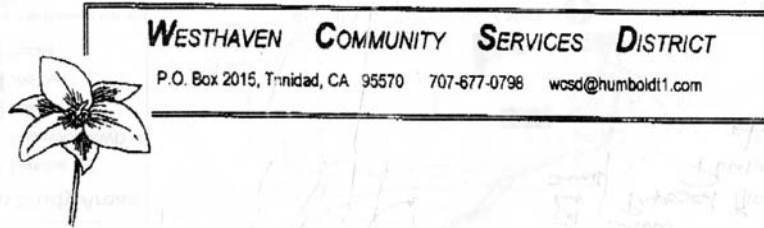


Westhaven Community Services District

Municipal Service Review



November 2007

Prepared by:



For the District Sphere of Influence Report

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LOCAL AGENCY FORMATION COMMISSION AUTHORITY

Latent Powers, Enabling Legislation and Empowered Services

The fundamental role of the Local Agency Formation Commission (LAFCo) is to implement the Cortese-Knox-Hertzberg Act (The 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,

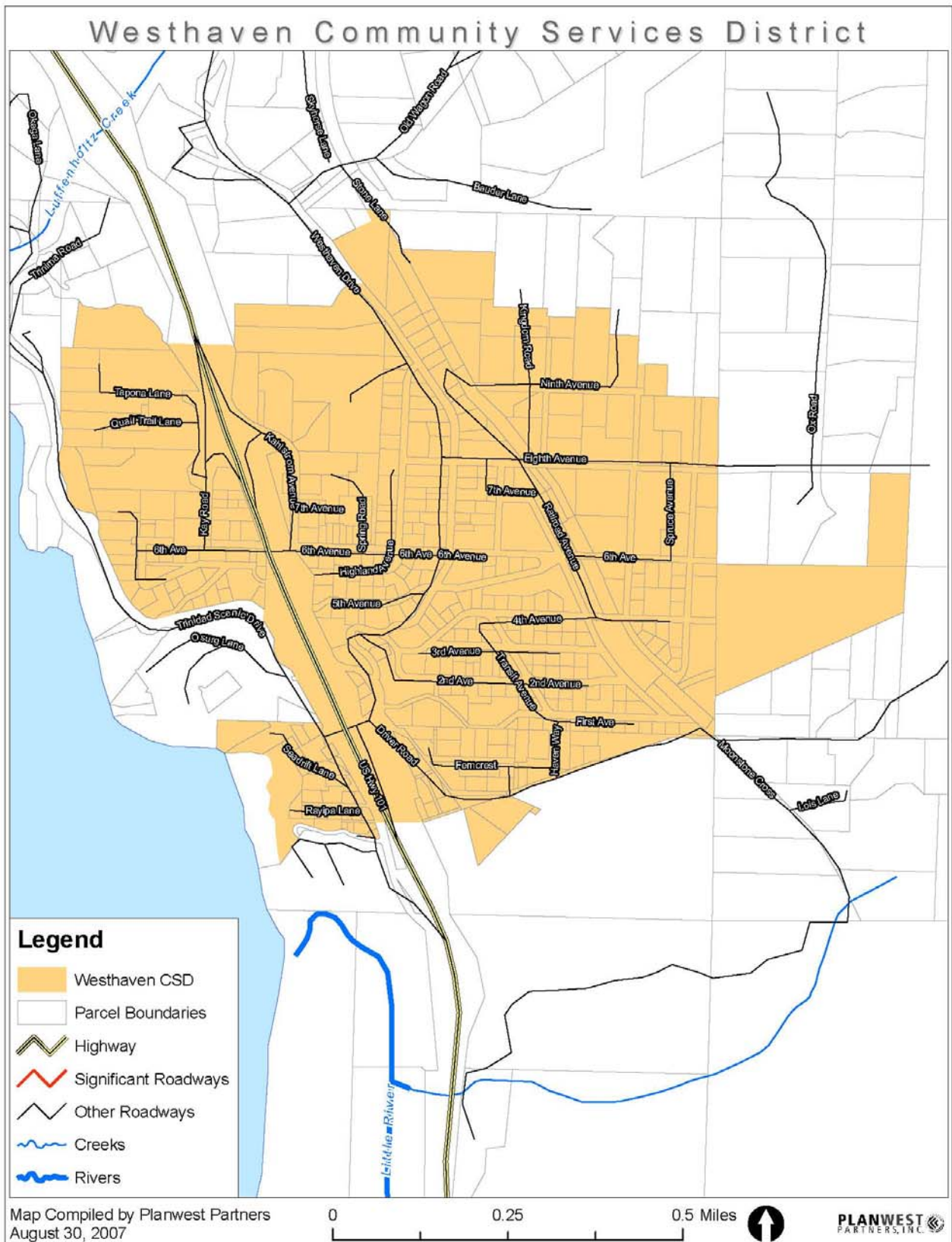
As set fourth in § 56425 (g) of The Act, on or before January 1, 2008, and every five years thereafter, Humboldt LAFCo shall review and update each Sphere of Influence (SOI).

Additionally, an MSR shall be conducted with, or in conjunction with the action to establish or to update a SOI pursuant to The Act. Together, the SOI and MSR documents analyze the District's ability to serve existing and future residents.

In order to prepare and to update Spheres of Influence in accordance with § 56425, Humboldt LAFCo shall conduct a service review of the municipal services provided in the Westhaven Community Services District (CSD). The commission shall include in the designated for service review area any other geographic area as is appropriate for an analysis of the services to be reviewed, and shall prepare a written statement of determinations with respect to the following:

- (1) Infrastructure needs or deficiencies;
- (2) Growth and population projections for the affected area;
- (3) Financing constraints and opportunities;
- (4) Cost avoidance opportunities;
- (5) Opportunities for rate restructuring;
- (6) Opportunities for shared facilities;
- (7) Government structure options;
- (8) Evaluation of management efficiencies; and
- (9) Local accountability and governance.

Figure 1. Westhaven CSD Map- District Boundary and Sphere of Influence



AGENCY PROFILE

The community of Westhaven is in an unincorporated area of northern Humboldt County. The Westhaven Community Services District (CSD) roughly encompasses the coastal area just north of Moonstone Beach and south of the City of Trinidad. The District is approximately 0.60 square miles in size. Figure 1 (above) shows the Westhaven CSD boundary.

Formation

Westhaven CSD was formed on May 17, 1988 by the Humboldt County Board of Supervisors under Community Service District Law, pursuant to California Government Code, Title 6, Division 2. The five member Board of Directors are locally elected by the District residents and supervise the business of the District. Westhaven CSD employs a General Manager who is responsible for administering and implementing policies set by the Board.

The Westhaven water system now operated by the CSD, was originally developed by the Westhaven Mutual Water Company (WMWC), which was incorporated in 1968. The WMWC system was operated without filtration, adequate disinfection or treated water storage facilities. The District was formed in response to increasing State Department of Health Services pressure to construct water treatment, distribution and storage facilities that met municipal water quality standards. Once formed, the District assumed ownership and operation of all facilities then owned and operated by WMWC. The Westhaven CSD was formed in hopes of being able to make the needed improvements to the system.

GROWTH AND POPULATION

County Population

According to the 2000 Census, the total population in Humboldt County was 126,518. California Department of Finance projections indicate an anticipated total compounded growth of 13.1 percent through the year 2025, which is lower than the 16.6 percent growth experienced in the past 20.¹ The Building Communities Report for the Humboldt County General Plan Update includes a complete discussion of County Population Trends.

District Population and Housing

The U.S. Census identified a 37.3% population increase for the Westhaven-Moonstone Census Designated Place (CDP) between 1980 and 2000. While the CDP encompasses a larger area than the Westhaven CSD, it shows an average annual 1.3% growth rate for the CDP. The Westhaven Water Study Area (WSA) as defined in the Humboldt County General Plan Update encompasses 2,072 total acres. Approximately 15% of the Westhaven WSA receives water service from the Westhaven CSD.² Therefore, the District serves a much smaller area than the WSA covers.

Currently, Westhaven CSD estimates the total District population to be approximately 630 people, including an estimated un-served population of 140 people.³ With an annual growth rate of 1.3%, the population of the District will be approximately 670 by the year 2013 (5 years). In order to serve the projected District population there would need to be approximately 290 service connections available by 2013.

Facility/ Services Plans or Similar Documents

A Draft Master Service Element for the Westhaven CSD was prepared in March 2003 for the development of the District Sphere of Influence Report. In October 2007, a draft Community Infrastructure and Services Technical Report was prepared for the Humboldt County General Plan Update. These two documents have provided the basis for the analysis of the water service provided by Westhaven CSD.

SERVICES

Presently, Westhaven CSD operates a water system that provides service to approximately 75% of District residents. The District provides water service for approximately 213 active connections including the Westhaven Community Hall and the Westhaven Volunteer Fire Department. There are an additional 20 parcels that have “water service entitlements” and pay the monthly base rate, although the connections are not currently active.⁴

Infrastructure, Facilities and Services

Water Source. The District’s water supply comes from three small, spring-fed tributaries of Two Creek at the eastern edge of the community and a 100-foot deep well within the District Boundary. The creek sources represent approximately 75% of the total source capacity, with the well accounting for the remaining 25%.

Source capacity varies between 40 and 60 gallons per minute (0.058 – 0.086 million gallons per day (MGD)). During an early 1990s system-upgrade, the District expended considerable resources in efforts to locate additional local water sources. Except for the well, no additional sources that could be developed in an economically feasible manner were located within the District.

Storage and Treatment. Source water is directed to a sedimentation chamber followed by slow sand filtration. The filters have a capacity of 115,200 gallons per day (gpd). After filtration, water is chlorinated, then stored in a 100,000 gallon concrete storage tank. Three pressure zones exist within the District: the main zone served by the storage tank, a high pressure zone serviced by a booster station at the chlorination building, and a low pressure zone on the west side of U.S. Highway 101.⁵

Water Demand. In 2004, average daily use was approximately 0.039 MGD and peak daily use was 0.066 MGD.⁶ Given that total source capacity varies between 0.058 and 0.086 MGD over a 24 hour period and existing maximum day demands are 0.066 MGD, the system operates in excess of summertime source capacity. Based on present and projected water use levels, Westhaven CSD does not have the ability to meet the water demands of future development without the need to supplement supplies, storage, and delivery systems.

Distribution System. Drinking water is supplied to District customers through approximately 7.5 miles of piping overall, 50% of which is less than four inches in diameter. Thirty-five percent of the distribution system consists of 6-inch or 4-inch C-900 PVC, 20% is 4-inch or 3-inch AC,

10% is schedule 40 PVC and the remaining 35% is 2-inch or smaller 40-year-old polyethylene. Westhaven CSD has installed meters on all residential connections recently, which has facilitated identifying leaks and distribution system inefficiencies.⁷

Infrastructure Deficiencies

Westhaven CSD suffers from limited source capacity. Without an additional water source, there are no additional connections available under the existing infrastructure. The District's water storage does not meet fire flow requirements and 50% of the water mains are smaller than the four-inch minimum set forth in ISO standards. None of the distribution system could meet the State Fire Code 1,000 gmp fire flow requirement.⁸

Planned Improvements

Currently the District has no improvements planned.

Funding Sources for Improvements

With lack of reserves in place, funding for correcting existing deficiencies would likely come in the form of a low interest loan and/or grant funding.

OTHER SERVICE PROVIDERS

The County of Humboldt provides general governmental services and law enforcement services throughout the territory of the District. The District is within the State Responsibility area for fire protection service from the California Department of Forestry and Fire Protection (Cal Fire), as well as having its own volunteer fire department. The Westhaven CSD provides fire hydrants in all areas where water service is available within its boundaries.

FINANCING CONSTRAINTS AND OPPORTUNITIES

According to Westhaven CSD records, they operate their water system on an annual budget of approximately \$162,000, of which \$20,000 is contribution to capital reserves and \$12,000 is contribution to operating reserves. Total administrative and general expenses are approximately \$65,000. The District's income is entirely from service charges. The District does not currently have a Capital Improvement Plan and currently have \$80,000 in capital reserves.⁹ See Table 1 for the Westhaven CSD 2006-2007 budget including operating revenues and expenses.

Westhaven CSD has a 30-year \$465,000 loan from the State Department of Water Resources. Annual payments total \$26,400 and are financed from water service charges. Repayment began in 1994 and will end in 2024.¹⁰

Table 1. Westhaven Community Services District 2006-2007 Budget

	A	B	D
2	WESTHAVEN COMMUNITY SERVICES DISTRICT (#260)		
3	OPERATING BUDGET		2006-2007
7			
8	OPERATING REVENUES		
9			
10	WATER SALES		
13	41100	Total Residential	158,703
16	41200	Total Business	1,395
17	41700	Other water sales	100
18			
19	WATER SERVICES		
20	42100	Fire prevention	423
21	42300	Other water services	1,153
22			
23	TOTAL WATER SALES AND SERVICES		161,773
24			
25	CONTRIBUTION FROM RESERVES		0
26			
27	TOTAL OPERATING REVENUES		161,773
31			
32	OPERATING EXPENSES		
33			
34	REGULAR OPERATING EXPENSES		
35			
42	TOTAL SOURCE OF SUPPLY		1,227
43			
51	TOTAL PUMPING		4,707
52			
61	TOTAL WATER TREATMENT		19,048
62			
68	TOTAL TRANSMISSION & DISTRIBUTION		9,918
69			
76	TOTAL CUSTOMER ACCOUNTS		3,858
77			
98	TOTAL ADMINISTRATIVE & GENERAL		64,616
99			
100	TOTAL REGULAR OPERATING EXPENSE		103,373
104			
105	OTHER OPERATING EXPENSES		
106		Long Term Debt	26,400
107	57300	Contribution to Capital Reserves	20,000
108	57300	Contribution to Operating Reserves	12,000
109			
110	TOTAL OTHER OPERATING EXPENSES		58,400
111			
112	TOTAL OPERATING EXPENSES		161,773
113			
114	OPERATING SURPLUS (DEFICIT)		0

SERVICE RATES

Service Rates

The Board of Directors of the Westhaven CSD established the following rates for water service, effective July 2007.

Monthly Base Rate: \$37.37

The below commodity rates for water consumption are based on meter readings and are added to the base rate by the following schedule:

\$6.84 per 1,000 gallons for consumption up to 2,000 gallons,
\$7.87 per 1,000 gallons for consumption from 2,001 to 4,000 gallons,
\$8.89 per 1,000 gallons for consumption from 4,001 to 6,000 gallons,
\$9.92 per 1,000 gallons for consumption over 6,000 gallons.

The base and commodity rates are adjusted annually to provide, at a minimum, a balanced operating budget. The Board may approve additional adjustments as needed to ensure responsible fiscal management of the District. Prior to adjustments taking effect, customers are notified and a Public Hearing is held.

LOCAL ACCOUNTABILITY

Contact Information

Westhaven Community Services District	
Contact:	Richard Swisher, General Manager
Mailing Address:	P.O. Box 2015, Trinidad, CA
Site Address (office):	446 Sixth Avenue, Westhaven
Phone Number:	(707) 677-0798
Email/ Website:	wcsd@humboldt1.com
Types of Services:	Water
Population Served (estimate):	490
Size of Service Area (Acres):	388
Date of Formation:	1988

The Board meets the third Wednesday of the month at 7:30 pm at Westhaven Community Hall, 446 Sixth Ave., Westhaven, CA.

MUNICIPAL SERVICE REVIEW DETERMINATIONS

Growth and Population

With an average annual growth rate of 1.3%, the population of the District will be approximately 670 by the year 2013 (5 years). Growth within the District is limited by water source capacity, lack of connections to the District water system, and lack of private water sources.

Infrastructure

Without an additional source of water, there are no available connections under the existing infrastructure and development within the District is limited. Currently, 50% of the District's water distribution system piping is less than four inches in diameter; of that 50%, 35% is two-inch or smaller 40 year-old polyethylene. Westhaven does not currently have a community wastewater system, developed parcels have on-site sewage disposal.

Financing Constraints and Opportunities

The Westhaven CSD does not currently have adequate funding or infrastructure to support the projected need for water services within the District. Reserves are being accumulated at approximately \$20,000 per year. With \$80,000 currently in reserves, it would take approximately four years to accumulate the equivalent of the current operating budget. Funding for correcting existing system deficiencies could come in the form of a low interest loan and/or grant funding.

Annual payments on the District's loan total \$26,400 and are financed from water service charges. Repayment began in 1994 and will end in 2024.

Rate Restructuring

Considering the relatively low current debt load and operating expenses, the opportunities for rate restructuring are limited. The base and commodity rates are adjusted annually to provide, at a minimum, a balanced operating budget.

Cost Avoidance Opportunities

Because of the small size of the District and relatively remote location away from other water service providers, there are no significant cost avoidance opportunities available to the District.

Opportunities for Shared Facilities

Westhaven CSD is located near the Moonstone Heights Mutual Water Association (MHMWA) service area; the City of Trinidad is also near-by.

Government Structure Options

Westhaven CSD could look into providing wastewater services to District residents as well as incorporating fire protection services. The City of Trinidad looked into the possible extension of water from the Humboldt Bay Municipal Water District. It was determined that this would be very expensive and would not be available to the District in the foreseeable future.

Evaluation of Management Efficiencies

Administrative and general expenses of \$64,616 account for 40% of the total operating budget.

Local Accountability

The governing board of the District is the five member Board of Directors elected by District residents. Westhaven CSD employs a General Manager who is responsible for administering and implementing policies set by the Board. District staff is available to the public via phone and email and Board meetings are open to the public.

REFERENCES

¹ DYET T & BHATIA. 2002. Humboldt 2025 General Plan Update. Building Communities Report.

² Humboldt County General Plan Update. Community Infrastructure and Services Technical Report, Preliminary Draft, October 2007. <http://co.humboldt.ca.us/planning/gp/gpdemo/GPU-TOC-Demo3.htm#ch7>

³ Personal Communication with Richard Swisher, Westhaven CSD General Manager, November 26, 2007.

⁴ Personal Communication with Richard Swisher, Westhaven CSD General Manager, November 26, 2007.

⁵ Humboldt County General Plan Update. Community Infrastructure and Services Technical Report, Preliminary Draft, October 2007. <http://co.humboldt.ca.us/planning/gp/gpdemo/GPU-TOC-Demo3.htm#ch7>

⁶ Ibid

⁷ Ibid

⁸ Ibid

⁹ Ibid

¹⁰ Personal Communication with Richard Swisher, General Manager Westhaven CSD, November 26, 2007.