

Resort Improvement District #1

Municipal Service Review



March 2009

Prepared by:



For Updating the Sphere of Influence Report

TABLE OF CONTENTS

	<u>Page</u>
Local Agency Formation Commission Authority	1
Agency Profile	3
Growth and Population.....	5
Services	6
Budget.....	12
Municipal Service Review Determinations	13
References.....	14

LIST OF FIGURES AND TABLES

Figure 1: District Map.....	3
Figure 2: Map of RID Water and Sewer System Area.....	6
Table 1: Agency Profile.....	4
Table 2: Board of Directors.....	4
Table 3: Electricity Demand and Usage.....	10

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). This report focuses on Resort Improvement District #1 (RID #1). 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 Resort Improvement District #1. The current SOI for the RID #1 was updated in 2001; this MSR serves to update the relevant data on services provided within the district's SOI. At this time, the SOI will not be amended.

Review Methods

This MSR was prepared by LAFCo staff during January-March of 2009. The RID #1 staff 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.

Statutory Authority

The fundamental role of the Local Agency Formation Commission (LAFCo) 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.

Figure 1. Boundary and Sphere of Influence



AGENCY PROFILE

The Resort Improvement District #1 (RID) is located in the southwest corner of Humboldt County approximately 24 miles west of the town of Garberville. The district encompasses the community of Shelter Cove and covers approximately 2640 acresⁱ. The Pacific Ocean forms the western and southern boundaries of the district. The district is located within the King Range National Conservation Area and is surrounded by public lands.

Table 1: Agency Profile

Agency Name	Date of Formation	Enabling Legislation
Resort Improvement District #1	February 1965	Public Resources Code §13000-13233
Contact Person	Contact Title	Email/Website
Richard Culp	General Manager	Email: info@sheltercove-ca.gov . Website: http://www.sheltercove-ca.gov/
Mailing Address	Physical Address	Phone/Fax
Resort Improvement District #1 9126 Shelter Cove Road Whitethorn, CA 95589	Shelter Cove Fire Station 9126 Shelter Cove Road Whitethorn, CA 95589	Phone: (707) 986-7447

Formation

The RID was formed pursuant to the State of California Public Resources Code Section §13000-13233 in February 1965. Only three such districts were created before this enabling legislation was repealed by the State Legislature in 1975. The RID is the only remaining district of its type in California. The district was formed for the purpose of installing and maintaining facilities and providing services within the Shelter Cove Sea Park Subdivision.

The area of the RID was originally subdivided into 4,715 lotsⁱⁱ. Since that time several annexations to the district have occurred, however there are fewer parcels due to consolidation of undevelopable lots.

Governance Structure and Administration

The RID is governed by a five-member Board of Directors elected to four year terms by the residents of Shelter Cove. Monthly board meetings are held every third Thursday at 9:00 AM in the Fire Station in Shelter Cove. The district has regular office hours Monday-Friday 8:00 AM - 12:00 PM & 1:00 PM - 4:00 PM. Table 2, on page 5, shows the existing Board composition.

Table 2: RID Board of Directors

Board Member	Title	Term Expiration
Michael Caldwell	President	12/5/09
Roger Boedecker	Vice President	12/2/11
Tom Kelsey	Director	12/5/09
Meeka Ferretta	Director	12/2/11
Sean Finley	Director	12/2/11

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 percent 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 RID serves approximately 1500 people during its peak season; because Shelter Cove is a resort area, the district's population is smaller during winter months. According to district staff, the RID's population growth rate is 4.3%ⁱⁱⁱ. Assuming this growth rate continues, the district's estimated 2025 summer population is 2,984.

A Community Infrastructure and Services (CIS) Report was prepared as part of the Humboldt County General Plan Update^{iv}. The report identified Urban Study Areas (USA) and Water Study Areas (WSA) within special districts in order to develop land use planning scenarios and to focus the analysis for timing and location of new facilities.

The report identified both a USA and a WSA for Shelter Cove; the two areas combined have essentially the same boundary as the RID #1. In 2005, the Shelter Cove USA and WSA combined had 574 dwelling units. Based on the County's housing growth projections of between 0.5% and 2.5%, the Shelter Cove USA and WSA combined will have between 604 and 897 dwelling units, by the year 2025^v. The district's water system has a maximum permitted capacity of 990 dwelling units, above which, the district would need to find an additional water source^{vi}.

Services Provided

The RID #1 provides the following services to residents within its boundary:

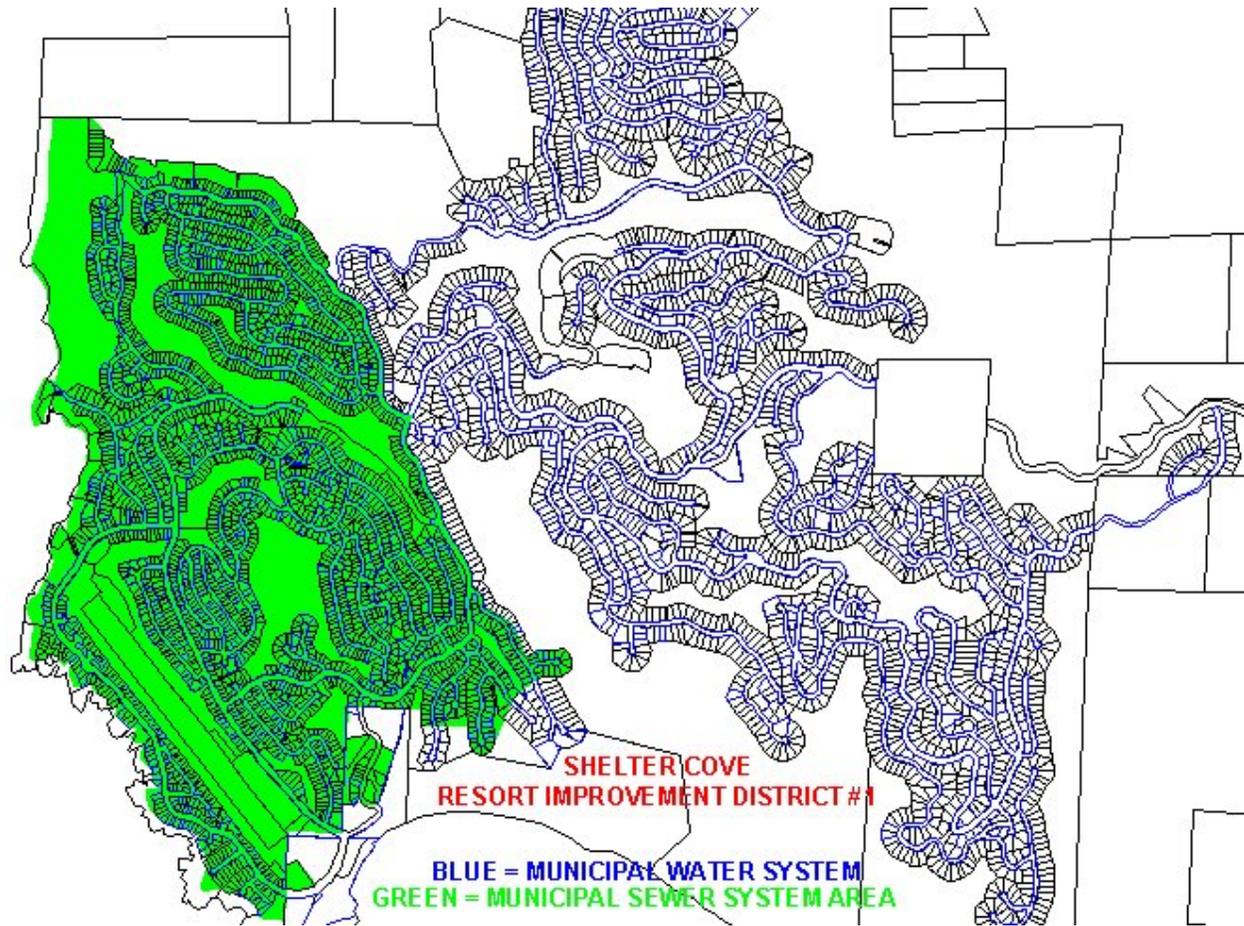
- Water
- Wastewater
- Fire Protection, Emergency Medical, and Ocean Rescue
- Electric
- Parks and Recreation

The district employs 11 full-time and 2 part-time staff. The district has a general manager that works under the direction of the Board.

Water Service

The RID currently serves approximately 577 water connections and does not retail water to any other district. Figure 2, below shows the existing water system areas in blue.

Figure 2: Map of RID Water and Sewer System Areas^{vii}



Water Source and Demand

The RID's primary water source is Telegraph Creek. The district has one ground water well, one active surface water spring intake (Rick Spring) and two active surface water creek intakes (Upper Telegraph Creek)^{viii}.

The district has a permit allocation for a maximum withdrawal of 0.775 cubic feet per second (cfs). According to the actual metered usage, July was the district's peak month in 2008 with peak daily use reported as 166,082 gal/day^{ix}. The historical maximum monthly metered demand was recorded in July 2008 at approximately 3.432 million gallons (MG).

The number of water connections available to the RID is currently limited by its permit to a total of 990. As a result, the RID cannot approve new connections above this figure unless it identifies an additional source of water and expands its permitted water right. The district is currently evaluating multiple new well sources that will be used to supplement the primary source and to secure capacity for future growth.

Infrastructure

Most of the district's water is obtained from Telegraph Creek via screened intakes and pumped or gravity fed to the surface water treatment plant. The district has an Eimco package filtration plant that utilizes flocculation, sedimentation, dual media filtration, and pre- and post-chlorination treatment. The treatment capacity of the plant is 0.350 MGD^x.

The district maintains approximately 2.1 MG of storage in 12 storage tanks (welded steel and redwood) ranging in size from 0.03 MG to 1 MG. There are multiple pressure zones within the district served by 12 booster stations and multiple pressure reducing valves.

The distribution system consists of approximately 44 miles of water main of varying size. The majority of the distribution system is asbestos cement (AC) pipe, but some above ground cross country steel and polyvinyl chloride (PVC) is also present.

Infrastructure Needs and Deficiencies

Approximately one mile of old above ground steel pipe in the district's distribution system needs replacement. The steel water tanks require rehabilitation of interior and exterior coatings to extend their useful life. Replacing steel tanks with tanks made of alternative materials that are more resistant to coastal climate may be considered. Additional water sources are needed to accommodate future growth.

Planned Upgrades

The RID completed a Capital Improvement Plan (CIP) in 2006 which identified necessary improvements, costs, and schedules for improvements to its water system over the next ten years. These include, above ground steel water main replacement, telemetry control and monitoring upgrades, steel tank rehabilitation, and new well sources of supply connected at various locations in the system's upper pressure zones.

The RID is currently working on a water source expansion project that includes construction of five new wells. The district plans to have all five wells fully operational by August 2009, at which time, the district will re-evaluate the allowable service capacity and the board will determine whether additional sources will be needed to meet future growth demands.

Wastewater Service

The RID provides wastewater services to approximately 89% of homes within the district boundary. Figure 2, on page 6, shows the wastewater (sewer) service area in green. The district provides wastewater services to approximately 464 connections; 95% of these connections are residential and 5% are commercial. The service includes wastewater collection, treatment, and disposal.

Infrastructure

RID's collection system incorporates both gravity mains and nine lift stations. The wastewater treatment plant (WWTP) consists of coarse screening, two oxidation ditches, two clarifiers, and chlorination/dechlorination facilities.

All year, in varying amounts, the district discharges treated effluent into the Pacific Ocean. During dry weather, in the spring and summer months, some or all of the treated effluent receives additional filtration and disinfection before being discharged to a storage pond that supplies a spray irrigation system on the district's nine-hole golf course. Sludge is dewatered and transported to the Humboldt County solid waste transfer station for landfill disposal.

Flows and System Capacity

According to the district's discharge permit, the WWTP is designed for an average dry weather flow of 0.17 million gallons per day (MGD), an average wet weather flow of 0.27 MGD, and a peak wet weather flow of 0.77 MGD.

The district's wastewater flows currently range between 0.1 MGD during dry weather and 0.5 MGD during wet weather. Therefore, the district is operating at approximately 59% dry weather capacity and 78% wet weather capacity. The RID wastewater system's inflow and infiltration (I & I) peaking factor is five. The peaking factor is a ratio of maximum daily flow to the average daily flow.

Infrastructure Needs and Deficiencies

The RID's collection system experiences I & I during winter storms and needs renovations to reduce the I & I peaking factor. The facility completed an Administrative Civil Liability Order (ACLO) compliance project in 2007 addressing this issue.

The district has invested hundreds of thousands of dollars into sewer collection system rehabilitation since 1980, including video inspections, point repairs, manhole patching and pipe replacement in its efforts to reduce I&I. Progress has been slow, but effective in reducing the number of high flow incidents.

Maintenance Schedule

The district conducts annual manhole and sewer line video inspections and spot repairs to reduce the systems I & I.

Planned Upgrades

The RID developed a Master Plan Update in 1997 for its wastewater treatment and disposal facilities. This plan outlines improvements necessary to meet various projected growth scenarios. The RID also completed a Capital Improvement Plan (CIP) in 2006 which identified necessary improvements, costs, and schedules for improvements to its wastewater system over the next ten years.

As stated previously, efforts are underway to further reduce I & I within the district's collection system. In addition, the district is investigating chlorine alternatives for disinfection and is

planning some lift station upgrades. The district has budgeted approximately \$2.2 million over the next ten years for sewer system upgrades.

Fire Protection and Emergency Services

The RID #1 provides fire protection, emergency medical, and ocean rescue services to district residents and visitors through the Shelter Cove Volunteer Fire Department (SCVFD). The district boundary covers 4.8 square miles and has an emergency service response area of 7.1 square miles. The largest facilities within Shelter Cove include the airport and golf course.

The district's fire department has one paid staff member and 13 volunteers. The district's water utility personnel respond to fire department emergencies that require use of the hydrants and the multiple water storage tanks to coordinate the movement of water supplies within the system during a fire event. The SCVFD holds training sessions that are open to surrounding Fire Protection Districts and open to the public for observation.

The RID's average call response time is approximately seven minutes. The district has an Insurance Services Office (ISO) Public Protection Classification (PPC) rating of 5 for areas in the district that are within 1,000 feet of a hydrant. The following two paragraphs explain the relevance of this rating.

ISO Rating. The ISO establishes fire insurance ratings for communities throughout the United States. One of ISO's more well known services is to evaluate the fire suppression delivery systems of fire departments and districts. The result of those reviews is an individual PPC rating number assigned to the community that the respective fire department protects. The ratings are presented in a rating class structure that ranges from 1 to 10. Class 1 is the highest rating, representing excellent fire protection and Class 10 is the lowest, meaning the community's fire department did not meet the minimum requirements of the Fire Suppression Rating Schedule and is not recognized by ISO. The PPC is commonly used by insurance providers to establish home and business fire insurance rates.

The Fire Suppression Rating Schedule is used by ISO to rate the response capabilities within a community. Fifty percent of the grade is based on the fire department (equipment, staffing, training, and geographic distribution of fire companies), 40 percent is based on the water supply (condition and maintenance of hydrants, and a careful evaluation of the amount of available water compared with the amount needed to suppress fires), and ten percent is based on fire alarm and communications systems (telephone systems, telephone lines, staffing, and dispatching system).

Infrastructure

The RID has one fire station, located at 9126 Shelter Cove Road in Shelter Cove. The district has the following fire suppression and emergency response equipment:

- Command Vehicle: 2004 Ford F350 4X4 Fire truck/utility body
- Brush/structure Engine: 1994 Ford Boardman Fire Engine
- Structure Engine: 1973 Pirch Structure Fire Engine
- Rescue Pumper: 1984 GMC Fast Attack
- Ambulance: 1993 Ford EC350 Ambulance

- ATV: 2001 KAWK ATV
- Jet Ski: 2005 Yamaha Jet Ski & Sled & Trailer
- Ocean Rescue Boat: 1999 Jet Boat
- Duty Officer's Vehicle: 2003 Chevy Tahoe 4x4
- 235 fire hydrants: located throughout Shelter Cove.

The district also owns and operates other basic fire protection and rescue equipment including radios, Self Contained Breathing Apparatuses (SCBA), Jaws of Life, High Pressure Air Bags, protective clothing, and numerous other tools and firefighting equipment. All riding positions on Fire Apparatus are equipped with radios and SBCAs and all firefighters are equipped with protective clothing.

Infrastructure Needs and Deficiencies

The department's oldest structure engine (1973) needs to be replaced.

Planned Upgrades

In October 2008, the Board approved purchase of a new Rosenbauer Timberwolf Engine. The new \$300,000 engine is scheduled for delivery in 2009. The new engine will replace the district's oldest engine that has fallen out of regulatory compliance due to its age. The new engine will include many new features that will allow our small department to provide faster response and to be more effective with high pressure water and foam systems. The new engine also seats four fire fighters in full gear compared with all other engines that only carry two fire fighters.

Electric Service

The RID currently provides electric service to 607 connections. The RID purchases wholesale electricity from Western Area Power Authority to deliver to its residents.

Infrastructure

Power is purchased and transmitted through a district owned 7-mile inter tie line, beginning at a PG&E recloser located near the Mattole River bridge in Whitethorn and terminating at the district's sub-station. Electricity is distributed to customers through 4.5 miles of underground cable in the flat lower elevations of the Cove and over 37 miles of pole line in the steep areas.

The district's sub-station/generator building located on Shelter Cove Road contains three emergency generators that are used to power the entire community during Cove wide power outages. Table 3, on page 11, shows the district's historical electricity usage and projected electrical demand.

Table 3: The RID’s historical and projected electrical demand

	Actual 2007		Actual 2008		Forecast 2009	
Peak kW	909		956		994	
Month	Demand 2007	Energy 2007	Demand 2008	Energy 2008	Demand 2009	Energy 2009
Jan	810	460,686	829	491,932	862	536,206
Feb	852	400,026	915	464,121	952	505,892
March	781	436,434	833	478,695	866	521,778
April	757	417,885	804	459,048	836	500,362
May	739	442,218	804	458,037	836	499,260
June	717	412,218	820	441,114	853	480,814
July	741	433,119	779	445,131	810	485,193
Aug	769	446,061	777	457,374	808	498,538
Sept	764	338,685	741	428,343	771	466,894
Oct	754	433,323	781	445,617	812	485,723
Nov	886	443,394	855	466,287	889	508,253
Dec	909	494,337	956	521,301	994	568,218

Planned Upgrades

The district developed a ten-year CIP in 2006 to address required maintenance and upgrades to the electrical system. The underground replacement program is scheduled to be completed by 2014. Transformer and pole replacements are ongoing with transformer upgrades being completed on an as needed basis. The PG&E transmission line from Garberville will be upgraded in the near future to keep up with forecasted electrical demand. The district is currently installing new substation metering equipment.

Parks and Recreation

The RID maintains 50 acres of parks and 1,136 acres of open space within the district boundary. The district’s Parks and Recreation Department includes the following facilities:

- Golf Course/Airport,
- Community Clubhouse, and
- Children’s Playground.

Airport

The RID owns, operates and maintains the Airstrip at Shelter Cove. The airstrip consists of an asphalt paved runway that is 3,400 feet long and 75 feet wide. There is an adjacent taxiway that runs the full length of the runway. Airplane tie-down areas are located at each end of the airport with 22 tie-down spaces. There are no parking or tie-down fees.

The Airstrip at Shelter Cove does not have any lighting or beacon and allows daytime use only in accordance with visual flight rules (VFR). VFRs are a set of aviation regulations under which a pilot may operate an aircraft, in a specific airspace, with meteorological conditions better than Basic VFR Weather Minimums^{xi}. The airport is not regularly attended and does not have any fuel or services available.

Golf Links Course

The RID maintains a nine-hole golf links course located at 1555 Upper Pacific Dr in Shelter Cove. The course covers 2,380 yards surrounding the airstrip, with a club house at the south end of the runway. The Shelter Cove Golf Course is a member of the Northern California Golf Association (NCGA). The greens fee is \$10 per day, which is left at the club house.

Community Clubhouse

The district maintains a clubhouse that is available for public use for a fee. The district also maintains a bocce ball court and two horseshoe pits for public use that are located adjacent to the clubhouse.

Planned Improvements

Parking lot paving at the community clubhouse and outdoor sport courts are on the drawing board with construction pending release of State recreation grant funds.

Other Service Providers

Humboldt County Public Works provides road maintenance and drainage services within the district. Law enforcement is provided by the Humboldt County Sheriff's Department out of the Garberville Sheriff's Station. The Humboldt County Planning Division regulates development in the district, issuing all permits and enforcing code compliance. The Shelter Cove harbor jetty, boat launch ramp, and the fish cleaning station are maintained by the Humboldt Bay Harbor and Recreation District with help from the RID.

Budget

The RID's budget for fiscal year (FY) 2008-09 projects operational revenues in the amount of \$2,457,019 and expenditures in the amount of \$2,265,437. The RID's primary sources of revenue include utility payments (75%) and property and special taxes (23%). The district's primary expenditures include staff salaries and benefits (49%) and maintenance and operations (45%).

The RID currently has debt in the amount of \$668,391.20 that will be expired in 2017. The district received a loan from the State Revolving Fund for a wastewater treatment plant project.

Fire Department Budget

The RID has a separate budget for their fire department. The FY 2008-09 budget projects total revenues in the amount of \$545,905 and expenditures in the amount of \$524,402. The fire department's primary sources of revenue include government grants (66%) and fire taxes (17%). The fire department's primary expenditures include capital expenditures / fire equipment (77%) and maintenance and operations (9%).

MSR DETERMINATIONS

Growth and population projections for the affected area

The RID had a 2008 summer seasonal population of 1500. At the current growth rate of 4.3%, the district will have a 2025 summer seasonal population of 3,000. The subdivision map shows a land use pattern of 4,800 residential lots, 130 acres of scattered commercial sites, numerous parks and open space areas and some timberland areas.

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

The district's facilities, infrastructure, and services are sufficient to provide quality services to its residents. There are some minor infrastructure needs that the district has addressed in its 2006 Capital Improvement Plan.

Financing ability of agencies to provide services

The RID currently has the financial ability to continue providing adequate services to district residents.

Status of and, opportunities for, shared facilities

The RID provides a broad range of services to the community of Shelter Cove and has one central office facility. Due to the remote location of the district, there are currently no further opportunities for shared facilities.

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

The RID is governed by a five-member Board of Directors elected by district residents. Board meetings are open to the public and are noticed in accordance with the Brown Act. District staff can be reached by phone, email, or at the district office during regular business hours. The district operates efficiently and is accountable for community service needs.

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

The RID efficiently provides its residents with water, wastewater, fire protection / emergency rescue, parks and recreation, and electric services. There are no further matters to report in this MSR.

SOI STATUS

It is concluded that the current RID SOI is sufficient for future growth. Based on the results of this MSR, no amendments to the RID SOI are necessary at this time.

REFERENCES

- ⁱ 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.
- ⁱⁱ Resort Improvement District: Sphere of Influence Report. Humboldt Local Agency Formation Commission. 2000.
- ⁱⁱⁱ 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
- ^{iv} 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.
- ^v *ibid*
- ^{vi} *ibid*
- ^{vii} Resort Improvement District #1 website. <http://www.sheltercove-ca.gov/RIDMAP1.jpg>. Accessed on February 12, 2009.
- ^{viii} 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.
- ^{ix} Culp, Richard and Sue Sack. Resort Improvement District: Agency Profile Questionnaire. March 2, 2009.
- ^x *ibid*
- ^{xi} Section 91.155 14 CFR Part 91 - General Operating and Flight Rules. Federal Aviation Administration