

MEETING AGENDA

Del Norte Local Agency Formation Commission VIDEO/TELECONFERENCE MEETING March 28, 2022 4:00 pm

LISTEN TO THE MEETING AND COMMENT REMOTELY:

Join Zoom Meeting:

<https://us02web.zoom.us/j/82623580559?pwd=TEVoK0xKVjRWVXhZbFVqTDV4YnR5Zz09>

Meeting ID: 826 2358 0559

Passcode: 646663

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)

ADD AB 361 REFERENCE

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

PLEASE SUBMIT ANY PUBLIC COMMENTS AHEAD OF TIME IF AT ALL POSSIBLE. Please send comments to eo@delnortelafo.org. Your comment will be limited to 3000 characters. Your comment will be read aloud during the public comment period. Comments for general public comment and specific agenda items may be submitted until 2 p.m. on Monday 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 16th Street Suite, 202 Arcata, CA 95521. Written comments must be received by 2 p.m. Monday March 28, 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 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/Acknowledgements/Appointments

Pledge of Allegiance

Acknowledgement of any new Commissioners: County Supervisors or City Council

Certificate of Appreciation to *Supervisor Berkowitz's Family*

Public Member Appointment (ATTACHMENT 1A)

General Counsel Introduction

Del Norte Local Agency Formation Commission
VIDEO/TELECONFERENCE MEETING
March 28, 2022 4:00 pm

2. Public Hearings

- A. Continued - South County Community Services Districts MSR/SOI Update (ATTACHMENT 2A)
- B. Fiscal Year 2022-2023 Draft Budget (ATTACHMENT 2B)

3. Regular Business

- A. Draft Minutes January 24, 2021 (ATTACHMENT 3A)
- B. SB 938 SUPPORT: Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000: protest proceedings: procedural consolidation (ATTACHMENT 3B)

4. Inquiries, Correspondence, Application Status and Referrals

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

5. Adjournment

Next Regular Meeting Scheduled for May 23, 2022.

ATTACHMENT 1A

MEETING DATE: March 28 2022
TO: Del Norte Local Agency Formation Commission
FROM: George Williamson AICP, Executive Officer
SUBJECT: Public Member Selection for 2022-26 Term

DISCUSSION

In accordance with G.C. Section 56325(d), the Commission is the appointing authority for public members on LAFCo. The current public member term expired at the end of 2021 and a vacancy exists for the 2022-2026 term. In December 2021, a notice of vacancy for the public member position was published in the Triplicate and posted on the Del Norte LAFCo website. Two applications were received by the January 31, 2022 deadline as provided below.

Lyle Armstrong

Armstrong is currently a resident of Smith River, CA. He has a Fire Science AAS degree from Casper College in Casper Wyoming. Armstrong graduated from the United States Fire Administration (USFA)/National Fire Academy (NFA) Executive Fire Officer Program in 2009. He has various State of Wyoming certifications relating to fire and emergency medical. Currently, he's working as both an EMT and Training Program Manager part-time for Del Norte Ambulance. Armstrong previously served on the Smith River FPD Board of Directors. He's also served as Sweetwater County WY Ambulance Service Board Chairman, served on the Wyoming Fire Chief's Legislative Committee and as Wyoming Fire Chiefs' Association President.

Daniel Schmidt

Schmidt is currently a retired Criminal Defense Attorney living in Crescent City, CA. He has a Journalism Degree from California State University, Northridge and a Construction and Real Estate degree from Victor Valley College in Victorville, CA. Schmidt's application lists State Bar of California membership and serving as Director of Coachella Valley Housing Coalition. He has previously worked as Moorpark News & Moorpark Mirror editor and publisher, was a real estate Broker in Victor Valley and Apple Valley, CA, a Ventura County Public Defender's office law clerk, Deputy Public Defender in Indio, CA, a Criminal Defense Attorney in Coachella Valley and Riverside Counties and was most recently a Del Norte County Deputy Probation Officer.

Recommendation

Staff recommends the Commission consider action on the public member appointment for the 2022-2026 term. The Commission is invited to discuss the item, ask follow-up questions of candidates in attendance, and provide direction to staff as needed. This appointment is subject to a majority vote and the affirmative vote of at least one City Member and one County Member.

Attachments: APPLICATIONS: PUBLIC MEMBER

APPLICATION: PUBLIC MEMBER

Candidates for the position of public member must complete this application and provide a short resume. All application materials may be submitted by email to eo@delnortelaftco.org or mailed to the LAFTCo office at 1125 16th Street, Suite 202, Arcata, CA 95521, on or before January 7, 2022.

DATE: January 24, 2022

NAME: Lyle D. Armstrong

ADDRESS: 15500 U.S. Highway 101 North
Smith River, CA 95567

PHONE: 307-389-5354

E-MAIL: lyle.in.ca@gmail.com

LENGTH OF RESIDENCE IN DEL NORTE COUNTY: Seven Years

ARE YOU AN OFFICER/ EMPLOYEE OF THE COUNTY, A CITY OR SPECIAL DISTRICT WITHIN DEL NORTE COUNTY? No

PRESENT OCCUPATION: Retired

DUE TO YOUR CURRENT EMPLOYMENT OR OCCUPATION, DO YOU ANTICIPATE ANY CONFLICTS OF INTEREST REGARDING DECISIONS YOU WILL BE ASKED TO MAKE AS A LAFTCO MEMBER? IF SO, PLEASE EXPLAIN. No

ORGANIZATION MEMBERSHIP(S): N/A

SPECIAL INTERESTS/ EXPERIENCE: Emergency Services. Training.

3 REFERENCES (NAME AND PHONE):

Ron Sandler 707 – 218 – 7824

Charlie Cox 707 – 954 – 5411

John Pricer 707 – 954 – 7923

Lyle D. Armstrong
15500 U.S. Highway 101 North, Smith River, CA 95567
(307) 389-5354
L_Armstrong@yahoo.com

Profile

- Thirty years of progressively responsible experience. Involvement with committees and organizations at local, county, state, and national levels.
 - Strong qualifications in personnel affairs, resource management, training, budgeting, public safety, and customer service.
 - Well-developed analytical skills evidenced by the ability to continuously improve organizational operations.
 - Organized, highly motivated, and detail directed problem solver.
 - Reputation for strong work ethic and uncompromising devotion to service.
-

Education

High School: Rock Springs High School
Rock Springs, WY
Graduated, May 1975

College: Casper College
Casper, WY
AAS Fire Science, May 1997

United States Fire Administration/National Fire Academy
Executive Fire Officer Program
Graduated, February 2009

Professional Certifications/Licenses

- Wyoming State Certified NFPA Fire Officer III
 - Wyoming State Certified NFPA Fire Service Instructor II
 - California State/NREMT Certified Emergency Medical Technician - I
 - Wyoming State Certified NFPA Fire Incident Safety Officer
 - Wyoming State Certified Fire Apparatus Operator
 - Wyoming State Certified NFPA Fire Investigator I
 - Wyoming State Certified NFPA Fire Inspector I
 - Confined Space and Rope Rescue Technician
 - California Class C Drivers License
 - NIMS IS-800, IS-700, IS-100, IS-200, IS-300
 - NFA *Executive Analysis of Fire Service Operations in Emergency Management* (NFA equivalency for IS-300 and IS-400)
-

Professional Experience

Current Responsibilities

- EMT – part time, Del Norte Ambulance Crescent City, CA
May 2016 to present
- Training Program Manager – Del Norte Ambulance Crescent City, CA
January 2018 to present

Past Experience

- Director, Smith River, CA Fire Protection District Board of Directors
September 2015 to December 2016
September 2017 to December 2018
 - Fire Chief, City of Rock Springs, WY Fire Department
March 2008 to December 2014
 - Administrator, State of Wyoming Regional Emergency Response Team IV
March 2008 to December 2014
 - Emergency Management Coordinator, City of Rock Springs, WY
March 2008 to December 2014
 - Chairman, Sweetwater County, WY Ambulance Service Board – Rock Springs
January 2013 to December 2014
 - Wyoming Fire Chiefs' Legislative Committee, Member
January 2005 to December 2014
 - Contract Industrial Emergency Response Team Trainer
February 2003 to December 2014
 - Sweetwater County, WY Local Emergency Planning Committee, Member
May 1994 to December 2014
 - Wyoming Fire Chiefs' Association, President
April 2010 to April 2012
 - Wyoming Firefighter's Certification Committee, Member
January 1999 to April 2011
 - Chairman, Wyoming Firefighter's Certification Committee
January 2002 to January 2008
 - Battalion Chief, City of Rock Springs, WY Fire Department
September 1993 to March 2008
 - City of Rock Springs, WY Emergency Management Coordinator
July 1995 to June 1999
 - City of Rock Springs, WY Emergency Management Deputy Coordinator
September 1993 to July 1995
 - Captain, City of Rock Springs, WY Fire Department
June 1991 to September 1993
 - Firefighter, City of Rock Springs, WY Fire Department
September 1989 to June 1991
-

Daniel J. Schmidt

P.O. Box 22
Crescent City, CA 95531
Cell/Text: 760-953-5321

January 28, 2022

George Williamson, AICP, Executive Officer
Del Norte County LAFCo
1125 16th St., Suite 202
Arcata, CA 95521

Re: LAFCo Public Member Vacancy

Dear Mr. Williamson:

Please accept my application for the position of Public Member of the Del Norte County Local Agency Formation Commission.

My application and resume are attached hereto.

Local control by local people who know the needs of their community best must be maintained so that government response to the many future changes, foreseen or not, will be the product of thoughtful study, deliberation, and familiarity. LAFCo's guidance and support helps keep the focus where it belongs, and not necessarily where special interests and entrenched attitudes are the loudest voices in the room.

I came to Del Norte County just 16 months ago to devote myself to the service of this community. I have no local affiliations that would compromise my independence and objectivity as a Public Member.

As a weekly newspaper editor in the 1980s, I observed the rapid growth and development of Moorpark in Ventura County as it exploded in just a few years from a small agricultural town of 7,000 residents to a newly incorporated city of 27,000. As you might imagine, there was plenty of news to report.

Just a few years ago my own application for annexation of my 1.25-acre homestead into a San Bernardino County water district was a process that was remarkably smooth, quick, and professional. It was a fine example of how a government agency should operate.

I seek to fill the Public Member vacancy with an eagerness to serve alongside other ordinary citizens who have also devoted themselves to the service of Del Norte County. Thank you for your consideration.

Sincerely,

Daniel J. Schmidt

**DEL NORTE COUNTY LOCAL AGENCY FORMATION COMMISSION
APPLICATION: PUBLIC MEMBER**

DATE: January 28, 2022

NAME: Daniel J. Schmidt

ADDRESS: P.O. Box 22, Crescent City, CA 95531
I physically reside in an RV adjacent to 1305 Second St., Crescent City, CA 95531.
I am in the process of refurbishing the apartment/commercial building that I
purchased last year, and where my RV is parked.

PHONE: 760-953-5321 (cell phone and text)

E-MAIL: dps9ii@aol.com I share this email address with my wife Phyllis.

LENGTH OF RESIDENCE IN DEL NORTE COUNTY:
16 months

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

No. I was a deputy probation officer from January to April 2021.

PRESENT OCCUPATION:

Retired criminal defense attorney.

**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:**

No.

I own a mixed-use building at 1305 Second St., Crescent City, now in the process of renovation, and a
11,000 square-foot vacant lot near the Battery Point Lighthouse.

ORGANIZATION MEMBERSHIPS:

State Bar of California. Former director, Coachella Valley Housing Coalition.

SPECIAL INTERESTS / EXPERIENCE:

Present and potential future uses of land; commercial and economic vitality;
lower income home ownership; addressing issues related to homelessness.

3 REFERENCES (NAME AND PHONE):

Louise Wilson, 707-954-1284
Dennis Patterson, 831-325-7405
Allen Deines, 707-464-5521

Daniel J. Schmidt

P.O. Box 22
Crescent City, CA 95531
Cell/text 760-953-5321
E-mail dps9ii@aol.com

Work Experience

Deputy Probation Officer, Del Norte County, January to April 2021. Released during probation.

Criminal Defense Attorney, sole practitioner, Coachella Valley & Riverside County, 2008-2020.

Deputy Public Defender, Indio, CA, 2000 to 2008.

Law Clerk, Ventura County Public Defender, Ventura, CA, 1994-1997.

Real Estate Broker, Victor Valley & Apple Valley, CA, 1998-2000.

Editor & Publisher, Moorpark News & Moorpark Mirror, 1978-1989

Sergeant, Armor Crewman, U.S. Army, 82nd Airborne Division, Fort Bragg, NC, 1974-1977.

Education

Ventura College of Law, Ventura, CA. J.D., 1994.

California State University, Northridge, Undergraduate study in journalism, 1978-1982.

Victor Valley College, Victorville, CA, Undergraduate study in construction and real estate, 1998-2000.

College of the Desert, Palm Desert, CA, Undergraduate study in ballroom dancing, 2006. DON'T ASK.

Memberships

Member, State Bar of California, 1994 to present.

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

AGENDA ITEM 2A

MEETING DATE: March 28, 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

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, close the hearing, and consider action on the recommendation:
 1. Approve the South County Community Services Districts Municipal Service Review and Sphere of Influence Update, by Resolution 2022-02

DISCUSSION

This is a noticed public hearing item. A summary of the three Klamath area community services districts included in this Municipal Service Review and Sphere of Influence Update is provided below:

Hunter Valley CSD-water and park and recreation services

HVCSD provides water services and recently received LAFCo approval for latent powers activation of Park and Recreation Services, subject to conditions, at the January 24 2022 LAFCo meeting. HVCSD primarily serves residential uses in the Hunter Creek Subdivision, 38 acres in size with a population of approximately 178. The District provides water services to the community and is requesting transfer of a park parcel from the County of Del Norte.

Redwood Park CSD - water and wastewater services

RPCSD 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 connections within the Redwood Park subdivision.

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 tribal housing. The District's boundary covers 319 acres with a population of approximately 240. The District provides 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

Attachment 2: Resolution 2022-02

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

Commission Hearing Draft Continued to March 2022

Del Norte Local Agency Formation Commission

Commissioners – Voting Members

Jason Greenough	City Member
Darrin Short	Chair & County Member
_____	County Member
Blake Inscore	City Member
_____	Public Member

Commissioners – Alternate Members

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

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.

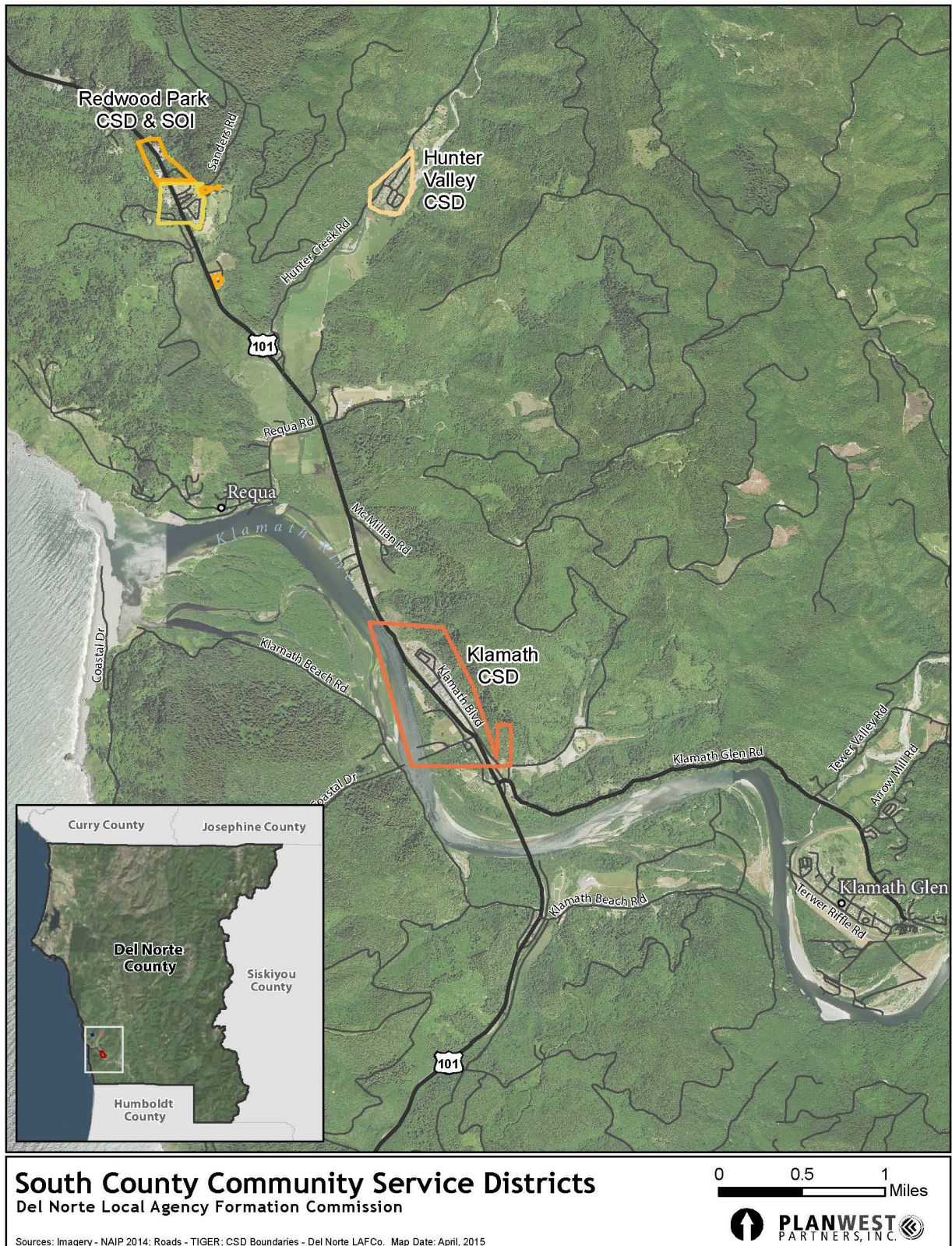
PURPOSE

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

Overview

The Hunter Valley Community Services District (HVCSD) 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.

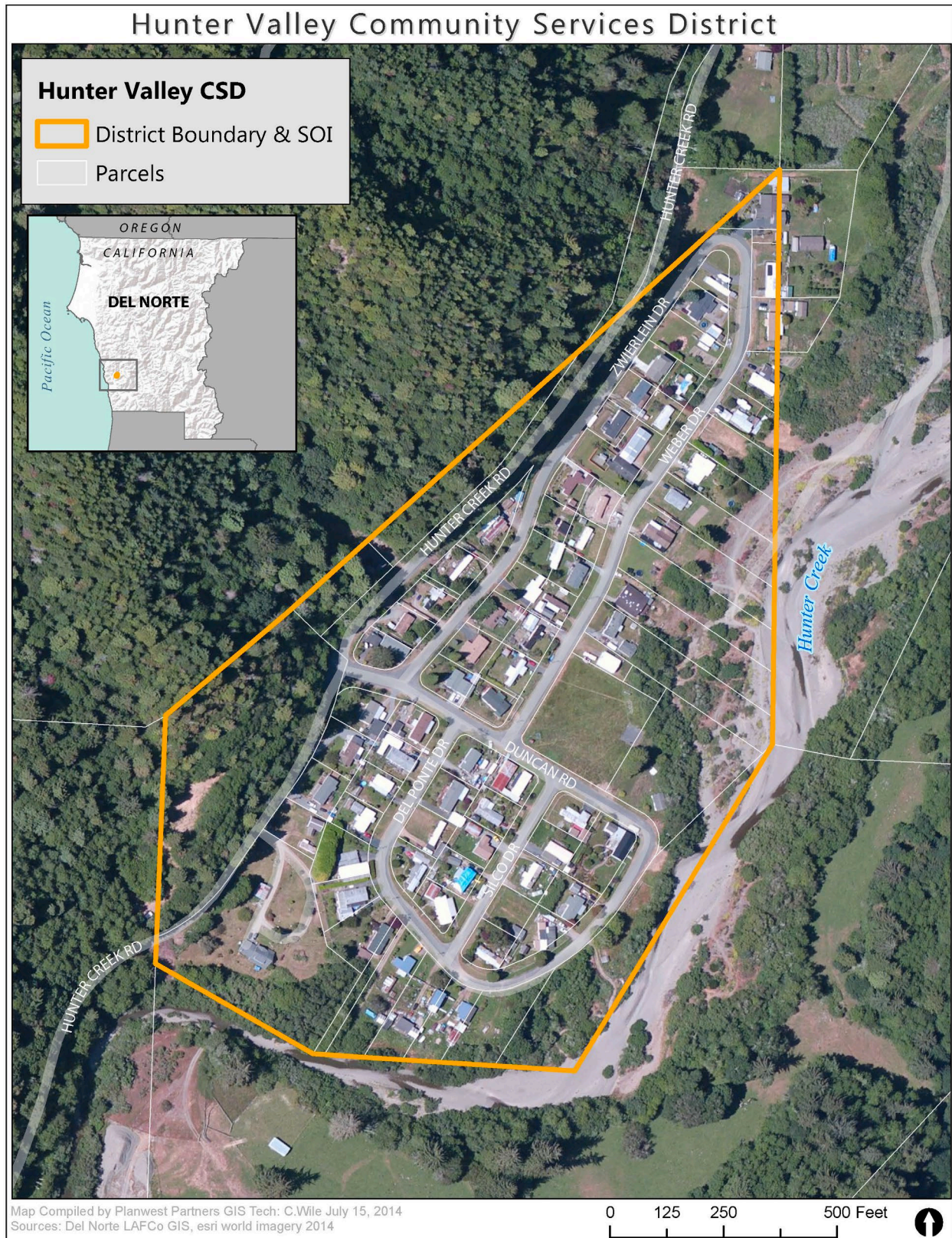
The HVCSD was formed by Resolution of the Del Norte County Board of Supervisors on May 3, 1965 under CSD Law, GC §61000. The special district was formed as an independent special district to provide potable water to residents within the Hunter Creek Subdivision. An annexation was last made to the District 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 HVCSD 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			
Agency Name	Hunter Valley Community Services District		
Date of Formation	May 3, 1965		
Enabling Legislation	State of California GC §61000, et seq.		
Contact			
Contact	Paul Crandall, Secretary Treasurer		
E-mail	plcrandall@hughes.net		
District Office	25 Del Ponte Drive Klamath, CA 95548		
Mailing Address	Same as above		
Phone	(707) 482-0369	Fax:	same, call first
Website	https://www.huntervalleycsd.com/		
Governance			
Governing Body	Board of Directors, elected, 4-year terms		
Board Meetings	Monthly, first Friday of each month, at District Office		
Services			
Services Provided	Potable Water, Parks & Recreation		
Areas Served	Hunter Creek Subdivision		
Acres (District)	Approx. 38	Population (District):	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 most recent Census information, the total Del Norte County population is 27,743. 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 American Community Survey, 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 HVCSD 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

HVCSD'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 HVCSD 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 Water System Upgrades

HVCSD 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.

Parks and Recreation Powers

HVCSD activation of Parks and Recreation powers within the District boundary were approved by Del Norte LAFCo in January 2022, subject to conditions. With the activated powers, the District has requested the County of Del Norte transfer Hunter Creek Park to the District for park purposes. If the transfer is successful, the District will be responsible for maintaining and improving the park.

The District request for the park parcel is based on community interest in having the District managed it for park and recreation use. Property owners have expressed support for additional Parks and Recreation revenues that could be added to annual Water Fee invoices. The revenues will be used for park maintenance and improvement.

If the District receives 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.

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. 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 HVCSD 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 HVCSD.

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
SERVICES & SUPPLIES			
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
OTHER CHARGES			
30500 Department Allotment	\$0.00	\$0.00	\$0.00
TOTAL EXPENDITURES	\$12,200.00	\$12,700.00	\$12,900.00
REVENUES			
90300 Interest	\$0.00	\$0.00	\$0.00
91000 Water	\$12,200.00	\$12,700.00	\$12,900.00
TOTAL REVENUES	\$12,200.00	\$12,700.00	\$12,900.00
NET	\$0.00	\$0.00	\$0.00

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 HVCSD water rate for customers is \$200.00. Table 4 shows the HVCSD 2020-21 Fee Schedule. These charges are invoiced annually per connection and are not metered. According to a HVCSD cost comparison the District charges approximately half the monthly water charge compared to other districts in the region. The District water rates have no overage fees.

Table 4. Hunter Valley CSD Rate Fee Schedule

HVCSD Rate Fee Schedule 2020-2021	
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 HVCSD should consider metering connections, and developing a maximum water allotment per month, with subsequent fees for overages. The District should also encourage conservation.

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

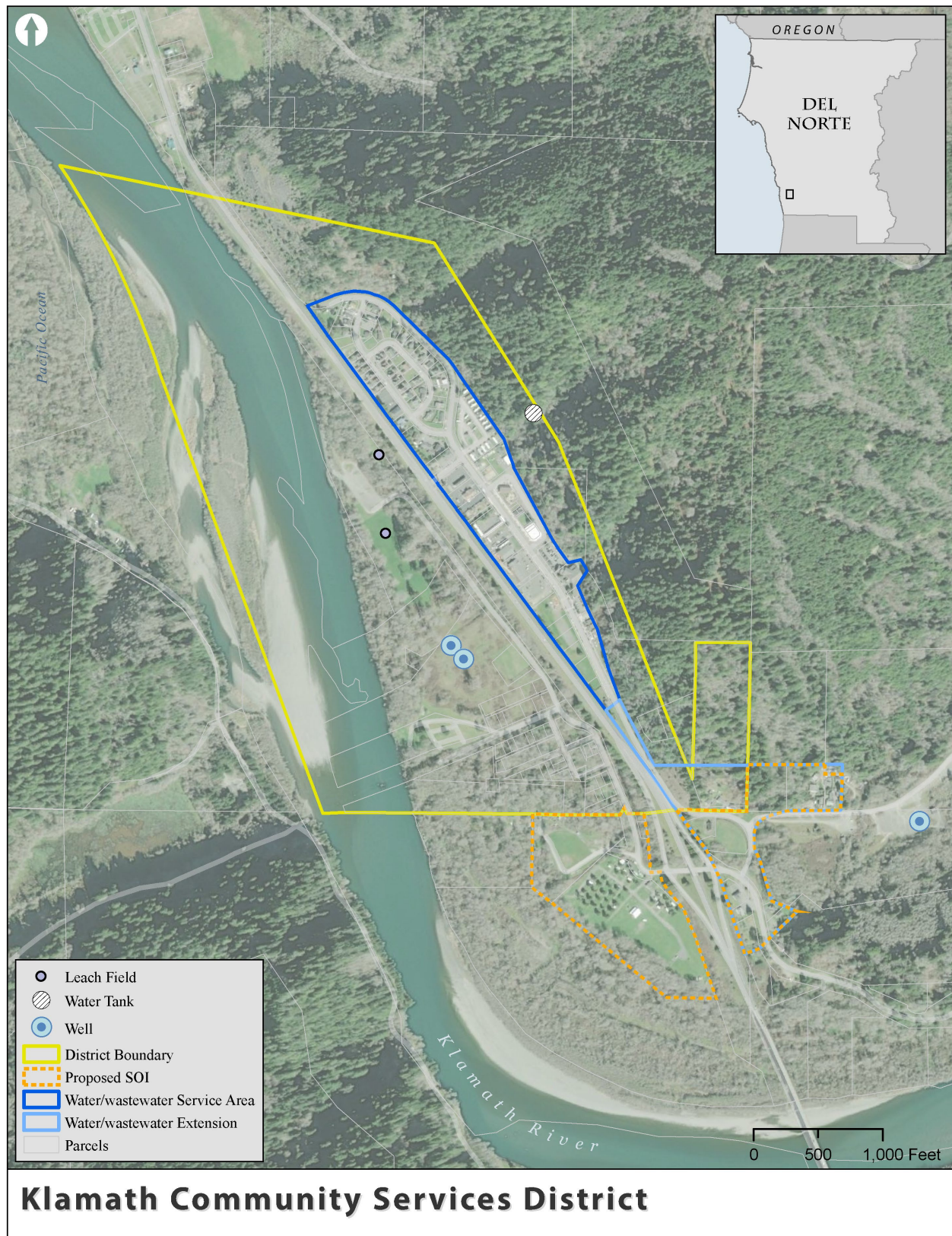
Overview

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	
Agency Name	Klamath Community Service District
Date of Formation	June 14, 1965
Enabling Legislation	CA GC §61000, et seq.
Contact	
Contact	Margaret Caldwell, Board President
Alternate Contact	
Mailing Address	P.O. Box 430, Klamath, CA 95548
E-mail	klamathcsd@gmail.com
Phone	(707) 482-0723
Governance	
Governing Body	Board of Directors, elected, 4-year term
Board Meetings	Monthly, third Wednesday of each month, at 219 Salmon Avenue
Services and Facilities	
Services Provided	Water and Wastewater
Areas Served	Klamath town-site
Acres (District)	Approx. 319 Population (District): 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 Secretary /Clerk	2024
Laurette Taylor	Board President Pro-Tem	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 600 Klamath Mill Road, 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. The district is currently awaiting construction grants to address these issues.

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, 6,000 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 \$80.00 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), and Yurok Tribe Justice Center, all have self-contained wastewater treatment systems. The Yurok Tribe's Administration building is served by the Klamath CSD wastewater system. The Yurok Tribe has connected the Justice Center to the Klamath CSD system..

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
TOTAL Net Income	\$76,507.00	-\$7,144.00	-\$22,210.00

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 rates for Klamath CSD are set based on a RCAC study, see Table 8. There are base rates set by meter size and 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 \$50.00/ 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 be 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), and Yurok Tribe Justice Center, all have self-contained wastewater treatment systems. The Yurok Tribe’s Administration building is served by the Klamath CSD wastewater system. The Yurok Tribe has connected the Justice Center to the Klamath CSD system.

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

Overview

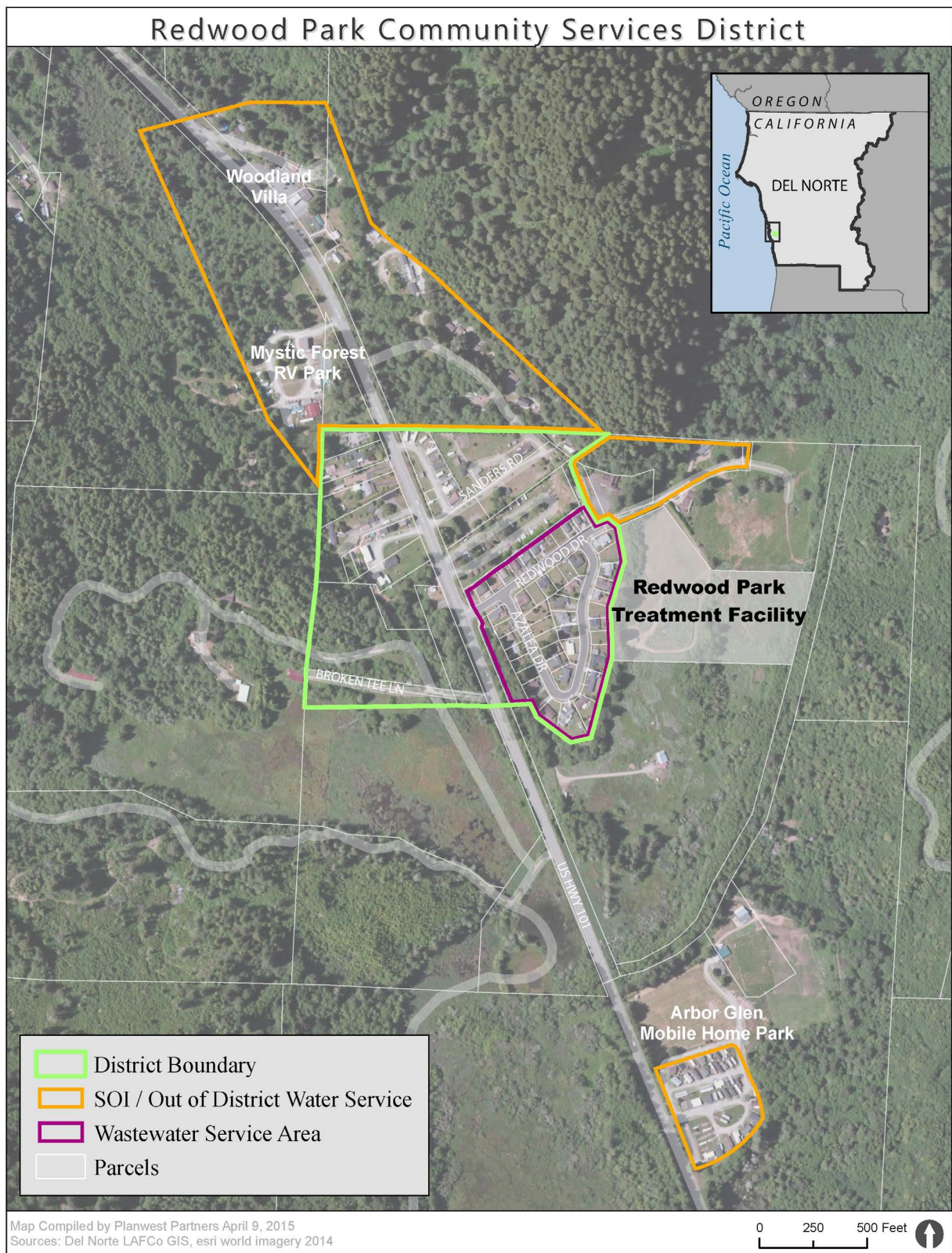
The Redwood Park Community Services District (RPCSD) is located in the Terwer Valley of southern Del Norte County, along Highway 101, 17 miles south of Crescent City. The District lies approximately three miles inland from the Pacific Ocean just north of the mouth of the Klamath River and covers approximately 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	
Agency Name	Redwood Park Community Services District
Date of Formation	1960
Enabling Legislation	State of California GC §61000, et seq.
Contact	
Contact	Robert Nulph, Chairperson
Contact Phone	(707) 954-8166
Alternate Contact	
Alt. Contact Phone	
E-mail	rnulph@delnorte.k12.ca.us
District Office	110 Redwood Drive Klamath, CA 95548
Mailing Address	P.O. Box 650 Klamath, CA 95548
Phone	(707) 954-8166
Governance	
Governing Body	Board of Directors
Board Meetings	As needed, usually 4 to 6 times/year
Services and Facilities	
Services Provided	Water and Sewer
Areas Served	Redwood Park Subdivision
Acres (District)	Approx. 40 Population: 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	
vacant	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

Customer Class & Billing Tiers -	Base Rate	Unit of Measure (UOM)	Cost per UOM
Residential			
Tier 1	\$22.50	5	\$22.50
Tier 2	\$0.00	6	+0.015
Tier 3	\$0.00	7	+0.02
Tier 4	\$0.00	8	+0.025
Tier 5	\$0.00	9	+0.03
Tier 6	\$0.00	10	+0.035
Commercial			
Tier 1	\$150.00	500	\$150.00
Tier 2	\$0.00	100	+0.015
Tier 3	\$0.00	100	+0.02
Tier 4	\$0.00	100	+0.25
Tier 5	\$0.00	100	+0.03
Tier 6	\$0.00	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*

	FYE 2019	FYE 2020	FYE 2021
OPERATING REVENUES			
Charges for services	\$43,161.00	\$43,429.00	\$39,527.00
OPERATING EXPENSES			
Chemicals	\$571.00	\$589.00	\$769.00
Dues and Fees	\$6,807.00	\$8,252.00	\$8,771.00
Insurance	\$2,260.00	\$2,209.00	\$2,318.00
Office Expense	\$1,203.00	\$1,597.00	\$1,208.00
Professional Services	\$5,566.00	\$8,228.00	\$5,794.00
Repairs and Maintenance	\$3,639.00	\$2,089.00	\$3,809.00
Sewer and Water Lab Testing	\$520.00	\$585.00	\$1,140.00
Utilities	\$4,386.00	\$4,630.00	\$3,476.00
Depreciation	\$18,609.00	\$18,608.00	\$7,549.00
TOTAL OPERATING EXPENSES	\$43,561.00	\$46,787.00	\$34,834.00
NET	\$330,092.00	\$326,740.00	\$378,267.00

Sources: Redwood Park Financial Audits

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. Standpipes for fire supply connections also need to be upgraded.

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

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

Redwood Park CSD (RPCSD), Financial Audits

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.

**DEL NORTE
LOCAL AGENCY FORMATION COMMISSION**
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Arcata, California 95521
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**RESOLUTION 22-02
APPROVING THE SOUTH COUNTY COMMUNITY SERVICES DISTRICT MUNICIPAL SERVICE
REVIEW AND SPHERE OF INFLUENCE UPDATE**

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

WHEREAS, the Commission staff prepared a municipal service review to evaluate the availability and performance of governmental services provided by the three South County Community Services Districts (Hunter Valley, Redwood Park and Klamath CSDs), pursuant to California Government Code Section 56430; and

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

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

WHEREAS, the Commission opened a public hearing on January 24th, 2022 and continued the hearing to March 28, 2022 to allow additional CSD review; and

WHEREAS, the Commission heard and fully considered all evidence presented at a public hearing on March 28, 2022; and

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

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The Commission hereby accepts the South County Community Services Districts Municipal Service Review, incorporated herein by reference.
2. The Spheres of Influence for the South County Community Services Districts included within the Municipal Service Review has been appropriately informed by the Commission's evaluation of the level and range of governmental services provided. The Sphere of Influence for the Klamath CSD is expanded, as shown in the attached map.
3. Pursuant to Government Code Section 56425(e), the Commission makes written statement of determinations for the South County Community Services Districts Municipal Service Review & Sphere of Influence Update, hereby incorporated by reference.
4. The Commission, as Lead Agency, determines that the sphere of influence update is exempt from further review under the California Environmental Quality Act (CEQA)

pursuant to CEQA Guidelines Section 15061(b)(3). This finding is based on the Commission determining with certainty the update will have no possibility of significantly effecting the environment given no new land use or municipal service authority is granted.

5. The Executive Officer shall revise the official records of the Commission to reflect the updated spheres of influence for each district.

ATTACHMENT 1 Klamath CSD expanded Sphere of Influence

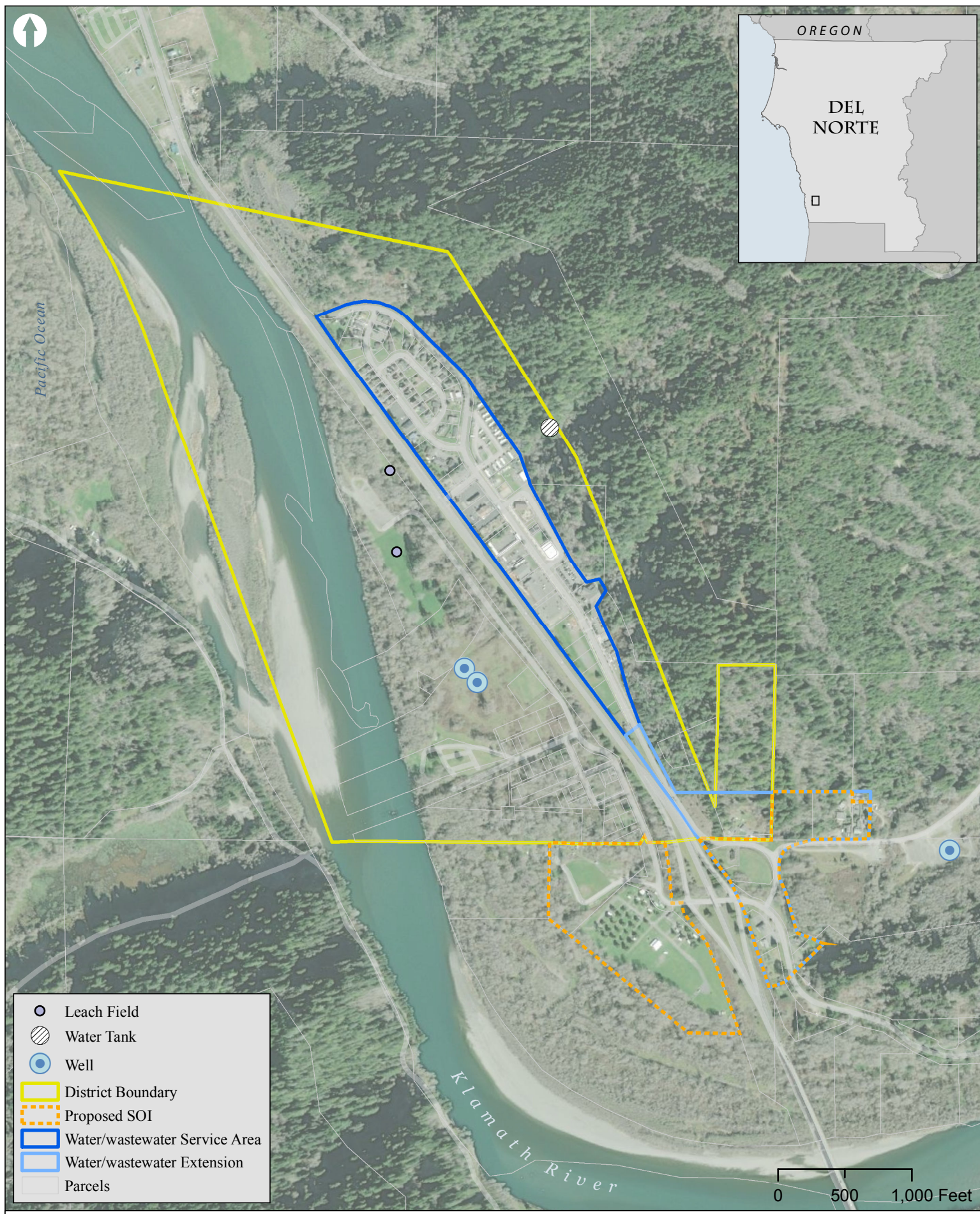
PASSED AND ADOPTED at a meeting of the Del Norte Local Agency Formation Commission, State of California, on the 28th day of March 2022, by the following vote:

AYES:	Commissioners:
NOES:	Commissioners:
ABSENT:	Commissioners:
ABSTAIN:	Commissioners: None

Darrin Short, Chair

Attest:

George Williamson, Executive Officer



Klamath Community Services District

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AGENDA ITEM 2B

MEETING DATE: March 28, 2022
TO: Del Norte Local Agency Formation Commission
FROM: George Williamson AICP, Executive Officer
SUBJECT: FY 2022-2023 Proposed Budget

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, close the hearing, and consider action on the recommendation:
 - 1) Approve proposed FY 2022-2023 budget, as provided in Attachment A, and
 - 2) Direct the Executive Officer to distribute the proposed budget to the City of Crescent City and County of Del Norte, and schedule final budget adoption for a public hearing at the Commission's May meeting.

BACKGROUND

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

DISCUSSION

LAFCo Funding Sources:

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

Proposed Operating Expenses:

The proposed operating expenses reflect the anticipated staffing services for day-to-day operations and for conducting municipal service reviews and sphere of influence updates. The proposed FY 2022-23 operating expenses are higher than the FY 2021-22 budget by \$3,320.00. A FY 2022-23 expense summary, compared to last year's budget is described below.

- Insurance budget increased to \$2,750.00.

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- CALAFCO membership dues increased to \$1,447.00.
- Printing/postage and advertising/publications budgets remain the same.
- Costs to complete MSRs and SOIs scheduled for coming year remain the same.
- Application processing amount remains the same. At least one annexation is expected in the coming year.
- Professional Executive Officer/Administrator costs proposed to remain the same.
- Legal Counsel budget proposed to increase by \$1,000.00 for outside counsel expenses.
- Public member stipend of \$40.00 per meeting for 6 meetings to remain the same.
- Interfund-Cost Plan to increase slightly.
- Interest income projected to be \$500.00, slightly less than last year.

Proposed Operating Revenues:

Projected FY 2022-23 expenses are higher than last year's revenues. City and County contributions are proposed to remain the same. The difference (-\$3,532) is proposed to be covered from unrestricted funds (reserves), so as not to require increased contributions from the City or County. The unrestricted funds account would therefore decrease to \$21,752.32 to cover increased expenses this year. In addition, a portion of unrestricted funds would be available for Commissioner travel expenses for CALAFCO Board meetings, should the CALAFCO Board return to in-person meetings next fiscal year. This amount is not currently available, but will be accounted for in the final budget.

ATTACHMENTS

FY 2022-23 Proposed Budget

Del Norte LAFCo FY 2022-23 Draft Budget

Account	EXPENDITURES	FY 2021-22 Final	FY 2022-23 Draft
Line #	SERVICES & SUPPLIES		
20150	Insurance	\$2,500.00	\$2,750.00
20200	CALAFCO Membership	\$1,385.00	\$1,447.00
20221	Printing	\$50.00	\$50.00
20223	Postage	\$50.00	\$50.00
20230	Professional Services		
	MSR/SOI Preparation	\$32,000.00	\$32,000.00
	Application Processing	\$10,000.00	\$10,000.00
20231	Prof. Serv. Executive Officer/ Admin.	\$40,100.00	\$42,100.00
20232	Prof. Serv. Legal Counsel	\$2,000.00	\$3,000.00
20240	Advertising/Publications	\$400.00	\$400.00
	Conferences (CALAFCO when funds available)	\$0.00	\$0.00
70530	Interfund-Cost Plan	\$1,692.00	\$1,700.00
20233	Public Member Stipend (up to 6 mtgs @ \$40/mtg)	\$240.00	\$240.00
	TOTAL EXPENDITURES	\$90,417.00	\$93,737.00
	REVENUES		
91125	Project Revenue (Application Deposit)*	\$10,000.00	\$10,000.00
90300	Interest	\$712.00	\$500.00
90780	Del Norte County	\$39,852.50	\$39,852.50
90781	City of Crescent City	\$39,852.50	\$39,852.50
07100	Funds from Account #42801007100	\$0.00	\$3,532.00
	TOTAL REVENUES	\$90,417.00	\$93,737.00
Contingency (Unrestricted) Fund Allocations			
7100	Authorized CALAFCO Board Travel Expenses	\$2,200.00	\$2,200.00
	FUND BALANCE		
07100	Account #42801 007 100	\$25,284.32	\$21,752.32

*Deposit paid by applicants to cover application processing. Projected amount for auditor use in issuing payment for expense claims.

3A DRAFT MINUTES

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

REMOTE MEETING:

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

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

Members absent:, Bob Berkowitz (County Member)

Others present: George Williamson (Executive Officer); Colette Metz-Santsche (Administrator)

1A) Call to Order/Roll Call

Chairman Short called the meeting to order at 4:04 p.m. A voice roll call was taken.

1B) Pledge of Allegiance

Commissioner Inscore led Pledge of Allegiance

1C) Acknowledgement of any new Commissioners: County Supervisors or City Council

City of Crescent City recently made member appointments with no changes. County to make appointments at their next meeting on January 25 2022, no changes to appointments expected.

1D) Certificate of Appreciation to Duane 'Sparky' Countess for Public Member Service

Sparky Countess Letter of Appreciation, his term ended in December 2021, will mail certificate; Commissioner Inscore asked what was the first year he first served (George to look into start date and provide to commission so he can be recognized by Commission and member agencies).

2) Election of Officers

Motion by Commissioner Starkey/ Second by Commissioner Inscore for Commissioner Short to serve as Chair for 2022 – 5-0 vote

Greenough nominated for vice chair by Starkey/Inscore – no action

Motion by Commissioner Greenough / Second by Commissioner Starkey for Commissioner Inscore to serve as Vice-Chair for 2022 – 5-0 vote

3A) South County CSDs MSR/SOI update

Executive Officer provided update and summarized the MSR/SOI update for three south county area CSDs. Discussed responses to Request for Information and awaiting Redwood Park budget information. Will be looking for a SOI expansion for Klamath CSD. Staff recommended Commission continue MSR/SOI update to next meeting.

HVCSD Manager Paul Crandall – commented he and another board member is available for any questions.

Commissioner Inscore asked anticipated timeline for Klamath wastewater grant considering they have a moratorium and cap on new connections? George responded that engineering for package plant is almost complete; anticipate filing for grant in spring. Discussed approving MSR in March for Hunter Valley and Klamath CSD in March if Redwood Park budget information is provided.

Commissioner Starkey noted that Redwood Park doesn't have a website; asked about hardship exemption and LAFCo's role in requiring this. George noted that he has provided resources to develop a basic website, hosted by Streamline, or provide them a template for hardship resolution.

Motion by Commissioner Inscore/ Second by Commissioner Greenough to continue the public hearing to March 28 2022 – 5-0 vote

3B) Hunter Valley CSD Park & Recreation Powers Activation

Executive Officer provided a staff report. Provided background on Commission's prior action that had to be rescinded due to property tax exchange agreement procedural requirement. Since then, the County approved zero tax exchange agreement in December 2021. Commission renoticed the public hearing item.

Inscore expressed appreciation for the district being patient and willing to take on recreation powers and responsibilities for the community.

HVCSD Manager /Board Member Paul Crandall, available for questions.

Commissioner Starkey, asked about controversy with Yurok and asked whether Yurok is supportive of Hunter Valley taking this responsibility. Short provided background.

Commissioner Starkey, expressed concern about future action of the Board of Supervisor on gifting of the land; this action does not imply the County will decide to gift the land to the CSD.

HVCSD Board Member Salley Rogers, Hunter Valley CSD Board member, stated that in the last 22 months, community has built a new bus stop, painted it, repaired basketball court, mowed the lawn, etc. Community has taken responsibility for the park property. Not trying to take anything away from the tribe. Excited to be at this point of the process with the Commission.

Short, clarified the action by the Commission does not give ownership of the property, but the authority to provide park and recreation services.

Greenough, stated the community has shown that they have taken responsibility for the park property.

George discussed intent of CKH act and role of commission to be independent regardless of members' appointing authority. Decision at LAFCo does not build conflict for future action by County. [Resolution # to be updated to 22-01]

Motion by Commissioner Inscore/ Second by Commissioner Starkey to approve activation of park and recreation powers, with conditions, by Resolution 22-02. 5-0 vote.

Commissioner Inscore requested that County inform him when considering park property transfer.

HVCSD Manager /Board Member Paul Crandall expressed appreciation for a unanimous decision.

4. Regular Business

4A) Draft Minutes August 23, 2021

Motion by Commissioner Inscore/ Second by Commissioner Greenough – 5-0 vote

4B) Public Member Appointment

Executive Officer provided update on recruitment and publicizing process

4C) General Counsel Selection

Executive Officer provided update on RFQ process. Staff screened proposals and bringing forward two firms, Underwood Law and Mitchell Law Firm. Both have great credentials. Mitchell Law provided counsel support for fairgrounds district formation. Underwood Law has lower rates and is based in Weaverville, Mitchell Law is based in Eureka.

Inscore said cost difference is pretty negligible.

Motion by Commissioner Greenough / Second by Commissioner Inscore to select Underwood Law for General Counsel services– 5-0 vote

4D) FY 2021-22 Mid-Year Budget Review

Commission received FY 2021-22 Mid-Year Budget Review, informational item, no action.

4E) 2022 Meeting Schedule

Commission received dates for remaining 2022 Meetings, informational item, no action.

4F) FY 2021-22 Compliance Work Plan

Commission received FY 2021-22 update, informational item, no action.

5) 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 draft FY 2022-23 budget would be presented at next meeting.

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).

Commissioner Inscore noted CALAFCO provided conditional offer for CALAFCO Executive Director position to Rene LaRoch. Pamela Miller will be retiring end of March 2022.

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

1. Adjournment

Meeting adjourned at 5:11 PM. Next Regular Meeting: March 28, 2022.



The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000: Protest Proceedings

**FACT SHEET:
SB 938 (HERTZBERG)**

BACKGROUND

LAFcos are independent regulatory commissions created by the Legislature to control the boundaries of cities, county service areas, and most special districts. The purpose of LAFcos includes the discouragement of urban sprawl, the preservation of agricultural and open space lands, and the encouragement of the orderly formation and development of local agencies. In an effort to better meet these obligations, the duties and authority of LAFcos were significantly modified by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (AB 2838, Hertzberg). Chief among the act's provisions is the authority for LAFcos to conduct Municipal Service Reviews, which, among other things, provide information to guide districts in performance improvement. These reviews can serve as a catalyst for LAFcos to initiate district consolidations or dissolutions.



In response to a recommendation made in the 2017 Little Hoover Commission report (Special Districts: Improving Oversight and Transparency), the California Association of Local Agency Formation Commissions (CALAFCO) initiated a working group of stakeholders in early 2019 to discuss the protest process for consolidations and dissolutions of special districts.

The statutes related to protest provisions and the disparate protest thresholds established for LAFco-initiated actions (10 percent) and all other initiated actions (25 percent) make addressing necessary and appropriate special district consolidations and dissolutions considerably more difficult when initiated by a LAFco. Further, they serve as a deterrent for LAFco to initiate action, even if meaningful efficiencies in the provision of public services could be achieved or if a district is failing to meet its statutory requirements.

The working group agreed on three main deliverables:



*First was to review the **protest provisions** within the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (The Act) for relevance and to delete any obsolete provisions, which was accomplished through AB 1581 (2021).*



*The second deliverable was to **redraft existing scattered protest code sections** within The Act into a single code section to simplify the reading of the code section.*



*The final—and most challenging—deliverable was to **examine the differing protest thresholds** relating to LAFco-initiated actions and all other initiated actions.*



AFTER CONSIDERABLE NEGOTIATION, THE WORKING GROUP GAVE CONSENSUS ON THE FOLLOWING CHANGES TO CKH:



The redrafting of existing protest code sections into one main section to simplify the reading of the section, and to add minor, non-substantive clarifications;



Create specific circumstances under which a LAFCo may initiate dissolution of a district with a 25% protest threshold, with determinations documented in a Municipal Service Review and presented at a 21-day noticed public hearing;



Allow for a minimum 12-month remediation period for the district with a progress report provided by the district to the LAFCo halfway through the remediation period; and



A second 21-day noticed public hearing to determine if the identified issues have been mitigated, which would result in the LAFCo either terminating the dissolution or moving forward with the dissolution using 25% protest threshold under the standard protest hearing process already in statute, with a public notice period of 60 days.



The overarching goal of these changes is to ensure that LAFCOs have the tools they need to carry out their statutory obligations to ensure orderly and functioning local government services and to create greater consistency in the statute.

SUMMARY

SB 938 represents a collaborative three-year effort to clean up, consolidate, and clarify existing statutory provisions associated with consolidations and dissolutions, as well as codify the conditions under which a LAFCo may initiate dissolution of a district at the 25 percent protest threshold.

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Honorable Robert Hertzberg
California State Senate
1021 O Street, Room 8610
Sacramento, CA 95814

March 28, 2022

RE: *SUPPORT of SB 938: The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000: protest proceedings: procedural consolidation.*

Dear Senator Hertzberg:

The Del Norte Local Agency Formation Commission (LAFCo) joins California Association of Local Agency Formation Commissions (CALAFCO) in support of your bill, SB 938, which makes changes to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (The Act). SB 938 consolidates, and clarifies existing statutory provisions associated with consolidations and dissolutions, as well as codifies conditions under which LAFCo may initiate district dissolution at the 25% protest threshold (the latter of which are proposed and pending amendments).

The statutes related to protest provisions and the disparate protest thresholds established for LAFCo-initiated actions (10%) and all other initiated actions (25%) make addressing necessary and appropriate special district consolidations and dissolutions considerably more difficult when initiated by a LAFCo. Further, they serve as a deterrent for LAFCo to initiate action, even if meaningful efficiencies in the provision of public services could be achieved or if a district is failing to meet its statutory requirements.

As introduced, the bill represents the redraft of existing protest statutes with some minor technical clarifications added. The pending proposed amendments from CALAFCO allow LAFCos to initiate dissolution of a district at the 25% protest threshold under specific circumstances. All of this work is in response to a recommendation made in the 2017 Little Hoover Commission report after a year-long study (*Special Districts: Improving Oversight and Transparency*) and the formation of a working group by CALAFCO of stakeholders in early 2019. The intent was to examine the protest process for consolidations and dissolutions of special districts, and after three years of work (delayed due to the pandemic), the working group came to consensus on the redraft of existing protest statutes (representative of SB 938 as introduced) and a new process that allows LAFCos to initiate district dissolution at the 25% protest threshold under specific circumstances (pending SB 938 amendment).

The overarching goal of these changes is to ensure that LAFCos have the tools we need to carry out our statutory obligations to ensure orderly and functioning local government services and to create greater consistency in the statute. The specific circumstances under which a dissolution may be initiated are more than reasonable and the subsequent process includes three noticed public hearings, a minimum 12-month remediation period, and a 60-day protest period, all of which are extremely practical. Additionally, the proposed process for LAFCo-initiated actions at the 25% protest threshold applies only to dissolutions, making the scope of use exceptionally narrow.

SB 938 makes much needed and long-awaited improvements to The Act through the restructure and clarification of existing protest provisions, and addition of a fair and appropriate process that offers LAFCos additional tools necessary to effectively fulfill their statutory obligations.

We thank you for your authorship of this critical legislation and for continuing your long support of the work of LAFCos. For all these reasons, we are pleased to support your bill SB 938.

Darrin Short
Del Norte LAFCO Chair

cc: Members, Senate Governance and Finance Committee
Anton Favorini-Csorba, Consultant, Senate Governance and Finance Committee
Ryan Eisberg, Consultant, Senate Republican Caucus
Rene LaRoche, Executive Director, California Association of Local Agency Formation Commissions