



## AGENDA ITEM 7A

**MEETING:** March 16, 2022  
**TO:** Humboldt LAFCo Commissioners  
**FROM:** Krystle Heaney, LAFCo Clerk/Analyst  
**SUBJECT:** **Riverside Community Services District Municipal Service Review and Sphere of Influence Update**  
The Commission will review the Draft Riverside Community Services District Municipal Service Review and Sphere of Influence Update. LAFCo staff recommends reviewing the document and continuing the public hearing to the May 18, 2022 regular commission meeting.

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### **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. MSRs may also lead LAFCOs to take other actions under their authority, such as forming, consolidating, or dissolving one or more local agencies in addition to any related sphere changes.

### **DISCUSSION**

The Riverside Community Services District (RCSD) provides water services to the rural area along Meridian Road and the Salt River northwest of the City of Ferndale. It was originally established in 1991 to replace the failing Riverside Water Company system. Formation of the District allowed for funding from the Safe Drinking Water Bond program through the Department of Water Resources.

The District serves an area of approximately three-square miles that is home to a small population of 200 to 300 people. Land use is predominantly agricultural and limited to no growth is expected over the next five to ten years.

Based on LAFCo review as presented in the MSR, the District has adequate water and capacity to meet current and future demand. However, the original artesian wells have been slowing over time and are no longer a reliable back up water supply. The District is in the process of developing a new well near their primary well on Centerville Road but so far has not been able to obtain funding for the project.

Over the last several fiscal years, the District has been operating at a loss according to State Controller records. This is in part due to the depreciation of aging District assets. It is currently unknown whether the District adopts an annual budget or conducts regular audits.

The District does not currently have a website and there is no fulltime staff to answer phone calls or respond to emails. As such, District transparency is limited. A notice board and a small office exist at the well and treatment facility on Centerville Road but it is unknown if information is updated on a regular or how often correspondence is received.

### **RECOMMENDATION**

This item has been agendized for consideration as part of a noticed public hearing. Staff is recommending the hearing be continued to allow for more time to coordinate review with the District.

#### Procedures for Consideration:

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) Continue the item the May 18<sup>th</sup> regular Commission meeting.

*"I move to continue the public hearing for the Riverside CSD Municipal Service Review and Sphere of Influence Update to the May 18<sup>th</sup> regular meeting."*

### **Attachments**

Attachment A: Public Review Draft Riverside CSD MSR and SOI Update

# Riverside Community Services District Municipal Services Review and Sphere of Influence Update



Public Review Draft

March 2022



[www.humboldtlaaco.org](http://www.humboldtlaaco.org)

## **HUMBOLDT LOCAL AGENCY FORMATION COMMISSION**

### **Commissioners:**

Virginia Bass, District 4 Supervisor  
Michelle Bushnell, District 2 Supervisor  
Stephen Avis, City of Ferndale  
Mike Losey, City of Fortuna  
Troy Nicolini, Peninsula Community Services District  
Debra Lake, Fruitland Ridge Fire Protection District  
Ali Lee, Public Member

### **Alternate Members:**

Mike Wilson, District 3 Supervisor  
Gordon Johnson, City of Rio Dell  
Dave Couch, McKinleyville Community Services District  
Skip Jorgensen, Public Member

### **Staff:**

Colette Santsche, AICP, Executive Officer  
Krystle Heaney, AICP, LAFCo Analyst/Clerk  
Jason Barnes, GIS Analyst  
Ryan Plotz, Legal Council

### **Acknowledgements:**

LAFCo would like to thank the staff at Riverside CSD for their assistance during the preparation of this MSR and SOI update.

## TABLE OF CONTENTS

<b>1.0</b>	<b>MSR/SOI Background .....</b>	<b>1</b>
1.1	Role and Responsibility of LAFCo .....	1
1.2	Purpose of Municipal Service Reviews .....	1
1.3	Purpose of Spheres of Influence .....	2
1.4	Disadvantaged Unincorporated Communities.....	3
<b>2.0</b>	<b>Riverside Community Services District .....</b>	<b>1</b>
2.1	Agency Overview .....	1
2.2	Formation and Development.....	1
2.3	Boundary and Sphere of Influence .....	2
2.4	Land Use and Zoning.....	3
2.5	Growth and Population.....	3
2.6	Disadvantaged Unincorporated Communities.....	4
2.7	Municipal Services .....	4
2.8	Organizational Structure .....	7
2.9	Accountability and Transparency.....	7
2.10	Financial Overview .....	7
<b>3.0</b>	<b>Riverside MSR Determinations .....</b>	<b>9</b>
<b>4.0</b>	<b>Riverside SOI Determinations .....</b>	<b>11</b>

### List of Figures

Figure 1: Riverside CSD Boundary and SOI (to be updated).....	2
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### List of Tables

Table 1: Riverside CSD Board of Directors.....	7
Table 2: Riverside CSD Fees for Services.....	7
Table 3: Riverside CSD Reported Revenues.....	8

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## 1.0 MSR/SOI BACKGROUND

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### 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.

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).

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## 2.0 RIVERSIDE COMMUNITY SERVICES DISTRICT

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### 2.1 Agency Overview

The Riverside Community Services District (RCSD) provides water services to the rural area along Meridian Road and the Salt River northwest of the City of Ferndale.

<b>Primary Contact</b>	Riverside Community Services District
<b>E-mail</b>	riversidecomservdist@gmail.com
<b>Address</b>	PO Box 857, 790 Centerville Road
<b>Phone</b>	(707) 786-9772
<b>Website</b>	None

### 2.2 Principal Act for Community Services Districts

The CSD principal act is the Community Services District Law (Government Code §61000, et seq.) which authorizes CSDs to provide up to 31 types of governmental services within their boundaries. Services, facilities, functions or powers enumerated in the District's principal act but not identified in the formation resolution or later activated, are considered "latent," meaning that they are authorized by the principal act under which the District is formed but are not being exercised. Latent powers and services activation require LAFCo authorization in accordance with Government Code §56824.10 et seq.

### 2.3 Formation and Development

The RCSD formation was approved by Humboldt LAFCo on April 24, 1991 (LAFCo Resolution No. 91-02) and confirmed without an election by the Humboldt County Board of Supervisors on June 25, 1991 (County Board Resolution No. 91-64)<sup>1</sup>. More than 80 percent of registered voters submitted petitions in support of the formation. The District was formed to supply the inhabitants of the District with water for domestic, irrigation, sanitation, industrial, fire protection, and recreation uses. A Certificate of Completion for the district formation was recorded with the Humboldt County Recorder's Office on July 16, 1991 (#1991-15821-7).

Prior to the formation, a boil water notice for all domestic water use was ordered by the State Department of Health due to a failing water supply system that had been previously operated by the Riverside Water Company. The private company had been providing water service to the area since the 1890s. Parts of the water system dated back to the company's beginnings and had fallen into severe disrepair. The CSD formation allowed the District to become eligible for Safe Drinking Water Bond funds obtained from the State Department of Water Resources<sup>2</sup>. In addition to improving the water distribution system, funds were used to improve the water source transmission and storage facilities located south of Centerville Road. Additional Community Development Block Grant funding was

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<sup>1</sup>Humboldt LAFCo Resolution No. 91-02, adopted April 24, 1991, and Humboldt County Board of Supervisors Resolution No. 91-64, adopted June 25, 1991.

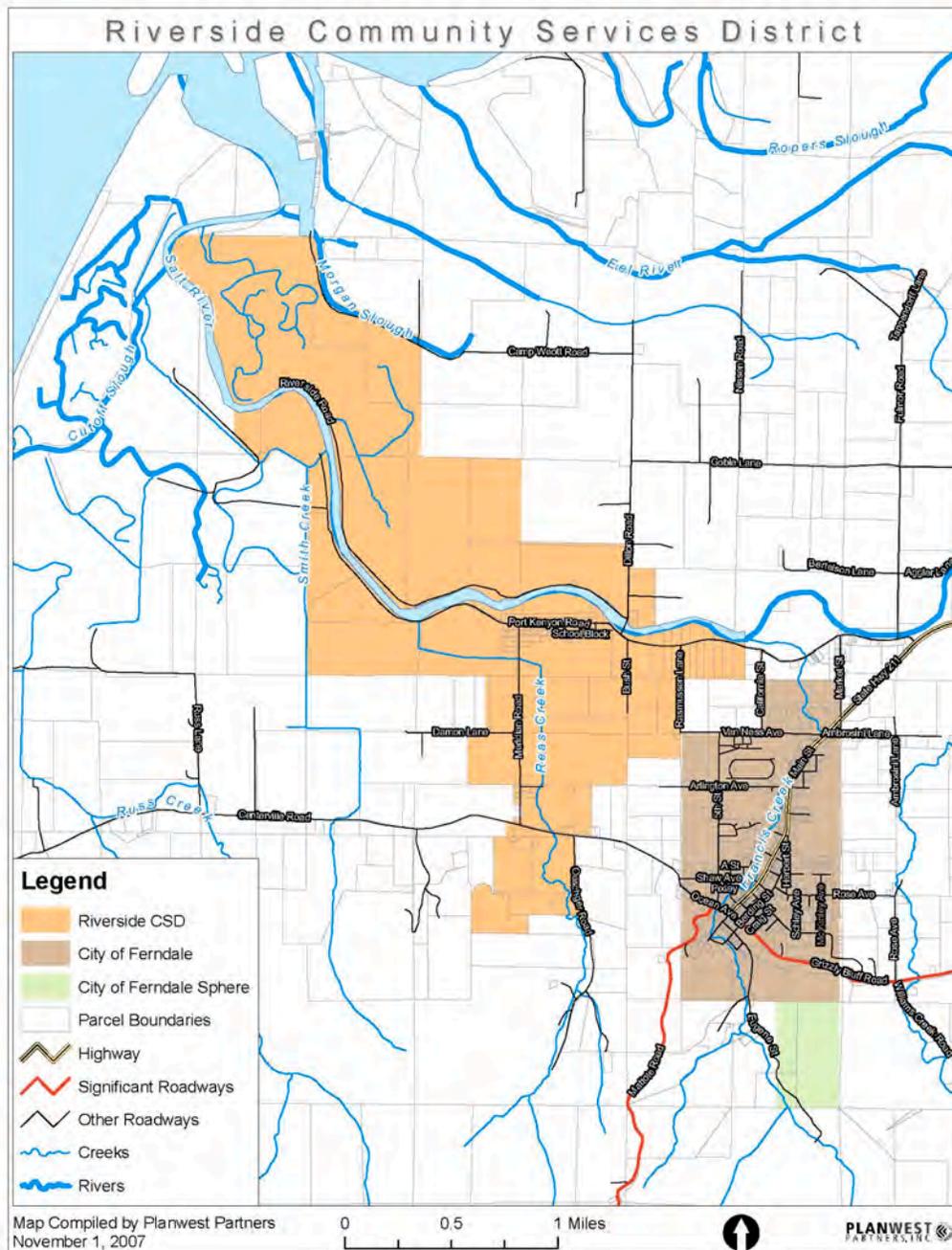
<sup>2</sup> In 1992, the Riverside CSD received a \$70,000 loan and \$400,000 grant under the Safe Drinking Water Bond Law of 1988 to assist the community in meeting safe drinking water standards for the domestic water supply.

used to replace service connections for low and very low-income households within the District.

## 2.4 Boundary and Sphere of Influence

The District’s boundary includes properties along Meridian Road, Port Kenyon Road, and Riverside Road to the west and northwest of the City of Ferndale. The boundary encompasses 3 square miles (1,920 acres) and the Sphere of influence (SOI) is coterminous.

Figure 1: Riverside CSD Boundary and SOI (to be updated)



## 2.5 Land Use and Zoning

Land use within the District is subject to the Eel River Area Plan of the Humboldt County Local Coastal Program within the designated coastal zone, the Humboldt County General Plan outside of the coastal zone, and Humboldt County Zoning Regulations.

Designations are primarily Agriculture Exclusive (AE) along with Rural Exurban (RX) within the coastal zone of the District. Land use designations outside of the coastal zone boundary within the District are Agricultural Grazing (AG) and Residential Agriculture (RA5-20). Areas surrounding the District are predominantly AE<sup>3</sup>, which is a growth limiting and low density designation. To the east of the District is the City of Ferndale which has higher density and is regulated by the Ferndale General Plan.

Zoning within the District is predominantly Agriculture Exclusive (AE-60 acre minimum) with combining zones Coastal Wetlands, Flood Hazard Areas, Streams and Riparian Corridor Protection, and Transitional Agricultural Lands (W,F,R,T). Remaining zoning designations in the coastal zone boundary are Natural Resources with combining zone Streams and Riparian Corridor Protection (NR/R) and Rural Residential Agriculture (RA) and Residential Single Family (RS) with combining zones (X)-No further subdivision allowed and (M/F)-Manufactured Home and Flood Hazard Area. Unclassified (U) is the primary inland zoning designation. Zoning designations surrounding the District are predominantly AE and U<sup>4</sup>.

## 2.6 Growth and Population

The District boundary covers a portion of the Eel River flood plain that has been historically utilized for agricultural purposes. As noted under Land Use above, zoning is predominately agricultural which indicates very low-density development. As such, the total population of the District is limited. According to a State Water Resources Control Board inspection conducted in 2020, the District serves a population of approximately 327<sup>5</sup>. However, the latest 2020 decennial census data for the area estimates a population of 219<sup>6</sup>. 2010 census data appears to be incomplete so a growth rate cannot be calculated for the area. Based on population data available for the nearby City of Ferndale, which has experienced limited to no growth over the last decade (2010 – 1,371 to 2020 – 1,398)<sup>7</sup>, the District is unlikely to see substantial growth over the next five to ten years.

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<sup>3</sup> Humboldt County Web GIS, Jurisdiction Boundaries & Land Use, Planning Layers, Current General Plan Land Use. Accessed August 20, 2020.

<sup>4</sup> Humboldt County Web GIS, Jurisdiction Boundaries & Land Use, Planning Layers, Zoning. Accessed August 20, 2020.

<sup>5</sup> State Water Resources Control Board (SWRCB), Riverside CSD Public Water System Inspection (PWS# 1200518) – Consumer & Production Data. April 15, 2020.

<sup>6</sup> US Census Bureau, 2020 Decennial Census. Table P2 – Hispanic or Latino, and Not Hispanic or Latino by Race for Blocks 3033, 3034, 3035, 3036, 3037, 3038, 3039, 3040, 3041, 3048, and 3061 of Block Group 3 in Census Tract 112 of Humboldt County.

<sup>7</sup> US Census Bureau, 2020 and 2010 Decennial Census. Table P1 – Race for the City of Ferndale, CA.

## 2.7 Disadvantaged Unincorporated Communities

Disadvantaged unincorporated communities, or “DUCs,” are inhabited territories (containing 12 or more registered voters) where the annual median household income (MHI) is less than 80 percent of the statewide annual median household income.

The estimated 2019 MHI for Humboldt County Census Tract 112, Block Group 3 is \$57,188<sup>8</sup>. This is 71 percent of the estimated California MHI of \$80,440,<sup>9</sup> which means the District qualifies as a DUC. Nearby communities include the City of Ferndale to the southeast, which has a MHI that is 63% of the California MHI<sup>10</sup>. The City of Ferndale’s MHI is less than 80% of the statewide annual MHI, however, it is incorporated and currently served by its own city services and the Ferndale Fire Protection District. Therefore, it is not considered a DUC.

## 2.8 Municipal Services

RCSD is currently authorized to provide water services. All other services are considered latent.

### Water Services

The District’s primary source of water is a well (Well 06) located along Centerville Road that is 115 feet deep and provides water at a rate of approximately 30 gallons per minute (gpm) from a pump located at 90 feet. Water is pumped from the well to a 6,000 gallon holding tank located adjacent to the well and water treatment building before flowing into the collection sump for treatment. The District’s original wells (Well 01 and 02) are Artesian Springs located uphill of the treatment plant. These wells have sanded in substantially since they were originally developed in the early 1990’s and now only produce a combined flow of 1-3 gpm. The District previously drilled Well 03 which was subsequently destroyed, and has several other well locations which are inactive<sup>11,12</sup>.

Raw water from Well 06 previously contained higher than normal levels of sand. In an effort to reduce the amount of sand pumped from the well, the pumping rate has been decreased over time and water is pumped into the holding tank so that sand may settle out. The District’s wells (01, 02, and 06) also contain higher levels of manganese which are above the secondary maximum contaminant level (MCL). However, secondary MCLs are primarily based on aesthetic concerns and the level of manganese present is not considered high enough to be a health concern<sup>13</sup>. The District is aware of this issue and continues to monitor quality to ensure the continued health and safety of customers.

Raw water from Wells 01, 02, and 06 flows to the collection sump where it is treated with a chlorine solution and then pumped to the District’s 60,000 gallon reinforced concrete

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<sup>8</sup> US Census, ACS 2019 5-year Estimates, Table B19013 for Humboldt County Census Tract 112, Block Group 3. Accessed February 3, 2022.

<sup>9</sup> US Census, ACS 2019 5-year Estimates, State of California, Table S1903. Accessed February 3, 2022.

<sup>10</sup> US Census, ACS 2018 5-year Estimates, Table S1903 for City of Ferndale (MHI \$50,897). Accessed February 3, 2022.

<sup>11</sup> SWRCB, Water System Inspection – Source Data. April 15, 2020.

<sup>12</sup> Well 04 (Inactive) produces approximately 3gpm but causes Well 01 and 02 to draw down which reduces their production. Wells 05, 5A, 07 (French Drain), and Chinese Cave are listed as inactive due to low production and persistent total coliform contamination.

<sup>13</sup> SWRCB, Water System Inspection – Raw Water Chemical Monitoring. April 15, 2020.

main tank. From the main tank, water gravity flows into the distribution system. Water mains in the distribution system are predominately two to four inch PVC pipe that was installed in 1993 to 1994. There is also a small percentage (six percent) of mains comprised of asbestos cement, ductile iron, HDPE, or galvanized steel pipe<sup>14</sup>.

The District serves 99 connections which include single family and mobile homes along with multiple farms and dairies. In 2018, the treatment plant produced 5,996,470 gallons of water with a maximum production month in June 2018 of 571,128 gallons and an estimated maximum daily demand of 29,000 gallons<sup>15</sup>. Based on the primary well's capacity of approximately 30 gpm, (approximately 43,000 gallons per day or 1,296,000 gallons per month), the District is utilizing 44 to 68 percent of its capacity. This indicates there is adequate water to support the current and future demand of the District.

While there is currently adequate water to support demand, the District does not have a secondary source of water to support the community in the event Well 06 goes offline. The original wells (01 and 02) continue to decrease in production and are not a reliable source of water. Additionally, the District has expressed the need for a new well and has worked with State Water Resources Control Board (SWRCB) staff on site selection. The proposed well would be located approximately 275 feet west of Well 06 and along Centerville Road. This location would require minimal additional piping to connect to the treatment plant and is anticipated to have similar production and quality of water as Well 06. The District has been seeking funding to construct the new well but has been unable to secure any grant funds for the project<sup>16</sup>.

#### ***State Water Resources Control Board Inspection***

During the District's last routine inspection conducted by the SWRCB on January 31, 2020, a number of items were listed as deficiencies which included the following:

1. Updated chemical monitoring schedule with several tests listed as "Due Now".
2. Overdue disinfection byproducts monitoring. Sampling must be completed every three years.
3. The need for a completed and signed Cross-Connection Hazards Survey and Cross-Connection Program submitted to the SWRCB.
4. Well 06 well head was strongly encouraged to be raised to conform with ANSI/AWWA standards in addition to other minor modifications.
5. Need for monthly bacteriological sampling at Wells 01 and 02.
6. Need for a Bacteriological Sample Siting Plan.
7. Need for adequate secondary spill containment for gasoline stored onsite at the treatment facility or removal of gasoline cans from the site.

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<sup>14</sup> SWRCB, Water System Inspection – Distribution System. April 15, 2020.

<sup>15</sup> SWRCB, Water System Inspection – Consumer & Production Data and Log Inactivation. April 15, 2020.

<sup>16</sup> Riverside CSD, Personal Communication with Plant Operator (in person). February 2, 2022.

It is recommended that the District continue to work with the SWRCB to ensure compliance with required monitoring and testing schedules to help ensure the health and safety of the community.

### ***Rates***

Fees for services are set by the Riverside CSD Board of Directors. A list of fees included under Section 2.11- Financial Overview.

### ***Del Oro Water Company***

Del Oro Water Company is a private water purveyor that provides water service to the City of Ferndale. Water for the City is sourced from the High Line Springs, Low Line Springs, and Van Ness Well<sup>17</sup>. As discussed in the City of Ferndale 2018 MSR, the City is utilizing approximately 40% of its source supply of 518,000 gallons per day<sup>18</sup>. It is unknown if an emergency connection between Riverside CSD and Del Oro would be feasible.

### **Other Services**

#### ***Fire Services***

The Ferndale Volunteer Fire Department (VFD) provides fire protection services on behalf of the Ferndale Fire Protection District to a large portion of the Eel River flood plain south of the Eel River. The FPD boundary extends from just north of Price Creek Road to the mouth of the Eel River at the Pacific Ocean and partially into the hills above the flood plain. In 2020, the Ferndale VFD responded to 216 calls for service including 132 medical calls and six structure fires<sup>19</sup>. More information on the Ferndale VFD and FPD can be found in the Humboldt County Fire Chiefs' Association 2020 Annual Report and the 2017 Eel River Valley – Lost Coast Regional Fire Services Municipal Service Review.

#### ***Other Services***

Outside of the City of Ferndale limits, wastewater services in the area are typically provided by onsite wastewater systems permitted through the Humboldt County Department of Environmental Health. Solid waste disposal is provided by Recology Humboldt. Police services are provided by the Humboldt County Sheriff's Department and the City of Ferndale Police Department when necessary.

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<sup>17</sup> Del Oro Water Company, 2020 Water Quality Report – Ferndale District.

<sup>18</sup> Humboldt LAFCo, City of Ferndale Municipal Services Review and Sphere of Influence Update – Section 5.2: Water. Adopted November 14, 2018.

<sup>19</sup> Humboldt County Fire Chiefs' Association, 2020 Annual Report. November 2021.

## 2.9 Organizational Structure

The RCSD is an independent special district served by a five-member Board of Directors that is elected to four-year staggered terms.

Table 1: Riverside CSD Board of Directors

Board Member	Title	Term Expiration
Glenn Giaimo	Director	2020-2024
Mark Dekens	Director	2020-2024
Annjanette Dodd	Director	2017-2022
Hugh Gallagher	Director	2017-2022
Ingrid Pfeiffer	Director	2017-2022

In accordance with Government Code §61044, a board of directors shall hold a regular meeting at least once every three months. At the time of this review, it is unknown how often the Riverside CSD board meets.

## 2.10 Accountability and Transparency

The District currently does not have a website and has limited staff capacity to respond to inquiries. In order to increase transparency and provide a higher level of service to its customers, it is recommended that the Board consider adopting policies and procedures for responding to inquiries. Additionally, the District is encouraged to set up a website in compliance with SB 929 which requires all special districts to maintain a website with basic information. This will provide a location for District documents to be posted that is easily accessible by the public.

## 2.11 Financial Overview

### Fees for Services

RCSD is funded by service fees. The last available fees are listed below. It is unknown if these are the current fees or when the last rate adjustment occurred.

Table 2: Riverside CSD Fees for Services

Fee Type	Cost*
Monthly Minimum for Meter Service	\$19.00
Monthly State Loan Assessment	\$6.00
Water Usage Rate Per Gallon (Rate applies to residential & commercial customers)	\$0.0045
New Customer Deposit	\$50.00
Returned Check Charge	\$15.00
Restoration of Service (after no-pay shut off)	\$50.00
Reconnection Charge (after having service discontinued)	\$500.00
New Service Installation (plus all cost of parts and labor)	\$600.00
Mailing Meeting Packets (per request by customer) (Plus postage & copies at \$0.10 each)	\$5.00

\*These rates were taken from a rate sheet at the District's treatment facility/office. No date for the rates was available.

### District Revenues and Expenses

The District submits annual reports to the California State Controller's Office that outline their revenues and expenses for the prior year. The table below shows the last five years' worth of data as provided by the State Controller's Office.

Table 3: Riverside CSD Reported Revenues

Category	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
<b>Revenues</b>					
Residential Water	\$51,696	\$65,879	\$60,176	\$60,678	\$63,462
Business Water	\$8,250	\$9,750	\$9,450	\$9,750	\$10,250
Investment Earnings	\$37	-	\$21	\$28	\$118
Other Water Sales	\$360	\$100	\$150	\$83	\$25
<i>Total</i>	\$60,343	\$75,729	\$69,767	\$70,539	\$73,855
<b>Expenses</b>					
General and Admin	\$35,044	\$26,765	\$30,375	\$22,378	\$23,642
Depreciation	\$17,498	\$17,390	\$17,377	\$17,341	\$18,785
Pumping	\$11,044	\$9,254	\$11,137	\$11,299	\$10,325
Treatment	\$8,280	\$6,468	\$7,418	\$6,328	\$7,288
Transmission and Distribution	\$11,955	\$6,764	\$17,071	\$6,650	\$5,419
Customer Accounting	\$2,078	\$2,920	\$3,064	\$3,814	\$5,319
Other Operating	\$5,978	\$5,858	\$4,934	\$3,887	\$2,654
Other Non-Operating	\$1,649	\$2,587	\$137	-	\$1,913
<i>Total</i>	\$93,526	\$78,036	\$91,513	\$71,697	\$75,345
<i>Gain/(Loss)</i>	<i>(\$33,183)</i>	<i>(\$2,307)</i>	<i>(\$21,746)</i>	<i>(\$1,158)</i>	<i>(\$1,490)</i>

As shown in the table above, the District has been operating at a loss over the last five fiscal years which is in part due to the depreciation of assets. The District is encouraged to review its current expenditures to see if any inefficiencies can be identified and corrected. It is also recommended that the District conduct a rate study to assess the feasibility of raising rates to help offset expenditures.

In accordance with Government Code §61110(f), on or before September 1 of each year or, for districts using two one-year budgets or a biennial budget, every other year, the board of directors shall adopt a final budget that conforms to generally accepted accounting and budgeting procedures for special districts. The general manager shall forward a copy of the final budget to the auditor of each county in which the district is located. Additionally, in accordance with Government Code §61118, the board of directors shall provide for regular audits of the district's accounts and records and file annual financial reports to the State Controller. At this time, it is unknown if the District regularly adopts an annual budget or conducts regular audits.

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## 3.0 RIVERSIDE MSR DETERMINATIONS

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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) The current population of the District is estimated to be between 219 and 327. Based on the limited growth of nearby communities, the District is unlikely to see substantial growth in the next five to ten years.

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

- a) Riverside CSD and surrounding unincorporated areas are considered DUCs with a 2019 estimated MHI that is 71 percent of the statewide MHI.

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

- a) Riverside CSD is currently utilizing approximately 44 to 68 percent of its water capacity. This indicates there is adequate water to support current and future needs.
- b) While there is adequate supply to meet current demand, the District does not have a reliable secondary source of water. It is recommended that the District continue to work on grant funding for establishment of a secondary well that can be utilized in emergency situations.

**(4) Financing ability of agencies to provide services**

- a) Based on available information from the State Controller's Office, the District has been operating at a loss over the last five fiscal years. This is in part due to the depreciation of District assets.
- b) The District is encouraged to review its current expenditures and consider a rate study to assess the potential for raising rates to help cover the costs of services and build reserve funding for future projects.

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

- a) At this time there does not appear to be any opportunities for shared facilities.

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

- a) The District is governed by a five member board of directors that is elected to staggered four-year terms. It is unknown how often the Board meets.

- b) The District has limited transparency and does not maintain a website. It is recommended that the District review its policies and procedures for responding to requests for information and look into creating a district website.

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

- a) The District is encouraged to reach out to local CSDA representatives and/or LAFCO staff to obtain resources on the various reporting obligations of CSDs.

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## 4.0 RIVERSIDE SOI DETERMINATIONS

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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) Land use and zoning designations within the District are predominately agricultural. It is unlikely that this designation will change over the next five to ten years and limited development is anticipated.

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

- a) The area in and around the District maintains a low population density and is largely used for agricultural activities which require a reliable source of water to remain productive.

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

- a) Currently the District has limited financial and staff capacity to extend service.
- b) The District has adequate water supply to support current needs but needs a reliable back up water supply to support customers in the event of an emergency.

**(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 nearby City of Ferndale provides a full range of municipal services and provides some opportunities for obtaining basic services and supplies such as groceries and fuel. K-12 education and limited medical services are also offered.
- b) The City of Fortuna is located approximately six and half miles to the east of the District and provides a larger range of services including more extensive medical care facilities.

**(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) The area surrounding the Riverside CSD boundary is within the same census block and can be considered disadvantaged.