



## AGENDA ITEM 8A

**MEETING:** May 15, 2017

**TO:** Humboldt LAFCo Commissioners

**FROM:** George Williamson, Executive Officer

**SUBJECT:** **Proposed Reorganization of the Samoa Peninsula Fire Protection District to a Community Services District**

The Commission will consider a proposal, submitted by resolution of application from the Samoa Peninsula Fire Protection District (FPD), for a reorganization consisting of dissolution of the FPD and formation of a new community services district (CSD). As proposed, reorganization would be for purposes of expanding municipal services on the Peninsula.

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LAFcos are responsible under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 to regulate the formation and development of local governmental agencies and their municipal services. This includes approving or disapproving proposed changes of organization or reorganization consistent with adopted policies and procedures pursuant to California Government Code (G.C.) Section 56375. LAFcos are authorized with broad discretion in amending and conditioning changes of organization as long as they do not directly regulate land use, property development, or subdivision requirements.

### A. INTRODUCTION

The issue before the Commission is whether to authorize residents of the Samoa Peninsula to vote on whether or not to form a Community Services District. Such a district could support the mutual social and economic interests of the Samoa Peninsula communities by establishing and sustaining community-based municipal services and establishing local governance for such services.

Significant planning, analysis, and local participation has been invested in the process that culminates in LAFCo's hearing. Studies and evaluations prepared to consider reorganizing the fire department into a CSD include:

- Peninsula CSD Management Plan (SHN 2017)
- Samoa Parks and Recreation Asset Inventory
- Samoa Peninsula FPD Asset Inventory
- CSD Plan for Services (CEC, 2015)
- CEQA Initial Study/ Negative Declaration (SPFPD, 2015)

The Samoa Peninsula FPD has held several community meetings on the Peninsula to explain the proposed reorganization and solicit community comment. LAFCo staff

conducted a services study in 2011 to consider service delivery options. The Samoa Town Master Plan and proposed subdivision have been analyzed to determine improvements proposed for the town and which assets would potentially be conveyed to the CSD, should it be formed. Preliminary scoping for a Detailed Engineering Analysis to support Proposition 218 proceedings has also occurred.

## **B. BACKGROUND**

The Samoa Peninsula FPD currently provides fire protection services to the portion of the peninsula south of the Highway 255 Bridge, including the communities of Samoa, Fairhaven and Finntown. Reorganization of the FPD into a CSD would provide the necessary governance structure for the provision of expanded municipal services to the residents, businesses, industries, and recreational users on the Peninsula. The proposed Reorganization includes the following jurisdictional changes:

1. Dissolution of the Samoa Peninsula Fire District, organized under the Fire Protection District Law of 1987, California Health and Safety Code Section 13800 et seq.
2. Formation of a new community services district, organized under the Community Services District Law, California Government Code Section 61000 et seq.

### ***Reasons for Proposal***

The principle reasons for the proposed Reorganization as identified in the application are as follows:

- A single governing entity is required by Humboldt County and the Coastal Commission to oversee operation and maintenance, fiscal responsibility, and governance of community services to the Town of Samoa.
- The Samoa Pacific Group has explored several options including annexing into Manila Community Services District, forming a new community services district, and joining and reorganizing the current Samoa Peninsula FPD.
- It has been determined that reorganizing the Samoa Peninsula FPD is the most feasible option for providing services to the Peninsula.

### ***Peninsula Services Study***

LAFCo prepared a Peninsula Services Study in 2012 to review service delivery and reorganization options for multiple service providers, to address the range of community service needs, and to identify opportunities to restructure services that may result in an increase in service levels and efficiency on the Peninsula. Reorganization options considered include:

1. Annex to Manila CSD (declined)
2. Form new Community Services District for Samoa only
3. Fire Department becomes Community Services District

This study recognized that forming a new CSD for Samoa only was not preferred as it would result in another governmental entity providing services on the Peninsula. While annexation to Manila CSD was considered a viable alternative, the Manila CSD District Board voted against providing expanded services through annexation.

### ***Current SPFPD Challenges***

- Current expenses exceed revenues:
  - Reduced property taxes from mill closures
  - Former staff retirement costs
  - Current fire assessment paid by residents is too low
  - Providing services to residents not within district boundary (goodwill service)
  - Will need to start selling fixed assets in 3-5 years
- Transition to predominantly residential (bedroom) community:
  - People used to work and live on the Peninsula, now they just live there.
  - Persistent challenge: responding to 911 calls during work week
    - Volunteers work off the peninsula
  - Calls during the work week from:
    - Samoa Dunes recreation area (out of district)
    - County beach recreation areas
    - Elderly
    - New Navy Base Road
    - Industrial sites
    - Families
    - Airport

### ***Benefits of the Reorganization***

- Provides increased financial support for the fire department through increased assessment
- Builds service and governmental efficiencies
- Provides a service provider for the Samoa Subdivision
  - Would generate more residents to serve as volunteers and fund services
  - Would significantly increase assessed value for secured property taxes
- Allows for paid staff that can be cross-trained to respond to calls during daytime hours and also work as a water/wastewater system operator
- Provides a local entity that can address broad community needs
- Provides the opportunity for the community to add community facilities and services if they want to (e.g., grants to fund a new park in Fairhaven)
- Creates appropriate agency to maintain and insure a tsunami evacuation site is created in Fairhaven
  - Emergency evacuation facilities are covered under general liability for CSDs; are not an insured activity for fire departments

### C. FORMATION PROCESS

The Community Services District Law (Government Code Section 61000 *et al*) is the Principal Act for forming and administering a Community Services District. If LAFCo approves the formation, the registered voters within the boundary would then vote on whether to form the CSD. LAFCo formation steps are shown below:



### ELECTION CALENDAR

Tentative Dates	Description
May 15 LAFCo Special Meeting	Public Hearing - Recommendation and Action *Approval triggers 30-day reconsideration period and conducting authority (protest) proceedings
June 14	Reconsideration Period Ends
June 28 in Fairhaven	Protest Hearing conducted by Executive Officer
July 10 LAFCo Special Meeting	Confirm Protest Hearing results; Adopt resolution requesting Board of Supervisors call election
July 18 BOS Meeting	Election called by Board of Supervisors
August 9	Last day for county elections official to publish Notice of Election
August 11	Official Filing Date for Ballot Measures
November 7	Consolidated District Election

## D. DISCUSSION AND ANALYSIS

There are a number of issues that are pertinent to this proposal. These are discussed and described below:

### ***Statutory Background***

State law limits what services a fire protection district may provide. The proposed reorganization consists of dissolution of the SPFPD and formation of a new CSD in order to provide the necessary governance structure to retain the existing volunteer fire department and expand the type of services peninsula residents may receive.

The Community Services District Law (Government Code Section 61000 *et al*) is the Principal Act for forming and administering a Community Services District. Humboldt LAFCo has the authority to consider the proposed reorganization under the Cortese-Knox-Hertzberg Act. If LAFCo approves the formation, the registered voters within the District boundary would vote on whether to form the CSD.

### ***CSD Powers/Functions***

CSDs are authorized to provide a broad array of local services. The actual services to be provided by a specific district are identified in the formation process. Thereafter, that district can provide additional types of services only by obtaining approval from LAFCo and the voters within the district.

The proposed CSD would provide the following services:

- Water
- Wastewater
- Fire Protection, rescue, and emergency response (including tsunami evacuation)
- Parks, Recreation, Trails, and Open Space
- Landscape Maintenance within Public Areas
- Streets and Street Maintenance
- Storm Drainage

All other powers authorized under the Community Services District Law (Government Code Section 61100) would be considered “latent” and would require LAFCo action based on a plan for services to be activated.

### ***Boundaries***

The proposed CSD boundary would generally be consistent with the current SPFPD boundary and sphere of influence, with minor adjustments to account for public lands and tax rate areas (**Boundary Figure, Attachment A**).

Federal land, including the BLM and Coast Guard Station were not included in the proposed District due to appropriations law which limits the ability for the CSD to charge Federal agencies for certain services.

### ***Sphere of Influence***

A Sphere of Influence (SOI) is a planning boundary for a jurisdiction that is established by LAFCo and identifies areas that might be annexed in the future. The SOI is proposed to be coterminous with the proposed CSD boundary with the recognition that LAFCo will update the SOI in five years as part of the MSR/SOI update program.

### ***Board of Directors***

The proposed CSD would be comprised of five (5) members elected at large for four-year terms by registered voters residing within the District. The SPFPD Board of Directors is proposed to serve as the initial CSD Board of Directors. For this initial Board, the terms of three members would be four years, and the terms of two members would be two years. Thereafter, Board members would be elected at-large for four year terms by registered voters residing within the district. This would provide consistency in leadership during the transitional period from FPD to CSD, and provide an experienced board when preparing asset transfer agreements and transition agreements.

### ***Transfer of Assets***

The Samoa Town Master Plan will be implemented via a multi-phase subdivision for which Final Maps may be recorded for particular phases of development upon meeting County conditions of subdivision approval. CSD formation approval includes a condition requiring the owner to irrevocably convey and dedicate designated parcels and improvements to the Peninsula CSD prior to the effective date of the CSD formation (i.e., recording of the Certificate of Completion).

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.

### ***Infrastructure Condition***

The Town of Samoa subdivision includes upgrades and improvements to potable water storage and distribution facilities; wastewater collection, treatment and disposal facilities; roadways; and parks and recreational improvements.

A portion of the Samoa Town Master Plan area has received grant funds for an affordable housing project on land already designated and zoned for multifamily residential development. This part of the subdivision received a Local Coastal Program amendment to adjust phasing, and a Coastal Development Permit from Humboldt County.

Wastewater treatment improvements are designed and will be phased to serve the existing town and Master Plan buildout.

The Subdivision map includes an onsite wastewater treatment plant, with tertiary treatment, which requires Regional Water Quality Board setting of waste discharge requirements. As part of this permitting process tertiary treatment and disposal options are being considered, including pumping treated wastewater offsite.

All planned improvements and upgrades will be documented in a Detailed Engineering Analysis, which will evaluate the costs associated with recommended improvements and ongoing operations and maintenance, and the methodology for allocating or apportioning costs to parcels within the District. As a disadvantaged unincorporated community, it is anticipated that the Peninsula CSD will be eligible for grants to offset costs associated with fire station renovations and other facility upgrades not covered by the developer.

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.

### ***Budget/Financing***

A Peninsula CSD Management Plan (SHN, March 2017) was prepared to provide a conceptual plan for governing the newly formed CSD, including recommended organizational structure, staffing levels, and operating budgets (**Management Plan, Attachment B**). Operating budgets prepared for the CSD consist of an initial “start-up” budget and five years of projected operating revenues and expenses. Based on the projected expenses, the Management Plan explores various rate systems (benefit assessments and user fees) and presents a list of rate system recommendations.

With regard to existing revenue collected by the Samoa Peninsula FPD, the Peninsula CSD would be named “successor agency” for purposes of winding up the affairs of the SPFPD, carrying out all authorized duties and responsibilities, and overseeing the extension or continuation of any previously authorized assessment or tax in the affected territory. As such, all existing tax-related revenue that currently supports fire protection services by the Samoa Peninsula FPD would be transferred to the Peninsula CSD to support the continued operation of the volunteer fire department. Any new services to be provided by the Peninsula CSD would require new sources of revenue, such as benefit assessments and user fees, which require landowner approval in accordance with Proposition 218 requirements. The following condition is proposed, which requires Proposition 218 proceedings to be conducted within one year of the effective date of CSD formation:

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. The District shall implement Proposition 218 proceedings within one calendar year of the effective date, unless a time extension is approved by the Commission. Services shall be activated and assets transferred only for those services with approved benefit assessments or user fees.

### ***Proposed Revenue Sources***

As described previously, a Detailed Engineering Analysis will serve as the basis for preparing Rate Studies to establish user fees, and Engineers Reports to establish benefit assessments for the following services:

User Fees (Samoa only)

Water

Wastewater

Benefit Assessments

Fire Protection

Parks and Recreation

Streets

Storm Drainage

User fees for water and wastewater services would initially be limited to the Town of Samoa area. Currently, the Fairhaven/Finntown area receives community water services from the Humboldt Bay Municipal Water District (HBMWD), and all wastewater is provided by on-site disposal systems. As discussed previously, there is ongoing planning and analysis of wastewater treatment and disposal options for the Peninsula. This includes the ocean outfall, as a possible discharge point for treated commercial and residential wastewater at Redwood Marine Terminal II, as a potential solution for insufficient on-site septic systems on the Peninsula. This broader planning effort is proceeding independently of the proposed Peninsula CSD formation.

With regard to benefit assessments, an increase in the fire assessment would be proposed peninsula-wide. Since benefit assessments are based on the concept of assessing only those properties that directly benefit from the services or improvements financed, it is expected that assessments proposed for parks and recreation, streets, and storm drainage would primarily be limited to the Town of Samoa area where these facilities exist. A detailed description of the process for establishing fees and assessments in accordance with Proposition 218 requirements are described below.

### ***Proposition 218 Background***

On November 5, 1996, California voters passed Proposition 218, the “Right to Vote on Taxes Act.” This California Constitutional amendment protects taxpayers by limiting the methods by which local governments can increase taxes, fees, and charges without taxpayer consent. Proposition 218 requires voter approval prior to any imposition or increase of general taxes, assessments, and certain user fees. Upon the passing of Proposition 218, Articles XIII C and XIII D were added to the California Constitution.



Article XIII C of the California Constitution generally requires a majority vote of the electorate for a local government to impose, extend, or increase any general taxes, and a two-thirds (2/3) vote of the electorate to impose, extend, or increase any special tax, and permits the use of the initiative to affect local taxes, assessments, fees, and charges.

Article XIII D of the California Constitution generally requires that assessments, fees, and charges be submitted to property owners for approval or rejection after the provision of written notice and the holding of a public hearing. Section 4 provides "Procedures and Requirements for All Assessments" and Section 6 covers "Property Related Fees and Charges".

### User Fees

Article XIII D, Section 6(b) of the Constitution sets forth substantive requirements for property-related fees. Specifically, Section 6(b) provides that:

A fee or charge shall not be extended, imposed, or increased by any agency unless it meets all of the following requirements:

- (1) Revenues derived from the fee or charge shall not exceed the funds required to provide the property related service.
- (2) Revenues derived from the fee or charge shall not be used for any purpose other than that for which the fee or charge was imposed.
- (3) The amount of a fee or charge imposed upon any parcel or person as an incident of property ownership shall not exceed the proportional cost of the service attributable to the parcel.
- (4) No fee or charge may be imposed for a service unless that service is actually used by, or immediately available to, the owner of the property in question. Fees or charges based on potential or future use of a service are not permitted. Standby charges, whether characterized as charges or assessments, shall be classified as assessments and shall not be imposed without compliance with Section 4.
- (5) No fee or charge may be imposed for general governmental services including, but not limited to, police, fire, ambulance or library services, where the service is available to the public at large in substantially the same manner as it is to property owners....

The rate study will be prepared to demonstrate that the proposed fees and charges are imposed as an incident of property ownership, and will serve as evidentiary support of compliance with the five substantive requirements.

### Benefit Assessments

Article XIII D, Section 4 of the Constitution sets forth substantive requirements for assessments. Specifically, Section 4(a) provides that:

An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel. Only special benefits are assessable, and an agency shall separate the general benefits from the special benefits conferred on a parcel. Parcels within a district that are owned or used by any agency, the State of California or the United States shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit.

The Engineer's Reports will be prepared to demonstrate that the properties in question receive a special benefit over and above the benefits conferred on the public at large, and will serve as evidentiary support of compliance with the substantive requirements described above.

## **E. OTHER CONSIDERATIONS**

- o Required Factors for Review

G.C. Section 56668 requires the Commission to consider 16 specific factors anytime it reviews proposals for a reorganization involving special districts (**Required Factors, Attachment C**). The majority of the prescribed factors focus on the impacts of proposed changes on the service and financial capacities of affected agencies. No single factor is determinative. The purpose in considering these factors is to help inform the Commission in its decision-making process.

- o Environmental Review

In accordance with the California Environmental Quality Act (CEQA), the Samoa Peninsula FPD served as Lead Agency and adopted a Negative Declaration for the project on September 15, 2015. On behalf of the Commission in its role as Responsible Agency under CEQA, staff independently reviewed and commented on the draft Initial Study, and concurs that there will be no significant environmental impact from the project. This Negative Declaration also serves as the environmental document for the Commission's action on the proposed reorganization.

- o Conducting Authority Proceedings

Pursuant to California Government Code section 56663, the Commission gave sufficient notice that, unless written opposition to the proposal is received from landowners or registered voters within the affected territory before the conclusion of the Commission hearing/proceedings on the proposal, the Commission intends to waive protest

proceedings. A written letter of opposition has been received (**Letter of Opposition, Attachment D**). Therefore, a protest hearing has been scheduled for June 28 in Fairhaven. The protest hearing will be conducted by the Executive Officer and would require a protest of more than 50% of registered voters to terminate the election. Otherwise, the proposed reorganization would go to a vote on the November 7<sup>th</sup> election.

- o Agency Letters of Support

Letters of support for the Peninsula CSD formation were received from Humboldt County DHHS – Environmental Health, Humboldt County DHHS – Public Health, North Coast Regional Water Board, and the Humboldt Bay Municipal Water District (**Agency Letters of Support, Attachment E**). These were received in response to an agency referral sent in May 2016.

## **F. RECOMMENDATION**

Staff recommends the Commission approve the reorganization proposal subject to terms and conditions as described in the draft Resolution of Approval (Attachment F).

### ***Alternatives for Commission Action***

Staff has identified three options for Commission consideration with respect to the proposal. These options are summarized below.

- o Alternative Action One (Recommended):

Adopt the draft resolution identified as Attachment E, approving the proposal with the recommended conditions along with any desired changes as requested by the Commission.

- o Alternative Action Two:

Continue consideration of the item to the next regular meeting and provide direction to staff for additional information as needed.

- o Alternative Action Three:

Disapprove the proposal. Disapproval would statutorily prohibit the initiation of a similar proposal for one year unless a request for reconsideration is filed and approved within 30 days of Commission action.

### ***Procedures for Consideration***

This item has been agenzized for consideration as part of a noticed public hearing. As such, the following procedures are recommended with respect to the Commission's consideration of this item:

- A. Receive verbal report from staff
- B. Open the public hearing and invite testimony

C. Discuss item and – if appropriate – close the hearing and consider action on recommendation:

*"I move to adopt Resolution No. 17-06, 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 establishing a coterminous sphere of influence, as described in the staff report, subject to the recommended conditions".*

**Attachments**

Attachment A: Boundary Figure

Attachment B: Management Plan

Attachment C: Required Factors for Review

Attachment D: Opposition Letter

Attachment E: Agency Support Letters

Attachment F: Resolution of Approval



# Management Plan

## Peninsula CSD Formation

Prepared for:

**County of Humboldt and  
Humboldt Bay Harbor, Recreation, and Conservation District**

Project Funding Provided by:

**U.S. Department of Commerce 07-79-07177**

 **Engineers & Geologists**

812 W. Wabash Ave.  
Eureka, CA 95501-2138  
707-441-8855

March 2017  
015147.200



# Management Plan

## Peninsula CSD Formation

Prepared for:

**County of Humboldt and Humboldt Bay Harbor, Recreation, and  
Conservation District**  
Eureka, California

Project Funding Provided by:

**U.S. Department of Commerce 07-79-07177**



Prepared by:



**Engineers & Geologists**  
812 W. Wabash Ave.  
Eureka, CA 95501-2138  
707-441-8855

March 2017

QA/QC:MKF\_\_

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## Abbreviations and Acronyms

ft <sup>3</sup>	cubic feet
gpd	gallons per day
gpm	gallons per minute
AB	Assembly Bill
AC	asphalt-cement
AMHI	annual median household income
County	County of Humboldt
CSD	Community Services District
EBU	equivalent benefit unit
EDU	equivalent dwelling unit
EMT	Emergency Medical Technician
EPA	U.S. Environmental Protection Agency
HBHRCD	Humboldt Bay Harbor Recreation, and Conservation District
HBMWD	Humboldt Bay Municipal Water District
ITE	Institute of Transportation Engineers
LAFCo	Local Agency Formation Commission
MCSD	Manila Community Services District
NPDES	National Pollutant Discharge Elimination System
NR	no reference
O&M	operations and maintenance
PVC	polyvinyl chloride
RMT II	Redwood Marine Terminal II
RWQCB	North Coast Regional Water Quality Control Board
SANDAG Study	San Diego Association of Governments Traffic Generators Study
SHN	SHN Engineers & Geologists
SPFPD	Samoa Peninsula Fire Protection District
SPG	Samoa Pacific Group, LLC
SWRCB	State Water Resources Control Board

# 1.0 Introduction

This report was prepared by SHN Engineers & Geologists for the Humboldt Bay Harbor, Recreation, and Conservation District (HBHRCD) and the County of Humboldt (County). This planning and technical analysis addresses the potential formation of a community services district (CSD) encompassing portions of the Samoa Peninsula in Humboldt County.

The portion of the peninsula being considered for service by a new CSD is made up of some distinct, small communities; significant industrial properties; and public lands (Figure 1). The area currently has fire protection services provided by the Samoa Peninsula Fire Protection District. The intention of the formation of a new CSD is to dissolve the existing fire protection district and absorb those duties and functions into the CSD; thereafter, the CSD would provide typical municipal type services related to streets and street lighting, parks and recreation, wastewater collection and treatment, water distribution, and storm drainage. Because the proposed CSD is located adjacent to the Pacific Ocean, it will also provide tsunami evacuation services.

This technical analysis addresses several key areas in the District formation process:

- **Base Mapping**  
Members of our team, along with participating agency staff, acquired the existing data and field information to prepare system mapping related to the planning level effort for the peninsula-wide district.
- **Condition Assessment**  
The team defined the peninsula-wide systems, along with their conditions, and determined if they have sufficient capacity to address current and long-term (20-year) needs.

Interconnectivity scenarios between stand-alone systems on the peninsula were evaluated. Upgrades of the existing infrastructure of the multiple wastewater and water systems are identified, as are recommendations for capacity, piping, services, and interconnectivity improvements.

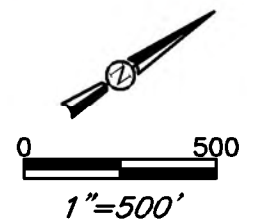
- **Governance Requirements and Procedures**
  - **Conceptual System Governance**  
Prepare a conceptual plan for governing a newly formed CSD, including recommended organizational structure, staffing levels, and operating budgets
  - **Formation Process**  
Prepare a flow chart representing tasks, decision points, and third party approvals/authorizations mapping the process following the study for formation of a new CSD.
  - **Financial Analysis, Rate Recommendations**  
Prepare a financial analysis based on the conceptual governance system for the proposed CSD. Operating budgets prepared for the CSD consist of an initial “start-up” budget and five years of projected operating revenues and expenses. Budgets presented in line item format, and address operation and maintenance (O&M), capital costs, replacement and any associated debt service, or other identified revenues and expenses. Based on the projected expenses, we explore rate system(s) (benefit assessment, special tax, and/or services fees) and present a list of rate system recommendations.

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## EXPLANATION

- PROPOSED SAMOA CSD BOUNDARY
- SAMOA ZONE BOUNDARY
- PARK BOUNDARY



## 2.0 Existing Uses

Existing uses within the proposed CSD boundaries on the peninsula (existing development) include a mix of residential, commercial, industrial, coastal dependent industrial, public facilities, parks, and a school. Non-residential uses within the peninsula include the Samoa Cookhouse, the DG Fairhaven Biomass Power Plant, the Fairhaven Business Park, the Samoa Drag Strip, the Eureka Municipal Airport, the Redwood Marine Terminal I, Redwood Marine Terminal II (RMT II; former Samoa Pulp Mill), and County recreational parks. The U.S. Coast Guard Station may receive some CSD services; however, it is on U.S. Government property (including the Bureau of Land Management Recreation Area), which will not be contained within the CSD boundaries. Along with the industrial and public lands, the peninsula contains three small distinct communities, each defined by its origin and evolution through time: Samoa, Finntown, and Fairhaven.

On the northern portion of the peninsula is the community of Samoa. The Town of Samoa is a historic lumber company town established in the late 1800s, and is now owned by the Samoa Pacific Group, LLC (SPG), which purchased it at auction in 2001. Currently, Samoa is home to 90 families, the Samoa Cookhouse, the peninsula Union School, the Samoa Women's Club, and the Danco cabinet shop. SPG has prepared a master plan for the town and future development, and is in the process of submitting a master, phased, tentative map for the town, which includes subdividing the original town residences, and the subdivision and addition of approximately 184 new residential properties and a small business park. The subdivision phases will occur over time, as determined by market conditions associated with the sale of the proposed lots/homes.

Finntown is a small enclave of approximately nine residences and a few small industrial businesses. It is located on the bay front approximately midway along the peninsula.

Fairhaven is a small, primarily residential, area with approximately 69 homes located toward the south end of the proposed district. This area also contains the Fairhaven Business Park (former Simpson Pulp Mill). The community of Fairhaven historically was developed with the growth of the ship building industry in the late 1800s and early 1900s. The community once had its own post office and school; however, it is now primarily residential. The Samoa Peninsula Fire Protection District (SPFPD) is based in the old Rolph Elementary School in the Fairhaven area.

## 3.0 Existing Infrastructure

Current infrastructure on the Samoa Peninsula is defined by the history of growth of the various uses and community areas located there. Infrastructure type, condition, and needs are distinguished between the Town of Samoa, industrial facilities and the Fairhaven/Finntown communities. Each of these areas has infrastructure that has evolved based upon initial establishment and growth history. Existing infrastructure types, location, and needs will result in varying service levels, which can be assigned to more clearly defined sub-zones of a newly formed CSD. As the CSD grows and infrastructure changes occur, more uniform service levels throughout the CSD may result. For purposes of this study, with the exception of the provision of fire/rescue services, the infrastructure service zones will initially be described as two zones contained within the proposed District boundary: 1) the Town of Samoa zone, and 2) the Fairhaven Industrial zone. Associated infrastructure for each of the CSD's service areas is described below.

### 3.1 Fire/Rescue Services

The Samoa Fire District was formed in 1902. The Fairhaven Fire District was formed in 1952. The two districts merged in 1994 and formed the Samoa Peninsula Fire Protection District. The SPFPD is organized and governed by the Fire Protection District Act of 1987 (Health and Safety Code section 13800 et seq.; the “Act”) and former Health and Safety Code section 13800 et seq. The District is governed by a five-member Board of Directors, elected by the voters of the District. The SPFPD currently provides fire protection for the southern part of the Samoa Peninsula, extending south from the vicinity of the Highway 255 Bridge to the southern tip. The SPFPD currently provides the fire/rescue services for the areas that include Fairhaven, Finntown, the industrial properties, and the Town of Samoa. This service area is identifiable as a peninsula-wide service and is not associated with any particular community or use. The main fire station is located at 1982 Gass Street in Fairhaven. There is a secondary station located in The Town of Samoa on Cutten Street. The Cutten Street station is housed in what is known as the Samoa Block and is used primarily for equipment storage.

The SPFPD provides emergency and medical response rescue services and basic life support. The SPFPD has mutual aid agreements with the Arcata Fire District and the Humboldt Bay Fire Department. If these departments need assistance, the SPFPD will respond if possible, and vice versa.

The SPFPD currently operates with three primary and one reserve engine. In addition, the Fire District has a Chief Officer vehicle and a beach rescue vehicle (both four-wheel drive pickups). The pickup trucks are used as emergency response vehicles and are equipped with defibrillators and general medical equipment. The SPFPD also owns several parcels of real property and a considerable inventory of small equipment and supplies.

SPFPD assets to be transferred include the following parcels:

<b><u>APN</u></b>	<b><u>Description</u></b>
401-252-002	Vacant Lot
401-252-003	Vacant Lot
401-312-001	Fairhaven Fire Station
401-312-002	Adjacent Apparatus Bay
401-312-008	Vacant Lot
401-262-017	Vacant Lot
401-246-007	Rental House & Garage

The SPFPD responds to approximately 100 emergency calls annually. Approximately 40 of those are calls within the district; 60 are mutual-aid calls. The staff of the SPFPD is made up of 16 local residents, all volunteers. Of the volunteer firefighters, six are emergency medical technicians (EMTs), and the rest are first responders or are certified in basic first aid.



## **3.2 Water Services**

### **3.2.1 Source/Supply**

The Humboldt Bay Municipal Water District (HBMWD) provides wholesale and retail water services to the Samoa Peninsula (Figure 2). HBMWD maintains two separate pipeline systems delivering treated drinking water and untreated raw water to its customers in the area. The untreated raw water is currently supplied to industrial users on the peninsula.

With the subdivision of land in Samoa, the treated water system will change to an individually metered system. Currently, HBMWD also provides retail water service to individual residential and commercial customers in the Fairhaven area.

### **3.2.2 Town of Samoa**

Two separate water systems serve the existing developed areas within the Town; one system provides domestic water service and is connected directly to the domestic water supply provided by HBMWD. The second system provides water for fire suppression to various existing hydrants located both in town and on the log deck, where future development is proposed. The current water system was installed between the 1920s and 1950s. It primarily consists of pipe that is in relatively poor condition and needs to be replaced. This fire suppression system is supplied from a 200,000-gallon water tank located on lands owned by HBHRC. The fire tank receives water from a HBMWD raw water mainline that served the old pulp mill and runs through the pulp mill site to the water tank.

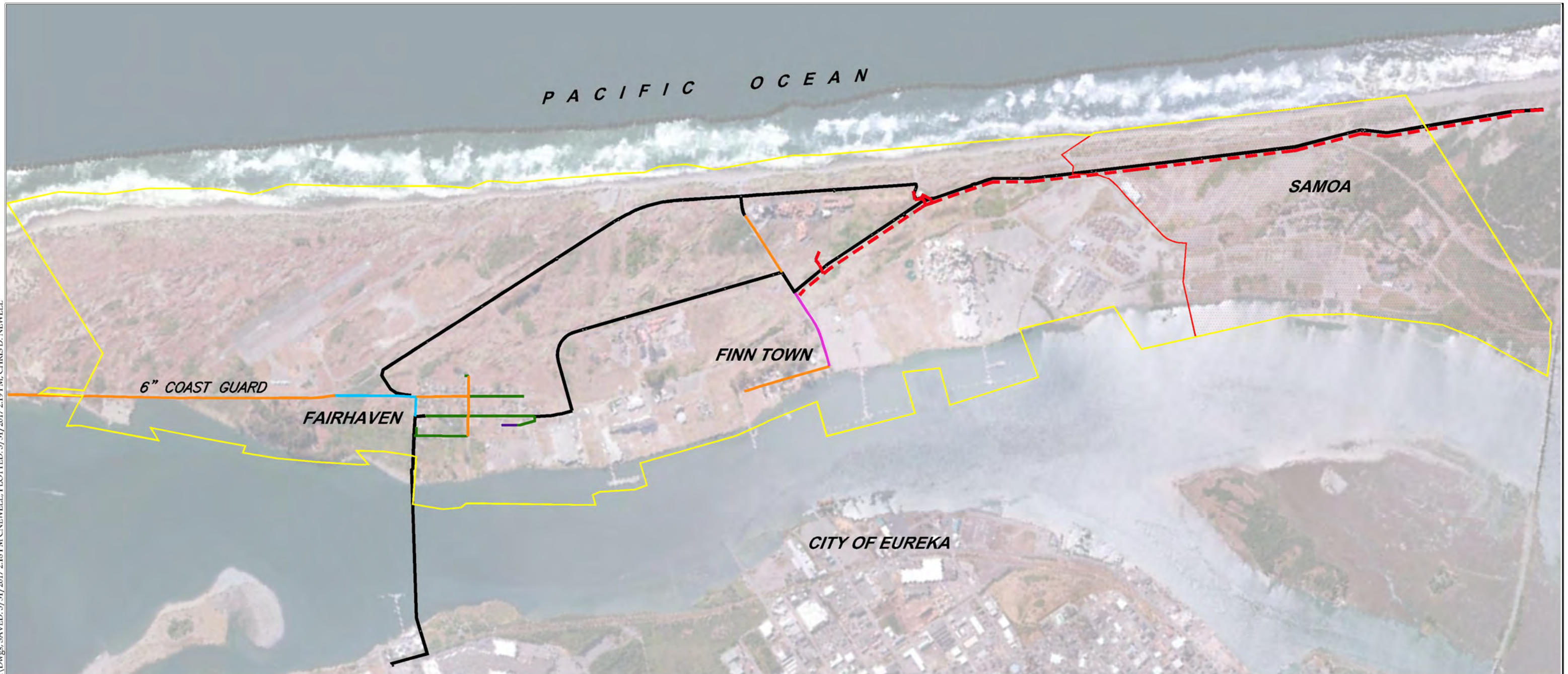
The Samoa Pacific Group purchases treated, potable water from the HBMWD at a single meter; it then distributes the water to the Town of Samoa. The SPG currently owns, operates, and maintains the two existing Town of Samoa domestic- and fire-water systems. There is no onsite storage of domestic water, because HBMWD has ample supply for domestic purposes. Currently, existing residents pay for water as a factored portion of their rent.

SPG is finalizing development permits and plans for the subdivision of the Town of Samoa property into individual lots and marketing them. The plan includes the replacement of the two existing water systems with a single system (Figure 3) that will provide domestic and fire suppression water distribution and storage (supply of treated domestic water will continue to be provided by HBMWD). The infrastructure replacement, development, and subdivision is planned to occur in several phases. It is anticipated that the proposed CSD will acquire the new infrastructure as the various phases are planned, designed, permitted, and installed by the SPG. Once all improvements have been completed and accepted, the CSD will be responsible for ownership, operation, and maintenance of the water distribution services as phased improvements are acquired.

### **3.2.3 Fairhaven/Finntown**

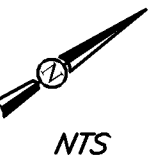
Both the communities of Fairhaven and Finntown residential and small business/industrial customers along with the Coast Guard station are provided domestic water through a distribution system and individual metered services owned and operated by HBMWD (Figure 2). The domestic system is served by a 12-inch diameter concrete-lined transmission pipe that is routed down the peninsula and then looped through a 27-inch diameter steel pipeline under Humboldt Bay. The

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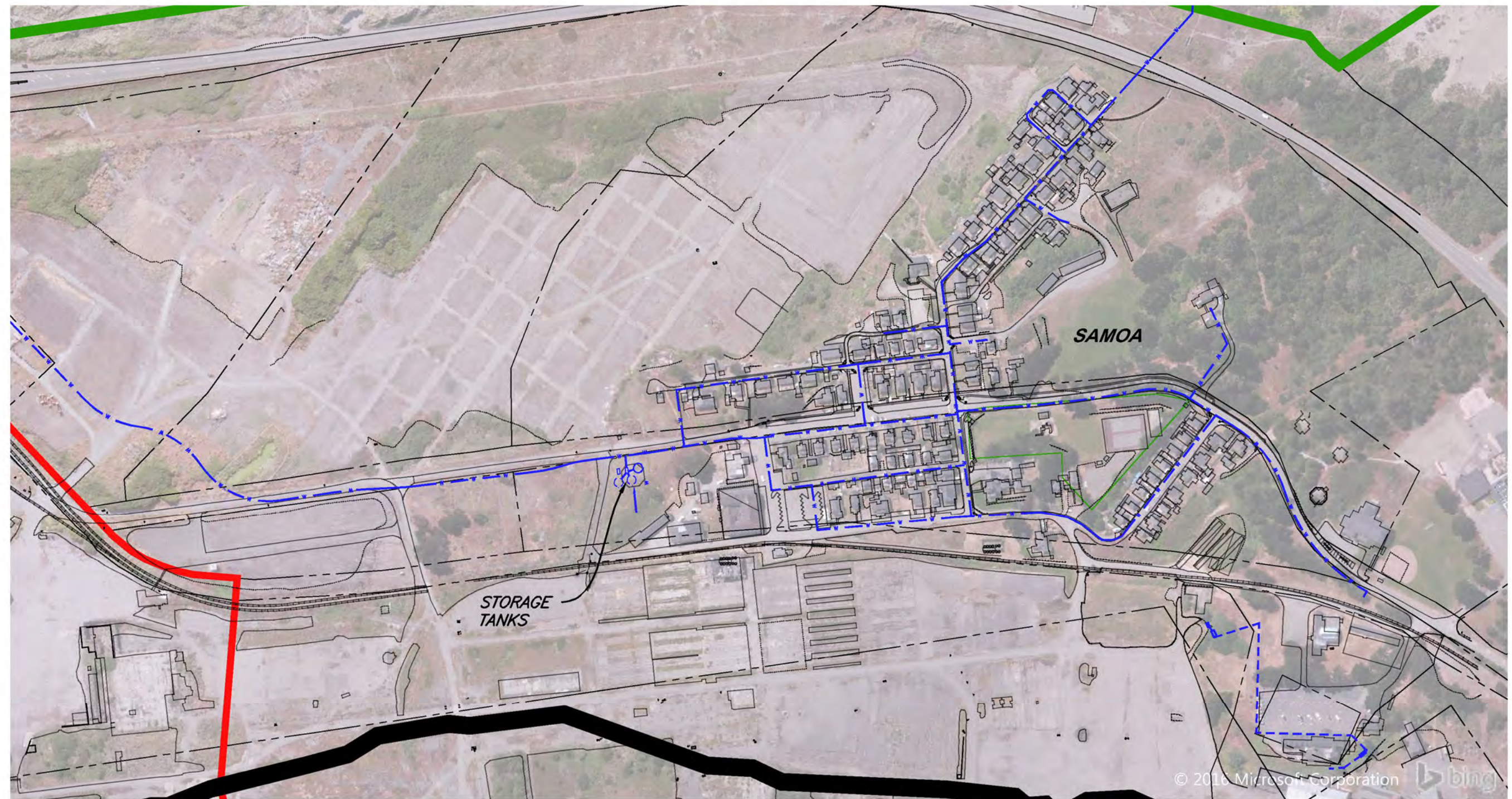
### EXPLANATION

- *PROPOSED SAMOA CSD BOUNDARY*
- - - *SAMOA ZONE BOUNDARY*
- *FAIRHAVEN 2 INCH WATER*
- *FAIRHAVEN 4 INCH WATER*
- *FAIRHAVEN 6 INCH WATER*
- *FAIRHAVEN 10 INCH WATER*
- *FAIRHAVEN 12 INCH WATER*
- *HUMBOLDT BAY DOMESTIC WATER*
- - - *HUMBOLDT BAY INDUSTRIAL WATER*








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### EXPLANATION

-  *SAMOA ZONE BOUNDARY*
-  *PARK BOUNDARY*
-  *PROPOSED WATER*





steel line under the bay was constructed in the 1970s. The Fairhaven and Finntown distribution lines were also constructed in the 1970s, and primarily are polyvinyl chloride (PVC) with several asbestos-cement (AC) sections. The portion of the HBMWD distribution system associated with those customers is in fair condition. Through routine maintenance, some of the lateral connections from the main line to the meters have been replaced in Fairhaven. In 2014/2015, approximately 12,600 feet of transmission line servicing Fairhaven and Finntown was replaced with a new 20-inch diameter PVC line along New Navy Base Road. This included the laterals on Lindstrom that were replaced as part of the Techite replacement project. The previous transmission line was constructed of Techite and was run parallel to the industrial line.

It is anticipated that the retail distribution system will be turned over to the proposed CSD for the provision of domestic water services within the District. Acquisition of the system by the District may occur in phases. In the Fairhaven/Finntown area, HBMWD currently has 69 active residential connections, 14 commercial connections, and 1 industrial connection (DG Fairhaven). An inventory of the existing HBMWD distribution facilities including pipe lengths, sizes, and appurtenances is presented in Appendix A.

### **3.2.4 Industrial Properties**

HBMWD also supplies raw (untreated) water to some of the industrial properties contained on the peninsula. These include the former LP Samoa Pulp Mill (currently RMT II, and owned by HBHRCD) and the former Simpson Fairhaven Pulp Mill (presently the Fairhaven Business Park and the Fairhaven Biomass Power Plant). The raw water system is depicted on Figure 2. The raw water transmission line is a 42-inch diameter concrete-lined corrugated pipeline that ends approximately due east of the DG Fairhaven power plant. Historically, this line served pulp mills on the peninsula; however, the majority of the industrial demand has since subsided. Except for the retail sales to residences and some of the business/industrial users, the HBMWD will maintain ownership and operation of the raw water system and major domestic trunk lines located on the peninsula.

## **3.3 Wastewater Services**

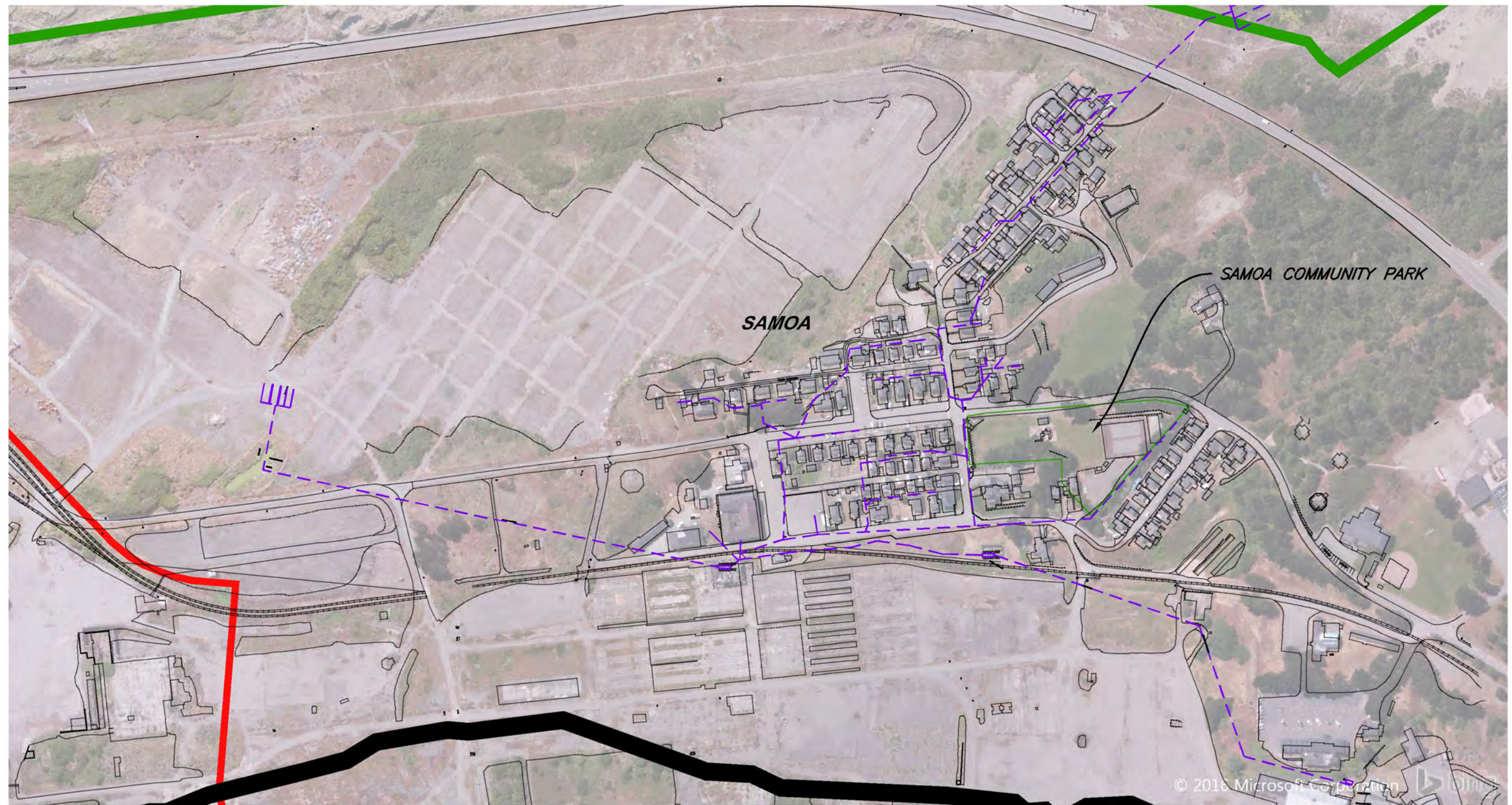
### **3.3.1 Town of Samoa**

The only central sewer treatment system on the Samoa Peninsula is within the Town of Samoa (Figure 4). There are actually two separate systems serving the existing houses, one system provides sewer collection, transport, treatment, and disposal to the majority of the houses and buildings located in the existing town. The second system provides sewer collection, transport, treatment, and disposal to approximately 25 homes and the Women's Club located along Sunset Avenue. Currently, the SPG owns, operates, and maintains both of the existing wastewater systems, which includes three large holding tanks, conveyance piping, pumping, a large holding reservoir/pond, and disposal percolation basin.

As with the water system, SPG is finalizing development permits and plans for the subdivision of the Town of Samoa property into individual lots and marketing them. The plan includes the replacement of the existing wastewater collection and treatment system (Figure 5). The infrastructure replacement, development, and subdivision is planned to occur in several phases. It is anticipated the proposed CSD will acquire the new infrastructure as the various phases are



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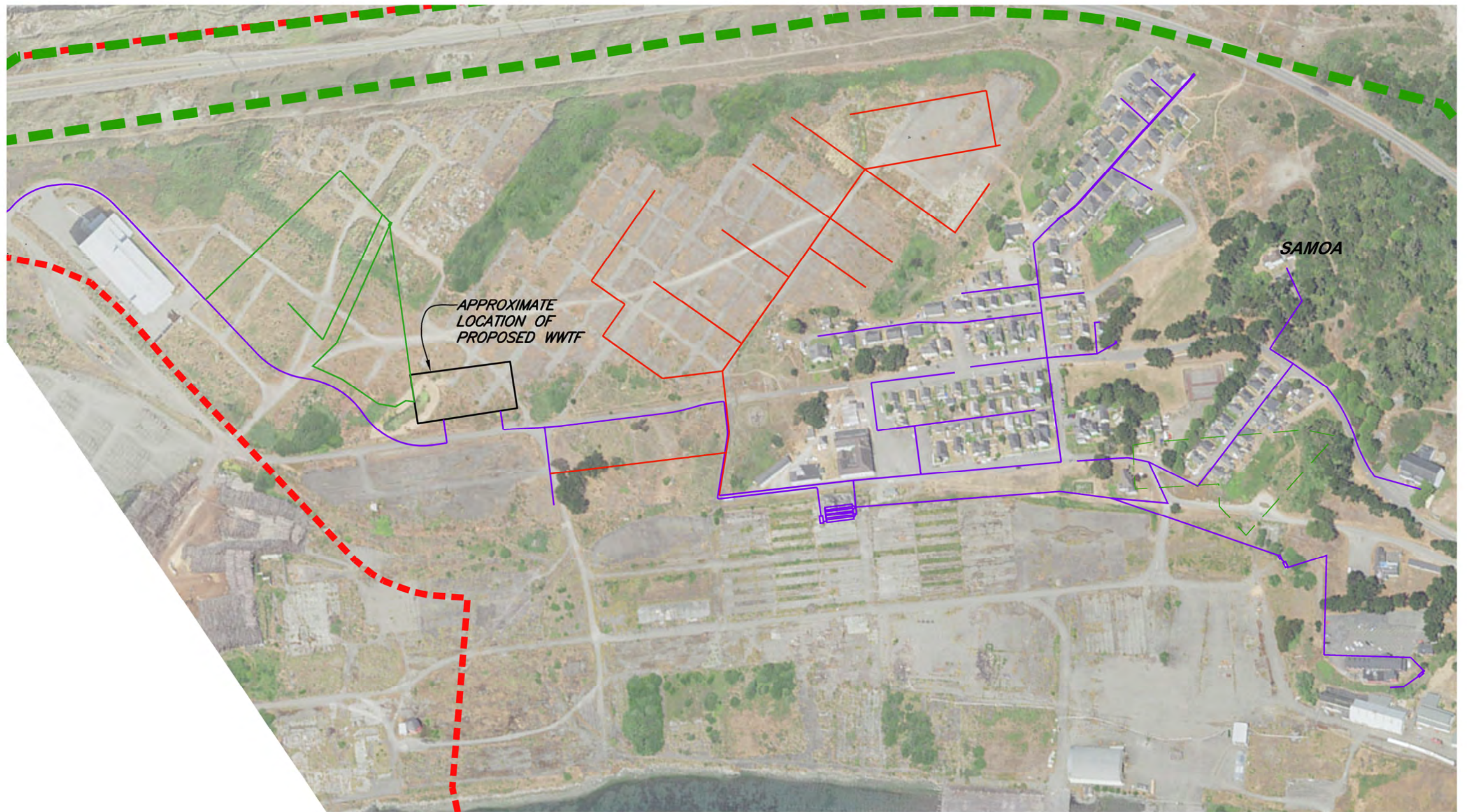
### EXPLANATION

- SAMOA ZONE BOUNDARY*
- PARK BOUNDARY*
- EXISTING SEWER*



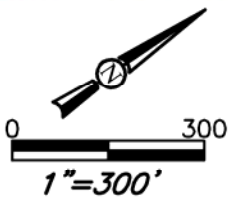


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### EXPLANATION

	PROPOSED SEWER (PHASE 1)		SAMOA ZONE BOUNDARY
	PROPOSED SEWER (PHASE 2)		PARK BOUNDARY
	PROPOSED SEWER (PHASE 3)		



**NOTE: ALL LOCATIONS APPROXIMATE**

 Consulting Engineers & Geologists, Inc.	Humboldt County, HBHRCD Samoa Peninsula CSD Humboldt County, California		Samoa Zone Proposed Sewer SHN 015147.200
	March 2017	015147-200-PROP-SEWER	Figure 5



planned, designed, permitted, and installed by the SPG. Once all improvements have been completed and accepted, the CSD will be responsible for ownership, operation, and maintenance of the collection and treatment services as phased improvements are acquired.

### **3.3.2 Fairhaven/Finntown**

All residential and commercial/business properties within the communities of Fairhaven and Finntown are served through onsite, individual septic tank, and leachfield systems that are each property owner's responsibility. The North Coast Regional Water Quality Control Board (RWQCB) has indicated that physical conditions that exist on the peninsula (high groundwater, coarse sandy soils, and small residential lots) "make it infeasible for septic system discharges to meet water quality objective set forth in the *Water Quality Control Plan for the North Coast Region*" (RWQCB, May 2011). Although there are several vacant lots available in Fairhaven for future residential development, lack of an adequate sewage system to protect the environment and public health restricts growth in the area. Humboldt County has been pursuing grant funding to expand wastewater collection and treatment in Fairhaven/Finntown and commercial properties on the peninsula.

### **3.3.3 Industrial Properties**

Active industrial properties are served by onsite private wastewater disposal systems. One of the industrial properties (now known as RMT II) has a significant effluent disposal system that has been determined to have reuse potential for discharge of treated wastewater effluent, processing of dredge spoils, and aquaculture activities. Existing infrastructure at the site includes a septic tank and leachfield designed to treat flows from the RMT II site's sanitary sewer system and the former industrial process water disposal system, which discharged into manhole-5, which subsequently discharges into the 1.5-mile long ocean outfall with diffuser system. Currently, DG Fairhaven Power discharges approximately 170,000 gallons per day (gpd) of process water, following treatment, through the RMT II ocean outfall. Discharges from DG Fairhaven Power are regulated by a National Pollutant Discharge Elimination System (NPDES) permit under RWQCB Order No. R1-2012-0027.

Although the RMT II outfall pipe has available capacity for accommodating peninsula-generated wastewater discharges, NPDES permits and authorizations from various agencies would have to be acquired for such use. Use of the outfall by the CSD would also need to be facilitated through a long-term use agreement with the owner (HBHRC), establishing a fee schedule that would be stable and predictable by the District.

## **3.4 Roads**

### **3.4.1 New Navy Base Road**

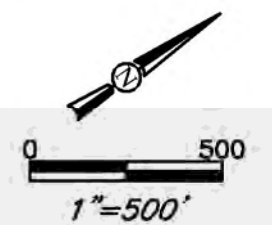
The primary roadway and arterial street that serves as vehicle access to the peninsula is New Navy Base Road (Figure 6). This road is a part of the Humboldt County road system and consists of approximately 4.5 miles within the proposed District boundaries. It is anticipated that this roadway will continue to be owned, operated, and maintained by the County. The plan for Vance Avenue through Samoa is that the SPG will make improvements to County standards as part of the workforce housing development grant and remain a county-maintained road.


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**EXPLANATION**

- PROPOSED SAMOA CSD BOUNDARY
- EXISTING ROAD



 Consulting Engineers & Geologists, Inc.	Humboldt County, HBCHRC Samoa Peninsula CSD Humboldt County, California		Existing Roads
	January 2017	015147-200-SAMOA	SHN 015147.200
			Figure 6

### **3.4.2 Town of Samoa**

Similar to both water and wastewater services, the Town of Samoa owns, operates, and maintains a private street/road system. Except for portions of Vance Avenue, there is no dedicated right-of-way for the street system that serves the homes in the community. The existing street system in the Town of Samoa consists of approximately 2.9 miles of publically travelled roads. As with the water and wastewater systems, future subdivision and development of the Town of Samoa is planned. As part of the workforce housing development grant, SPG will make improvements to Vance Avenue so that it meets county standards and it will remain a county-maintained road. It is anticipated that the proposed CSD will acquire the new road system along with appropriate rights-of-way as the various phases are completed; the CSD would be responsible for ownership, operation, and maintenance of the streets and street lighting services as phased improvements are completed and acquired.

### **3.4.3 Finntown**

Access to the enclave known as Finntown is provided by Bay Street, which connects to New Navy Base Road to the west and carries traffic to Fay Street, which fronts the homes and businesses in the area. It is anticipated that both of these roadways will continue to be owned, operated, and maintained by the County.

### **3.4.4 Fairhaven**

The community of Fairhaven contains a small grid of rights-of-way associated with the platted portion of the residential area. Developed roads within the rights-of-way consist of approximately 1.9 miles of asphalt- and gravel-paved surfaces, most of which are in poor condition. Two roads provide access to the Fairhaven area from New Navy Base Road. Neither appears to have a formal right-of-way or easement. The north access is provided through what is known as Simpson Private Road, and southern access is provided by an extension of Lincoln Avenue. All roads are currently maintained by the County. It is anticipated that all roads within Fairhaven will continue to be maintained by the County.

### **3.4.5 Industrial Properties**

The various industrial properties on the peninsula have developed their own internal road systems as their individual uses required. Primary access roads to industrial properties off of New Navy Base Road consist of Cook House Road, Loop Drive, Bay Street, and Simpson Private Road. Vance Avenue is a north/south road that bisects the industrial properties as it traverses from Fairhaven to the Town of Samoa. Vance Avenue is privately maintained.

## **3.5 Storm Drainage**

No surface facilities (such as, curbs and gutters, or underground collection and transport facilities) exist in these communities. The peninsula is made up of typically well-drained soils (coarse sands) and topographic features that do not require addressing runoff issues. No formal storm systems, other than a few drainage ditches on some of the industrial properties are located between the

railroad tracks and Humboldt Bay. Some of these industrial areas have storm drain catch basins and underground piping, most of which is not formally mapped, and are owned and operated by private property owners; these would not be the responsibility of the CSD.

### 3.6 Parks and Recreation

There are currently several recreational park areas on the peninsula. Samoa Park, adjacent to Vance and Rideout Avenues, consists of 2.4 acres, and , has tennis and basketball courts, a playground, and play fields. The Samoa Dunes Day Use Area includes parking facilities; the Samoa Visitor Serving Area includes bathroom, shower, and other facilities. There is a privately owned Gymnasium adjacent to Peninsula Elementary School and a ball field at the school. Other private recreation facilities include the Women’s Club and grounds on Rideout Avenue. There is a trail from the Town of Samoa to the beach parking area through a pedestrian tunnel under New Navy Base Road.

Humboldt County owns, operates, and maintains three parks, two beach access parking areas, and a small RV Park and boat ramp, all of which are within the new District boundary. The beach access parking areas consist of what is known as the Fairhaven T access and the Samoa Power Pole access. The Fairhaven T access is a paved parking area that has 14 parking spaces and the Samoa Power Pole access has parking for approximately 18 vehicles. The Samoa County RV Park and Boat Ramp have 13 RV sites and 25 tent sites, as well as a restroom and shower facility. The camping sites are primitive (no electrical, water, or sanitary “hook-up” facilities) and are operated on a first come-first served basis. The boat ramp facility is in good condition; however, it does not currently have adjacent boarding floats. The County is in the process of seeking funds for installation of boarding floats.

### 4.0 Projected Growth

The *Humboldt County General Plan* update, presents the following projected growth rate in the Board of Commissioners tentatively approved “Chapter 4, Land Use Element” (Humboldt County, November 2013).

<b>Table 1</b> <b>Historical and Projected Population Growth in Humboldt County, 1980-2030</b> <b>Peninsula CSD Formation</b>					
<b>Year</b>	<b>Total County Population</b>	<b>Population of Unincorporated Areas</b>	<b>Percent of Total Population in Unincorporated Areas</b>	<b>Percent of Average Annual Increase (Countywide Total)</b>	<b>Total Percent Change Over Period (Countywide Total)</b>
1980	108,525	59,046	54%	--	--
1990	119,118	62,169	52%	0.98%	9.77%
2000	126,518	67,567	53%	0.62%	6.21%
2010	134,623	71,916	53%	0.64%	6.38%
2020	139,000	76,450	55%	0.33%	3.27%
2030	145,700	81,600	56%	0.48%	4.82%

Sources: California Dept. of Finance, 2013; Humboldt County Planning Division, 2013

Although the County projects a County growth rate of approximately 0.5% per year, it is difficult to project growth for the peninsula due to development opportunities and constraints. The SPG plan for development of the Town of Samoa includes the addition of 184 home sites and a business park.



Moving forward with the SPG development plans and actual area growth will be determined by the demands of the local housing market. The Fairhaven residential zone has the capacity to accommodate between 70 and 90 additional home sites; however, compliance with the Subdivision Land Act, (Government Code section 66410 et seq.), restricts development of the divided lots in Fairhaven until local land use and other regulatory issues are addressed (such as, the lack of a centralized wastewater facility and constraints by the Coastal Commission).

The 2010 census-derived population for the Town of Samoa is 258, with an occupancy rate of 2.84 persons per household (U.S. Census Bureau, 2015). Full residential build-out of both the communities would result in between 430 and 450 total households, given the existing housing stock and projected buildable vacant lands. Considering a household size of 2.84 persons, the full build-out population for the peninsula would be 1,221 to 1,278. Existing population of the peninsula is estimated at 517, given the current housing stock of 182 and published occupancy rates of 2.84 persons/household.

## 5.0 District Formation

Reformation of the Fire District into a CSD is intended to provide a platform for the provision of a typical array of municipal services to the residents, businesses, industries, and recreational users on the peninsula. However, as described above, much of the infrastructure is either not in place or needs considerable upgrading before the District would be able to provide adequate services. Once the District has been formally established through the required State/County-mandated procedures, and the District Board adopts necessary governance rules, codes, and regulations, the District could proceed to address the assumption of facilities and utilities to provide public services. Each service the District provides will have its own set of rules, regulations, and policies along with established budgets with identified revenue sources and funding mechanism authorization(s). The process for the provision of services includes formulation and adoption of an operating budget and establishing rates, fees, and assessments following State-mandated guidelines and procedures to acquire revenues for funding operations. It is intended that the District will provide services related to water storage and distribution, wastewater collection and treatment, streets and street lighting, storm drainage, parks and recreation, fire fighting, and tsunami preparedness/evacuation. However; the provision of each of those service areas depends upon the acquisition of the necessary infrastructure to provide such services, as well as with having a funding mechanism to sustain them.

Because the District consists of a couple of distinct communities (Fairhaven/Finntown and Town of Samoa), which have varying infrastructure needs, conditions, and planned improvements, the District is proposed to have two separate zones for some of the services provided, addressing the unique features of each, with separate operating budgets, rates, fees, and assessments. It is anticipated that initially, water, wastewater, streets, street lighting and storm drainage services will be associated with separate zones. Because the entire peninsula is already served by the SPFPD, fire services can be district-wide and would be the first service to be incorporated into and provided by the new District. As the Districts' infrastructure and development evolve through time, service areas that were initially divided into the two zones may be merged.

The County has indicated a desire to transfer its three park-associated properties on the peninsula to the District. Once established, the District Board should consider the viability of assuming the existing County parks within District boundaries. The beach access areas and boat ramp/RV park serve a population that is located primarily outside of the District. The County has reported that

current revenues derived from fees associated with the RV park (and shower facilities) exceed the operation and maintenance costs for the RV park and parking areas combined. Considering that the current county facilities are, at a minimum, self supporting, and both beach access parks are similar in size and function, the District could acquire them and provide associated services without imposing any special assessment on local property owners. Separate park and recreation assessment sub-districts may be considered for more community-associated facilities (such as, the Town of Samoa Community Parks and proposed trail systems), once the planned SPG subdivision process has been completed.

Below is a suggested, sequenced list of tasks and milestones associated with the reorganization of the SPFPD into a CSD:

1. Local Agency Formation Commission (LAFCo) Process
  - Application Filing and Processing
  - Review and Consideration
  - Protest Proceedings
  - Final Certification
2. District Formation Election
  - Formation Determination
  - Board of Directors
  - Services Funding
    - 218 Process for Establishing Rates and Fees
    - User Fees (Water and Wastewater Services)
    - Special Assessments (Fire, Parks, Streets and Street Lighting, Drainage)
3. SPFPD Reorganized to CSD
4. Formal Assumption of SPFPD services
5. Governance and Operating Procedures Established
  - By-laws
  - Ordinances
  - Policies
  - Budget
  - Rate and Fee Structure Proposed
    - User Rates
    - Special Assessments
    - Special Taxes (Fire Dept)
6. Fairhaven Water Distribution System Acquired from HBMWD
  - Technical, Managerial, and Financial Assessment (SWRCB)
7. County Parks Acquired
8. Infrastructure Improvements
  - Phase I SPG
  - Samoa Zone Trails
  - Samoa Fire Station Activation
9. Phase I SPG infrastructure turned over to CSD
10. Future phases of SPG improvements acquired by CSD

## 6.0 Financial Planning

### 6.1 Financial Objectives

Several objectives should be considered in the development of a financial plan and in the design of service rates and fees, for which the major objectives of this section are as follows:

- Ensure revenue sufficiency to meet the O&M and capital needs of the CSD's service area funds.
- Plan revenue stability to provide for adequate operating and capital reserves and the overall financial health of the service areas.
- Provide fairness and equity in the development of a system of user charges.
- Minimize rate impacts to reduce financial hardship on user classes and individual members of those classes.
- Maintain simplicity for ease of administration and implementation, as well as customer understanding and acceptance.

Some of these objectives are interrelated. This being the case, judgment plays a role in the final design of rate structures and rates.

### 6.2 Methodology–Revenue Sources

Local governmental agencies have various means of raising funds for financing operations and improvements. The three primary methods consist of taxes, fees, and benefit assessments. The following is a summary of each of those fund raising mechanisms:

- A **tax** is an involuntary charge paid by individuals, businesses, and property owners regardless of the taxpayer's relative benefit. Taxes pay for governmental services that broadly benefit the public. Examples of taxes include local sales taxes, ad-valorem property taxes, special taxes, and hotel taxes.
- A **fee** is a voluntary charge paid by individuals, businesses, and property owners to cover the costs of a service or facility provided directly to them. The amount of the fee cannot be more than what it costs to provide the service. A fee may be paid for a local public swim pool or for water, sewer, and garbage services (for example).
- A **benefit assessment** is an involuntary charge that property owners pay for a public improvement or service that provides a special benefit to their property. The amount of the assessment is directly related to the amount of the benefit their property receives. Benefit assessments can finance public projects like flood control, park development, street improvement, streetlights, and public landscaping.

The SPFPD was previously funded through property taxes under the Assembly Bill (AB) 8 process and by a voter-approved benefit assessment fee, which the voters passed in 1997. Eight years ago, when the last pulp mill closed, the assessed valuation of the District fell to a point where its AB 8 factor was negative. Since then, the AB 8-based tax apportionment has been zeroed out by the

County tax department. This study assumes that the reorganization of the SPFPD to a CSD will move forward through property owner approval of all of the proposed service area funding options.

Along with any acquired tax revenues, this study recommends the use of two mechanisms for acquiring revenues to finance the services provided by the District. It is proposed to impose fees and assessments as defined by California Constitution, Article XIII D.

Proposition 218 (Right to Vote on Taxes Act) significantly changed local government finance. This constitutional initiative, approved by the state's voters in November 1996, applies to each of California's nearly 7,000 cities, counties, special districts, schools, community college districts, redevelopment agencies, and regional organizations. Proposition 218 sets forth specific definitions and procedures for establishing fees and benefit assessments.

Under Proposition 218, a fee is a charge to an individual or a business for a service provided directly to the individual or business. Financing of the water and wastewater services provided by the CSD will be through a fee system.

The following steps are required for the water and wastewater fees to be charged:

- Prepare a detailed engineer's report (user fee report) for each service.
- Mail information regarding the proposed fee to every affected property owner.
- Hold a hearing at least 45 days after the mailing.
- Reject the proposed fee if written protests are presented by a majority of the affected property owners.

According to Proposition 218, a special district may finance through assessments the maintenance and operation of public systems that include, but are not limited to, drainage, flood control, and street lighting. Assessments are involuntary charges on property owners to pay for these public works when their real properties benefit from the improvements through increased property values. Assessments include special, benefit, and maintenance assessments, and special assessment taxes. Other than from the current SPFPD shared property tax and special tax, the peninsula CSD would have no additional taxing authority without negotiating other tax shared revenues with the County. Financing of streets and street lighting, parks, storm drainage, and the Fire Department will primarily be through an assessment system.

The following steps are required for the proposed assessments to be charged by the District:

- Identify each property subject to the assessment.
- Segregate out any "general benefits."
- Apportion or "spread" the special benefit.
- Prepare an engineer's report.
- Mail notice of the proposed assessment and ballot (ballots weighted according to the proportional financial obligation of property) to all affected property owners.
- Hold a hearing at least 45 days after the mailing.
- Determine whether there is a majority protest of those ballots returned.

## 6.2.1 User Fees

User fee systems have evolved over time from a simple fixed rate for all users to a consumptive or metered service or supply to combinations of fixed base and flow-based for water and sewer with strength-based rates for sewer only. There are many methods for establishing a user rate system; however, state and federal funding agencies consider the flow-based system the most equitable for the users. These funding agencies typically require some type of flow-based method to provide the revenue needed to operate facilities and repay debt associated with system improvements.

This report recommends a fee system for water services, including a “base” fee to cover all fixed expenditures, along with a flow (commodity) fee. Because peninsula customers could include industrial users that produce a high-strength wastewater effluent, this report recommends a fee system for wastewater services that includes a “base” fee, flow (commodity) fee, and a strength-based fee for wastewater.

The basis for these revenue sources is a user-based system as it relates to a single-family residence, which is referred to as an equivalent dwelling unit (EDU).

Typically, when establishing sanitary sewer and water rates, water meter readings are used to gauge direct use of water and as a surrogate measure of sewage generation. Single-family, commercial, industrial, and institutional users are assessed fixed fees plus flowage charges based on water meter readings for the billing period.

The incremental basis for calculating the estimates used in the peninsula CSD financial analysis are as follows:

- A. **Water** supply, treatment, storage, and distribution costs for commercial and industrial users were based upon estimated water consumption for each user. For residential users, each single-family residential unit is counted as one EDU. Because measured water use data for individual residences on the peninsula is not available, an EDU is estimated to use 866 cubic feet (ft<sup>3</sup>) of water per month, (6,479 gallons/month [7.48 gallons = 1 ft<sup>3</sup>]). That estimate is based upon typical water use of 75 gpd/person and a household size of 2.84 persons/home (published census data for Samoa). The total number of flow-based EDUs estimated for water supply, treatment, and distribution services is approximately 110 for the Town of Samoa Zone. Some limited water use data has been acquired from HBMWD for the Fairhaven/Finntown area. Currently, there are 69 residential EDUs, 10 commercial EDUs, and 1 industrial user. The industrial user (DG Fairhaven) is estimated to use a large volume of water each month, which is an equivalent flow to 300 households. Considering a water rate that consists of a base fee (fixed costs distributed to users based upon meter size) and a commodity fee (variable costs distributed to user based upon flow use), it is estimated that there are approximately 457 water system EDUs within the proposed CSD boundaries.
- B. **Wastewater** collection, treatment, and biosolids disposal cost estimates for commercial and industrial users were based upon the flows estimated from the number of workers at the site on a daily basis and standard engineering conversion factors. For residential users, each single-family residential unit is counted as one EDU. The total number of EDUs estimated for wastewater collection, treatment, and disposal services related to the Town of Samoa Zone is considered similar to that estimated for water use; at approximately 110, this precludes high-strength users. Considering existing residential, commercial, and industrial

users, the estimated number of EDUs for the Fairhaven/Finntown zone is 81. If all current properties were served by a CSD owned and operated wastewater collection and centralized treatment system, it is estimated that the total number of EDUs on the peninsula would be approximately 191.

## 6.2.2 Benefit Assessments

Proposition 218 establishes a strict definition of "special benefit." For the purposes of all assessment acts, special benefit means, "a particular and distinct benefit over and above general benefits conferred on real property located in the District or the public at large. General enhancement of property value does not constitute 'special benefit.'" In a reversal of previous law, a local agency is prohibited by Proposition 218 from including the cost of any general benefit in the assessment apportioned to individual properties. Assessments are limited to those necessary to recover the cost of the special or particular benefit provided the specific real property

In addition, assessments levied on individual parcels are limited to the "reasonable cost of the proportional special benefit conferred on that parcel" (Proposition 218).

Previously, assessments were seldom if ever levied on public property. Proposition 218 specifically requires assessments to be levied on public parcels within an assessment district, unless the agency that owns the parcel can "demonstrate by clear and convincing evidence" that its parcel will receive no special benefit.

## 6.2.3 Calculations of Benefit Increments

The total cost for operating and maintaining assessment district services funded by the District will be assessed to the various parcels in proportion to the estimated equivalent benefit units (EBUs) assigned to a parcel, in relationship to the total EBUs of all the parcels in the District.

The basis for assigning and assessing benefits to District properties for the various funds that will be financed through the assessment process are described as follows:

- A. **Streets and Street Lighting:** Operations and maintenance of streets and street lighting provided by the District are primarily associated with the transportation within the community. Accordingly, trip generation rates for various land use categories (as established by the Institute of Transportation Engineers [ITE]) have been used as the primary basis for the development of EBUs. Although these trip-generation rates strictly address only vehicular trips, they are also considered to approximately reflect relative trip generation for other modes of transportation (for example, pedestrian trips, bicycle trips, and so on), and are considered the best available information for these other transportation modes.

The special benefits of streets and street lighting improvements maintained and provided by the District are linked to trip generation primarily by the public safety and aesthetic enhancement enjoyed by travelers through the community. Trip generation rates provide the required nexus and basis for assigning ratios of maximum potential benefit to the various land use/zoning classifications as defined by the ITE.

One (1) EBU is equivalent to 10 trips/day, which is also representative of traffic generated by a single-family dwelling unit. It is estimated that there are 200 traffic-related EBUs in the District.

- B. **Fire Department:** The express purpose for which the benefit assessment is levied is to establish a stable source of supplementary funds to obtain, furnish, operate, and maintain fire suppression equipment and to provide structural fire suppression, emergency response, and tsunami preparedness services in the District. Although it is recognized that the fire services provided through the CSD to the peninsula include search and rescue, first responder emergency services, and tsunami preparedness services, the current methodology for assessing special benefits to property owners on the peninsula is associated with the protection of buildings and lands from fire within the community. Accordingly, each parcel is assigned an EBU value depending on the use of that particular parcel and its development. EBUs are equal to the estimated gallons per minute (gpm) of required fire flow in 1,000-gpm increments. The fire flow requirement for a building, in accordance with California Fire Code, was used to determine the amount of fire protection required.

One (1) EBU is equivalent to 1,000 gpm of fire flow area, which is also representative of the required fire flow of a single-family dwelling unit within the District. It is estimated that there are 2,600 fire protection-related EBUs in the District.

- C. **Stormwater Drainage.** Operations and maintenance of the drainage system and services provided by the District are primarily associated the amount of surface water runoff generated within the community. Accordingly, impervious area (roof area, paved parking, sidewalks, etc.) has been used as the primary basis for the development of EBUs.

One (1) EBU is as equivalent to 1,500 square feet of impervious area, which is also representative of the average size of a single-family dwelling unit within the District. It is estimated there are currently 250 drainage-related EBUs in the District.

- D. **Parks:** Operations and maintenance of the community parks and services provided by the District are primarily associated with the people living and working within the community. EBU values for commercial and industrial land uses are based on the equivalence of special benefit on a land area basis between single-family residential property and commercial property. The EBU values for other types of business and industrial land uses are established by using average employee densities, because the special benefit factors described previously can be measured by the average number of people who work at commercial/industrial properties.

In order to determine employee density factors, the findings from the San Diego Association of Governments' "Traffic Generators Study" (SANDAG Study) are used, because these findings were approved by the State Legislature for use in justifying commercial and industrial school facility fees. They are considered a good representation of the average number of employees per acre of land area for commercial and industrial properties. As determined by the SANDAG Study, the average number of employees per acre for commercial property is 24. In comparison, the average number of people residing in a single-family home in the area is 2.84. The average lot size for a single-family home on the peninsula is approximately 0.115 acres, so the average number of residents per acre of residential property is 24.7 (one EBU). It is estimated there are currently 200 parks-related EBUs in the District.

## 6.3 Revenue Requirements

Typically, when evaluating and setting rates and fees for an agency, annual operating expenses have been well defined through years of operations along with reserve or capital improvement

programs. However, as a “start-up” district, the CSD will initially require only administrative staff to set up the District’s governance process and continue operations of the fire services. The District will expand as infrastructures are acquired and funding mechanisms are established for the various services to be provided. In order to establish the new district, ongoing revenue sources will have to be placed in existence. It is anticipated that concurrent with elections to form the district, elections will be held to establish the revenues associated with each service area. Some initial financial planning will be necessary to establish the initial budget documents for each of the service areas over a projected five-year period. It will also include the preparation of appropriate user fee and/or special assessment engineering reports for each service area for board adoption, and to proceed through the associated Proposition 218 process to establish program funding. Without a district in place, these actions will have to be sponsored by the County.

An initial projection of the revenue requirements for the District over the first five years is presented in a phased sequence representing the various stages of getting organized, acquiring funding, and infrastructure for the program. The phases are described below:

**Phase 1: Governance:** This phase represents the establishment of the initial governance rules, policies and procedures for general operation of the District. It is anticipated that fire services shall continue as previously delivered by the current SPFPD (with increased funding levels to provide for equipment replacement and other current funding gaps), and that appropriate administrative staff will be used to assist the newly elected board in setting up the initial governance requirements. Administrative staff for the initial stage would most likely consist of part time, “in-house” staff or contracted services related to administration/management, clerk/clerical, legal, and financial planning. This phase should span from 9-18 months.

This initial phase is represented in the projected first year budget and is based upon the concept that, as a full service CSD, all areas of services that are anticipated to eventually be provided will participate in the costs of the initial set up of the associated governance rules, policies, and procedures. With the exception of fire services, no fee or assessment is projected for this first year; it is not anticipated that there will be any service delivery at this stage; and the costs associated with establishing the initial governance rules, policies, and procedures will have to be covered by an outside source or sponsor (such as, the SPG and/or other parties interested in further development of peninsula properties).

**Phase 2: Service Delivery:** Phase 2 would consist of establishing revenue sources and initial services for the new CSD. This phase will culminate in acquisition of appropriate infrastructure and preparation for initiating delivery of those services that are approved for funding and determined to be in a reasonable condition to be acquired by the District. Funding of services entirely through user fees and/or special assessments will be an important part of this phase for establishing service and funding levels.

It is anticipated that the services addressed during Phase 2 would include:

- Fire (expansion of existing tax/assessment base)
- Samoa Zone Water (Phase 1, SPG)
- Samoa Zone Wastewater (Phase 1, SPG)
- Samoa Zone Streets and Street Lighting (Phase 1, SPG)
- Parks and Recreation (applicable to County Park acquisition)
- Fairhaven Water Distribution



It is not anticipated that the new District will provide services associated with streets and street lighting in the Fairhaven/Finntown area, or any storm drainage services/facilities within its boundaries for the foreseeable future. The County has indicated that roads and streets in the Fairhaven/Finntown area will continue to be maintained through its program.

Staffing levels for the District during this phase will remain at a part-time basis for the administrative and planning level and with the addition of any operational requirements associated with the acquisition of the water distribution system in the Fairhaven/Finntown area and Phase 1 of the Town of Samoa Master Plan. The Fire Chief position is also transitioned from a volunteer position to a part-time paid position. This phase is expected also to be implemented over a 9-12 month period, ideally with some overlap of Phase 1. For planning purposes this phase is associated with years two and three of the projected five-year budget.

The economics and efficiencies of contract services versus “in-house” services for the provision of administrative and operational functions will continue to be addressed based upon the number and type of services delivered. During this phase, funding sources and initiation of a peninsula-wide wastewater master facility plan (which would resolve the problems associated with Fairhaven/Finntown and address a centralized, peninsula-wide treatment and disposal system) would be appropriate. (Wastewater facility master planning may be initiated at an earlier phase dependent upon availability of technical assistance funding for planning the facility at no cost to the District.) The master plan would also consider the prospect of centralized treatment for the entire peninsula and use of the RMT II outfall for waste effluent.

**Phase 3: District Expansion:** This phase is represented by the continued expansion of services in the Town of Samoa Zone as the SPG master plan progresses and various additions to the infrastructure are transitioned to the District. This phase would likely include the consideration of the initiation of special assessment districts associated with zone-related streets and street lighting, parks and recreation, and the feasibility of a peninsula-wide drainage district. Recommendations for the wastewater master facility plan would be initiated during this phase.

The projected five-year budget of the “start-up” CSD represents the beginning of the district-expansion phases, and is represented in years four and five.

**Phase 4: District Stabilization:** It is anticipated that this phase will occur as the properties located within the District near total “build-out.” This phase would be representative of a consolidation of the two sub-zones (Samoa Zone, Fairhaven/Finntown Zone) into overall district-wide services with all residents and businesses paying commensurate rates for each service area, operating under one budget and funding mechanism. A projected budget associated with a full-service Peninsula CSD that has all infrastructure in place and in-house staffing, is presented in Appendix C, along with the five-year projections. The 20-year budget is presented in 2017 dollars.

### 6.3.1 Operation and Maintenance

For purposes of this report, the definition of O&M is, “The continuing activities required to keep public facilities and their components functioning in accordance with design objectives while maintaining compliance with public health and safety requirements.”

More specifically for the purpose of establishing user rates, O&M requirements consist of those expenditures associated with the day-to-day operations of the source supply, treatment,

distribution, conveyance, and storage systems. They are made up of costs related to such items as personnel, other utility uses (power, telephone), supplies, training, equipment repair, etc. O&M revenue requirements are established based on years of experience, and any unusual changes that may have been instituted in any particular year; they are considered relatively inflexible when analyzing the overall revenue requirements of a utility. As a “start-up” CSD, there is no history with which to establish an O&M budget.

### **6.3.2 Debt Service**

As a “start-up” entity, the CSD has no existing debt service (with the exception of a retirement/Workers Comp. funding liability of approximately \$71,500/year associated with the SPFPD). However, future improvements to all infrastructures are anticipated on various levels. As indicated previously, the water, wastewater, streets, street lighting, and drainage improvements within the Town of Samoa will be performed by the SPG in phases and transferred to the District. It is likely that necessary improvements for all other infrastructure outside of the Town of Samoa will be funded by revenues acquired through debt financing or a combination of grants and debt financing, resulting in future debt for the CSD.

### **6.3.3 System Replacement**

According to the SWRCB “Revenue Program Guidelines,” system replacement costs are represented by, “Expenditures for obtaining and installing equipment, accessories, or appurtenances which are necessary during the useful life of the public works to maintain the capacity and performance for which such works were designed and constructed.”

System replacement, as defined above, is considered by that agency to be a minimal level of funding in this category. Establishing a funding level for facilities replacement is a policy decision often driven by a community’s determination of user rate affordability, among other criteria. Initially, the District will consider funding equipment replacement associated with the fire department.

### **6.3.4 Capital Improvement Planning**

The term “capital improvement” refers to new or expanded physical facilities that are of relatively large size, relatively expensive, and considered permanent with respect to usefulness to service area customers. Large-scale replacement and rehabilitation of existing facilities also falls within this category. Equipment (such as, a utility truck) is not classified as a capital improvement for the purposes of this report.

Currently, the peninsula has no comprehensive capital improvement plan. The SPG has prepared a master plan for development of infrastructure and subdividing the Town of Samoa. The SPG will finance and manage the various planned improvements and it is assumed that the District will not be required to participate financially in the site-specific projects. As the phases of the SPG master plan are completed, the improvements to associated infrastructure will be transferred to the District for use in delivery of services.

## 6.4 Financial Plan

The financial plan for the start-up district will progress as the District moves through the various phases of establishment and growth, as described previously. A five-year projected budget has been prepared based upon those phases of growth and estimated timeframes for each. This budget was prepared under the assumption that the District will acquire committed funds from others, to support the formation process, and that property owners of lands within the district boundary will approve requested revenue-generating fees and assessments needed to support services as they are acquired. Each budget and associated estimate of fees is based upon the assumption that the District will be managed and operated by “in-house” employees. However, the economics and efficiencies of contract services for some of the tasks should be considered by the District as services are established and progress through each phase.

### 6.4.1 Projected Budgets

#### 6.4.1.1 Phase 1: Governance

Phase 1 will require the majority of costs associated with the personnel services necessary to establish the District’s governance requirements. Projected costs and revenues being realized by the Fire District are expanded from previous levels, because the current program is underfunded. Fire District O&M expenses are projected at approximately \$59,000; previous obligations of the Fire District for retirement benefits and workers compensation will continue at \$72,000; and equipment replacement is projected at approximately \$83,000. Projected revenues for the Fire District include the annual property assessment, interest income and rents, and concessions, for a total of \$214,000.

Personnel services related to establishing the governance ability of the District are projected at \$95,866 (Appendix B). This phase will most likely progress by using contract services for the work. Contract services could be acquired through private consulting firms or other government agencies that have knowledge and experience with such matters and the staff capacity to perform the work (for example, Manila CSD). With the exception of fire services, no fee or assessment is projected for this first phase; it is not anticipated that there will be any service delivery at this stage; and the costs associated with establishing the initial governance rules, policies, and procedures (\$95,866) will have to be covered by an outside source or sponsor (such as, the SPG and/or other parties interested in further development of peninsula properties).

During the beginning phase of the new CSD, technical studies should be performed (by others) related to the feasibility (alternatives analyses) and costs of establishing a wastewater collection system for the Fairhaven/Finntown area and centralized wastewater treatment facilities with solids handling and effluent disposal for the entire peninsula. No funds have been indicated for this in the projected budget; as such, a study would most likely be cost prohibitive for the “start-up” district and would have to be performed through acquisition of a technical assistance grant of some type from an outside source.

#### 6.4.1.2 Phase 2: Service Delivery

This phase is represented by the actual delivery of multiple services by the CSD. During this phase, the county parks will be acquired, the HBMWD Fairhaven/Finntown water distribution system will be acquired; and it is anticipated the first phase of the SPG Town of Samoa Master Plan will be implemented, including new wastewater treatment and effluent disposal facilities, and portions of

the water system, which will be completed and turned over to the CSD for operations. These services will require the use of personnel for meter reading, facilities operations, some maintenance, and some user fee billing services. The majority of the infrastructure maintenance requirements is projected to be performed through contract services.

#### **6.4.1.3 Phase 3: District Expansion**

This phase is represented by the expansion of service delivery primarily associated with the acquisition of additional new water distribution and wastewater collection systems associated with the continuing phased growth anticipated in the Town of Samoa. Wastewater collection for the Fairhaven/Finntown areas also may be established, along with a peninsula-wide, centralized wastewater treatment and disposal system, dependent upon receipt of funding assistance from outside sources. It is anticipated that during this phase in the District's progression, some or all of district staffing may transition from part-time to full-time status. It is also anticipated that during this phase, the district will transition from a volunteer fire chief to a paid position.

#### **6.4.1.4 Phase 4: District Stabilization**

This phase is represented by an established district that provides all of the projected services comprehensively and district wide, no longer using the sub-zones that were defined through the variance of service provision of earlier phases. Major growth or expansion is no longer projected to occur within the confines of the peninsula, because the majority of build out has taken place in the areas available. This phase assumes all development is served by a wastewater collection system, with centralized treatment and effluent disposal provided through lease services of a portion of the RMT II ocean outfall.

### **6.4.2 Projected User Fees and Benefit Assessments**

Projected budgets including personnel services by phase are presented in Appendix B, and for personnel, materials and services, capital expenditures and miscellaneous expenses by year are presented in Appendix C. Table 2 (on the following page) summarizes the estimated user fees and benefit assessments associated with the various phases as described above.

#### **6.4.2.1 Affordability and Equitableness**

One of the most important issues in utility pricing is affordability. Although utilities are priced extremely low compared to most other goods and services, they are considered essential. People have little choice but to use the utilities offered and pay a local monopoly provider. In addition to affordability, equity issues are part of the rate making process. Are rates fair across customer groups? Are customers paying for the cost of service? Are some groups getting price breaks on the backs of others? Although the issue of affordability is important, revenue adequacy remains the number one priority of any utility. Income effects and affordability issues must be secondary or be addressed directly through other government social programs.

A basic issue in affordability is whom should be protected and at what levels? How much income protection should be supplied through the utility rate making process? Affordability issues in the future will require careful planning. Consumers must be educated about why rates are set as they are, and customer feedback should be monitored.

**Table 2**  
**Summary of the Estimated User Fees and Benefit Assessments**  
**Peninsula CSD Formation**

	Water Distribution		Wastewater		Streets & Street Lighting		Storm Drainage <sup>2</sup>		Parks & Recreation <sup>3</sup>		Fire Department		Tsunami Preparedness	
	Town of Samoa	Fairhaven <sup>1</sup>	Town of Samoa	Fairhaven	Town of Samoa	Fairhaven								
	Per Month	Per Month	Per Month	Per Month	Per Month	Per Month	Per Month	Per Year	Per Month	Per Year	Per Month	Per Year	Per Month	Per Year
<b>Year 1</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$7.90	\$94.80	\$0.07	\$0.84
<b>Year 2</b>	\$35.31 <sup>4</sup>	\$51.50	\$44.68	\$0.00	\$13.84	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$8.97	\$107.64	\$0.13	\$1.56
<b>Year 3<sup>5</sup></b>	\$69.76	\$56.78	\$67.41	\$0.00	\$27.22	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$9.23	\$110.76	\$0.20	\$2.40
<b>Year 4<sup>5</sup></b>	\$77.25	\$64.54	\$70.53	\$0.00	\$28.60	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$9.47	\$113.64	\$0.21	\$2.52
<b>Year 5<sup>5</sup></b>	\$70.14	\$66.54	\$72.55	\$0.00	\$21.78	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$9.53	\$114.36	\$0.22	\$2.64
<b>Year 20<sup>6</sup></b>	\$55.14		\$58.76		\$11.81		\$1.64	\$19.68	\$7.48	\$89.76	\$9.75	\$117.00	\$0.19	\$2.28

1. Projected water rates are equivalent to current Humboldt Bay Municipal Water District (HBMWD) rate schedule with 2% inflationary escalation.
2. No public storm drainage structure or facility exists, and there will be none provided in the near future.
3. Special use fees for the RV park and showers will meet or exceed projected expenditures during this period.
4. Rate primarily based upon the community serviced district (CSD) assuming purchase of wholesale water from HBMWD for distribution system still privately owned by the Samoa Pacific Group, LLC (SPG) and starting reserve and replacement funds.
5. Rates and assessments based projected 2% annual inflation of costs.
6. Dollar figures presented are in 2017 values (not inflated)
  - Assumptions for Year 20
    - 90% build out of all available and developable land
    - All services delivered and assessed rates or benefits district wide (no zones)
    - New central wastewater treatment facilities installed and serving entire peninsula (including associated pump stations) through 50% grant and 50% debt financed project
    - Wastewater effluent disposed of through long -term lease with HBHRCDC for use of portion of existing ocean outfall

How is rate affordability measured? The U.S. Environmental Protection Agency (EPA) suggests that water (and sewer) rates that are 2% or less of annual median household income (AMHI) are affordable. In a survey of 1,600 utilities in five states, the EPA found that water rates ranged from 0.1% to 3.1% of MHI with an average of 0.5%. Thus by EPA standards, water supply nationwide is affordable. The estimated 2015 AMHI for the Town of Samoa is \$40,484 (<http://www.usa.com/california-state.htm>). Applying EPA's standard of 2%, an affordable (upper end of affordability) monthly rate for residential customers (home or property owners) would be \$67 per month for water or sewer.

It is common for communities or districts to perform comparative analyses of user fees with neighboring service providers upon addressing user fee changes. When performing any comparative analyses, it is important that the comparisons are made between service providers with similar service and demographic characteristics. One of the more sensitive comparison criteria is associated with the given condition of a service provider's infrastructure in relation to the existing or projected user fee.

## 7.0 Summary

The interest and planning of development for new workforce housing units on the peninsula has surfaced issues related to the adequacy of infrastructure and utilities serving the area. The supply and delivery of municipal type services (water, sewer, roads, parks, fire, and storm sewer) in the peninsula area is fragmented and inconsistent through delivery by various public agencies or private parties. In order to address the provision of adequate services, the option of annexing the Town of Samoa into the Manila Community Service District (MCSD) has been considered. In 2013, the MCSD Board of Directors rejected the request for annexation. Expansion or transition of the existing peninsula-wide fire district has been proposed and reviewed in the past for providing needed services. This study expands on the concept of transitioning the existing fire district by presenting a series of tasks needed to facilitate that transition, conceptual staffing, and financial planning.

Because funding mechanisms will not be in place, initial formation of the district will have to be achieved through acquisition of outside financial support in order to establish necessary organization and governance policies, procedures, and regulations. Once the District has been established, the District will initially provide only fire services district wide. Other municipal type services will be provided to varying areas of the district as infrastructure is determined by the Board of Directors to be of adequate capacity and condition to be acquired and funding mechanisms are established to support such services. The peninsula is currently made up of some distinct and separate communities (Town of Samoa, Fairhaven/Finntown) that vary in the level of services provided to each area, in ownership interest, and opportunities for future development; therefore, a peninsula CSD will not likely be able to provide some services district wide, initially. The district service area will have to be divided into zones for service provision and funding purposes.

It is anticipated that during the first five years of operation, the District will provide services related to the following:

- Fire, Rescue, and Tsunami Preparedness—continue existing service level (also, increase funding support to provide adequate resources to maintain service levels)
- Parks—related to acquisition of County parks on the peninsula for which special use revenues offset or exceed expenses (no local user fees or assessment of benefits are required to support these parks service)
- Water Distribution in the Fairhaven Area—related to acquisition of the system from HBMWD
- Water Distribution, Wastewater Collection and Treatment, Streets, and Street Lighting Associated with the Town of Samoa Area—related to the phased acquisition of those portions of infrastructure that have been upgraded to 100% condition by the SPG and accepted by the board

It is anticipated that the Peninsula CSD will not provide any services or charge user fees or assessments of benefit for the following services in the first five years:

- Wastewater—related to the Fairhaven/Finntown area
- Streets or Street Lighting—related to the Fairhaven/Finntown area
- Stormwater—peninsula-wide

Although the initial budgets in this report reflect the provision of services outlined above, circumstances may arise where the CSD Board may wish to pursue additional services within the first five years of operation that are not presented here. It is possible that development of the Town of Samoa area could accelerate expansion of CSD services (such as, establishing a special assessment district zone associated with localized parks or streets).

Once the District has been established and operating for several years, it is anticipated that continued expansion of residential, commercial, and industrial development will lead to consolidation of zones to a point when the District will have funding and budgets in which all services provided are uniform, district wide.

## 8.0 References

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**A**

**Fairhaven Zone, Water System Inventory**

Fairhaven Distribution Pipeline Diameters & Lengths

Pipe Diameter (Inches)	Pipe Length (Feet)	Pipe Material	Approximate Age	Location
2	231.1	PVC	44	Bendixsen St.
2 in. Diameter Total	231.1			
4	349.7	PVC	44	Bendixsen St.
4	773.4	PVC	44	Broadway St.
4	168.7	PVC	44	Duprey St.
4	847.8	PVC	44	Lincoln Ave.
4	1,644.5	PVC	44	Lindstrom Ave.
4	60.6	PVC	44	Ricks Ave.
4 in. Diameter Total	3,844.7			
6	1,018.5	PVC	44	Bay St.
6	1,337.7	PVC	44	Fay St.
6	779.9	AC	44	Lincoln Ave.
6	588.6	AC	44	Park St.
6	272.8	PVC	44	Park St.
6	4,919.9	PVC	44	New Navy Base Rd.
6 in. Diameter Total	8,917.4			
10	1,243.6	PVC	44	Bay St.
10 in. Diameter Total	1,243.6			
12	63.6	PVC	3	Park St.
12	282.1	PVC	44	Duprey St.
12	2,339.6	PVC	3	Lindstrom Ave.
12	1,358.8	PVC	44	New Navy Base Rd.
12 in. Diameter Total	4,044.1			
Grand Total	18,280.9			

Fairhaven Distribution Water Distribution Appurtenances

Meters off 2" line	same side of street	1
Meters off 4" line	same side of street	21
Meters off 4" line	opposite side of street	22
Meters off 6" line	same side of street	13
Meters off 6" line	opposite side of street	14
2" meter off 4" line	same side of street	1
2" meter off 6" line	opposite side of street	1
		73
Isolation Valves		
4" gate		8
6" Butterfly		10
12" butterfly		2
		20

# **B**

**Personal Services Related to Establishing  
CSD Governance Ability**

**SAMOA PENINSULA PERSONELL SERVICES - PHASE 1**  
**YEAR 1**

Samoa Peninsula CSD			
Personal Services Cost Breakdown			
Postion/Title	Salary	Benefits	Total
		38%	
District Manager (1/2 time)	\$37,500	\$14,250	\$51,750
Clerk (1/2 time)	\$18,200	\$6,916	\$25,116
Fire Chief (Volunteer)			
Total wages & Benefits			\$76,866

WAGE DISTRIBUTION PER SERVICE AREA																
Water Distribution			Wastewater			Streets & Street Lighting			Storm	Parks & Recreation	Fire Dept.	Tsunami Evacuation	Total All Services			
Town of Samoa	Fairhaven	Total Water	Town of Samoa	Fairhaven	Total Waste	Town of Samoa	Fairhaven	Total Streets								
20%	20%	40%	20%	20%	40%	5%		5%	5%	5%	4%	1%	100%			
20%	20%	40%	20%	20%	40%	5%		5%	5%	5%	4%	1%	100%			
5%	5%	10%			0%			0%			88%	2%	100%			

Legal Council	\$5,000	20%	20%	40%	20%	20%	40%	5%		5%	5%	5%	4%	1%	100%
Auditor (Annual Audit)	\$5,000	20%	20%	40%	20%	20%	40%	5%		5%	5%	5%	4%	1%	100%
Board Stipend	\$6,000	20%	20%	40%	20%	20%	40%	5%		5%	5%	5%	4%	1%	100%
CPA/Bookkeeping	\$1,000	20%	20%	40%	20%	20%	40%	5%		5%	5%	5%	4%	1%	100%
Engineering/Operations Consultant	\$2,000	20%	20%	40%	20%	20%	40%	5%		5%	9%	5%		1%	100%
\$19,000															
\$95,866															

Water Distribution			Wastewater			Streets & Street Lighting			Storm	Parks & Recreation	Fire Dept.	Tsunami Evacuation	Total All Services	
Town of Samoa	Fairhaven	Total Water	Town of Samoa	Fairhaven	Total Waste	Town of Samoa	Fairhaven	Total Streets						
District Manager	\$10,350	\$10,350	\$20,700	\$10,350	\$10,350	\$20,700	\$2,588	\$0	\$2,588	\$2,588	\$2,588	\$2,070	\$518	\$51,752
Clerk	\$5,023	\$5,023	\$10,046	\$5,023	\$5,023	\$10,046	\$1,256	\$0	\$1,256	\$1,256	\$1,256	\$1,005	\$251	\$25,116
Fire Chief	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$15,373	\$15,373	\$30,746	\$15,373	\$15,373	\$30,746	\$3,844	\$0	\$3,844	\$3,844	\$3,844	\$3,075	\$769	\$76,868
Legal Council	\$1,000	\$1,000	\$2,000	\$1,000	\$1,000	\$2,000	\$250	\$0	\$250	\$250	\$250	\$200	\$50	\$5,000
Auditor (Annual Audit)	\$1,000	\$1,000	\$2,000	\$1,000	\$1,000	\$2,000	\$250	\$0	\$250	\$250	\$250	\$200	\$50	\$5,000
Board Stipend	\$1,200	\$1,200	\$2,400	\$1,200	\$1,200	\$2,400	\$300	\$0	\$300	\$300	\$300	\$240	\$60	\$6,000
CPA/Bookkeeping	\$200	\$200	\$400	\$200	\$200	\$400	\$50	\$0	\$50	\$50	\$50	\$40	\$10	\$1,000
Engineering/Operations Consultant	\$400	\$400	\$800	\$400	\$400	\$800	\$100	\$0	\$100	\$180	\$100	\$0	\$20	\$2,000
	\$3,800	\$3,800	\$7,600	\$3,800	\$3,800	\$7,600	\$950	\$0	\$950	\$1,030	\$950	\$680	\$190	\$19,000

Annual Debt Service Distribution

TOTAL ALL	\$95,868
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SAMOA PENINSULA PERSONELL SERVICES - PHASE 2  
YEAR 2

Samoa Peninsula CSD			
Personal Services Cost Breakdown			
Postion/Title	Salary	Benefits	Total
		38%	
District Manager (1/2 time)	\$38,250	\$14,535	\$52,785
Clerk (1/2 time)	\$18,564	\$7,054	\$25,618
Fire Chief (Volunteer)			
Unility Operations/Lead (1/2 time)	\$23,500	\$8,930	\$32,430
Utility Worker (1/2 time)	\$17,000	\$6,460	\$23,460
Total wages & Benefits			\$134,293

WAGE DISTRIBUTION PER SERVICE AREA

Water Distribution			Wastewater		Streets & Street Lighting			Storm	Parks & Recreation	Fire Dept.	Tsunami Evacuation	Total All Services
Town of Samoa	Fairhaven	Total Water	Town of Samoa	Fairhaven	Total Waste	Town of Samoa	Fairhaven	Total Streets				
5%	25%	30%	25%		25%	5%		5%		5%	2%	100%
5%	25%	30%	25%		25%	5%		5%		5%	2%	100%
5%	5%	10%	0%		0%	5%		5%		80%	5%	100%
0%	35%	35%	25%		25%	5%		5%	20%	13%	2%	100%
0%	35%	35%	25%		25%	5%		5%	20%	13%	2%	100%

Legal Council	\$5,000	7%	30%	37%	25%		25%	7%		7%		10%	20%	1%	100%
Auditor (Annual Audit)	\$7,000	7%	30%	37%	25%		25%	7%		7%		10%	20%	1%	100%
Board Stipend	\$6,000	7%	30%	37%	25%		25%	7%		7%		10%	20%	1%	100%
CPA/Bookkeeping	\$2,000	7%	30%	37%	25%		25%	7%		7%		10%	20%	1%	100%
Engineering/Operations Consultant	\$6,000	5%	41%	46%	40%		40%	5%				8%		1%	100%

\$26,000

\$160,293

	Water Distribution			Wastewater		Streets & Street Lighting			Storm	Parks & Recreation	Fire Dept.	Tsunami Evacuation	Total All Services
	Town of Samoa	Fairhaven	Total Water	Town of Samoa	Fairhaven	Total Waste	Town of Samoa	Fairhaven	Total Streets				
District Manager	\$2,639	\$13,196	\$15,835	\$13,196	\$0	\$13,196	\$2,639	\$0	\$2,639	\$0	\$17,419	\$1,056	\$52,784
Clerk	\$1,281	\$6,405	\$7,686	\$6,405	\$0	\$6,405	\$1,281	\$0	\$1,281	\$0	\$8,454	\$512	\$25,619
Fire Chief	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unility Operations/Lead (1/2 time)	\$0	\$11,351	\$11,351	\$8,108	\$0	\$8,108	\$1,622	\$0	\$1,622	\$0	\$6,486	\$4,216	\$32,432
Utility Worker (1/2 time)	\$0	\$8,211	\$8,211	\$5,865	\$0	\$5,865	\$1,173	\$0	\$1,173	\$0	\$4,692	\$3,050	\$23,460
	\$3,920	\$39,163	\$43,083	\$33,574	\$0	\$33,574	\$6,715	\$0	\$6,715	\$0	\$15,098	\$33,139	\$134,295
Legal Council	\$350	\$1,500	\$1,850	\$1,250	\$0	\$1,250	\$350	\$0	\$350	\$0	\$500	\$1,000	\$5,000
Auditor (Annual Audit)	\$490	\$2,100	\$2,590	\$1,750	\$0	\$1,750	\$490	\$0	\$490	\$0	\$700	\$1,400	\$7,000
Board Stipend	\$420	\$1,800	\$2,220	\$1,500	\$0	\$1,500	\$420	\$0	\$420	\$0	\$600	\$1,200	\$6,000
CPA/Bookkeeping	\$140	\$600	\$740	\$500	\$0	\$500	\$140	\$0	\$140	\$0	\$200	\$400	\$2,000
Engineering/Operations Consultant	\$300	\$2,460	\$2,760	\$2,400	\$0	\$2,400	\$300	\$0	\$300	\$0	\$480	\$0	\$6,000
	\$1,700	\$8,460	\$10,160	\$7,400	\$0	\$7,400	\$1,700	\$0	\$1,700	\$0	\$2,480	\$4,000	\$26,000

Annual Debt Service Distribution

TOTAL ALL

\$160,295

SAMOA PENINSULA PERSONELL SERVICES - PHASE 3  
YEAR 3

Samoa Peninsula CSD			
Personal Services Cost Breakdown			
Postion/Title	Salary	Benefits	Total
		38%	
District Manager (1/2 time)	\$39,015	\$14,826	\$53,841
Clerk (1/2 time)	\$18,935	\$7,195	\$26,130
Fire Chief (1/2 time)	\$34,000	\$12,920	\$46,920
Unility Operations/Lead (1/2 time)	\$23,970	\$9,109	\$33,079
Utility Worker (1/2 time)	\$17,340	\$6,589	\$23,929
Utility Worker (1/2 time)	\$17,340	\$6,589	\$23,929
Total wages & Benefits			\$207,828

WAGE DISTRIBUTION PER SERVICE AREA

Water Distribution			Wastewater			Streets & Street Lighting			Storm	Parks & Recreation	Fire Dept.	Tsunami Evacuation	Total All Services
Town of Samoa	Fairhaven	Total Water	Town of Samoa	Fairhaven	Total Waste	Town of Samoa	Fairhaven	Total Streets					
20%	30%	50%	20%	Fairhaven	20%	10%	0%	10%	0%	8%	10%	2%	100%
20%	30%	50%	20%		20%	10%	0%	10%	0%	8%	10%	2%	100%
5%	5%	10%	0%		0%	10%	0%	10%			75%	5%	100%
20%	30%	50%	20%		20%	10%	0%	10%	0%	17%	2%	1%	100%
20%	30%	50%	20%		20%	10%	0%	10%	0%	17%	2%	1%	100%
20%	30%	50%	20%		20%	10%	0%	10%	0%	17%	2%	1%	100%

Legal Council	\$6,000	15%	15%	30%	25%		25%	10%		10%		14%	20%	1%	100%
Auditor (Annual Audit)	\$9,000	15%	15%	30%	25%		25%	10%		10%		14%	20%	1%	100%
Board Stipend	\$6,000	15%	15%	30%	25%		25%	10%		10%		14%	20%	1%	100%
CPA/Bookkeeping	\$3,000	15%	15%	30%	25%		25%	10%		10%		14%	20%	1%	100%
Engineering/Operations Consultant	\$6,000	20%	20%	40%	25%		25%	10%		10%		24%		1%	100%

\$30,000

\$237,828

	Water Distribution			Wastewater			Streets & Street Lighting			Storm	Parks & Recreation	Fire Dept.	Tsunami Evacuation	Total All Services
	Town of Samoa	Fairhaven	Total Water	Town of Samoa	Fairhaven	Total Waste	Town of Samoa	Fairhaven	Total Streets					
District Manager	\$10,768	\$16,152	\$26,920	\$10,768	\$0	\$10,768	\$5,384	\$0	\$5,384	\$0	\$4,307	\$5,384	\$1,077	\$53,840
Clerk	\$5,226	\$7,839	\$13,065	\$5,226	\$0	\$5,226	\$2,613	\$0	\$2,613	\$0	\$2,090	\$2,613	\$523	\$26,130
Fire Chief	\$2,346	\$2,346	\$4,692	\$0	\$0	\$0	\$4,692	\$0	\$4,692	\$0	\$0	\$35,190	\$2,346	\$46,920
Unility Operations/Lead	\$6,616	\$9,924	\$16,540	\$6,616	\$0	\$6,616	\$3,308	\$0	\$3,308	\$0	\$5,623	\$662	\$331	\$33,080
Utility Worker	\$4,786	\$7,179	\$11,965	\$4,786	\$0	\$4,786	\$2,393	\$0	\$2,393	\$0	\$4,068	\$479	\$239	\$23,930
Utility Worker (1/2 time)	\$4,786	\$7,179	\$11,965	\$4,786	\$0	\$4,786	\$2,393	\$0	\$2,393	\$0	\$4,068	\$479	\$239	\$23,930
	\$34,528	\$50,619	\$85,147	\$32,182	\$0	\$32,182	\$20,783	\$0	\$20,783	\$0	\$20,156	\$44,807	\$4,755	\$207,830
Legal Council	\$900	\$900	\$1,800	\$1,500	\$0	\$1,500	\$600	\$0	\$600	\$0	\$840	\$1,200	\$60	\$6,000
Auditor (Annual Audit)	\$1,350	\$1,350	\$2,700	\$2,250	\$0	\$2,250	\$900	\$0	\$900	\$0	\$1,260	\$1,800	\$90	\$9,000
Board Stipend	\$900	\$900	\$1,800	\$1,500	\$0	\$1,500	\$600	\$0	\$600	\$0	\$840	\$1,200	\$60	\$6,000
CPA/Bookkeeping	\$450	\$450	\$900	\$750	\$0	\$750	\$300	\$0	\$300	\$0	\$420	\$600	\$30	\$3,000
Engineering/Operations Consultant	\$1,200	\$1,200	\$2,400	\$1,500	\$0	\$1,500	\$600	\$0	\$600	\$0	\$1,440	\$0	\$60	\$6,000
	\$4,800	\$4,800	\$9,600	\$7,500	\$0	\$7,500	\$3,000	\$0	\$3,000	\$0	\$4,800	\$4,800	\$300	\$30,000

Annual Debt Service Distribution

TOTAL ALL

\$237,830

SAMOA PENINSULA PERSONELL SERVICES - PHASE 3  
YEAR 4

Samoa Peninsula CSD			
Personal Services Cost Breakdown			
Postion/Title	Salary	Benefits	Total
		38%	
District Manager (1/2 time)	\$39,795	\$15,122	\$54,917
Clerk (1/2 time)	\$19,314	\$7,339	\$26,653
Fire Chief (1/2 time)	\$34,680	\$13,178	\$47,858
Unility Operations/Lead (1/2 time)	\$24,449	\$9,291	\$33,740
Utility Worker (1/2 time)	\$17,687	\$6,721	\$24,408
Utility Worker (1/2 time)	\$17,687	\$6,721	\$24,408
Total wages & Benefits			\$211,984

WAGE DISTRIBUTION PER SERVICE AREA

Water Distribution			Wastewater			Streets & Street Lighting			Storm	Parks & Recreation	Fire Dept.	Tsunami Evacuation	Total All Services
Town of Samoa	Fairhaven	Total Water	Town of Samoa	Fairhaven	Total Waste	Town of Samoa	Fairhaven	Total Streets					
20%	30%	50%	20%	Fairhaven	20%	10%	0%	10%	0%	8%	10%	2%	100%
20%	30%	50%	20%	Fairhaven	20%	10%	0%	10%	0%	8%	10%	2%	100%
5%	5%	10%	0%		0%	10%	0%	10%			75%	5%	100%
20%	30%	50%	20%		20%	10%	0%	10%	0%	17%	2%	1%	100%
20%	30%	50%	20%		20%	10%	0%	10%	0%	17%	2%	1%	100%
20%	30%	50%	20%		20%	10%	0%	10%	0%	17%	2%	1%	100%

Legal Council	\$6,120	15%	15%	30%	25%		25%	10%		10%		14%	20%	1%	100%
Auditor (Annual Audit)	\$9,180	15%	15%	30%	25%		25%	10%		10%		14%	20%	1%	100%
Board Stipend	\$6,120	15%	15%	30%	25%		25%	10%		10%		14%	20%	1%	100%
CPA/Bookkeeping	\$3,060	15%	15%	30%	25%		25%	10%		10%		14%	20%	1%	100%
Engineering/Operations Consultant	\$6,120	20%	20%	40%	25%		25%	10%		10%		24%		1%	100%

\$30,600

\$242,584

	Water Distribution			Wastewater			Streets & Street Lighting			Storm	Parks & Recreation	Fire Dept.	Tsunami Evacuation	Total All Services
	Town of Samoa	Fairhaven	Total Water	Town of Samoa	Fairhaven	Total Waste	Town of Samoa	Fairhaven	Total Streets					
District Manager	\$10,983	\$16,475	\$27,458	\$10,983	\$0	\$10,983	\$5,492	\$0	\$5,492	\$0	\$4,393	\$5,492	\$1,098	\$54,916
Clerk	\$5,331	\$7,996	\$13,327	\$5,331	\$0	\$5,331	\$2,665	\$0	\$2,665	\$0	\$2,132	\$2,665	\$533	\$26,653
Fire Chief	\$2,393	\$2,393	\$4,786	\$0	\$0	\$0	\$4,786	\$0	\$4,786	\$0	\$0	\$35,894	\$2,393	\$47,859
Unility Operations/Lead	\$6,748	\$10,122	\$16,870	\$6,748	\$0	\$6,748	\$3,374	\$0	\$3,374	\$0	\$5,736	\$675	\$337	\$33,740
Utility Worker	\$4,882	\$7,322	\$12,204	\$4,882	\$0	\$4,882	\$2,441	\$0	\$2,441	\$0	\$4,149	\$488	\$244	\$24,408
Utility Worker (1/2 time)	\$4,882	\$7,322	\$12,204	\$4,882	\$0	\$4,882	\$2,441	\$0	\$2,441	\$0	\$4,149	\$488	\$244	\$24,408
	\$35,219	\$51,630	\$86,849	\$32,826	\$0	\$32,826	\$21,199	\$0	\$21,199	\$0	\$20,559	\$45,702	\$4,849	\$211,984
Legal Council	\$918	\$918	\$1,836	\$1,530	\$0	\$1,530	\$612	\$0	\$612	\$0	\$857	\$1,224	\$61	\$6,120
Auditor (Annual Audit)	\$1,377	\$1,377	\$2,754	\$2,295	\$0	\$2,295	\$918	\$0	\$918	\$0	\$1,285	\$1,836	\$92	\$9,180
Board Stipend	\$918	\$918	\$1,836	\$1,530	\$0	\$1,530	\$612	\$0	\$612	\$0	\$857	\$1,224	\$61	\$6,120
CPA/Bookkeeping	\$459	\$459	\$918	\$765	\$0	\$765	\$306	\$0	\$306	\$0	\$428	\$612	\$31	\$3,060
Engineering/Operations Consultant	\$1,224	\$1,224	\$2,448	\$1,530	\$0	\$1,530	\$612	\$0	\$612	\$0	\$1,469	\$0	\$61	\$6,120
	\$4,896	\$4,896	\$9,792	\$7,650	\$0	\$7,650	\$3,060	\$0	\$3,060	\$0	\$4,896	\$4,896	\$306	\$30,600

Annual Debt Service Distribution

TOTAL ALL

\$242,584

SAMOA PENINSULA PERSONELL SERVICES - PHASE 3  
YEAR 5

Samoa Peninsula CSD			
Personal Services Cost Breakdown			
Postion/Title	Salary	Benefits	Total
		38%	
District Manager (1/2 time)	\$40,591	\$15,425	\$56,016
Clerk (1/2 time)	\$19,700	\$7,486	\$27,186
Fire Chief (1/2 time)	\$35,374	\$13,442	\$48,816
Unility Operations/Lead (1/2 time)	\$24,938	\$9,476	\$34,414
Utility Worker (1/2 time)	\$18,041	\$6,856	\$24,897
Utility Worker (1/2 time)	\$18,041	\$6,856	\$24,897
Total wages & Benefits			\$216,226

WAGE DISTRIBUTION PER SERVICE AREA

Water Distribution			Wastewater			Streets & Street Lighting			Storm	Parks & Recreation	Fire Dept.	Tsunami Evacuation	Total All Services
Town of Samoa	Fairhaven	Total Water	Town of Samoa	Fairhaven	Total Waste	Town of Samoa	Fairhaven	Total Streets					
20%	30%	50%	20%	Fairhaven	20%	10%	0%	10%	0%	7%	11%	2%	100%
20%	30%	50%	20%		20%	10%	0%	10%	0%	7%	11%	2%	100%
5%	5%	10%	0%		0%	10%	0%	10%			75%	5%	100%
20%	30%	50%	20%		20%	10%	0%	10%	0%	16%	3%	1%	100%
20%	30%	50%	20%		20%	10%	0%	10%	0%	16%	3%	1%	100%
20%	30%	50%	20%		20%	10%	0%	10%	0%	16%	3%	1%	100%

Legal Council	\$6,242	15%	15%	30%	25%		25%	10%		10%		14%	20%	1%	100%
Auditor (Annual Audit)	\$9,364	15%	15%	30%	25%		25%	10%		10%		14%	20%	1%	100%
Board Stipend	\$6,242	15%	15%	30%	25%		25%	10%		10%		14%	20%	1%	100%
CPA/Bookkeeping	\$3,121	15%	15%	30%	25%		25%	10%		10%		14%	20%	1%	100%
Engineering/Operations Consultant	\$6,242	20%	20%	40%	25%		25%	10%		10%		24%		1%	100%

\$31,211

\$247,437

	Water Distribution			Wastewater			Streets & Street Lighting			Storm	Parks & Recreation	Fire Dept.	Tsunami Evacuation	Total All Services
	Town of Samoa	Fairhaven	Total Water	Town of Samoa	Fairhaven	Total Waste	Town of Samoa	Fairhaven	Total Streets					
District Manager	\$11,203	\$16,805	\$28,008	\$11,203	\$0	\$11,203	\$5,602	\$0	\$5,602	\$0	\$3,921	\$6,162	\$1,120	\$56,016
Clerk	\$5,437	\$8,156	\$13,593	\$5,437	\$0	\$5,437	\$2,719	\$0	\$2,719	\$0	\$1,903	\$2,990	\$544	\$27,186
Fire Chief	\$2,441	\$2,441	\$4,882	\$0	\$0	\$0	\$4,882	\$0	\$4,882	\$0	\$0	\$36,612	\$2,441	\$48,817
Unility Operations/Lead	\$6,883	\$10,324	\$17,207	\$6,883	\$0	\$6,883	\$3,441	\$0	\$3,441	\$0	\$5,506	\$1,032	\$344	\$34,413
Utility Worker	\$4,979	\$7,469	\$12,448	\$4,979	\$0	\$4,979	\$2,490	\$0	\$2,490	\$0	\$3,984	\$747	\$249	\$24,897
Utility Worker (1/2 time)	\$4,979	\$7,469	\$12,448	\$4,979	\$0	\$4,979	\$2,490	\$0	\$2,490	\$0	\$3,984	\$747	\$249	\$24,897
	\$35,922	\$52,664	\$88,586	\$33,481	\$0	\$33,481	\$21,624	\$0	\$21,624	\$0	\$19,298	\$48,290	\$4,947	\$216,226
Legal Council	\$936	\$936	\$1,872	\$1,561	\$0	\$1,561	\$624	\$0	\$624	\$0	\$874	\$1,248	\$62	\$6,241
Auditor (Annual Audit)	\$1,405	\$1,405	\$2,810	\$2,341	\$0	\$2,341	\$936	\$0	\$936	\$0	\$1,311	\$1,873	\$94	\$9,365
Board Stipend	\$936	\$936	\$1,872	\$1,561	\$0	\$1,561	\$624	\$0	\$624	\$0	\$874	\$1,248	\$62	\$6,241
CPA/Bookkeeping	\$468	\$468	\$936	\$780	\$0	\$780	\$312	\$0	\$312	\$0	\$437	\$624	\$31	\$3,120
Engineering/Operations Consultant	\$1,248	\$1,248	\$2,496	\$1,561	\$0	\$1,561	\$624	\$0	\$624	\$0	\$1,498	\$0	\$62	\$6,241
	\$4,993	\$4,993	\$9,986	\$7,804	\$0	\$7,804	\$3,120	\$0	\$3,120	\$0	\$4,994	\$4,993	\$311	\$31,208

Annual Debt Service Distribution

TOTAL ALL

\$247,434



**SAMOA PENINSULA PERSONELL SERVICES - PHASE 4**

Samoa Peninsula CSD			
Personal Services Cost Breakdown			
Postion/Title	Salary	Benefits	Total
		38%	
District Manager	\$40,591	\$15,425	\$56,016
Clerk	\$19,700	\$7,486	\$27,186
Fire Chief	\$69,360	\$26,357	\$95,717
Unility Operations/Lead	\$24,938	\$9,476	\$34,414
Utility Worker	\$18,041	\$6,856	\$24,897
Utility Worker	\$36,081	\$13,711	\$49,792
Total wages & Benefits			\$288,022

**WAGE DISTRIBUTION PER SERVICE AREA**

Water Distribution	Wastewater	Streets & Street Lighting					
Total Water	Total Waste	Total Streets	Storm	Parks & Recreation	Fire Dept.	Tsunami Evacuation	Total All Services
30%	40%	10%	5%	5%	9%	1%	100%
30%	40%	10%	5%	5%	9%	1%	100%
10%	0%	10%			75%	5%	100%
30%	40%	10%	5%	5%	9%	1%	100%
30%	40%	10%	5%	5%	9%	1%	100%
30%	40%	10%	5%	5%	9%	1%	100%

Legal Council	\$6,242	30%	30%	10%	1%	8%	20%	1%	100%
Auditor (Annual Audit)	\$9,364	30%	30%	10%	1%	8%	20%	1%	100%
Board Stipend	\$6,242	30%	30%	10%	1%	8%	20%	1%	100%
CPA/Bookkeeping	\$3,121	30%	30%	10%	1%	8%	20%	1%	100%
Engineering/Operations Consultant	\$6,242	30%	40%	10%	4%	15%		1%	100%

\$31,211

\$319,233

	Total Water	Total Waste	Total Streets	Storm	Parks & Recreation	Fire Dept.	Tsunami Evacuation	Total All Services
District Manager	\$16,804	\$22,406	\$5,602	\$2,801	\$2,801	\$5,041	\$560	\$56,015
Clerk	\$8,156	\$10,874	\$2,718	\$1,359	\$1,359	\$2,447	\$272	\$27,185
Fire Chief	\$9,572	\$0	\$9,572	\$0	\$0	\$71,788	\$4,786	\$95,718
Unility Operations/Lead	\$10,324	\$13,766	\$3,442	\$1,721	\$1,721	\$3,097	\$344	\$34,415
Utility Worker	\$7,470	\$9,958	\$2,490	\$1,245	\$1,245	\$2,241	\$249	\$24,898
Utility Worker (1/2 time)	\$14,938	\$19,916	\$4,980	\$2,490	\$2,490	\$4,481	\$498	\$49,793
	\$67,264	\$76,920	\$28,804	\$9,616	\$9,616	\$89,095	\$6,709	\$288,024
Legal Council	\$1,872	\$1,872	\$624	\$62	\$499	\$1,248	\$62	\$6,239
Auditor (Annual Audit)	\$2,810	\$2,810	\$936	\$94	\$749	\$1,873	\$94	\$9,366
Board Stipend	\$1,872	\$1,872	\$624	\$62	\$499	\$1,248	\$62	\$6,239
CPA/Bookkeeping	\$936	\$936	\$312	\$31	\$250	\$624	\$31	\$3,120
Engineering/Operations Consultant	\$1,872	\$2,496	\$624	\$250	\$936	\$0	\$62	\$6,240
	\$9,362	\$9,986	\$3,120	\$499	\$2,933	\$4,993	\$311	\$31,204

Annual Debt Service Distribution

TOTAL ALL

\$319,228

# C

## Projected Annual Budget

Samoa Peninsula Community Services District Phase 1 Budget														
YEAR 1														
Revenues														
Fund Type	Water Distribution			Wastewater			Streets & Street Lighting			Storm Drainage	Parks & Recreation	Fire Department	Tsunami Preparedness	Total All Services
	Town of Samoa	Fairhaven	Total Water	Town of Samoa	Fairhaven	Total Wastewater	Town of Samoa	Fairhaven	Total Streets					
Available Cash on Hand	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$20	\$20	\$40	\$20	\$0	\$20	\$0	\$0	\$0	\$0	\$50	\$200	\$0	\$310
Property Tax <sup>1</sup>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Technical Assistance Grant for TMF Preparation	\$10,000	\$10,000	\$20,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,000
Governance Sponsor(s) Grant	\$20,203	\$20,203	\$40,406	\$20,203	\$20,223	\$40,426	\$5,344	\$550	\$5,894	\$5,424	\$5,144	\$0	\$0	\$97,294
User Fee/ Assessment Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$246,411	\$2,209	\$248,620
Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL RESOURCES	\$30,223	\$30,223	\$60,446	\$20,223	\$20,223	\$40,446	\$5,344	\$550	\$5,894	\$5,424	\$5,194	\$246,611	\$2,209	\$366,224
Expenditures														
Personal Services	Water Distribution			Wastewater			Streets & Street Lighting			Storm Drainage	Parks & Recreation	Fire Department	Tsunami Preparedness	Total All Services
	Town of Samoa	Fairhaven	Total Water	Town of Samoa	Fairhaven	Total Wastewater	Town of Samoa	Fairhaven	Total Streets					
Attorney	\$1,000	\$1,000	\$2,000	\$1,000	\$1,000	\$2,000	\$250	\$0	\$250	\$250	\$250	\$200	\$50	\$5,000
Auditor (Annual Audit)	\$1,000	\$1,000	\$2,000	\$1,000	\$1,000	\$2,000	\$250	\$0	\$250	\$250	\$250	\$200	\$50	\$5,000
Board Stipend	\$1,200	\$1,200	\$2,400	\$1,200	\$1,200	\$2,400	\$300	\$0	\$300	\$300	\$300	\$240	\$60	\$6,000
Bookkeeping/ CPA Consult	\$200	\$200	\$400	\$200	\$200	\$400	\$50	\$0	\$50	\$50	\$50	\$40	\$10	\$1,000
Engineering	\$400	\$400	\$800	\$400	\$400	\$800	\$100	\$0	\$100	\$180	\$100	\$0	\$20	\$2,000
Operations/Maintenance Staff (Salaries & Benefits)	\$15,373	\$15,373	\$30,746	\$15,373	\$15,373	\$30,746	\$3,844	\$0	\$3,844	\$3,844	\$3,844	\$3,075	\$769	\$76,868
TOTAL PERSONAL SERVICES	\$19,173	\$19,173	\$38,346	\$19,173	\$19,173	\$38,346	\$4,794	\$0	\$4,794	\$4,874	\$4,794	\$3,755	\$959	\$95,868
Materials and Services														
Bond, Dues, Publications	\$50	\$50	\$100	\$50	\$50	\$100	\$50	\$50	\$100	\$50	\$100	\$3,000	\$200	\$3,650
General Supplies, Lab, Permitting & Monitoring	\$500	\$500	\$1,000	\$500	\$500	\$1,000	\$250	\$250	\$500	\$250	\$200	\$10,000	\$50	\$13,000
Training, Transportation, Travel	\$500	\$500	\$1,000	\$500	\$500	\$1,000	\$250	\$250	\$500	\$250	\$100	\$4,000		\$6,850
Utilities- water, sewer, Assess., communications	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,000	\$50	\$4,050
General Maint & Repair	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,000	\$0	\$12,000
Liability Insurance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,000	\$500	\$3,500
Electrical	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,000	\$250	\$2,250
Contracted Maintenance Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,000	\$200	\$10,200
TOTAL MATERIALS AND SERVICES	\$1,050	\$1,050	\$2,100	\$1,050	\$1,050	\$2,100	\$550	\$550	\$1,100	\$550	\$400	\$48,000	\$1,250	\$55,500
TOTAL O&M	\$20,223	\$20,223	\$40,446	\$20,223	\$20,223	\$40,446	\$5,344	\$550	\$5,894	\$5,424	\$5,194	\$51,755	\$2,209	\$151,368
Other Expenditures														
Prior Obligation by SPFD												\$72,000		\$72,000
Transfer to Capital Reserve Fund												\$40,000		\$40,000
Transfer to Equipment Replacement Reserve Fund <sup>2</sup>												\$82,856		\$82,856
TOTAL OTHER EXPENDITURES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$194,856	\$0	\$194,856
Capital Outlay														
Water TMF	\$10,000	\$10,000	\$20,000											\$20,000
TOTAL CAPITAL EXPENDITURES	\$10,000	\$10,000	\$20,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,000
TOTAL ALL EXPENDITURES	\$30,223	\$30,223	\$60,446	\$20,223	\$20,223	\$40,446	\$5,344	\$550	\$5,894	\$5,424	\$5,194	\$246,611	\$2,209	\$366,224
Unexpended Fund Balance (UFB)														\$0
EXPENDITURES + UFB														
1. No tax revenues are projected for this operating budget (CSD has no taxing authority at this time)														
2. Transfer to a reserve account for each fund to be created by CSD for replacement														
Estimated Monthly User Fees Based On Revenues Needed To Operate CSD														
Estimated average monthly residential user fees required to balance revenues	Water Distribution			Wastewater			Streets & Street Lighting			Storm Drainage	Parks & Recreation	Fire Department	Tsunami Preparedness	Total All Services
	Town of Samoa	Fairhaven	Total Water	Town of Samoa	Fairhaven	Total Wastewater	Town of Samoa	Fairhaven	Total Streets					
EDUs	110	347	457	110	81	191	110	90	200	250	200	2600	2600	

Samoa Peninsula Community Services District Phase 2 Budget YEAR 2														
Revenues														
Fund Type	Water Distribution			Wastewater			Streets & Street Lighting			Storm Drainage	Parks & Recreation	Fire Department	Tsunami Preparedness	Total All Services
	Town of Samoa	Fairhaven	Total Water	Town of Samoa	Fairhaven	Total Wastewater	Town of Samoa	Fairhaven	Total Streets					
Available Cash on Hand	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$0	\$1,000	\$1,000	\$250	\$0	\$250	\$0	\$0	\$0	\$0	\$100	\$0	\$0	\$1,350
Property Tax <sup>1</sup>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Special Use Income	\$0	\$2,000	\$2,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$64,000	\$0	\$0	\$66,000
User Fee/Assessment Revenues	\$46,613	\$203,058	\$258,671	\$58,974	\$0	\$58,974	\$18,265	\$0	\$18,265	\$0	\$0	\$279,995	\$4,196	\$620,101
Miscellaneous	\$0	\$100	\$100	\$100	\$0	\$100	\$0	\$0	\$0	\$0	\$478	\$0	\$0	\$678
TOTAL RESOURCES	\$46,613	\$206,158	\$261,771	\$59,324	\$0	\$59,324	\$18,265	\$0	\$18,265	\$0	\$64,578	\$279,995	\$4,196	\$688,129
Expenditures														
Personal Services	Water Distribution			Wastewater			Streets & Street Lighting			Storm Drainage	Parks & Recreation	Fire Department	Tsunami Preparedness	Total All Services
	Town of Samoa	Fairhaven	Total Water	Town of Samoa	Fairhaven	Total Wastewater	Town of Samoa	Fairhaven	Total Streets					
Attorney	\$350	\$1,500	\$1,850	\$1,250	\$0	\$1,250	\$350	\$0	\$350	\$0	\$500	\$1,000	\$50	\$5,000
Auditor (Annual Audit)	\$490	\$2,100	\$2,590	\$1,750	\$0	\$1,750	\$490	\$0	\$490	\$0	\$700	\$1,400	\$70	\$7,000
Board Stipend	\$420	\$1,800	\$2,220	\$1,500	\$0	\$1,500	\$420	\$0	\$420	\$0	\$600	\$1,200	\$60	\$6,000
Bookkeeping/CPA Consult	\$140	\$600	\$740	\$500	\$0	\$500	\$140	\$0	\$140	\$0	\$200	\$400	\$20	\$2,000
Engineering	\$300	\$2,460	\$2,760	\$2,400	\$0	\$2,400	\$300	\$0	\$300	\$0	\$480	\$0	\$60	\$6,000
Operations/Maintenance Staff (Salaries & Benefits)	\$3,920	\$39,163	\$43,083	\$33,574	\$0	\$33,574	\$6,715	\$0	\$6,715	\$0	\$15,098	\$33,139	\$2,686	\$134,295
TOTAL PERSONAL SERVICES	\$5,620	\$47,623	\$53,243	\$40,974	\$0	\$40,974	\$8,415	\$0	\$8,415	\$0	\$17,578	\$37,139	\$2,946	\$160,295
Materials and Services														
Bond, Dues, Publications	\$50	\$50	\$100	\$50		\$50	\$50		\$50		\$500	\$3,000	\$200	\$3,900
General Supplies, Lab, Permitting & Monitoring	\$500	\$500	\$1,000	\$500		\$500	\$500		\$500		\$3,000	\$10,000	\$50	\$15,050
Training, Transportation, Travel	\$500	\$500	\$1,000	\$500		\$500	\$0		\$0		\$200	\$4,000		\$5,700
Water Purchase (from HBMWD)	\$25,143	\$144,685	\$169,828			\$0			\$0					\$169,828
Utilities- water, sewer, Assess., communications	\$200	\$200	\$400	\$200		\$200	\$200		\$200		\$4,000	\$4,000	\$50	\$8,850
General Maint & Repair	\$100	\$100	\$200	\$100		\$100	\$100		\$100		\$5,000	\$12,000	\$0	\$17,400
Liability Insurance	\$2,000	\$4,000	\$6,000	\$4,000		\$4,000	\$1,000		\$1,000		\$6,000	\$3,000	\$500	\$20,500
Electrical	\$500	\$500	\$1,000	\$500		\$500	\$500		\$500		\$3,000	\$2,000	\$250	\$7,250
Contracted Maintenance Services		\$5,000	\$5,000	\$10,000		\$10,000	\$5,000		\$5,000		\$5,000	\$10,000	\$200	\$35,200
TOTAL MATERIALS AND SERVICES	\$28,993	\$155,535	\$184,528	\$15,850	\$0	\$15,850	\$7,350	\$0	\$7,350	\$0	\$26,700	\$48,000	\$1,250	\$283,678
TOTAL O&M	\$34,613	\$203,158	\$237,771	\$56,824	\$0	\$56,824	\$15,765	\$0	\$15,765	\$0	\$44,278	\$85,139	\$4,196	\$443,973
Other Expenditures														
Prior Obligation by SPFD												\$72,000		\$72,000
Transfer to Capital Reserve Fund	\$10,000	\$9,000	\$19,000	\$500		\$500	\$2,000		\$2,000		\$15,300	\$40,000		\$76,800
Transfer to Equipment Replacement Reserve Fund <sup>2</sup>	\$2,000	\$3,000	\$5,000	\$2,000		\$2,000	\$500		\$500		\$5,000	\$82,856		\$95,356
TOTAL OTHER EXPENDITURES	\$12,000	\$12,000	\$24,000	\$2,500	\$0	\$2,500	\$2,500	\$0	\$2,500	\$0	\$20,300	\$194,856	\$0	\$244,156
Capital Outlay														\$0
														\$0
														\$0
TOTAL CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL ALL EXPENDITURES	\$46,613	\$215,158	\$261,771	\$59,324	\$0	\$59,324	\$18,265	\$0	\$18,265	\$0	\$64,578	\$279,995	\$4,196	\$688,129
Unexpended Fund Balance (UFB)														\$0
EXPENDITURES + UFB														
1. No tax revenues are projected for this operating budget (CSD has no taxing authority at this time)														
2. Transfer to a reserve account for each fund to be created by CSD for replacement														
Estimated Monthly User Fees Based On Revenues Needed To Operate CSD														
Estimated average monthly residential user fees required to balance revenues	Water Distribution			Wastewater			Streets & Street Lighting			Storm Drainage	Parks & Recreation	Fire Department	Tsunami Preparedness	Total All Services
	Town of Samoa	Fairhaven	Total Water	Town of Samoa	Fairhaven	Total Wastewater	Town of Samoa	Fairhaven	Total Streets					
EDUs	110	347	457	110	81	191	110	90	200	250	200	2600	2600	

Samoa Peninsula Community Services District Phase 3 Budget														
YEAR 3														
Revenues														
Fund Type	Water Distribution			Wastewater			Streets & Street Lighting			Storm Drainage	Parks & Recreation	Fire Department	Tsunami Preparedness	Total All Services
	Town of Samoa	Fairhaven	Total Water	Town of Samoa	Fairhaven	Total Wastewaer	Town of Samoa	Fairhaven	Total Streets					
Available Cash on Hand	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$500	\$500	\$1,000	\$600		\$600	\$100	\$0	\$100	\$0	\$150	\$500	\$10	\$2,360
Property Tax <sup>1</sup>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Special Use Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$64,715	\$0	\$0	\$64,715
User Fee/Assessment Revenues	\$91,574	\$235,598	\$327,172	\$88,982	\$0	\$88,982	\$35,933	\$0	\$35,933	\$0	\$0	\$287,963	\$6,295	\$746,345
Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$120	\$0	\$0	\$120
TOTAL RESOURCES	\$92,074	\$236,098	\$328,172	\$89,582	\$0	\$89,582	\$36,033	\$0	\$36,033	\$0	\$64,985	\$288,463	\$6,305	\$813,540
Expenditures														
Personal Services	Water Distribution			Wastewater			Streets & Street Lighting			Storm Drainage	Parks & Recreation	Fire Department	Tsunami Preparedness	Total All Services
	Town of Samoa	Fairhaven	Total Water	Town of Samoa	Fairhaven	Total Wastewaer	Town of Samoa	Fairhaven	Total Streets					
Attorney	\$900	\$900	\$1,800	\$1,500	\$0	\$1,500	\$600	\$0	\$600	\$0	\$840	\$1,200	\$60	\$6,000
Auditor (Annual Audit)	\$1,350	\$1,350	\$2,700	\$2,250	\$0	\$2,250	\$900	\$0	\$900	\$0	\$1,260	\$1,800	\$90	\$9,000
Board Stipend	\$900	\$900	\$1,800	\$1,500	\$0	\$1,500	\$600	\$0	\$600	\$0	\$840	\$1,200	\$60	\$6,000
Bookkeeping/CPA Consult	\$450	\$450	\$900	\$750	\$0	\$750	\$300	\$0	\$300	\$0	\$420	\$600	\$30	\$3,000
Engineering	\$1,200	\$1,200	\$2,400	\$1,500	\$0	\$1,500	\$600	\$0	\$600	\$0	\$1,440	\$0	\$60	\$6,000
Operations/Maintenance Staff (Salaries & Benefits)	\$34,528	\$50,619	\$85,147	\$32,182	\$0	\$32,182	\$20,783	\$0	\$20,783	\$0	\$20,156	\$44,807	\$4,755	\$207,830
TOTAL PERSONAL SERVICES	\$39,328	\$55,419	\$94,747	\$39,682	\$0	\$39,682	\$23,783	\$0	\$23,783	\$0	\$24,956	\$49,607	\$5,055	\$237,830
Materials and Services														
Bond, Dues, Publications	\$400	\$400	\$800	\$400		\$400	\$50	\$0	\$50	\$0	\$510	\$3,000	\$200	\$4,960
General Supplies, Lab, Permitting & Monitoring	\$3,000	\$3,000	\$6,000	\$15,000		\$15,000	\$500	\$0	\$500	\$0	\$3,060	\$10,000	\$50	\$34,610
Training, Transportation, Travel	\$2,000	\$2,000	\$4,000	\$2,000		\$2,000	\$200	\$0	\$200	\$0	\$204	\$4,000		\$10,404
Water Purchase (from HBMWD)	\$25,646	\$147,579	\$173,225						\$0					\$173,225
Utilities- water, sewer, Assess., communications	\$1,000	\$1,000	\$2,000	\$5,000		\$5,000	\$1,000	\$0	\$1,000	\$0	\$4,080	\$5,000	\$50	\$17,130
General Maint & Repair	\$1,500	\$1,500	\$3,000	\$2,000		\$2,000	\$1,000	\$0	\$1,000	\$0	\$5,100	\$12,000	\$0	\$23,100
Liability Insurance	\$1,500	\$2,500	\$4,000	\$3,500		\$3,500	\$1,000	\$0	\$1,000	\$0	\$6,120	\$3,000	\$500	\$18,120
Electrical	\$700	\$700	\$1,400	\$4,000		\$4,000	\$500	\$0	\$500	\$0	\$3,060	\$2,000	\$250	\$11,210
Contracted Maintenance Services	\$5,000	\$10,000	\$15,000	\$10,000		\$10,000	\$2,000	\$0	\$2,000	\$0	\$5,100	\$10,000	\$200	\$42,300
TOTAL MATERIALS AND SERVICES	\$40,746	\$168,679	\$209,425	\$41,900	\$0	\$41,900	\$6,250	\$0	\$6,250	\$0	\$27,234	\$49,000	\$1,250	\$335,059
TOTAL O&M	\$80,074	\$224,098	\$304,172	\$81,582	\$0	\$81,582	\$30,033	\$0	\$30,033	\$0	\$52,190	\$98,607	\$6,305	\$572,889
Other Expenditures														
Prior Obligation by SPFD												\$72,000		\$72,000
Transfer to Capital Reserve Fund	\$10,000	\$9,000	\$19,000	\$5,000		\$5,000	\$5,000		\$5,000		\$8,795	\$35,000		\$72,795
Transfer to Equipment Replacement Reserve Fund <sup>2</sup>	\$2,000	\$3,000	\$5,000	\$3,000		\$3,000	\$1,000		\$1,000		\$4,000	\$82,856		\$95,856
TOTAL OTHER EXPENDITURES	\$12,000	\$12,000	\$24,000	\$8,000	\$0	\$8,000	\$6,000	\$0	\$6,000	\$0	\$12,795	\$189,856	\$0	\$240,651
Capital Outlay														
TOTAL CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL ALL EXPENDITURES	\$92,074	\$236,098	\$328,172	\$89,582	\$0	\$89,582	\$36,033	\$0	\$36,033	\$0	\$64,985	\$288,463	\$6,305	\$813,540
Unexpended Fund Balance (UFB)														\$0
EXPENDITURES + UFB														
1. No tax revenues are projected for this operating budget (CSD has no taxing authority at this time)														
2. Transfer to a reserve account for each fund to be created by CSD for replacement														
Estimated Monthly User Fees Based On Revenues Needed To Operate CSD														
Estimated average monthly residential user fees required to balance revenues	Water Distribution			Wastewater			Streets & Street Lighting			Storm Drainage	Parks & Recreation	Fire Department	Tsunami Preparedness	Total All Services
	Town of Samoa	Fairhaven	Total Water	Town of Samoa	Fairhaven	Total Wastewaer	Town of Samoa	Fairhaven	Total Streets					
EDUs	110	347	457	110	81	191	110	90	200	250	200	2600	2600	

Samoa Peninsula Community Services District Phase 3 Budget														
YEAR 4														
Revenues														
Fund Type	Water Distribution			Wastewater			Streets & Street Lighting			Storm Drainage	Parks & Recreation	Fire Department	Tsunami Preparedness	Total All Services
	Town of Samoa	Fairhaven	Total Water	Town of Samoa	Fairhaven	Total Wastewaer	Town of Samoa	Fairhaven	Total Streets					
Available Cash on Hand	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$500	\$500	\$1,000	\$600	\$0	\$600	\$100	\$0	\$100	\$0	\$150	\$500	\$10	\$2,360
Property Tax <sup>1</sup>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Special Use Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$71,187	\$0	\$0	\$71,187
User Fee/Assessment Revenues	\$107,167	\$267,170	\$374,337	\$102,414	\$0	\$102,414	\$41,534	\$0	\$41,534	\$0	\$0	\$324,934	\$7,065	\$850,284
Miscellaneous	\$200	\$200	\$400	\$200	\$0	\$200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$600
TOTAL RESOURCES	\$107,867	\$267,870	\$375,737	\$103,214	\$0	\$103,214	\$41,634	\$0	\$41,634	\$0	\$71,337	\$325,434	\$7,075	\$924,431
Expenditures														
Personal Services	Water Distribution			Wastewater			Streets & Street Lighting			Storm Drainage	Parks & Recreation	Fire Department	Tsunami Preparedness	Total All Services
	Town of Samoa	Fairhaven	Total Water	Town of Samoa	Fairhaven	Total Wastewaer	Town of Samoa	Fairhaven	Total Streets					
Attorney	\$918	\$918	\$1,836	\$1,530	\$0	\$1,530	\$612	\$0	\$612	\$0	\$857	\$1,224	\$61	\$6,120
Auditor (Annual Audit)	\$1,377	\$1,377	\$2,754	\$2,295	\$0	\$2,295	\$918	\$0	\$918	\$0	\$1,285	\$1,836	\$92	\$9,180
Board Stipend	\$918	\$918	\$1,836	\$1,530	\$0	\$1,530	\$612	\$0	\$612	\$0	\$857	\$1,224	\$61	\$6,120
Bookkeeping/CPA Consult	\$459	\$459	\$918	\$765	\$0	\$765	\$306	\$0	\$306	\$0	\$428	\$612	\$31	\$3,060
Engineering	\$1,224	\$1,224	\$2,448	\$1,530	\$0	\$1,530	\$612	\$0	\$612	\$0	\$1,469	\$0	\$61	\$6,120
Operations/Maintenance Staff (Salaries & Benefits)	\$35,219	\$51,630	\$86,849	\$32,826	\$0	\$32,826	\$21,199	\$0	\$21,199	\$0	\$20,559	\$45,702	\$4,849	\$211,984
TOTAL PERSONAL SERVICES	\$40,115	\$56,526	\$96,641	\$40,476	\$0	\$40,476	\$24,259	\$0	\$24,259	\$0	\$25,455	\$50,598	\$5,155	\$242,584
Materials and Services														
Bond, Dues, Publications	\$408	\$408	\$816	\$408	\$0	\$408	\$51	\$0	\$51	\$0	\$520	\$3,060	\$204	\$5,059
General Supplies, Lab, Permitting & Monitoring	\$3,060	\$3,060	\$6,120	\$15,300	\$0	\$15,300	\$510	\$0	\$510	\$0	\$3,121	\$10,200	\$51	\$35,302
Training, Transportation, Travel	\$2,040	\$2,040	\$4,080	\$2,040	\$0	\$2,040	\$204	\$0	\$204	\$0	\$208	\$4,080		\$10,612
Water Purchase (from HBMWD)	\$29,350	\$168,822	\$198,172											\$198,172
Utilities- water, sewer, Assess., communications	\$1,020	\$1,020	\$2,040	\$5,100	\$0	\$5,100	\$1,020	\$0	\$1,020	\$0	\$4,162	\$5,100	\$100	\$17,522
General Maint & Repair	\$1,530	\$1,530	\$3,060	\$2,040	\$0	\$2,040	\$1,020	\$0	\$1,020	\$0	\$5,202	\$12,240	\$0	\$23,562
Liability Insurance	\$1,530	\$2,550	\$4,080	\$3,570	\$0	\$3,570	\$1,020	\$0	\$1,020	\$0	\$6,242	\$3,060	\$510	\$18,482
Electrical	\$714	\$714	\$1,428	\$4,080	\$0	\$4,080	\$510	\$0	\$510	\$0	\$3,121	\$2,040	\$255	\$11,434
Contracted Maintenance Services	\$5,100	\$10,200	\$15,300	\$10,200	\$0	\$10,200	\$2,040	\$0	\$2,040	\$0	\$5,202	\$10,200	\$800	\$43,742
TOTAL MATERIALS AND SERVICES	\$44,752	\$190,344	\$235,096	\$42,738	\$0	\$42,738	\$6,375	\$0	\$6,375	\$0	\$27,778	\$49,980	\$1,920	\$363,887
TOTAL O&M	\$84,867	\$246,870	\$331,737	\$83,214	\$0	\$83,214	\$30,634	\$0	\$30,634	\$0	\$53,233	\$100,578	\$7,075	\$606,471
Other Expenditures														
Prior Obligation by SPFD												\$72,000		\$72,000
Transfer to Capital Reserve Fund	\$20,000	\$16,000	\$36,000	\$17,000		\$17,000	\$10,000		\$10,000		\$11,617	\$70,000		\$144,617
Transfer to Equipment Replacement Reserve Fund <sup>2</sup>	\$3,000	\$5,000	\$8,000	\$3,000		\$3,000	\$1,000		\$1,000		\$6,487	\$82,856		\$101,343
TOTAL OTHER EXPENDITURES	\$23,000	\$21,000	\$44,000	\$20,000	\$0	\$20,000	\$11,000	\$0	\$11,000	\$0	\$18,104	\$224,856	\$0	\$317,960
Capital Outlay														\$0
														\$0
														\$0
TOTAL CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL ALL EXPENDITURES	\$107,867	\$267,870	\$375,737	\$103,214	\$0	\$103,214	\$41,634	\$0	\$41,634	\$0	\$71,337	\$325,434	\$7,075	\$924,431
Unexpended Fund Balance (UFB)														\$0
EXPENDITURES + UFB														
1. No tax revenues are projected for this operating budget (CSD has no taxing authority at this time)														
2. Transfer to a reserve account for each fund to be created by CSD for replacement														
Estimated Monthly User Fees Based On Revenues Needed To Operate CSD														
Estimated average monthly residential user fees required to balance revenues	Water Distribution			Wastewater			Streets & Street Lighting			Storm Drainage	Parks & Recreation	Fire Department	Tsunami Preparedness	Total All Services
	Town of Samoa	Fairhaven	Total Water	Town of Samoa	Fairhaven	Total Waste	Town of Samoa	Fairhaven	Total Streets					
EDUs	121	347	468	121	89	210	121	99	220	275	220	2860	2860	

Samoa Peninsula Community Services District Phase 3 Budget														
YEAR 5														
Revenues														
Fund Type	Water Distribution			Wastewater			Streets & Street Lighting			Storm Drainage	Parks & Recreation	Fire Department	Tsunami Preparedness	Total All Services
	Town of Samoa	Fairhaven	Total Water	Town of Samoa	Fairhaven	Total Wastewater	Town of Samoa	Fairhaven	Total Streets					
Available Cash on Hand	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$500	\$500	\$1,000	\$600	\$0	\$600	\$100	\$0	\$100	\$0	\$150	\$500	\$10	\$2,360
Property Tax <sup>1</sup>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Special Use Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$72,611	\$0	\$0	\$72,611
User Fee/Assessment Revenues	\$98,862	\$274,107	\$372,969	\$107,078	\$0	\$107,078	\$32,145	\$0	\$32,145	\$0	\$0	\$333,619	\$7,678	\$853,489
Miscellaneous	\$200	\$200	\$400	\$200	\$0	\$200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$600
TOTAL RESOURCES	\$99,562	\$274,807	\$374,369	\$107,878	\$0	\$107,878	\$32,245	\$0	\$32,245	\$0	\$72,761	\$334,119	\$7,688	\$929,060
Expenditures														
Personal Services	Water Distribution			Wastewater			Streets & Street Lighting			Storm Drainage	Parks & Recreation	Fire Department	Tsunami Preparedness	Total All Services
	Town of Samoa	Fairhaven	Total Water	Town of Samoa	Fairhaven	Total Wastewater	Town of Samoa	Fairhaven	Total Streets					
Attorney	\$936	\$936	\$1,872	\$1,561	\$0	\$1,561	\$624	\$0	\$624	\$0	\$874	\$1,248	\$62	\$6,241
Auditor (Annual Audit)	\$1,405	\$1,405	\$2,810	\$2,341	\$0	\$2,341	\$936	\$0	\$936	\$0	\$1,311	\$1,873	\$94	\$9,365
Board Stipend	\$936	\$936	\$1,872	\$1,561	\$0	\$1,561	\$624	\$0	\$624	\$0	\$874	\$1,248	\$62	\$6,241
Bookkeeping/CPA Consult	\$468	\$468	\$936	\$780	\$0	\$780	\$312	\$0	\$312	\$0	\$437	\$624	\$31	\$3,120
Engineering	\$1,248	\$1,248	\$2,496	\$1,561	\$0	\$1,561	\$624	\$0	\$624	\$0	\$1,498	\$0	\$62	\$6,241
Operations/Maintenance Staff (Salaries & Benefits)	\$35,922	\$52,664	\$88,586	\$33,481	\$0	\$33,481	\$21,624	\$0	\$21,624	\$0	\$19,298	\$48,290	\$4,947	\$216,226
TOTAL PERSONAL SERVICES	\$40,915	\$57,657	\$98,572	\$41,285	\$0	\$41,285	\$24,744	\$0	\$24,744	\$0	\$24,292	\$53,283	\$5,258	\$247,434
Materials and Services														
Bond, Dues, Publications	\$416	\$416	\$832	\$416	\$0	\$416	\$52	\$0	\$52	\$0	\$530	\$3,121	\$208	\$5,159
General Supplies, Lab, Permitting & Monitoring	\$3,121	\$3,121	\$6,242	\$15,606	\$0	\$15,606	\$520	\$0	\$520	\$0	\$3,183	\$10,404	\$100	\$36,055
Training, Transportation, Travel	\$2,081	\$2,081	\$4,162	\$2,081	\$0	\$2,081	\$208	\$0	\$208	\$0	\$212	\$4,162	\$0	\$10,825
Water Purchase (from HBMWD)	\$29,937	\$172,198	\$202,135	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$202,135
Utilities- water, sewer, Assess., communications	\$1,040	\$1,040	\$2,080	\$5,202	\$0	\$5,202	\$1,040	\$0	\$1,040	\$0	\$4,245	\$5,202	\$102	\$17,871
General Maint & Repair	\$1,561	\$1,561	\$3,122	\$2,081	\$0	\$2,081	\$1,040	\$0	\$1,040	\$0	\$5,306	\$12,485	\$0	\$24,034
Liability Insurance	\$1,561	\$2,601	\$4,162	\$3,641	\$0	\$3,641	\$1,040	\$0	\$1,040	\$0	\$6,367	\$3,121	\$520	\$18,851
Electrical	\$728	\$728	\$1,456	\$4,162	\$0	\$4,162	\$520	\$0	\$520	\$0	\$3,183	\$2,081	\$500	\$11,902
Contracted Maintenance Services	\$5,202	\$10,404	\$15,606	\$10,404	\$0	\$10,404	\$2,081	\$0	\$2,081	\$0	\$5,306	\$10,404	\$1,000	\$44,801
TOTAL MATERIALS AND SERVICES	\$45,647	\$194,150	\$239,797	\$43,593	\$0	\$43,593	\$6,501	\$0	\$6,501	\$0	\$28,332	\$50,980	\$2,430	\$371,633
TOTAL O&M	\$86,562	\$251,807	\$338,369	\$84,878	\$0	\$84,878	\$31,245	\$0	\$31,245	\$0	\$52,624	\$104,263	\$7,688	\$619,067
Other Expenditures														
Prior Obligation by SPFD												\$72,000		\$72,000
Transfer to Capital Reserve Fund	\$10,000	\$18,000	\$28,000	\$20,000		\$20,000					\$13,000	\$75,000		\$136,000
Transfer to Equipment Replacement Reserve Fund <sup>2</sup>	\$3,000	\$5,000	\$8,000	\$3,000		\$3,000	\$1,000		\$1,000		\$7,137	\$82,856		\$101,993
TOTAL OTHER EXPENDITURES	\$13,000	\$23,000	\$36,000	\$23,000	\$0	\$23,000	\$1,000	\$0	\$1,000	\$0	\$20,137	\$229,856	\$0	\$309,993
Capital Outlay														\$0
														\$0
														\$0
TOTAL CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL ALL EXPENDITURES	\$99,562	\$274,807	\$374,369	\$107,878	\$0	\$107,878	\$32,245	\$0	\$32,245	\$0	\$72,761	\$334,119	\$7,688	\$929,060
Unexpended Fund Balance (UFB)														\$0
EXPENDITURES + UFB														
1. No tax revenues are projected for this operating budget (CSD has no taxing authority at this time)														
2. Transfer to a reserve account for each fund to be created by CSD for replacement														
Estimated Monthly User Fees Based On Revenues Needed To Operate CSD														
	Water Distribution			Wastewater			Streets & Street Lighting			Storm Drainage	Parks & Recreation	Fire Department	Tsunami Preparedness	Total All Services
	Town of Samoa	Fairhaven	Total Water	Town of Samoa	Fairhaven	Total Waste	Town of Samoa	Fairhaven	Total Streets					
Estimated average monthly residential user fees required to balance revenues	\$70.14	\$66.54	\$66.13	\$72.55	\$0.00	\$41.70	\$21.78	\$0.00	\$11.96	\$0.00	\$0.00	\$9.53	\$0.22	
EDUs	123	347	470	123	91	214	123	101	224	281	224	2917	2917	



Samoa Peninsula Community Services District Phase 4 Budget YEAR 20 (90% FULL BUILD OUT, 2017 Dollars)								
Revenues								
Fund Type	Water Distribution	Wastewater	Streets & Street Lighting	Storm Drainage	Parks & Recreation	Fire Department	Tsunami Preparedness	Total All Services
Available Cash on Hand	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$2,000	\$2,000	\$200	\$50	\$150	\$500	\$10	\$4,910
Property Tax <sup>1</sup>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Special Use Income	\$0	\$0	\$0	\$0	\$74,746	\$0	\$0	\$74,746
User Fee/ Assessment Revenues	\$565,108	\$561,244	\$112,779	\$10,065	\$19,742	\$418,424	\$8,285	\$1,695,647
Miscellaneous	\$1,000	\$1,000	\$0	\$0	\$0	\$0	\$0	\$2,000
TOTAL RESOURCES	\$568,108	\$564,244	\$112,979	\$10,115	\$94,638	\$418,924	\$8,295	\$1,777,303
Expenditures								
Personal Services	Water Distribution	Wastewater	Streets & Street Lighting	Storm Drainage	Parks & Recreation	Fire Department	Tsunami Preparedness	Total All Services
Attorney	\$1,872	\$1,872	\$624	\$62	\$499	\$1,248	\$62	\$6,239
Auditor (Annual Audit)	\$2,810	\$2,810	\$936	\$94	\$749	\$1,873	\$94	\$9,366
Board Stipend	\$1,872	\$1,872	\$624	\$62	\$499	\$1,248	\$62	\$6,239
Bookkeeping/CPA Consult	\$936	\$936	\$312	\$31	\$250	\$624	\$31	\$3,120
Engineering	\$1,872	\$2,496	\$624	\$250	\$936	\$0	\$62	\$6,240
Operations/Maintenance Staff (Salaries & Benefits)	\$67,264	\$76,920	\$28,804	\$9,616	\$9,616	\$89,095	\$6,709	\$288,024
TOTAL PERSONAL SERVICES	\$76,626	\$86,906	\$31,924	\$10,115	\$12,549	\$94,088	\$7,020	\$319,228
Materials and Services								
Bond, Dues, Publications	\$1,200	\$1,300	\$51	\$0	\$520	\$3,060	\$204	\$6,335
General Supplies, Lab, Permitting & Monitoring	\$8,000	\$20,000	\$510	\$0	\$5,000	\$10,200	\$51	\$43,761
Training, Transportation, Travel	\$6,000	\$7,000	\$204	\$0	\$500	\$4,080		\$17,784
Water Purchase (from HBMWD)	\$280,282							\$280,282
Effluent Outfall Use Fee (RMT 2)		\$90,000						\$90,000
Utilities- water, sewer, Assess., communications	\$3,000	\$11,100	\$1,020	\$0	\$8,000	\$5,100	\$51	\$28,271
General Maint & Repair	\$6,000	\$7,000	\$1,020	\$0	\$10,000	\$12,240	\$0	\$36,260
Liability Insurance	\$8,000	\$7,570	\$1,020	\$0	\$6,500	\$3,060	\$510	\$26,660
Electrical	\$2,000	\$6,000	\$510	\$0	\$7,000	\$2,040	\$255	\$17,805
Contracted Maintenance Services	\$22,000	\$25,200	\$2,040	\$0	\$10,000	\$10,200	\$204	\$69,644
TOTAL MATERIALS AND SERVICES	\$336,482	\$175,170	\$6,375	\$0	\$47,520	\$49,980	\$1,275	\$616,802
TOTAL O&M	\$413,108	\$262,076	\$38,299	\$10,115	\$60,069	\$144,068	\$8,295	\$936,030
Other Expenditures								
Prior Obligation by SPFD						\$72,000		\$72,000
Debt Service for WWTP & Collection System		\$157,168						\$157,168
Transfer to Capital Reserve Fund	\$140,000	\$100,000	\$64,680		\$20,000	\$120,000		\$444,680
Transfer to Equipment Replacement Reserve Fund <sup>2</sup>	\$15,000	\$45,000	\$10,000		\$14,569	\$82,856		\$167,425
TOTAL OTHER EXPENDITURES	\$155,000	\$302,168	\$74,680	\$0	\$34,569	\$274,856	\$0	\$841,273
Capital Outlay								\$0
								\$0
								\$0
TOTAL CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL ALL EXPENDITURES	\$568,108	\$564,244	\$112,979	\$10,115	\$94,638	\$418,924	\$8,295	\$1,777,303
Unexpended Fund Balance (UFB)								\$0
EXPENDITURES + UFB								
1. No tax revenues are projected for this operating budget (CSD has no taxing authority at this time)								
2. Transfer to a reserve account for each fund to be created by CSD for replacement								
Estimated Monthly User Fees Based On Revenues Needed To Operate CSD								
	Distribution	Wastewater	Lighting					
	Total Water	Total Waste	Total Streets	Storm Drainage	Parks & Recreation	Fire Department	Tsunami Preparedness	Total All Services
Estimated average monthly residential user fees required to balance revenues	\$401.76	\$58.76	\$11.81	\$1.64	\$7.48	\$9.75	\$0.19	
EDUs	854	796	796	512	220	3575	3575	

## ATTACHMENT C

### ANALYSIS OF REQUIRED FACTORS GOVERNMENT CODE SECTION 56668

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

The area under consideration for inclusion in the Peninsula Community Services District (CSD) is a portion of the Samoa Peninsula, adjacent to Humboldt Bay and the Pacific Ocean. The proposed area is bounded by Humboldt Bay to the east, the Pacific Ocean to the west, and public lands to the south. The Northern boundary of the Peninsula CSD would be coterminous with the southern boundary of Manila CSD.

The proposed CSD contains approximately 318 parcels totaling 2,021 acres (3.2 square miles) of unincorporated territory. The total assessed value of properties (land and improvements) is approximately \$44,166,249<sup>1</sup>. Existing uses within the proposed CSD boundaries include a mix of residential, commercial, industrial, coastal dependent industrial, parks, and public uses. Notable non-residential uses within the peninsula include the Samoa Cookhouse, the DG Fairhaven Biomass Power Plant, the Fairhaven Business Park, the Samoa Drag Strip, the Eureka Municipal Airport, Redwood Marine Terminal I, Redwood Marine Terminal II, and County recreational parks.

Along with industrial and public lands, the Peninsula CSD contains three small distinct communities, each defined by its origin and history: Samoa, Fairhaven, and Finntown. The existing population within the proposed boundary is estimated at 517, given the current housing stock of 182 residences and occupancy rates of 2.84 persons/household<sup>2</sup>. Given the existing housing stock and projected buildable vacant lands, full residential build-out within the new CSD would likely result in between 430 and 450 total households. Using an estimated household size of 2.84 persons, full build-out within the Peninsula CSD would be between 1,221 to 1,278 residents.

Based on a review of the 2014 Humboldt County Housing Element, which analyzes Unincorporated Legacy Communities (ULC) as required by SB 244 (2011), the community of Fairhaven was identified as a disadvantaged community. This ULC was mapped using the existing General Plan Rural Exurban land use designation, which generally follows parcels lines comprising the core of the community. There are approximately 68 housing units and 154 people in the approximately 69 acre Fairhaven ULC based on 2010 Census Block data.

The anticipated impact of providing municipal services (particularly water and wastewater) to the Town of Samoa is additional residential and commercial/industrial development associated with the Samoa Town Master Plan and subdivision. Such development is anticipated (as discussed in above in full-buildout), and as is

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<sup>1</sup> Subject Reorganization LAFCo Application, April 12, 2016.

<sup>2</sup> Management Plan for the Peninsula CSD Formation, SHN 2017

accounted for as a part of the planned infrastructure, services provided, and budget of the proposed district.

Given the natural characteristics of the peninsula, the unincorporated area of Manila to the north is the only land area directly adjacent to the proposed CSD which may experience growth in the near future (10-year horizon). Currently, Manila CSD provides water, wastewater, and recreation services to the community.

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

A Peninsula CSD Management Plan (Attachment B SHN, March 2017) was prepared to provide a conceptual plan for governing the newly formed CSD, including recommended organizational structure, staffing levels, and operating budgets. Operating budgets prepared for the CSD consist of an initial "start-up" budget and five years of projected operating revenues and expenses. Based on the projected expenses, the Management Plan explores various rate systems (benefit assessments and user fees) and presents a list of rate system recommendations.

The CSD will initially take on all services provided by the Peninsula Fire Protection District (FPD) and set up the District's governance process for other services. All existing tax-related revenue that currently supports fire protection services by the Samoa Peninsula FPD would be transferred to the Peninsula CSD to support the continued operation of the volunteer fire department. Any new services to be provided by the Peninsula CSD would require new sources of revenue, such as benefit assessments and user fees, which require landowner approval in accordance with Proposition 218 requirements.

User fees for water and wastewater services would initially be limited to the Town of Samoa area. Currently, the Fairhaven/Finntown area receives community water services from the Humboldt Bay Municipal Water District (HBMWD), and all wastewater is provided by on-site disposal systems. There is ongoing planning of wastewater treatment and disposal options for the Peninsula. This includes the ocean outfall, as a possible discharge point for treated wastewater at Redwood Marine Terminal II, as a potential solution for insufficient on-site septic systems on the Peninsula. This broader planning effort is proceeding independently of the proposed Peninsula CSD formation.

With regard to benefit assessments, an increase in the fire assessment would be proposed peninsula-wide. Since benefit assessments are based on the concept of assessing only those properties that directly benefit from the services or improvements financed, it is expected that assessments proposed for parks and recreation, streets, and storm drainage would primarily be limited to the Town of Samoa.

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

Considerations in the evaluation of alternatives:

§ 56301 "When the formation of a new government entity is proposed, a commission shall make a determination as to whether existing agencies can feasibly provide the needed service or services in a more efficient and accountable manner. If a new single-purpose agency is deemed necessary, the commission shall consider reorganization with other single-purpose agencies that provide related services."

Alternative actions considered include:

- Alternative 1: Annex to Manila CSD (declined)
- Alternative 2: Form new Community Services District for Samoa only
- Alternative 3: Fire Department becomes Community Services District (proposed)

LAFCo prepared a Peninsula Services Study in 2012 to review service delivery and reorganization options for multiple service providers, address the range of community service needs, and identify opportunities to restructure services that may result in an increase in service levels and efficiency on the Peninsula. This study recognized that forming a new CSD for Samoa only was not preferred as it would result in another governmental entity providing services on the Peninsula. The proposed reorganization of the Samoa Peninsula FPD into a CSD would strengthen the existing economic and social ties that were enhanced in 1993 when Samoa Fire was consolidated with Fairhaven Fire, and renamed to create a peninsula-wide fire district. The Peninsula CSD formation would support the continued operation of the volunteer fire department and establish the necessary governance and funding to provide enhanced municipal services to the peninsula.

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

The proposal is generally consistent with the adopted policies of the Commission. State law limits what services a fire protection district may provide. The CSD formation would provide the necessary governance structure to retain the existing volunteer fire department and expand the type of services peninsula residents may receive. The new CSD is intended to build service and governmental efficiencies by establishing a single local entity with broad authority to effectively address community needs.

With respect to G.C. Section 56377, the Peninsula CSD formation would not convert agricultural land or open space uses and does not propose to change land uses or land use patterns. Therefore, the proposal does not conflict with G.C. Section 56377.

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

The proposed CSD area does not include any parcel subject to the Williamson Act. Nor are there agricultural activities in the vicinity. Any future development or change in land use within the project area will be subject to the Humboldt County permitting, and consistency with the General Plan, zoning designations, and building codes.

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

The proposed CSD boundary would generally be consistent with the current Samoa Peninsula FPD boundary and sphere of influence, with minor adjustments to account for public lands and tax rate areas. Federal land, including the BLM and Coast Guard Station were not included in the proposed District due to appropriations law which limits the ability for the CSD to charge Federal agencies for certain services.

***7) A regional transportation plan adopted pursuant to G.C. Section 65080.***

The Humboldt Regional Transportation Plan (RTP) was last updated in 2013/14 and is a long-range transportation planning document for Humboldt County. The only planned roadway improvement project included in the RTP involving the affected territory is the Samoa Industrial Waterfront Transportation Access Plan proposed by the Humboldt Bay Harbor Recreation and Conservation District. This plan is consistent with and complimentary to the overall peninsula transportation system.

***8) The proposal's consistency with city or county general and specific plans.***

The proposed CSD formation would not conflict with Humboldt County General Plan policies, or policies identified in the Humboldt Bay Area Plan (HBAP). The HBAP urban limit line (ULL) was amended for the Town of Samoa, as part of the Samoa Town Master Plan Local Coastal Program (LCP) Amendments to include residential, commercial, commercial recreation (including visitor serving), public facilities, and business park areas. The ULL is based on findings that lands included within the urban limit would be generally suitable for development at a density greater than one unit per acre (or as shown in chapter 4 of the Area Plan), were public sewerage, water, and road improvement services [would be] provided. Any lands lying outside the ULL are deemed rural for development purposes, and are subject to the Rural Development Policies and Standards included in the HBAP. This includes the Fairhaven area, which is designated Rural Exurban. This area, although divided into urban size parcels, has high groundwater and severe septic system constraints. Retail water services are currently provided by the Humboldt Municipal Water District (HBMWD) for the Fairhaven area.

***9) The sphere of influence of any local agency which may be applicable to the proposal being reviewed.***

A Sphere of Influence (SOI) is a planning boundary for a jurisdiction that is established by LAFCo and identifies areas that might be annexed in the future. The SOI is proposed to be coterminous with the proposed CSD boundary with the recognition that LAFCo

will update the SOI in five years as part of the MSR/SOI update program.

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

Letters of support for the Peninsula CSD formation were received from Humboldt County DHHS – Environmental Health; Humboldt County DHHS – Public Health; North Coast Regional Water Board; and the Humboldt Bay Municipal Water District (Attachment E). These were received in response to an agency referral sent in May 2016.

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

The Samoa Town Master Plan will be implemented via a multi-phase subdivision for which Final Maps may be recorded for particular phases of development upon meeting County conditions of subdivision approval. CSD formation approval includes a condition requiring the owner to irrevocably convey and dedicate designated parcels and improvements to the Peninsula CSD prior to the effective date of the CSD formation.

In addition, the Town of Samoa subdivision includes upgrades and improvements to potable water storage and distribution facilities; wastewater collection, treatment and disposal facilities; roadways; and parks and recreational improvements. All planned improvements and upgrades will be documented in a Detailed Engineering Analysis, which will evaluate the costs associated with recommended improvements and ongoing operations and maintenance, and the methodology for allocating or apportioning costs to parcels within the District. Based on the designation of Fairhaven as a disadvantaged unincorporated community, it is anticipated that the Peninsula CSD will be eligible for grants to offset costs associated with fire station renovations and other facility upgrades not covered by the developer.

All existing tax-related revenue that currently supports fire protection services by the Samoa Peninsula FPD would be transferred to the Peninsula CSD to support the continued operation of the volunteer fire department. Any new services to be provided by the Peninsula CSD would require new sources of revenue, such as benefit assessments and user fees, which require landowner approval in accordance with Proposition 218 requirements. A condition is proposed, which requires Proposition 218 proceedings to be conducted within one year of the effective date of CSD formation. Services shall be activated and assets transferred only for those services with approved benefit assessments or user fees.

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

Currently, the Humboldt Bay Municipal Water District (HBMWD) maintains two separate pipeline systems delivering treated drinking water and untreated raw water to the Peninsula. The HBMWD provides retail water service to individual residential and commercial customers in the Fairhaven area, untreated raw water to industrial users on

the Peninsula, and wholesale water services to the Town of Samoa. The Samoa Pacific Group purchases treated water from the HBMWD at a single meter, then distributes the water for the Town of Samoa. The Samoa Pacific Group currently owns, operates, and maintains the existing Town of Samoa water system, not including the water storage tank. Currently existing residents pay for water as a factored portion of their rent. With the subdivision of land, this will change to an individually metered system for the Town of Samoa. No change is currently proposed for retail and industrial users within the Fairhaven area. The CSD, once formed, would be able to take on these services at some point in the future.

***13) The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments.***

The proposal would not impact any local agencies in accommodating their regional housing needs. The Samoa Town Master Plan and proposed subdivision have been analyzed to determine improvements proposed for the town and which assets would potentially be conveyed to the CSD, should it be formed. A single governing entity is required by Humboldt County, as a subdivision condition, and the Coastal Commission, as a LCP condition, to oversee operation and maintenance, fiscal responsibility, and governance of community services to the Town of Samoa, including services to additional residential development. Housing proposed on the peninsula, including eighty units of affordable housing approved for the Town of Samoa, will contribute towards the County's share of the regional affordable housing allocation

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

A 21-day public hearing notice was mailed to all landowners and registered voters in and within 300 feet of the affected territory. The notice summarized the proposal and included a map of the subject territory, as well as information regarding the public hearing. In addition, notice was provided that the protest hearing would be waived unless an objection was received from landowners or registered voters within the reorganization area, pursuant to Government Code Section 56663. One written letter of opposition to the proposal was received (see Attachment D). Should the Commission approve the proposal, a protest hearing would be required. The LAFCo Executive Officer has been delegated the authority to conduct protest proceedings. For this proposal, a protest of more than 50% of registered voters would be needed to terminate the election. Otherwise, the proposed reorganization would go to a vote on the November 7th election.

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

Existing uses on the peninsula (existing development) include a mix of residential, commercial, industrial, coastal dependent industrial, parks, and public uses. Non-residential uses within the Peninsula CSD formation area include the Samoa Cookhouse, the Fairhaven Biomass Power Plant, the Fairhaven Business Park, the Samoa Dragstrip, the Eureka Municipal Airport, the Redwood Marine Terminal I, Redwood Marine Terminal II (former Samoa Pulp Mill), and County Park facilities.

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

The proposal will not result in inconsistencies with environmental justice safeguards. The Peninsula CSD would provide the necessary governance structure for the provision of expanded municipal services to the residents, businesses, industries, and recreational users on the Peninsula.



**ATTACHMENT D:  
OPPOSITION LETTER**

April 26th, 2017

From: Richard W. Spjut  
2651 Lincoln Ave.  
Samoa, CA 95564

To: Humboldt Local Area Formation Commission (LAFCo)  
1125 16th Street, Suite 202  
Arcata, CA 95521

OPPOSE: Proposal for REORGANIZATION OF THE SAMOA PENINSULA  
FIRE PROTECTION DISTRICT INTO A COMMUNITY SERVICES DIS-  
TRICT

Dear Members of LAFCo,

I am a landowner and registered voter within the affected territory. This letter serves as written opposition to the proposal. I am also opposed to waiving the protest proceedings.

I'm not in favor because:

- Sewers near sea level usually have off-gassing issues. Larger systems are invariably more complicated, difficult, and costly to maintain. Even larger cities, with many more resources and capital cannot keep their sewers from off-gassing in certain parts of town. For example, both Eureka and San Francisco have off-gassing issues.  
I would prefer to maintain my own wastewater system.
- We already have a water supply system.
- We already have a volunteer fire department.
- The C.S.D. will take resources, particularly money, though also time (because it takes my time to consider these proposals and write letters in opposition) from homeowners and distribute those resources to beneficiaries of the charges, taxes, fees, and assessments. In particular, these resources will be taken from residents and transferred to non-residents.
- There are plenty of opportunities for recreation, trails, and open space already: without necessity of a governing committee nor organization.
- Further development in a tsunami zone will be unsafe for existing homeowners. The routes for tsunami evacuation will be further congested.

A C.S.D. is not in the best interest of residents of Fairhaven.

Sincerely,



Richard Spjut

cc: Peninsula Residents and Members of SPFPD

**ATTACHMENT E:  
AGENCY LETTERS OF SUPPORT**



Public Health  
Susan Buckley, RN, MPH, Director  
529 I Street, Eureka, CA 95501

phone: (707) 445-6200 | fax: (707) 445-6097

May 27, 2016

Colleen Metz, Administrator  
Humboldt Local Agency Formation Commission  
1125 16<sup>th</sup> St, Ste 202  
Arcata CA 95521

**Subject: Notice of Filing – Samoa Peninsula FPD Reorganization to a CSD**

Dear Ms. Metz,

Thank you for sharing the release of the subject document with the Humboldt County Department of Health & Human Services, Division of Environmental Health (DEH).

DEH supports the proposed reorganization: dissolution of the Samoa Peninsula Fire Protection District and the formation of a Peninsula Community Services District to provide water, sewer, stormwater drainage, roads, fire protection and other public services. DEH's primary interest in this regard is the provision of safe community water and environmentally appropriate sewer services to all peninsula residents.

The application describing the reorganization states that, while PCSD will assume water service from the Humboldt Municipal Water District for the residents of Fairhaven, no changes are proposed for Fairhaven with regard to wastewater treatment and disposal.

We urge you to include community wastewater services for the Fairhaven area as part of this and other proposals affecting the Samoa Peninsula. High groundwater, coarse soil and small lot sizes typical of Fairhaven render it unsuitable to affordable individual onsite wastewater (septic) systems.

An improved wastewater treatment facility for the existing and future Town of Samoa is referenced on page 7 of the application. PCSD would serve as a third-party operator of that system. This would be a substantial improvement to the health of the community, and the health of our ground, ocean and Humboldt Bay waters. We understand that utilizing the ocean outfall at Redwood Marine Terminal II is being studied as a possible discharge point for wastewater treated at the proposed facility. DEH supports this effort and encourages Fairhaven wastewater needs be considered in this study.

Donald I. Baird, MD  
Public Health Officer, Humboldt County



DHHS Administration  
phone: (707) 441-5400  
fax: (707) 441-5412

Mental Health  
phone: (707) 268-2990  
fax: (707) 476-4049

Social Services  
phone: (707) 476-4700  
fax: (707) 441-2096





Environmental Health  
Melissa Martel, Director  
100 H Street, Eureka, CA 95501  
phone: (707) 445-6215 | fax: (707) 441-5699

June 2, 2016

Humboldt Local Agency Formation Commission  
Colleen Metz, Administrator  
1125 16<sup>th</sup> Street, Suite 202  
Arcata, CA 95521

**Subject: Notice of Filing - Samoa Peninsula FPD Reorganization to a CSD**

Dear Ms. Metz,

Thank you for sharing the release of the subject document with the Humboldt County Department of Health & Human Services, Division of Environmental Health (DEH).

The Department of Health and Human Services, Public Health and Environmental Health support the proposed Peninsula Community Services District (PCSD). Due to high groundwater, coarse soil and small lot sizes on the Peninsula, there is a significant need for sewer services. We urge you to include community wastewater services for the Fairhaven area as part of this and other proposals affecting the Samoa Peninsula. The PCSD would be a substantial improvement to public health and the health of our ground, ocean and Humboldt Bay waters. The ocean outfall, as a possible discharge point for treated commercial and residential wastewater at Redwood Marine Terminal II, may be an effective use of existing infrastructure and solution for insufficient on-site septic systems on the Peninsula.

We support this project and thank you for considering these comments.

Best Regards,

Melissa Martel, REHS

CC (via e-mail): Charles Reed – NCRWQCB



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**North Coast Regional Water Quality Control Board**

July 6, 2016

Colette Metz, Administrator  
Humboldt Local Agency Formation Commission  
1125 16<sup>th</sup> St., Suite 202  
Arcata, CA 95521  
[ColetteMetzAdministrator@humboldtlatasco.org](mailto:ColetteMetzAdministrator@humboldtlatasco.org)

Dear Ms. Metz:

Subject: Support for Reorganization of the Samoa Peninsula Fire Protection District  
(District) to a Community Services District

The North Coast Regional Water Board (Regional Water Board) would like to express its support for the development of a community wastewater collection and treatment system for the Samoa Peninsula. As described in the Commission's Notice of Filing dated June 2, 2016, the proposed reorganization would provide the necessary governance structure to operate and maintain the current and future facilities on the Samoa Peninsula, which includes the communities of Samoa, Fairhaven, and Finn Town.

The Regional Water Board is the responsible permitting agency, along with the Humboldt County Department of Health and Human Services' Division of Public Health and Environmental Health (DEH) for reviewing and permitting waste discharges from individual septic systems on the Samoa Peninsula. It is our experience that, given restrictive site conditions on the Peninsula, such as high groundwater, coarse sandy soils, and small residential lots, it is infeasible for discharges from individual septic systems to meet consistently the water quality objectives for groundwater set forth in the *Water Quality Control Plan for the North Coast Region* (Basin Plan). Hence, a community wastewater treatment and disposal system, operated by a community service district or equivalent public agency, which can benefit from an economy of scale for appropriate waste treatment and disposal options and available public funding assistance, is the most appropriate long-term option to accommodate future development on the Samoa Peninsula in a manner that is protective of the environment, and public health.

We fully support the District's application for formation of a new community services district for the Samoa Peninsula.

Please contact me if you have any additional questions or require additional information, please contact Roy O'Connor of my staff at (707) 576-2670 or [Roy.O'Connor@waterboards.ca.gov](mailto:Roy.O'Connor@waterboards.ca.gov).

Sincerely,

Matthias St. John  
Executive Officer

160706\_CER\_dp\_SupportSamoaCSD\_Ltr

cc: Melissa Martel, Director, Humboldt County Dept. of Health & Human Services,  
Department of Environmental Health, 100 H St. Eureka, CA 95501  
[mmartel@co.humboldt.ca.us](mailto:mmartel@co.humboldt.ca.us)

Rob Wall, Interim Director, Humboldt County Planning and Building Department,  
3015 H St., Eureka, CA 95501  
[rwall@humboldt.co.ca.us](mailto:rwall@humboldt.co.ca.us)

Jack Crider, Executive Director, Humboldt Bay Harbor District, P.O. Box 1030  
Eureka, CA 95502  
[jcrider@humboldtbay.org](mailto:jcrider@humboldtbay.org)

Dan Johnson, President, Danco Group, 5251 Ericson Way, Arcata, CA 95521  
[djohnson@danco-group.com](mailto:djohnson@danco-group.com)

Kurt Kramer, Kramer Investment Corporation, 1589 Myrtle Avenue, Eureka, CA  
95501  
[kurt@kkramer.com](mailto:kurt@kkramer.com)

Bob Merrill, California Coastal Commission, 1385 Eighth St., Suite 130, Arcata, CA  
95521  
[Bob.Merrill@coastal.ca.gov](mailto:Bob.Merrill@coastal.ca.gov)



## HUMBOLDT BAY MUNICIPAL WATER DISTRICT

828 SEVENTH STREET, PO Box 95 • EUREKA, CALIFORNIA 95502-0095

OFFICE 707-443-5018 ESSEX 707-822-2918

FAX 707-443-5731 707-822-8245

EMAIL [OFFICE@HBMWD.COM](mailto:OFFICE@HBMWD.COM)

Website: [www.hbmwd.com](http://www.hbmwd.com)

### **BOARD OF DIRECTORS**

BARBARA HECATHORN, PRESIDENT

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NEAL LATT, DIRECTOR

### **GENERAL MANAGER**

PAUL HELLIKER

June 13, 2016

Mr. Troy Nicolini  
Samoa Peninsula Fire District  
1982 Gass Avenue  
Samoa, CA 95564-9509

Dear Mr. Nicolini:

Thank you for your letter of April 19, 2016, concerning the creation of a Community Services District (CSD) for the Samoa Peninsula. The Board of Directors of the Humboldt Bay Municipal Water District (HBMWD) has discussed your request and has asked me to communicate their support for the proposal to create this CSD.

One issue that arose during the discussion by the HBMWD Board of Directors was the question about the future plans for the Redwood Marine Terminal, which is displayed as a "Possible Expansion Area" in the map that accompanied your April 19 letter. Our understanding is that these facilities are currently served by the distribution system that is owned and operated by Danco Builders in Samoa. As the CSD is formed and establishes an agreement with Danco for providing services to Samoa, we expect that the Redwood Marine Terminal will not be served directly by HBMWD, but will be served either by the CSD, or by the owner of the distribution system in Samoa.

We have reviewed the Plan for Services prepared for the Samoa Peninsula Fire District, dated July, 2015, and look forward to the further analysis about existing and planned water supply infrastructure and services that is being prepared by the District and the Humboldt County Local Agency Formation Commission.

Thank you again for the efforts underway to create a CSD and your request for our support. We look forward to a successful launch of the new CSD.

Sincerely,

A handwritten signature in blue ink that reads "Paul Helliker". The signature is written in a cursive style with a large initial 'P' and a long, sweeping underline.

Paul Helliker  
General Manager

Cc: George Williamson, Humboldt County LAFCO

**RESOLUTION NO. 17-06****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  
ESTABLISHING A COTERMINOUS SPHERE OF INFLUENCE**

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 reasons cited in support of the reorganization are provided below:

- A single governing entity is required by Humboldt County and the Coastal Commission to oversee operation and maintenance, fiscal responsibility, and governance of community services to the Town of Samoa;
- The Samoa Pacific Group has explored several options including annexing into Manila Community Services District, forming a new community services district, and joining and reorganizing the current Samoa Peninsula FPD; and
- It has been determined that reorganizing the Samoa Peninsula FPD is the best option for providing services to the Peninsula.

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, 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.

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

1. The Commission's determinations on the proposal incorporate and adopt the information and analysis provided in the Executive Officer's written report.
2. 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.
3. 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.
4. The proposal is assigned the following distinctive short-term designation:

"Reorganization of Samoa Peninsula FPD to Peninsula CSD 2017"

5. 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. The District shall implement Proposition 218 proceedings within one calendar year of the effective date, unless a time extension is approved by the Commission. Services shall be activated and assets transferred only for those services with approved benefit assessments or user fees.

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 – The provisional tax appropriations limit, pursuant to “Gann limits” (California Constitution Article XIII B), submitted for voter approval shall be \$400,000. The permanent tax appropriations limit shall be set at the first election which shall be held following the full fiscal year of operation and shall not be considered a change in the appropriations of the CSD.
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 15<sup>th</sup> day of May, 2017, by the following roll call vote:

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

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Estelle Fennell, Chair  
Humboldt LAFCo

Attest:

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George Williamson, Executive Officer  
Humboldt LAFCo