., warrant different handling), and charged for reimbursement at the commercial rate without additional markup. Similarly, other work sent out to third parties, such as special shipping charges for large volumes of documents, etc., are charged for reimbursement at provider's rate without markup.

All telephone (including long distance), fax, clerical assistance, computer legal research on-line charges, etc., are considered general overhead and are not charged in addition to the hourly rates.

**6. Additional Information**

We take pride in the tradition and history of our firm. We have several clients (including the County of Humboldt) who have been clients for 30-40 years or more. Each attorney with the firm has started their private practice career here and has remained. One of our younger partners, William Mitchell, is the grandson of firm founder Emery Mitchell and son of our late partner Cliff Mitchell. We have had members of our support staff who worked for us for over 30 years.

We want long-term client relationships. We realize the best way to establish and maintain these relationships is by providing quality legal representation in a manner that is cost-effective for the client. We attempt to bring a practical and common-sense approach to our work, and discuss with the client not only the "legal rights" of the client but whether the client considers the legal product or objective to be cost-effective. We work with the client as a team to ensure that the legal work makes common sense as well as legal sense.

Our billing format provides detailed information on each legal activity performed and the amount of time expended for that activity. We encourage clients to contact us to discuss any questions about legal activities or the amounts of billings.

Although we are obviously biased, we sincerely believe that there is no law firm in Humboldt County that has our firm's depth of legal talent, quality of support staff, background and experience in public entity work. We would very much appreciate the opportunity to discuss this proposal, your legal needs, and the services we can provide with you in more detail.

Thank you for your consideration of our firm.

Very truly yours,

THE MITCHELL LAW FIRM, LLP



Ryan T. Plotz

RTP/kb

# UNDERWOOD LAW OFFICES P.C.

Weaverville Office:  
P.O. Box 2428  
Weaverville, CA 96093  
Telephone: (530) 623-2200

James M. Underwood

Redding Office:  
1274 Court Street  
Redding, CA 96001  
Telephone: (530) 276-8246

September 28, 2021

**DELIVERED BY E-MAIL**  
**(eo@delnortelafco.org)**

Mr. George Williamson, Executive Officer, AICP  
Del Norte LAFCO  
1125 16th Street, Suite 202  
Arcata, CA 95521

Re: Del Norte LAFCO - Request for Qualifications for Legal Counsel

Dear Mr. Williamson:

Attached is a Statement of Qualifications (SOQ), as submitted on behalf of Underwood Law Offices, P. C., in response to Del Norte LAFCO's request for qualifications for legal counsel.

Having represented local agency formation commissions for many years, and given my public agency law practice that has existed for over thirty (30) years, and which continues in several Northern California counties, I am very interested in providing legal counsel services to Del Norte LAFCO.

I appreciate the opportunity to present my firm's qualifications and this letter of interest for your consideration, and look forward to any follow up interview or discussion that might occur.

Sincerely,



JAMES M. UNDERWOOD

JMU/gc

Enclosures

**STATEMENT OF QUALIFICATIONS**

Response to Request for Qualifications Released

Tuesday, September 28, 2021

**DEL NORTE LAFCO**

**1125 16TH STREET, SUITE 202 ARCATA, CALIFORNIA 95521**

**Response Submitted by:**

**UNDERWOOD LAW OFFICE, P.C.**

**121 Forest Avenue, Suite A**

**Weaverville, California 96093**

**September 28, 2021**



# Statement of Qualifications

## 1. Relevant Public Agency Experience

**A. LAFCO Clients.** During my approximately thirty (30) years of law practice in Sacramento, Shasta, Siskiyou, and Trinity counties, I have maintained a broad public agency law practice. During that period of time, I have served as General Counsel for Shasta LAFCO for approximately twenty-four (24) years. I have also provided limited scope legal services to Humboldt LAFCO.

**B. Other Municipal or Public Agency Clients.** For approximately nine (9) months, in 2016, I served as the Interim County Counsel for Siskiyou County, then supervising a staff of four (4) attorneys and advising the Siskiyou County Board of Supervisors on all aspects of federal, state, and local governance. I have also served as general counsel of nine (9) years for the Trinity County Public Utilities District, represent the Butte County Consolidated Oversight Board, and provide contract services to several other local agencies, such as the Trinity County Waterworks District. Lastly, I have also done prior contract legal services work for the City of Redding (code enforcement), and continue to provide general counsel services to the Shasta County Board of Employee Appeals, the Shasta County Board of Assessment Appeals, and the Shasta County Consolidated Oversight Board.

## C. References

### (1) Client Name: Shasta Local Agency Formation Commission

- (a) Client Contact Person – George Williamson, Executive Officer
- (b) Phone and Fax Numbers – (707) 496-0861; eo@shastalafco.org
- (c) Client Physical Address: 999 Mission De Oro Drive, Suite 106, Redding, CA 96003
- (d) Website Address - <http://www.shastalafco.org>
- (e) Type of Services Rendered – General Counsel services.
- (f) Years of Service Provided to Client – Nine (9) continuous years (plus predecessor agency representation)

### (2) Client Name: Butte County Consolidated Oversight Board

- (a) Client Contact Person – Heather MacDonald
- (b) Phone and Fax Numbers – (530) 552-3337
- (c) Client Physical Address – 25 County Center, Suite 213, Oroville, CA 95965
- (d) Website Address - <https://www.buttecounty.net/auditor/Oversight-Board>
- (e) Type of Services Rendered - General Counsel services.
- (f) Years of Service Provided to Client – Two (2)

**(3) Client Name: Trinity Public Utilities District**

- (a) Client Contact Person – Paul Hauser, General Manager
- (b) Phone and Fax Numbers – (530) 623-5536
- (c) Client Physical Address - 26 Ponderosa Ln, Weaverville, CA 96093
- (d) Website Address - <https://www.trinitypud.com>
- (e) Type of Services Rendered – General legal counsel services.
- (f) Years of Service Provided to Client – Nine (9) continuous years.

**(4) Client Name: Trinity County Water Works District**

- (a) Client Contact Person – Craig Hair, General Manager
- (b) Phone and Fax Numbers – (530) 227-5449
- (c) Client Address – P.P. Box 217, Hayfork, CA 96041
- (d) Website Address - <https://trinitycountywaterworks.com>
- (e) Type of Services Rendered - General Counsel services.
- (f) Years of Service Provided to Client – One (1) year.

**2. Law Firm Profile**

**A. Number of years in business.** Underwood Law Offices, P.C., has been incorporated for approximately seven (7) years, with offices in Trinity and Shasta Counties. Principle James M. Underwood has been a partner in several prior law partnerships in Shasta County since 1997, providing civil law services, with a focus on land-use law and public agency practice.

**B. Office location(s) (Include business address).** Underwood Law Offices, P.C. has business offices at 1274 Court Street, in Redding, California; and at 121 Forest Avenue, Suite A, in Weaverville, California.

**C. Rate schedule by job title, as well as rates for other expenses for services/products, as applicable.** Principal James M. Underwood’s public agency rate for general services rendered is \$175 hourly, and \$195 hourly for litigation services. Where requested, services can be more cost-effectively provided using Para-Legal services, under the direct supervision of Mr. Underwood, the rate charged is \$85 hourly. Extraordinary expenses, such as court filing fees, would also be reimbursable.

**3. Team Members/Roles (list primary personnel to be assigned to this project)**

**A. Name, title, role:** Principal James M. Underwood will be the attorney assigned to provide general counsel services, and litigation services when assigned. Grace Cannon, Para-Legal, will provide staff support services under Mr. Underwood’s supervision, when appropriate.

**B. Qualifications of primary personnel proposed for the contract (including licenses and certifications):** Mr. Underwood has been a licensed attorney in California since 1989 (SBN 140973), and has practiced in all facets of public agency law during that entire time, and has a working understanding of Brown Act, California Environmental Quality Act (CEQA), Cortese-Knox-Hertzberg Local Government Reorganization Act, special district laws, and other statutes governing the conduct of local public agency functions. Mr. Underwood has also defended several public agency clients, including Shasta LAFCO, in CEQA, personnel, and other litigation.

**C. Office location of project manager/main point-of-contact:** Mr. Underwood, who will be the primary legal services provider and point-of-contact, divides time between the Redding and Weaverville business locations of Underwood Law Offices, P.C., and is able to provide legal services both in person and remotely, as the client determines appropriate in light of budget and other considerations.

#### **4. Additional Information**

**A. Name** – Underwood Law Offices, P.C.

**B. Address** – 1274 Court Street, Redding CA 96001

**C. Disadvantaged Business Enterprise (DBE) or Not** – No; not a DBE.

**D. Age** - Incorporated for seven (7) years.

**E. NAICS Code** – 922130 (Legal Counsel Services, Government)

**F. Professional Liability Insurance** - Maintained current through Westco Insurance Company.

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

**AGENDA ITEM 4D**

**MEETING DATE:** January 24, 2022  
**TO:** Del Norte Local Agency Formation Commission  
**FROM:** George Williamson AICP, Executive Officer  
**SUBJECT:** FY 2021-22 Midyear Accounting

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**DISCUSSION**

The FY 2021-2022 Midyear accounting is attached. Revenue from the City of Crescent City has been received.

One application filed in the prior FY will be completed this FY, no additional funds needed.

MSR/SOI Preparation costs are \$15,483.75 of the budgeted amount of \$32,000.00, as of December 2021, leaving \$16,516.25 or 52% remaining while Professional Services including both Executive Office and Administrative services are \$18,312.75 leaving \$21,787.25 remaining.

Expected staffing and MSR/SOI Preparation expenditures over the next two quarters of the fiscal year expected to be within budgeted amounts.

No legal counsel or public member stipend expenses have been incurred this FY.

Insurance Costs, incurred at start of FY, \$2,614.83 were slightly over budgeted amount.

CALAFCO Membership costs, also incurred at start of FY, \$1,379.00 were slightly under budgeted amount.

Overall, Del Norte LAFCo is currently under budget.

**RECOMMENDATION**

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

By order of Chair, with Commission concurrence, review FY 2021-2022 Midyear Budget accounting.

**ATTACHMENT**

FY 2021-2022 Midyear Budget Revenues and Expenditure Report

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

FY 2021-22 Midyear Budget Revenues and Expenditure Report

<b>FY 2021-22 EXPENDITURES</b>	<b>Adopted Budget</b>	<b>Quarters 1 &amp; 2</b>
Insurance	\$2,500.00	\$2,614.83
CALAFCO Membership	\$1,385.00	\$1,379.00
Printing	\$50.00	\$0.00
Postage	\$50.00	\$0.00
Professional Services		
MSR/SOI Preparation	\$32,000.00	\$15,483.75
Application Processing	\$10,000.00	\$0.00
Prof. Serv. Exec Officer/ Admin.	\$40,100.00	\$18,312.75
Prof. Serv. Legal Counsel	\$2,000.00	\$0.00
Advertising/Publications	\$400.00	\$0.00
Conferences (CALAFCO)	\$0.00	\$0.00
Interfund-Cost Plan	\$1,692.00	\$710.00
Public Member Stipend (up to 8 mtgs @ \$40/mtg)	\$240.00	\$0.00
<b>TOTAL EXPENDITURES</b>	<b>\$90,417.00</b>	<b>\$38,500.33</b>
<b>FY 2021-22 REVENUES</b>		
Project Revenue (App. Deposits)	\$10,000.00	\$0.00
Interest	\$712.00	\$82.96
Del Norte County	\$39,852.50	\$0.00
City of Crescent City	\$39,852.50	\$39,852.50
Funds from Account #428 010 07100	\$25,284.32	\$23,202.25
<b>TOTAL REVENUES *</b>	<b>* \$90,417.00</b>	<b>* \$39,934.96</b>

\* Does not include Fund #428 010 07100 balance

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

**AGENDA ITEM 4E**

**MEETING DATE:** January 24, 2022  
**TO:** Del Norte Local Agency Formation Commission  
**FROM:** George Williamson AICP, Executive Officer  
**SUBJECT:** Remaining Meeting Dates FY 2021 - 2022

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**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 2022 meeting dates, after today's meeting, are listed below.

March 28, 2022

May 23, 2022

July 25, 2022

September 26, 2022

November 28, 2022

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

**AGENDA ITEM 4F**

**MEETING DATE:** January 24, 2022  
**TO:** Del Norte Local Agency Formation Commission  
**FROM:** George Williamson AICP, Executive Officer  
**SUBJECT:** Municipal Service Review & Sphere of Influence Updates  
Compliance Work Program

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**DISCUSSION**

The Commission conducts Municipal Service Review (MSR) & Sphere of Influence (SOI) Updates on a five year cycle, as stated in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (California Government Code Section 56000 et seq.).

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

In this cycle (2017-2022) twelve of the twenty two MSR SOI Updates have been completed, with the remaining ten scheduled to be completed in FY 2021-22. The MSR SOI Update Compliance Work Program, with approved and planned updates is attached.

For this Fiscal Year:

Three South County (Klamath Area) CSDs: Hunter Valley, Klamath and Redwood Park] area scheduled for initial review at the Jan 24 meeting, then continued to the March 28 meeting to allow more time for District review.

Five Fire Protection Districts (FPDs) in Del Norte County are also due for MSR & SOI reviews in FY 2021-2: Crescent, Fort Dick, Gasquet, Klamath and Smith River FPDs MSR & SOI updates are currently under preparation and are anticipated to be ready for Commission review at the March 2022 meeting.

In addition, two other Community Service Districts (CSDs), Big Rock & Gasquet, CSDs are due for MSR & SOI reviews in FY 2021-22 and are expected to be scheduled for Commission review at the May 23 2022 meeting.

Drafts will be distributed to the Districts for review and comment.

**RECOMMENDATION**

Staff recommends the Commission receive and file this report.

**ATTACHMENT**

MSR & SOI 2021-22 Compliance Work Program

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

**Municipal Service Review (MSR) & Sphere of Influence (SOI) Updates 2021-22**  
**Compliance Work Program – Updated January, 2022**

Agency Name	SOI & MSR Status	Contact Information	Next Update
<b>CITY</b>			
<b>City of Crescent City</b>	MSR & SOI Approved January 2019	377 J. St, Crescent City, CA 95531; Eric Wier; City Manager; (707) 464-7483, <a href="mailto:ewier@ CrescentCity.org">ewier@CrescentCity.org</a>	<b>2024</b>
<b>COMMUNITY SERVICE DISTRICTS</b>			
<b>Bertsch-Ocean View</b>	MSR & SOI Approved April 2020	844 Keller Ave, Crescent City, CA 95531; Charlie Wick, Board President; (707) 218-7021, <a href="mailto:charliewick.1067@gmail.com">charliewick.1067@gmail.com</a>	<b>2025</b>
<b>Big Rock</b>	MSR Approved Nov 2015 & SOI Approved April 2016	P.O. Box 453, Crescent City, CA 95531; Alan Porteous, Board VP <a href="mailto:alan_porteous@msn.com">alan_porteous@msn.com</a> (707) 458-9933	<b>2021-22</b>
<b>Church Tree</b>	MSR & SOI Approved September 2018	251 Church Tree Rd, Cresc. City, CA 95531; Jim Nelson <a href="mailto:Thebaldheadedrealtor@charter.net">Thebaldheadedrealtor@charter.net</a> (707) 465-1753	<b>2023</b>
<b>Gasquet</b>	MSR & SOI Approved 2016	P.O. Box 86, Gasquet, CA 95543; Michael Morgan (707) 457-3450 or (707) 457-3107; <a href="mailto:mjy17413@gmail.com">mjy17413@gmail.com</a>	<b>2021-22</b>
<b>Hunter Valley</b>	MSR & SOI Approved 2016 Part of South County	25 Del Ponte Drive, Klamath CA, 95548; Paul Crandall; <a href="mailto:plcrandall@hughes.net">plcrandall@hughes.net</a> (707) 482-0369	<b>2021-22</b>
<b>HRC</b>	MSR & SOI September 2018	231 Bell Hole Loop, Crescent City, CA 95531; Wes White; (707) 951-4059 <a href="mailto:hrcwater@gmail.com">hrcwater@gmail.com</a>	<b>2023</b>
<b>Klamath</b>	MSR & SOI Approved 2016 Part of South County	P.O. Box 430, Klamath, CA 95548; Margaret Caldwell <a href="mailto:klamathcsd@gmail.com">klamathcsd@gmail.com</a> (707) 482-0245 or 482-1375	<b>2021-22</b>
<b>Redwood Park</b>	MSR & SOI Approved 2016 Part of South County	P.O. Box 650, Klamath, CA 95548; Robert Nulph, Chairperson <a href="mailto:rnulph@delnorte.k12.ca.us">rnulph@delnorte.k12.ca.us</a> ; (707) 482-9295	<b>2021-22</b>
<b>Smith River</b>	MSR & SOI Approved September 2018	241 W. 1 <sup>st</sup> St, Smith River, CA 95567; Eric Shearer General Manager <a href="mailto:general.manager@srwater.net">general.manager@srwater.net</a> O: (707) 487-5381, F: (707) 487-5191	<b>2023</b>



Agency Name	SOI & MSR Status	Contact Information	Next Update
<b>FIRE DISTRICTS</b>			
<b>Crescent City F&amp;R</b>	MSR & SOI Approved 2016 Countywide Fire MSR	255 W. Washington, Crescent City 95531; Bill Gillespie Fire Chief; (707) 464 2421; <a href="mailto:bjillespie@crescentcity.org">bjillespie@crescentcity.org</a>	<b>2021-22</b>
<b>Fort Dick FPD</b>	MSR & SOI Approved 2016 Countywide Fire MSR	P.O. Box 369, Fort Dick, CA 95538; Randy Crawford <a href="mailto:fortdickfire@aol.com">fortdickfire@aol.com</a> (707) 487-8185; <a href="mailto:FDFD81@aol.com">FDFD81@aol.com</a>	<b>2021-22</b>
<b>Gasquet FPD</b>	MSR& SOI Approved 2016 Countywide Fire MSR	P.O. Box 85, Gasquet, CA 95543; Nick Karanopoulos, (707) 457-3332; <a href="mailto:gasquetvfd@charter.net">gasquetvfd@charter.net</a>	<b>2021-22</b>
<b>Klamath FPD</b>	MSR & SOI Approved 2016 Countywide Fire MSR	P.O. Box 369, Klamath, CA 95548; Lonnie Levi Fire Chief 482-3311 <a href="mailto:lilevi@hotmail.com">lilevi@hotmail.com</a>	<b>2021-22</b>
<b>Smith River FPD</b>	MSR & SOI Approved 2016 Countywide Fire MSR	P.O. Box 187, Smith River, CA 95567; Fire Chief Ron Simpson; (707) 487-5621; <a href="mailto:srchief91@yahoo.com">srchief91@yahoo.com</a> <a href="mailto:smithriverfireprotectiondistrict@smithriverfire.com">smithriverfireprotectiondistrict@smithriverfire.com</a>	<b>2021-22</b>
<b>OTHER DISTRICTS</b>			
<b>County Service Area (CSA) No.1</b>	MSR & SOI Approved April 26 2021	981 H Street, Suite 110, Crescent City, CA 95531; Heidi Kunstal, Del Norte County Community Development Director, <a href="mailto:hkunstal@co.del-norte.ca.us">hkunstal@co.del-norte.ca.us</a> , (707) 464- 7254; Rosanna Bower, PE, Assistant County Engineer, <a href="mailto:rbower@co.del-norte.ca.us">rbower@co.del-norte.ca.us</a> , (707) 464-7229	<b>2026</b>
<b>Crescent City Harbor District</b>	MSR & SOI Approved August 2021	101 Citizens Dock Road, Crescent City, CA 95531; (707) 464-6174; Tim Petrick, CEO Harbormaster, <a href="mailto:tpetrick@ccharbor.com">tpetrick@ccharbor.com</a>	<b>2026</b>
<b>Del Norte Co. Health Care</b>	MSR & SOI Approved July 2019	P.O. Box 2064, Crescent City, CA 95531; Doris Hendricks, Executive Secretary; (707) 464-9494; <a href="mailto:dnhcd@delnortehealth.com">dnhcd@delnortehealth.com</a>	<b>2024</b>
<b>Del Norte Co. Library</b>	MSR & SOI Approved July 2019	190 Price Mall, Crescent City, CA 95531; Phyllis Goodeill Library Manager (707) 464-9793, <a href="mailto:pgoodeill@delnortecountylibrary.org">pgoodeill@delnortecountylibrary.org</a>	<b>2024</b>
<b>Del Norte Resource Conservation District</b>	MSR & SOI Approved April 2021	241 1st Street, Unit B, Smith River, CA 95567; (707) 487-7630 Brian Ferguson, Board Chair; - <a href="mailto:delnorteRCD@yahoo.com">delnorteRCD@yahoo.com</a>	<b>2026</b>
<b>Smith River Cemetery</b>	MSR & SOI Approved June 2021	P.O. Box 762, Smith River, CA 95567; John Roberts Board Member <a href="mailto:at17722@hotmail.com">at17722@hotmail.com</a> (707) 487-6705	<b>2026</b>
<b>Del Norte Fairgrounds Recreation and Park</b>	District Formed/ MSR Approved June 2020	PO Box 402, Crescent City, CA 95531; (707) 464-9556, Robyn Holt, Board Chair, <a href="mailto:rholt@dnctrpd.org">rholt@dnctrpd.org</a>	<b>2025</b>