

***Willow Creek
Community Services District***

Municipal Service Review

May 2008

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,

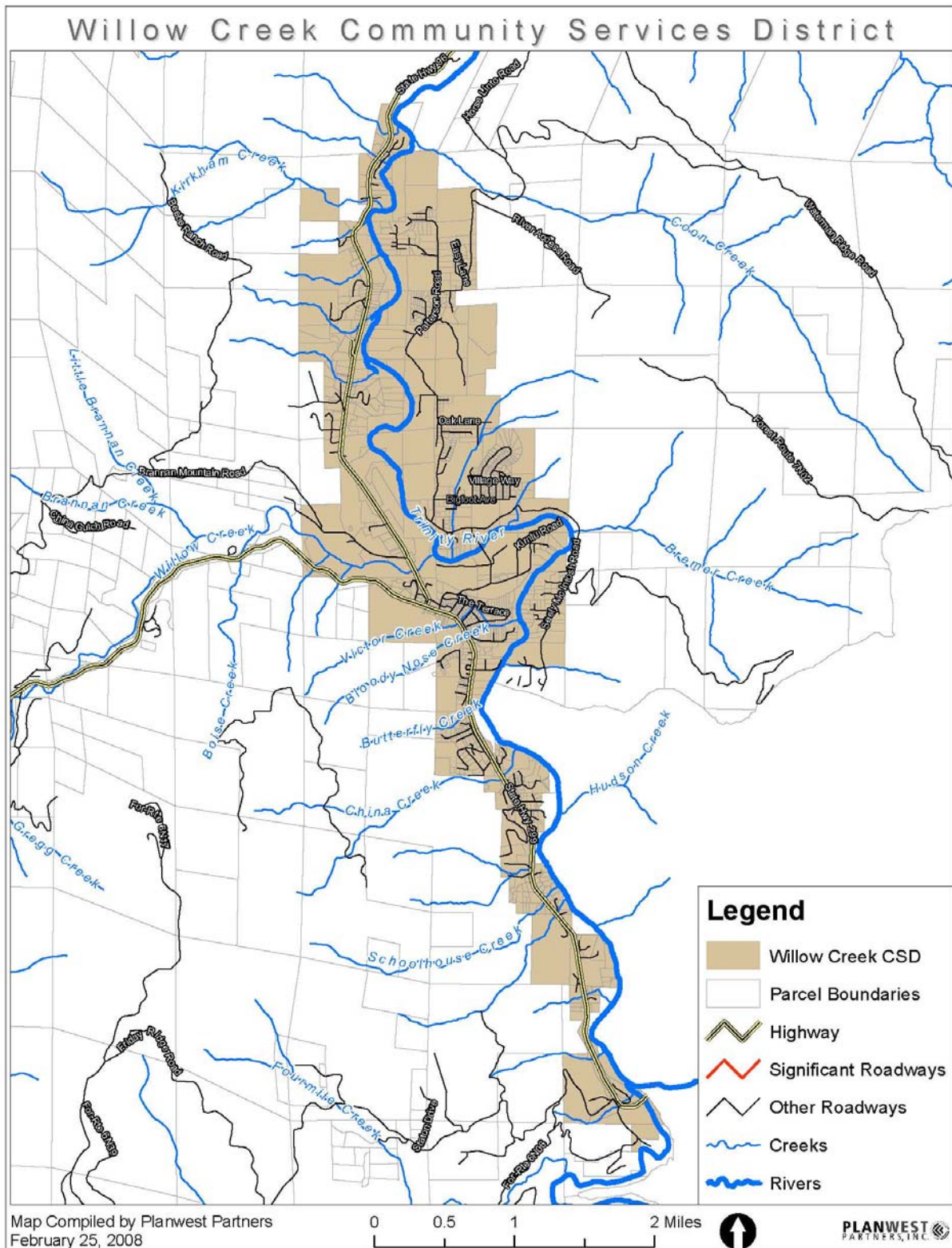
As set fourth in § 56425 (g) of The Act, on or before January 1, 2008, and every five years thereafter, Humboldt LAFCo shall review and update each Sphere of Influence (SOI).

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 Willow Creek 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. Willow Creek CSD Map - District Boundary and Sphere of Influence



AGENCY PROFILE

The Willow Creek Community Services District (CSD) maintains and operates a water system, street lighting, and parks and recreation facilities. Figure 1 (above) shows the district boundary, service boundary, and sphere of influence of the Willow Creek CSD.

Willow Creek is located approximately 50 miles northeast of Eureka in eastern Humboldt County at the junction of U.S. Highway 299 and U.S. Highway 96. The Willow Creek CSD consists of approximately six square miles and serves the community's central area as well as a few miles north along Highway 96 and southeast along Highway 299.

The Humboldt County General Plan Update has identified a Water Study Area (WSA) and an Urban Study Area (USA) for the Willow Creek community. The USA encompasses the developed downtown area of Willow Creek at the intersections of Highways 299 and 96, while the WSA includes the entire CSD, which is about four miles north along Highway 96, and four miles south along Highway 299.

Formation

The Willow Creek CSD was originally organized in 1965 under Government Code Section 61600. The Willow Creek CSD was organized for the purpose of providing water, recreation, and street lighting, and is now in the process of developing wastewater services as well. The five-member Board of Directors is locally elected by CSD residents. The CSD employs a General Manager who is responsible for administering and implementing policies set by the Board.

GROWTH AND POPULATION

Demographics

According to the most recent Census, the total Humboldt County population was 126,518. Willow Creek CSD staff estimates that approximately 1,800 people reside within the district service area. Per the Center for Economic Development, 2000, the current County-wide population is projected to have a relatively low growth rate of approximately 1% per year. The Building Communities Report for the Humboldt County General Plan Update includes a complete discussion of County Population Trends. With respect to development potential, the Willow Creek area contains both underdeveloped and vacant parcels that could experience further residential development.

Facility/ Services Plans or Similar Documents

This report relies on information from the Willow Creek CSD including FY 2006/07 and 2007/08 Budget documents; the Draft Master Service Element for the Willow Creek CSD prepared in 2003 for the development of the District Sphere of Influence Report; and the Humboldt County Community Infrastructure and Services Background Report for Urban Study Areas.

SERVICES

The District provides water service, street lighting and operates and maintains recreation facilities. Currently the District has 970 water service connections. The District anticipates being able to accommodate 1,000 through 1,200 service connections before meeting capacity.

Water

Below is a table displaying the existing conditions and buildout estimates provided by the County for the Willow Creek Water Study Area.

Water Study Area Statistics	
# of Existing Connections	967
# of Available Connections ¹	618
Source Capacity (MGD)	3.76
Storage Capacity (MG)	1.08
Treatment Capacity (MGD)	2.953
Peak Day Use (MGD)	1.8
Usage Rate (gpd/connection)	1,861
# of Projected New Connections (Low Build Out)	227
# of Projected New Connections (High Build Out)	580

Water Source and Treatment. The District's water source is from Willow Creek. It consists of six wells located in the mouth of Willow Creek. Four wells draw water from infiltration galleries in the Willow Creek flood plain acting as a natural filtration system. Total source capacity is 3.76 million gallons per day. The water is chlorinated and treated before it is placed into the distribution system. The District monitors chlorination and turbidity 24 hours a day. The District recently constructed a new water treatment plant to bring the system into compliance with Surface Water Treatment Rule.¹

The District's water source consists of six wells located in the mouth of Willow Creek. Four wells draw water from infiltration galleries in the Willow Creek flood plain acting as a natural filtration system. The water is chlorinated and treated before distributed. The system has seven pressure zones, served by various storage tanks throughout the system.

Storage, Demand, and Distribution System. In total, the District has six storage tanks with a combined capacity of 1,080,000 gallons. Pump stations are located throughout the system in areas where facilities to be served are higher in elevation than primary tanks. The District maintains approximately 24 miles of main line consisting primarily of asbestos cement pipe with some PVC and ductile iron pipe. The distribution system ranges in size from 4 inch to 12 inch. The District regularly monitors chlorination and turbidity.

The District does not have adequate storage capacity to even provide one day of supply at maximum day demand. Generally, two to three days minimum is recommended. It is unclear if the high per capita demands are due to system leaks or agricultural users. A computer model of the water system would be helpful in making future decisions regarding infrastructure upgrades. The existing surface water source is downstream of the town center's main stormwater discharge

point that contains potential contaminating activities. The District is investigating State Revolving Fund projects to address this issue.

Availability of connections within the Willow Creek water system is currently limited by both its source and treatment capacity. However, treatment capacity is currently more limiting. Source capacity is limited by the District's infiltration gallery and is estimated at 3.76 MGD if the pumps are operated 24 hours per day. The treatment capacity is limited by filtration and is estimated at 2.953 MGD.

Given existing maximum day demands are 1.8 MGD, the system is operating at approximately 48% of source capacity and 61% of treatment capacity. The District has a pumping capacity of 1.9 million gallons per day (MGD). The daily average consumption during peak time is 1.6 million gallons per day. Water storage capacity is 1.1 million gallons. Current peak water use is approximately 48% of available production capacity. The new water treatment plant has been designed for 2.02 MGD, approximately 11% greater than existing peak day demands. ⁱⁱ

Sewer

All existing development within the District currently relies on on-site septic systems for wastewater treatment and disposal. However, the community and the Willow Creek CSD have expressed interest in developing a community-wide system to collect, treat, and dispose of wastewater. Under such a system, all potential development within the District boundaries would receive wastewater service from the Willow Creek CSD. A Preliminary Wastewater/Septage Engineering Feasibility Report, dated April 2002, was completed for the District. According to the District, a Wastewater Study is in progress to support funding for a wastewater system.

Parks and Recreation

The District owns and operates Veterans Park, a nineteen acre general purpose facility located on Kimtu Road in Willow Creek. The facilities adequately accommodate community recreation needs. Additionally the District leases Camp Kimtu and Kimtu Beach from the US Forest Service. The District operates a summer camp facility and provides for controlled and monitored swimming activities in the Trinity River. District park facilities annually accommodate about 40,000 user day visits.

Street Lighting

According to the District street lighting facilities are "active and in operation."

Infrastructure Deficiencies

The District does not have adequate storage capacity to even provide one day of supply at maximum day demand. Generally, two to three days minimum is recommended. The existing surface water source is downstream of the town center's main stormwater discharge point that contains potential contaminating activities. The District is investigating State Revolving Fund projects to address this issue. ⁱⁱⁱ Willow Creek's business center along Highway 299 is in need of a centralized wastewater system due to existing disposal field problems which currently limit development.

Planned Improvements

According to the Willow Creek CSD, planned improvements and/or equipment additions/ upgrades include the following: upgrades to existing storage, create new storage capacity, update system electronic controls, wastewater study is in progress to support funding for a wastewater system, development of existing parks supported by grant funds, and water pump upgrades with variable speed drives.

Funding Sources for Improvements

Funding sources include water rates, service fees, property tax assessments, state funded grants and/or loan, and other loans.

Other Service Providers

The County of Humboldt provides general governmental services and law enforcement services in 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 being served by the Willow Creek Fire Protection District.

The Willow Creek Fire Protection District provides a range of structural and wildland fire protection as well as medical response services. The Willow Creek Fire Protection District has primary responsibility to protect 1,500 permanent residents within district boundaries, and operates one fire station. The District has a recorded ISO rating of five.

Fire hydrants within the urbanized portions of the Fire Protection District are installed and maintained by the Willow Creek Community Services District. The Fire Protection District is staff by a regular volunteer force of twenty-three. Fire fighters take part in a regular training routines conducted by a training officer.

FINANCING CONSTRAINTS AND OPPORTUNITIES

Budget

Most of Willow Creek CSD's revenue for FY2006/07 was from water sales (\$451,000), installations (\$65,000) and recreation and rental fees (\$23,000). The District's largest expenditures include salaries (\$74,000) and water pumping, treatment, distribution, and meter reading labor (\$60,000).^{iv} Table 1 shows the Willow Creek CSD adopted Water and Recreation budgets for FY2006/07 and 2007/08.

Financial Sustainability of Financial Practices

Based on the budget figures below, the CSD's overall water and recreation budgets are sustainable, resulting in a surplus of \$20,150 for water and \$27,920 for recreation, for a combined surplus of \$48,070.

Table 1. Willow Creek CSD Adopted Budgets

WCCSD ADOPTED BUDGETS:

<u>2006-2007 Water Budget</u>		<u>2007-2008 Water Budget</u>	
	<u>Expenses</u>		<u>Expenses</u>
SOS Supervision	\$ 4,800.00	SOS Supervision	\$ 5,500.00
Pumping Supervision	\$ 4,800.00	Pumping Supervision	\$ 5,500.00
Water Treatment Supervision	\$ 4,800.00	Water Treatment Supervision	\$ 5,500.00
Trans. And Dist. Supervision	\$ 4,800.00	Trans. And Dist. Supervision	\$ 5,500.00
Customer Accounts Supervision	\$ 4,800.00	Customer Accounts Supervision	\$ 5,500.00
SOS Maint. & Improvements	\$ 1,000.00	SOS Maint. & Improvements	\$ 2,000.00
Pumping Maint./Improvements	\$ 1,000.00	Pumping Maint./Improvements	\$ 2,000.00
Water Treatment Maint./Imp.	\$ 1,000.00	Water Treatment Maint./Imp.	\$ 2,000.00
Trans Distribution Maint./Imp.	\$ 10,000.00	Trans Distribution Maint./Imp.	\$ 15,000.00
SOS Labor	\$ 15,000.00	SOS Labor	\$ 19,500.00
Pumping Labor	\$ 15,000.00	Pumping Labor	\$ 19,500.00
Water Treatment Labor	\$ 15,000.00	Water Treatment Labor	\$ 19,500.00
Trans and Dist. Labor	\$ 15,000.00	Trans and Dist. Labor	\$ 19,500.00
Meter Reading Labor	\$ 15,000.00	Meter Reading Labor	\$ 19,500.00
SOS Maintenance	\$ 1,200.00	Operating Supplies	\$ 13,000.00
Pumping Maintenance	\$ 1,000.00	Water Treatment Lab Fees	\$ 6,000.00
Water Treatment Maintenance	\$ 1,000.00	Water Treatment Fees/Licenses	\$ 500.00
Operating Supplies	\$ 8,000.00	Salaries	\$ 65,000.00
Water Treatment Lab Fees	\$ 7,000.00	Other Payrolls	\$ 15,000.00
Water Treatment Fees/Licenses	\$ 1,500.00	Payroll Taxes	\$ 17,000.00
Salaries	\$ 74,000.00	Health Insurances	\$ 37,500.00
Other Payrolls	\$ 18,000.00	PERS 457	\$ 13,000.00
Payroll Taxes	\$ 18,000.00	Pers Expenses	\$ 12,000.00
Health Insurances	\$ 34,000.00	Office Supplies	\$ 9,000.00
PERS 457	\$ 14,000.00	Bank Fees	\$ 100.00
Pers Expenses	\$ 11,000.00	Postage Fees	\$ 4,000.00
Office Supplies	\$ 8,500.00	Printing	\$ 1,500.00
Bank Fees	\$ 200.00	Telephone	\$ 4,000.00
Postage Fees	\$ 3,500.00	Insurance	\$ 20,000.00
Printing	\$ 1,500.00	Maintenance-Yard & Office	\$ 8,000.00
Telephone	\$ 3,800.00	Tractor Maintenance	\$ 2,750.00
Insurance	\$ 21,000.00	Travel	\$ 3,000.00
Maintenance-Yard & Office	\$ 5,000.00	Depreciation	\$ 100,000.00
Tractor Maintenance	\$ 1,500.00	Uncollectable Accounts	\$ 700.00
Travel	\$ 1,500.00	Truck Fuel and Maintenance	\$ 12,500.00
Depreciation	\$ 70,000.00	Director Fees	\$ 3,000.00
Uncollectable Accounts	\$ 700.00	Professional Fees	\$ 2,500.00
Truck Fuel and Maintenance	\$ 12,000.00	Audit Fees	\$ 6,000.00
Director Fees	\$ 1,500.00	Uniforms	\$ 2,000.00
Professional Fees	\$ 3,500.00	Purchased Power	\$ 77,000.00
Audit Fees	\$ 6,000.00	Miscellaneous Expenses	\$ 0.00
Uniforms	\$ 1,000.00	Less expenses for Audit & Insurance	\$ -10,000.00
		Less calculation for budgeted	
Purchased Power	\$ 56,000.00	Depreciation	\$ -100,000.00
Miscellaneous Expenses	\$ 300.00		
Notes Payable to SRF	\$ 10,000.00		
Less ERAF recovery for Audit & Insurance	\$ -16,000.00		
Total Expenses Projected	\$ 492,200.00	Total Expenses Projected	\$ 471,050.00

	<u>Income</u>	
Water Sales	\$	451,000.00
Reconnect Fees	\$	200.00
Field Collections	\$	300.00
Installations	\$	65,000.00
Property Tax		ERAF Removed
Total Income	\$	516,500.00

	<u>Income</u>	
Water Sales	\$	470,000.00
Reconnect Fees	\$	0.00
Field Collections	\$	1,200.00
Installations	\$	20,000.00
Property Tax		
Total Income	\$	491,200.00

2006-2007 Recreation Budget

<u>Expenses</u>		
Maintenance & Improvements	\$	4,000.00
Utilities	\$	4,100.00
Supplies	\$	1,000.00
Depreciation	\$	13,000.00
ADA Porta Potties	\$	600.00
Labor (supervision, grounds maintenance, downtown, beach & parks)	\$	6,500.00
Outside Services or Labor	\$	1,500.00
Professional / Legal Fees	\$	2,500.00
Miscellaneous	\$	700.00
Total Expenses	\$	29,200.00

<u>Income</u>		
Camp Kimtu Facility Rent	\$	1,000.00
Kimtu Camp Fees	\$	10,000.00
SRCC Rental Fees	\$	9,000.00
Veteran's Park Fees	\$	1,500.00
Tournament Fees	\$	1,000.00
Kimtu Beach Parking	\$	1,200.00
Creekside Tournament Fees	\$	500.00
Property Tax Revenue	\$	5000.00
Total Income	\$	29,200.00

2007-2008 Recreation Budget

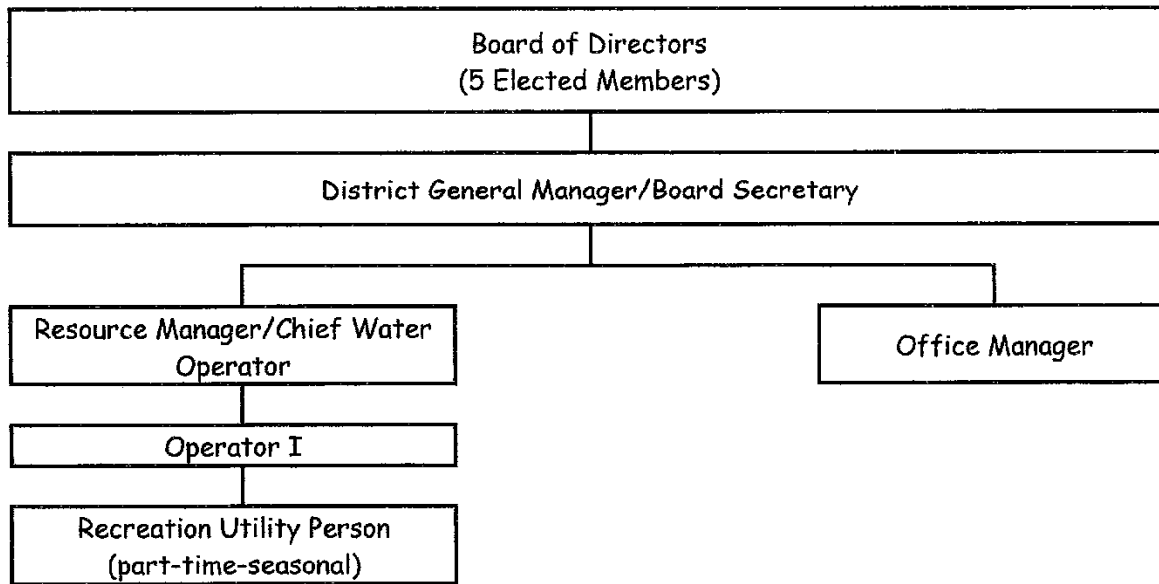
<u>Expenses</u>		
Maintenance & Improvements	\$	3,000.00
Utilities	\$	3,500.00
Supplies	\$	2,000.00
Depreciation	\$	15,000.00
ADA Porta Potties	\$	1,080.00
Labor (supervision, grounds maintenance, downtown, beach & parks)	\$	15,000.00
Outside Services or Labor	\$	1,500.00
Professional / Legal Fees	\$	1,000.00
Miscellaneous	\$	1,000.00
Less calculation for Depreciation		-15,000.00
Total Expenses	\$	28,080.00

<u>Income</u>		
Recreation Fees	\$	25,000.00
SRCC Rental Fees	\$	9,500.00
Kimtu Beach Parking	\$	1,500.00
Property Tax Revenue	\$	20000.00
Total Income	\$	56,000.00

GOVERNMENT STRUCTURE

The following chart shows the employee organization of the Willow Creek CSD.

EMPLOYEE ORGANIZATION CHART:



LOCAL ACCOUNTABILITY

Contact Information

Willow Creek Community Services District	
Contact:	Steve Paine, District General Manager
Mailing Address:	P.O. Box 8, Willow Creek, CA 95573
Site Address:	135 Willow Road, Willow Creek, CA
Phone Number:	(503) 629-2136
Email/ Website:	willowcreekcsd@hotmail.com
Types of Services:	Water, recreation
Population Served:	1,800
Size of Service Area (Acres):	3953 Acres
Date of Formation:	1965
Staff and Facilities	
Number of Paid Staff	5

Board Meeting Times and Locations. The regular CSD Board meetings are held the fourth Thursday of every month at 8 a.m. at the CSD office.

MUNICIPAL SERVICE REVIEW DETERMINATIONS

Growth and Population

The Willow Creek CSD population is approximately 1,800 residents. The District serves 970 water customers. The water system is operating at about 48% capacity. Currently, the District has adequate infrastructure to serve the existing population, as well as accommodate growth.

The County has identified an urban and water study area within the Willow Creek CSD, which indicates that the County expects development. Based on the County's housing growth projections of between 0.5% and 2.5%, the Willow Creek WSA could have between 1,105 and 1,639 total housing units by 2025 or a combined total of 580 new housing units within the Willow Creek USA and WSA. Additional growth may be induced if the district constructs a wastewater treatment facility, which could result in the ability for the district to develop existing lots at a higher density.

Infrastructure

Willow Creek's water system has historically had problems but is in the process of a large-scale renovation. There are no major infrastructure deficiencies associated with the existing systems, although portions of the distribution system consist of 4-inch mains, which do not provide adequate fire flows. Additional storage capacity is also needed within the system.

Willow Creek CSD's water system per capita demand is high (1861 gpd/cap) and may be the result of system leaks. Peak water use is approximately 48% of available production capacity. The new water treatment plant has been designed for 2,140 gpm, approximately 40% greater than current peak day demands. The construction of a community wastewater system would foster growth and development within the community. This system is still in the planning stages, and has prepared a preliminary wastewater engineering feasibility report.

Financing Constraints and Opportunities

The District currently has adequate funding and infrastructure to meet the current water and wastewater needs of District residents. The District is servicing debt for a water system loan. The service rate fees cover current infrastructure, service and debt repayment costs.

Rate Restructuring

The District periodically reviews water service and connection rates and restructures when warranted the District will also be setting wastewater service rates when that system is constructed and brought online.

Cost Avoidance Opportunities

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

Opportunities for Shared Facilities

The Willow Creek Fire Protection District provides services within the Willow Creek CSD. The CSD provides and maintains fire hydrants within the district, while the Fire Protection District utilizes them. There are currently no other water or wastewater service providers near the Willow Creek CSD. Willow Creek CSD is currently pursuing providing wastewater services to District residents.

Government Structure Options

The CSD is overseen by a five member Board of Directors and is operated by a total of five staff members. The District was formed for the purpose of providing water, recreation, and street lighting, but is now in the process of developing wastewater services.

Evaluation of Management Efficiencies

CSD customers have adequate water services provided to them by the District. Based on present, currently at 48%, and projected water system capacity the District has the ability to meet the demands of projected development.

Services are available to and distributed efficiently within the District boundary. When compared with other districts throughout the County, the Willow Creek District water unit costs are considered reasonable. Future wastewater services should include an evaluation of the most efficient methods for managing that service.

Local Accountability

The District is accountable to its customers through its board of directors, who holds noticed meetings regularly in compliance with the Brown Act.

REFERENCES

ⁱ Winzler & Kelly Consulting Engineers. Humboldt County General Plan Community Infrastructure and Services Technical Report. Preliminary Draft. Technical Report. <http://co.humboldt.ca.us/planning/gp/Reports/Final_SubmittedPrelimDraft.pdf> November, 2007.

ⁱⁱ Ibid

ⁱⁱⁱ Ibid

^{iv} Willow Creek CSD Adopted Budget FY 2006/07 and 2007/08.