



AGENDA ITEM 7B

MEETING: May 21, 2025
TO: Humboldt LAFCo Commissioners
FROM: Colette Santsche, Executive Officer
SUBJECT: **Westhaven Community Services District Correspondence Regarding Humboldt Bay Municipal Water District Municipal Service Review**
The Commission will receive and file a letter from Westhaven Community Services District regarding the recently approved Municipal Service Review for Humboldt Bay Municipal Water District, along with the Executive Officer's response. This item is informational only.

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.

DISCUSSION

Following the adoption of the Humboldt Bay Municipal Water District (HBMWD) MSR/SOI Update, LAFCo received a letter from the Westhaven Community Services District (CSD) dated April 28, 2025 (see Attachment A). The letter expresses concerns regarding agency consultation and coordination in relation to regional water service planning.

In response, the Executive Officer issued a written reply dated May 7, 2025 (see Attachment B), affirming LAFCo's commitment to ensuring a comprehensive and inclusive review process for any future proposals involving service extensions in the Trinidad and Westhaven areas.

Both items are included as part of the administrative record for transparency and to support continued interagency dialogue.

RECOMMENDATION

Staff recommends the Commission receive and file this report.

Attachments:

Attachment A – April 28, 2025 Letter from Westhaven CSD

Attachment B – May 7, 2025 Response from Executive Officer

WESTHAVEN COMMUNITY SERVICES DISTRICT

P.O. Box 2015 (446 B 6th Ave. Westhaven) Trinidad CA 95570 (707) 677-0798 wcsd@suddenlinkmail.com



To: Humboldt LAFCo
From: Board of Directors, WCSD, and General Manager Paul Rosenblatt
Subject: Recently approved MSR for HBMWD
Cc: Trinidad City Council, MCSD, Supervisor Madrone
Date: April 28, 2025

It is our understanding that LAFCo approved a new draft Municipal Service Review (MSR) for HBMWD at its March 19, 2025, meeting. We were disappointed to hear this because WCSD was provided with no opportunity to review the draft MSR prior to its approval, despite an assurance that our District's General Manager would have an opportunity to review the draft MSR and provide comments and/or suggestions for improvements. The Westhaven and Trinidad communities could be substantially impacted by the expansion of HBMWD's service area resulting from the proposed pipeline extension to the Trinidad Rancheria's coastal trust lands about 1 mile south of Trinidad. It therefore seems highly inappropriate for WCSD to have been denied an opportunity to review and comment on the draft MSR. Previously, LAFCo requested and received useful input from WCSD on a revision of Trinidad's MSR/SOI document, and we had a productive interaction with LAFCo when WCSD's own MSR/SOI report was revised and updated.

The proposed extension of the HBMWD pipeline that has been requested by the Trinidad Rancheria could have widespread impacts on growth and development in the Trinidad/Westhaven area. Both WCSD and Trinidad have declined HBMWD's request to participate in the pipeline extension proposal, despite an assertion from former Manager Friedenbach that Trinidad and/or WCSD would have to pay for part of the cost of constructing the pipeline to the Trinidad Rancheria if they were to consider tapping into it at some point in the future.

WCSD has made enormous improvements to its water system over the past several years. We have drilled two new productive groundwater wells, we have replaced more than 80% of the water lines in our delivery system (reducing loss due to leakage), and we will shortly go out to bid for construction of a new state-of-the-art water treatment plant. (The new treatment plant will allow the District to successfully remove disinfection byproducts. In 2017, the State of California issued a Compliance Order to WCSD requiring satisfactory removal of disinfection byproducts. Treatment plant construction will be fully funded by the State of CA given our District's economically disadvantaged status.) Together, these actions mean that we will be able to add a substantial number of new customers (parcels with existing dwellings but inadequate water supplies) to our water system. We therefore have no anticipated *need* for water from a HBMWD pipeline extension in the foreseeable future.

Trinidad and WCSD have together secured state funding for development of an Emergency Inter-tie between our water systems. The inter-tie will be constructed this summer and when operational will provide our two water systems with a backup water supply in the event of emergencies such as large breaks in main water lines. Instead of water deliveries by trucks in such emergencies, the inter-tie would allow Trinidad water to be passed to the WCSD system or WCSD water to be passed to the Trinidad system.

Pacific Watershed Associates made an informative presentation on the Luffenholtz Creek watershed (the source of Trinidad's water supply) to the Trinidad City Council on 12 October 2021. The takeaway from this presentation was that the watershed has an unusually strong ability to store water for delivery throughout the year, with the exception of very late summer/early fall low flow periods during low rainfall/drought years. PWA concluded that:

8. Total annual rainfall and streamflow in the watershed is significantly more than needed to provide Trinidad with a sustainable supply of water, but winter rainfall and runoff will likely need to be stored for summer use during the critical dry period as climate continues to dry and water use continues to increase.

PWA suggested that Trinidad could develop some modest off-site water storage pond(s) for potential use during such low flow periods. Trinidad also has water rights to Mill Creek which it has not exercised, and water loss could probably be reduced by replacement of water lines in many areas of its system. Finally, the concerns about low flows would probably be greatly reduced if Trinidad were no longer required to provide the Trinidad Rancheria's existing needs and the Rancheria were to rely on the HBMWD pipeline extension as its sole source of supply, assuming that construction of the pipeline is an inevitable event. The Trinidad Rancheria is currently the largest water customer for the Trinidad system.

We have been informed that at the last LAFCo meeting, the idea of Trinidad using HBMWD water as a "backup supply", relied upon only during periods of low flow in Luffenholtz Creek, was apparently suggested. We wish to dispel that notion. One of us was at a Trinidad City Council meeting at which Dwight Miller, a former City Council member, suggested just this idea. John Friedenbach, then HBMWD General Manager, was present at this meeting and informed Miller that if Trinidad were to connect to a HBMWD pipeline extension, then Trinidad would be required to rely upon HBMWD water throughout the year. HBMWD water could not be used merely as a "backup" supply.

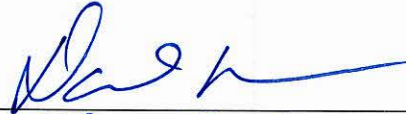
If Trinidad or WCSD were to connect to the proposed pipeline extension, there are well founded causes for concern regarding growth inducement that would result from access to an effectively unlimited supply of water relative to demand. LAFCo should be well aware of the pressures that would build for development of parcels that currently cannot be developed due to lack of water supply and for expansion of service areas well beyond existing District and Trinidad service area boundaries. Generally, a water service provider is obligated to provide additional service connections to all requesting parcels within its service area boundaries so long as its water supply is large enough to support additional service connections. LAFCo would seem to have a very clear responsibility to engage in a serious study of the possible growth inducement consequences of a pipeline extension to the Trinidad Rancheria.

Finally, costs of delivery of water to customers in the Trinidad and Westhaven systems are already very high. If HBMWD water were used as a source of supply by Trinidad and/or WCSD, our water systems would have to pay for the volume of water delivered from HBMWD as well as for a probable "wheeling charge" (water would have to be pumped almost 300' uphill) from MCSD. In a letter (attached) to the HBMWD Board dated October 6, 2021, John Friedenbach, then HBMWD General Manager, proposed that if Trinidad were to connect to a HBMWD pipeline extension in the future, Trinidad should pay the Rancheria 50% of all costs for the mainline extension including design, permitting and construction costs, including interest. We assume a similar arrangement would be required of WCSD. Loans would no doubt be required to cover extension of the pipeline from the Trinidad Rancheria to Trinidad and WCSD's water systems, as well as for the possible "buy-in" charge suggested by Friedenbach. Costs of staffing and maintaining the water systems would be as at present, though costs of water treatment might (?) be mildly reduced. We cannot imagine that water delivery costs to customers would not rise substantially if Trinidad and WCSD were to request a connection to a HBMWD pipeline extension. Thus, it seems to us that LAFCo should be obligated to consider possible rate increases on water customers that might result.

We note that Westhaven is an economically disadvantaged community and that many current WCSD customers struggle to pay their *current* water bills.

Given the very significant issues that are briefly considered above, WCSD requests that it be consulted during future Humboldt County LAFCo deliberations concerning the HBMWD MSR/SOI review and the proposed pipeline extension to the Trinidad Rancheria. We believe that the wisdom and repercussions of the proposed pipeline extension need to be considered more thoughtfully and with full participation by the communities that would be most affected.

David Hankin Vice President WCSD Board

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Paul Rosenblatt General Manager WCSD

A handwritten signature in blue ink, appearing to read "Paul Rosenblatt", written over a horizontal line.

HUMBOLDT BAY MUNICIPAL WATER DISTRICT

To: Board of Directors
From: John Friedenbach
Date: October 6, 2021
Subject: Water Resource Planning (WRP) – Status Report

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The purpose of this memo is to summarize recent activities and introduce next steps for discussion.

1) Top-Tier Water Use Options**a) Local Sales**

i) Nordic Aquafarms – They are moving forward with permitting.

ii) Trinidad Rancheria mainline extension. Staff met with the Rancheria staff and are working on finalizing the Mainline Extension Agreement. The Rancheria legal counsel is scheduled to provide review comments to the District on Friday, Oct. 8th after the board packet is published. Staff will review their comments and discuss with our directors at the board meeting.

Staff attended the City of Trinidad Water Advisory Committee meeting on September 7th.

At their meeting on October 12th, the Trinidad City Council is scheduled to decide whether or not to join in the mainline extension project with the Trinidad Rancheria. The attached letter is being circulated within the City of Trinidad. If this occurs, representatives from the City may be in attendance at our board meeting to make this request. Staff suggests that an amendment to the mainline extension agreement would then be negotiated between HBMWD, Trinidad Rancheria, and the City. Staff further recommends that the Rancheria be named as the lead agency in the project.

There have been some discussions by City representatives to delay joining the mainline extension to a point in the future after project completion. Should the board entertain this concept, which staff opposes, staff recommends that the City be charged a minimum of 50% of all costs for the mainline extension including design, permitting, and construction costs, including interest. And that these monies be paid to the Trinidad Rancheria as a condition of allowing access to the waterline.

b) Transport

The transport committee met on October 7th to discuss an inquiry that was made to the district regarding transport. The committee members will report out at the board meeting. On October 18th, the transport committee is scheduled to meet with Congressman Huffman to discuss possible transport needs in the region.

c) Instream Flow Dedication

Director Fuller presented our instream flow project status to the Humboldt Bay Symposium on September 29th. She will report out at the board meeting.



DATE: May 7, 2025

TO: David Hankin, Board President
Paul Rosenblatt, General Manager
Westhaven Community Services District

FROM: Colette Santsche, Executive Officer

SUBJECT: Letter Regarding Humboldt Bay Municipal Water District Municipal Service Review and Sphere of Influence (MSR/SOI) Update

Mr. Hankin and Mr. Rosenblatt,

Thank you for your letter expressing concerns regarding the recently adopted MSR/SOI update for the Humboldt Bay Municipal Water District (HBMWD). I sincerely appreciate the level of detail and background you provided—it clearly reflects the District’s commitment to strengthening its water system and planning for long-term resiliency. Your comments concerning growth inducement, cost implications, and regional collaboration are well taken and underscore the importance of inclusive and transparent planning.

As you are aware, the Humboldt LAFCo Commission approved the HBMWD MSR/SOI Update at its March 19, 2025 meeting. As part of its action, the Commission included the following condition:

Should HBMWD or another applicant submit an application to LAFCo for the extension of services to the Trinidad Rancheria and/or surrounding area, a project-specific MSR/SOI Update shall be prepared for the District.

This condition was adopted in direct response to questions and concerns—similar to those expressed in your letter—regarding the proposed Trinidad Rancheria pipeline extension. The MSR acknowledged the pipeline as a potential future project but did not evaluate it in detail, as the project is still in early-stage planning and design and no formal application has been submitted to LAFCo for consideration. Furthermore, no changes were made to HBMWD’s adopted SOI, which remains coterminous with the District boundary.

LAFCo has regulatory authority of boundary change proposals, sphere amendments, and extraterritorial service extensions in accordance with state law and Commission policies. LAFCo’s purposes are to (1) discourage urban sprawl, (2) preserve open space and prime agricultural lands, (3)



encourage the efficient provision of government services, and (4) encourage the orderly formation and development of local agencies based upon local conditions and circumstances (Government Code § 56301).

Should a formal application for service extension to the Trinidad Rancheria or surrounding area be submitted in the future, LAFCo will conduct a comprehensive review and apply the same substantive evaluation criteria used in annexation proposals. These criteria – consistent with Government Code § 56668 – include but are not limited to: the agency's ability to provide adequate services to the affected territory; the present and probable future needs for services; the availability and adequacy of water supplies; consistency with city and county general plans; likelihood of significant growth in the area and in adjacent areas during the next 10 years; potential effects on prime agricultural or open space lands; and consistency with the Commission's adopted MSR/SOI determinations.

LAFCo will carefully consider the impacts of a proposal and any alternative proposals on adjacent areas, on social and economic interests, and on the local government structures of the county. The review process would include preparation of a focused, project-specific MSR/SOI Update, appropriate environmental review under CEQA, and coordination with affected and interested local agencies. Your District's input would be a critical part of ensuring a transparent, informed, and locally responsive process.

Although the HBMWD MSR/SOI Update did not recommend any sphere changes, we recognize the regional significance of water service planning in the Trinidad and Westhaven areas and the value of early and ongoing consultation with neighboring service providers. Your letter reinforces the value of this approach, and moving forward, LAFCo staff will take proactive steps to ensure timely notice and broader agency consultation and coordination during future LAFCo deliberations concerning the HBMWD MSR/SOI review and the Trinidad Rancheria pipeline extension project.

Thank you again for your letter and for your ongoing commitment to public service. Your comments will be included in the administrative record for the HBMWD MSR/SOI Update and placed under Written Correspondence on the upcoming May 21, 2025 LAFCo agenda.

We look forward to continued collaboration with you and other agencies in the region.

Sincerely,

A handwritten signature in black ink that reads "Colette Santsche". The signature is written in a cursive, flowing style.

Colette Santsche, AICP
Executive Officer
Humboldt LAFCo