



AGENDA ITEM 8D

MEETING: March 21, 2018
TO: Humboldt LAFCo Commissioners
FROM: Colette Metz, Administrator
SUBJECT: **Status of Current and Future Proposals**
The Commission will receive a report summarizing active on future proposals. This report is being presented for information only.

BACKGROUND

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 delegates Local Agency Formation Commissions (LAFCOs) with regulatory and planning duties to coordinate the logical formation and development of local governmental agencies. This includes approving or disapproving proposals for annexation, sphere of influence amendments, and outside agency service requests.

DISCUSSION

Following is a summary of active and future proposals.

Active Proposals

There are currently six (6) active applications on file with the Commission, as follows:

City of Eureka Brainard Annexation

See Agenda Item 6D.

City of Trinidad Extension of Water Services to 207 Quarry Road

See Agenda Item 6A.

Fieldbrook Glendale CSD Southern Boundary Annexation

See Agenda Item 6C.

Humboldt CSD McKay Ranch Service Extension

See Agenda Item 6B.

Samoa Peninsula Fire Protection District Reorganization to a CSD

The Commission approved the Samoa Peninsula Fire Protection District (SPFPD) Reorganization to the Peninsula Community Services District (PCSD) with terms and conditions on May 15, 2017. The PCSD formation election was approved by voters on November 7, 2017. Staff is continuing to proceed with conditions compliance, including coordinating with GHD to assist with a preliminary inventory of the major infrastructure components intended to be transferred to the PCSD.

Southern Humboldt Community Healthcare District Detachment

See Agenda Item 7A.

Future Proposals

There are several potential new proposals to the Commission in the near future based on discussions with proponents. A summary of these anticipated proposals follows.

Fires Services Coordination Efforts

A portion of Measure Z funds granted to the Humboldt County Fire Chiefs Association is focused on sustainable community fire protection to address the lack of complete community coverage and sustainable revenue. A series of meetings have been held with fire-related districts within the "Avenues Study Area" that includes the response areas from Phillipsville to Redcrest – as well as Salmon Creek, Miranda, Fruitland Ridge, Myers Flat, Shively and Weott. Currently, discussions are ongoing regarding the potential for forming an Avenue of the Giants Fire Protection District with multiple fire stations and coordinated response/training.

City of Arcata Creekside Homes Annexation

The project proposes annexation, rezoning, and subdivision of parcel 505-161-011 located at 2000 Foster Avenue near the Foster Avenue and "Q" Street intersection. An EIR is being prepared for the project with the City of Arcata as lead agency.

Humboldt CSD McKay Ranch Annexation

Kramer Properties, which owns McKay Ranch (80-acres around Redwoods Fields in Cutten), has submitted a tentative map with Humboldt County for future residential and commercial development. The property is currently forestland was split off from the McKay Tract in 1996. The property is proposed for phased development of a 320-unit, mixed-use subdivision including workforce housing apartment units, affordable single family parcels, townhouse units, condominium units, single family parcels, and neighborhood commercial space. Annexation to the Humboldt CSD would be required for the provision of water and wastewater services to the site. Currently an EIR is being prepared for the project with Humboldt County as lead agency.

Humboldt CSD Indianola Area Annexation

HCSD has been working on a potential annexation of the Indianola area and water service extension project to the Redmond Road area for the past few years. On March 13, 2018, the HCSD Board reviewed the tallies from a second interest survey letter sent to the landowners in the Redmond Road and the Indianola area. In both cases the tallies were about 50% of the landowners responding; and there were more against than in favor of the annexation and water service extension. Based upon these results, the Board voted to terminate the Redmond Road water service extension project and the Indianola annexation project (see Attachment A, HCSD Agenda Report).

RECOMMENDATION

Staff recommends the Commission receive and file this report.

Humboldt Community Services District

Dedicated to providing high quality, cost effective water and sewer service for our customers

AGENDA REPORT

For HCSD Board of Directors Regular Meeting of: March 13, 2018

AGENDA ITEM: Old Business **G.1.**

TITLE: Consideration of Indianola Annexation.

Recommendation:

Staff recommends that the Board of Directors review the survey information and Direct the General Manager to 1) cease any further project planning; and 2) send a final letter thanking the landowners in the Indianola area for their participation and informing them that the District has terminated this project.

Summary:

At the November 28, 2017, Board meeting, the Board of Directors directed the General Manager to prepare a second survey letter to be sent to the landowners of the Indianola area that had not responded to the first survey letter. The draft second letter was reviewed at the Board's December 12, 2017 meeting. At that time, the Board directed the General Manager to make a variety of edits and bring another draft back to the Board for their consideration at the January 9, 2018 Board meeting that included the following:

- Detailing the entire process by bullet point;
- Stating there is no profit to the District;
- Stating the District will not proceed unless there is a majority of the public interested in participating;
- Stating the District does not know what the costs per parcel will be but there will be costs to the landowners most of which will be applied to property tax bills under a special assessment.

At the January 9, 2018 meeting, the Board of Directors approved a new survey letter and directed the General Manager to send it to all the landowners in the Indianola area that received the first survey and those landowners in the area between the District's northern Sphere Boundary and the Jacoby Creek Water District's southern boundary.

Per direction, 342 surveys were sent with a response deadline of February 28, 2018.

The surveys that were returned were tallied and resulted in the following:

Indianola Annexation

Total Surveys sent: 342

Total Surveys returned: 166

Percent of surveys returned: 48.5%

Indianola Second Survey Letter Results

Date Received	# Yes	# No	Running Total
23-Jan	20	9	29
24-Jan	12	5	46
25-Jan	9	11	66
26-Jan	2	10	78
29-Jan	4	9	91
30-Jan	7	7	105
31-Jan	2	6	113
1-Feb	3	4	120
2-Feb	1	4	125
5-Feb	6	6	137
6-Feb	3	4	144
7-Feb	0	1	145
8-Feb	2	0	147
9-Feb	1	0	148
12-Feb	1	0	149
13-Feb	0	2	151
14-Feb	2	1	154
21-Feb	3	2	159
22-Feb	1	1	161
26-Feb	2	1	164
27-Feb	0	1	165
28-Feb	0	1	166
TOTAL	81	85	

Summary of Results:

	Letter 1	Letter 2
YES, I <u>am</u> interested in the District pursuing annexation	101	81
NO, I <u>am not</u> interested in the District pursuing annexation	46	85

Analysis

It is important to recall that some residents of the Indianola area have approached the District and expressed their interest in the District providing water services for domestic and fire suppression purposes. These residents have noted that their water wells are either contaminated, do not produce the quantity of water they need, or require a lot of time and expense to remove naturally occurring elements in the well water.

The District pursued this survey as a means to gauge the opinion of the landowners in the Indianola area as to whether they would like the District to pursue an annexation of the area in order to be able to complete a water service extension or not. The surveys made it clear that the District was not promoting the annexation of the Indianola area nor would the District "profit" from its annexation. However, it was noted that the District would be happy to consider an annexation to provide water services if your community wanted it.

It is also important to recall that the need for a second letter was twofold, namely 1) add additional detail to the survey letter and 2) to get more survey responses from the area than were obtained from the first survey. For letter 1, the District received survey responses from 45% of the landowners while only 48.5% of landowners returned the letter 2 survey.

Despite a slight increase in numbers of respondents to the second survey and claims that the District needed to be more transparent by providing information that did not exist, the District can be satisfied with the effort. Since the first survey went out in October 2017, the community has become aware of the District and its capabilities; its willingness to serve residents; and that this effort has created a public dialogue on the subject of clean water. As evidence of this, many local residents attended several District Board meetings where this subject was discussed; the Times-Standard printed an in-depth article on the subject; District staff provided information to many residents; and two letters were generated by the public and circulated to all landowners in the potential service area.

The first letter was sent out in late January and was created by Aryay Kalaki, Larry Glass, Ali Lee and John Wrigley and asked landowners to vote "No" (Exhibit 1). Another letter was sent out in mid-February from Bruce Braly that concluded with the question "how can we say no" (Exhibit 2).

Based upon only 48.5% of the landowners responding to letter 2 and of those that did respond, nearly 1:1 for and against the annexation, Staff recommends that the District cease any further planning on the Indianola annexation. Further, Staff recommends that the District send a letter to all Indianola area landowners thanking them for their participation and noting that the District stands ready to reconsider annexation and extending water service to their area in the event the community organizes and makes a community-wide request. Lastly, staff recommends that if no community-wide request is made by the time the District considers its next change to the sphere of influence, that the District petition LAFCo to remove the Indianola area from the District's Sphere of Influence.