

City of Rio Dell

Municipal Service Review

Adopted
November 14, 2018



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HUMBOLDT LOCAL AGENCY FORMATION COMMISSION

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Acknowledgments:

LAFCo staff would like to thank the contributors to this Municipal Service Review. Input instrumental in completing this report was provided by City Manager Kyle Knopp, City Clerk Karen Dunham, City Finance Director Brooke Kerrigan, and Community Development Director Kevin Caldwell.

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1.0

MSR/SOI BACKGROUND

1.1 Role and Responsibility of LAFCo

Local Agency Formation Commissions (LAFCOs) are independent regulatory commissions that were established by the State legislature in 1963 to encourage the orderly growth and development of local governmental agencies including cities and special districts. Today, there is a LAFCo in each of California's 58 counties. Humboldt LAFCo is a seven-member commission comprised of two members of the Humboldt County Board of Supervisors, two City Council members, two Special District representatives, and one Public Member-At-Large. The Commission also includes one alternate member for each represented category.

LAFCo is responsible for implementing the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("CKH Act") (California Government Code Section 56000 *et seq.*) for purposes of facilitating changes in local governmental structure and boundaries that fosters orderly growth and development, promotes the efficient delivery of services, and encourages the preservation of open space and agricultural lands. Some of LAFCo's duties include regulating jurisdictional boundary changes and the extension of municipal services. This includes city and special district annexations, incorporations/formations, consolidations, and other changes of organization. LAFCo seeks to be proactive in raising awareness and building partnerships to accomplish this through its special studies, programs, and actions.

The CKH Act outlines requirements for preparing Municipal Service Reviews (MSRs) for periodic Sphere of Influence (SOI) updates. MSRs and SOIs are tools created to empower LAFCo to satisfy its legislative charge of "discouraging urban sprawl, preserving open space and prime agricultural lands, efficiently providing government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances (§56301). CKH Act Section 56301 further establishes that "one of the objects of the commission is to make studies and to obtain and furnish information which will contribute to the logical and reasonable development of local agencies in each county and to shape the development of local agencies so as to advantageously provide for the present and future needs of each county and its communities." SOIs, therefore, guide both the near-term and long-term physical and economic growth and development of local agencies, and MSRs provide the relevant data to inform LAFCo's SOI determinations.

1.2 Purpose of Municipal Service Reviews

As described above, MSRs are designed to equip LAFCo with relevant information and data necessary for the Commission to make informed decisions on SOIs. The CKH Act, however, gives LAFCo broad discretion in deciding how to conduct MSRs, including geographic focus, the scope of the study, and the identification of alternatives for improving the efficiency, cost-effectiveness, accountability, and reliability of public services. The purpose of an MSR, in general, is to provide a comprehensive inventory and analysis of the services provided by local municipalities, service areas, and special districts. An MSR evaluates the structure and

operation of the local municipalities, service areas, and special districts and discusses possible areas for improvement and coordination. While LAFCos have no direct regulatory authority over cities and special districts, MSR's provide information concerning the governance structures and efficiencies of service providers – and may also serve as the basis for subsequent LAFCo decisions. The MSR is intended to provide information and analysis to support a sphere of influence update. A written statement of the study's determinations must be made in the following areas:

1. Growth and population projections for the affected area
2. Location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence
3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies
4. The financial ability of the agency to provide services
5. Status of and opportunities for shared facilities
6. Accountability for community service needs, including governmental structure and operational efficiencies
7. Any other matter related to effective or efficient service delivery, as required by Commission policy

This MSR is organized according to these determinations listed above. Information regarding each of the above issue areas is provided in this document.

1.3 Purpose of Spheres of Influence

In 1972, LAFCos were given the power to establish SOIs for all local agencies under their jurisdiction. As defined by the CKH Act, "'sphere of influence' means a plan for the probable physical boundaries and service area of a local agency, as determined by the commission" (§56076). All boundary changes, such as annexations, must be consistent with an agency's sphere of influence with limited exceptions.

Pursuant to Humboldt LAFCo policy, an MSR is conducted prior to or in conjunction with its mandate to review and update each local agency's sphere of influence every five years or as necessary. The municipal service review process is intended to inform the Commission as to the availability, capacity, and efficiency of local government services prior to making sphere of influence determinations.

LAFCo is required to make five written determinations when establishing, amending, or updating an SOI for any local agency that addresses the following (§56425(c)):

1. The present and planned land uses in the area, including agricultural and open space lands.
2. The present and probable need for public facilities and services in the area.
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

4. The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.
5. For an update of an SOI of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

Service reviews may also contain recommendations for sphere of influence or government structure changes needed to implement positive service changes. Where more detailed analysis of service options is necessary, service reviews may contain recommendations for special studies where there is the potential to reduce service gaps and improve service levels.

1.4 Disadvantaged Unincorporated Communities

SB 244 (Chapter 513, Statutes of 2011) made changes to the CKH Act related to “disadvantaged unincorporated communities,” including the addition of SOI determination number 5 listed above. Disadvantaged unincorporated communities, or “DUCs,” are inhabited territories (containing 12 or more registered voters) where the annual median household income is less than 80 percent of the statewide annual median household income.

Humboldt LAFCo has adopted DUC policy, which identifies 31 inhabited unincorporated “legacy” communities for purposes of implementing SB 244. These legacy communities were defined as part of the Humboldt County 2014 Housing Element for areas not located within the sphere of influence of a city. Therefore, additional review is needed to determine “disadvantaged unincorporated communities” within and adjacent to city spheres of influence. As such, this MSR will document DUCs associated with the City of Ferndale SOI.

CKH Act Section 56375(a)(8)(A) prohibits LAFCo from approving a city annexation of more than 10 acres if a DUC is contiguous to the annexation territory but not included in the proposal, unless an application to annex the DUC has been filed with LAFCo. The legislative intent is to prohibit selective annexations by cities of tax-generating land uses while leaving out under-served, inhabited areas with infrastructure deficiencies and lack of access to reliable potable water and wastewater services. DUCs are recognized as social and economic communities of interest for purposes of recommending SOI determinations pursuant to Section 56425(c).

1.5 Organization of MSR/SOI Study

This report focuses on key issues that may be particularly relevant to the subject agency while providing required LAFCo MSR and SOI determinations. This report provides the following:

- A description of the subject agency;
- Any new information since the last MSR and a determination regarding the need to update the SOI;
- MSR determinations for Commission review; and
- Identifies any other issues that the Commission should consider in the MSR/ SOI.

2.0 AGENCY OVERVIEW

2.1 Overview

Table 1: City of Rio Dell Profile	
FORMATION	
Agency Name	City of Rio Dell
Incorporation Date	February 23, 1965
Enabling Legislation	General Law City, California Constitution, Article 11, Section 2, and California Government Code §34000 et seq.
CONTACT	
Primary Contact	Kyle Knopp, City Manager
E-mail	cityhall@cityofriodell.ca.gov
Mailing Address	675 Wildwood Avenue, Rio Dell, CA 95562
Phone	707.764.3532
Website	www.cityofriodell.ca.gov
GOVERNANCE	
Governing Body	City Council
Meeting Schedule	First and third Tuesday of every month, 6:30 PM
Meeting Location	Rio Dell City Hall, 675 Wildwood Avenue, Rio Dell, CA 95562
SERVICES	
Services Provided	Water, wastewater, stormwater drainage, streets and street lighting, parks and recreation, and law enforcement
Areas Served	Incorporated City Limits – approximately 2.5 square miles

The City of Rio Dell is located along US Highway 101 within the Eel River Valley, approximately two miles southeast from the City of Fortuna and north of the community of Scotia. Rio Dell is primarily a residential community with commercial land uses along Wildwood Avenue, the main street through town.

The City of Rio Dell was incorporated in 1965 as a “General Law City” and is governed by a five-member city council whose members are elected at large. The city provides a full range of municipal services, including water, wastewater, Law Enforcement, Storm Drainage, streets and street maintenance, and parks and recreation. Fire services are provided by the Rio Dell Fire Protection District (FPD) south of the Eel River and by the Fortuna FPD north of the Eel River. The city also contracts with outside agencies to provide certain municipal services, such as garbage collection, recycling and street cleaning.

A municipal service review for the City of Rio Dell was previously conducted in 2008. That review determined that the growth rate of the City was expected to increase in future years

due to the annexation of new residential land, increased density included in proposed General Plan amendments, and new industrial development and annexation.¹ This MSR serves to update the service information and provide an expanded discussion of growth opportunities.

2.2 Jurisdictional Boundary

Incorporation and Initial Development

Rio Dell was originally the site of a Native American village thought to be called ‘Tokemuk’ that was populated by members of both the Wiyot and Nekanni tribes. Immigrant settlers founded Rio Dell and neighboring communities in the 1870s to support the region’s lumber industry. Rio Dell’s current downtown was known as Wildwood, which served workers and their families that lived in Rio Dell or across the Eel River in Scotia. In 1926, the local economy in Rio Dell was invigorated by the construction of U.S. 101. For 50 years, the main north-south highway brought travelers straight through downtown Rio Dell, and the business district flourished.

In the early 1960s, Rio Dell had shown such a rapid growth that county officials suggested that Rio Dell incorporate, as county services were unable to meet increased demands. At an election on February 26, 1965, Rio Dell became the 7th incorporated city in Humboldt County. Prior to incorporation, the area was served by a multitude of single-purpose special districts and private utilities. All these districts, except for the Rio Dell FPD, were dissolved upon incorporation. The city limits were approximately one square mile in size, encompassing the former Rio Dell Water District boundary.

City Boundary

The current City of Rio Dell is roughly 2.5 square miles (1,600 acres) in size and is bordered on the north and the east by the Eel River and the south by Dean Creek. The city boundary extends to the mid-point of the Eel River channel. The Scotia Bluffs, which make up the eastern bank of the Eel River across from Rio Dell, and the steep, wooded slopes on the west side of town are the dominant natural features of the city. Highway 101, which bisects the city, is the most prominent man-made feature in the city.²

City Annexations Since Last MSR

The City of Rio Dell has annexed two areas since the last MSR prepared in 2008. These annexation areas are identified in Figure 1 and are described in more detail below.

Sawmill Annexation (Humboldt-Rio Dell Business Park)

In 2009, the City of Rio Dell annexed approximately 245 acres of land consisting of the former Eel River Sawmill site located on the east side of US 101 just north of the Eel River. The city is currently working to redevelop the former sawmill site into a Cannabis Business Park to provide production and distribution facilities as well as other cannabis-related uses.

¹ Rio Dell MSR. 2008

² Rio Dell General Plan

Blue Slide Road Annexation

Also, in 2009, the City of Rio Dell annexed four parcels totaling 55 acres in the Blue Slide Road area. The annexation was pursued by the city in response to a property owner request for annexation to support a proposed subdivision that was projected to include up to 40 residential units. The city rezoned the area Suburban Low to accommodate residential uses as requested by property owners; however, the property was never subdivided or developed as proposed. Since then, maintenance of Blue Slide Road has become a financial liability for the city due to the poor condition of the roadway and its susceptibility for sliding.

In response to the challenges of serving this area, the city has inquired about detaching (i.e., removing) the Blue Slide area from the city limits. A detachment process is similar to an annexation process with regards to application submittal requirements (City Council resolution to make an application to LAFCo, application fees, public noticing, environmental review, etc.). Once the application is deemed complete and accepted by LAFCo, the Commission would consider the proposal's conformance with adopted Commission policies and factors for review, such as whether the detachment would be in the interest of the landowners and present/future inhabitants within the city as well as the proposed detachment area, and the impact to other affected agencies (i.e., the County). After affected persons and agencies have had a chance to comment and analysis has been completed, the Commission would then approve, deny, modify, or add conditions of approval to the proposal at a noticed public hearing.

If approved, with or without conditions, the proposed detachment may be subject to a protest hearing, unless waived by the Commission. The protest hearing may be waived if landowners have given written consent to the detachment, a subject agency has not submitted written opposition to a waiver of protest proceedings, and no written opposition as a result of public notice was received prior to the Commission's initial hearing. If held, LAFCo conducts the protest hearing to allow registered voters and/or landowners within the affected territory to file a written protest against the Commission's action on the detachment. To the digester on the number of written protests, the detachment may be confirmed, subject to an election, or terminated due to majority protest. The protest thresholds for detachments are based on whether the detachment area is inhabited (more than 12 registered voters) or uninhabited (less than 12 registered voters)³. If the majority protest is not successful, then the Commission confirms the detachment as previously approved.

2.3 Current Sphere of Influence

The City of Rio Dell Sphere of Influence (SOI) was established by Humboldt LAFCo in 1983. The SOI is generally coterminous with present city boundaries with three exceptions: (1) the Monument Road area; (2) the Dean Creek area; and (3) the Peninsula area. All three SOI areas are designated by the Humboldt County General Plan as Urban Reserve/Residential Agriculture (UR/RA5-20), which allows for rural residential uses that are expected to develop

³ Government Code Section 57075

to urban uses and densities when services are available. These SOI areas are identified in Figure 1 and are described in more detail below.

Monument Area

The Monument SOI area is approximately 80 acres in size and includes 20 parcels with 22 existing water service connections. The area is bordered to the south by Monument Road, which provides access to the existing residential uses in the area. As such, the county's Urban Reserve designation specifies that annexation is required for urban services and full build-out. Currently, the Monument SOI area receives out of agency water service from the City of Rio Dell and is included within the Rio Dell FPD boundary.

Dean Creek Area

The Dean Creek SOI area is approximately seven acres in size and consists of four parcels, two of which are split parcels (i.e., partially within the city and county). This area is also included within the Rio Dell FPD's boundary and is presently served by the city's water system. No sewer service is provided. The Dean Creek SOI area is accessed by Redwood Avenue, which extends from Monument Road within the city limits, crosses Dean Creek into the unincorporated area, and ultimately winds back into city limits.

Peninsula Area

The Peninsula SOI area (accessed from Rio Vista Lane) is approximately 82 acres in size and was created as a result of the Dinsmore Ranch Annexation, approved by LAFCo in 1981. The area includes eight parcels, seven of which are developed with residential uses. The territory is substantially surrounded by the city on three sides and therefore is subject to the Commission's "Unincorporated Islands" policy, which encourages annexation of unincorporated "islands" to cities entirely or substantially surrounded by the affected corporate limits. Therefore, should a boundary change in the Peninsula area be proposed in the future, policies related to unincorporated islands should be considered further.

2.4 Sphere Study Areas

Three study areas have been identified for purposes of evaluating potential expanded sphere areas based on City or landowner request. Several factors were used to evaluate these study areas including the relationship and proximity to the city's existing boundary and sphere; current land use designations; and the provision of municipal services. These study areas are identified in Figure 2 and are described in more detail below. Also, see Section 8, SOI Analysis and Determinations for detailed sphere evaluations.

City Wastewater Disposal Irrigation Fields Area

The City of Rio Dell has requested that their wastewater disposal irrigation fields, located adjacent to the city limits in the Metropolitan Road area, be included in the city's SOI in anticipation of annexing the parcel into the city. The site is located just north of the Eel River and west of Highway 101 on APN 205-111-039, which was created through a lot line adjustment in 2011 after the city acquired several parcels for disposing of treated wastewater for irrigation purposes during summer months (May-October). The subject parcel has not

been pre-zoned by the city and is currently designated Public Facility (PF) under the most recent Humboldt County General Plan, which is used “to classify land appropriate for use by a governmental agency or public agency, which has the purpose of serving the public health, safety, convenience, or welfare.”⁴

Green Diamond Resources Company Parcel

The Green Diamond Resource Company (GDRCo) has requested that LAFCo consider including APN 205-031-047 in the city’s SOI. This parcel is adjacent to the Peninsula SOI Area and was re-designated Urban Reserve/Residential Agriculture (UR/RA5-20) under the 2017 Humboldt County General Plan. As discussed above, the UR/RA5-20 designation is used where annexation is required for urban services and full build-out. The city has indicated that they do not support the inclusion of the GDRCo parcel within their SOI.

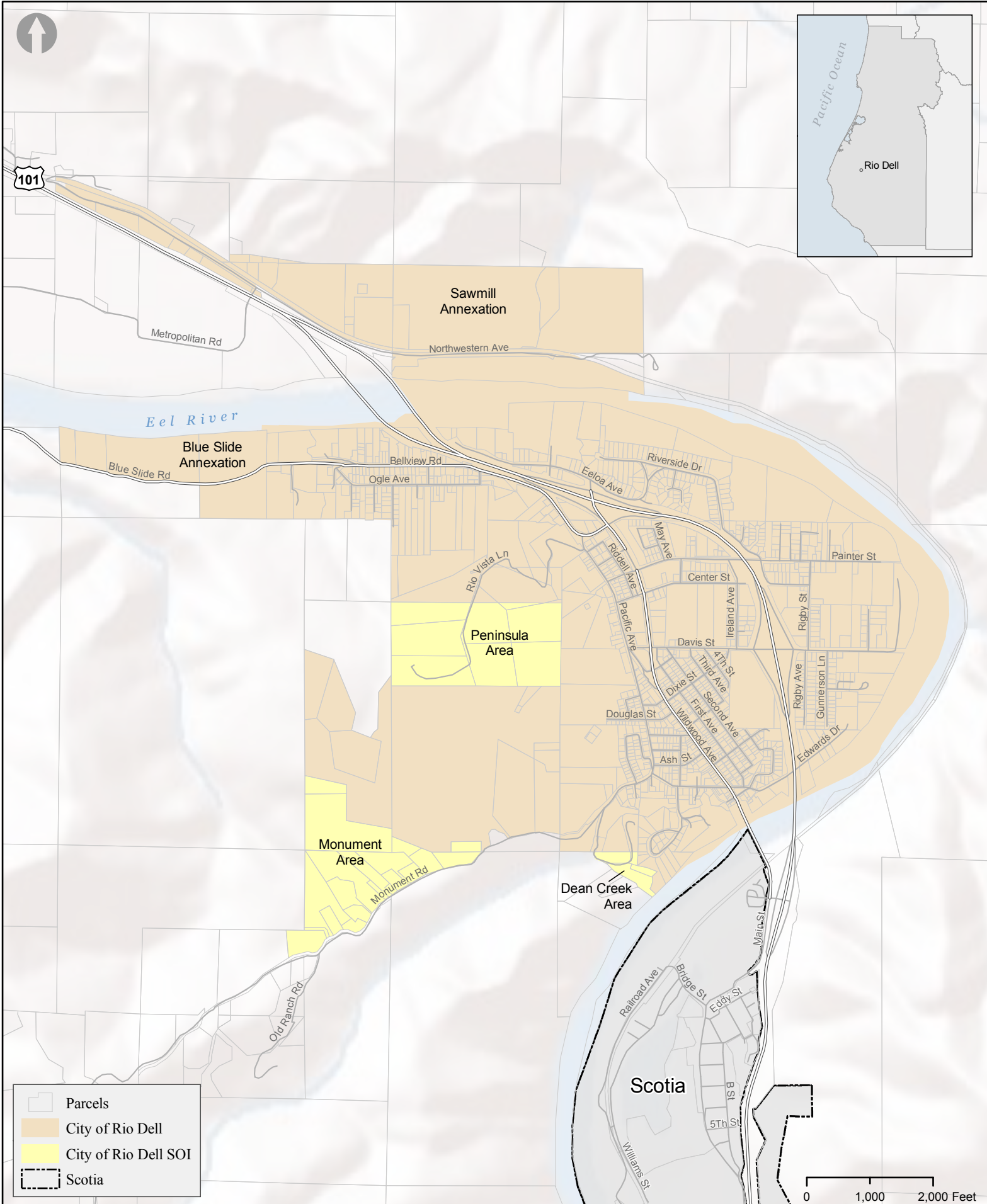
Community of Scotia Area

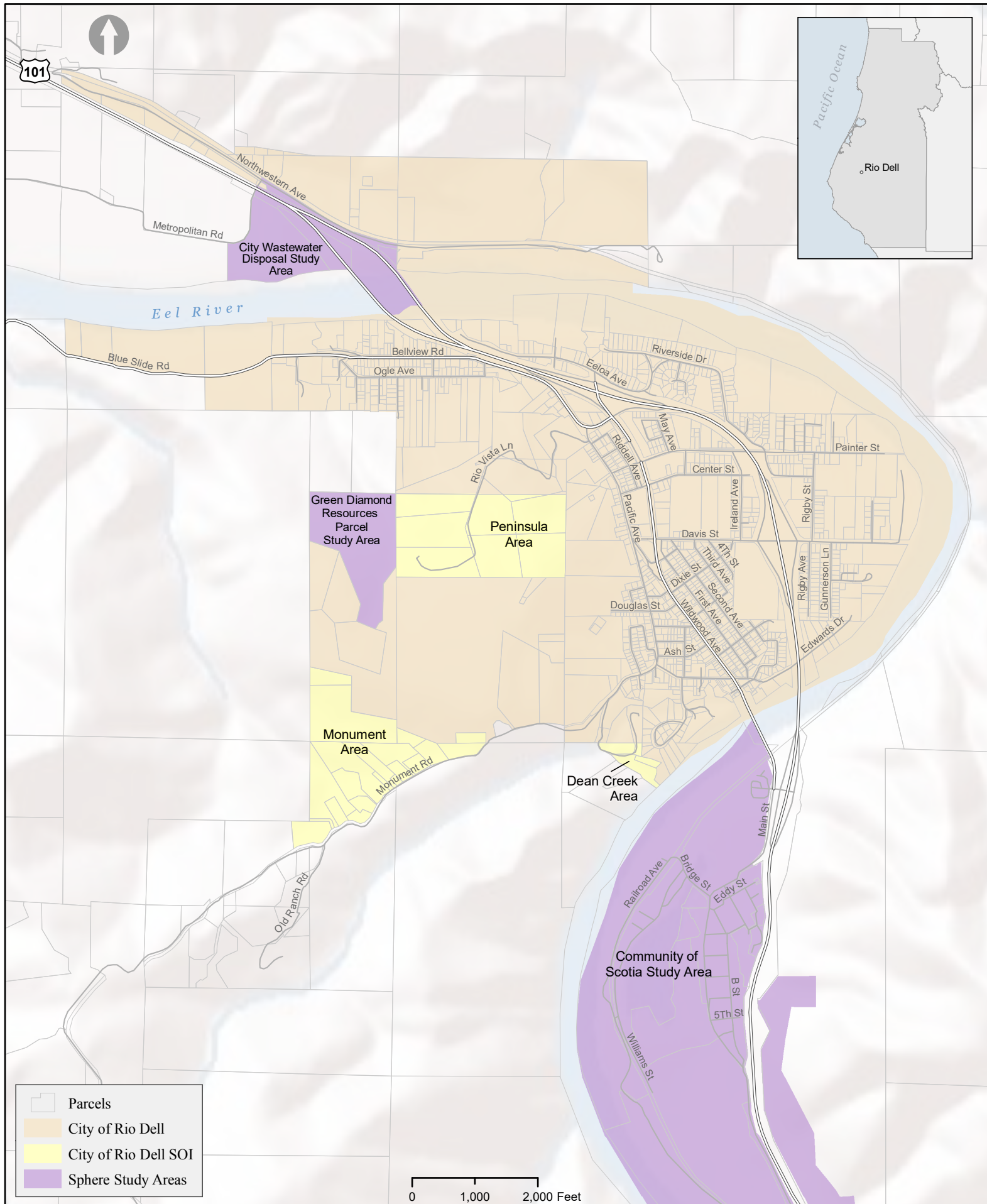
The community of Scotia is south of Rio Dell, just across the Eel River. This unincorporated community is a historic lumber town with a 2010 Census population of 850 residents. The Scotia Community Services District (CSD) was formed in 2014 and provides water, wastewater, streets and street lighting, storm drainage, and parks and recreation services to residential, commercial, and industrial uses within the 492-acre District boundary. The City of Rio Dell has indicated an interest in including the community of Scotia area within the Rio Dell SOI. Further discussion of Scotia can be found in Section 5.8 and Section 8.1.

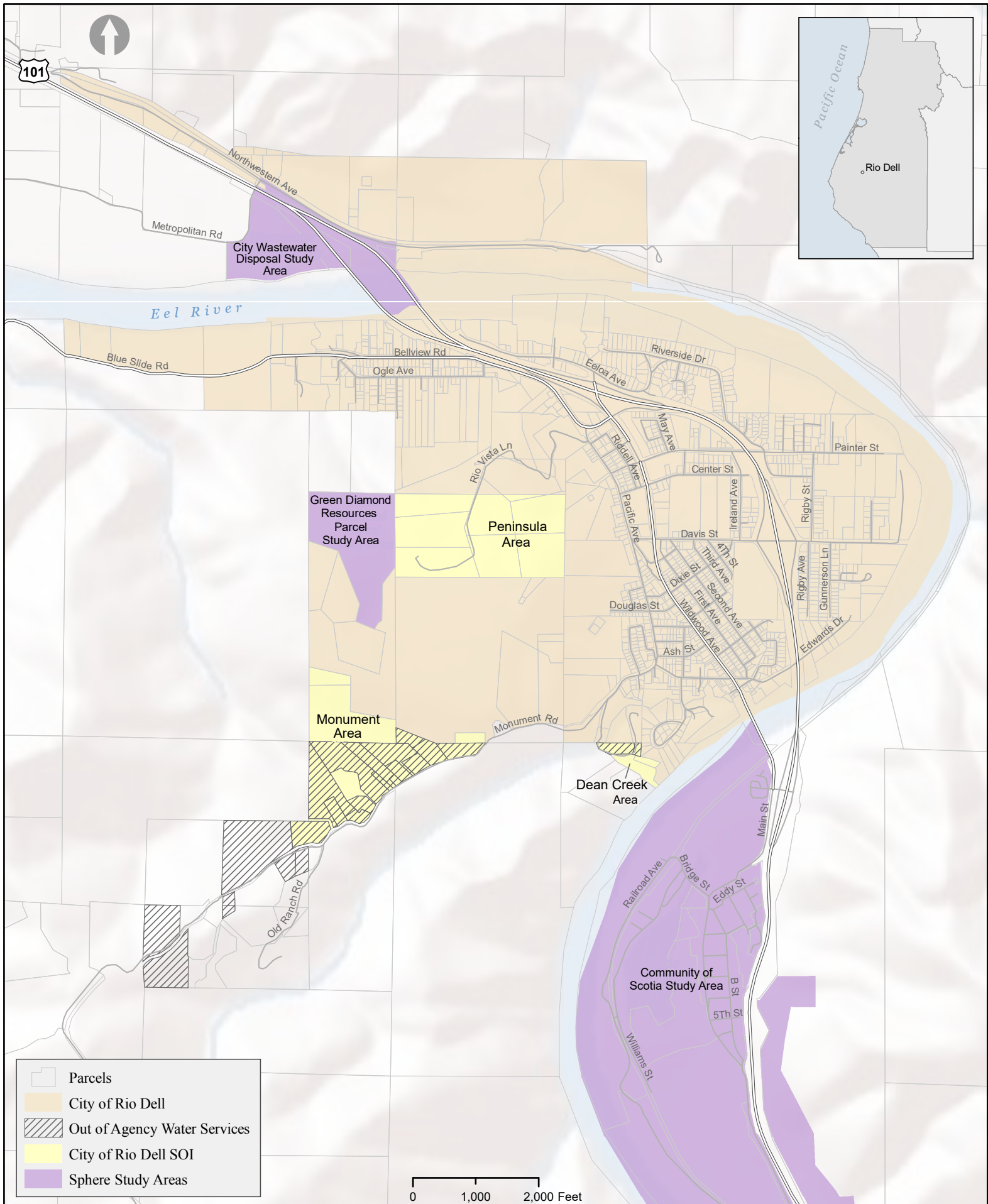
2.5 Out of Agency Services

Currently, the City of Rio Dell provides water services to 24 parcels outside the city boundary, primarily in the Monument Road Area (see Figure 3). It is believed that these parcels have been served prior to January 1, 2001, and are therefore exempt from LAFCo review and approval. The continuation of service to pre-existing out of agency parcels is not constrained by the city’s SOI boundary. The city has expressed no interest in annexing parcels that are receiving city water services in the Monument Road area currently outside the SOI. Given these considerations, LAFCo staff is not recommending inclusion of these parcels within the SOI at this time. Any future proposals to extend services outside the city’s boundary would be subject to LAFCo review and approval, including SOI expansion, pursuant to Government Code Section 56133 and Humboldt LAFCo policy.

⁴ Humboldt County General Plan







City of Rio Dell Out of Agency Water Services

Figure
3

3.SOCIO-ECONOMICS

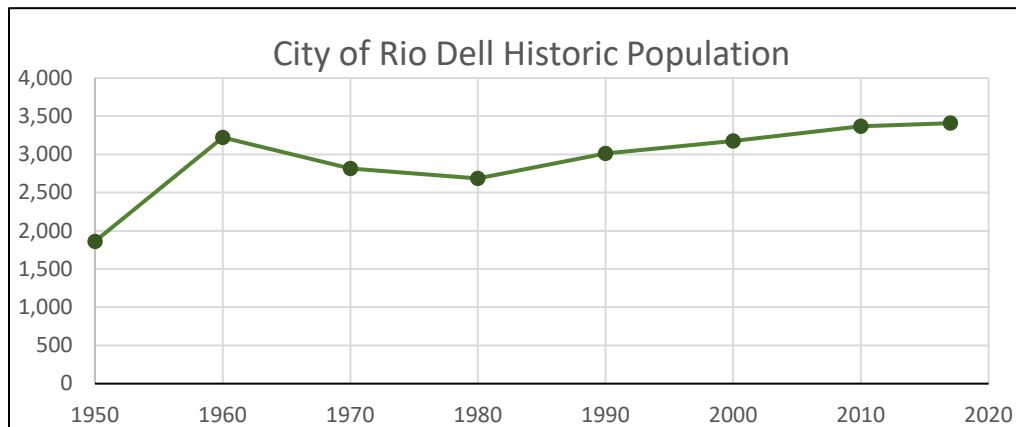
3.1 Growth and Population

Historical Growth

Like other Pacific Northwest towns and cities closely linked to the lumber industry, Rio Dell has experienced the ebb and flow of population growth and corporate investment that has typified the boom and bust cycle of the American West. The unincorporated area that was to become Rio Dell experienced most of its growth post-WWII on into the 1960s, resulting in incorporation in 1965. At that time the population within the newly established city limits was estimated as 3,222 residents.

In the 1970s the lumber industry decline coupled with the re-routing of U.S. Highway 101 from the city's downtown area impacted the city's growth and economy. Population numbers declined through the '70s and '80s to below the initial incorporation population. In the '90s population numbers again began to increase, though moderately. Today, the city's population is similar to that of incorporation in the '60s, with the 2010 US Census recording an estimated population of 3,368 residents.

Table 2: City of Rio Dell Population



Current Growth Patterns

Currently, Rio Dell has an estimated population of 3,408.⁵ At a projected countywide annual growth rate of 0.8 percent, the population of Rio Dell will reach 3,696 by 2030, an addition of 324 people.

⁵ U.S. Census "American Factfinder" annual population estimate.
<https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=CF>. Retrieved 10/8/18.

3.2 Land Use and Geographic Factors

The City of Rio Dell includes approximately 2.5 square miles of urban area, farmland and forested area within the Eel River Valley. Predominant land uses in the city include single-family residential, commercial along Wildwood Avenue, multi-family, industrial, public and open space uses in the urban core, farmland on the Dinsmore Plateau and in the Monument area, and forested hillsides in the south. The City's General Plan Land includes two primary residential designations, Urban Residential (UR) around the urban core and along the Eel River, and Suburban Residential (SR) near Douglas Street west of downtown. There are also several designations where residential development is permitted, including Rural (R) designated land concentrated in the Dinsmore Plateau area, Suburban Low (S) designated land with one-acre minimum lot sizes, and Town Center (TC) designated land concentrated along Wildwood Avenue in the urban core. See Figure 4 for a map of zoning designations for Rio Dell and surrounding territory.

Agricultural Land and Open Space

Humboldt LAFCo's mission includes discouraging urban sprawl and preserving open space and prime agricultural lands. The land uses that surround the City of Rio Dell are given careful consideration in future LAFCo decisions regarding any city annexations.

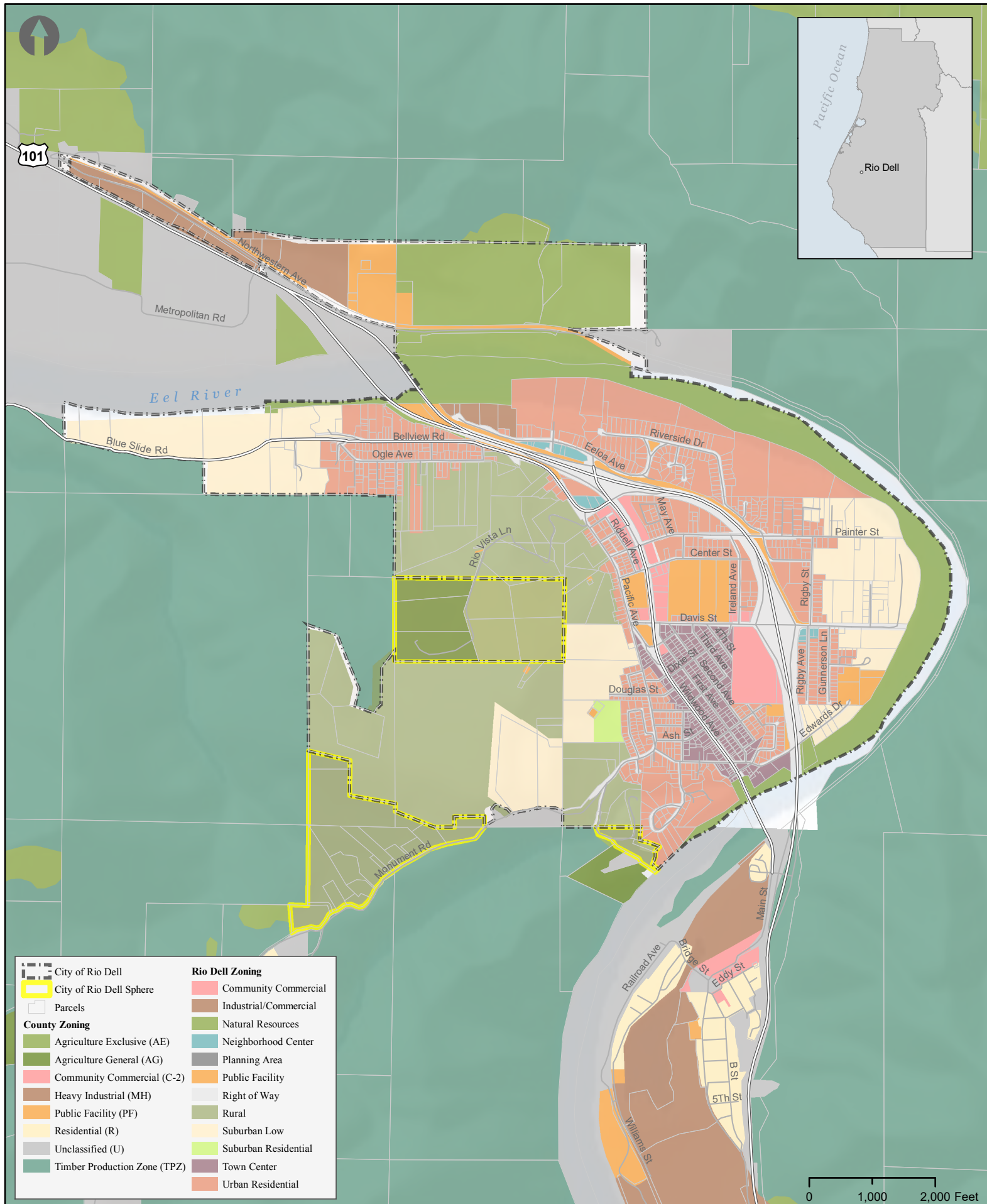
Ample precipitation, fertile soils, and the mild coastal climate make for productive farming in the flat alluvial terraces around Rio Dell. The majority of suitable farmland in Rio Dell has already been converted to residential uses or is surrounded by residential development⁶. Agricultural activity in the city includes small-scale farming, grazing, and timber production, and occurs primarily in Rural and Natural Resource land use designations including the Monument area⁷.

There are no Williamson Act contracts for lands located within the Rio Dell Plan area. Based on the Southern Humboldt Prime Agricultural Soils map prepared by Humboldt County for the General Plan update, there are a total of 94 acres of prime agricultural land within the City of Rio Dell, all of which is located within the Monument area. This area is generally designated as Rural, intended to provide for agricultural and very low-density residential uses.

Recent California commercial cannabis regulations add a new dimension to agricultural-use considerations within local jurisdictions. In unincorporated territory outside Rio Dell's city limits, cannabis activities are subject to Humboldt County's Commercial Cannabis Land Use Ordinances. Notably, any cannabis project subject to the county's ordinances located in or within one thousand feet of a city, or within the SOI of a city requires a Conditional Use Permit from the county. Within the Rio Dell city limits, commercial and recreational cannabis activities are restricted to the Humboldt-Rio Dell Business Park. Personal residential use is limited to six plants, which must be grown in a detached building and not a greenhouse.

⁶ City of Rio Dell Housing Element Update Initial Study. January 2011.

⁷ Ibid.



Groundwater Management

The California Department of Water Resources (“DWR”) designated the Eel River Valley Groundwater Basin as a medium-priority basin for the initial prioritization under the Sustainable Groundwater Management Act (SGMA), which went into effect on January 1, 2015. In response, the County of Humboldt Public Works Department was appointed as the administering agency for SGMA compliance by the Board of Supervisors. In addition, the Eel River Valley Groundwater Working Group was formed by the County to coordinate local stakeholders with municipal, agricultural, and environmental interests and to provide input on organizing the local response to the SGMA for the Eel River Valley. From 2015 through December 2016, the County and Working Group conducted several meetings to discuss compliance and data needs to meet the requirements of the SGMA⁸.

In 2016, Humboldt County was awarded a Proposition 1 Sustainable Groundwater Planning Grant from DWR to conduct a Basin Assessment to determine whether groundwater levels within the Eel River Valley groundwater basin are declining or fluctuating to the point of causing impacts such as reduced groundwater storage, seawater intrusion, threatening or degrading water quality, land subsidence, and/or surface water depletion. The results from the Basin Assessment were used to develop a Groundwater Sustainability Plan Alternative (“GSP Alternative”), which provided an analysis of basin conditions demonstrating that the Basin has operated within its sustainable yield over a period of at least 10 years. Studies further indicate that the total volume of groundwater use represents only a small percentage of annual recharge within the Basin.

The GSP Alternative was intended to accomplish the same goals as a full GSP, but would not require the formation and administration of a Groundwater Sustainability Agency and would support more streamlined planning efforts. The GSP Alternative was submitted on December 30, 2016, and is pending review by DWR. Humboldt County continues to support periodic monitoring and the submittal of annual reports and concludes that projects or additional management actions are not needed to achieve the Sustainability Goal for the Basin⁹.

⁸ Groundwater Sustainability Plan Alternative Report Dec 2016
<https://humboldt.gov/DocumentCenter/View/57312/Groundwater-Sustainability-Plan-Alternative-December-2016?bidId=>

⁹ Groundwater Sustainability Plan Alternative Annual Report 2017 Water Year <file:///C:/Users/User/Downloads/20180329-2017-AnnualReport.pdf>

3.3 Disadvantaged Unincorporated Communities

LAFCo is required to evaluate disadvantaged unincorporated communities (DUCs) as part of this review, including the location and characteristics of any such communities within or contiguous to the Rio Dell SOI. As noted previously, a DUC is an unincorporated geographic area with 12 or more registered voters with a median household income of 80% or less of the statewide median household income. The identification of DUCs is intended to ensure that the needs of these communities are met when considering service extensions and/or annexations in unincorporated areas.

While by definition not a DUC, the MHI of the city under review is a helpful indicator to establish likely regional economic conditions. The median household income for the City of Rio Dell is \$39,981¹⁰ which is 62 percent of the statewide median household income of \$63,783¹¹. The city is therefore considered to be a disadvantaged community and it's likely that the city's adjacent neighborhoods may qualify as DUCs. Two adjacent residential areas meet the registered voter criteria for DUC evaluation Scotia and Stafford, both located south of the City along Highway 101.

Scotia is located across the Eel River from the City of Rio Dell. This community was formerly a company town owned by Pacific Lumber Company (PALCO) and is now part of a Community Services District (Scotia CSD) that began operations in 2014. The median household income for the Scotia CDP is \$44,063¹², which is 69 percent of the statewide median household income of \$63,783. The community is therefore considered a DUC.

Within a DUC, three basic services are evaluated: water, wastewater, and fire protection. Water is provided to Scotia by the District and is pumped from an infiltration gallery on the Eel River. Scotia CSD also owns and operates the wastewater treatment facility for the town. The Scotia Volunteer Fire Company (VFC) currently provides fire protection services to the community of Scotia and has served the community since 1908.

Should future annexations or service extensions be proposed for either Scotia CSD or the City of Rio Dell, special consideration will be given to any DUCs affected by the annexation consistent with GC §56375(8)(A) and LAFCo Policy.

¹⁰ U.S. Census. 2016 American Community Survey estimate.

<https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=CF>

¹¹ U.S. Census. 2016 American Community Survey estimate.

<https://www.census.gov/quickfacts/fact/table/ca/INC110216#viewtop>

¹² U.S. Census. 2016 American Community Survey.

https://factfinder.census.gov/faces/nav/jsf/pages/community_facts.xhtml?src=bkmk. Accessed 10/9/2018.

4.0

ACCOUNTABILITY AND GOVERNANCE

4.1 Governance

Governance Structure

The City of Rio Dell is a General Law city, organized under the general laws of the State. The City is governed by a five-member City Council locally elected at large by Rio Dell voting residents for terms of four years. Council members, in turn, elect one of their own members to serve as mayor for a term of two years. Council members are primarily responsible for the legislative function of City government that creates an overall vision for the City through policy decisions, appropriations, and municipal ordinances.¹³ The City Council meets on the first and third Tuesdays of each month in the City Council Chambers at Rio Dell City Hall located at 675 Wildwood Avenue in Rio Dell at 6:30 p.m.¹⁴ Planning commission meetings are held at the same location on the third Tuesday of every month at 6:30 p.m. All meetings are open to the public in accordance with the Brown Act and are publicly posted a minimum of 72 hours prior to the meeting on the public bulletin boards located at City Hall, the post office, and the library, and on the City's website.

Table 3: Rio Dell City Council		
Council Members	Title	Term Expiration
Frank Wilson	Mayor	December 2020
Gordon Johnson	Mayor Pro Tem	December 2018
Tim Marks	Councilmember	December 2018
Debra Garnes	Councilmember	December 2018
Sue Strahan	Councilmember	December 2020

4.2 Administration

Rio Dell operates with a council-manager form of government, meaning the council is the legislative body and they appoint a city manager to administer the daily operations of the City on behalf of the City Council. As a part of this system, the Council also directly appoints:

- City Manager
- City Attorney
- Commission, committee, board, agency and task force appointments

¹³ City of Rio Dell Operating and Capital Budget Fiscal Year 2017-18

¹⁴ City of Rio Dell Municipal Code <http://www.codepublishing.com/CA/RioDell/#!/RioDell01/RioDell01.html>

- City representatives to other organizations. [Ord. 213A §2.60.001, 1992.]

These appointments are made by a majority vote of the Council to serve at the pleasure of the Council in compliance with existing law, ordinance, resolution, service contracts/memorandums of understanding, and/or city personnel rules, as appropriate.

City Manager

The City of Rio Dell employs a city manager who is responsible for administering and implementing the policies set by the City Council. The Council determines the organization of all departments of City staff based on consideration of operating efficiencies, levels of service to the public as provided in the annual operating budget, and recommendations made by the City Manager.¹⁵ Through the management of the City's operations, the City Manager is tasked with providing reliable and up to date information that empowers the City Council in making timely and informed decisions for the betterment of the community.¹⁶ The City Manager's Ordinance specifically outlines the duties of the City Manager, whose major responsibilities are public information, maintenance of official records, management of city personnel, risk management including insurance administration, labor relations, franchise negotiations, enforcing City Council policies, administration of community grants, and supervision of department heads. For the City of Rio Dell, the City Manager also acts as the director of Public Works. Public Works oversees many aspects of City management including; public works administration, economic development, City Clerk, personnel, recruitment, purchasing, contracts, budget oversight, solid waste, special projects, solid waste & recycling services, intergovernmental relations, grant acquisition, and public information.

There are six contracted positions directly assigned under the position of the City Manager. These are the City Clerk, Finance Director, Chief of Police, Water/Streets Superintendent, Wastewater Superintendent, and Community Development Director. Departmental employees are managed under the respective Department Heads. The City has budgeted a total of 18.5 full-time positions for fiscal year 2017/18 and anticipates that all positions will be actively filled.

Community Development Department

The Community Development Departments consists of the Planning Division and the Building Division. The Department serves as staff to the City Council and a variety of committees and commissions, including the Planning Commission, the Nuisance Committee, Traffic Committee, and the Wildwood Avenue Sculpture Committee.

Community Development Department Planning Division

The Planning Division of the Community Development Department assists the City Council with the development and implementation of long-term goals and policies of the General Plan. The Department implements ordinances consistent with those development policies to

¹⁵ City of Rio Dell Municipal Code

¹⁶ City of Rio Dell Operating and Capital Budget Fiscal Year 2017-18

facilitate planned orderly and balanced growth, preserve the quality of life, promote a strong economic base, and protect the City's resources and natural environment.

Building Division

The City of Rio Dell Building Division is responsible for administering and enforcing a number of California State Codes associated with new building, construction, and development. The Building Division reviews construction plans, issue permits, and performs inspections to ensure building projects are built safely and in compliance with applicable codes and regulations.

Public Works

The Public Works Department is responsible for the maintenance and operation of the City Water System, Sewer System, all city streets and related signage, city grounds and parks, and all public infrastructure.

Planning Commission

The Rio Dell Planning Commission consists of five regular members and one alternate member each serving a three-year term and serves as an advisory body to the City Council that makes recommendations relating to the sound and orderly growth and development of the City. The Planning Commission is the approving authority for subdivisions, lot mergers and lot line adjustments, use permits, and variances.¹⁷

Finance Department

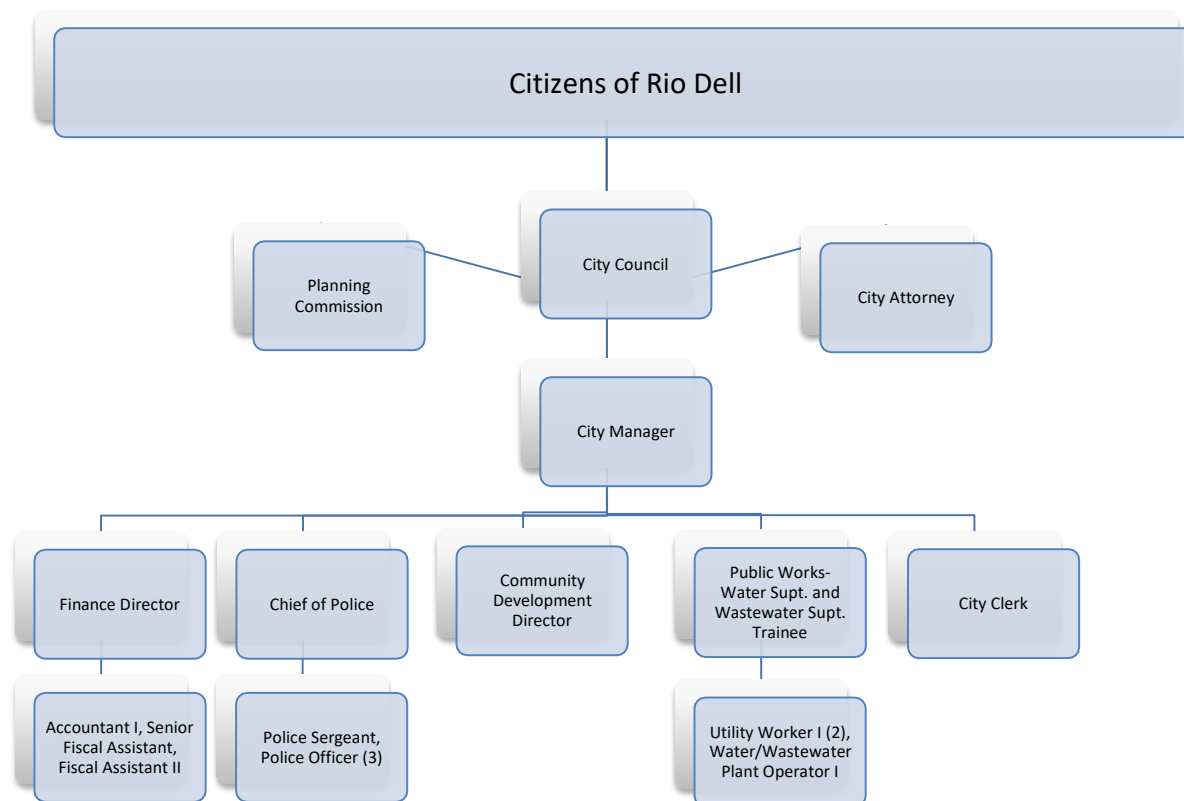
The Finance Department is responsible for providing the financial management of all city funds and maintaining the fiscal integrity of the City. Major activities of this department include: managing the city's investments; obtaining financing for capital projects; financial analysis and reporting; budget preparation and management; revenue management; billing and collections for utilities; CDBG loan processing, business licensing; information services; purchasing; records management; and payroll.

Police Department

The Rio Dell Police Department is responsible for animal control, nuisance abatement, and general law enforcement services. The Department has 6 budgeted full-time employees; 1 Chief of Police, 1 Sergeant, and 4 Police Officers providing 24-hour police response.

¹⁷ City of Rio Dell Website <http://riodellcity.com/planning-commission>

Figure 5: City of Rio Dell Organizational Chart



4.3 Accountability

When conducting service reviews and reviewing proposals, LAFCo considers an agency's accountability for community service needs, including governmental structure, operational efficiencies¹⁸, financial resources, and promoting public access¹⁹.

The City offers multiple ways to keep citizens informed about services, meetings, finances and decision-making processes. Public notices are posted on the website. Past meeting agendas and meeting minutes may be found in the Archive section of the City's website. The public may also provide verbal comments or complaints by phone or in person at City Hall during business hours and/or at City Council meetings during the public comment period.

City Council Meetings and Agendas

Agendas and minutes of council meetings are posted on the City's website as required by the California Brown Act (AB 2257).²⁰ An amendment (Government Code section 54954.2) to

¹⁸ G.C. 56430(6)

¹⁹ G.C. 56881(2)

²⁰ Amendment to the Brown Act Provides for New Website and Agenda Requirements.

<https://www.hansonbridgett.com/Publications/articles/2017-07-public-agency-brown-act>

the Brown Act taking effect January 1, 2019, will require local agencies to comply with new requirements for posting agendas on their website. The new amendment will require agencies with websites to post a prominent, direct link on their primary web pages to the current agenda for all meetings which occur on and after January 1, 2019.²¹ In addition, the agenda must be in a format that is retrievable, downloadable, indexable, and electronically searchable by commonly used Internet search applications.²² Agendas and minutes of City Council meetings are currently posted online on the City's website.

Budgets

The City posts its annual budgets and audits on its webpage through a link located on the main page of the website. Currently, members of the public can access, peruse, and download the City's budgets and audits going back at least five fiscal years online through the City's website. Budgets are prepared and presented to the Council by the City Manager for approval and adoption on an annual basis.²³

General Plan

The City's General Plan was last updated in 2011. As a part of a city general plan, California has required that all cities adequately plan to meet the housing needs of everyone in the community. The primary mechanism for a city to do this is by adopting a "housing plan" known as a housing element. A city is required to develop and update a Housing Element at five-year intervals and submit annual progress reports to the CA Department of Housing and Community Development (HCD). Rio Dell's Housing Element was last approved by HCD in 2011²⁴. According to the HCD website²⁵, the City has not had an updated housing element document approved, nor submitted an annual progress report since 2011. The City is therefore out of compliance with HCD. An updated Housing Element approved by HCD and the subsequent submittal of annual reports would again improve the City's accountability to plan for the housing needs of those who will live and work in its community. Additionally, those who build homes and apartments and help families become homeowners often rely on funding from state and federal housing programs administered by HCD and other state departments and agencies. Whether a jurisdiction has a compliant Housing Element can impact their eligibility for funding in many cases.

Planning Commission

In addition to City Council business, the Planning Commission posts its agenda online and adopts minutes, though the adopted minutes from the Planning Commission meetings are not posted on the City's website.

²¹ Amendment to the Brown Act Provides for New Website and Agenda Requirements
<https://www.hansonbridgett.com/Publications/articles/2017-07-public-agency-brown-act>

²² Ibid

²³ City of Rio Dell Municipal Code <http://www.codepublishing.com/CA/RioDell/#!/RioDell02/RioDell0215.html>

²⁴ HCD. "Memorandum Re: Review of the City of Rio Dell's Adopted Housing Element".
http://www.hcd.ca.gov/community-development/housing-element/docs/humrio_dell041211.pdf

²⁵ HCD. Housing Element Compliance Report. <http://www.hcd.ca.gov/community-development/housing-element/docs/status.pdf>. Accessed 10/11/2018.

4.4 Shared Facilities

Typically, the primary public service issue facing rural communities is the provision of adequate public services and funding, rather than that of overlapping or duplicative services provided by another public agency. The services and facilities provided by the City of Rio Dell are critical to residents of the area. The City collaborates with other public agencies to provide service more efficiently or effectively. Some of Rio Dell's collaborative activities include:

- A long-term relationship with the Friends of the Rio Dell Library, a non-profit that supports the programs and facilities of the Rio Dell Library. The Rio Dell Library is a branch of the Humboldt County Library system.
- A relationship with the Rio Dell-Scotia Chamber of Commerce regarding community events and programs. Events include Wildwood Days held in Rio Dell and managed by the Rio Dell Volunteer Fire Department.
- A relationship with the Rio Dell Fire Protection District, which includes the Rio Dell Volunteer Fire Department, provides fire protection and rescue services within its 5 square mile District boundary and "good will" service to an additional 33 square miles surrounding Rio Dell.
- Member of Humboldt Waste Management Authority (HWMA), a joint powers agency, which contracts with Recology Eel River to provide weekly garbage pickup and biweekly recycling service. The City is also a member of the Solid Waste Local Task Force.
- Member of Redwood Coast Energy Authority (RCEA), a joint powers authority founded in 2003 whose members include the seven cities, the county, and the Humboldt Bay Municipal Water District. RCEA administers Humboldt County's Community Choice Energy program, which offers local renewable energy and lower energy prices to Humboldt County residents and businesses.
- Member of the Humboldt County Association of Governments (HCAOG), a JPA comprised of the seven cities and the county. HCAOG is the designated Regional Transportation Planning Agency and is largely responsible for programming state highway, local street, and road improvements, and public transportation resources.
- The city is a member of the Humboldt Transit Authority (HTA), a JPA signed by Humboldt County and the cities of Arcata, Eureka, Fortuna, Rio Dell, and Trinidad. As such, all cities in the agreement are served by fixed route and dial-a-ride transit options that allow access through Humboldt County.

5.0

SERVICES AND INFRASTRUCTURE

5.1 Service Overview

The City of Rio Dell provides a full range of municipal services, which include the following:

- Water treatment, storage, and distribution
- Wastewater collection, treatment, and disposal
- Stormwater drainage
- Streets and street lighting
- Parks and recreation
- Law enforcement

The following sections describe the provision of services by the City of Rio Dell in more detail.

5.2 Water

The City of Rio Dell water system serves approximately 1,450 customers and consists of a network of water mains, valves and storage tanks that deliver treated water from the plant located at 475 Hilltop Drive to water customers. The city currently produces approximately 90 million gallons of drinking water per year. Average daily use is estimated at 0.267 million gallons per day (MGD), while peak daily use is estimated at approximately 0.474MGD²⁶. System maintenance and improvements by the city are focused on enhancing the reliability of water service to the community and are not intended to increase plant capacity²⁷.

Water Source

The city's water supply needs were originally met by individual wells and springs serving clusters of homes and a private water company that served the broader community²⁸. Much of the current water system was developed around World War II and later. Eventually, the city developed a well system which was supplied from three wells located north of the city across the Eel River. The production from the city's well system began declining significantly in 2000, with high levels of manganese in the water produced by the wells. Attempts to rehabilitate or create new wells at this location were unsuccessful at the time. In response, the City of Rio Dell developed a water intake on the South Fork of the Eel River. The completion of this project lifted a water emergency declaration within the city that had been in place for over five

²⁶ City of Rio Dell. Water System Asset Management Plan and Preliminary Capital Improvement Plan. May 2014. Prepared by GHD.

²⁷ Ibid.

²⁸ City of Rio Dell. Water System Asset Management Plan and Preliminary Capital Improvement Plan. May 2014. Prepared by GHD.

years. The city reports that this project also dramatically improved the quality of water delivered to residents²⁹.

Raw (untreated) water is pumped from infiltration galleries under the Eel River to the treatment plant. The production capacity of the gallery is tied to water levels within the river, such that in the winter the pumps can deliver around 700 gallons per minute (GPM), but in the summer production falls to about 550 GPM (0.792 MGD).

In 2014, ongoing drought and record low flows in the Eel River spurred the development of a backup water supply for the city. The Metropolitan Wells project was conceived and work began to rehabilitate two wells on the old well site. The third well remains intact for future expansion if needed. The project included new pumps, piping, groundwater treatment, and connection to the existing distribution system. The well site was designed to pump, treat and convey clean drinking water, as well as monitor groundwater adjacent to the site via three groundwater monitoring wells installed by the project. This project was completed in the spring of 2018 and will provide improved drinking water quality and reliability for Rio Dell during emergencies and droughts.

Water Treatment and Distribution

Water is pumped to treatment for filtration and disinfection before entering the city's distribution system. The distribution system includes almost 20 miles of pipes running beneath the city streets, in addition to valves, fire hydrants, and water meters. The City of Rio Dell's water transmission and distribution system originated from the consolidation of private systems and construction of new sections over time. The resulting system serves incremental new developments rather than serving the city as a whole.

Like most municipal water providers, aging lines is an ongoing challenge for the City of Rio Dell. According to the City's Water System Capital Improvement Plan, there remains considerable steel piping in deteriorating condition within the system that is smaller than 4 inches in diameter and is inadequate to provide fire protection if needed. Particularly, the distribution system in Dinsmore on Monument Road and Old Ranch Road is in poor condition and needs replacement. Additionally, cleanout and blow off assemblies need to be added to keep the piping network clean. Valves and hydrants that do not operate properly need to be replaced. The city has noted that they are working on obtaining grants through Proposition 1 to rehabilitate and replace their aged water lines.

Water Storage

The City of Rio Dell operates a booster pump station at the Douglas Tank site which boosts pressure from the city's primary pressure zone to a second pressure zone on the Dinsmore Plateau. In total these two pressure zones are served by four tanks ranging in size from 100,000 gallons to 500,000 gallons for a total combined storage capacity of 1.1 million gallons. The Painter Street Tank is a 250,000-gallon welded steel water tank that supplies the main pressure zone. The Douglas Tank site has a new 500,000-gallon bolted steel tank and an existing 250,000-gallon redwood tank also supplying the main pressure zone. The Dinsmore Tank, a

²⁹ City of Rio Dell Website, "Water" page. Retrieved October 18, 2018. <http://cityofriodell.ca.gov/water>

100,000-gallon bolted steel water tank installed in 2007, supplies a smaller pressure zone and is filled from the Douglas Tank.³⁰ The city has noted that they are working on obtaining grants through Proposition 1 to rehabilitate and replace their water storage systems.

Water Service Rates

In December 2015, the City of Rio Dell adopted new/increased water rates in compliance with Proposition 218 (Resolution No. 1281-2015). The rate increase corrected an ongoing deficit within the water fund and restored required reserve levels over a five-year period. Prior to this correction, it was estimated that the Water Fund would enter a negative balance by 2018. The funds for these corrected rates provide water service that includes operating costs, capital costs, and debt service payments. The customer's water bill is calculated using a monthly base rate and an additional unit charge based on the amount of water used. Water meters are read at the end of each month and utility bills are generated and due at the beginning of each month.

The city's water service rates are summarized in Table 4. Based on these rates, approximately 75% of the revenue collected is attributable to the fixed monthly charge, and 25% of the revenue collected is based on volumetric use or the amount of water consumption. All volumetric charges are assigned a fixed dollar amount based on Equivalent Service Units (ESU) of water (748 gallons equals one unit). Water service outside of city limits is charged at a higher rate than service within the city. This includes about 29 water customers who are charged an additional "Dinsmore Zone" surcharge in addition to the regular rate. This has allowed the city to separate water system rates by pressure zone.

Table 4: Water Service Rates	
Rates	Per meter/per month
Water Connection Fee	\$2,500.00
Meter Installation Fee	\$200.00 or actual cost
Residential Base Rate (Within and Outside City Limits)	\$47.57 (2018) \$48.50 (2019) \$49.48 (2020)
Dinsmore Zone Surcharge (Outside City Limits)	\$65.00
Cost per Unit of Water Used (Equivalent Service Unit = 748 gallons)	\$3.10/ESU (2018) \$3.17/ESU (2019) \$3.23/ESU (2020)

³⁰Rio Dell Capital Improvement Plan.

<http://cityofriodell.ca.gov/sites/cityofriodell.ca.gov/files/documents/agendas/2014/CC%20Agenda%202014-05-13%20CS-CIP.pdf>

Water System Conclusions

Recent projects conducted by the city to address improvements to the water collection, storage, and distribution system, along with updated water rates, have set the course towards a sustainable future water system. Rio Dell has a Water System Asset Management Plan and Capital Improvement Plan that serves to identify current and future needs for the replacement of water system components for the City of Rio Dell. This allows for proactive maintenance of the water system that is critical for providing safe and reliable access to drinking water and protecting public health. Efforts to address source capacity has also increased water supply reliability during emergencies and droughts for Rio Dell and has also increased the city's capacity to serve existing and future development.³¹

5.3 Wastewater

The City of Rio Dell provides wastewater collection, treatment, and disposal to approximately 1,448 connections³², and consists of a network of wastewater collection pipes, manholes, cleanouts, and pumps that convey wastewater to the treatment plant located at 475 Hilltop Drive. The city's wastewater treatment plant is regulated by the Northcoast Regional Water Quality Control Board (RWQCB) under a National Pollutant Discharge Elimination System (NPDES) waste discharge Order # R1-2017-0007. The city employs three full-time and one half-time wastewater treatment plant (WWTP) operators.

Wastewater Treatment and Disposal

In 2013 the city completed a major WWTP upgrade which replaced the old conventional wastewater plant with the newly activated sludge process to address nutrient removal. The project also included construction of the flood irrigation field located in the Metropolitan area.

Raw sewage from the south and north mainlines enter the treatment facility and receive primary treatment and then on to an aerated activated sludge process. The design flow of the treatment plant is 2 MGD with an average daily flow of 0.25 MGD.

The sewage sludge is separated from the liquid. "Sewage sludge" refers to the solids separated during the treatment of municipal wastewater. The left over liquid is chlorinated to ensure elimination of biological contaminants, and then it is dechlorinated to prepare it for discharge either into the Eel River (October-May) or the flood irrigation fields (May- October). The separated sludge is transferred to the digestors and then dried onsite producing Class A biosolids that the city is able to give away to residents as a soil amendment.

Wastewater Improvements

The city has identified several wastewater facility improvement projects and continues to seek grant funding. The first is to address the collection system's high inflow and infiltration (I/I). Surface stormwater and seasonally high groundwater is a significant contributor to I/I in Rio

³¹ Correspondence with Rio Dell Community Development Director Kevin Caldwell. Email correspondence January 23, 2018.

³²Correspondence with Rio Dell Clerk Karen Dunham. Email correspondence October 25, 2018.

Dell. Poor drainage in areas of the city causes ponding and flooding leading to I/I. The city has been working to identify areas of the city where stormwater ponding and flooding has been historically problematic and is near wastewater pipes and therefore directly contributing to I/I. The city reports they are actively seeking grant funding to complete a comprehensive Sanitary Sewer Evaluation Study (SSES).

Wastewater Service Rates

In 2014, the city established new wastewater service rates and charges for residential, commercial and institutional customers. The wastewater rates include a fixed minimum charge in addition to volume rates based on winter water consumption. Water consumption is measured in units of 100 cubic feet or 748 gallons. Sewer rates are adjusted annually for inflation on July 1st using a CPI rate adjustment. See Table 5 below.

Table 5: Wastewater Service Rates for FY 2017-18	
Rates	Per meter/per month
Sewer Connection Fee	\$5,220.00
Fixed Charge	\$48.43
New Customer	\$69.63
Low Flow	\$3.39/ESU
Domestic Flow	\$4.24/ESU
Medium Flow	\$6.36/ESU
High Flow	\$7.41/ESU

5.4 Stormwater

The City of Rio Dell operates and maintains a stormwater drainage system. Several perennial and ephemeral streams that historically meandered from small watersheds west of the city in route to the Eel River have been re-aligned or conveyed in part through underground pipes to allow for urban development.

The city receives significant amounts of rainfall each year, averaging approximately 48 inches. The statistically predicted 100-year rainfall is just over 80 inches per year. This rainfall is conveyed through the city to the Eel River by a drainage system that contains four primary components: (1) underground drainage conduits composed of high density polyethylene, reinforced concrete pipe or corrugated metal pipe (457 total); (2) artificial open drainage ditches characterized by open lined and unlined channels (122 total); (3) drainage inlets characterized as a collection point at which surface flow is concentrated to, and conveyed into, underground drainage conduits (336 total); and (4) storm drain manholes (3 total).

The City is in the process of a drainage project for repairs and upgrades to severely degraded or inoperable portions of the stormwater system in various locations in the city, including

culvert replacement and repair, completed in 2018. The City reports that future projects are planned, but still in need of financing.

5.5 Streets and Lighting

The city's Public Works Department performs general road maintenance functions for the approximately 20 miles of streets and roads within city limits, and contracts out major maintenance activities. Main streets within Rio Dell include Wildwood and Pacific Avenues, running north and south; and Davis and Painter Streets running west and east.³³ Public Works also maintains city streetlights which were upgraded to LED technology in 2016.

Street maintenance has historically been funded through the Transportation Development Act (TDA) funds, gas tax funds, and other state infrastructure funding programs. The City reports that these state funds have not kept pace with the deteriorating condition of their streets. Between 2004 and 2016, all significant pavement projects have been the result of grants from the State or Federal Governments (Proposition 1B, STIP, Safe Routes to School), including work on Wildwood Avenue.³⁴ In 2017, the City conducted an asphalt rehabilitation project along Davis Street. Funding for this project was made possible through the Measure U Sales Tax. The city's latest grant award is approximately \$1.6 million in Safe Routes to School monies that will go to projects primarily in the Wildwood Avenue area and Highway 101. Construction is expected during the summer of 2020.³⁵

The City reports that city streets such as Monument, Pacific, and Bellevue receive heavy pass-through log truck traffic from operations outside city limits and that the city receives no revenue from these operations to offset these impacts.

5.6 Parks and Recreation

Parks and recreation responsibilities are the purview of the city's Buildings and Grounds Department within Public Works. This department is tasked with the maintenance of city-owned buildings and grounds. This includes three city parks and City Hall and its adjacent areas. The three parks are described in more detail below.

Triangle Park

Blue Star Memorial By-Way park, also known as the triangle park, is located in the 700 block of Wildwood Ave. This park was dedicated in 1995 and offers picnic tables and benches for citizens enjoyment.

Davis Street Park

The Davis Street Park is owned by the School District but maintained by the City of Rio Dell.

³³ City of Rio Dell MSR. 2008

³⁴ City of Rio Dell Website. <http://riodellcity.com/streets>

³⁵ Ibid

Memorial Park

Memorial Park, located in the 600 block of Wildwood Ave offers families a place to honor past family members who have made contributions to the Rio Dell community.

Fireman's Park

This park is owned and operated by the Rio Dell FPD. In 2013 the City constructed bathroom facilities at the park and the city reports that they continue to subsidize water services at the facility.

Rio Dell Library

The building is also owned by the Rio Dell FPD and library services are provided by the County. Under contract with the County, compliance with the Americans with Disabilities Act (ADA) is the responsibility of the FPD; however, in 2018 the District reported that funds were not available to make the facility ADA compliant as required by a United States Department of Justice Consent Decree. As a result, the County began looking at various options to comply with the ADA including potential closure of the facility.

5.7 Law Enforcement

The Rio Dell City Police Department, headquartered at City Hall, 675 Wildwood Avenue, provides law enforcement, investigation and community service. The Department has six full-time employees; one Chief of Police, one Sergeant, and four Police Officers providing a 24-hour police response to the community.³⁶ Additionally, Humboldt County provides funding for one part-time clerical position through Measure Z funding. The city reports that despite an increase in available funding for public safety services, the city has found it increasingly difficult to recruit and retain police officers.

The city has mutual aid agreements with the City of Fortuna, the City of Ferndale, and the Humboldt County Sheriff's Department. The California Highway Patrol assists Rio Dell Police with technical traffic assistance and officer back up. The City of Rio Dell has indicated that because of Scotia's immediate proximity, the Rio Dell Police Department provides "goodwill response" and is typically the first to respond to emergency calls in Scotia. The city provides service to the Scotia area even though they are under no obligation to do so and receive no compensation for their service. This goodwill service is not supported by any sustainable revenue source and requires city resources to respond outside of their jurisdictional boundary which adds additional liability and potentially strains city resources.

5.8 Other Relevant Service Providers

Rio Dell Fire Protection District

The Rio Dell Fire Protection District (FPD or District), with the Rio Dell Volunteer Fire Department (VFD), serves the City of Rio Dell and surrounding areas of Monument Road and Blueslide Road. The Rio Dell FPD is a separate governmental entity from the City of Rio Dell. Fire

³⁶ City of Rio Dell Website: <http://riodelcity.com/police>

protection districts are a type of special district in California and are subject to their own set of rules and policies, primarily governed by the California Health and Safety Code Section 13800 – 13970. Humboldt LAFCo conducted a separate MSR and SOI update for the Rio Dell FPD. That document was last updated in 2017 as a part of the Eel River Valley Fire MSR. See that document for full detailed operations of fire protection for the community of Rio Dell. Below is an overview of District operations as they relate to the City of Rio Dell.

The Rio Dell FPD area consists of 5.36 square miles with a response area of 33.5 square miles, making the total response area about 38.8 square miles. There are approximately 3,600 residents served by the Rio Dell FPD. The District operates out of a single fire station at 50 West Center Street within city limits. The Fire Station was built in 1964 and is currently used for equipment storage, volunteer training, and community functions. The Fire Station serves as an Emergency Operations Center and a training facility. The District board meets on the second Thursday of each month at 5:30 p.m. at the fire station. Voters within the District directly elect members to the five-member District Board of Commissioners.

Scotia Community Services District

The Scotia Community Services District (CSD) provides water, wastewater, streets and street lighting, storm drainage, and parks and recreation services to the community of Scotia, located immediately south of the City of Rio Dell. Scotia currently has 274 residential units, which are predominantly single-family dwellings; approximately 20 commercial units, including a brewery; and some industrial uses primarily associated with the Humboldt Redwood Company (HRC).

Prior to the formation of the Scotia CSD in 2014, all residences and businesses, other than the HRC mill properties, were owned by the Town of Scotia Company, LLC (TOS) and leased to rental tenants. The TOS received Tentative Map approval from Humboldt County in 2009 and is in the process of subdividing and selling individual lots into private ownership in five phases upon Final Map approval. The phased subdivision and CSD formation allowed for the conveyance of water and wastewater treatment plants and other infrastructure to the Scotia CSD following the first phase of the subdivision in June 2017.

Since the initial transfer in Phase 1, the TOS has completed Phase 2 and is in the process of recording Phase 3. During each phase, linear infrastructure improvements, including upgrades to the water distribution system and wastewater collection system, are completed prior to transfer to the Scotia CSD. Until the linear infrastructure is improved and accepted by the Scotia CSD Engineer and accepted by the Board of Directors through an Irrevocable Offer and Dedication and Grant Easement Deed, TOS remains responsible for its maintenance and repair.

While most of the linear infrastructure was required to be upgraded and/or replaced, the TOS was not required by the county to undertake or complete improvements to the Scotia water or wastewater treatment plants prior to its transfer to the CSD. The wastewater treatment plant (WWTP) was originally constructed in 1954 and is planned to be replaced and relocated outside of the 100-year flood zone. The Scotia CSD assumed responsibility for the WWTP in June 2017 and has been operating on TOS and HRC's co-permit under Order No. R1-2012-

0065. The CSD has discussed changes to the permit configuration throughout the current permit renewal process.

Initial meetings have begun with the state about financing a new plant and recent Census data qualifies Scotia as a “disadvantaged community”. The initial CSD rates are set to help the CSD accrue reserves to fund a new plant within the first five fiscal years of operations, projected for FY 21/22. The CSD has also been in discussions with North Coast Regional Water Quality Control Board (NCRWQCB) about permitting a new facility. The CSD is preparing to submit a planning grant to evaluate the feasibility of building a new WWTP. As an alternative to constructing a new plant, the CSD will also be working with the City of Rio Dell to consider the feasibility of transferring Scotia’s wastewater to Rio Dell’s WWTP for treatment and discharge. Any study will need to consider the industrial and high strength connections in Scotia that are major contributors to wastewater discharge. For instance, brewery operations can produce and discharge concentrated brewing wastes that can alter the influent concentrations of the wastewater facility. These considerations for any shared services arrangement will need to be further evaluated for suitability.

6.0 FINANCE

6.1 Financial Overview

The City of Rio Dell prepares an annual budget which serves as the basis for the city's financial planning and budget control systems for the delivery of city services and the implementation of capital projects. Additionally, each fiscal year, the city prepares an Annual Financial Report. Contained within the Annual Financial Report is an audit prepared by a qualified Certified Public Accountant. The most recent city audit was prepared for the 2016-17 Fiscal Year.

6.2 Budget

Annual Budget Process

The City of Rio Dell Budget is a policy document that describes the city's goals and objectives and indicates how resources are allocated to achieve these goals. Throughout the year, proposals for budget adjustments are put together for City Council approval on an on-going basis. The city also puts out a report quarterly for City Council and public review.

A budget calendar timeline is formally adopted by the City Council and is used as a tracking tool to ensure the timely adoption of the budget. The City Council conducts a series of public workshops to discuss the proposed budget for the next fiscal year. At a regularly scheduled meeting of the City Council, the proposed budget is presented for adoption and a public hearing is held. Any final changes requested by the City Council at the public hearing are incorporated into the motion to adopt the budget through a formal resolution.

City Fund Categories

The City of Rio Dell has two major operating fund categories: Governmental Funds and Enterprise Funds. Governmental funds include the General Fund, which is the primary operating fund of the city, Special Revenue Funds, and Grant Funds. Special Revenue Funds include the Streets Fund which is used to maintain and repair the city's streets and roads. Other Special Revenue Funds are grouped as Miscellaneous government funds and include Measure Z (supports local law enforcement services), the Supplemental Law Enforcement Services Fund, the Recycling Fund, the Community Development Block Grant (CDBG) Fund, the Admin Fund, and the Solid Waste Fund.

Enterprise funds are run as business-type funds and expenses are supposed to be balanced by incoming revenues. The major enterprise funds for the city are the Water and Sewer Utilities, which account for all activities associated with the operation and maintenance of providing water and wastewater services. This includes operating costs for maintaining the systems, capital replacement (as needed), as well as paying any debt service related to infrastructure financing agreements.

Table 6 summarizes the revenue, expenses, and changes in fund balances for the city's main funds based on the adopted budget for fiscal year 2018-19.

Table 6: City of Rio Dell Financial Summary			
	FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Adopted
Revenues			
General Fund	\$1,094,266	\$954,516	\$1,033,793
Sewer Fund	\$1,277,968	\$1,293,189	\$1,265,330
Water Fund	\$1,329,861	\$1,537,208	\$1,214,863
Building Fund	\$41,742	\$46,016	\$35,056
Streets Funds	\$213,108	\$199,968	\$298,300
Misc. Funds	\$208,215	\$315,921	\$155,816
Grant Funding	\$503,984	\$1,148,755	\$1,433,300
Total Revenues	\$4,669,144	\$5,495,573	\$5,436,458
Expenditures			
General Fund	\$886,452	\$879,504	\$1,396,647
Sewer Fund	\$1,358,523	\$1,130,211	\$1,709,409
Water Fund	\$1,110,663	\$1,145,293	\$1,109,510
Building Fund	\$51,335	\$54,592	\$54,931
Streets Funds	\$222,957	211,902	\$300,560
Restricted Funds	\$744,769	\$1,611,575	\$1,573,090
Total Expenditures	\$4,374,699	\$5,033,077	\$6,144,147
Revenues Over (Under) Expenditures	\$294,445	\$462,496	(\$707,689)

According to the City's most recently adopted budget, at the beginning of fiscal year 2018-19 (June 2018), the total city fund balance was estimated \$4,593,801. Overall, the budget show expenditures exceeding revenues by about \$707,649. This appears to be primarily because more funds are anticipated to be spent within the General Fund and sewer fund categories than their anticipated revenue.

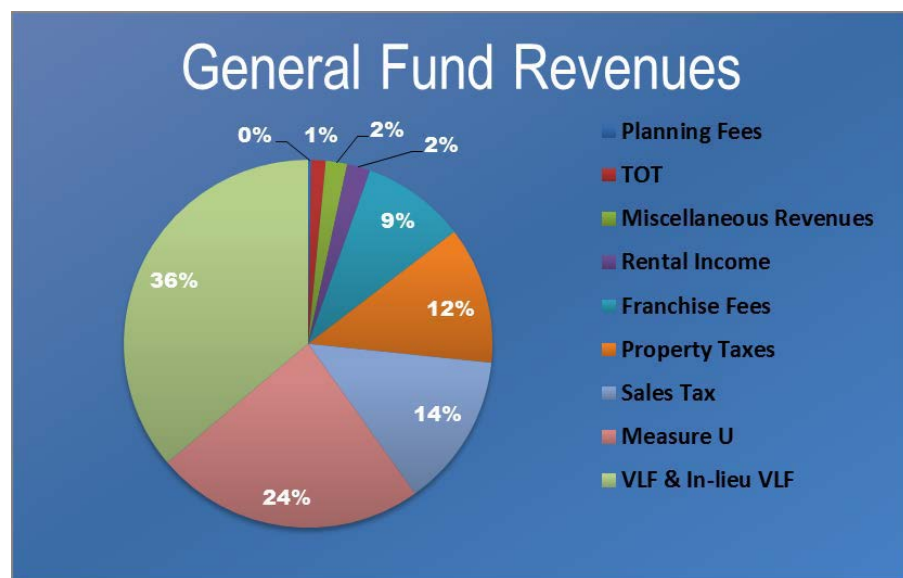
The General Fund has an estimated fund balance on July 1, 2018, of \$1,493,562. Revenues for the year are estimated at \$1,033,719 and expenditures total \$1,396,647. The change in fund balance for the FY 2018-19 is a decrease of \$381,226 for a projected General Fund reserve balance at the end of the fiscal year of \$1,112,336 (25% decrease)³⁷.

³⁷City of Rio Dell. 2018-19 Adopted Budget. Adopted on May 15, 2018.

Revenues

Significant revenue sources for the city include vehicle license fees-in-lieu, property taxes, sales tax, Measure U (from the City's 1% sales tax), charges for services, operating grants and contributions, and other taxes and fees. Major expenditures include general governmental expenses including public safety and public works. See Figure 6 for each source's percent contribution to General Fund Revenues.

Figure 6: City of Rio Dell General Fund Revenues



Source: Rio Dell 2018-19 Adopted Budget, Pg. 29.

Enterprise Funds

The Water Funds and Waste Water Funds are operating as Enterprise Funds. Each fund is considered a separate accounting entity with a self-balancing set of accounts. The fees for water and wastewater service are intended to cover all the operating costs for maintaining the systems, replace the capital assets (as needed) totaling over \$27.7 million, as well as cover any debt service related to the water infrastructure financing agreements³⁸.

As of June 2018, these enterprise funds account for 46% of total revenues (\$2,480,191) and 46% of total appropriations (\$2,818,899) within the entire City budget. The combined ending working capital balances on June 30, 2019, are estimated to be 63% or \$2,437,230 of the total ending balances.

6.3 Long-Term Financial Considerations

Debt and Liabilities

In August 2005, the City of Rio Dell entered into a loan agreement with the California Department of Health Services, Drinking Water and Environmental Services Division for a loan

³⁸ City of Rio Dell. 2018-19 Adopted Budget. Adopted on May 15, 2018. Pg. 19

up to \$2,720,000. The loan was used to finance project construction that will allow the city to meet safe drinking water standards. The non-interest-bearing loan calls for 50 equal semiannual payments of \$68,000 due in January and July of each year beginning in July 2009 and ending in 2034.

The city also obtained a loan in 2012 from the California Department of Water Resources to finance an upgrade to the wastewater treatment plant to comply with State wastewater standards. The loan amount was \$6,980,359 and principal and interest are due annually on October 31st. The interest rate is 2.20% and the annual payments are \$302,923, continuing through fiscal year 2044.

The city does not have a Defined Benefit (DB) retirement system through CalPERS or another provider. As such, the city has no pension liability or Other Post Employment Benefit (OPEB) liability.

Capital Improvement Projects

The City of Rio Dell has invested over \$12 million in the water intake, treatment, storage, and distribution systems serving the city. The Asset Management Plan and Preliminary Capital Improvement Plan (CIP) provides the city a framework for planning for the eventual replacement of water system infrastructure. According to this plan prepared for the city by GHD, the city should be collecting between \$400,000 and \$1,400,000 a year for replacement of water system components at the end of their useful life. This variation in estimate amount reflects the potential to extend the useful life of some components and the potential for obtaining grants to offset city funds.³⁹ The city has been completing projects listed in the CIP. Projects completed since the 2014 plan include:

1. Re-Coating of Existing Water Treatment Filters
2. Auxiliary Power Generator
3. Metropolitan Wells (additional water source)
4. Old Ranch Road Waterline Replacement

In addition, the Fiscal Year (FY) 2018-2019 budget includes \$2,280,317 in capital projects, special projects, and equipment replacements. Approximately \$1.4 million of the Capital Projects budget is provided through grant funding for the Alternative Transportation Program (ATP) streets improvement project and the State Water Resources Control Board (SWRCB) water capital improvement plan. Carryover projects from FY 2017/18 total \$243,517. The FY 2018-19 Budget includes money in the General Fund for capital projects totaling \$204,017 including improvements to City Hall (\$28,517), river bar access (\$5,000), police vehicle trust fund (\$5,000), Access TV (\$7,000), streets slurry seal (\$107,000) and Belleview/Ogle carryover amount (\$50,000)⁴⁰. In addition to street improvements and general infrastructure, the current budget includes \$540,000 for water and sewer system replacement, repairs, and maintenance. Equipment includes vehicle and utility equipment for Public Works.

³⁹ Ibid

⁴⁰ City of Rio Dell Annual Budget FY 2018-19

The city appears to be diligently working towards addressing its needed capital improvements for municipal service provision. The Preliminary Capital Improvement Plan for their water system is an appropriate start, however, it would be beneficial to the public and city operations to develop an in-depth CIP for both their water system and other municipal service infrastructure and equipment.

Reserve Policies

The City of Rio Dell does not retain a specific reserve fund. Rather, they have set minimum fund balance reserve policies for the major funds (ex: general fund). The 2018/19 Adopted Budget noted that all their major funds were meeting the minimum fund balance reserve policy set at 15% (Resolution 1154-2012), except for the RSTP Fund. At the target fund balance of 30% of operating costs the city's major funds, reserve balances meet or exceed the set amount, except for the Sewer Operating Fund, which falls below at 19% of operating costs.

7.0

MUNICIPAL SERVICE REVIEW DETERMINATIONS

As set forth in Section 56430(a) of the CKH Act- In order to prepare and to update the SOI in accordance with Section 56425, the commission shall conduct a service review of the municipal services provided in the county or other appropriate area designated by the commission. The commission shall include in the area designated for a service review the county, the region, the sub-region, or any other geographic area as is appropriate for an analysis of the service or services to be reviewed, and shall prepare a written statement of its determinations with respect to each of the following:

1) *Growth and population projections for the affected area*

- a. Currently, the City of Rio Dell has an estimated population of 3,322 residents.
- b. Given Rio Dell's historical growth pattern, the future growth rate of the city is expected to increase at a rate similar to Humboldt County as a whole (0.08% per year).
- c. The projected population of Rio Dell will reach 3,696 by 2030, an addition of 324 people.

2) *The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence*

- a. The City of Rio Dell is a disadvantaged community by LAFCo's definition and may have adjacent DUCs.
- b. The communities of Scotia and Stafford, located south of the City of Rio Dell qualify as DUCs⁴¹. Water and wastewater services in Scotia are provided by the Scotia CSD and fire protection is provided by the Scotia Volunteer Fire Department. There is no community water or wastewater system in Stafford.

3) *Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies*

- a. Recent projects conducted by the city to address improvements to the water collection, storage, and distribution system, along with updated water rates, indicate a course towards a sustainable future water system.
- b. Rio Dell's Water System Asset Management Plan and Capital Improvement Plan serve to plan for proactive maintenance of the water system which is critical for providing safe and reliable access to drinking water and protecting public health.

⁴¹ Humboldt County General Plan 2017 Housing Element Attachment J-Legacy Communities

- c. City efforts to address source capacity have increased water supply reliability during emergencies and droughts for Rio Dell and has also increased the city's capacity to serve existing and future development.
- d. Recent projects conducted by the city to address improvements to the wastewater treatment plant along with updated wastewater rates indicate a course toward a sustainable future wastewater system.
- e. The Rio Dell Police Department provides "goodwill response" to the Scotia area even though they are under no obligation to do so and receive no compensation for their service. This goodwill service is not supported by any sustainable revenue source and requires city resources to respond outside of their jurisdictional boundary which adds additional liability and potentially strains city resources.

4) Financing ability of agencies to provide services

- a. Based on the City's most recently adopted budget and financial audit, the City of Rio Dell is able to meet its ongoing financial obligations.
- b. Rio Dell utilizes sound fiscal management policies including reserve policies, annual financial audits, and an extensive public budgeting process.

5) Status of and, opportunities for, shared facilities

- a. The services provided by the City of Rio Dell are critical to residents of the area. The city collaborates with other public agencies to provide service more efficiently or effectively when possible. This includes collaboration on the following municipal services: fire protection services provided by the Rio Dell FPD, police dispatch services provided by the City of Fortuna, and solid waste services provided by Humboldt Waste Management Authority.
- b. The community of Scotia is located across the Eel River from the City of Rio Dell. The Scotia CSD provides water and wastewater services to the community, and the Scotia Volunteer Fire Company (VFC) provides fire protection services. The proximity of the two communities means that they share social and economic ties and a common interest in the provision of public services and facilities. There is an opportunity for both communities to further coordinate and evaluate shared services and facilities in the future.

6) Accountability for community service needs, including governmental structure and operational efficiencies

- a. Rio Dell is governed by a five-member City Council locally elected at large by residents for a term of four years.
- b. The City Council meets on the first and third Tuesdays of each month in the City Council Chambers.
- c. All meetings are open to the public in accordance with the Brown Act and are publicly posted a minimum of 72 hours prior to the meeting on the public bulletin boards located at City Hall, the post office, and the library, and on the city's website.

- d. The City of Rio Dell maintains a website (cityofriodell.ca.gov) where it posts city information, documents, and updates.

7) *Any other matter related to effective or efficient service delivery*

- a. There are no other matters related to service delivery required by Humboldt LAFCo Policy.
- b. LAFCo staff recommends continued inclusion of the Monument, Dean Creek, and Peninsula areas within the City's SOI, as well as expanding the City's SOI to include the Rio Dell Wastewater Disposal Irrigation Fields Area.
- c. A full SOI Analysis and determinations are provided in Chapter 8.

8.0

SOI ANALYSIS AND DETERMINATIONS

8.1 SOI Analysis

Current Sphere of Influence

The territory within the current SOI includes the Monument Area, the Dean Creek Area, and the Peninsula Area. All three SOI areas are designated by the Humboldt County General Plan as Urban Reserve/Residential Agriculture (UR/RA5-20), which allows for rural residential uses that are expected to develop to urban uses and densities when services are available. Given current land uses and the out of agency water services provided in the Monument area continued inclusion of these areas within the city's SOI is recommended by LAFCo staff.

City Wastewater Disposal Irrigation Fields Area

The total area of this study area is 66 acres. The City of Rio Dell has requested that the city-owned parcel (APN 205-111-039) that is used as a wastewater disposal irrigation field be included in the city's SOI. When designing the study area, LAFCo staff included additional territory (portions of the Highway 101 ROW and the entirety of APN 205-111-032) to create a logical boundary for the SOI which would connect to the city. Given the current ownership and use of the wastewater disposal irrigation fields site, inclusion within the city's SOI is appropriate and therefore recommended by LAFCo staff. Should the city apply to annex this territory into the city limits, it will be subject to rezoning and environmental review by the city and subsequent LAFCo review and analysis.

Green Diamond Resources Company Parcel

The total area of this study area is 42 acres and is adjacent to the Peninsula SOI Area. GDRCo has requested that LAFCo consider including APN 205-031-047 in the Rio Dell SOI. City staff has indicated that they do not support the inclusion of this parcel within the SOI at this time. Given the absence of either existing development or plans for imminent development, and given that the viability of the extension of municipal services to the area has not been fully evaluated, LAFCo staff recommends not including this territory within the city's SOI as part of this SOI Update. Should development plans and discretionary approvals be sought by property owners in the future, a sphere amendment application prior to or in conjunction with an annexation application may be submitted to LAFCo. While an annexation application can be filed by landowner petition, LAFCo prefers that application submittal by agency resolution be used wherever feasible to involve the subject agency early and assure timely consideration of its service needs.

Community of Scotia Area

The City of Rio Dell has indicated an interest in including the community of Scotia area within the Rio Dell SOI. The proximity of the two communities means that they share social and economic ties and a common interest in the provision of public services and facilities. For instance, the Rio Dell Police Department has a mutual aid agreement with the Humboldt

County Sheriff's Department and regularly provides "goodwill response" to emergency calls in Scotia. In addition, Scotia's aging WWTP has implications for Rio Dell, who has expressed concerns of high coliform levels at their water intake facility, which is downstream from the Scotia WWTP. As indicated previously, Scotia CSD has been in discussions with North Coast Regional Water Quality Control Board about permitting a new WWTP and is preparing to submit a planning grant to evaluate the feasibility of building a new WWTP or transferring Scotia's wastewater to Rio Dell's WWTP for treatment and discharge. Additional coordination between the City of Rio Dell and Scotia CSD will be needed for any shared facilities arrangement.

While both communities have shared interests and may continue to develop a more extensive relationship with regard to the provision of shared services and facilities in the future, at this time there is not enough information for LAFCo staff to recommend the Rio Dell SOI be expanded to include Scotia. Generally, LAFCo discourages the existence of overlapping public service responsibilities, which includes overlapping spheres of influence and overlapping territory within the boundary of a city or district that provide the same type of service. The extension of Rio Dell's SOI to include Scotia would require a more in-depth analysis of a potential merger of services for purposes of cost savings and service efficiencies. This is beyond the scope of this MSR and SOI Update; however, the City of Rio Dell may submit a formal application to LAFCo to include Scotia within the City's SOI, or both agencies could submit a joint application for a city merger (i.e., dissolution of Scotia CSD). These processes would require additional analysis and consideration to fully understand whether such an action would advantageously provide for the present and future municipal needs of the communities involved.

8.2 SOI Determinations

1) Present and planned land uses in the area, including agricultural and open-space lands.

- a. The territory within the current SOI is designated by the Humboldt County General Plan as Urban Reserve/Residential Agriculture (UR/RA5-20), which allows for rural residential uses that are expected to develop to urban uses and densities when services are available.
- b. The proposed SOI expansion area (City Wastewater Disposal Irrigation Fields Area) is currently designated Public Facility (PF) and Conservation Floodway (CF) under the most recent Humboldt County General Plan.

2) Present and probable need for public facilities and services in the area.

- a. Currently, the City of Rio Dell provides water services to 24 parcels outside the city boundary. It is believed that most of these parcels have been served prior to January 1, 2001, and are therefore exempt from LAFCo review and approval. Any future proposals to extend services outside the city's boundary would be subject to LAFCo review and approval pursuant to Government Code Section 56133 and Humboldt LAFCo policy. Should additional connections be requested beyond the City's jurisdictional boundary, LAFCo review may be required.

- b. Ample amounts of underdeveloped land within the City and SOI boundary indicate the potential for City growth and increased demand. However, population growth estimates and regional land-use designations indicate that significant development is not anticipated within the next 5-10 years.

3) *Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.*

- a. The current capacity of public facilities provided by the city appears to be adequate to serve current demand.
- b. The city has adequate facilities, personnel, finances, and equipment to meet current and future demands for public services within the next five to ten years.

4) *Existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.*

- a. The communities of Scotia and Stafford may be considered “communities of interest” due to their proximity to the city.
- b. Rio Dell and Scotia share social and economic ties and common interest in the provision of public services and facilities. Further coordination between the two agencies is encouraged to determine if shared municipal services are beneficial to the region’s communities.

5) *For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere.*

- a. The City of Rio Dell is a disadvantaged community by LAFCo standards and may have adjacent DUCs.
- b. Should future annexations or service extensions be proposed, special consideration will be given to any DUCs affected by the annexation consistent with GC §56375(8)(A) and LAFCo Policy.