

Jacoby Creek County Water District

Municipal Service Review

January 2009

Prepared by:



For the District Sphere of Influence Report



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INTRODUCTION

This Municipal Service Review (MSR) was prepared as part of a mandated review of the spheres of influence (SOI) of all government entities in the County by the Humboldt Local Agency Formation Commission (LAFCo or the Commission). This report focuses on the Jacoby Creek Water District (WD). The purpose of this study is to examine and evaluate local governmental services in order to improve overall understanding of local service conditions and to enhance these conditions through comprehensive review and analysis. This MSR presents for the Commission's consideration a discussion, analysis, and recommendations regarding services provided by the Jacoby Creek WD. The SOI for the Jacoby Creek WD was adopted in 2007 this MSR serves to update the relevant data on services provided within the City's SOI. At this time, the SOI will not be amended.

Statutory Authority

The fundamental role of the Local Agency Formation Commission (LAFCo, or the Commission) is to implement the Cortese-Knox-Hertzberg Act (Act) consistent with local conditions and circumstances. The Act guides LAFCo's decisions. The major goals of LAFCo as established by the Act are to:

- Encourage orderly growth and development;
- Promote orderly development;
- Discourage urban sprawl;
- Preserve open-space and prime agricultural lands by guiding minimizing resource loss;
- Exercise its authority to ensure that affected populations receive efficient services;
- Promote logical formation and boundary modifications that direct the burdens and benefits of additional growth to those local agencies that are best suited to provide services;
- Make studies and obtain and furnish information which will contribute to the logical and reasonable development of local agencies to provide for present and future needs;
- Establish priorities by assessing and balancing community service needs with financial resources available to secure and provide community services and to encourage government structures that reflect local circumstances, conditions and financial resources;
- Determine whether new or existing agencies can feasibly provide needed services in a more efficient or accountable manner and, where deemed necessary,

As set forth in §56425(g) of the Act, on or before January 1, 2008, and every five years thereafter, Humboldt LAFCo shall review and update each Sphere of Influence (SOI). An MSR shall be conducted prior to, as a part of, or in conjunction with, the action to adopt, amend, or revise an SOI pursuant to the Act. Together, the SOI and MSR documents analyze the District's ability to serve existing and future residents.

In accordance with §56430 of the Act, in preparation for adopting, amending, or revising an SOI, Humboldt LAFCo shall comprehensively review all services and public service providers within

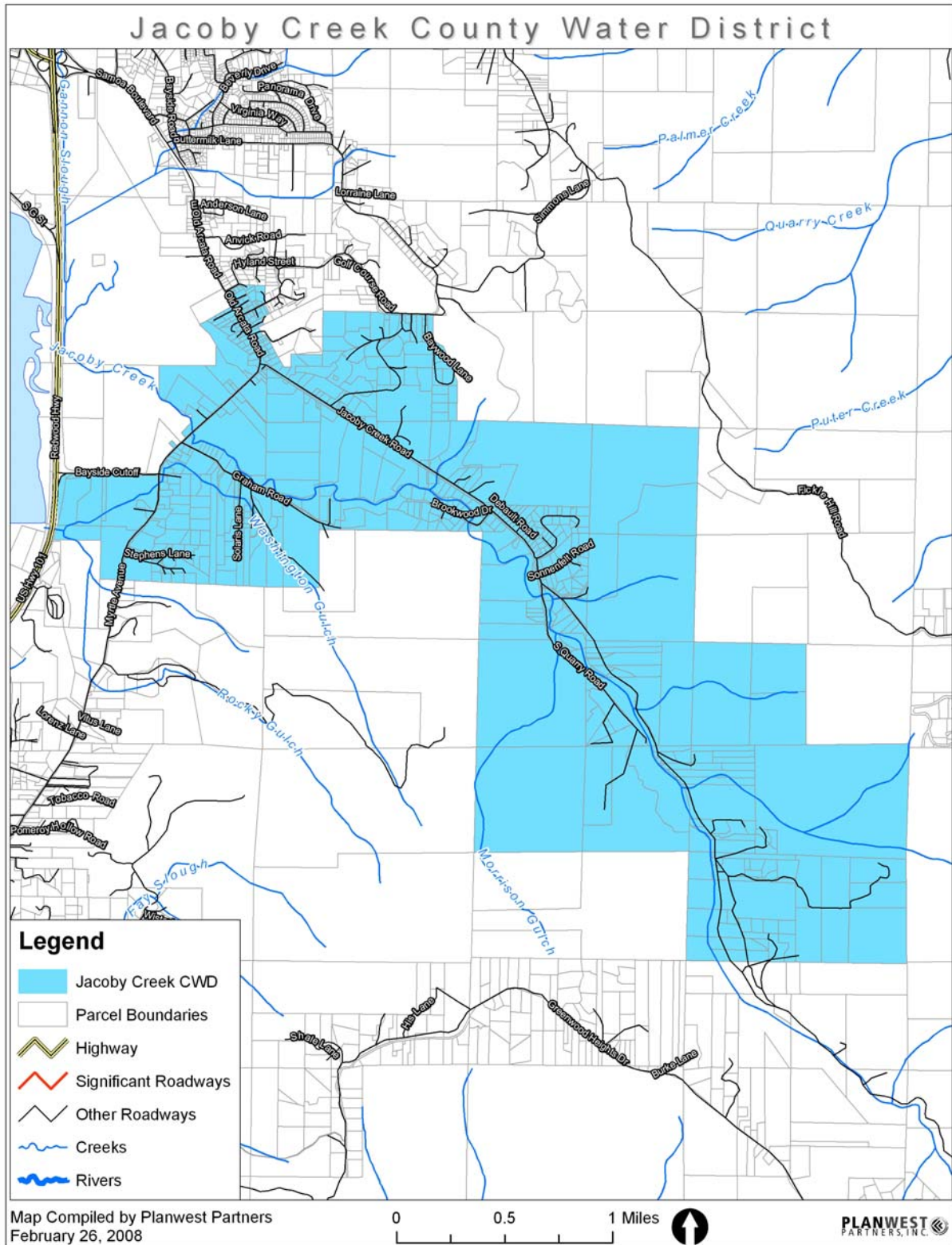
the designated geographic area. The Commission shall prepare a written statement of determinations on six subject areas as pursuant to state law; these determinations may be utilized in future decision-making about the provision of services, appropriate boundaries, changes of organizations, and need to revise or update SOIs. LAFCO is required to make written determinations on the following:

1. Growth and population projections for the affected area;
2. Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies;
3. Financing ability of agencies to provide services;
4. Status of and, opportunities for, shared facilities;
5. Accountability for community service needs, including governmental structure and operational efficiencies;
6. Any other matter related to effective or efficient service delivery, as required by commission policy.

Review Methods

This MSR was prepared by LAFCo staff during the final quarter of 2008. The Jacoby Creek WD completed an agency profile questionnaire, which provided LAFCo with the current status of District operations. The Infrastructure and Services Report that was compiled as part of the Humboldt County General Plan was also referenced for regional population and housing projections, as well as detailed descriptions of existing infrastructure. The draft report was sent to the District staff for review and clarification. All information gathered for this report is filed by Humboldt LAFCo for future reference.

Figure 1. Jacoby Creek Water District-Boundary



AGENCY PROFILE

The Jacoby Creek County Water District (CWD) is located adjacent to the southeastern border of the City of Arcata. The District extends southeast from the Arcata Bay along Jacoby Creek for approximately four miles. The District is approximately four miles southwest of the City of Blue Lake and three miles north of Freshwater and covers approximately 899 acres (or 1.4 square miles). Figure 1 (above) shows the Jacoby Creek CWD Boundary.

Table 1: Jacoby Creek CWD Profile

Agency Name	Date of Formation	Enabling Legislation
Jacoby Creek County Water District	December 30, 1970	CWC Section 30000
Contact Person	Contact Title	Email/Website
Wayne Palmrose	Chairman of the Board	N /A
Mailing Address	Physical Address	Phone/Fax
P.O. Box 122 Bayside, CA 95524	N /A	Phone: (707) 822-3555 Fax: (707) 822-1550

Formation

The Jacoby Creek CWD is an independent special service district formed under California State Water Code Section 30000. The District was declared formed by the Humboldt County Board of Supervisors on December 30, 1970 under California Water Code Division 12 following a special election within the proposed district area. The District was formed for the purpose of providing water services.

The Jacoby Creek CWD has a five-member Board of Directors elected by its residents to oversee the district's management. The Board of Directors meets on the second Monday of each month in the multi-purpose room of Jacoby Creek School, 1617 Old Arcata Road in Bayside. Notice of meetings is posted at the Bayside Post Office, 1836 Old Arcata Road, in accordance with the Brown Act. Table 2 shows the existing Board composition.

Table 2: Jacoby Creek CWD Board of Directors.

Board Member	Title	Term Expiration
Wayne Palmrose	Chairman of the Board	November 2009
Dana Litman	Director	November 2011
Stephen Davidson	Director	November 2009
Chuck Verhaegh	Director	November 2011
Tim Brater	Director	November 2009

GROWTH AND POPULATION

County Population and Growth

According to the State of California, Department of Finance, Humboldt County has an estimated 2008 population of 132,821. The County grew at an overall rate of 0.6% during 2007^[1]. Assuming this growth continues, the population of Humboldt County will reach approximately 147,000 by the year 2025.

District Population and Housing Projections

The Community Infrastructure and Services Technical Report prepared for the Humboldt County General Plan Update analyzed a Water Study Area (WSA) for Jacoby Creek. The County estimates there were 316 housing units within the Jacoby Creek WSA in 2005. Using a projected household size of 2.4 persons per unit, the Jacoby Creek CWD currently serves a population of approximately 760.

Based on the County's housing growth projections of between 0.5% and 2.5%, the Jacoby Creek WSA could have between 349 and 518 total residential units by 2025. The high build-out estimate for total development potential within the WSA, which takes into consideration physical and zoning constraints, is 417. This represents potentially 101 new residential units within the Jacoby Creek WSA.

Infrastructure and Services

Presently, the District maintains and operates a water system only. It is estimated that the District currently provides water service to 325 connections; the majority of these are residential with a few small business connections

Water Source and Treatment

The Jacoby Creek CWD receives its water from the City of Arcata under contract. The City of Arcata performs the treatment, operation, and maintenance of the water system. The City of Arcata receives most of its water from the Humboldt Bay Municipal Water District (HBMWD). The quality of water delivered to the Jacoby Creek CWD is representative of HBMWD's excellent water source and meets or exceeds State standards.

Water Demand

The Jacoby Creek CWD purchased 114.6 MG of water in 2006, which equates to an average daily use of 0.314 MGD. The peak daily use is estimated at 0.628 MGD, or twice the average daily use. The District has approximately 562 existing service connections^[2].

Distribution System

The Jacoby Creek CWD's water system begins at a metered connection on Old Arcata Road near Jacoby Creek School. The water flows through approximately four miles of mainlines (AC or PVC pipes) that range in diameter from two inches to six inches. The system includes three

booster stations, and four water tanks ranging in size from 10,000 gallons to 100,000 gallons, with a total storage capacity of 174,000 gallons.

Infrastructure Needs and Deficiencies

Jacoby Creek CWD has limited storage capacity and is unable to meet the District’s peak daily water use, in the event of a power outage or mainline breakage. The District’s existing storage capacity (174,000 gallons) is approximately 28% of the estimated peak daily demand.

The distribution system has approximately one mile of mainline that is less than six inches in diameter, which is inadequate for providing fire flows.

Planned Improvements

There are currently no planned improvements.

Other Service Providers

The County of Humboldt provides general governmental services and law enforcement services throughout the territory of the Jacoby Creek CWD. Fire protection is currently provided by the Arcata Fire Protection District. Other districts that provide services to this area include the North Humboldt Parks and Recreation District and the Humboldt Bay Harbor and Recreation District. Wastewater service is provided by residents on an individual basis.

Budget

The District’s water supply and distribution system was constructed with funds obtained through a Davis-Grunsky loan from the Department of Water Resources in fiscal year 1974. This loan was in the amount of \$447,500 with an interest rate of 2.5% per annum on the declining principal balance. Under the terms of the agreement with the State, the District is to repay this loan in 50 equal annual payments which began in 1973. As of 2007, the District’s Davis-Grunski loan has an outstanding principal balance of \$299,031, and a deferred interest balance of \$53,962.

The District holds an audit once every two years that is filed with the State of California. Table 3, below, provides the figures from the most recent audit of fiscal years 2005/06 and 2006/07.

Table 3 Jacoby Creek CWD Budget

	2005-2006 Actual	2006-2007 Actual
Total Income	\$176,703	\$186,581
Total Expenses	173,657	176,799
Net Income	3,046	9,782
Savings to General Reserve	3,046	9,782

The District’s primary sources of revenue include water sales (77%), user fees (13%), and interest payments (5%). The District’s primary expenses include the maintenance and billing contract with the City of Arcata (87%), annual loan payment (6%), and insurance (2%).

Service Rates

Jacoby Creek residents are billed by the City of Arcata for their water service. There is a \$6.50/month surcharge for each connection to be used by the Jacoby Creek CWD to pay the bond debt from the construction of the water system. Rates for water service for residents of the Jacoby Creek CWD are established as follows:

Meter Rental Charges: Monthly

Meter Size	Outside City Rate	Deposit
5/8"	\$10.30	\$128.75
3/4"	\$10.30	\$128.75
1"	\$18.10	\$252.35
1-1/2"	\$23.10	\$494.40
2"	\$30.40	\$978.50
3"	\$172.80	\$2394.75

Consumption Charges:

Single Family Residential Dwelling Units:

Quantity	Outside City Rate
0-400 cubic feet	\$1.64 per 100 cubic feet
401 cubic feet and up	\$3.95 per 100 cubic feet

All Customers except Single Family Residential Dwelling Units:

Quantity	Outside City Rate
1 cubic foot and up	\$3.95 per 100 cubic feet

Miscellaneous Charges

Service	Charge
Service charge for turn-on, reconnection, or other service call	\$ 27.80
Service charge to reinstall water meter:	\$ 113.30
Water meter testing:	\$ 61.80
Tampering fee (unauthorized operation of meter, valves etc.)	\$ 160.00

MUNICIPAL SERVICE REVIEW DETERMINATIONS

Growth and population projections for the affected area

There are currently no planned developments or annexations for the Jacoby Creek CWD. The projected growth rate for unincorporated areas of Humboldt County is 0.8%. At this rate, the Jacoby Creek CWD's estimated population of 760 will reach 870 by the year 2025. The County's high build-out estimate for the Jacoby Creek area of 101 new housing units would represent a 32% increase from existing development levels..

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

Currently the District provides water service to approximately 568 connections. The District's water system is in good condition overall. The primary deficiency is a lack of adequate storage capacity to provide one peak day usage in the event of a power outage or mainline break. The District would need an additional 574,000 gallons of storage capacity to meet this need.

Financing ability of agencies to provide services

The District currently has adequate funding to provide water services to its residents. The District is servicing debt for a water system loan. The district's service rates cover current infrastructure, service, and debt repayment costs.

The estimated cost of additional storage capacity, as discussed above, is \$1,148,000. Funding for such a project would likely be in the form of a low interest loan or grant.

Considering the relatively low current debt load and operating expenses, the opportunities for rate restructuring are limited. Rates are adjusted as needed with Board approval. Because of the District's small size, there are no significant cost avoidance opportunities available to the District for water service.

Status of and, opportunities for, shared facilities

The Jacoby Creek CWD currently owns their water system facilities. There are no further opportunities for shared facilities.

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

The District is governed by a five-member Board of Directors elected by the residents. Board meetings are open to the public and noticed in advance at the Bayside Post Office. District staff is available to the public via phone. The District has a management program in place and is providing services to the District.

Any other matter related to effective or efficient service delivery, as required by commission policy

There are no further matters relating to the Jacoby Creek CWD services.

References

1. State of California; Department of Finance. 2008. *Population Estimates with Annual Percentage Change*. www.dof.ca.gov/research/demographic/reports/estimates/e-1_2006-07/documents/E-1table.xls.
2. Humboldt County General Plan Update. Community Infrastructure and Services Technical Report. July 2008. http://co.humboldt.ca.us/planning/gp/PrelimHearingDraft/Group7c/Technical%20Report/Comm_Inf_Serv_Tech_Report.pdf