



AGENDA ITEM 8A

MEETING: March 19, 2014
TO: Humboldt LAFCo Commissioners
FROM: George Williamson, Executive Officer
SUBJECT: **Humboldt Community Services District Public Draft Sphere of Influence Recommendations**
The Commission will have the opportunity to review and comment on a draft report prepared by the Humboldt Community Services District concerning recommendations for a proposed sphere of influence. This report is being presented for information only.

BACKGROUND

The Humboldt Community Services District (HCSD) was formed in 1952 to provide water distribution and sewage collection, and to oversee streetlights throughout an approximately 20 square-mile area surrounding the City of Eureka. The HCSD has approximately 7,600 service connections through the areas of Freshwater, Myrtle town, Cutten, Ridgewood, Pine Hill, Rosewood, King Salmon, Fields Landing and Humboldt Hill.

DISCUSSION

The Humboldt Community Services District is conducting a public outreach process to obtain input on its draft proposed sphere of influence. The District's consultant, SHN Consulting Engineers, prepared draft sphere recommendations that identified nine sphere expansion areas (see attachment A). A 30-day public comment period is scheduled from March 14 to April 10, 2014.

RECOMMENDATION

Staff has invited HCSD staff to attend the meeting and present its draft proposed sphere of influence. This report is being presented for information only.

Attachments

Attachment A: HCSD Public Draft Sphere of Influence Recommendations

Public Draft Sphere of Influence Recommendations

Prepared for:

Humboldt Community Services District

This is a draft document for use by Humboldt Community Services District for soliciting public comments. The Sphere of Influence update will be subject to approval by Humboldt Community Services District and Humboldt Local Agency Formation Commission at a later date.

SH Consulting Engineers & Geologists, Inc.

812 W. Wabash Ave.
Eureka, CA 95501-2183
707-441-8855

March 2014

013159



Reference: 013159

March 7, 2014

Mr. David Hull, General Manager
Humboldt Community Services District
5055 Walnut Drive
Eureka, CA 95534

Subject: Public Draft Recommendations for the Humboldt Community Services District Sphere of Influence, Humboldt County, California

Dear Mr. Hull:

SHN Consulting Engineers & Geologists, Inc. has completed the first phase in moving the Humboldt Community Services District (HCSD) forward with the application process to the Humboldt Local Agency Formation Commission (LAFCo) for changing HCSD's existing sphere of influence (SOI) boundaries. The following is a summary of our progress, to date, along with draft recommendations for the next phase of the project.

The HCSD Board of Directors has directed SHN to conduct a public outreach process to obtain input on the draft proposed SOI before the preparation of a California Environmental Quality Act (CEQA) process and ultimately goes to the Humboldt LAFCo (the decision making authority). To accomplish this, the HCSD Board has directed HCSD staff to implement a 30-day public comment period and present the public draft recommendations at the Greater Eureka Area Municipal Advisory Committee on March 12, 2014. Comments are scheduled to be received for a 30-day public comment period from March 14 to April 10, 2014. Any comments received will be reviewed and final recommendations will be presented to the HCSD Board of Directors on April 22, 2014.

If you have any questions please call me at 707-441-8855.

Sincerely,

SHN Consulting Engineers & Geologists, Inc.

Mike Foget, PE
Project Manager

MKF/RRL:dla

Enclosure: Public Draft Recommendations for the HCSD Sphere of Influence

Reference: 013159

Public Draft Sphere of Influence Recommendations

Prepared for:

Humboldt Community Services District

Prepared by:



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March 2014

QA/QC: MKF____

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Abbreviations and Acronyms

ACLG	Assembly Committee on Local Government
APN	Assessor's parcel number
CEQA	California Environmental Quality Act
COE	City of Eureka
FES	Freshwater Environmental Services
HCAOG	Humboldt County Association of Governments
HCSD	Humboldt Community Services District
LAFCo	Local Agency Formation Commission
MSR	municipal service review
SHN	SHN Consulting Engineers & Geologists, Inc.
SOI	sphere of influence

1.0 Introduction

The Humboldt Community Services District (HCSD) was created in 1952 to provide water distribution and sewage collection, and to oversee streetlights throughout an approximately 20 square-mile area surrounding the City of Eureka. Currently, the HCSD has approximately 8,000 service connections through the areas of Freshwater, Myrtle town, Cutten, Ridgewood, Pine Hill, Rosewood, King Salmon, Fields Landing, and Humboldt Hill.

The HCSD recently embarked on a process to review and update HCSD's sphere of influence (SOI). An SOI is a planning tool defined as the territory that represents the probable future jurisdictional boundary and service area of the subject agency. The HCSD's SOI was last updated was in 1985 and there have been several changes and proposed changes around HCSD's present boundary since that time. SHN Consulting Engineers & Geologists, Inc. has been retained by HCSD to guide the update process. With guidance from HCSD staff, SHN has developed a draft proposed SOI, which is discussed herein.

2.0 Background

By mandate, Humboldt Local Agency Formation Commission (LAFCo) is responsible for preparing and updating the municipal service review (MSR) and SOI every five years for agencies subject to LAFCo (Humboldt LAFCo, 2013). These are intended to provide an understanding of the agency's ability to provide future services because an SOI defines the potential area to annex into an agency's boundaries (Section 56425 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000). In determining the SOI of an agency, LAFCo shall consider and prepare a written statement of its determinations with respect to each of the following:

- (1) The present and planned land uses in the area, including agricultural and open-space lands*
- (2) The present and probable need for public facilities and services in the area*
- (3) The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide*
- (4) The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency*
- (5) For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence (Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000)*

The MSR shall include a written statement about the following:

- (1) Growth and population projections for the affected area*
- (2) The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence*
- (3) Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or*

deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence

- (4) *Financial ability of agencies to provide services*
- (5) *Status of, and opportunities for, shared facilities*
- (6) *Accountability for community service needs, including governmental structure and operational efficiencies*
- (7) *Any other matter related to effective or efficient service delivery, as required by commission policy (Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000)*

The last MSR update for HCSD was completed in May 2008 and the last SOI report, in July 1985.

3.0 Research

3.1 Related Documentation

SHN has reviewed existing documentation related to the past SOI report and those documents published since the adopted 2008 MSR. Publications and documents reviewed include the following:

- *Imagine Humboldt, Build Our Vision, Final Report (HCAOG, 2013)*
- *“Agreement Between City of Eureka and Humboldt Community Services District for Intermingled Water and Sewer Connections” (January 21, 1981)*
- **Humboldt County**
 - *Humboldt County General Plan, Volume II, Eureka Community Plan (Humboldt County, 1995)*
 - *North Coast Area Plan of the Humboldt County Local Coastal Program (Humboldt County, 2006)*
 - *Humboldt County Community Infrastructure & Services Technical Report (Humboldt County 2008a)*
 - *Humboldt County General Plan Update, Planning Commission Hearing Draft (Humboldt County 2008b)*
 - *McKay Tract Community Forest: Project Update No. 2 (Humboldt County, 2013)*
- **Humboldt LAFCo:**
 - *HCSD Sphere of Influence Report (Humboldt LAFCo, 1985)*
 - *Humboldt Community Services District Municipal Service Review (Humboldt LAFCo, 2008)*
 - *Indianola Area Water Study, Services Projections and Costs (Humboldt LAFCo, 2011a)*
 - *“Indianola Area Water Service Study Memorandum” (Humboldt LAFCo, 2011b)*
 - *Humboldt LAFCo Administrative Policies and Procedures. Adopted November 14, 2012, amended July 17, 2013. Arcata: CA (Humboldt LAFCo, 2012)*

- HCSO:
 - “HCSO District Code”: Article 6 and Article 7 (HCSO, NR)
 - 2010 Urban Water Management Plan (Freshwater Environmental Sciences, 2010)
 - Humboldt Community Services District Sewer Rate and Connection Fee Study Report (NBS, 2012)
 - FY 2013-2014 Capital Improvement Program (HCSO, 2013a)
 - Fiscal Year 2013-2014 Budget (HCSO, 2013b)
 - “List of parcels receiving water & sewer services from HCSO outside of its boundaries (excluding services provided to City of Eureka parcels through Intermingled Services Agreement)” (HCSO, 2013c)
 - HCSO Memorandums
 - “Proposed 2009 Water Rate Increase” (HCSO, 2009a)
 - “Introduction/First Reading and Approval of Ordinance 2009-01 Amending the HCSO District Code Relating to Water Service Charges and Fees” (HCSO, 2009b)

3.2 Agency Meetings

In addition to document and publication review, SHN met with representatives from the City of Eureka and Humboldt County to identify issues and coordinate efforts:

- City of Eureka staff (Rob Wall and Riley Topolewski) on November 15, 2013
- County of Humboldt staff (Kevin Hamblin, John Miller, and Michael Richardson) on December 4, 2013

SHN also conducted a meeting with HCSO staff on November 6, 2013, to discuss the areas proposed for addition to the SOI and status of existing infrastructure systems (system deficiencies, expansion or capacity concerns in proposed SOI areas). Once HCSO proceeds with an SOI boundary change project, LAFCo will be contacted to initiate a meeting.

4.0 Recommendations

4.1 Municipal Service Review

Since adoption of the MSR in May 2008, changes have occurred related to growth, facilities improvements, fiscal management, new proposed SOI boundaries, etc., which would require an update of the MSR (and the determinations contained within). The following is a summary of information that would need to be updated in the MSR:

- General, descriptive information related to HCSO’s “Agency Profile,” which describes HCSO’s specific infrastructure and services provided needs to be updated to match current data (that is, number of users and existing inventory of service systems)
- Growth and population information and projections related to HCSO need to be adjusted based upon information derived from 2010 census data and projections prepared by the California Department of Transportation, Economic Development Branch and local agencies

- Overall impacts of the Martin Slough Interceptor project need to be incorporated into the various affected sections, such as, financing constraints and opportunities; future growth; and service rates
- All figures

There was minimal discussion in the 2008 MSR related to HCSD's ability to serve the designated SOI expansion areas. It is recommended that the MSR update include additional review and comment regarding HCSD's capacity to serve the areas.

4.2 Sphere of Influence

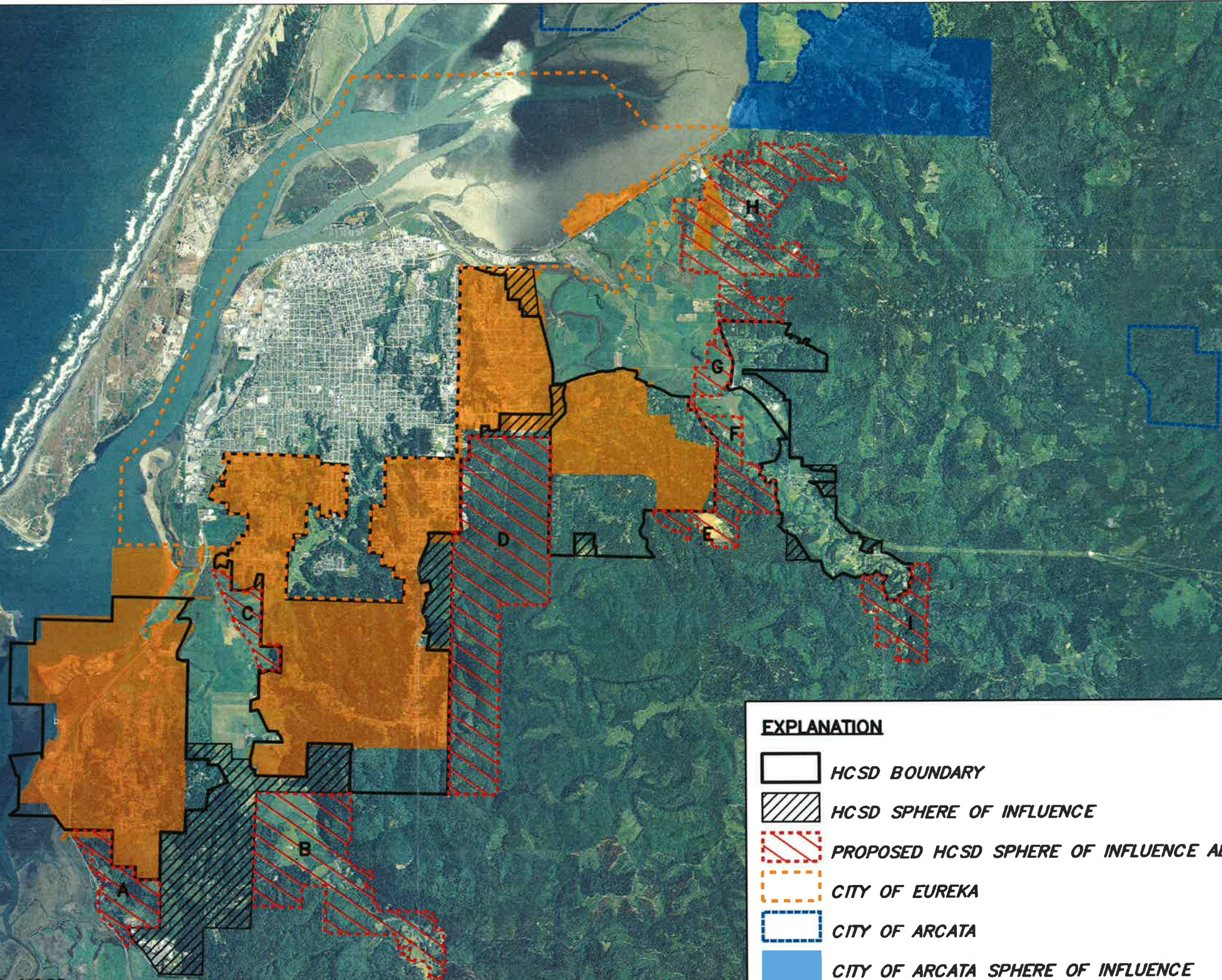
SHN is submitting recommendations about additions to the HCSD SOI for consideration. The approach to determine suitable areas was based on the location of existing boundaries, areas identified by HCSD staff for inclusion in the SOI, potential changes to the City of Eureka SOI, Planning Commission-approved draft general plan update, land use Alternative B, and the existing general plan and zoning. Areas proposed for inclusion follow Assessor's parcel number (APN) boundaries as follows.

The information below summarizes previous information prepared by HCSD regarding a previously contemplated SOI change with supplements from SHN for changes to the SOI. These areas are shown on Figure 1 and labeled with the corresponding alphabetical designation), as follows:

- A. There are water facilities in areas adjacent to the HCSD boundary. Although not part of the SOI addition, College of the Redwoods is receiving water service from HCSD. Addition of sewer service to College of the Redwoods should be considered by HCSD.
- B. Most residents in the Elk River valley do not have reliable drinking water due to poor water quality. They rely on imported water. HCSD has received several requests by residents for a water connection.
- C. Two APNs in Area C near the intersection of Pine Hill Road and Elk River Road are currently provided water service.
- D. Area D is known as the McKay Tract and has been the subject of previous attempts to subdivide for development. Even the 1995 Humboldt County Eureka community plan identifies part of this area to be developed as residential single family. However, current efforts are underway to develop this area as a community forest (Humboldt County, 2013). The community forest is in the planning stages and subject to approval and allocation of funding.
- E. At the end of Cummings Road there is a 170,000-gallon storage tank and water system, which were installed by the City Garbage Company to provide potable water to residents impacted by water quality problems with the Cummings Road Landfill. HCSD operates and maintains the water services infrastructure.
- F. Located in an area between two HCSD boundaries, water service is provided to one APN in Area F.
- G. HCSD is providing water service to four APNs in Area G and other residents have requested service.

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SOURCES:
IMAGERY: NAIP 2012
HCSD BOUNDARY AND SPHERE OF INFLUENCE: HCSD
CITY BOUNDARIES: CITY OF EUREKA AND CITY OF ARCATA
SPHERE OF INFLUENCES: HUMBOLDT COUNTY



EXPLANATION

- HCSD BOUNDARY
- HCSD SPHERE OF INFLUENCE
- PROPOSED HCSD SPHERE OF INFLUENCE ADDITIONS
- CITY OF EUREKA
- CITY OF ARCATA
- CITY OF ARCATA SPHERE OF INFLUENCE
- CITY OF EUREKA SPHERE OF INFLUENCE



Humboldt Community Services District
Sphere of Influence Project
Humboldt, California

Proposed Sphere of Influence
SHN 013159

December 2013

HCSDSOI-RECOMMENDATIONS

Figure 1

- H. Water service to Area H has been the subject of previous discussions between the City of Eureka, Humboldt LAFCo, and Humboldt County. There are documented water quality problems and residents have requested water service by HCSD and the City. Connections within the City SOI have been completed. This requires location within an existing SOI and documentation of a risk to “public health and safety” before Humboldt LAFCo can approve services outside the agency’s boundaries. Due to current water service concerns, SHN recommends that HCSD add this entire area to the SOI to address any future requests for services. This includes areas that overlap with the City of Eureka.
- I. HCSD is providing water service to three APNs in Area I, and other residents have requested service.

The areas proposed to be added to the HCSD SOI are in areas with a combination of different general plan designations, including timber and agriculture. However, the SOI is proposed in areas with documented public health issues, adjacent to the existing boundaries, or in areas currently provided a HCSD service. Because an SOI does allow service connections, any proposal to provide services will require approval by Humboldt LAFCo after an environmental review is conducted. This will also be subject to majority approval by property owners of the affected area.

The perceived or defined need for public facilities in the various areas proposed for inclusion in the SOI is not the same for each area. Some of the more densely developed areas will require the full range of community services, including water, sewer, and lighting. Other areas have identified needs for water services only. The County has designated study areas associated with both urban services (water and sewer) and water services only. Consistency with the County general plan will have to be addressed, as will present and probable future needs for public facilities in the various areas.

The capacities and adequacy of HCSD’s public facilities to provide the prescribed services to each area identified includes assessment of the following:

- Water—supply, treatment, transmission, storage, and firefighting capabilities
- Wastewater —collection, treatment, and disposal

No significant limitation or deficiency associated with the provision of services to the expanded SOI areas has been identified. The *Community Infrastructure & Services Technical Report* does identify some possible wastewater collection system capacity constraints that should be resolved with the Martin Slough Interceptor Project. The Martin Slough Interceptor project, which is a joint project between HCSD and City of Eureka, is under construction and will result in major financial and operational impacts to the wastewater system. Changes from the Martin Slough Interceptor project need to be incorporated into the various affected sections of the reports (for example. financing constraints and opportunities; future growth; and service rates). The project carries a significant debt service and will result in elimination of several pump stations, both of which will impact HCSD’s budget and growth capacity.

The Humboldt County *Community Infrastructure & Services Technical Report* (2009) indicates some need for additional infrastructure for service of the Indianola area and additional water storage requirements to accommodate expansion areas.

5.0 Conclusion

Considerable efforts have been expended over the past several years related to HCSD's pursuit of an SOI expansion. Upon reviewing documents and studies completed by HCSD, facilitating agency coordination efforts for this planning project and applying them with the LAFCo boundary change process, we are prepared to move forward with the project. The immediate next steps include presenting the recommendations to the HCSD Board for consideration. This is scheduled for April 22, 2014. Once the HCSD Board provides direction, the preparation of a California Environmental Quality Act initial study will be initiated. During the preparation of the initial study, the 2008 MSR and SOI report will be updated as recommended for inclusion in the application to LAFCo.

6.0 References

- Assembly Committee on Local Government. (November 2012). "Guide to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000." NR:ACLG.
- City of Eureka. (October 2013). *City of Eureka, Proposed Sphere of Influence Update*. Eureka, CA:COE.
- Freshwater Environmental Services. (August 22, 2011). *Humboldt Community Services District 2010 Urban Water Management Plan*. Arcata, CA:FES.
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