



AGENDA ITEM 7A

MEETING: November 18, 2020
TO: Humboldt LAFCo Commissioners
FROM: Krystle Heaney, LAFCo Clerk/Analyst
SUBJECT: **City of Arcata Municipal Service Review and Sphere of Influence Update (continued from September 16, 2020 Commission meeting)**
The Commission will review and consider approving the Revised City of Arcata Municipal Service Review and Sphere of Influence Update.

BACKGROUND

The Cortese-Knox-Hertzberg Local Government Reorganization Act directs Local Agency Formation Commissions (LAFCOs) to regularly prepare municipal service reviews (MSRs) in conjunction with establishing and updating each local agency's sphere of influence (SOI). The legislative intent of MSRs is to proactively assess the availability, capacity, and efficiency of local governmental services prior to making SOI determinations.

DISCUSSION

The City of Arcata ("City") is located on the northern shore of Humboldt Bay and was originally incorporated in 1858. The City stretches along U.S. Highway 101 between Bracut on the south to the Mad River on the north. Arcata is governed by a five-member city council whose members are elected at large. It operates its own police and environmental services departments providing a full range of municipal services. The City also contracts with outside agencies to provide certain municipal services, such as garbage collection. The Arcata Fire Protection District (Arcata FPD), a separate local government agency, provides fire protection and emergency medical services to the City and surrounding territory. Through contractual agreement, the City provides water service directly to the customers of Jacoby Creek County Water District (Jacoby Creek CWD). Arcata also provides wastewater treatment services for the Glendale area via agreement with the Fieldbrook-Glendale Community Services District.

The City covers approximately 11.4 square miles and provides water and sewer services to additional parcels in its Urban Service Boundary (USB) and Water Only USB. LAFCo staff has worked closely with the City of Arcata to review city services, identify existing areas served outside the city, and consider SOI boundary revisions. In an effort to better represent the current service areas of the City, LAFCo staff is proposing changes to the City's SOI. The largest changes are for the areas in and around Bayside and the Jacoby Creek County Water District to include all parcels currently served with water in addition to parcels that create a logical boundary for the area. While some areas, such as those served by the Jacoby Creek CWD, may not be considered for annexation by the City, they receive services from the City and as such are proposed to remain within the SOI.

Based on input from the Commission at the September 16, 2020 Commission meeting, staff has revised the MSR to include the following:

- Expanded explanation of relationship with Arcata FPD under Section 4.4 - Shared Services.
- Expanded discussion of the Wastewater Treatment Facility status under Section 5.2 – Environmental Services including a new subsection dedicated to sea level rise. This includes a new figure, *Figure 8: Arcata Wastewater Treatment Facility Planned Upgrades (Phase 2 and Future)*.
- A new discussion on emergency planning and preparedness under Section 5.4 – Law Enforcement.
- Revised MSR and SOI determinations including reference to recently adopted Jacoby Creek CWD MSR/SOI determinations regarding collaboration between the agencies on succession planning for the Jacoby Creek system and the future study area near Buttermilk Lane. Also noted City's conservative budget due to COVID-19.

RECOMMENDATION

This item has been agendaized for consideration as part of a noticed public hearing. The following procedures are recommended with respect to the Commission's consideration of this item:

- 1) Receive verbal report from staff;
- 2) Open the public hearing and invite testimony (mandatory); and
- 3) Discuss item and – if appropriate – close the hearing and consider action on recommendation:

"I move to adopt Resolution No. 20-09, thereby approving the City of Arcata Municipal Service Review and Sphere of Influence Update, as described in the staff report.

Alternative Action:

Should the Commission wish to further discuss the MSR/ SOI and receive additional information from staff, the Commission can move to continue the public hearing to the next regularly scheduled public meeting.

Attachments

Attachment A: City of Arcata MSR and SOI Update

Attachment B: Resolution No. 20-09

City of Arcata

Municipal Services Review



Revised Public Hearing Draft

November 2020



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Acknowledgements:

LAFCo staff would like to thank the contributors to this Municipal Service Review. Input instrumental in completing this report was provided by David Loya, Arcata Community Development Director, and Delo Freitas, Senior Planner with the City of Arcata.

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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, scope of study, and the identification of alternatives for improving the efficiency, cost-effectiveness, accountability, and reliability of public services. The purpose of a MSR in general is to provide a comprehensive inventory and analysis of the services provided by local municipalities, service areas, and special districts. A 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 continuous to the sphere of influence
- (3) Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies
- (4) 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, a 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 governmental 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 address 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 Arcata 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:

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

2.0 CITY OF ARCATA AGENCY OVERVIEW

2.1 Overview

The City of Arcata ("City") is located on the northern shore of Humboldt Bay. The City stretches along U.S. Highway 101 between Bracut on the south to the Mad River on the north. Arcata is governed by a five-member city council whose members are elected at large. It operates its own police and environmental services departments. The City also contracts with outside agencies to provide certain municipal services, such as garbage collection. The Arcata Fire Protection District (Arcata FPD), a separate local government agency, provides fire protection and emergency medical services to the City and surrounding territory. Through contractual agreement, the City provides water service directly to the customers of Jacoby Creek County Water District (Jacoby Creek CWD). Arcata also provides wastewater treatment services for the Glendale area via agreement with the Fieldbrook-Glendale Community Services District.

Table 1: City of Arcata Summary Profile

FORMATION	
Incorporation Date	February 2, 1858
Enabling Legislation	General Law City, California Constitution, Article 11, Section 2, and California Government Code §34000 et seq.
CONTACT	
Primary Contact	David Loya, Director of Community Development Department
E-mail	comdev@cityofarcata.org
City Hall/Mailing Address	736 F Street, Arcata, CA 95521
Phone	707.822.5951
Website	www.cityofarcata.org
GOVERNANCE	
Governing Body	City Council
Meeting Schedule	1st & 3rd Wednesday of every month, 6:00 PM
Meeting Location	City Hall Council Chamber, 736 F St. Arcata, CA 95521
SERVICES	
Municipal Services	Water, wastewater, law enforcement, streets and street maintenance, stormwater drainage, and parks and recreation
Areas Served	Incorporated City Limits ~11 sq. mi.

A municipal service review for Arcata was previously conducted in 2010. Since then the City has completed several annexations and one service extension outside agency boundaries. This review serves to build upon the previous analysis conducted and update Arcata's SOI to reflect current local conditions.

2.2 Formation and Development

The City of Arcata is located within the Wiyot ancestral territory, which extended from Little River near Trinidad to Bear River Ridge. The Wiyot people called this area *Goudi'ni*, meaning "over in the woods". They worked with the natural bounty of the bay, ocean, forests, and rivers to provide sustenance for themselves. In 1848, the discovery of gold inland brought an end to the Wiyots' way of life. A new era of extermination and later assimilation were forced onto the Wiyot people, along with other tribes in the region. In 1850, the coastal town of Union was established as a supply center for the mining activities located nearby. They formed the Union Company and on February 2, 1858 established the Union (Arcata) townsite at the foot of Fickle Hill, making it the second oldest city in Humboldt County (the City of Eureka was incorporated in 1856). The name was formally changed to Arcata in 1860. Arcata reincorporated as a General Law City on May 4, 1903, under the Municipal Corporation Act of the State of California¹. While the impacts of genocide and assimilation were devastating for the Wiyot people, they are a resilient people and adapted to the changing world around them. Today, Arcata recognizes its history while striving to be an open-minded and welcoming small city which values diversity, culture, art, entrepreneurship and the protection and nurture of its beautiful natural environment.

The original township (including surrounding area) had a population of 553 persons. A number of adjacent small communities were subsequently established in the following decades that are now part of the City, including Alliance Corners and Bayside. Large swaths of territory surrounding the original townsite, such as Bayside and the Arcata bottoms were primarily marshlands, which were diked and drained to use as farmland. Soon, logging replaced mining as the economic driver for the community, and from founding through the 1920s, the City experienced slow but steady growth.

Highway 101, completed in 1926, encouraged the development of tourism services and commercial investment along the central corridors of G and H Streets. Much of the agricultural land within and closely adjacent to the City was converted to housing and industrial use after World War II, and more than doubled the size of the town and created commercial centers outside of the urban core.

Recent Annexations

Several annexations to the City have taken place over the last 10 years. One parcel on Buttermilk Lane was annexed in 2017 in response to an emergency sewer service connection. Four parcels in the industrial area of Boyd Road along the Mad River were annexed in 2016 based on the potential for future subdivision and need for sewer and water service. The Sunny Brae Tract of the Arcata Community Forest was annexed in 2015 after the City acquired several parcels in order to facilitate better public access and expand the existing Community

¹ City of Arcata. "City of Arcata, California Annual Financial Report for The Fiscal Year Ended June 30, 2015", *Description of Community*. <http://www.cityofarcata.org/ArchiveCenter/ViewFile/Item/143> Updated: 3/6/2016.

Forest. The added Community Forest area is not within the urban services boundary. An additional parcel was annexed in 2015 along Buttermilk Lane in order to provide wastewater service as the onsite system had failed previously.

The last relatively large annexation to the City was in 2014. 17 parcels were annexed along Shirley Boulevard near the Arcata Community Forest. Most of these parcels were already receiving water service from the City and many had established sewer service due to failing on-site septic systems.

Recent annexations have been minimal and primarily based on the need for water and sewer services adjacent to existing City limits. This shows logical and thoughtful growth for the City. The next anticipated annexation for the City is the Creek Side Homes subdivision on the western edge of the City. The Creek Side Homes subdivision is located along Foster Avenue just west of Alliance Road. The 22-acre site is proposed for development of 32 single family homes, 25 cottage homes, and an assisted living facility. The development is anticipated to provide homes for approximately 269 persons. Vehicle access to the site will primarily be from Foster Avenue via an extension connecting the existing east and west segments of Foster Ave. An all-weather emergency access road will be constructed from Stewart Avenue through Ennes Park. Pedestrian access will be provided along the main roadways and by a proposed bike path along an existing right of way over Janes Creek to Alliance Road. The subdivision is already located within the Urban Services Boundary and the City will be providing water and wastewater per the existing agreement with the developer.

2.3 Jurisdictional Boundary

Today, Arcata's jurisdictional boundary or "city limits" encompasses 11.4 square miles (7,296 acres) and reflects one of the most active annexation histories in Humboldt County, with over 145 annexations between 1920 and 2020. The extension of urban services is guided by the City's urban services boundaries as described below.

Urban Services Boundary

According to the City's General Plan, as part of their policy of encouraging infill (as opposed to extensive outward expansion), the City maintains an "Urban Services Boundary" (USB). This line delineates those areas within which the City intends to provide a full range of municipal services. The USB encompasses all of the developed and developing areas within the corporate limits of the City. Areas adjacent to the City which are currently receiving or will require City services are also included within the USB. Typically, the availability of water and sewer services are the major considerations in locational decisions regarding future urban development. Thus, the City's decision to limit the availability of these services to specific areas greatly influences the location and density of future development. Among other reasons, such a practice is meant to raise the density of developed areas and avoid the excessive costs and undesirable effects of premature development in rural areas. The current USB includes 3,455.2 acres.

“Water Only” Urban Services Boundary

As a part of the USB, the City has characterized a sub-boundary designated as the “Water Only” Urban Services Boundary. As its name implies, the only municipal service provided by Arcata within this boundary is water. Such a boundary allows for the limited provision of services to areas (most notably to Jacoby Creek CWD customers) that may not be appropriate for urban development, while still meeting the needs of rural community development within the region. The current Water Only USB includes 2,280.2 acres.

Jacoby Creek County Water District

Jacoby Creek CWD is an independent special service district formed under California State Water Code Section 30000 to provide water services to the community of Jacoby Creek. It is overseen by an independent Board of Directors elected at large in the District. Currently, the City of Arcata provides water to the CWD through a metered connection and maintains the District’s infrastructure. Since the City provides water to the CWD, it is included in the City’s Water Only USB and therefore the SOI.

While the provision of water service and infrastructure maintenance to the Jacoby Creek area would indicate eventual annexation into the City, the low density and rural nature of the area makes it unlikely that the City will pursue annexation. Additionally, both residents of the area and the City of Arcata have expressed opposition to annexation.

Out of Agency Services

The City provides water services outside of its boundary and SOI to several large agricultural parcels to the northwest in the Arcata Bottoms (Figure 1). These connections are considered legacy connections and are not subject to current LAFCo review. Additionally, these parcels qualify for an exemption under G.C. §56133(e)(3) which allows for the provision of excess water to agricultural parcels and incidental structures.

The City also provides water to the Pacific Manor subdivision along Janes Road across from the Mad River Community Hospital. This subdivision was approved and constructed during the 1960’s. During this time, it was not necessary to provide wastewater connections to newly developed subdivisions. While the City may want to annex and provide service to this community sometime in the future due to the small lot sizes and concerns about onsite wastewater treatment systems, it is currently infeasible due to the limited capacity of the City’s wastewater treatment facility and cost of new infrastructure. As such, the community will remain within the City’s SOI and Water Only USB but will not be proposed for annexation.

Figure 1: City of Arcata Water Customers

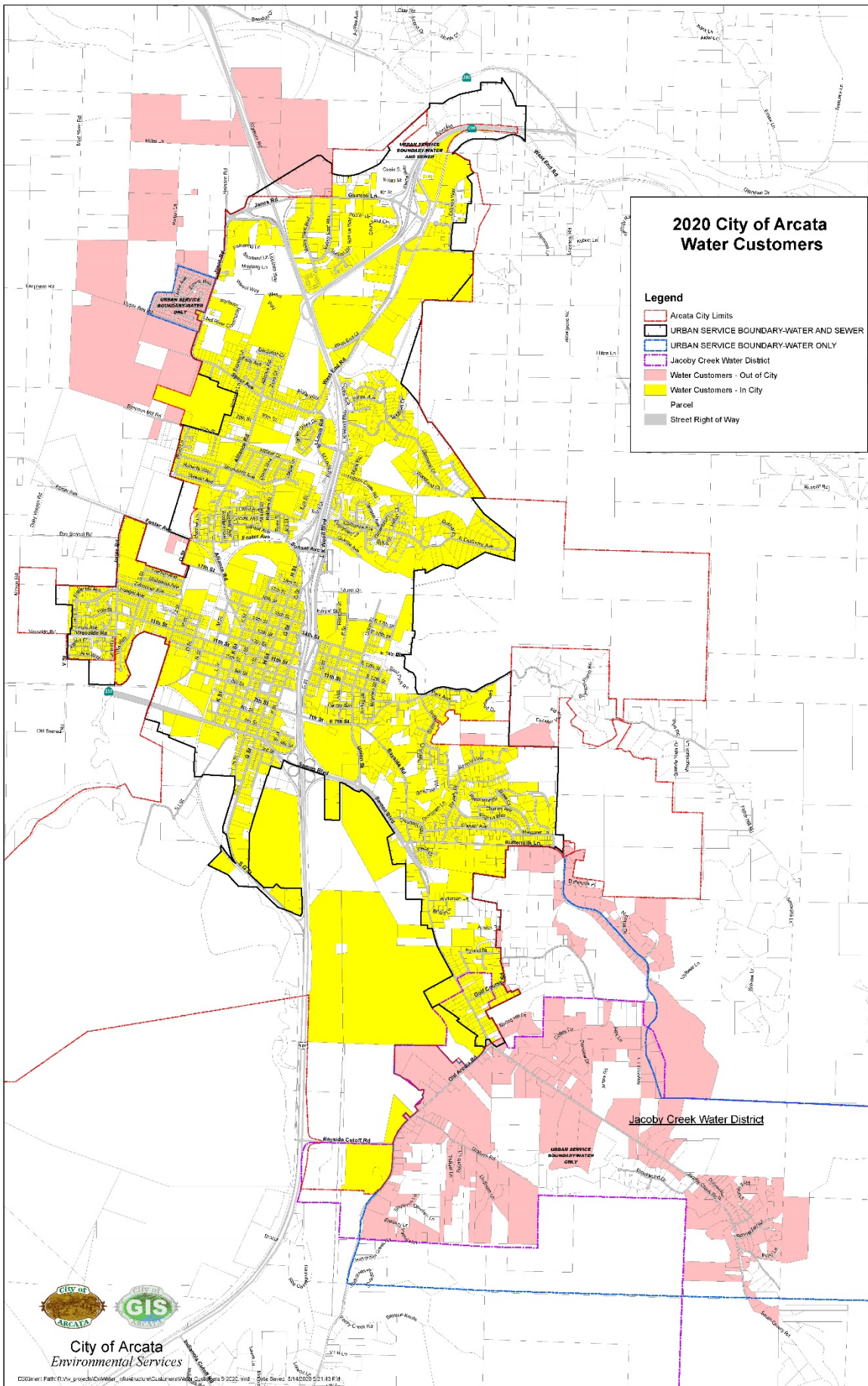
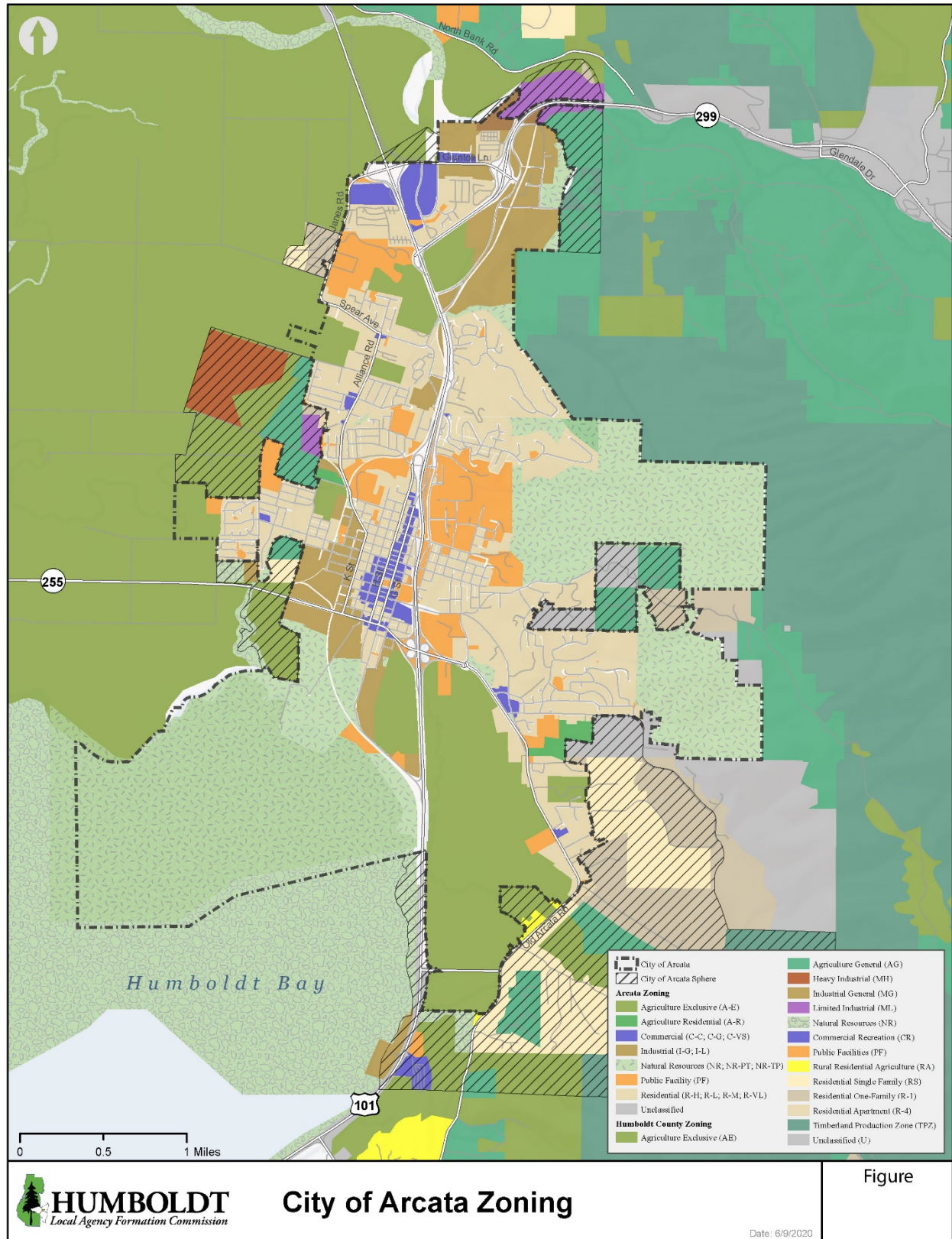


Figure 2: City of Arcata and Humboldt County Zoning



Natural Resource Zoning

The City is dedicated to preserving open spaces and natural resources to help promote environmental health, provide recreation benefits to City residents, and provide greenbelt areas to buffer urban areas. These areas are typically zoned as Natural Resource-Timber Production (such as the Community Forest), Natural Resource-Public Trust (such as the Alder Grove Marsh) and Natural Resource Preservation (such as the Arcata Marsh and Sanctuary). These areas are located within the City boundary but are typically outside of the Urban Service Boundary as shown in Figure 1.

Coastal Zone Boundary

The City lies just inland of the Pacific Ocean and is adjacent to Arcata Bay. As such, a portion of the City is within the Coastal Zone as defined by the California Coastal Act and subject to regulations of Arcata's Certified Local Coastal Program. These areas include lands between Samoa Boulevard and Highway 101, the Arcata Marsh, portions of 5th to 8th Streets, the Arcata Bottoms, and portions of the Mad River near Highway 101.

2.4 Sphere of Influence

Current SOI

Arcata's current SOI extends beyond its jurisdictional boundary and encompasses an additional 3,542 acres or 5.5 square miles. The Mad River is located approximately one-half mile north of the northern most boundary of the City of Arcata and creates a natural division between the City and the community of McKinleyville north of the river. This natural barrier to the extension of services by either the City or the McKinleyville Community Services District (CSD) should be given consideration in the determination of an appropriate SOI for Arcata. It should be noted that McKinleyville CSD has legacy connections within the City's SOI and provides water services to several industrial customers, including Eureka Ready Mix in the Boyd Road area. However, according to the Memorandum of Understanding for the area, the City will take on water service to this area in the event that Eureka Ready Mix wishes to further subdivide its property². McKinleyville CSD is not to extend service to any other parcels within the City's SOI or USB.

There is an extensive amount of agricultural area located west of the City boundary in an area known as the Arcata Bottoms. These lands were historically, and are still, used for cattle grazing. The city has strong conservation policies and at times acquires open space and agricultural land for these purposes and to provide a greenbelt on the edges of the City such as with the Community Forest, Gannon Slough, and Arcata Marsh. In order to better guide these conservation practices, the City adopted Resolution 178-18 which established a Western Greenbelt within the Arcata Bottoms and set several conservation policies for the area. While LAFCo typically discourages annexation of agricultural lands, the City's Greenbelt policies are consistent with LAFCo's agricultural conservation goals.

Landforms change quite abruptly east of the boundaries of Arcata. From the relatively flat coastal plain, the mountains east of the City rise rapidly to form a natural barrier between

² McKinleyville CSD and City of Arcata, Memorandum of Understanding Pertaining to the Annexation of the Eureka Ready Mix Parcel, March 7, 2016.

Arcata and inland regions. As with the Mad River located north of the City, this first mountain range, Fickle Hill, presents a barrier to extensive service (infrastructure) extensions. A portion of this area, the Community Forest, while within the City limits, also provides a buffer to services. The natural constraints to development in hillside areas will preclude development densities approaching urban levels. Consideration of these characteristics help define the eastern extent of the City's sphere of influence.

Proposed SOI

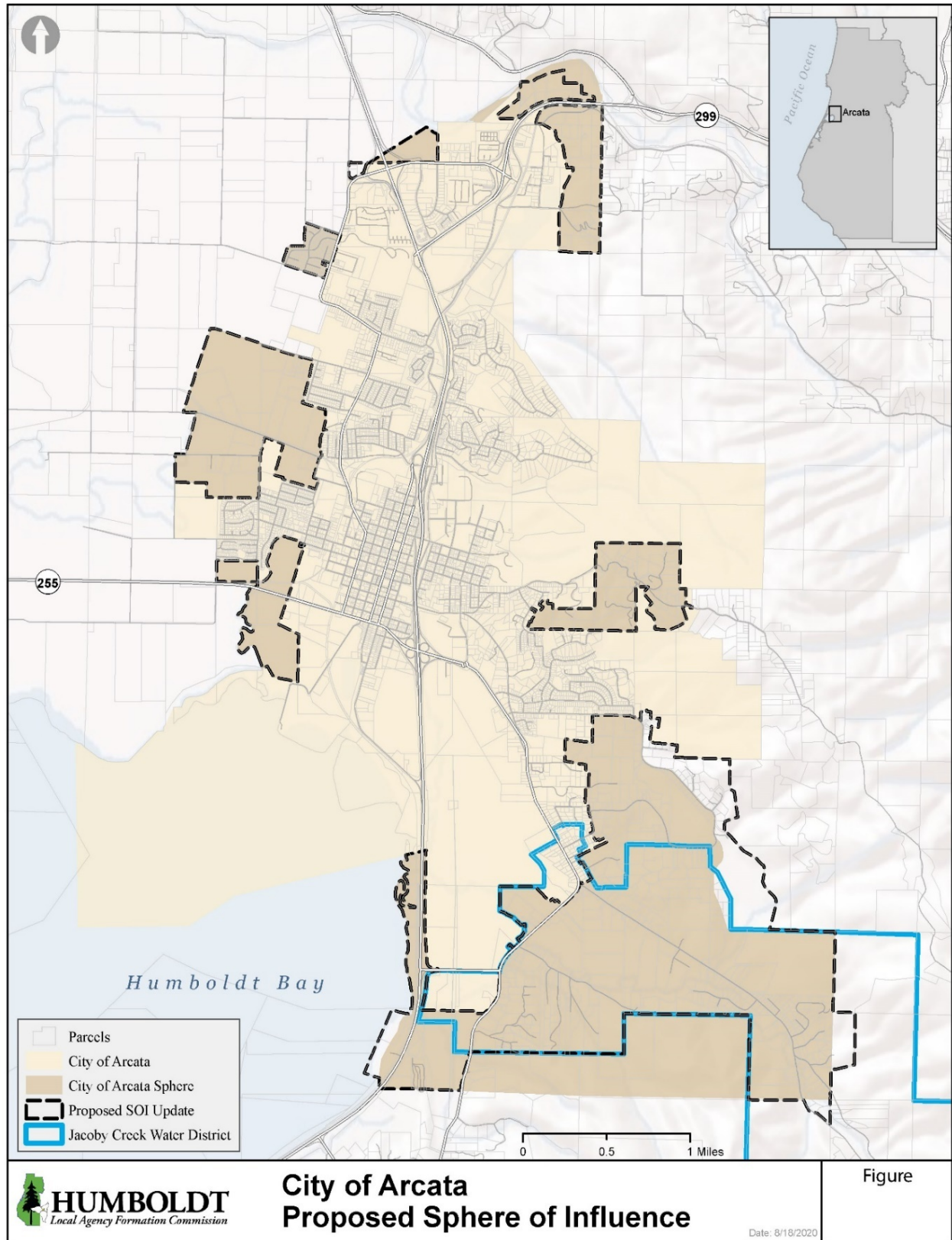
The proposed SOI takes into consideration potential areas of annexation and the extent of current service connections for water and wastewater. When considering an update to the City's SOI, the Commission considers the following:

- o Retention and strengthening of community identities, as well as increasing efficiency and conserving resources, by providing essential services within a framework of controlled growth.
- o The county's prime agricultural land and protection of this land through all available devices and guiding new development to non-prime land. Other open-space resources such as stream banks, floodplains, and recreation areas should also be protected for public benefit.
- o Creation of realistic, controlled, yet flexible, planning areas into which services can be expanded as growth requires and as the communities' resources provide.
- o Provision of infrastructure systems such as streets, sewers, water, open space for parks and recreation as a product of growth, rather than growth inducing;
- o Encouragement of city annexation or incorporation as a means of supplying the full range of urban services as required.
- o Evaluation of the availability and need for basic services in each community and forecast these to meet anticipated population growth, and recommend creation, expansion, consolidation and/or reorganization of districts when the need for such change is indicated.
- o Consideration of Commission policies, service reviews, and special studies that may be relevant to determining agency spheres of influence.

Minor changes are being proposed to the City's SOI to better follow parcel lines and the City's different service boundaries. While some areas, such as Jacoby Creek, may not be considered for annexation by the City, they receive services from the City and as such should be included with the SOI. The proposed SOI in the Bayside and Jacoby Creek areas includes all parcels currently served with water in addition to parcels that create a logical boundary for the area.

Along the southwest boundary of the City, which includes the Arcata marsh and portions of Arcata Bay, the SOI is proposed to be adjusted to follow current parcel lines and provide for a more logical boundary. A large portion to the south of the City between Old Arcata Road and Jacoby Creek Road is proposed for removal from the SOI as it is mainly hilly forested terrain with no current or proposed future need for services.

Figure 3: City of Arcata Boundary and Proposed SOI



3.0 SOCIO-ECONOMICS

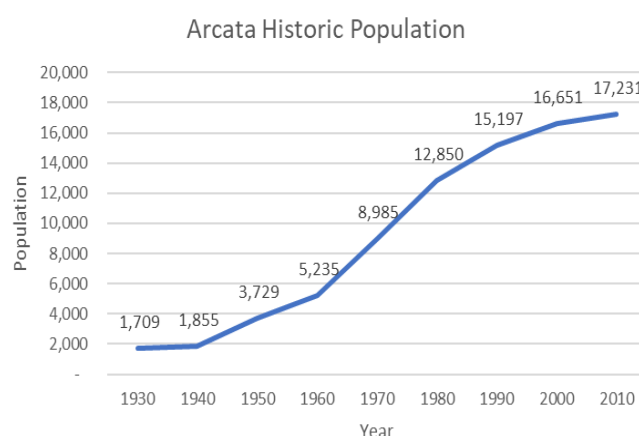
3.1 Population and Development

Historic to Present

Historically, Arcata experienced major growth post World War II (1940s) through the 1980s. From 1940 to 1950 the city's population increased by over 100 percent in the first decade and by 40 percent in the 1960s. While city leaders had anticipated a population of 5,000 by 1970 and were planning city services to meet the anticipated increase, that population level was actually reached a decade earlier³. Much of the population growth occurred in adjacent unincorporated areas of the County which had been largely agricultural. These level, open lands, adjacent to the City were attracting both housing development and industrial growth because they required little site preparation thereby reducing costs⁴. As development spread, the City annexed areas into the city, growing the city boundary to what it is today.

Figure 4: City of Arcata Historic Population

Year	Population ⁵	% Change
1930	1,709	-
1940	1,855	9%
1950	3,729	101%
1960	5,235	40%
1970	8,985	72%
1980	12,850	43%
1990	15,197	18%
2000	16,651	10%
2010	17,231	3%



Since the 1990s, Arcata has experienced moderate to slow growth, averaging 1% change, or less, annually, see Figure 4. The American Community Survey estimated that Arcata had a population of 18,257 persons as of July 2018⁶. The City of Arcata General Plan Housing Element cites a low anticipated population growth, to about 20,000 persons, by the year 2027⁷. Further, the General Plan states, "the majority of the City's growth has been, and is planned to be, located within the present City boundary, and concentrated around the

³ City of Arcata Historic Context Statement. Prepared by Guerra & McBane LLC for the City of Arcata. March 2012. Pg. 30

⁴ Ibid.

⁵ Source: Historical Census Populations of California, Counties, and Incorporated Cities, 1850-2010; California Department of Finance: <http://www.dof.ca.gov/Forecasting/Demographics/Estimates/E-5/>

⁶ United States Census Bureau. American Factfinder Website, City of Arcata page. Accessed October 3, 2019.

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

⁷ City of Arcata 2019-2027 Housing Element, Certified January 2020.

downtown area, existing neighborhood commercial centers, and Humboldt State University. Growth is directed to these areas because they have existing urban services and infrastructure.”

Beyond the above-referenced developments, Arcata is not expected to experience any significant population change or development over the next 5-10 years. Using an average annual growth of 0.50% and the estimated 2018 population of approximately 18,400, the 2030 population is estimated at 19,500; an increase of 1,100 residents.

While growth is anticipated to be limited for the City, there is a limited amount of available housing for current or potential new residents. According to the City’s recent 2019-2027 Housing Element Update, there is an increased need for affordable housing as nearly 57 percent of residents are overpaying for housing costs and 36% are severely overpaying for housing⁸. There are several large housing development projects that are in-process planning applications, or on the cusp of submittal for permit review. These projects are anticipated to provide additional affordable housing units and may increase the overall growth rate for the City.

3.2 Land Use and Geographic Factors

Arcata is primarily a residential and university community with 27% of residents between the ages of 20-24⁹. Even though there is slow growth in the City, residential developments are increasing in density as a result of a rapid rise in land values. The City encourages efficient land use by allowing flexibility and land-trust opportunities in planned residential developments. City policies also encourage “infill” which focuses development efforts on existing residential zoned lands within the City and minimizing development pressures on Arcata’s agricultural lands.

The current coastal zone, resource constraints, and greenbelts will continue to limit outward expansion. Land policies and zoning encourage small businesses, tourism, and light manufacturing. Arcata’s primary industrial site, Aldergrove Industrial Park, has limited parcels available for development. The City is continuing to plan for the development of a second redevelopment area, South I Street, located south of downtown adjacent to the Arcata Marsh¹⁰.

Agricultural Land and Open Space

Within City limits there are approximately 13 contiguous acres of land enrolled under the Williamson Act under one property owner located off of Alliance Road and south of Spear Avenue. The area is currently used as pasture land¹¹. Additional Williamson Act lands exist to the west of the City in the Arcata Bottoms but no Williamson Act lands are located within the City’s SOI¹².

⁸ City of Arcata 2019-2027 Housing Element, Certified January 2020.

⁹ American Community Survey 5-year Estimates (2018), Table S0101 – Age and Sex. Accessed 1/22/20.

¹⁰ Page 9. City of Arcata Urban Water Management Plan. Completed May 2016.

<https://www.cityofarcata.org/DocumentCenter/View/4148>

¹¹ Humboldt County GIS Portal. “Williamson Ag Preserves” layer. Accessed 1/27/17

¹² Humboldt County GIS Portal. “Williamson Ag Preserves” layer. Accessed 1/27/17

The City also owns 600 acres of agricultural land known as the Jacoby Creek Gannon Slough Wildlife Area. The U.S. Fish and Wildlife Service's National Coastal Wetlands Grant that partially funded the purchase of this land requires that it be maintained as open space in perpetuity.

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 Arcata 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 cities are not DUCs, the MHI of the city under review is a helpful indicator to establish likely regional economic conditions. The 2018 (most recent available) MHI for the City of Arcata is \$31,674¹³, which is 44% of California's statewide MHI of \$71,228¹⁴. The City is therefore considered to be a disadvantaged community and it is likely that residential areas within and adjacent to the City's boundary and SOI may also qualify as DUCs.

One adjacent residential area meets the registered voter criteria for DUC evaluation: the community of Glendale located east of the City along Highway 299 which has an estimated 2018 MHI of \$43,365¹⁵, 61% of the California MHI. An additional community to the north of Arcata, McKinleyville, has an estimated MHI of \$51,656¹⁶ which is 73% of the California MHI. The community of Manila along the Samoa peninsula has a MHI of \$36,525 which is 46 percent of the California MHI. The Bayside/Jacoby Creek neighborhood to the southeast of the City does not qualify as a DUC as its 2018 MHI of \$79,531 is above the California MHI¹⁷.

The communities of Glendale, Fieldbrook, McKinleyville, and Manila have been identified as legacy communities in the Humboldt County General Plan. Legacy communities are unincorporated areas that are geographically isolated and have been inhabited for at least 50 years¹⁸. Legacy communities and disadvantaged unincorporated communities often have shared boundaries.

Within a DUC, three basic services are evaluated: water, wastewater, and fire protection. There are two local agency service providers in Glendale including the Fieldbrook-Glendale CSD, which provides water and wastewater service, and the Blue Lake FPD, which provides structural fire protection. The Fieldbrook-Glendale CSD provides fire protection services within

¹³ American Community Survey 5-year Estimates (2018), Table S1903 – Median Income in the Past 12 Months, Arcata City, CA. Accessed January 22, 2020.

¹⁴ American Community Survey 5-year Estimates (2018), Table S1903 – Median Income in the Past 12 Months, California. Accessed January 22, 2020.

¹⁵ American Community Survey 5-year Estimates (2018), Table B19013 – Median Income in the Past 12 Months, Census Tract 103, Block Group 2. California. Accessed January 22, 2020.

¹⁶ American Community Survey 5-year Estimates (2018), Table S1903 – Median Income in the Past 12 Months, McKinleyville CDP, California. Accessed March 18, 2020.

¹⁷ American Community Survey 5-year Estimates (2018), Table B19013 – Median Income in the Past 12 Months, Census Tract 9, Block Group 2. California. Accessed January 22, 2020.

¹⁸ Humboldt County General Plan 2017- Housing Element Appendix G

its District north of the Glendale area, while the Blue Lake FPD provides fire protection services within the Glendale area.

The community of McKinleyville is currently served by the McKinleyville CSD which provides water, wastewater, parks and recreation, and lighting services. Fire protection services are provided by the Arcata FPD.

The community of Manila is served by the Manila CSD which provides water, wastewater, and recreation services. Fire protection services are provided by the Arcata FPD.

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

4.0 ACCOUNTABILITY AND GOVERNANCE

4.1 Governance

Arcata incorporated as a "General Law" city, meaning that the city was not granted a separate charter, but falls under the "General Law" of the California statute. The city has a Council-Manager form of government, in which legislative and policy functions are vested in the City Council, while the City Manager runs the day-to-day business of the city.

The Arcata City Council consists of five members elected at-large by the voters to serve overlapping four-year terms. The city council annually selects the mayor from among their own members. The City Council is the policy-setting body that is responsible for enacting ordinances, establishing policy, adopting and amending the budget, and adopting resolutions. The Mayor has appointive powers, subject to council approval. The City Council appoints the City Manager to support their efforts and oversee the daily operations of the City to ensure that the Council's policies, programs, and priorities are implemented. Several boards, commissions, and committees assist in carrying out various functions of city government.

Table 2: Arcata City Council Members

Council Members	Seated	Term Expiration
Michael Winkler, Mayor	November 2008	November 2020
Paul Pitino, Vice-Mayor	2004-2008; 2014-present	November 2020
Sofia Pereira	November 2014	November 2022
Brett Watson	April 2017	November 2022
Vacant		November 2020

Regularly scheduled City Council meetings are held on the first and third Wednesday of the month at 6:00 p.m. at City Hall. Regularly scheduled Planning Commission meetings are held on the second and fourth Tuesdays of every month at 6:00 p.m. at City Hall.

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 city's website.

The City of Arcata presently has six operating departments: City Manager, Finance, Police, Community Development, Building and Engineering, and Environmental Services. Each department has a director who is responsible to the City Manager¹⁹. Currently the city employs 127 full-time employees and on average 40 part-time employees. Figure 5 shows the most recent organization chart for the City.

¹⁹ City of Arcata. "City of Arcata, California Annual Financial Report for The Fiscal Year Ended June 30, 2015", *Description of Community*. <http://www.cityofarcata.org/ArchiveCenter/ViewFile/Item/143> Updated: 3/6/2016.

Chapter 4 – Accountability and Gov.



4.2 Administration

The City Manager is responsible for directing and supervising the day-to-day administration of the city to ensure that laws, ordinances, resolutions, contracts, and leases are enforced and executed. In addition to the City Manager's specific duties and responsibilities as set forth in the Arcata Municipal Code (A.M.C.) § 2100-2106, the City Manager also functions and has the following duties and responsibilities:

- o Director of Emergency Services (Arcata Municipal Code § 2702)
- o Personnel Officer (Arcata Municipal Code § 2160.3)
- o Purchasing Officer (Arcata Municipal Code § 2401)
- o Safety Officer/Risk Manager

4.3 Accountability

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. Meetings are recorded and can be watched live or on-demand. 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 general public comment period. Residents can also sign up for e-notifications and emergency notifications via CodeRED.

4.4 Shared Facilities

The city collaborates with other public agencies to provide service more efficiently or effectively. Some Arcata's collaborative activities include the following:

- o An agreement with Humboldt Bay Municipal Water District (HBMWD) for bulk water purchase. The HBMWD is a regional water supplier that provides drinking water on a wholesale basis to the cities of Arcata, Blue Lake and Eureka, and the Fieldbrook-Glendale, Humboldt, Manila and McKinleyville Community Services Districts.
- o A service agreement with Jacoby Creek CWD to provide water service to the District's customers. The City provides routine inspection and maintenance of the system and also provides billing and administrative support services.
- o A service agreement with Fieldbrook-Glendale CSD to treat and dispose of the District's wastewater. Currently, the City receives and treats up to 71,200 gallons per day from the CSD. The current wastewater treatment facility is able to process this amount. However, the facility will likely need to complete planned upgrades before any additional amount of wastewater is received from Fieldbrook-Glendale CSD.
- o A long-term relationship with the Arcata Fire Protection District (FPD), which provides fire protection and rescue services to the communities of Arcata, McKinleyville, Manila, Bayside and Jacoby Creek. The Arcata FPD serves approximately 37,000 people in a 62 square mile area. The District is a combination career-volunteer department and provides services out of three stations. More information on the

Arcata FPD and the services they provide can be found in the Humboldt Bay Regional Fire Services MSR adopted on September 20, 2017.

- MOU agreement with McKinleyville CSD that prohibits further expansion of industrial water users in the Boyd Road area.
- Membership in the 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.
- Membership in 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.
- Membership in the Humboldt Waste Management Authority, a joint powers authority that provides solid waste management services in the county.
- Membership in the Redwood Region Economic Development which is a collaboration of elected officials from throughout Humboldt County dedicated to economic and business development.
- California League of Cities, an association of California city officials who work together to enhance knowledge and skills, exchange information and combine resources to influence policy decisions that affect cities

5.0 CITY SERVICES AND INFRASTRUCTURE

Service Overview

The City of Arcata provides a full range of urban services with the exception of fire protection. Structural fire protection services are provided by the Arcata Fire Protection District, both within the City and in surrounding areas. An overview of the services Arcata provides and the departments that administer them are as follows:

Environmental Services

Water
Wastewater
Stormwater Drainage
Parks and Recreation (including Natural Resources)
Community Facilities
Streets
Solid Waste

Police Services

Police
Parking
Animal Control

Building and Engineering

Building
Engineering
Public Transportation
Street Lights

Community Development

Planning, Economic Development, and Housing

Among the services enumerated above, the provision of water supply and wastewater disposal facilities are generally the major determinants of the location of future development. The need for the other urban services tends to follow the provision of water and sewers as development occurs and population increases. For this reason, the discussion which follows focuses primarily on the City's capability to provide water supply and wastewater facilities. In Arcata, those areas served which receive both water and wastewater services are delineated by the Urban Services Boundary, and those areas which exclusively receive water services are delineated by the Water Services Only Boundary. Other services provided by the City are given a brief overview.

5.2 Environmental Services

Water

Arcata has a mix of residential, commercial, industrial, and agricultural water users. Humboldt State University, located within walking distance of downtown, is a major water user, employer, and regional center. Agricultural areas exist primarily to the west of city limits, with some agricultural parcels being served by city water²⁰. In addition, the City operates, maintains, and provides water to the Jacoby Creek County Water District's water distribution system. Collectively, these two systems comprise the City's Water Service Area (see Figure 6). In 2019, the Service Area had 6,567 service connections of which 6,237 were located in the City limits, and 330 in Jacoby Creek. The City delivered 501 million gallons (MG) of water to these connections²¹, see Table 3, below. The Jacoby Creek CWD's operations and Municipal Review are discussed further in the Jacoby Creek MSR.

Table 3: City of Arcata Managed Water Connections Volume²²

Class	Consumption (hcf)
Single Family Residential	308,929
Tier 1 (0-3 units)	174,417
Tier 2 (3-4 units)	36,031
Tier 3 (4+ units)	98,481
All Others	360,909
Totals:	669,838

Jacoby Creek County Water District

Through contractual agreement, the City sells water directly to Jacoby Creek CWD customers, maintains and repairs the Jacoby Creek CWD distribution system, and fulfills regulatory requirements for the Jacoby Creek CWD. Water is delivered through direct transfer at the Jacoby Creek flow meter located near the southeast city limit. The District extends approximately four miles southeast providing service to portions of the community of Bayside. The Jacoby Creek CWD encompasses approximately 899 acres with a total of 323 single-family water collections and seven commercial/institutional connections, making this one of the lowest density population areas in the Service Area²³.

Water Source

Arcata's primary water source comes from the Humboldt Bay Municipal Water District (HBMWD). They also utilize a groundwater source, known as Heindon Well, and maintain several interconnections with nearby water service providers to be able to share water in the case of emergency.

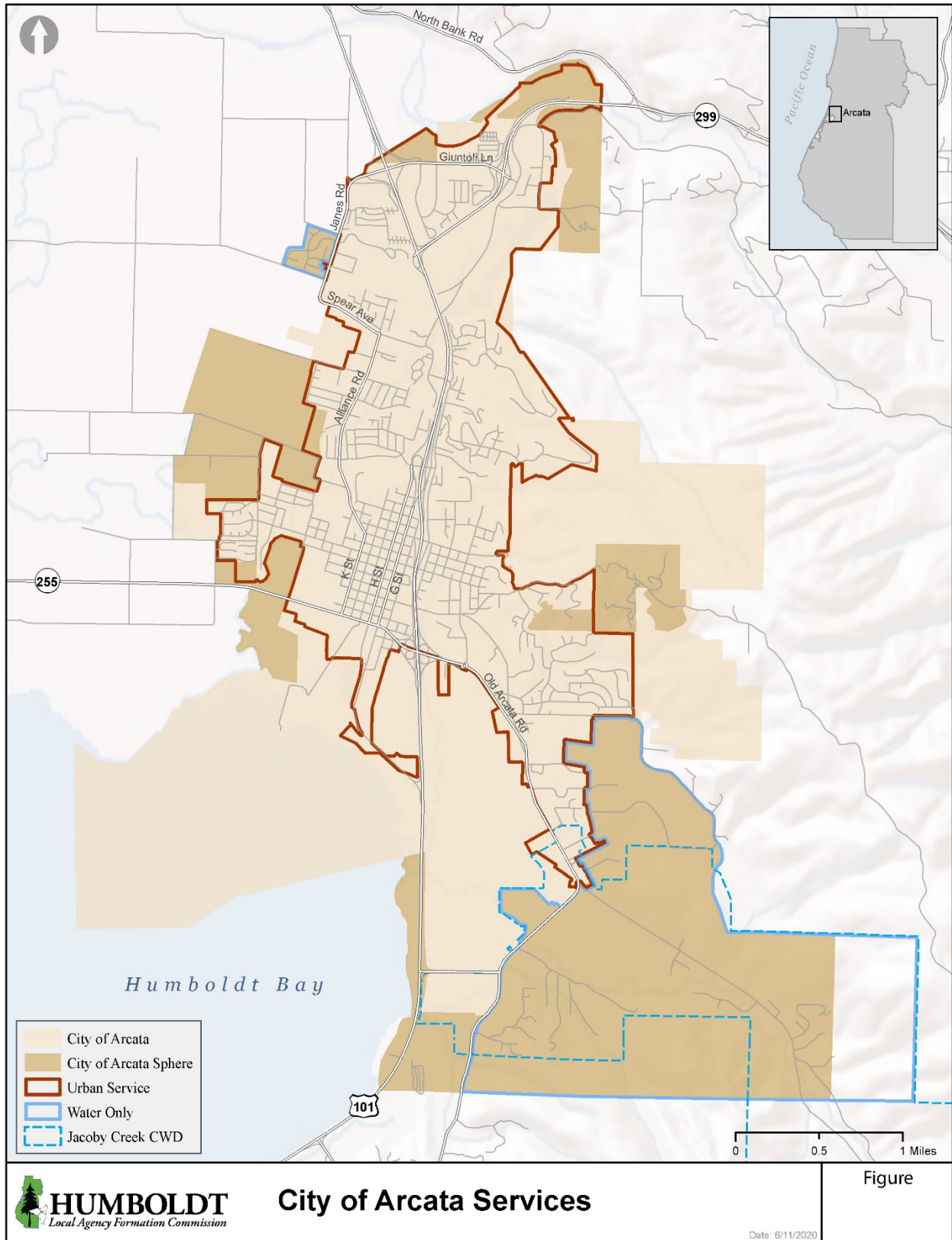
²⁰ Arcata Urban Water Management Plan, 2016. Pg. 9. <https://www.cityofarcata.org/DocumentCenter/View/4148>

²¹ Bartle Wells Associates, Draft City of Arcata Water COS Rate Study 2020, March 2020.

²² Bartle Wells Associates, Draft City of Arcata Water COS Rate Study 2020, March 2020.

²³ Arcata Urban Water Management Plan, 2016. Pg. 10. <https://www.cityofarcata.org/DocumentCenter/View/4148>

Figure 6: City of Arcata Services Boundaries



Pumping from Heindon Groundwater Well began in 1999 to diversify the City's water supply and better prepare for emergencies²⁴. Historically, the well has provided 0.35 to 0.5 MGD.

HBMWD has water rights permits from the SWRCB through the year 2029 for surface water storage and diversion²⁵. Arcata has a peak rate allocation of 3.25 MGD from HBMWD, and a peak rate use of 1.825 MGD. In 2019, the City utilized 501 MG, or 42 percent of its allocation. According to the 2015 Urban Water Management Plan, the City projects a demand of 880 MG annually by 2040, which is 75 percent of its current peak rate allocation. This increase in demand is based on normal anticipated population growth plus an additional increase from completed housing projects²⁶.

Table 4: Projected Water Use and Supply for Arcata and Jacoby Creek CWD

Year	2020	2025	2030	2035	2040
Usage (MGY)	730	786	815	847	880
Supply	1,369	1,369	1,369	1,369	1,369

Infrastructure, Distribution, and Storage

The system includes 87 miles of transmission mains, fire hydrants, valves, and the water services from the mains to individual water meters. The City has approximately 4.4 million gallons of storage capacity spread over 17 tanks ranging in size from 15,000 gallons to 1.5 million gallons.

Water Rates

The City recently conducted a water and wastewater rate study to assess the current cost of service and determine a rate structure that would cover current and future costs. This was largely prompted by the upcoming wastewater treatment plant rehabilitation and replacement project that will be financed by a federal loan. In order to qualify for the loan, the City must have a rate structure in place that will cover the repayment of the loan.

Based on the rate study, the City approved a single volumetric rate structure as opposed to the former current three-tiered structure. The new rates also include a 3% increase for water service over the next five years to account for inflation.

Figure 7: Adopted Rate Changes for Water Service

Adopted Volume Charges – Single Volume Rate		
Residential & Non-Residential Volume Charge (\$/hcf)		
Monthly Monthly Water Use	Inside City	Outside City
Volume Charge per hcf	\$6.74	\$6.74

²⁴ Arcata Urban Water Management Plan, 2016. Pg. 20. <https://www.cityofarcata.org/DocumentCenter/View/4148>

²⁵ Arcata Urban Water Management Plan, 2016. Pg. 23. <https://www.cityofarcata.org/DocumentCenter/View/4148>

²⁶ City of Arcata, Urban Water Management Plan 2015, Table 4-2 and Appendix E. Completed May 2016.

Adopted Water Rates- Monthly Fixed		
Meter Size	Inside City	Outside City
	(\$/month)	(\$/month)
5/8" or 3/4"	\$11.52	\$17.29
1"	\$19.24	\$28.87
1 1/2"	\$38.37	\$57.56
2"	\$61.42	\$92.13
3"	\$115.24	\$172.86
4"	\$192.10	\$288.15
6"	\$384.08	\$576.13
8"	\$614.56	\$921.84
10"	\$883.52	\$1,325.28

Wastewater

Arcata owns and operates a wastewater collection, treatment, and disposal system that serves approximately 16,800 residents²⁷. The City's sewer system has received metered wastewater from the Fieldbrook-Glendale Community Services District since 1992 for treatment of up to 71,200 gallons per day. The City also entirely contains Humboldt State University, which discharges un-metered to the City's system. Wastewater is conveyed from the area within city limits, a portion of the JCWD, and from the Fieldbrook-Glendale Community Services District to the Arcata Wastewater Treatment Plant. In 2018 the City processed 626.66 MG of wastewater and in 2019 it processed 661.99 MG²⁸.

The City of Arcata is committed to providing safe, responsive, and reliable wastewater service. In the 2018 update to the City of Arcata Sewer System Management Plan, there are several goals for the operation and maintenance of the wastewater system which include:

1. Minimize sanitary sewer overflows.
2. Prevent public health hazards.
3. Minimize inconveniences by responsibly and effectively handling interruptions in service.
4. Protect the large investment in collection systems by maintaining adequate capacities and extending useful life.
5. Prevent unnecessary damage to public and private property and the environment.
6. Use funds available for sewer operations in the most efficient manner.
7. Convey wastewater to treatment facilities with a minimum of infiltration, inflow and exfiltration.
8. Provide adequate capacity to convey peak flows.

²⁷ Arcata Wastewater Treatment Facility Improvements Project, Facility Update and Addendum. June 2016. Page 2-1.

²⁸ City of Arcata, Personal Communication with Environmental Compliance Department, January 30, 2020.

9. Perform all operations in a safe manner to avoid personal injury and property damage.

Collection System

The City's sewer system consists of approximately 63 miles of pipe, ranging from 6 inches to 22 inches in diameter, and eight sewage lift stations²⁹. Most of the sewer collection system pipes were installed in late fifties. The type of material used throughout the system is predominantly asbestos cement pipe with some vitrified clay pipe. In the last decade the City has been proactively rehabilitating the collection system via Cured In Place Pipe (CIPP) or complete replacement of pipe and manholes. The City budgets annually \$150K to \$200K to rehabilitate collection system and actively looking for grant opportunities to rehabilitate the collection system³⁰.

Arcata is nearly completely built-out in developable areas, and the great majority of capacity enhancement has to do with storm water inflow and infiltration (I/I) flows. The City of Arcata maintains a five-year CIP for city-wide projects including sewer capacity-related projects. Evaluation of Arcata's sewer system is conducted through a computer model using video inspection and rating system data collected throughout the city and other service areas. Model scenarios are maintained for dry peak and wet weather/storm conditions. The dry weather flow design value is 2.3 million gallons per day (MGD) for the sanitary sewer system; the peak wet weather flow is 5.9 MGD. All new sewer construction in the city of Arcata uses these flow criteria as the design values. To-date, employing Arcata's sewer model and other data sources such as video inspections and historic information, the City has developed a Sewer Rehabilitation Priority Plan. This document is the primary guidance for future sewer capacity projects, and this plan is reflected in the Arcata CIP³¹.

The City of Arcata's capital improvement program (CIP) for sewer rehabilitation and replacement consists of individual CIP projects that run from beginning to end and therefore can begin before and continue beyond a single budget cycle. Projects receive funds annually from the sewer use fee. The City maintains and annually updates the CIP. Projects listed for the City's collection system address inflow and infiltration and mainline flow capacity. Additionally, the City has identified a specific need to continue to develop a private sewer lateral replacement program³².

The City has also made efforts to improve laterals. Ordinance 1461 requires laterals on buildings and homes over 25 years old to be inspected when sold, remodeled at \$30,000 or more, or when 2 or more new drainage fixtures are proposed³³. This will help identify any problems in the system and decrease the amount of infiltration from private properties into the City collection system.

Treatment Facility

The Arcata Wastewater Treatment Facility (AWTF) has been discharging to Humboldt Bay since 1949. The AWTF currently discharges treated wastewater to Humboldt Bay in conjunction with enhanced treatment occurring in the Arcata Marsh Wildlife Sanctuary

²⁹ Arcata Sewer System Management Plan. July 2012.

³⁰ City of Arcata, Engineering Department, Personal Communication, February 14, 2020.

³¹ Arcata Sewer System Management Plan. July 2012.

³² Arcata Sewer System Management Plan. July 2012.

³³ City of Arcata. Wastewater Page, <https://www.cityofarcata.org/331/Wastewater>. Accessed December 9, 2019.

(AMWS), which are constructed freshwater wetlands adjacent to the treatment facility³⁴. The existing AWTF facilities include headworks, primary clarifiers, oxidation ponds, treatment wetlands, enhancement wetlands, and chlorine disinfection. Solids removed in the primary clarifiers are treated in anaerobic digesters and solids drying beds. Current capacities for the system are summarized in Table 5. While the facility can currently accommodate average dry weather flow, it struggles with average wet weather flow due to I/I and rainfall in the treatment ponds. In 2019 the measured Dry Weather Influent flow was 1.108 MGD and the Wet Weather Influent Flow was 1.955 MGD³⁵. However, during wet weather months (December to April), flows reached a maximum of 9.9008 MGD which greatly exceeds plant capacity³⁶.

Table 5: AWTF Design Flow and Loads³⁷

Type of Flow (units)	Design Capacity
Average Annual Design Flow (MGD)	2.3
Maximum Month Design Flow (MGD)	5.9
Influent Average Annual BODs (PPD)	4,100
Influent Average Annual TSS (PPD)	3,400
Design Population	19,056

The AWTF currently treats municipal wastewater to meet treatment standards and discharge requirements established by the North Coast Regional Water Quality Control Board (RWQCB). These requirements are outlined in the City's National Pollutant Discharge Elimination System (NPDES) permit, which was last renewed in 2019³⁸.

The 2019 NPDES permit specifically addressed several long-term issues regarding disinfection, treatment units, and outfalls. Due to past compliance problems, the new permit required changes be made to improve wastewater treatment, protect beneficial uses, increase energy efficiency, and reduce chemical usage, thereby reducing the potential for permit violations.

A majority of the plant's mechanical equipment has exceeded its expected life, and major structures such as the headworks, clarifier and internal and external pumping stations are also approaching the end of their useful life. Overall, the plant assets and equipment are in fair to poor condition, indicating a need for a comprehensive update³⁹. Therefore, in addition to current efforts to meet the conditions of the NPDES permit, ongoing projects will be required to rehabilitate the aging infrastructure.

³⁴ Arcata Wastewater Facility Plan. Revised July 2017. Page 2-1.

³⁵ City of Arcata, Environmental Compliance, Personal Communication – Email. October 21, 2020.

³⁶ City of Arcata, 2019 Annual Wastewater Treatment Report, Arcata Wastewater Treatment Facility. February 2020.

³⁷ Per 1987 Drawings. All information provided in table is sourced from Arcata Wastewater Treatment Facility Improvements Project, Facility Update and Addendum, Page 3-2.

³⁸ Arcata Wastewater Facility Plan. Revised July 2017. Page 3-1.

³⁹ Arcata Wastewater Facility Plan. Revised July 2017. Page 1-13.

The City has been working on a two phased approach to upgrade the aging AWTF. During the first phase, which is anticipated to begin in FY2020-21, activities will focus on plant flow reconfiguration and existing plant rehabilitation. This will include a new outfall into the brackish marsh, pump station rehabilitations, headworks and primary clarifier rehabilitations and replacements, pond treatment improvements, installation of a UV disinfection facility, and control facilities improvements. Phase 2, anticipated to start in FY2021-22, will focus on secondary treatment additions including a new oxidation ditch and two secondary clarifiers as shown in Figure 8. Phase 2 will also include solids handling improvements⁴⁰. The planned improvements will increase treatment capacity and reliability in order to meet current and future needs of the community. Upon completion of the project, the AWTF will be able to continue to process a Peak Dry Weather Flow of 2.3 MGD and a Peak Wet Weather Flow of 5.9 MGD⁴¹.

Updates to the AWTF, along with planned improvements to the collection system, should provide adequate wastewater treatment capacities for anticipated future growth in the City of Arcata.

Sea Level Rise

The AWTF is located adjacent to Arcata Bay and lies within the historic tidewater area of the bay. The treatment facility and existing oxidation ponds are currently surrounded by levees at an elevation of 12 feet which could be raised to approximately 15 feet before needing to add additional material into the oxidation ponds to support higher elevations⁴².

By 2050 it is projected that sea level will rise by 1.1 feet⁴³. This amount of sea level rise has the potential to impact operations at the AWTF and has been taken into consideration during the design process for the planned AWTF upgrades. Developed recommendations include that all new facilities be built at an elevation of 11.5 feet to prevent flooding during a 100-year storm with sea level rise which is anticipated to be at an elevation of 11.05 feet⁴⁴.

With sea level rise, it is also expected that at some point in the future the existing natural system of oxidation and finishing ponds will no longer be able to provide treatment capacity. At this future time, additional treatment capacity will be needed and can be provided via a second oxidation ditch and third secondary clarifier at the site of the existing facility. These additional components will allow the full 5.9 MGD of peak wet weather flow to be treated in the conventional secondary treatment process and have been preliminary sited as shown in Figure 8⁴⁵.

⁴⁰ City of Arcata Predesign Report, Final May 2019. Wastewater Treatment Facilities Improvements. Prepared by Carollo.

⁴¹ City of Arcata. Wastewater Treatment Facilities Improvements, Technical Memorandum 1 – Basis of Design, Table 1.1. Final, April 2019.

⁴² City of Arcata, Staff Report for April 19, 2017 City Council Meeting. Receive an Update on the Wastewater Treatment Plant Facility Plan and Upgrade Project. . . and CEQA Environmental Review.

⁴³ Humboldt Bay Sea Level Rise Adaptation Planning Project: Phase 2 Report, February 2015.

⁴⁴ City of Arcata. Wastewater Treatment Facilities Improvements, Technical Memorandum 8 – Site Improvements. April 2019.

⁴⁵ City of Arcata. Wastewater Treatment Facilities Improvements, Technical Memorandum 5 – Oxidation Ditches, Secondary Clarifiers, and Associated Facilities. April 2019.

LEGEND

EXISTING ———

NEW ———

FUTURE - - - - -

LEGEND

Phase 2

Future

CENTRAL SITE PLAN

FIGURE ES.3

CITY OF ARCATA
WASTEWATER TREATMENT PLANT IMPROVEMENTS PROJECT

Additional improvements include elevating existing protective levees as noted above. The protective levees surrounding the AWWTF and oxidation pond/wetlands will be raised/augmented to a minimum of 14 feet (NAVD 88) within the FEMA VE zones, areas identified for storm driven (erosive) waves or to a minimum of 12 feet in FEMA AE zones surrounding all critical Plant infrastructure. These current FEMA elevations address a minimum of 50 years' sea level rise using probabilistic models at 0.5% probability of exceedance according to Ocean Protection Council 2018 estimates.

The City of Arcata is still in the process of addressing the potential impacts of sea level rise on the AWWTF and other low-lying areas of the City. Sea level rise planning and other coastal hazards will be an important component of the City's Local Coastal Program update, which regulates all development within the Coastal Zone (which makes up about one-third of the City). The City has conducted more than 10 community meetings since 2017 to incorporate input on the policy and programs to respond to the future threats associated with sea level rise. The City is currently developing its adaptation plan, which will be adopted in the General Plan and implemented through related zoning ordinances. The City expects to conclude this long-range planning effort in the Summer of 2021. City staff will continue to monitor the effects of climate change and participate in regional planning efforts pertaining to sea level rise.

Sewer Rates

Service charges for wastewater treatment in the City are based on water consumption. There is a base charge of \$50.51 per month and includes the first 400 cu. ft. of water. Consumption in excess of 400 cu. ft. is billed at \$7.75 per 100 cu. ft. A winter averaging allowance is provided for customers with single family residences during irrigation season. During this time, charges are based on average water usage for the previous February through April⁴⁶.

As discussed under water service, the City is in the process of updating rates for water and wastewater services. The adopted new wastewater rates include an 8-10% annual increase to account for inflation and increased cost of providing services.

Figure 9: Adopted Rates for Wastewater Service

Adopted Rates- Wastewater		
Base Rate \$/account		
Residential	monthly	\$54.99
Commercial	monthly	\$57.43
Sewer Repair Fee		
All Users	monthly	\$5.00
Volume Rates \$/hcf		
Residential	> 4 hcf	\$8.04
Commercial		
Low Strength	> 4 hcf	\$7.00
Medium Strength	> 4 hcf	\$8.51
High Strength	> 4 hcf	\$14.27

⁴⁶ City of Arcata. Residential Water/Sewer Service Fact Sheet – 2019/2020 Fiscal Year.

Stormwater Drainage

Stormwater in Arcata flows from streets down storm drains and out into creeks and other drainage features that eventually lead into Humboldt Bay. Since there is no filtration, any pollutants that enter the storm drain system are eventually introduced into the environment. As such, it is important to educate the public about pollution prevention.

The City is part of the North Coast Stormwater Coalition which is a group that works collaboratively with Northern California city and county governments to reduce stormwater pollution and protect local waterways. The City of Arcata is regulated by a state issued MS4 stormwater permit. The Municipal Storm Water Program regulates storm water discharges from municipal separate storm sewer systems (MS4s) throughout California. U.S. EPA defines an MS4 as a conveyance or system of conveyances (including roads with drainage systems, municipal streets, catch basins, curbs, gutters, ditches, man-made channels, or storm drains) owned or operated by a State (40 CFR 122.26(b)(8)).

The City's Storm Water Management Program was developed and implemented in November 2005. In 2010 the State developed statewide guidance for MS4 communities (communities with separate storm sewer systems) such as Arcata. Since that time Arcata follows and is compliant with the State Water Board program requirements for MS4 communities. The program outlines minimum requirements for public education and outreach which includes distributing educational materials, event participation, educational programs for school children, storm drain stenciling, and storm water hotlines⁴⁷. Other program components include Public Involvement and Participation, Illicit Discharge Detection and Elimination, Construction Site Runoff Control, Post-Construction Storm Water Management in New Development and Redevelopment, and Pollution Prevention and Good Housekeeping for Municipal Operations.

The Storm Water Management Program is primarily funded through the Stormwater Drainage Maintenance Fee outlined in the City of Arcata Municipal Code (Article 3, Sec. 7995.01 *et seq.*). This fee is set annual by the Director of Environmental Services and is billed to the property owner twice a year. Currently there is a flat rate fee of \$12.22 with an additional \$0.00488 per square foot of impervious surface.

The City also maintains a Stormwater Drainage Fund which comes from development projects that include drainage development fees. This fund can be utilized for operation of the Storm Water Management Program including capital needs and related expenses⁴⁸. The current fee for development projects is \$0.114 per square foot of new impervious surfaces which must be paid before any permits are issued.

The Janes Creek Storm Drainage Maintenance District also lies primarily within the City boundary. This District follows Janes Creek which travels from the West End Road area, through the City partially along Alliance Road, and out to Arcata Bay through the McDaniel Slough. At times, the City requests funding from the County Public Works Department for projects in this area.

⁴⁷ City of Arcata, Storm Water Management Program, November 2005., pg. 12.

⁴⁸ City of Arcata, Municipal Code, Article 4, Section 7996.01 and 7996.02.

Parks, Facilities, Recreation and Natural Resources

The Parks, Facilities, Recreation and Natural Resources Division of the City is responsible for 30 park areas totaling 106 acres and other open space areas totaling over 3300 acres. The system includes neighborhood and community parks, 15 playgrounds, 9 athletic fields, special use parks, non-motorized trail systems, picnic areas, community gardens, and the Downtown Plaza, the Arcata Marsh and Wildlife Sanctuary, the Jacoby Creek Gannon Slough Wildlife Area and the 2,400-acre Arcata Community Forest. This large system of parks and open space areas provides an opportunity for residents to enjoy a range of activities.

The largest open space area in the City limits is the 977-acre Arcata Community Forest next to Redwood Community Park. The forest includes 19 miles of trails for hiking, mountain biking, and horseback riding. The City forest was recently expanded with the purchase of 49 acres, known as the Forsyth property, in 2019.

The City recently completed construction of the Greenview Playground Project which consisted of upgrading the Greenview Park to include equipment and activities for all levels of ability. The project was funded through partnerships with local individuals, businesses, and the California Department of Housing and Community Development⁴⁹.

The City also provides rental opportunities for many of its public facilities including the Arcata Community Center, D Street Neighborhood Center, Library Conference Room, Redwood Lodge, Redwood Lounge, Picnic and Stage Areas in Redwood Park, Gazebo and Bocce Courts in Larson Park and the Sports Fields. Rental fees help offset the cost of operating the parks and recreation department.

In 2018 the total cost of services for parks and recreation was \$1,720,997. Charges for services, which includes program fees and rentals, was \$446,482 and other operating grants and contributions was \$245,285 making the net cost of services \$1,029,230⁵⁰. The proposed budget for Fiscal Year 2019/20 was \$1,694,468 which was a 21% decrease from the prior year⁵¹.

Streets

Streets within the City of Arcata are maintained by the Streets and Utilities Division of the Environmental Services Department. The City has approximately 70 miles of streets and provides comprehensive street right-of-way maintenance and rehabilitation, including sweeping of 120 curb miles which is supported by the utility tax fund, and repair of roadways, underpasses, and overcrossings. The City also grades, cleans, and maintains unimproved roads, road shoulders, and medians to assure safe driving and parking conditions⁵². This department also handles vegetation management in City rights-of-way and manages and maintains parking, regulatory, warning, stop, street name, and other guidance signs throughout the city.

⁴⁹ City of Arcata, Departments, Parks & Recreation, Greenview Park. Accessed March 16, 2020 from <https://www.cityofarcata.org/427/Greenview-Park>.

⁵⁰ City of Arcata, Annual Financial Report for the Fiscal Year Ended June 30, 2018.

⁵¹ City of Arcata, City Council Staff Report for June 5, 2019, Item 2.9C Continuation of Public Hearing on the Proposed Budget for Fiscal year 2019/20.

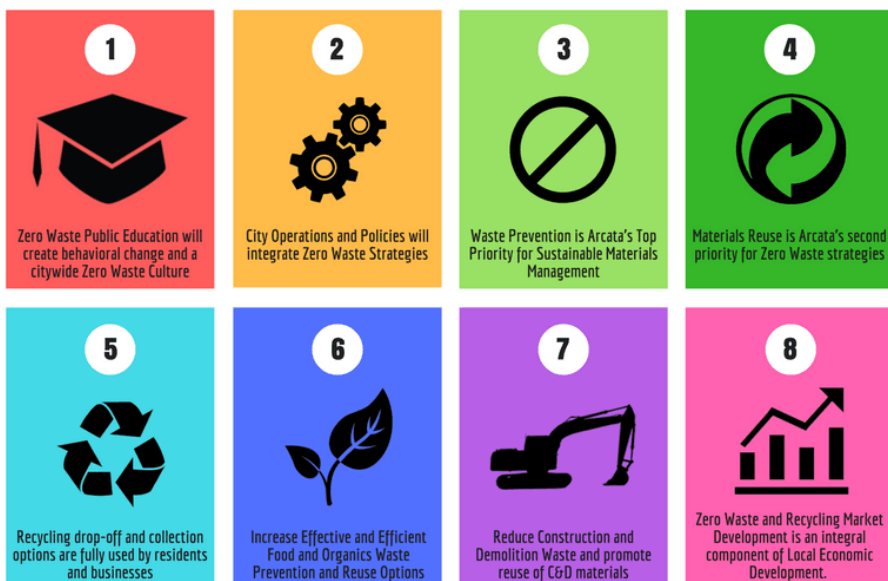
⁵² City of Arcata, Environmental Services, Streets and Utilities. Accessed March 17, 2020 from <https://www.cityofarcata.org/270/Streets-and-Utilities>.

Highway 101 runs north and south through the City. The highway is maintained by Caltrans which has a maintenance station located south of Arcata in Bracut.

Solid Waste

Solid waste collection in Arcata is managed by franchise contract with Recology Arcata which provides weekly curbside yard waste, recycling, and garbage pickup. The City is dedicated to becoming a Zero Waste community and manages numerous programs t for achieving zero waste. Figure 10 below provides eight implementations goals set by the City⁵³.

Figure 10: City of Arcata Zero Waste Goals



5.3 Community Development

Planning, Economic Development, and Housing

The Community Development Department of the City manages several areas of the City that focus on sustainable growth and enhancing the City's character along with providing a range of housing types for all levels of income and also supporting the growth of the City's economy.

The different divisions under the Community Development Department include Planning, Housing, Economic Development, Foodworks Culinary Center, and Commercial Cannabis Activity. These divisions work together to actualize the community's vision of the City by conducting long range and short-term planning including updates to the City's General Plan.

The City is also working on the Strategic Infill Redevelopment Plan, which will adopt major updates to its General Plan and will include the Arcata Gateway Specific Area Plan. This infill planning is intended to address growth and development in the City for the next 20-year

⁵³ City of Arcata, Environmental Services, Sustainability Programs, Zero Waste. Accessed March 17, 2020 from <https://www.cityofarcata.org/275/Zero-Waste>.

planning cycle, with development pressure directed at infill primarily in existing commercial and transitioning industrial areas near the downtown and in the Valley West neighborhood.

As part of the General Plan and Land Use Code updates, the City is also in the process of updating the 1989 Local Coastal Program, slated for completion by January 2021. The Program regulates all development within the Coastal Zone which makes up about one-third of the City. The update includes potential changes to the downtown commercial district and some residential areas and considers how policies would affect the community and environment, helping shape Coastal Zone activities for the next 20 years.

5.4 Law Enforcement

Police

The Arcata Police Department provides police and emergency response services to the City of Arcata and adjacent communities. The department is made up of four divisions; administrative, communications, investigations, and patrol. Administration of the department consists of the Chief, two Lieutenants and an Administrative Analyst. Administration is responsible for upper level managerial oversight of all major operational units of the department⁵⁴. The communications division consists of the Dispatch/ Records Supervisor, four full time dispatchers, and one part time dispatcher. In 2018 the department received 24,796 calls for service and in 2019 it received 25,142 calls, an increase of 1%⁵⁵. The investigation division includes one Detective Sergeant and one Detective. They are responsible for follow-up investigation of all crimes which are beyond the resources of the patrol division⁵⁶.

Currently the department has 28 sworn officers with one vacancy. There are 14 professional staff and the equivalent of an additional 2.5 part time staff for a total of 44.5 full time equivalent staff.

Parking

The parking enforcement unit consists of one full time Parking Officer and three part time Community Service Officers. The unit enforces the parking and vehicle abatement laws within the City. Due to the high demand for parking created by HSU students, faculty, and visitors, the City has several different parking zones including no parking, 2-hour, 4-hour, and metered. This helps ensure that there is adequate parking for businesses and residents in areas near the HSU campus. The City also offers Preferential Parking Permits separated into three zones (A-C) for business and residential areas in close proximity to HSU⁵⁷.

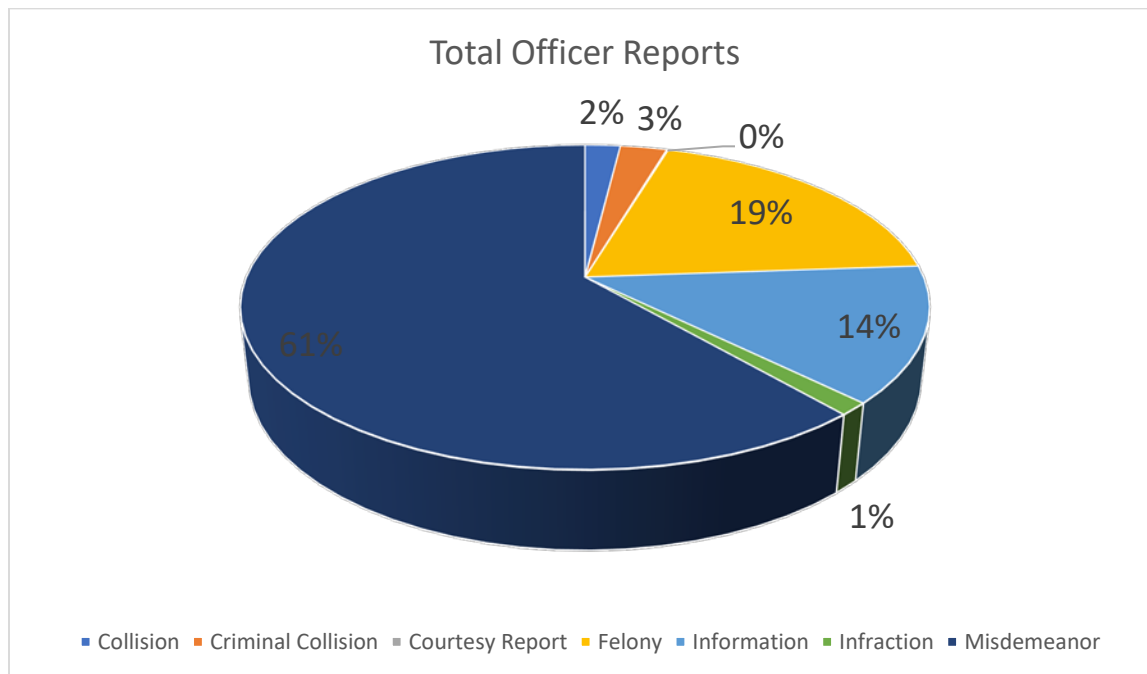
⁵⁴ City of Arcata, Departments, Police, Department Organization. <https://www.cityofarcata.org/220/Administrative-Division>. Accessed February 26, 2020.

⁵⁵ City of Arcata, Arcata Police Department Management Dashboard. December 2019.

⁵⁶ City of Arcata, Departments, Police, Investigations Division. <https://www.cityofarcata.org/223/Investigations-Division>. Accessed February 26, 2020.

⁵⁷ City of Arcata, Departments, Police, Parking Enforcement. <https://www.cityofarcata.org/245/Parking-Enforcement>. Accessed February 26, 2020.

Figure 11: Arcata Police Reports by Type



Graffiti Abatement

Graffiti, or tagging, is a known issue within Arcata and the greater Humboldt Bay area. The Arcata Police Department works with property owners to identify and resolve acts of graffiti within the City. The department strives for “immediate and aggressive cleanup of graffiti” in an effort to discourage reoccurring instances of vandalism.

Emergency Preparedness

The City of Arcata participates in regional hazard mitigation planning in association with Humboldt County. In January 2020, the Federal Emergency Management Agency (FEMA) tentatively approved the 2020 Humboldt County Operational Area Hazard Mitigation Plan which includes the City of Arcata⁵⁸. The plan includes an overview of population and demographics, critical facilities, critical infrastructure, and identifies risks for the county as a whole. Risks evaluated in the plan include climate change, dam failure, drought, earthquake, flooding, landslides, severe weather, tsunami, and wildfire. Among the risks assessed, landslides, severe weather, earthquakes, and sea level rise rated among the highest risk for the City of Arcata⁵⁹.

As part of their emergency preparedness efforts, the City of Arcata utilizes CodeRED, an alert system that allows the city to directly contact residents about emergencies such as evacuations, utility outages, fires, floods, and others. This is a voluntary notification system that

⁵⁸ City of Arcata, Emergency Preparedness. Accessed October 6, 2020 from <https://www.cityofarcata.org/241/Emergency-Preparedness>.

⁵⁹ Humboldt County Operational Area Hazard Mitigation Plan 2019 – Volume 2: Planning Partner Annexes. January 2020.

residents must register for in order to receive alerts⁶⁰. When necessary, the Arcata Community Center and D Street Neighborhood Center act as the city's emergency disaster shelters.

Other Services

The Arcata Police Department offers several other services to the community which include fingerprinting, permits and licenses, records requests, vacation house checks, and animal enforcement.

5.5 Building and Engineering

Building

The Building Division is responsible for Fire and Life Safety, and regulates building construction activities, both public and private, in the City of Arcata. All building construction is administered in accordance with Title 24, California Building Standards Code. The division also enforces the City Municipal Code and regulations made by the State of California and Federal government pertaining to all building construction. These regulations include, but are not limited to, the California accessibility, energy code, and green building standards. Activities include receiving building permit applications, plan review, permit issuance, inspections and issuance of Certificates of Occupancy. The division investigates potential code and zoning violations and pursues enforcement when necessary.

Engineering

The Engineering Division provides design assistance for the repair and improvement of the City's infrastructure. This infrastructure includes: roadways, curbs and gutters, sidewalks, street lights, bikeways, pedestrian routes, the water distribution system, the wastewater collection system, storm drains, and various drainage structures. The Engineering Division works with the other departments to help provide for timely and responsive repairs to avoid unsafe conditions. This Division also oversees capital improvement projects for the City. These projects include improvements and expansion of the existing infrastructure, Americans with Disabilities Act (ADA) accessibility improvements, industrial park development, and redevelopment district projects. Many of these projects are conducted in-house and involve surveying, engineering design, the preparation of plans and specifications, construction management and inspection. This department also prepares tentative maps and legal descriptions for the sale of City owned properties. For larger projects, the division solicits, negotiates and administers contracts with professional surveyors and engineers to complete the work.

Street Lights

The Engineering Division of the City provides design assistance for the repair and improvement of the City's infrastructure including street lighting. In recent years the City has been transitioning streetlights to LEDs in an effort to reduce energy use and costs.

⁶⁰ Arcata, Emergency Preparedness. October 2020.

Public Transportation

This division provides public transportation within the City of Arcata. There are two fixed routes that operate between the hours of 7:00 AM and 10:00 PM while Humboldt State University (HSU) is in session, Monday through Friday. During the summer (mid-May through mid-August) and winter breaks (mid-December through mid-January) the buses run from 7:00 AM until 7:00 PM on weekdays. The Gold Route services the downtown area, Northtown, HSU, Mad River Hospital, and Valley West. The Red Route services the downtown area, Greenview Market, HSU, Union Street, and Sunny Brae. The Saturday Orange Route operates from 7:00 AM until 7:00 PM.

This division also provides Dial-A-Ride and Dial-A-Lift programs that provide door-to-door service for individuals with special needs who cannot utilize regular public transportation. The City, through the Humboldt Transit Authority (HTA), contracts with the City Ambulance of Eureka (CAE) Company to provide Dial-A-Ride and Dial-A-Lift services within the city limits of Arcata. Service is available between the hours of 7:00 AM and 10:00 PM, Monday through Saturday. Dial-A-Ride service requires a 24-hour advance notification.

6.0 FINANCE

The City of Arcata develops an annual budget for public hearing and approval by the City Council before the beginning of each fiscal year (July 1 to June 30). The budget process involves reviewing and prioritizing budget requests from each city department. When developing the annual budget, City staff takes into consideration several guiding principles:

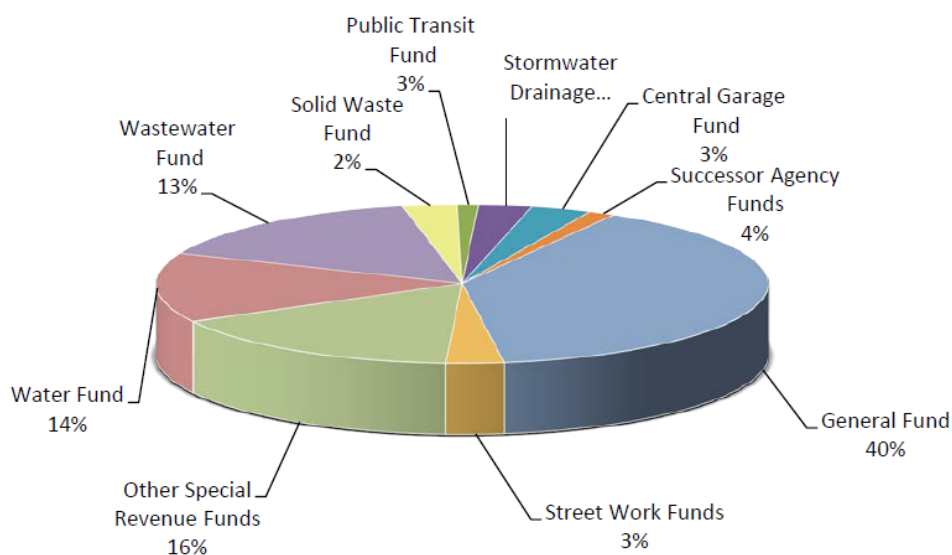
- The recommended budget will balance expenditures with revenues
- Revenues will be estimated at realistic levels
- Basic services will be maintained at current levels and will be adequately funded
- Reserve balances will be maintained at levels sufficient to protect the City from unforeseen emergencies

By utilizing these principles, the City is able to create a sustainable budget that overtime will build up reserves for infrastructure upgrades and emergency repairs. Table 6 provides a summary of the City finances over the last five fiscal years.

6.1 Revenues and Appropriations

Revenues for the City fall mainly within the General Fund category. These funds are generated from several taxes and fees including sales tax and transient occupancy tax among others. The next largest revenue category is Special Revenue funds which accounts for revenues from various grant efforts and minor timber sales from City managed forest lands that are dedicated to specific purposes⁶¹.

Figure 12: FY 2018-19 Summary of Revenues by Fund⁶²

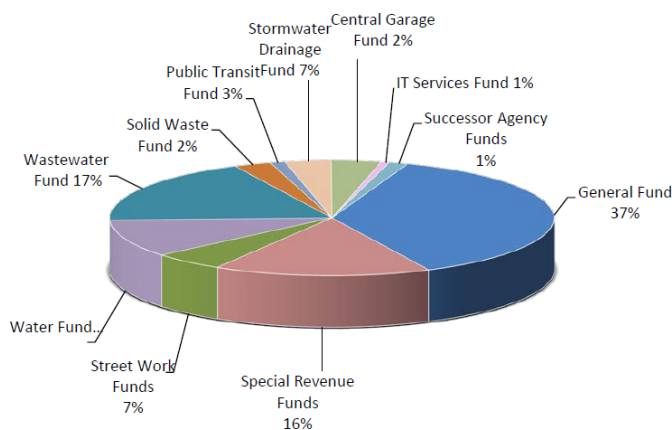


⁶¹ City of Arcata, FY2019/20 Adopted Budget Memorandum, May 3, 2019, pg. 2-3.

⁶² City of Arcata, Budget Graphics and Summaries FY 2018-19, Summary of Revenues by Fund, pg. 14.

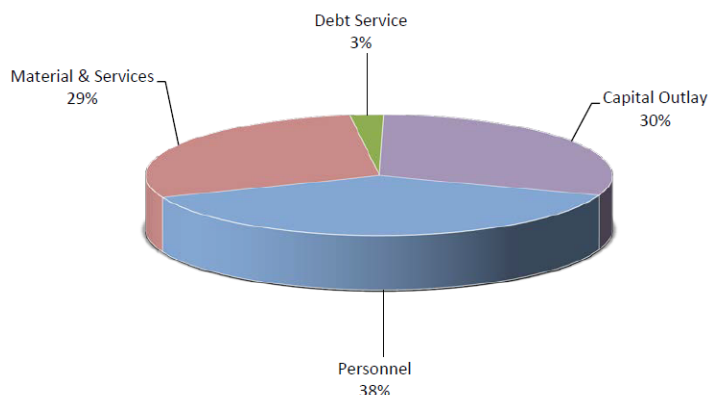
The term “appropriations” means the amount approved for expenditure by the City Council with the adoption of the annual budget, along with subsequent budget modifications and adjustments. Appropriations will be based on the best estimates of Department Heads and the City Manager. Differing operating requirements, price changes, emergency situations and similar factors may require variation from the approved appropriations. Therefore, the City Manager has authority to adjust the appropriations so long as the changes do not exceed the total approved appropriations of an activity, except in case of emergency. The City Manager has the authority to meet emergency requirements and subsequently report to the City Council and secure Council approval for an appropriate budget modification.

Figure 13: FY 2018-19 Appropriations by Fund⁶³



Appropriations for the City are similar to revenues in that the General Fund makes up the bulk of the funds with Special Revenue Funds following (Figure 13). When looking at the appropriations by type of expense it can be seen that the largest category is for personnel which includes wages, compensation packages, and retirement funding. The cost of materials and services is almost equal to the cost of capital outlay which includes new equipment, building upgrades, and infrastructure upgrades (Figure 14).

Figure 14: FY 2018-19 Appropriations by Type of Cost⁶⁴



⁶³ City of Arcata, Budget Graphics and Summaries FY 2018-19, Summary of Appropriations by Fund, pg. 18.

⁶⁴ City of Arcata, Budget Graphics and Summaries FY 2018-19, Summary of Appropriations by Fund, pg. 19.

Table 6: City of Arcata Financial Summary

Category	Actual 15/16	Actual 16/17	Estimated 17/18	Budget 18/19	Budget 19/20
Revenues					
General Fund	14,588,429	14,463,031	14,978,279	16,175,358	15,410,193
Street Works Fund	2,262,475	1,653,588	723,465	1,250,500	1,304,973
Other Special Revenue Funds	6,414,976	2,986,876	4,587,310	6,627,210	8,093,539
Capital Outlay Fund	2,271	208	1,500	1,500	1,500
Special Assessment Funds	31,005	31,390	32,210	33,620	36,970
Water Fund	4,329,597	5,029,538	5,236,450	5,772,000	5,930,796
Wastewater Fund	4,766,376	5,652,335	5,971,925	6,415,600	7,126,406
Public Transit Fund	1,005,925	1,222,539	1,330,289	1,196,625	1,299,188
Solid Waste Fund	441,437	456,416	455,000	453,500	436,400
Stormwater Drainage Fund	1,138,769	699,575	580,473	1,162,255	391,800
Central Garage Fund	1,157,432	1,209,765	1,324,414	1,320,914	1,343,500
RDA/ Successor Agency Funds	757,872	572,767	578,100	578,371	382,196
Total Revenue	\$36,896,564	\$33,978,028	\$35,799,415	\$40,987,453	\$41,757,461
Appropriations					
General Fund	13,270,268	12,380,638	14,452,762	15,476,517	14,555,613
Special Revenue Funds	8,039,691	1,880,654	3,392,999	6,568,782	1,216,550
Street Work Funds	1,777,168	3,145,981	1,506,169	2,173,052	2,011,105
Water Fund	4,007,187	3,395,732	4,696,962	4,370,600	4,957,931
Wastewater Fund	3,347,131	3,295,538	12,522,372	7,643,686	6,939,459
Public Transit Fund	1,159,668	1,037,370	1,180,119	1,125,620	1,159,343
Solid Waste Fund	383,050	358,517	436,967	452,629	399,298
Stormwater Drainage Fund	1,401,842	782,785	922,283	1,394,401	700,132
Central Garage Fund	960,624	907,811	1,173,538	1,509,374	1,273,540
IT Services Fund	240,375	264,230	228,509	245,749	244,689
Successor Agency Funds	1,486,973	256,956	579,489	575,471	574,193
Total Appropriations	\$36,073,977	\$27,706,212	\$41,092,169	\$41,535,881	\$34,031,852
Gain (Loss)	\$822,587	\$6,271,816	(\$5,292,754)	(\$548,428)	\$7,725,609

The Council will annually adopt a resolution establishing the City's appropriation limit calculated in accordance with Article XIII B of the Constitution of the State of California, Section 7900 of the State of California Government Code, and any other voter approved amendments or state legislation that effect the City appropriation limit. The Council will generally consider the resolution to adopt an appropriations limit in connection with final approval of the budget.

The City strives to maintain a balanced budget and, when possible, to grow reserve funds in order to fund major projects. Over the past five fiscal years there has been an overall gain even though two fiscal years had budgeted losses.

6.2 Long-term Liabilities

At times, the City must enter into long term financing agreements for large capital projects, land purchases, or other needs. As such, the City has several outstanding long-term liabilities which can be separated into two different overarching categories; governmental activities and business-type activities. Table 7 provides a summary of the City's obligations as of June 30, 2018.

Table 7: City of Arcata Financial Liability Summary

Category	Total Liability
Governmental Activities	
Capital Lease Obligations	\$15,293
2015 Refunding of 2008 Lease (Gov Share)	\$880,950
CalPERS UAL Debt	\$2,194,000
Compensated Absences	\$431,950
Net OPEB Obligations	\$2,772,195
Net Pension Liability	\$15,525,172
Business-type Activities	
2015 Refunding of 2008 Loan	\$850,000
2015 Refunding of 2008 Lease (Water Share)	\$1,636,050
Compensated Absences	\$162,521
Total Liabilities	\$24,468,131

As with most public agencies, the post retirement and pension obligations make up the majority of the City's long-term liability. Recent changes in CalPERS obligations have increased pension debt for many agencies. In 2016 the City refinanced \$3,226,000 of its pension obligation with Umpqua Bank at a lower rate than the current CalPERS contract⁶⁵. This allows the City to reduce its debt at a lower cost over time.

6.3 Reserves

The City maintains a reserve policy that promotes maintaining fund balances or working capital balances of at least 20% of operating expenditures. The City Council is able to reduce funds below this amount for unforeseeable financial conditions and emergency situations⁶⁶. As of June 30, 2018, the General Fund had an unassigned balance of \$7,226,115⁶⁷ which is approximately 17% of the FY18/19 budget and 21% of the FY19/20 budget as shown in Table 6.

⁶⁵ City of Arcata, Annual Financial Report for the Fiscal Year Ended June 30, 2018, pg. 72.

⁶⁶ City of Arcata, Annual Financial Report for the Fiscal Year Ended June 30, 2018, pg. vii.

⁶⁷ City of Arcata, Annual Financial Report for the Fiscal Year Ended June 30, 2018, pg. 14.

6.4 Financial Summary

The City continues to operate under its current financial policies which promote balanced budgets and growth of financial reserves when possible. Current rate structures for water and wastewater also reflect the rising costs of providing those services. However, necessary major upgrades to the City's wastewater treatment plant will likely require another long-term debt obligation on behalf of the City if suitable grant funding cannot be obtained.

7.0 MSR 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 estimated population of the City of Arcata is 18,257. Using an annual growth rate of 1%, the estimated 2030 population is 22,092.

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

a) Given Arcata's MHI which is 40% of the State MHI, it stands to reason that sections of unincorporated territory surrounding the City may qualify as disadvantaged. Should Arcata pursue annexation, DUCs within the proximity of the city may be further evaluated.

b) The community of Glendale located east of the City along Highway 299 has an estimated 2018 MHI that is 61% of the California MHI which qualifies it as a DUC. The Fieldbrook-Glendale CSD currently provides water and wastewater services to the area and fire protection is provided by the Blue Lake Fire Protection District.

c) The communities of Bayside and Jacoby Creek are also within/adjacent to the City's SOI. However, these communities have a MHI that is higher than the California MHI and are therefore not considered DUCs.

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

a) The City's wastewater treatment facility has several components that are past their useful life and need upgrades and/or replacement. The City is encouraged to continue with the planned facility improvements as outlined in the recent Predesign Report to ensure that there is continued reliable wastewater service.

(4) Financing ability of agencies to provide services

a) The City of Arcata is financially solvent and has sufficient funds to provide City services throughout its jurisdiction. The City has taken conservative measures to reduce costs in order to sustain City activities during the COVID-19 pandemic. The City is continuing to monitor fiscal impacts as it is unknown how the pandemic will affect City finances long term.

b) The City has been successful in acquiring grants for necessary facility upgrades and maintenance as made available.

(5) Status of and, opportunities for, shared facilities

a) The City currently provides water services by contract to the Jacoby Creek County Water District. The City provides routine inspection and maintenance of the system and also provides billing and administrative support services. The Jacoby Creek SOI was recently updated and includes several conditions for future boundary considerations. These include working with the City of Arcata on a plan of succession for the Jacoby Creek CWD once their infrastructure loan is paid off and coordinated efforts on provision of services to the residential areas along Buttermilk Land and Golf Course Road. The City is encouraged to engage further with the Jacoby Creek CWD on these efforts.

b) The City currently receives and treats wastewater from the Fieldbrook-Glendale Community Service District for up to 71,200 gallons per day. The current wastewater treatment facility is able to process this amount. However, the facility will likely need to complete planned upgrades before any additional amount of wastewater is received from Fieldbrook-Glendale CSD.

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

a) The City of Arcata maintains a comprehensive website where it posts City information, documents, and updates.

b) The City is governed by a five-member City Council elected to serve 4-year terms. Regularly scheduled monthly City Council meetings are held and all meetings are open to the public and are publicly posted a minimum of 72 hours prior to the meeting in accordance with the Brown Act.

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

a) There are no other matters related to delivery of services.

8.0 SOI DETERMINATIONS

In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development of local governmental agencies to advantageously provide for the present and future needs of the county and its communities, the commission shall develop and determine the sphere of influence of each city, as defined by G.C. Section 56036, and enact policies designed to promote the logical and orderly development of areas within the sphere. In determining the sphere of influence of each local agency, the commission shall consider and prepare a written statement of its determinations with respect to the following:

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

- a) Humboldt County General Plan land uses within the City's SOI are predominantly Residential Estates, Residential Agriculture, Agricultural Exclusive, and Timberland. Other land uses include Residential Low Density, Commercial Recreation, General Industrial, and Urban Reserve.

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

- a) The City of Arcata currently has 532 water connections outside the City boundary which indicates a continued need for services in the area.
- b) Many of the outside water connections are for the Jacoby Creek CWD. While the City has indicated that there is no interest in annexing this area, the area where water service is provided should remain within the City of Arcata SOI.
- c) The residential area along Buttermilk Lane currently lies between the City of Arcata and Jacoby Creek CWD boundaries. Any future boundary changes should study this area in detail to determine if there is a need for additional services and which agency will take on responsibility of services.

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

- a) The City's wastewater treatment facility has components that are past their useful life. In order to continue serving current needs and plan for anticipated future growth, including near term planned developments, the City is encouraged to continue with planned upgrades to the facility.
- b) The City currently uses approximately 42% of its contract amount from the Humboldt Bay Municipal Water District. This indicates that there is sufficient capacity to support future growth.

(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 community of Glendale located to the east of the City is a potential community of interest. Currently, the City receives and treats wastewater from the Fieldbrook-Glendale CSD through a contractual agreement. The Glendale area is within the Fieldbrook-Glendale CSD for water and wastewater, and the Blue Lake FPD for fire protection services.

- b) Other nearby communities that potentially frequent Arcata for expanded services include Manila, Bayside, and Jacoby Creek. Members of these communities likely also frequent the City of Eureka.

(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) Unincorporated territory surrounding the City may qualify as disadvantaged. 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.
- b) The community of Glendale is identified as a DUC and is currently within the boundary of Fieldbrook-Glendale CSD which provides water and wastewater services. Fire services are currently provided by the Blue Lake FPD.
- c) The community of McKinleyville is identified as a DUC and is currently within the boundary of the McKinleyville CSD which provides water, wastewater, parks and recreation, and lighting services. Fire services are currently provided by the Arcata FPD.



DRAFT RESOLUTION NO. 20-09

**APPROVING THE CITY OF ARCATA
MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE**

WHEREAS, the Humboldt Local Agency Formation Commission, hereinafter referred to as the "Commission", is authorized to conduct municipal service reviews and establish, amend, and update spheres of influence for local governmental agencies whose jurisdictions are within Humboldt County; and

WHEREAS, the Commission conducted a municipal service review to evaluate the Availability, capacity and efficiency of governmental services provided by the City of Arcata, hereinafter referred to as the "City", pursuant to California Government Code Section 56430; and

WHEREAS, the Commission conducted a sphere of influence update for the City pursuant to California Government Code Section 56425; and

WHEREAS, the Executive Officer gave sufficient notice of a public hearing to be conducted by the Commission in the form and manner provided by law; and

WHEREAS, the Executive Officer's report and recommendations on the municipal service review and sphere of influence update were presented to the Commission in the form and manner prescribed by law; and

WHEREAS, the Commission heard and fully considered all the evidence presented at a public hearing held on the municipal service review and sphere of influence update on September 16, 2020; and

WHEREAS, the Commission continued the public hearing on November 18, 2020 in order to receive additional evidence provided by staff; and

WHEREAS, the Commission considered all the factors required under California Government Code Section 56430 and 56425.

NOW, THEREFORE, BE IT RESOLVED by the Commission as follows:

1. The Commission, as Lead Agency, finds the municipal service review is exempt from further review under the California Environmental Quality Act pursuant to Title 14 California Code of Regulations Section 15306. This finding is based on the use of the municipal service review as a data collection and service evaluation study. The information contained within the municipal service review may be used to consider future actions that will be subject to additional environmental review.

2. The Commission, as Lead Agency, finds the sphere of influence update is exempt from further review under the California Environmental Quality Act pursuant to Title 14 California Code of Regulations Section 15061(b)(3). This finding is based on the Commission determining with certainty the update will have no possibility of significantly affecting the environment given no new land use or municipal service authority is granted.
3. This municipal service review and sphere of influence update is assigned the following distinctive short-term designation: "City of Arcata MSR/SOI Update 2020".
4. Pursuant to Government Code Section 56430(a), the Commission makes the written statement of determinations included in the municipal service review, hereby incorporated by reference.
5. Pursuant to Government Code Section 56425(e), the Commission makes the written statement of determinations included in the sphere of influence update, hereby incorporated by reference.
6. The Executive Officer shall revise the official records of the Commission to reflect this update of the sphere of influence for the City of Arcata.

BE IT FUTHER RESOLVED that the City of Arcata MSR/SOI Update 2020 is hereby approved and incorporated herein by reference and the sphere of influence for the City is altered as depicted in Exhibit "A", attached hereto.

PASSED AND ADOPTED at a regular meeting of the Humboldt Local Agency Formation Commission on the 18th day of November 2020, by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Estelle Fennell, Chair
Humboldt LAFCo

Attest:

Colette Santsche, Executive Officer
Humboldt LAFCo