



## **RESOLUTION NO. 17-08**

### **REVISED RESOLUTION MAKING DETERMINATIONS AND APPROVING A REORGANIZATION CONSISTING OF FORMATION OF THE PENINSULA COMMUNITY SERVICES DISTRICT AND DISSOLUTION OF THE SAMOA PENINSULA FIRE PROTECTION DISTRICT, AND RESCISSION OF PRIOR RESOLUTION 17-06**

WHEREAS, the Humboldt Local Agency Formation Commission, hereinafter referred to as the "Commission," is responsible for regulating the orderly formation and expansion of local government agencies pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and

WHEREAS, the above-referenced proposal was initiated by resolution of application of the Samoa Peninsula Fire Protection District; and

WHEREAS, the proposal seeks Commission approval of a reorganization consisting of dissolution of the Samoa Peninsula Fire Protection District (FPD) and formation of the Peninsula Community Services District (CSD); and

WHEREAS, the principal reason cited in support of the reorganization, as specified in the resolution initiating the proposal, is to provide expanded municipal services to the Peninsula through reorganization of the Samoa Peninsula FPD into a CSD; and

WHEREAS, upon formation, the Peninsula CSD would continue the role of providing fire protection services currently provided by the Samoa Peninsula FPD, as well as providing expanded municipal services to the Peninsula; and

WHEREAS, the Humboldt Bay Municipal Water District has expressed its willingness to negotiate the transfer of its ownership of domestic water infrastructure within the boundaries of the Peninsula CSD; and

WHEREAS, the Samoa Pacific Group LLC. has expressed willingness to dedicate, convey, or otherwise transfer certain real property, infrastructure and assets for water, wastewater, streets, parks, and other facilities as part of the proposed multi-phase subdivision approval in Samoa; and

WHEREAS, pursuant to Government Code §56001, the Commission finds there is no existing agency that has demonstrated that it can feasibly provide the services proposed in a more efficient manner; and

WHEREAS, it has been determined that the formation of the Peninsula CSD is a feasible, cost-effective and acceptable approach to providing expanded services to the Peninsula; and

WHEREAS, in accordance with Government Code §61014, the Commission determines the Peninsula CSD, to be financed by benefit assessments and user fees subject to Proposition 218 requirements, would have sufficient revenues to carry out its purposes if such benefit assessments and user fees are approved; and

WHEREAS, the Executive Officer has given sufficient notice of the Commission's consideration of the proposal as required by law; and

WHEREAS, the Commission heard, discussed, and considered all oral and written testimony related to the proposal including, but not limited to, the Executive Officer's report and recommendation, the environmental document or determination, existing Spheres of Influence, and applicable General and Specific Plans; and

WHEREAS, the Commission considered all the factors required by law under Government Code §56668 and adopted local policies and procedures; and

WHEREAS, the Commission desires to modify its prior resolution on this matter, Resolution 17-06 adopted May 15, 2017.

**NOW, THEREFORE, BE IT RESOLVED** by the Humboldt Local Agency Formation Commission as follows:

1. Resolution 17-06, adopted May 15, 2017 is rescinded in its entirety and is replaced, revised and supplemented by this resolution.
2. The Commission's determinations on the proposal incorporate and adopt the information and analysis provided in the Executive Officer's written report.
3. The Commission, as Responsible Agency, certifies it has independently reviewed and considered the Negative Declaration prepared by the Samoa Peninsula Fire Protection District, as lead agency, concerning potential impacts associated with the proposal in accordance with the California Environmental Quality Act (CEQA). The Commission finds the Negative Declaration (finding of no significant adverse environmental effect) is adequate and directs the Executive Officer to file a Notice of Determination with the Humboldt County Clerk.
4. The Commission approves the proposal, contingent upon a successful vote on the formation pursuant to Government Code §61014, and subject to terms and conditions outlined below.
5. The proposal is assigned the following distinctive short-term designation:

"Reorganization of Samoa Peninsula FPD to Peninsula CSD"

6. LAFCo staff is directed to initiate conducting authority proceedings pursuant to the California Government Code (commencing with §57000).



**CONDITIONS OF APPROVAL for the proposal shall be as follows:**

1. Name – The name of the district shall be the Peninsula Community Services District.
2. Boundaries – A map and boundary description of the Peninsula CSD are set forth in Exhibit A, attached to the Commission's Resolution making determinations and made a part thereof.
3. Sphere of Influence – A sphere of influence of the Peninsula CSD shall be coterminous with the District boundaries. Future amendments and/or updates of the sphere shall be conducted in accordance with Government Code §56425 and 56430.
4. Successor
  - A. The Samoa Peninsula FPD shall be dissolved and all of its corporate powers shall cease.
  - B. Any employees of the Samoa Peninsula FPD will become employees of the Peninsula CSD.
  - C. The Peninsula CSD shall be the successor to the Samoa Peninsula Fire District for the purpose of succeeding to all of the rights, duties and obligation of the dissolved Samoa Peninsula Fire Protection District, with respect to enforcement, performance or payment of any outstanding bonds or other contracts, obligations, including the provisions of and other liabilities of the dissolved Samoa Peninsula FPD.
  - D. The Samoa Peninsula FPD currently has contracts with the Board of Administration of the California Public Employees' Retirement System ("PERS"). The Peninsula CSD and PERS will develop a contract that shall be deemed a continuation of the Samoa Peninsula Fire Protection District's PERS contract pursuant to Government Code §20508. The Peninsula CSD's contract shall preserve the classic formula for continuing employee members of PERS. Accumulated contributions, assets and liability for service under the former districts' contracts are vested rights of continuing employee members of PERS, and shall be merged into the contract of the successor district upon reorganization pursuant to Government Code §20508.
  - E. All property, whether real or personal, including all monies (including cash on hand and monies due to uncollected) of the Samoa Peninsula Fire Protection District shall be transferred to and vested in Peninsula CSD.
  - F. Upon the effective date of the reorganization, the Peninsula CSD shall be authorized and entitled to extend and/or continue to levy, impose, or fix and collect any previously authorized charge, fee, assessment or tax approved,

imposed and/or levied by Samoa Peninsula FPD, including but not limited any rates and charges for the provision of fire protection services.

- G. The property tax allocation factor for the Samoa Peninsula FPD, for those properties within the District, shall be reallocated so that in future fiscal years these taxes shall be allocated to the Peninsula CSD.

5. District Board of Directors

- A. Governing Board - The Peninsula CSD shall be governed by a board of directors composed of five (5) members elected at large for four-year terms by registered voters residing within the District.
  - B. Election of Initial Governing Board - The Board of Directors of the Samoa Peninsula Fire Protection District shall serve as the initial Board of Directors of the successor agency, the Peninsula CSD.
  - C. Staggered Terms of Office - For the initial Board of Directors, the terms of three (3) members shall be four years and the terms of two (2) members shall be two years.
  - D. First Board of Directors Meeting - In addition to all other means authorized by law, the first meeting of the Board of Directors may be called by notice given in a lawful manner by any four members of the Board of Directors.
6. Authorized Services – The Peninsula CSD shall be authorized the following functions and services as active powers, authorized to be provided within its boundaries, pursuant to Government Code §61100:
- A. Water
  - B. Wastewater
  - C. Fire Protection, rescue, and emergency response (including tsunami evacuation)
  - D. Parks, Recreation, Trails, and Open Space
  - E. Landscape Maintenance within Public Areas
  - F. Streets and Street Maintenance
  - G. Storm Drainage

The District may in the future provide other types of services if authorized by the Community Services District Law, subject to compliance with the statutory procedures for authorizing additional services.

7. Benefit Assessments and User Fees – Services provided by the District shall be subject to successful completion of Proposition 218 proceedings for benefit assessments and user fees to fund the activities of the District. Assets shall be transferred only for those services with sufficient revenue necessary to carry out those services.



8. Detailed Engineering Analysis – All benefit assessments and user fees shall be supported by a detailed engineering analysis and/or rate study prepared by a licensed engineer. The detailed engineering analysis shall describe the condition of all infrastructure at the time of asset transfer to the District, the projected demand on capacity, the regulatory and design criteria under which improvements will be made (including ADA compliance), the costs associated with recommended improvements and ongoing operations and maintenance, and the methodology for allocating or apportioning costs to parcels within the District.
9. Dedication of Asset Transfer – All assets and resources proposed for transfer shall be offered with an irrevocable dedication by Samoa Pacific Group LLC to the Peninsula CSD. The LAFCo Executive Officer, with legal counsel as deemed necessary, shall verify prior to issuing a certificate of completion that a legal mechanism has been adequately established to ensure such transfer of assets and resources either at initiation of the community service district, or as particular infrastructure components are subsequently confirmed to be improved and acceptable for transfer to the Peninsula CSD.
10. Asset Transfer and Transition Agreement – Prior to the transfer of any dedicated assets, the Peninsula CSD and Samoa Pacific Group LLC shall set forth mutual agreements in writing for the orderly transition and conveyance of assets, including those obligations to accept and take ownership of those assets by the Peninsula CSD.
11. Monthly User Fees – The initial annual user fees for the Peninsula CSD, including any and all debt service, shall not exceed the small community affordability thresholds of 2.5% for water and 2.0% for wastewater (as a percentage of community median household income) as established by the EPA.
12. Creation of Zones – Pursuant to Government Code §61140 et seq., the Peninsula CSD Board of Directors may form one or more zones with varying levels of service and establish different levels of special taxation therein. The District may use divisional accounting to establish accurate divisional budgets and rates and charges based solely on the cost to provide services within the town of Samoa and the rest of the peninsula, so rates in each service area will not be affected by the other.
13. Appropriations Limit – In accordance with Government Code Section 61113, the Peninsula CSD shall, on or before July 1 of each year, establish an appropriations limit and make other necessary determinations for the following fiscal year pursuant to Article XIII B of the California Constitution.
14. Effective Date – The effective date of Peninsula CSD shall be determined by the certification of the election results by the Humboldt County Board of Supervisors and the filing of the certificate of completion by the LAFCo Executive Officer with the County Clerk-Recorder's office. The certificate of completion must be

filed within one calendar year from the date of approval unless a time extension is approved by the Commission.

15. Final Processing Costs – Any and all costs including mapping, engineering, planning, environmental review, fiscal analyses, LAFCo processing fees, election proceedings, recording fees, and any other required local, state, and LAFCo fees incurred to complete the formation of the Peninsula CSD, including State Board of Equalization filing fees, will be borne by the project proponents.

**PASSED AND ADOPTED** at a meeting of the Humboldt Local Agency Formation Commission on the 10<sup>th</sup> day of July, 2017, by the following roll call vote:

AYES: Commissioners: Bass, Johnson, Lake, Long, McPherson, Nicolini and Fennell  
NOES: Commissioners: None  
ABSENT: Commissioners: None  
ABSTAIN: Commissioners: None



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Estelle Fennell, Chair  
Humboldt LAFCo

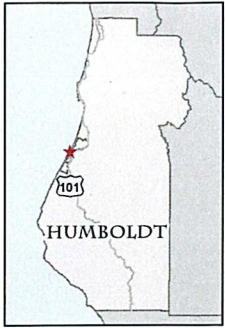
Attest:



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George Williamson, Executive Officer  
Humboldt LAFCo





Pacific Ocean

255

Samoa




Vance Ave

Bay St

Fay Ave

Fairhaven

New Navy Base Rd

-  Existing Samoa Peninsula FPD
-  Proposed Peninsula CSD
-  Parcels

0 0.5 1 Miles



# Peninsula Community Services District Formation

Exhibit  
**A**

Sources: Boundaries - Humboldt County GIS, Roads - US Census TIGER, Rivers - CA FRAP

Date: 6/27/2017