



AGENDA ITEM 8A

MEETING: March 15, 2023
TO: Humboldt LAFCo Commissioners
FROM: Krystle Heaney, Clerk/Analyst
SUBJECT: **Preview of Draft Agency Profiles for the South County Municipal Service Review and Sphere of Influence Update**
The Commission will receive an update on the status of document preparation along with an overview of four of the eight agency profiles. The report is being presented for information 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. 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.

As part of the Commission's work plan, staff has been preparing a regional MSR for water and wastewater services for the south county region which can be generally described as all districts south of Rio Dell/Scotia.

DISCUSSION

Southern Humboldt County includes multiple small to medium sized water and wastewater districts. A total of eight districts will be included in the South County Regional Water and Wastewater MSR/SOI Update (Alderpoint CWD, Briceland CSD, Garberville SD, Miranda CSD, Phillipsville CSD, Redway CSD, Resort Improvement District No. 1 (Shelter Cove), and Weott CSD) which will allow staff and Commissioners to take a comprehensive look at services in the region.

LAFCo staff has prepared initial drafts of four of the eight agency profiles for public review and comment, as follows:

- Briceland CSD
- Redway CSD
- Resort Improvement District No. 1 (Shelter Cove)
- Weott CSD

General themes for these agencies include aging infrastructure, difficulty recruiting additional staff, and the need for additional water sources and/or water storage to ensure adequate service during dry weather months. While the Districts may be facing some difficulties, they have also shown how dedicated staff and volunteers help to ensure that these rural communities are provided with critical services. Additionally,

several of the agencies under review have received grant funding and technical assistance which will help upgrade system components and provide updated rate studies.

Staff is continuing to work with the remaining four agencies and will be bringing additional profiles to the Commission's May meeting for review and comment along with the introduction section that will provide a regional overview, general themes, and tribal land acknowledgement.

RECOMMENDATION

Staff recommends the Commission receive and file this report and provide direction to staff as necessary.

Attachments

Attachment A: Draft Briceland CSD Agency Profile

Attachment B: Draft Redway CSD Agency Profile

Attachment C: Draft Resort Improvement District No. 1 Agency Profile

Attachment D: Draft Weott CSD Agency Profile

BRICELAND COMMUNITY SERVICES DISTRICT

1.0 DISTRICT BACKGROUND

1.1 Agency Overview

The Briceland Community Services District (CSD) provides water services to the community of Briceland approximately 5 miles west of Redway and 15 miles east of Shelter Cove. The area is noted by rolling hills, steep ravines, and streams that primarily flow into Redwood Creek. The area surrounding Briceland is comprised of mixed conifer (predominantly redwood and Douglas fir), mixed hardwood forest, and a small amount of grassland and prairie. The District is on the ancestral tribal lands of the Sinkyone people.

Table 1: Contact Information

Primary Contact	Chestine Anderson
E-mail	bandon48@gmail.com
Address	1 Miller Creek Road, Garberville CA 95542
Phone	707-923-1385
Website	N/A

1.2 District Principal Act

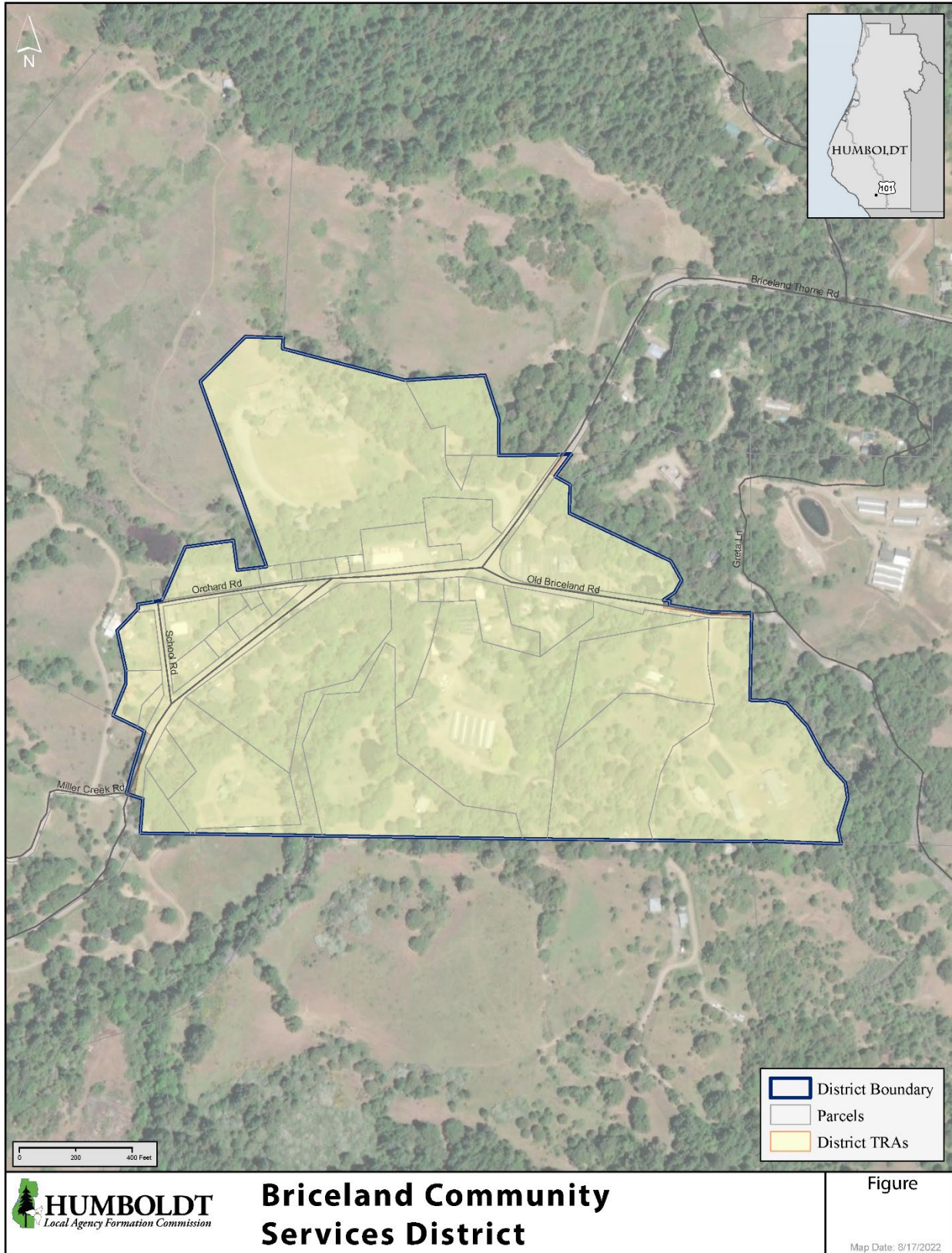
The District's principal act is Community Services District Law (Government Code §61000, et seq.) which authorizes CSDs to provide up to 31 types of governmental services within their boundaries. Briceland CSD is authorized to provide water services only. Other services, facilities, functions or powers enumerated in the District's principal act but not identified in the formation resolution are "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 as indicated in Government Code §25213.5.

1.3 Formation and Development

Briceland CSD was formed as an independent special district on September 20, 1989 under Community Services District law for the purposes of improving the water system supplying water to houses in the Briceland area¹. The application was filed by petition of more than 80% of the registered voters within the district, which allowed for the election to be waived. The district formation was approved by LAFCo on March 22, 1989 (Resolution No. 89-02) and the Board of Supervisors serving in their capacity as conducting authority ordered the formation without election on July 11, 1989 (Resolution No. 89-112).

¹ Certificate of Completion recorded document #1989-19121; includes LAFCo Resolution No. 89-02, adopted on March 22, 1989

Figure 1: Briceland CSD Boundary



The original water system was put in by J. W. Bowdin in 1904-1905 when a diphtheria epidemic threatened Briceland. In forming the Briceland CSD, proponents planned on using State Safe Drinking Water Grant Funds to identify additional water source and develop two 21,000-gallon water tanks. New treatment and distribution facilities were also proposed. Those plans were changed to one 42,000-gallon cement storage tank and no additional water sources were found. Since its formation, the District has remained largely unchanged.

1.4 Boundary and Sphere of Influence

The District's boundary and coterminous SOI encompass a total of 69.6 acres. Within the District boundary there are less than 40 parcels, the majority of which are developed with rural residences and ranches. Somerville Creek meets Redwood Creek along the eastern boundary of the District. The southern border stretches from Somerville Creek across to Briceland Thorne Road. The District is southwest of Redway following Briceland Thorne Road. The boundary encompasses small residential areas and agriculture.

1.5 Land Use and Zoning

The land use in the District is subject to the Humboldt County General Plan and Zoning Regulations (Humboldt County Code Title III, Division 1). The District's land use under the Humboldt County General Plan is Rural Community Center (RCC) and Residential Agriculture (RA).

Under Humboldt County Zoning Regulations, the District's zoning is Unclassified (U), Neighborhood Commercial (C-1), Agriculture General (AG), Residential Suburban (RS), and Forestry Recreation (FR) with combining zone Special Building Site of 40 acres (B-5(40)). The FR designation is similar to AG but it also allows for public and private noncommercial recreational uses, including golf courses and public stables.

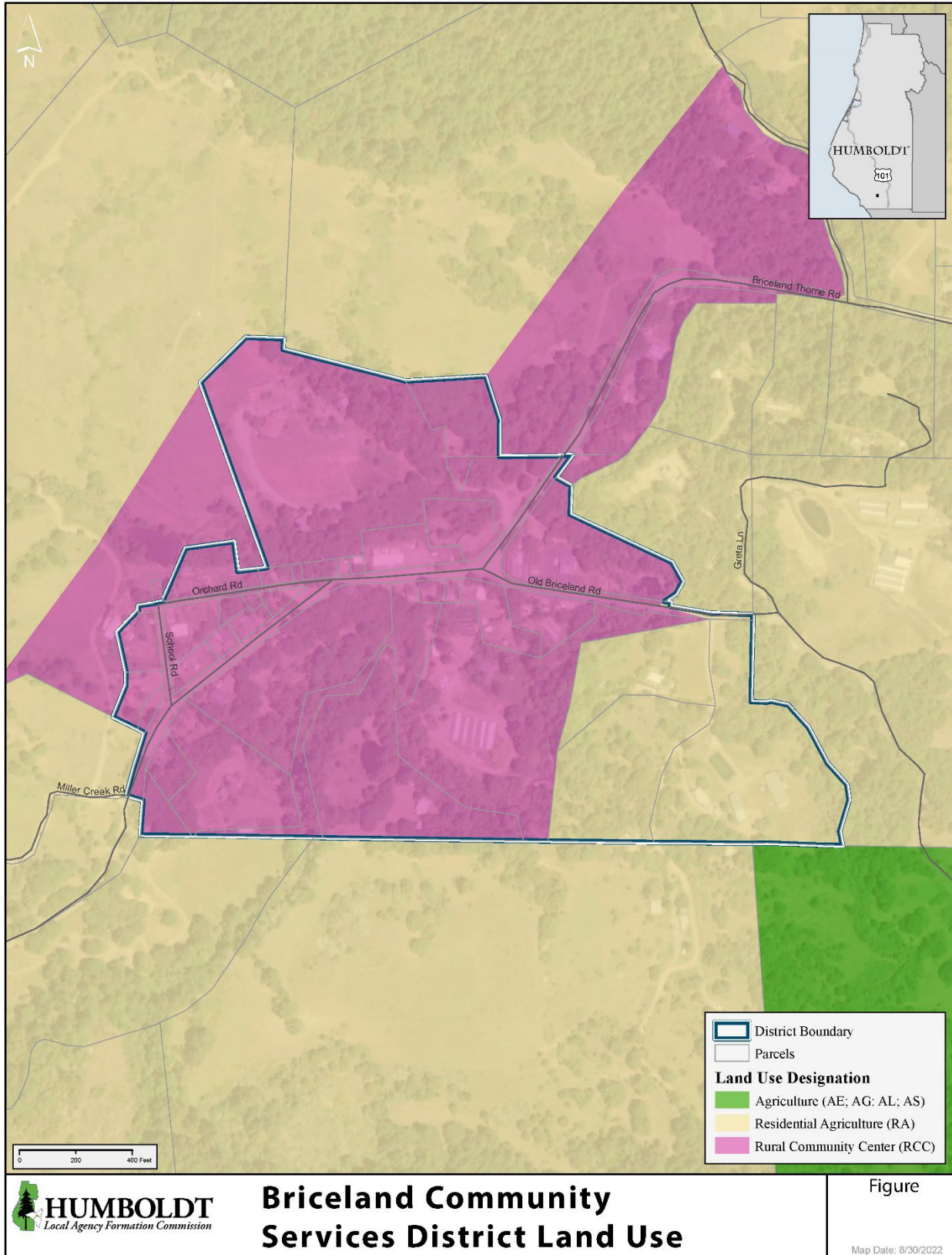
1.6 Growth and Population

According to a recent inspection report prepared by the California State Water Resources Control Board, the population of the District in 2020 was approximately 75². However, based on 2020 Census data and the District's boundary, GIS analysis estimates the current population to be approximately 40³. Accurate population data can be difficult to obtain in remote rural areas. However, As of February 2023 the population is 51 as determined by District personnel. The District has looked into conducting an official Median Household Income Survey but will need to be in active pursuit of a new grant in order to have that survey done by the Rural Community Assistance Corporation. Based on the estimated population and historical growth for the area, it is unlikely the District will grow substantially over the next five to ten years.

² State Water Resources Control Board: Division of Drinking Water, Briceland Community Service District Inspection. Print.

³ U.S. Census American Community Survey (ACS) 2015-2019 5-year estimates.

Figure 2: Briceland CSD Land Use



1.7 Disadvantaged Unincorporated Communities

The last available estimated MHI for the Briceland area is the ACS 2019 5-year estimate of \$65,227⁴ which is 81 percent of the estimated 2019 California MHI of \$80,440⁷ which may indicate that the District does not qualify as a DUC. However, the area of consideration for this estimate is substantially larger than the District and includes a substantial margin of error. Based on the North Coast Resource Partnership (NCRP) mapping data tools, the Briceland CSD is mapped as a Severely Disadvantaged Community, an Economically Distressed Area and a Severely Economically Disadvantaged Community. The Humboldt County General Plan also has mapped Briceland as an Unincorporated Legacy Community⁵. An informal survey conducted by District personnel indicates the Median Household Income of Briceland residents is approximately \$37,600, which qualifies the area as Severely Economically Disadvantaged Community.

1.8 Hazards

As noted previously, the community of Briceland is surrounded by forested lands and rolling hillsides. Due to this setting, the area may experience several different types of hazards including wildfire, earthquakes, landslides, and flooding.

The entire District and surrounding areas are within state responsibility area (SRA – where the state of California is responsible for wildfire protection) and are designated as a high fire severity zone⁹. In August 2015, the Horse Fire burned 146 acres approximately 10 miles west of Briceland and 6 miles northeast of Shelter Cove⁶. In 2008, the Paradise Fire burned over 1,000 acres approximately 6.5 miles to the west of the District. The seasonally staffed CAL FIRE Thorn Station is the closest state wildland unit, at approximately five miles from the District. CAL FIRE also dispatches the Briceland Volunteer Fire Department, that is located within Briceland and has extensive training in wildland fire control. Due to the high fire danger in the area, it is important that local fire service agencies and residents have a reliable source of water.

In addition to wildfires, earthquakes are a known hazard in the area. The Garberville-Briceland fault runs through the District and other major faults including the Russ fault and King Range thrust are located within the region. On December 20, 2021, an earthquake with an initial magnitude of 5.7 took place near Petrolia. This magnitude took place 11 seconds before the main energy release, a 6.2 magnitude. A seismic station located at the Briceland Vineyard, which lies just northeast of the District boundary, recorded an intensity of 5.7. Some residents in the area experienced strong shaking but very little to no damage⁷.

Other hazards including 100-year flood plains mapped along Redwood and Somerville Creeks and landslides may occur in or around the District. Landslides in the steep terrain of the spring-fed water collection area could conceivably cover the collection box. Landslides in the area

⁴ U.S. Census American Community Survey (ACS) 2015-2019 5-year estimates.

⁵ Humboldt County, Legacy Communities. <https://humboldt.gov/DocumentCenter/View/78835/2019-Housing-Element---Legacy-Community-Detail-PDF?bidId=>

⁶ CalFire, Horse Fire Incident. Accessed April 22, 2022 from <https://www.fire.ca.gov/incidents/2015/8/18/horse-fire/>

⁷ USGS, M 6.2 – 7km N of Petrolia, CA. Accessed April 19, 2022 from <https://earthquake.usgs.gov/earthquakes/eventpage/nc73666231/executive>

may also impact travel in the area and reduce the District's ability to respond quickly to system issues.

2.0 MUNICIPAL SERVICES

2.1 Water Services

Briceland CSD receives water from the headwaters of an unnamed creek that is a tributary to Miller Creek. The source capacity can vary from 5 gallons per minute (gpm) in the late summer to 20 gpm or more in winter. The capacity is low for the size of the District, but staff continually checks the clear well levels during the summertime to ensure there is adequate supply. The District plans to install 100,000 gallons of additional water storage which will help compensate for overall low capacity.

The water system relies on gravity flow from source to consumer. Raw water is collected by a concrete collection box located at the headwaters of the unnamed creek and piped 0.9 miles to a "T" junction. One leg of the junction goes to the treatment plant, and the other goes to a series of three fire storage tanks. When the source flow is high, but demand is low, water will flow to the fire storage tanks or back into the streambed.

Water flowing to the treatment plant first enters into slow sand filters. After flowing through the sand filters, water is injected with chlorine and flows to a clear well for adequate chlorine contact time before entering the distribution system.

The District currently has four storage tanks - the clear well tank and the three fire storage tanks. The clear well tank is a 42,000 gallon concrete tank located at the treatment plant. The fire storage tanks consist of two 5,000 gallon HDPE tanks and one 8,000 gallon steel tank all located at the treatment plant. 100,000 gallons of new water storage is planned to be constructed in the summer of 2023 and will be used for fire and treatment plant storage when the creeks source capacity is low.

The District currently has 27 service connections and serves a population of approximately 51 plus a community center, the firehouse, and 2 schools as of 2023. In 2018, the District produced a total of 2,578,797 gallons of water. The recorded maximum month, as of the January 2020 inspection, was in September of 2019 at 285,892 gallons⁸. Utilizing the lowest source supply of 5 gpm, the District could receive as little as 216,000 gallons over the course of a month. This suggests that the District currently does not have enough supply to meet maximum demands. However, the addition of new storage tanks would allow the District to store water for use during low flow periods. The District is operating under a moratorium on new connections imposed by the District Board of Directors that has been in effect for many years reflecting the lack of water supply. However, the fire station was connected to the system in order to provide a more reliable source of water and better support the interests of the community.

⁸ State Water Resources Control Board, Briceland CSD Public Water System Inspection, February 27, 2020.

State Water Resource Control Board

During the last routine inspection conducted by the SWRCB on July 1, 2020, there were a number of items listed as deficiencies which included the following:

1. Perform cross-connection control survey and assessment due by May 29, 2020.
2. Ensure all connections needing a backflow device have one installed due August 28, 2020.
3. Review current cross connection control ordinance and update if needed due August 28, 2020.
4. Develop a Surface Water Treatment operations plan, submit to Department of Drinking Water (DDW) due May 29, 2020.
5. Complete the system component's data sheet, submit to DDW due April 3, 2020.
6. Update the existing treatment system schematic, provide DDW with a copy due April 3, 2020.
7. Begin recording and submitting monthly contact time (CT) parameters and calculations to DDW due March 1, 2020.
8. Maintain a chlorine residual of 0.5ppm, always maintain a minimum of 21,000 gallons in the clear well, begin recording tank levels on the monthly monitoring records due March 1, 2020.
9. Provide the State Water Resources Control Board (SWRC) office with a statement of the District's intentions and timeframe for complying with Section 64659 of the regulations due March 30, 2020.
10. Provide the DDW with a timeframe for the installation of a master meter after the clear well due March 30, 2020.
11. Develop an emergency disinfection plan, submit to DDW due April 3, 2020.
12. Secure clear well roofing due March 13, 2020.
13. Install a float switch in the storage tank to prevent overflow of chlorinated water into the environment due April 3, 2020.
14. Inspect the clear well and provide the details to DDW, inspect clear well weekly and make note of inspections on the monthly monitoring form, add clear well inspection schedule to the operations plan due immediately
15. Replace concrete clear well.
16. Build an additional treated water storage tank.
17. Calibrate turbidimeter quarterly due immediately.

Since the time of this inspection, the District has been working on implementing the recommended actions. The grant funded projects planned to be completed in summer 2023 will address many of the items listed above (see Grant Funding under Financial Overview). The District has also completed a cross connection survey which resulted in only one potential cross connection which currently has a backflow device installed and is inspected annually. The clear

well tank was also recently inspected and found to be in very good condition with little to no sediment⁹. The District will continue to address issues as time and funding allows.

2.2 Other Service Providers

Fire Protection and Emergency Response

According to the South County Regional Fire Services MSR, the Briceland FPD was formed in 2012, but has been serving the Briceland area since 1976 as the Beginnings or Briceland Volunteer Fire Department. They provide fire suppression, emergency medical aid, and other emergency response services.

The FPD's boundary borders the Garberville FPD, Whitethorn FPD, the Telegraph Ridge FPD, and the Salmon Creek VFD. The Briceland FPD entered into an agreement with Telegraph Ridge FPD for them to provide fire and emergency services to the Crooked Prairie area. This agreement included a provision for the Telegraph Ridge FPD to absorb the Crooked Prairie fire station.

The Humboldt County Fire Chiefs' Association 2020 Annual Report states that the Briceland FPD had 31 volunteers and 21 auxiliary. The 2020 reported incident responses included four vegetation fires, two vehicle accidents, four medical, one hazmat/menace, four public assistance, one other fire, and 10 other services.

3.0 GOVERNANCE & FINANCE

3.1 Governance

Briceland CSD is an independent special district served by a five-member Board of Directors that is elected to four-year terms. Board meetings are held every 2nd Monday of odd number months at 4:30pm. Meetings are held at the Beginnings Community Center located at 5 Cemetery Road in Briceland unless otherwise noted on the agenda.

Table 2: Board of Directors

Board Member	Title	Term
Joaquin Courtemanche	President	2020-2024
Chestine Anderson	Secretary/Treasurer	2020-2024
Jim Courtois	Board Member	2022-2026
Ellie Huber	Board Member	2022-2026
Kim Nelson	Board Member	2022-2026

Staffing

Briceland CSD does not have any regular staff and is run by volunteers in the community and the Board of Directors. Stipends are provided to the current plant operator to help offset personal costs associated with maintaining the plant and to a former board member who oversaw plant operations for many years.

⁹ Briceland CSD, Personal Communication with C. Anderson. November 8, 2022. Email.

Accountability and Transparency

Briceland CSD does not maintain a website. In order to increase ease of access, it would be beneficial to create a website where they can post the board agendas, the board minutes, District financials, and other important documents/ notices. However, as there are several households in the district who do not have internet service and there is currently no one available to create and monitor a website, the District has elected to physically post agendas, minutes, financials, and other important documents/notices related to District business. In order to come into compliance with SB 929, the District must adopt a resolution of hardship stating the reasons why it is not practical or feasible for the District to maintain a website.

Board agendas and notices are posted at the bus stop in downtown Briceland at least 72 hours in advance of scheduled Board meetings. Meetings of the Board of Directors are subject to the Ralph M. Brown Act which requires agendas must be posted at least 72 hours in advance of scheduled Board meetings in a location that is freely accessible to members of the public.

3.2 Financial Overview

Briceland CSD is primarily funded by fees for services. Since Briceland CSD was formed after the passage of Proposition 13 in 1978, the District does not receive a share of the one percent ad valorem property tax. The District charges an annual fee of \$600 per connection which is charged on the property owner's annual tax bill. Since there are no regularly paid staff, the District's largest expense is for operating supplies and system maintenance.

Currently, Briceland CSD does not adopt an annual budget or conduct regular audits. Budgeting is conducted on an informal basis based on knowledge of the District's typical revenues and expenses. A summary of the informal budget for FY 2020-21 to FY 2022-23 is provided in Table 3. Annual revenue and expense reporting is provided to the State Controller's Office which is summarized in Table 4. Based on the information gathered from the Controller's Office, the District has been operating at a loss for most of the years reviewed.

Financial transactions for the District are primarily handled by the Auditor-Controller's Office of Humboldt County. They maintain the revenue and expenditure accounts for the district and pay claims submitted by the District. Unfortunately, due to a prior backlog at the County Auditor-Controller's Office, the FY2021-22 transactions have not been closed out as of February 2023 which has impacted the year-end financial transaction report submitted to the State Controller's Office. Additionally, grant funding is not tracked separately but is included in the Districts overall expenses and revenues. Since reimbursements for grant projects can take several months to receive, revenues may be reported in a different fiscal year than expenses and show a greater loss for the District. According to the District, normal operating expenses are being covered completely by annual fees.

Table 3: Briceland Annual Budget Summary

Category	FY 20-21	FY 21-22	FY 22-23
Revenues			
Fees for Services	\$11,136	\$11,135	-
Donations	-	\$0	-
Other	\$325	\$0	\$16,012
Total Revenues	\$11,461	\$11,135	\$16,012
Expenditures			
Insurance	\$1,175	\$1,249	-
Operation Supplies	\$2,400	\$2,554	\$377
Memberships & Fees	\$518	\$479	-
Operators	\$825	\$825	-
Other	\$920	\$2,963	\$133
Total Expenditures	\$5,838	\$8,070	\$510
Gain/ (Loss)	\$5,623	\$3,065	\$15,502

Table 4: Briceland CSD State Controller Summary

Category	2017	2018	2019	2020	2021
Revenues					
Operating	\$5,880	\$10,864	\$9,899	-	\$10,919
Non-Operating	\$529	\$615	\$514	-	\$24,729
Total Revenue	\$6,409	\$11,479	\$10,413	N/A	\$35,648
Expenses					
Operating	\$11,979	\$19,458	\$20,046	-	\$13,576
Non-Operating	-	-	-	-	\$12,025
Total Expense	\$11,979	\$19,458	\$20,046	N/A	\$25,601
Net Gain/(Loss)	(\$5,570)	(\$7,979)	(\$9,633)	-	\$10,047

Special Districts have several financial and reporting requirements as required by law. Regarding the annual budget process, Government Code §61110 states that a preliminary and final budget must be adopted for the District on or before July 1 of each year. Government Code §53901 states that within 60 days after the beginning of the fiscal year each local agency must submit its budget to the county auditor. These budgets are to be filed and made available on request by the public at the county auditor's office. The District is encouraged to begin adopting budgets for the fiscal year (July 1 to June 30) and begin filing regularly with the County Auditor.

State law also requires each district to file an annual audit report with the County Auditor-Controller. According to Government Code §61118, the Board of Directors shall provide for regular audits of the District's accounts and records and shall provide for annual financial reports to the State Controller. All special districts are required to submit annual audits to the County within 12 months of the completion of the fiscal year unless the Board of Supervisors has unanimously approved a biennial or five-year schedule¹⁰. Additionally, Government Code

¹⁰ California Government Code Section 26909 (5)(b)(1-3).

§26909(a)(1) states that the county auditor shall either prepare the audit or contract with a certified public accountant to complete the annual audit for districts not in compliance with their audit requirement at the expense of the special district. However, the Auditor-Controller's Office has not enforced this requirement for special districts out of compliance.

Since Briceland CSD is a volunteer district with limited capacity for conducting regular audits, it is recommended that the Board of Directors request an alternative audit schedule from the County Board of Supervisors. This would help ensure that regular audits are be conducted which may be necessary for future grant requests.

Grant Funding

The District has recently been successful in obtaining several grants to aid with project planning and implementation. They received \$30,000 in US Department of Agriculture Technical Assistance to help develop the necessary documentation to support a successful Integrated Regional Water Management Proposition 1 grant application.

In December 2020 the District was awarded the Proposition 1 grant totaling over \$1 million. This project will enable the District to conduct several system upgrades including construction of 100,000 gallons of new water storage, new 2-inch and 6-inch water transmission lines, site fencing for water storage and treatment facilities, low water and high flow alarms, and numerous other small system components to improve reliability of the system. Additional funding of over \$500,000 was awarded for this project by the North Coast Resource Partnership (NRCP). Funds from the NRCP Urban and Multifibenefit Drought Relief Grant program will allow the District to install a new transmission line from the raw water source to the treatment facility and complete additional treatment plant upgrades.

REDWAY COMMUNITY SERVICES DISTRICT

1.0 DISTRICT BACKGROUND

1.1 Agency Overview

The Redway Community Services District (CSD) provides water and wastewater services to the community of Redway located in a bend of the Eel River just off Highway 101 directly north of Garberville. The community includes a small commercial district and is known for its access to outdoor recreation, such as fishing and swimming. The area is also located on the ancestral tribal lands of the Sinkiyone people.

Table 1: Contact Information

Primary Contact	Cody Cox, General Manager
E-mail	ccox.rcsd@gmail.com
Address	1150 Evergreen Road Suite 2, Redway, CA 95560
Phone	707-923-3101
Website	https://redwaycsd.org/

1.2 District Principal Act

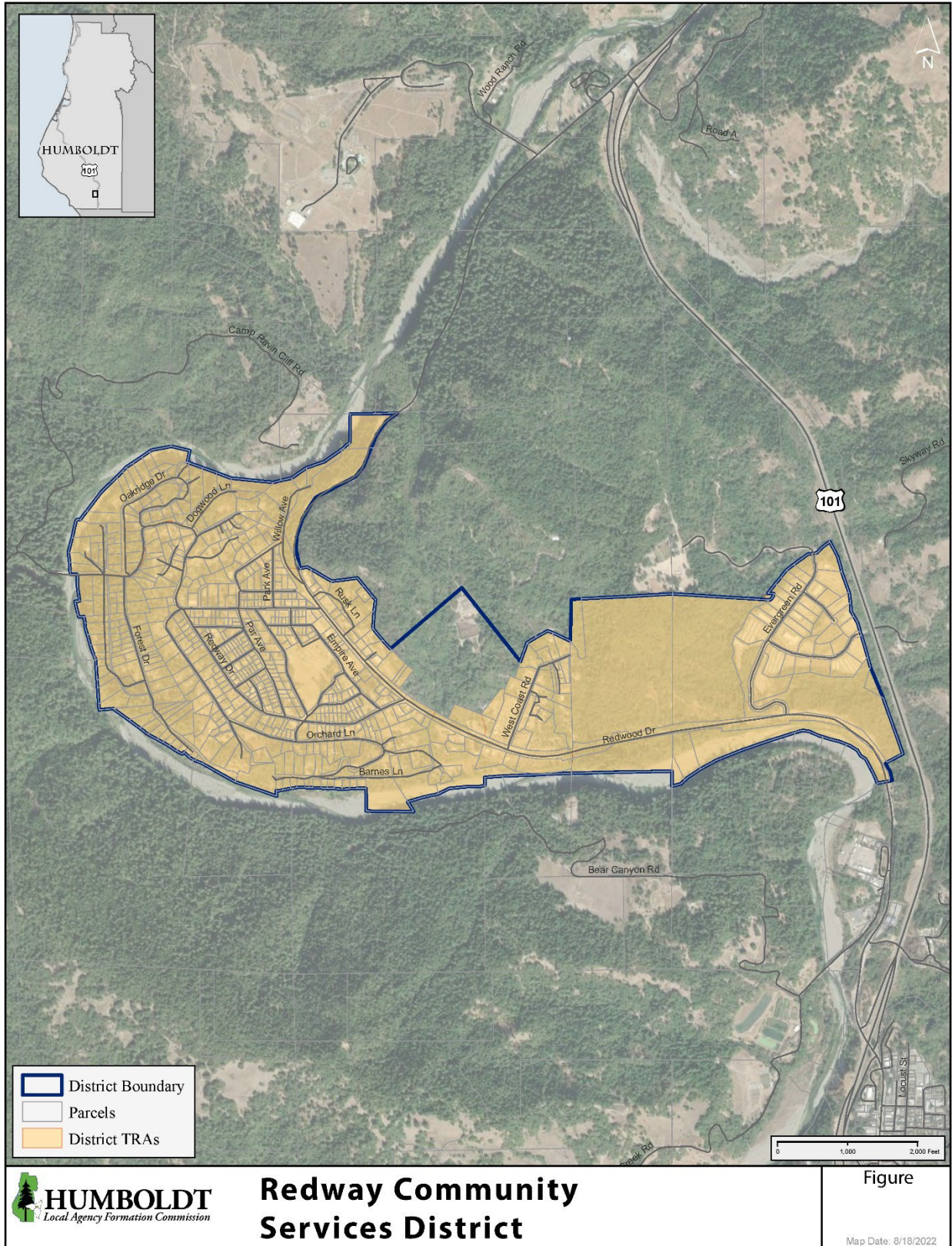
The District's principal act is the Community Services District Law (Government Code §61000, et seq.) which authorizes CSDs to provide up to 31 types of governmental services within their boundaries. Redway CSD is currently authorized to provide water and wastewater services. Other services, facilities, functions or powers enumerated in the District's principal act but not identified in the formation resolution or by documented activation of powers are "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 as indicated in Government Code §25213.5.

1.3 Formation and Development

Redway CSD was originally formed in 1965 by the Humboldt County Board of Supervisors to provide the community with potable water service and latent powers relating to wastewater, fire protection, collection of solid waste, and street lighting. In February 1977 the District completed a successful reorganization with the Redway Sanitary District in which the CSD took on the responsibility for the established sewer system.

Since the District's formation and subsequent reorganization, the actively provided powers have water and wastewater. As such, other powers listed within CSD law are considered latent and must be activated by LAFCo before provision of service begins including fire protection, solid waste collection, and street lighting.

Figure 1: District Boundary Map



1.4 Boundary and Sphere of Influence

The District's boundary and coterminous SOI encompass a total of 768 acres (1.2 square miles). Outside of the commercial area along Redwood Drive and the small industrial area located along Evergreen Road, the majority of parcels are developed with single family homes.

1.5 Land Use and Zoning

The District's land uses are currently subject to the Humboldt County General Plan and policies relating to the Garberville-Benbow-Redway-Alderpoint Community Plan that are contained in General Plan Appendix C, Community Area Plans Extract, and Zoning Regulations (Humboldt County Code Title III, Division 1). Under the Humboldt County General Plan, the District's land uses are Public Lands (P), Public Facility (PF), Residential Agriculture (RA), Commercial Services (CS), Residential Low Density (RL), Industrial, General (IG), Residential Medium Density (RM), Commercial General (CG), and Mixed Use (MU).

Under the Humboldt County Zoning Regulation, the District's zoning is Residential One-Family (R-1) with combining zone Special Build Site of twenty thousand square feet (B-3) and combining zone Qualified (Q) establishing housing density within certain multi-family zoned areas and protecting redwood trees greater than 12 inches in diameter, Neighborhood Commercial (C-1), Apartment Professional (R-4), Residential Multiple Family (R-3), Residential Two Family (R-2), Community Commercial (C-2), Apartment Professional (R-4) with combining zone Planned Development (P), Highway Service Commercial (CH), R-3 with combining zone Q, R-1, R-1 with combining zone Manufactured Home (T), Limited Industrial (ML), R-1 with combining zone B-3, Agriculture Exclusive (AE) with combining zone Special Build Site of 40 acres (B-5(40)), Forestry Recreation (FR), Agriculture General (AG) with combining zone B-5 of 5 acres, Industrial Commercial (C-3) with combining zone Design Control (D), Business Park (MB) with combining zone D, Unclassified (U), and Flood Plain (FP).

1.6 Growth and Population

The District is located northwest of Garberville off of Highway 101 and adjacent to the South Fork Eel River. According to a recent inspection report prepared by the California State Water Resources Control Board, the population of the District in 2020 was approximately 1,247¹ which is a slight increase over previous years' estimates. Based on the low growth rate for more rural unincorporated areas of the county and the historically low growth rate of the community, it is unlikely the District will grow substantially over the next five to ten years.

¹ US Census Bureau, 2020 Decennial Census, Redway Census Designated Place. Accessed November 12, 2022.

1.7 Disadvantaged Unincorporated Communities

According to the DWR DAC mapping tool, the estimated MHI for Redway is \$62,786² which is 78 percent of the 2020 California MHI of \$80,440 which means the District qualifies as a DUC. The Humboldt County General Plan also has mapped Redway as an Unincorporated Legacy Community which indicates that the area has consistently had a MHI that qualifies the community as disadvantaged.

As noted previously, DUCs are assessed for three primary services: water, wastewater, and fire/emergency response. Redway CSD provides water and wastewater services to the area. Fire and emergency response is provided by Redway Fire Protection District. Should any nearby areas be proposed for annexation, careful consideration should be given to the boundary location in order to ensure potentially disadvantaged areas are receiving these vital services.

1.8 Hazards

Due to the District's proximity to the Eel River, a portion of the area lies within the FEMA 100-year flood zone. This includes properties along Barnes Lane and Eel River Lane adjacent to the river. Several flooding events have occurred in the area over the last 30 years including in January 1997, January 2016, January 2017, and February 2019³.

The District is located within the Garberville-Briceland fault zone but the area has low potential for liquefaction in the area and is distant from major fault zones. This reduces the potential for an earthquake to severely impact district services. On December 20, 2021, an earthquake with an initial magnitude of 5.7 took place near Petrolia. The earthquake was able to be felt as far north as Big Lagoon all the way to the south near Willits and Fort Bragg. The District likely experienced strong shaking but only light damage⁴.

Redway is also located in a densely forested area which creates a higher risk for wildfire. The entire District is within a designated State Responsibility Area (SRA – where the state of California is responsible for wildfire protection) and a high fire hazard severity zone with a very high fire hazard zone just to east adjacent to Highway 101. Approximately two miles east of the District's border, the Saw fire occurred in 2017 off of Alderpoint Road and Lower Sawmill Road and burned 85 acres⁵. South of the District and the community of Garberville, the Buck Fire occurred in 2015 and burned approximately 16 acres⁶.

² United States Census Bureau, Median Income in the Past 12 Months (In 2020 Inflation-Adjusted Dollars). Accessed on April 13, 2022 from

<https://data.census.gov/cedsci/table?t=Income%20%28Households,%20Families,%20Individuals%29%3AIncome%20and%20Poverty&q=1600000US0660088&tid=ACST5Y2020.S1903>

³ USGS, South Fork Eel River Near Miranda. Accessed on April 19, 2022 from

https://water.weather.gov/ahps2/hydrograph.php?gage=mrnc1&hydro_type=2&wfo=eka. On January 1, 1997, a flood of 33.64 feet occurred along the South Fork Eel River. Because the water was measured above 33 feet, the flood was considered a minor flood. The next significant flood occurred on January 17, 2016 at 27.09 feet. Almost a year later, a 32.47 foot flood happened on January 11, 2017. The next flood took place on February 27, 2019 at 29.99 feet.

⁴ USGS, M 6.2 – 7km N of Petrolia, CA. Accessed April 19, 2022 from

<https://earthquake.usgs.gov/earthquakes/eventpage/nc73666231/executive>

⁵ CalFire, Saw Fire Incident. Accessed April 19, 2022 from <https://www.fire.ca.gov/incidents/2017/8/3/saw-fire/>

⁶ CalFire, Buck Fire Incident. Accessed April 20, 2022 from <https://www.fire.ca.gov/incidents/2021/6/6/buck-fire/>

The potential for landslides within the District is low due to the fairly level topography of Redway. However, larger landslides adjacent to the Eel River, especially upstream, could inundate the District's infiltration gallery with sediment.

2.0 MUNICIPAL SERVICES

2.1 Water Services

The District's water supply comes from the Eel River through an infiltration gallery. The District also holds water rights to a nearby spring which has been inactive since 2009. Though they maintain the water rights, the District has disconnected the spring and do not have it on standby.

The infiltration gallery has three submersible pumps. Two pumps are used for water production, with the third pump is used to clear away silt. Only one of the three pumps is active at a time. The District is allowed a maximum diversion of 1.273 million gallons per day (mgd) and the pump has a maximum capacity of 0.749 mgd. Once pumped into the treatment system, the raw water is injected with polymer coagulant to help settle out suspended solids before flowing into the 26,000-gallon clarifier. A chlorine solution is then pumped into the water before it flows through four gravity filters. The water is chlorinated again before it goes into the 0.25 MG contact time (CT) tank. From there, the water is boosted into the distribution system via two pumps.

The system has four tanks including three storage tanks and one chlorine CT tank. Main storage tank #1 is a 0.25 MG, steel welded tank. Main storage tank #2 is a 0.46 MG, steel welded tank. The Meadows tank is 0.1 MG, concrete tank in the ground at Industrial Park. The Chlorine CT tank is a 0.025 MG, concrete tank located at the filter plant.

The distribution system's mains are made from three different types of materials. Approximately 4,000 feet of mains are made from Galvanized Steel Pipe that are mostly 2" in diameter and are approximately 35 years old. Another 22,000 feet of mains are made from asbestos cement that are various sizes and are approximately 45 years old. Lastly, 20,000 feet of mains are made from PVC that are either 4", 6", or 8" and are roughly 35 years old.

The District has 686 connections and a population size of approximately 1,225 as of 2019. The total usage for 2019 was 69.83 MG pumped from the river. The maximum month's usage was 8.533 MG with a maximum day use on March 3, 2019 recorded at 0.48 MG. Based on the source capacity of 0.749 mgd, the District is using approximately 64 percent of its capacity during maximum daily demand. This indicates that the District has adequate water to support the current and future demand.

State Water Resource Control Board

During the last routine inspection conducted by the SWRCB on July 1, 2020, there were a number of items listed as deficiencies which included the following:

1. Need to test raw water for nitrate and perchlorate was due by December 31, 2020.
2. Annual TTHM/HAA5 was due by September 30, 2020.
3. Need to collect an Asbestos sample from the distribution system in the AC pipe area listed as "OVERDUE".
4. The 2019 Consumer Confidence report was due by October 15, 2020.
5. Test the backflow prevention devices and send proof to DDW Redding was due by December 31, 2020.
6. Update The Emergency Notification Plan was due by September 30, 2020.

Currently the District is working on complying with all recommendations and is in the process of establishing a new well as a backup water supply.

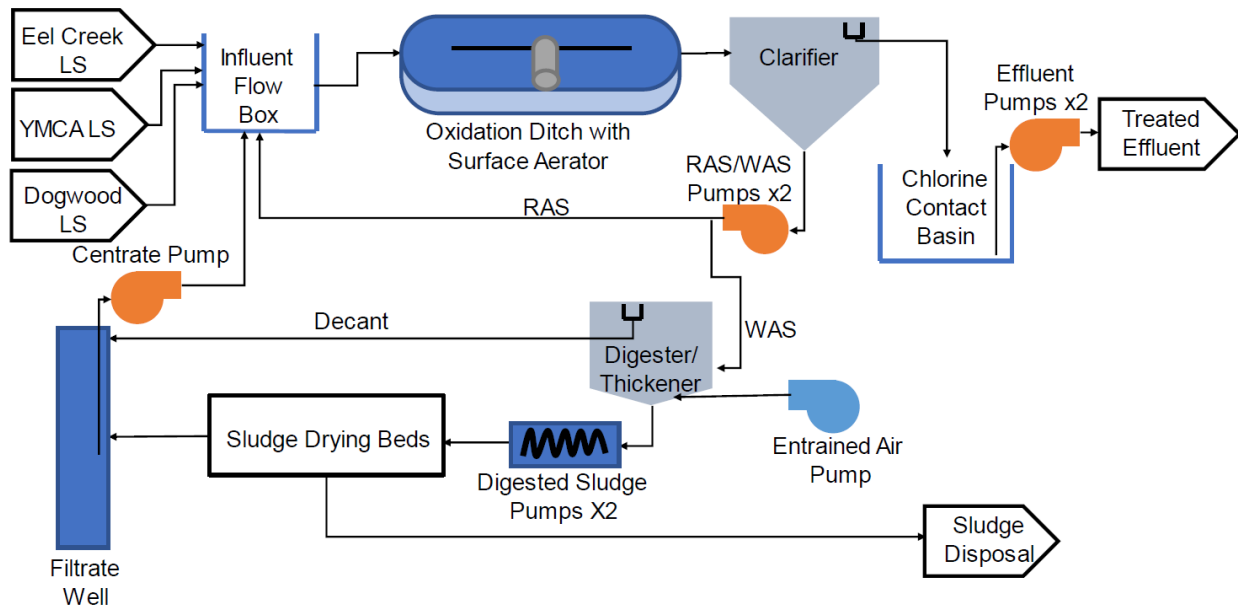
2.2 Wastewater Services

As noted previously, the District took over wastewater services from the Redway Sanitation District in 1977. As part of the reorganization process, the District acquired all of the infrastructure and other assets of the former sanitation district. The collection and treatment system remains much the same as it did in 1977 and some components of the system are reaching the end of their useful life. In May 2022 the District completed a preliminary engineering report on the current status of the treatment plant and necessary upgrades to extend the plant's useful life. The following section summarizes the information provided in that report⁷.

The District's sanitary sewer collection system includes roughly 10 miles of gravity main and three miles of force main, ranging in size from 6 inches to 10 inches. There are a total of seven lift stations of which two are privately owned and maintained by the YMCH and the Eel Creek Conservation Camp. Wastewater is collected from the community and pumped across the Eel River to the treatment facility on Camp Ravin Cliff Road. Figure 2 shows the flow diagram for the existing treatment facility.

⁷ GHD, Preliminary Engineering Report Wastewater Collection and Treatment: Redway Community Services District. May 25, 2022.

Figure 2: Redway CSD Wastewater Treatment Diagram



Currently, the only screening facility in the system is on one of the three lift stations that lead to the treatment plant. The plant itself does not have a headworks facility or other screening or grit removal process where influent comes into the plant. Due to this, the oxidation ditch can become clogged with rags and other bulk material.

After spending time in the oxidation basin, influent is moved to the clarifier which separates liquid from solids. Liquid flows from the clarifier into a chlorine contact basin to be treated before it is discharged to percolation ponds. Solids flow either back to the oxidation ditch or to the digester. The current digester has a total volume of 25,213 gallons and is used to break down solid material so that it can be further separated into liquids and solids. The liquid from the digester is decanted into a filtrate well before circulating back to the oxidation basin. Processed solids are pumped to an open-air drying bed to dry completely before being disposed of. However, the drying process can be difficult due to wet weather conditions.

In 2020 the system collected an average of 0.108 mgd of influent with minimum of 0.095 in August 2020 a maximum of 0.142 mgd in January 2020. The higher amount of influent in the winter months suggests that there is some infiltration of stormwater into the system. Based on the preliminary assessment, it was found that there are some current plant deficiencies and projected demand will likely exceed plant capacity by 2030. In order to upgrade the plant and extend its useful life, the report recommends the following actions:

- Install headworks process
- Upgrade aerator
- Rehabilitate clarifier
- Increase digester volume
- Install new chlorine contact basin
- Install new effluent pump station
- Improve lift station SCADA

The report also recommends several other minor upgrades such as a sludge drying cover and transformer upgrade. Altogether, the estimated cost for plant rehabilitation is \$7,093,990.

2.3 Other Service Providers

Fire Protection and Emergency Response

In 1958, the Redway Fire Protection District (FPD) was formed to provide fire protection, rescue, emergency medical services, and any other services related to the protection of lives and property. Within the region there is also the Garberville FPD, Briceland FPD, Phillippsville Volunteer Fire Company (VFC), and Salmon Creek Volunteer Fire Department⁸.

The 2020 Annual Report from the Humboldt County Fire Chiefs' Association details the Redway FPD's incident reports for the year. They had 22 vegetation fires, 12 structure fires, 20 vehicle accidents, 57 medical, two hazmat/menace, 19 public assistance, 30 other fires, and 14 other services.

Solid Waste Disposal

Solid waste disposal is provided by Recology Humboldt. They offer residential and commercial pickup including recycling. The Redway transfer station is also located next to the Eel River Conservation Camp off of Redwood Drive.

Shared Services

The District currently provides wastewater services to the Eel River Conservation Camp which provides incarcerated fire crews for fire suppression and other activities. The inmate hand crews help to provide aid during floods, conservation projects, and community services. The projects include work at public schools, State Parks, State/County roadways, U.S. land improvement, and a successful camp recycling program. The camp currently has their own groundwater source but may seek out water services from the District in the future.

3.0 GOVERNANCE & FINANCE

3.1 Governance

The District is an independent small district served by a five-member Board of Directors that is elected to four-year staggered terms. Board meetings are held every third Wednesday of the month at 5:30pm. Meetings are held at the District Office located at 1150 Evergreen Road, Suite 2. However, during the Covid-19 pandemic, the board hosted meetings via Zoom video conference in compliance with Executive Orders N-08-21, N-29-20, and N-25-20.

Board agendas and notices are posted at the District office at least 72 hours in advance of scheduled Board meetings. Meetings of the Board of Directors are subject to the Ralph

⁸ Formation of the Salmon Creek Fire Protection District was conditionally approved by LAFCo in July 2022. Should voters approve the establishment of a special tax to fund district activities, the formation will be finalized.

M. Brown Act which requires agendas must be posted at least 72 hours in advance of scheduled Board meetings in a location that is freely accessible to members of the public.

Table 2: Board of Directors

Board Member	Title	Term
Arthur McClure	Chair	December 2024
Dian Griffith	Vice Chair	December 2022
Linda Sutton	Director	December 2024
Michael McKaskle	Director	December 2024
Jeff Barth	Director	December 2022

Staffing

The District currently employs a general manager, office manager, and five operations personnel. The operations personnel include a field supervisor/chief plant operator for drinking water, chief plant operator for wastewater, general laborer, utility worker II/heavy equipment operator, and wastewater plant operator in training⁹.

Accountability and Transparency

The District maintains a website in accordance with SB929 regulations (www.redwaycsd.org). Board agendas dating back to 2019 are available on the District's website. However, agenda packets and meeting minutes are not available online. These supporting documents can be found at the District office upon request. In order to increase ease of access and overall transparency, it would be beneficial to post the board minutes, adopted annual budgets, and at least three years' worth of District audits.

3.2 Financial Overview

Redway is primarily funded through service fees and property taxes, along with other minor revenues. The largest revenue for the District comes from water and sewage charges. These make up approximately 84% of the revenues. The District adopts a budget annually, typically in May or June. In the last three years the District has been able to budget a surplus in funds, as seen in Table 3¹⁰. This could be due to an increase in the Property Tax Revenue. A surplus of funds would allow the District to plan for and implement minor capital improvement projects.

The District also conducts annual audits in compliance with CSD law. As can be seen in Table 4, over the last five fiscal years the District has seen a net increase in funds consistent with their adopted budgets. However, in two of the five years reviewed, the District saw a minor decrease of funds. Overall, there has been an increase of the District's net position from \$4,105,363 in FY 16-17 to XXXXXX in FY 20-21 (Table 5)¹¹.

⁹ Redway Community Services District, Personnel. Retrieved from <https://redwaycsd.org/personnel>

¹⁰ Redway Community Services District, TOTAL Profit & Loss Budget vs. Actual for Fiscal Year 2020-21.

¹¹ Redway Community Services District, Financial Statements for Fiscal Years Ending June 30, 2017, 2018, 2019, 2020, 2021.

The District is considering increasing fees to help cover the rising costs of repairs and maintenance. Should they choose to pursue a rate increase, they will have to comply with the requirements of Proposition 218 for increasing property-related fees and charges within the District which includes obtaining an engineer's report and substantial public outreach.

Table 3: Annual Budget Summary

Category	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21
Revenues					
Water Charges	\$374,923	\$414,425	\$419,231	\$408,689	\$421,767
Sewer Charges	\$397,083	\$434,147	\$433,525	\$433,717	\$454,889
Application Fees	\$1,760	\$4,680	\$3,520	\$240	\$3,160
Reconnect Fees	\$193	\$605	\$330	\$825	\$633
Late Charges	\$6,695	\$28,764	\$27,324	\$27,414	\$26,100
Other Operating Revenue	\$527	\$13,282	\$7,254	\$7,049	\$4,996
Property Tax Revenue	\$102,361	\$107,489	\$113,122	\$119,133	\$128,077
Interest Income	\$9,889	\$12,563	\$17,086	\$18,714	\$99
Total Revenue	\$893,430	\$1,015,954	\$1,021,391	\$1,015,782	\$1,039,720
Expenditures					
Administrative & General	\$412,547	\$367,946	\$423,011	\$499,137	\$539,322
Water Treatment	\$157,414	\$132,565	\$151,805	\$120,627	\$169,109
Water Trans & Distribution	\$53,428	\$94,339	\$94,033	\$102,741	\$117,606
Sewer Treatment	\$203,267	\$227,736	\$239,234	\$223,490	\$234,280
Sewer Collection	\$44,189	\$57,802	\$77,889	\$43,562	\$47,131
Interest Expense	\$38,856	\$32,691	\$31,178	\$28,192	\$28,192
Total Expense	\$909,702	\$913,078	\$1,017,150	\$1,017,749	\$1,135,640
Other					
Other Income	\$226,316	\$262,600	\$286,141	\$353,013	\$470,982
Other Expense	\$286,985	\$230,084	\$297,197	-\$17,617	\$0
Gain/(Loss)	\$76,940	\$135,391	\$6,815	\$368,663	\$375,063

Table 4: Redway CSD Audit Summary

Category	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21
Operating Revenues					
Utility Sales	\$772,006	\$848,572	\$852,756	\$842,406	
System Expansion Fees	\$142,769	\$163,217	\$180,641	\$189,649	
System Loan Fees	\$80,302	\$80,662	\$80,610	\$80,575	
Connection Fees	-	\$18,668	\$24,890	\$12,445	
Other	\$12,420	\$47,384	\$38,428	\$48,428	
<i>Total Revenue</i>	<i>\$1,007,497</i>	<i>\$1,158,503</i>	<i>\$1,177,325</i>	<i>\$1,173,503</i>	
Operating Expenses					
Wages and Benefits	\$419,708	\$501,804	\$536,839	\$604,711	
Materials and Supplies	\$63,158	\$77,025	\$89,952	\$37,249	
Transportation	\$11,883	\$18,711	\$38,239	\$18,205	
Utilities	\$81,910	\$77,778	\$92,307	\$94,628	
Administrative	\$23,976	\$29,222	\$22,961	\$31,379	
Insurance	\$22,983	\$21,213	\$21,657	\$28,634	
Professional Services	\$114,497	\$37,985	\$30,025	\$38,997	
Repairs and Maintenance	\$55,584	\$34,186	\$88,883	\$55,626	
Depreciation	\$286,985	\$230,085	\$231,590	\$226,883	
Other	\$74,028	\$79,954	\$62,494	\$75,984	
<i>Total Expense</i>	<i>\$1,154,712</i>	<i>\$1,107,963</i>	<i>\$1,214,947</i>	<i>\$1,212,296</i>	
Non-Op Revenues (Expenses)					
Property Taxes	\$102,361	\$108,279	\$113,122	\$119,133	
Property Tax Shifts & Fees	(\$3,118)	(\$3,300)	(\$2,615)	(\$4,143)	
Interest Income	\$9,888	\$12,562	\$17,085	\$18,714	
Interest Expense	(\$38,856)	(\$32,690)	(\$31,178)	(\$29,586)	
Grant Income	-	-	-	\$57,443	
Forfeited Project Costs	-	-	(\$65,606)	-	
<i>Net Non-Op</i>	<i>\$70,275</i>	<i>\$84,851</i>	<i>\$30,808</i>	<i>\$161,561</i>	
Net Gain/(Loss)	(\$76,940)	\$135,391	(\$6,814)	\$122,768	

Table 5: Total Net Position Summary

Category	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21
Total Assets	\$6,338,883	\$6,302,249	\$6,168,334	\$6,272,346	
Total Liabilities	\$2,233,520	\$2,061,495	\$1,934,394	\$1,915,638	
Total Net Position	\$4,105,363	\$4,240,754	\$4,233,940	\$4,356,708	
<i>Change in Net Position</i>	<i>(\$76,940)</i>	<i>\$135,391</i>	<i>(\$6,814)</i>	<i>\$122,768</i>	

RESORT IMPROVEMENT DISTRICT NO.1

1.0 DISTRICT BACKGROUND

1.1 Agency Overview

The Resort Improvement District (RID) No.1 provides water, wastewater, recreation, electricity, and fire protection services to the community of Shelter Cove located on the southern Humboldt coast bordering the King Range National Conservation Area. The large amount of public lands and access to various beaches means the community offers plenty of opportunity for outdoor recreation. The area is located on the ancestral lands of the Sinkiyone people.

Table 1: Contact Information

Primary Contact	Justin Robbins
E-mail	gm@sheltercove-ca.gov
Address	9126 Shelter Cove Road, Whitethorn, CA 95589
Phone	707-986-7447
Website	http://sheltercove-ca.gov/

1.2 District Principal Act

The Resort Improvement District principal act is the Resort Improvement District Law (Public Resources Code §13000, et seq.) which authorizes Resort Improvement District's to provide governmental services within their boundaries. RID No. 1 is authorized to provide water, wastewater, electricity, fire protection, airport, and parks and recreation services. Other services, facilities, functions or powers enumerated in the District's principal act but not identified in the formation resolution are "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 as indicated in Public Resources Code §13000.

Resort Improvement Districts are outdated and are no longer allowed to be formed. In 1961, the California Legislature passed the Resort Improvement District Law (Public Resources Code §13000, et seq.; SB 384, Cameron, 1961). In 1965, the California State Assembly held hearings and banned new resort improvement districts (Public Resources Code §13003). As a result, only seven RID's remain operational in the state. In 2010, the Governor approved Senate Bill 1023 (Wiggins) to create an expedited procedure for converting resort improvement districts and municipal improvement districts that operate under old statutes into community services districts, without substantive changes to their powers, duties, finances, or service areas.

Figure 1: RID Boundary Map

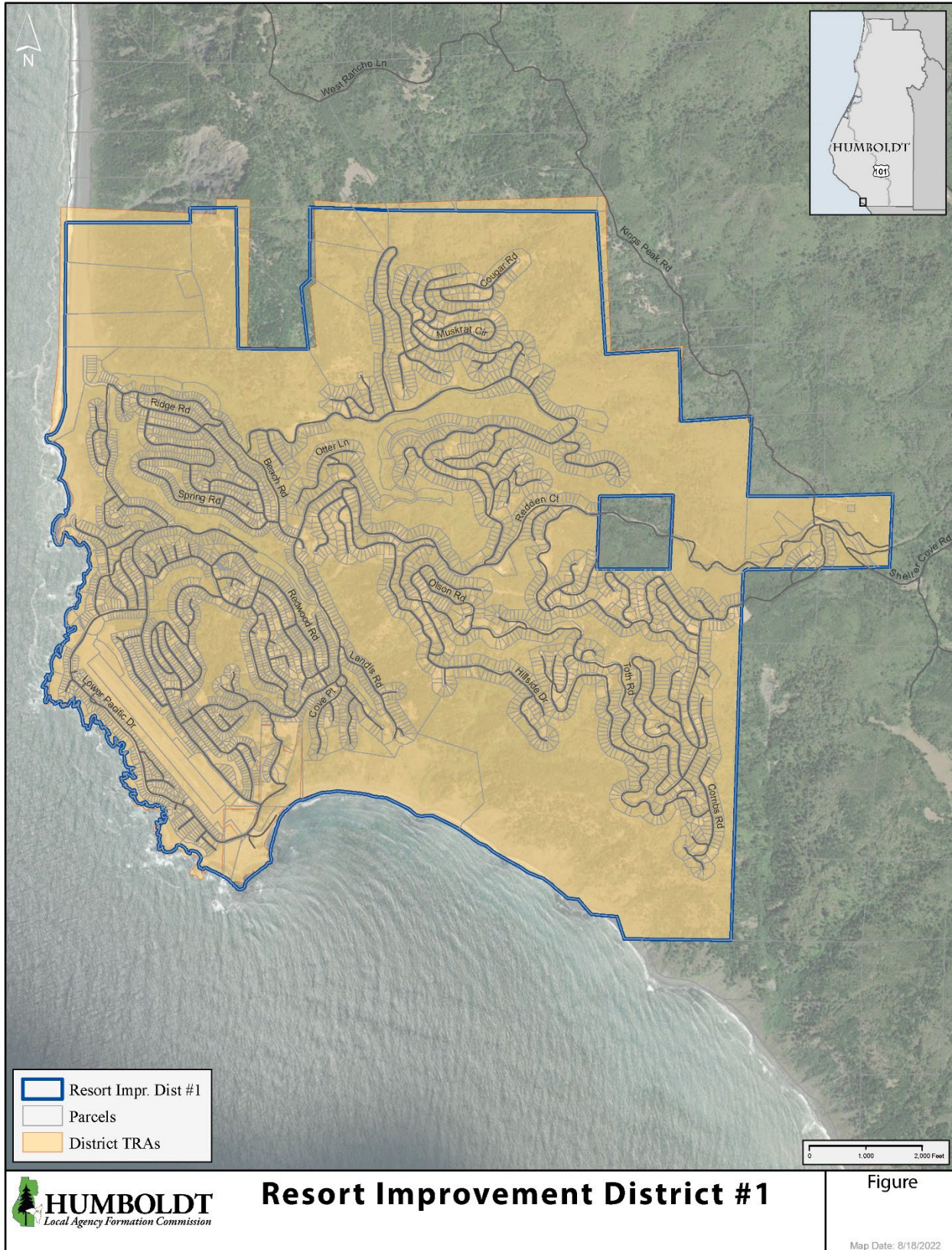
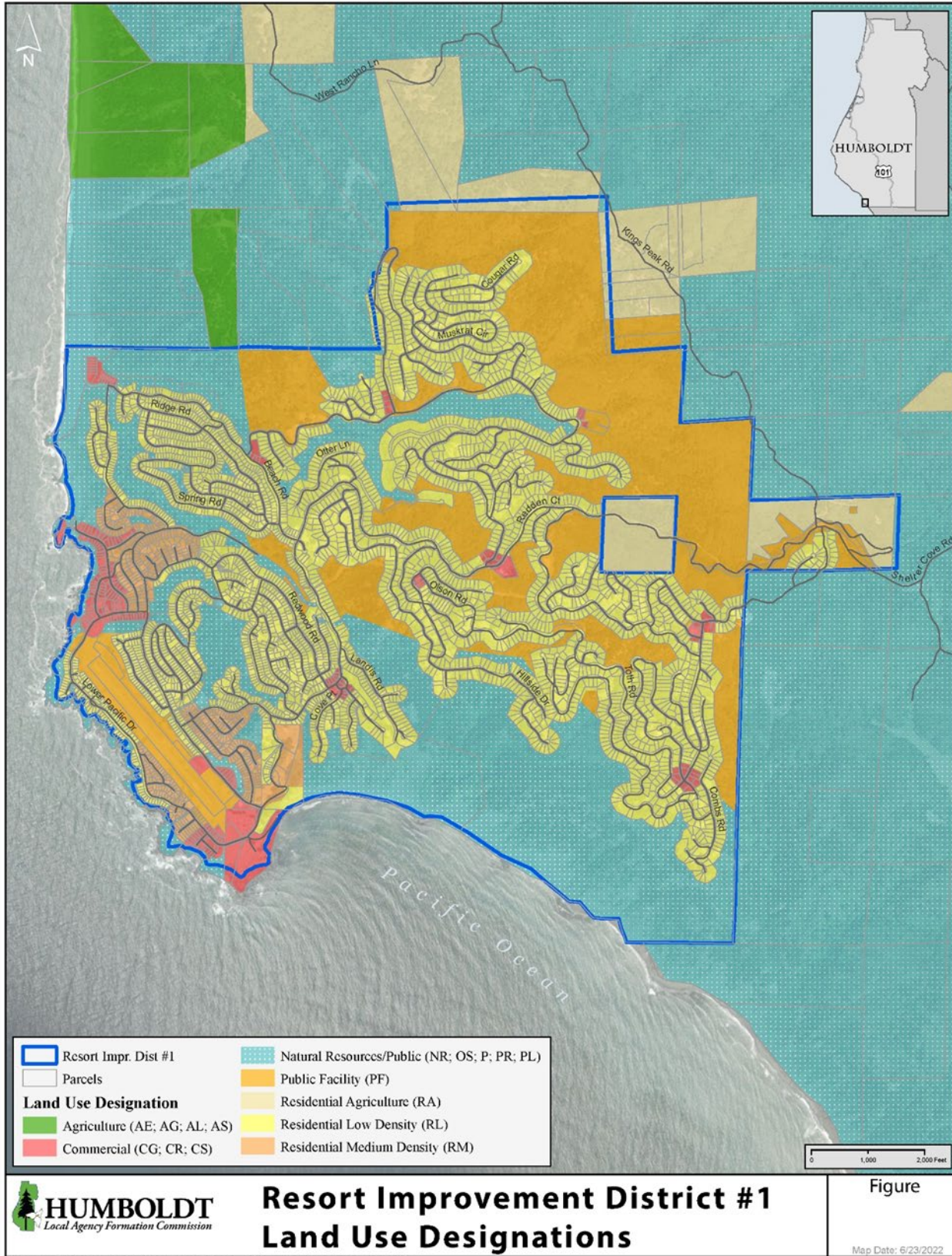


Figure 2: RID Land Use Map



1.3 Formation and Development

The Shelter Cove subdivision and development was first approved in the mid-1960's. At the time, there was no paved road to the area and drainage infrastructure put in by the developer was inadequate. Many of the lots were too small to support septic systems and others were on steep slopes with limited building potential¹. For lots that were buildable, it was important to establish community utilities to serve the area.

The RID was originally formed in 1965 under the State of California Public Resources Code Section §13000-13233. The district was formed for the purpose of installing and maintaining facilities and providing services for the new Shelter Cove development. Since its formation, the District has indicated that active powers are water, wastewater, recreation, electricity, and fire protection services. Other powers that were included in RID law are considered latent and cannot be provided without LAFCo approval. Should the District wish to provide additional services, LAFCo would likely require reorganization into a CSD.

1.4 Boundary and Sphere of Influence

The District's boundary encompass a total of 2,916 acres (4.6 square miles). Within the District boundary there are over 4,700 parcels, the majority of which are developed with single family homes and recreational areas. The SOI follows the outside boundary of the District and encompasses a single parcel island within the District (APN 110-031-002) for a total of 2,955 acres. The RID lies on the coast, with the King Range National Conservation area surrounding the boundary. Kings Peak Road follows the eastern border of the District, with McKee Creek to the south, and Telegraph Creek to the north. The District's boundary encompasses small neighborhoods, Shelter Cove Airport, and local businesses.

1.5 Land Use and Zoning

The land uses for the District are subject to the Humboldt County General Plan and Zoning Regulations (Humboldt County Code Title III, Division 1). They are divided into land uses permitted inside the coastal zone and outside the coastal zone. Under the Humboldt County General Plan, the District's land uses are Public Facility (PF), Public Recreation (PR), Residential Low Density (RL), Natural Resources (NR), Commercial General (CG), Airport Zone (AP), and Residential Agriculture (RA).

Under Humboldt County Zoning Regulations, the District's zoning covers a wide range of uses and hazard zones including primary zones such as Residential One-Family (R-1), Residential Single Family (RS-5), Residential Mixed (R2), Residential Multi-Family (RM-30), Forestry Recreation (FR), Community Commercial (C-2), Highway Service Commercial (CH), Natural Resources (NR), Commercial General (CG), Public Facility – Urban (PF1), and Coastal Dependent Commercial Recreation (CRD). In addition, there are several combining zones attached the primary zones including Design Control (D), Qualifying (Q), Vacation Rental (V), Airport Compatibility (AP), Archaeological Resource Area (A), Alquist-Priolo Fault Hazard (G), Streams and Riparian Corridor Protection (R), and Development Standard (S1). The wide range of allowed uses provides for a complete community that includes residential and visitor services. However, due

¹ North Coast Journal, The Shelter Cove Saga: From land scam to popular resort. Part 1 of 2. Written by George Ringwald. August 28, 2003.

to the remote location of the community and steep forested topography of the surrounding areas, it is not anticipated that the community will grow substantially over the next five to ten years.

1.6 Growth and Population

The District is located on the coast and directly west of the King Range National Conservation Area. According to a recent inspection report prepared by the California State Water Resources Control Board, the population of the District in 2017 was approximately 693². However, based on 2020 Census data and the District's boundary, GIS analysis estimates the current population to be approximately 765³. Based on the historical and estimated population growth for the area, it is unlikely the District will grow substantially over the next five to ten years. Accurate population data can be difficult to obtain in remote rural areas and often includes a large margin of error. It is recommended that the District look into conducting a District specific population and income survey in order to provide more accurate estimates for the area.

1.7 Disadvantaged Unincorporated Communities

According to the DWR DAC mapping tool, the estimated MHI for the Shelter Cove Census Designated Place is \$38,553 which is 48 percent of the 2020 California MHI of \$78,672 and qualifies the District as a DUC. The Humboldt County General Plan also has mapped Shelter Cove as an Unincorporated Legacy Community which indicates that the area has consistently had a MHI that qualifies the community as disadvantaged.

As noted previously, DUCs are assessed for three primary services: water, wastewater, and fire/emergency response. RID No. 1 provides water, wastewater, electricity, parks and recreation, fire, and airport services to the area. Should any nearby areas be proposed for annexation, careful consideration should be given to the boundary location in order to ensure potentially disadvantaged areas are receiving these vital services.

1.8 Hazards

Due to the District's location along the coastline, it is subject to different environmental hazards than some of the other special districts in southern Humboldt County including coastal erosion, tsunami inundation and sea level rise in addition to wildfire and earthquakes.

Sea level rise has the potential to affect many regions in Humboldt County, especially low lying bay and harbor areas. Fortunately, due to the topography of the District, which lies on steep coastal hillsides, very little of the area is subject to potential tsunami inundation or sea level rise. The area that is most likely to be impacted is the boat launch area at Cove Beach. However, coastal erosion due to constant wave action may eventually damage properties on the edge of the bluff along Lower Pacific Drive. Earthquakes also have the potential to speed up the erosion process.

The District is located along the Alquist Priolo Fault and within the Fault Hazard Zone. This makes the area more susceptible to earthquakes. In the last 10 years, the closest earthquakes to the District occurred on May 16, 2021 approximately eight miles northeast of the District near

² California State Water Resources Control Board: Office of Drinking Water, Resort Improvement District No. 1 Inspection. Print.

³ United States Census Bureau, U.S. Census American Community Survey (ACS) 2015-2019 5-year estimates. GIS Data.

Briceland and were measured at magnitude 2.8 and 2.9. The largest earthquake in recent history occurred near Ferndale on December 20, 2022 and was measured at a magnitude of 6.4. Community reports from the Shelter Cove area indicate that there was likely strong shaking with light damage caused by this event⁴. Reports were consistent with the relative soil instability of the area with more shaking reported in the high instability areas along the shoreline near Humboldt Creek and less shaking reported in the moderate instability areas located further upslope⁵.

As noted previously, the District is located on the edge of the King Range National Conservation Area which is a densely forested area and creates a higher risk for wildfire. The majority of the District is within a designated State Responsibility Area (SRA – where the state of California is responsible for wildfire protection) with only small portions located within Federal Responsibility Areas (FRA – where the federal government is responsible for wildfire protection). The majority of the District is within a high severity fire hazard zone with a very high severity zone located to the east. The closest fire to occur near the District since 2000 was the Goodman fire approximately four miles to the northeast in August 2009. The fire burned 12.51 acres of forestland and was contained within one day. Prior to that, the Saddle fire burned 5,908 acres north of the District in 1988, and the Finley Creek fire burned 12,833 acres in Shelter Cove and to the northeast in 1973⁶.

Shelter Cove is the only community within the Southern Humboldt Planning Unit of the Humboldt County Fire Safe Council to achieve Firewise Communities ® recognition. This process includes a site-specific wildfire risk assessment, an action planning process, and an annual community educational event. This program helps the community plan and be prepared for any potential emergency events⁷. Should an emergency occur in the area such as a major wildfire, there is only one evacuation route out of the area which is by Shelter Cove Road. If necessary, residents in the area could potentially evacuate to the beach or the airstrip.

2.0 MUNICIPAL SERVICES

2.1 Water Services

The District has 23 active water sources including two surface water intakes on Upper and Lower Telegraph Creek and 21 groundwater wells as shown in Table 2. Capacity ranges vary greatly from three gallons per minute (gpm) to over 200 gpm. Some of the wells with low capacity including Humboldt Loop Well and Seafoam Well and not typically utilized unless there is increased need. Additionally, some of the wells have higher levels of iron (Fe) and Manganese (Mn) that require filtration before use. Based on the water sources that are regularly used, the District has an approximate source capacity of 800 gpm. However, wells are generally not run continuously so real time capacity is likely much less.

⁴ USGS, Earthquakes Hazards Program, M 6.4 – 15 km WSW of Ferndale, CA. Accessed from <https://earthquake.usgs.gov/earthquakes/eventpage/nc73821036/executive> on January 9, 2023.

⁵ Humboldt County Web GIS, Hazards, Seismic Safety. Accessed from <https://webgis.co.humboldt.ca.us/HCEGIS2.0/> on January 9, 2023.

⁶ Humboldt County Web GIS, Hazards, Fires – Fire History. Accessed January 9, 2023.

⁷ Humboldt County Fire Safe Council, Southern Humboldt Planning Unit Action Plan. Revised July 17, 2020.

Surface water is processed through a treatment plant that depends on gravity flow and includes flocculation to pull sediment out of the water, sedimentation to settle particles out of the water, and dual media filtration as well as pre and post chlorination. Chlorination is achieved by injecting chlorine gas into the water at one of two points in the treatment process. During the winter, injection occurs prior to the filters and in the summer, injection occurs prior to the flocculation basin. Well water is treated minimally through hypochlorination and, if necessary, filtration, before entering the distribution system.

Table 2: RID No. 1 Wells

Source	Status	Capacity
Surface Water		
Upper Telegraph Creek Intake	Active	245 gpm
Lower Telegraph Creek Intake	Inactive	Unknown
Groundwater		
Pole Yard Well	Destroyed	
Rick Springs	Active	3-10 gpm
Joe Well	Active	10 gpm
Jerry Well	Active	42 gpm
Jack Well	Active	81 gpm
Kelly Well	Active	15 gpm
John Tank Well	Active	47 gpm
Ted Well	Active	21 gpm
Larry Well	Active	20 gpm
Horse Mountain Well	Inactive	Unknown
Fire House Well	Inactive	Unknown
Jim Tank Well	Inactive	Unknown
Lot W1 Well	Active	47 gpm
Lot W2 Well	Active	80 +/- gpm
Rick Well #1	Active	40 gpm
Rick Well #2	Active	18 gpm
Greenbriar Well	Active	48 gpm
Lee Well	Inactive	Unknown
Jun Well	Active	5 gpm
Parson's Well	Active	52 gpm
Humboldt Loop Well	Active	12 gpm
Seafoam Well	Active	6-7 gpm

After treatment, water flows into the distribution system and is stored in one of 12 storage tanks. All together the District has 2.055 million gallons of treated water storage. The last remaining redwood tanks utilized by the District were replaced in 2019 so now all the tanks are made of welded steel.

The District's distribution system is made up of almost 45 miles of water mains and 18 booster pumps spread over 11 pressure zones. Water mains are made up of three different types of

materials including asbestos cement pipe (AC), coated steel, and PVC. Approximately 96% of the system utilizes AC pipe ranging in diameter from four to eight inches that is reported in good condition.

The District currently has 506 connections including 469 residential, 26 commercial, and 11 municipal. The system is permitted for up to 990 connections based on available water sources. In 2017, the annual water use was 18.45 MG. The maximum month usage was 2.156 MG and the maximum day was estimated to be 0.188 MG. In 2021 the total water demand was 45.03 MG with 31.23 MG from surface water and 13.80 MG from groundwater. Water use decreased significantly from 2015 which reported an annual total of 40.98 MG to 2017. Before that, the highest annual use was reported in 2004 at a total of 57.38 MG.

Based on the source capacity of approximately 800 gpm and a 10 hour run time for most wells the District could produce up to 480,000 gallons per day. This is substantially more than the maximum reported day in 2017 and indicates that there is enough water to meet current and future demands.

State Water Resources Control Board

During the last routine inspection conducted by the SWRCB on January 17, 2019, there were a number of items listed as deficiencies which included the following:

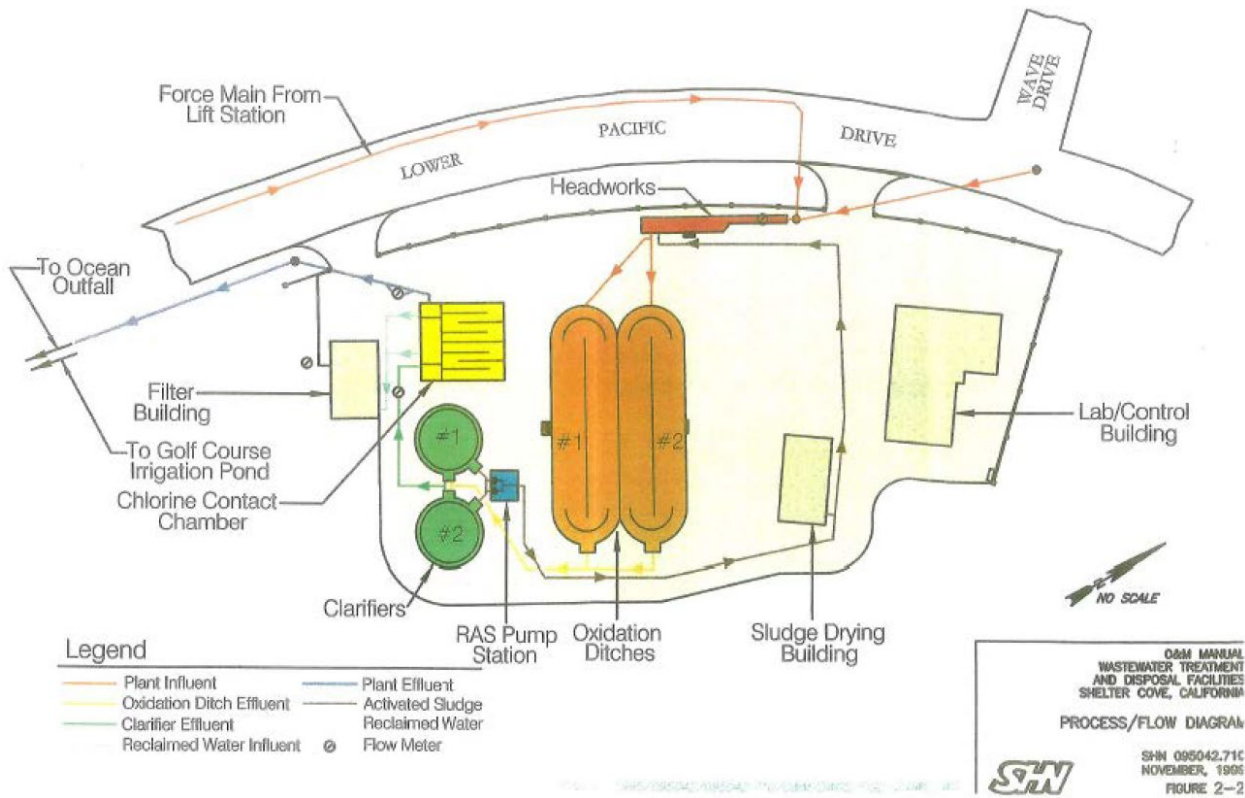
1. Start monitoring the chlorine operations at the active wells due April 1, 2019.
2. Revise the Telegraph Creek filter plant monitoring records to include $CT_{obtained}$, $CT_{required}$, and ratio due April 1, 2019.
3. Obtain and provide photos of the Well features to Department of Drink Water (DDW) due April 19, 2019.
4. Obtain and provide photos of Lower Telegraph Creek water intake due April 19, 2019.
5. Photo document the tank rooftop findings in regards to vents, hatches, etc., send photos to DDW due April 19, 2019.
6. Test cross-connection prevention device tests, send records of 2019 testing to DDW Redding due June 30, 2019.
7. Need distribution system chemical testing as shown on the Distribution Monitoring Schedule due September 30, 2019.
8. Perform the 2019 cross-connection device testing, submit 2019 test records to DDW Redding due October 31, 2019.
9. Need source chemical testing as shown on Chemical Monitoring Schedules due December 30, 2019.

2.2 Wastewater Services

Wastewater services are provided to areas of the District west of Beach Road where it intersects with Shelter Cove Road. Currently the District serves 508 connections including 474 residential, 26 commercial, and 8 municipal connections. Wastewater is collected and transported to the District's treatment facility along Lower Pacific Drive. The facility has a peak design flow of 0.77 mgd, an average wet weather capacity of 0.27 mgd, and an average dry weather capacity of 0.17 mgd.

Upon entering the treatment facility, wastewater flows through the plant's headworks where inorganics are filtered out. It then flows through two oxidation ditches where a combination sunlight, bacteria, algae, and other organisms helps breakdown organic materials. Effluent from the oxidation ditches then flows into one of two clarifiers where solids settle to the bottom as sludge which is then pumped to the drying building. Liquid from the clarifiers flows to the chlorine contact chamber where it is disinfected and then dechlorinated with sulfur dioxide before being discharged into the Pacific Ocean. During the spring, summer and fall, a portion of the treated water flows through an additional filtration treatment system before being utilized to irrigate the District's golf course. Solids are dried and transported to Humboldt County solid waste transfer station for landfill disposal⁸.

Figure 3: RID #1 Wastewater Treatment System Diagram



In 2021, the District treated a total of 30.96 MG of wastewater. At its average dry weather capacity, the District's treatment system can treat approximately 62.05 MG annually which is double the amount treated in 2021. This indicates that the treatment system has sufficient capacity to meet demands.

2.3 Parks and Recreation Services

RID No. 1 manages several recreation features in Shelter Cove including a golf course, children's playground, community clubhouse, and various recreational trails. These recreation amenities are typically funded by program fees including rental fees, and golf course fees.

⁸ RWQCB – North Coast Region, Waste Discharge Requirements for the Humboldt County Resort Improvement District No. 1 Shelter Cove Wastewater Treatment Facility. Order No. R1-2015-0017. Adopted May 7, 2015.

The District manages a nine hole golf course that surrounds the airstrip. It is measured at 2,428 yards and is primarily walking course with no designated paths for golf carts. It is part of the Northern California Golf Association which allows for league play. There are several options for greens fees as shown below.

Table 3: RID No. 1 Golf Course Fees

Duration	Fees
Annual (beginning July 1 st)	\$500
1 Month	\$90
1 Week	\$50
18 holes	\$20
9 holes	\$15

Adjacent to the District office is the children's playground which includes a ship-like structure for children under five and a jungle gym designed for children five and up. Hours of use are typically sunrise to sunset (daylight hours).

The Community Clubhouse is located at 1555 Upper Pacific Drive adjacent to the airport and golf links. Within the clubhouse there is Abalone Hall and a full kitchen which can be rented together or separately for private and public events. There are separate fees for non-residents and residents. There are also several types of events designated in the District's policy that can use the facility for free with a cleaning deposit of \$100. These include free services exclusively to children, memorials, and free community-oriented service events⁹. The District also provides a monthly calendar of regular events that are held at the clubhouse which include numerous classes such as general fitness, yoga, martial arts, crafting, and other classes. There are also designated times for the community pantry and library.

The District also maintains non-motorized trails throughout the greenbelt area of the District which are forested areas in between housing parcels. There is a nature trail that runs from Lower Pacific Drive to Upper Pacific Drive between the wastewater treatment plant and the golf maintenance building. There is also the Bill Franklin Trail which runs through the forested area between Upper Pacific Drive and Hickory Road.

Planned improvements to recreation services include development of several sport courts next to the Community Clubhouse that can be utilized for basketball, pickleball, and tennis. Development of Phase 1 of the project is set to be completed by March 2024 and will include an asphalt court that can be used for half-court basketball or two pickleball nets. The District is also working with community members to develop a children's garden next to the clubhouse that will include a small seating area and raised plant beds.

2.4 Airport Services

The Shelter Cove airport consists of a landing/ takeoff strip that is 3,400 feet long and adjacent taxing and tiedown area. There are no lights at the airport so only daylight use is allowed. The airport is not manned and there is no radio tower. The maximum weight for aircrafts utilizing the

⁹ RID No. 1, Policy 3080 – Public Facilities Use and Rental. Amended September 16, 2021.

airport is 12,500 lbs which is equivalent to a 10 seat Beechcraft Super King Air. According to Airnav.com, the airport sees approximately 58 aircraft per week.

2.5 Electric Services

The RID currently provides electric service to 793 connections including 584 residential, 40 commercial, and 169 municipal connections. In 2021, the District reported a total demand of 4,976,400 kWh of power. The RID purchases wholesale electricity from Western Area Power Authority to deliver to its residents. Power is purchased and transmitted through a district owned 7-mile inter tie line, beginning at a PG&E recloser (an automatic high-voltage electric switch where power to the line can be turned on and off) located near the Mattole River bridge in Whitethorn and terminating at the district's sub-station. Electricity is distributed to customers through 4.5 miles of underground cable in the flat lower elevations of the cove and over 37 miles of pole line in the steep areas. The district's sub-station/generator building located on Shelter Cove Road contains three emergency generators that are used to power the entire community during cove wide power outages.

2.6 Fire Protection and Emergency Response

The South County Regional Fire Services MSR states that services are provided to the District by the Shelter Cove Fire Department (SCFD). They provide goodwill services to properties outside of the boundary. That Out of District area is approximately 57,482 acres, or 90 square miles. The District also provides ocean rescue that extends three miles into the Pacific Ocean.

According to the 2020 Annual Report from the Fire Chiefs' Association, the District's incident responses included 22 vegetation fires, 12 structure fires, 20 vehicle accidents, 57 medical, two hazmat/menace, 19 public assistance, 30 other fires, and 14 other services. More detailed information on the SCFD can be found in the 2016 South County Regional Fire Services MSR/SOI Update.

2.7 Other Service Providers

Solid Waste Disposal

Eel River Recology provides weekly services to the Shelter Cove area. Solid waste pick up is provided every Monday and a transfer station is located in Redway that provides additional disposal services.

Police

The Humboldt County Sheriffs office provides police services to the Shelter Cove area. The nearest station is located in Garberville approximately 24 miles to the east along Briceland Road. In 2021, Sheriff Deputies responded to 160 calls for service in the Shelter Cove area. Calls for service included public assistance, welfare checks, animal problems, abandoned vehicles, suspicious persons, theft, and others.

3.0 GOVERNANCE & FINANCE

3.1 Governance

The District is an independent small district served by a five-member Board of Directors that is elected to four-year staggered terms. Board meetings are held every third Thursday of the month at 9:00am. Meetings are held at the Fire Station meeting hall located at 9126 Shelter Cove Rd. During the Covid-19, the board hosted meetings virtually in compliance with Executive Orders N-08-21, N-29-20, and N-25-20.

Table 4: Board of Directors

Board Member	Title	Term
Jack Hargrave	President	December 2026
Susan Fox	Vice President	December 2024
Janet Evans	Director	December 2024
Michael Soluri	Director	December 2026
David Sommer	Director	December 2024

Staffing

The District currently employs 13 full-time employees including a general manager, board secretary, and numerous water, wastewater, and general maintenance staff. The District also supports 18 volunteers who respond to emergency calls in the area.

Accountability and Transparency

The District maintains a website in accordance with SB929 regulations (www.sheltercove-ca.gov). Board agendas and notices are posted at least 72 hours in advance of scheduled Board meetings both online and at the District's office located at 9126 Shelter Cove Road, Whitethorn, CA. The most recent Board meeting minutes are posted on the homepage of the District's website while older meeting minutes are located under the Archived Approved Minutes tab. The District's website also includes information on the current budget and several years' worth of audits.

3.2 Financial Overview

The District regularly adopts an annual budget and conducts regular audits in accordance with CSD law. The District is funded through many mechanisms including property taxes, special assessments, fees for services, and recreation program fees. Based on the last five years of budgets reviewed (FY18-19 to FY22-23) the District has been budgeting for a substantial loss. The largest deficits come from electric services and parks and recreation.

Table 5: RID No. 1 Annual Budget Summary

Category	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23
Revenues					
Admin	\$708,200	\$716,000	\$611,500	\$828,500	\$668,500
Electricity	\$1,466,907	\$1,476,350	\$1,305,650	\$1,600,000	\$1,417,520
Fire & EMS	\$428,500	\$428,500	\$405,000	\$400,000	\$400,000
Parks & Recreation	\$25,000	\$22,000	\$133,200	\$204,452	\$146,000
Wastewater	\$279,986	\$300,550	\$391,150	\$364,850	\$408,632
Water	\$454,553	\$461,050	\$434,050	\$474,000	\$482,750
Total Revenues	\$3,363,146	\$3,404,450	\$3,280,550	\$3,872,102	\$3,523,402
Expenditures					
Administration	\$571,881	\$609,683	\$611,076	\$649,425	\$681,864
Electricity	\$2,080,372	\$1,657,148	\$1,472,319	\$1,638,460	\$1,740,025
Fire & EMS	\$451,326	\$306,172	\$653,730	\$674,500	\$459,950
Parks & Recreation	\$209,740	\$174,965	\$132,596	\$322,177	\$256,614
Wastewater	\$855,569	\$489,766	\$444,086	\$427,425	\$466,600
Water	\$808,260	\$466,452	\$460,437	\$505,440	\$502,290
Total Expenditures	\$4,977,147	\$3,704,186	\$3,774,244	\$4,217,427	\$4,107,343
Gain/ (Loss)	(\$1,614,001)	(\$299,736)	(\$493,694)	(\$345,325)	(\$583,941)

Table 6: RID No. 1 Audit Summary

Category	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20
Revenues					
General Government	\$35,928	\$39,044	\$61,821	\$42,227	\$60,670
Public Safety – Fire	\$32,323	\$32,037	\$66,963	\$1,990	\$3,918
Airport	\$10,000	\$10,000	\$10,000	\$8,338	\$222,000
Community Development	\$16,593	\$12,075	\$10,968	\$0	\$10,815
Water	\$215,733	\$302,817	\$326,340	\$412,186	\$430,754
Wastewater	\$207,202	\$234,840	\$258,205	\$325,217	\$306,149
Electric	\$1,585,706	\$1,550,350	\$1,340,266	\$1,381,675	\$1,517,711
General Revenues	\$1,342,307	\$1,359,385	\$1,622,677	\$3,087,136	\$3,216,634
Total Revenue	\$3,445,792	\$3,540,548	\$3,697,240	\$5,258,769	\$5,768,651
Expenses					
General Government	\$0	\$146,630	\$10,359	\$204,123	\$108,316
Public Safety – Fire	\$186,385	\$183,251	\$277,933	\$287,078	\$324,265
Airport	\$55,546	\$47,825	\$47,825	(\$2,239)	\$34,139
Community Development	\$120,700	\$82,060	\$112,371	\$195,719	\$167,506
Water	\$502,786	\$551,296	\$542,204	\$764,818	\$762,587
Wastewater	\$560,267	\$615,090	\$610,178	\$786,506	\$624,410
Electric	\$1,632,935	\$1,805,688	\$1,784,914	\$2,067,055	\$2,084,269
Total Expense	\$3,058,619	\$3,431,840	\$3,385,784	\$4,303,060	\$4,105,492
Net Gain/(Loss)	\$387,173	\$108,708	\$311,456	\$955,709	\$1,663,159

While the District has been budgeting for a loss over the last five fiscal years, the District's audits show that there has actually been an increase in their overall net position from FY17-18 to FY21-22. The largest revenue source reported is "General Revenues" which includes property taxes, special assessments, grants, investment earnings, miscellaneous revenues, and transfers. This revenue category can fluctuate depending on the amount of grant funding received over the course of the fiscal year.

Table 7: Total Net Position Summary

Category	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20
Total Assets	\$16,854,664	\$17,175,695	\$17,585,612	\$18,326,383	\$19,879,244
Total Liabilities	\$1,113,300	\$1,328,462	\$1,391,403	\$1,775,072	\$1,664,774
Total Net Position	\$15,741,364	\$15,847,233	\$16,194,209	\$16,551,311	\$18,214,470

WEOTT COMMUNITY SERVICES DISTRICT

1.0 DISTRICT BACKGROUND

1.1 Agency Overview

The Weott Community Services provides water services to the community of Weott located along Highway 101 near Humboldt Redwoods State Park. The District, which lies on the eastern bank of the Eel River, is located on the ancestral tribal lands of the Sinkyone. The original townsite was located closer to the river but after the major destruction caused by the historic 1964 flood, much of the town moved to higher elevation.

Table 1: Contact Information

Primary Contact	Bonnie Mullaney
Address	P.O. Box 218 200 Lum Street, Weott, CA 95571
Phone	707-946-2367
Website	https://www.weottcsd.com/

1.2 District Principal Act

The District's principal act is Community Services District Law (Government Code §61000, et seq.) which authorizes CSDs to provide up to 31 types of governmental services within their boundaries. Weott CSD is currently authorized to provide water, wastewater, garbage, fire protection, and street lighting services. Other services, facilities, functions or powers enumerated in the District's principal act but not identified in the formation resolution are "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 as indicated in Government Code §25213.5.

1.3 Formation and Development

The Weott CSD was formed on September 28, 1965 by the County Board of Supervisors for the purpose of providing water, wastewater, garbage collection, fire protection, and street lighting to area residents (Resolution No. 2159). The district formation followed a disastrous flood in 1964, which destroyed over 90 percent of the buildings in Weott that were located on the lower river terrace on either side of what is now the Avenue of the Giants (State route 254) about 35 feet above the main South Fork Eel River channel. Today, most of the bench lands are part of Humboldt Redwood State Park and the majority of the community is situated on the east up slope on either side of U.S. 101.

On December 2, 1987, the Commission approved the reactivation of Weott CSD's power to provide wastewater disposal services (Resolution No. 87-13). In addition, on December 2, 1992, the Commission activated the district's recreational powers to serve the district and region with television reception (Resolution No. 92-05); however, the television receptor is no longer in use. Additionally, fire protection services were discontinued in 2017 because the District was unable

to maintain a sufficient number of volunteers and did not have a source of revenue to support fire protection services. At present, Weott CSD provides water and wastewater services to district residents. Any other services, including fire protection, would require LAFCo approval before the District could begin providing the service.

Service	Service Approval/Activation	Current Status
Water	Approved at Formation	Active
Wastewater	Approved at Formation Reactivated in 1987	Active
Fire Protection	Approved at Formation	Inactive as of 2017
Garbage Collection	Approved at Formation	Inactive
Street Lighting	Approved at Formation	Inactive
Recreation	Activated in 1992	Inactive

1.4 Boundary and Sphere of Influence

The District's boundary and coterminous SOI encompass a total of 4,635 acres (7.24 square miles). Within the District boundary the majority of parcels are developed with small single family homes with minimal commercial development. The District's boundary encompasses small neighborhoods, a charter school, and the Weott Community Center. No changes are proposed to the District's SOI at this time.

1.5 Land Use and Zoning

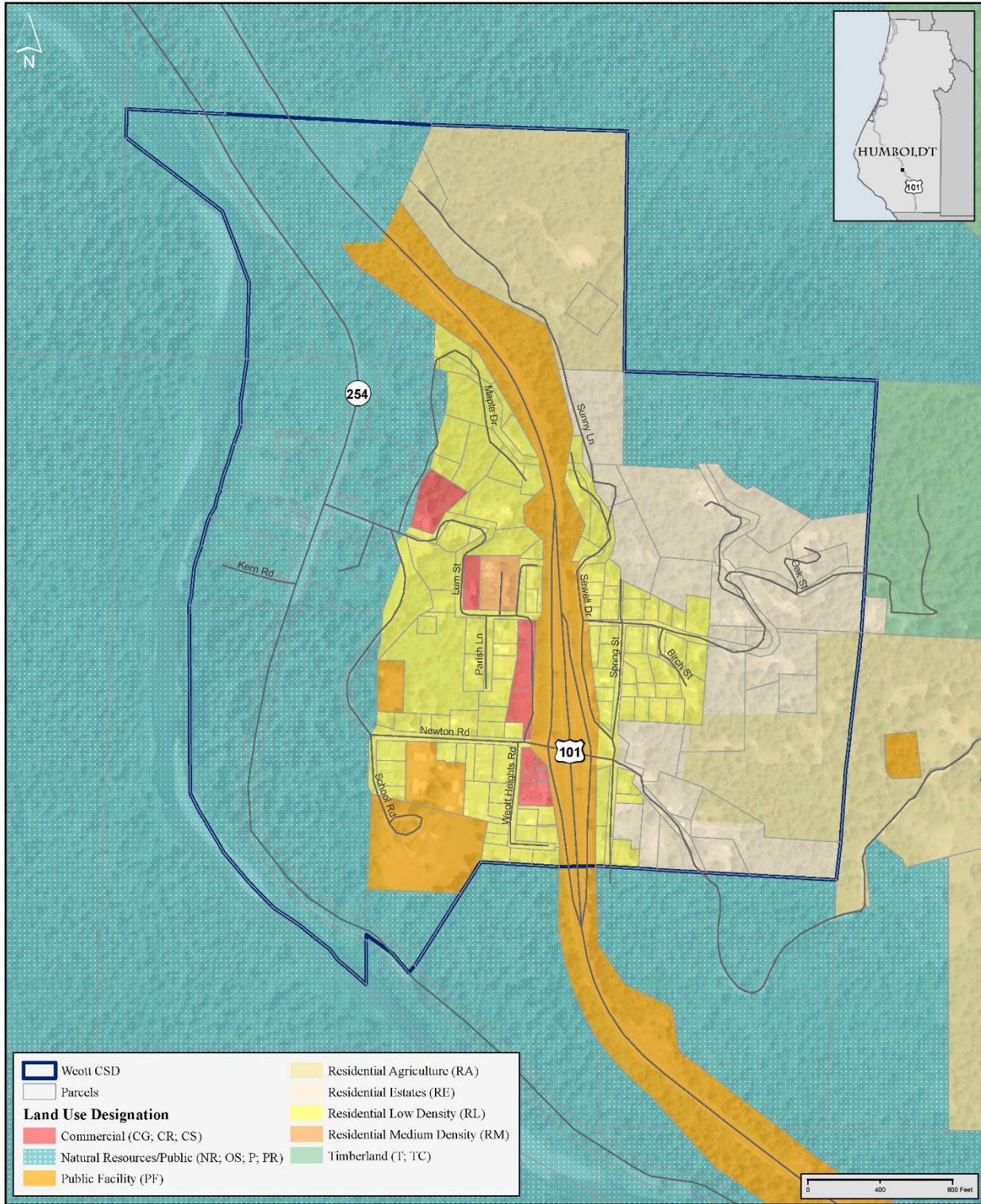
The District's land uses are subject to the Humboldt County General Plan and the Avenue of the Giants Community Plan and Zoning Regulations (Humboldt County Code Title III, Division 1). Under Humboldt County General Plan, the District's land uses are Residential Agriculture (RA), Public Facility (PF), Residential Low Density (RL), Commercial General (CG), Public Lands (P), Residential Estates (RE), and Commercial Services (CS).

Under Humboldt County Zoning Regulations, the District's zoning is State Park, Agriculture General (AG) with combining zone Special Building site of five acres (B-5(5)), Timberland Production (TPZ), Flood Plain (FP), Community Commercial (C-2), Neighborhood Commercial (C-1), Highway Service commercial (CH) with the combining zones Design Control (D) and Qualified (Q), Residential Multiple Family (R-3), Rural Residential Agricultural with a minimum lot size of 1 acre (RA-1), and Residential One-Family (R-1). These designations generally allow for low density development and preservation of natural resources. As such, future large-scale development in the area is not anticipated.

Figure 1: District Boundary Map



Figure 2: Weott CSD Land Use



HUMBOLDT
Local Agency Formation Commission

Weott Community Services District Land Use Designations

Figure

Map Date: 6/23/2022

Sources: Boundaries - Humboldt County GIS, Roads - US Census TIGER, Rivers - CA FRAP

1.6 Growth and Population

According to a recent inspection report prepared by the California State Water Resources Control Board, the population of the District in 2018 was approximately 387¹. However, based on 2020 Census data and the District's boundary, GIS analysis estimates the current population to be approximately 210². Since accurate population data can be difficult to obtain in remote rural areas, this report will utilize an approximate population of 260. It is recommended that the District look into conducting a District specific population and income survey in order to provide more accurate estimates for the area. Based on the historical and estimated population growth for the area, it is unlikely the District will grow substantially over the next five to ten years.

1.7 Disadvantaged Unincorporated Communities

While the community of Weott is a census designated place (CDP), there is no MHI data available for the CDP or block group on the DWR DAC mapping tool. Therefore, the census tract that includes Weott will be used instead, which DWR does consider a severely disadvantaged community. The estimated MHI for the larger area is \$35,884³ which is 46 percent of the 2020 California MHI of \$78,672. As such, Weott can be considered a DUC.

As noted previously, DUCs are assessed for three primary services: water, wastewater, and fire/emergency response. Weott CSD provides water and wastewater services to the area. Fire and emergency response services in the area are not adequate after the discontinuation of fire protection services by the CSD in 2017.

The fire departments within the Avenue of the Giants area, including representatives of the Weott CSD, the Fruitland Ridge FPD, Miranda CSD, Myers Flat FPD, Phillippsville VFC, Redcrest VFC (now a Battalion of the Rio Dell PFD), and the Salmon Creek VFC, met between 2016 and 2018 to consider a broader fire reorganization to support service sustainability and redundancy. This working group considered numerous options for new revenue sources; improvements to training, recruitment, and operations; as well as options for successor agencies. Although the discussions regarding funding alternatives, operational consolidation, and merger options were very productive, there was no consensus to initiate a reorganization. As a result, the efforts were abandoned.

Currently, there are no community fire protection services in Weott. Good-will fire response to Weott is provided by the Miranda CSD, Rio Dell PFD – Redcrest Battalion, and CAL FIRE during fire season. The District is encouraged to work with its regional partners to reinstate collaborative efforts for the provision of this essential service.

1.8 Hazards

Weott is located within dense redwood forest along the banks of the Eel River. Due to its setting, the community may experience several different types of hazards including flooding, wildfire, landslides, and earthquakes.

¹ State Water Resources Control Board: Division of Drinking Water, Weott Community Service Inspection. Print.

² U.S. Census American Community Survey (ACS) 2015-2019 5-year estimates.

³ U.S. Census American Community Survey (ACS) 2016-2020 5-year estimates for Census Tract 011600. Accessed December 4, 2022 from <https://gis.water.ca.gov/app/dacs/>.

The Eel River is a major collector for creeks and streams in the region. During heavy rainfall events the river can quickly rise to flood levels. The “Thousand Year Flood” that began on December 21, 1964 destroyed much of the Weott community that was originally located along the banks of the river⁴. After the flood, the town was rebuilt at a higher elevation and the lower portion was designated a flood zone in order to deter further development next to the river. Additionally, a FEMA 100-year flood zone is located along the river and on the western border of the District which helps to further deter development⁵. During a more recent flood event in February 2019, the South Fork of the Eel River reached a maximum of 30 feet at the Miranda stream gauge which was just three feet short of the minor flood stage. During this time, the Avenue of the Giants was closed near Redcrest due to flooding.

The community of Weott is also located in between two fault zones, the Russ fault zone to the east and the Garberville-Briceland fault zone to the west. The most recent earthquake recorded in the immediate area was a magnitude 2.9 approximately 3 miles northwest of Weott on January 16, 2020. Another magnitude 2.9 located approximately 1.8 miles southeast of Weott occurred on January 8, 2013⁶. Due to the low magnitude of these events, it is likely that the community only experienced weak shaking with no damage. On December 20, 2021, a 6.2 magnitude earthquake took place near Petrolia. According to response received from the Weott area, the community likely felt strong shaking with light damage⁷. Major earthquakes in the area, above what has been recorded in recent history, have the potential to damage District buildings and infrastructure.

⁴ Department of Water Resources, Bulletin No. 161, FLOOD! December 1964 – January 1965. Written by Hugo Fisher, Edmund Grown

⁵ Humboldt County, Humboldt County Web GIS. Accessed April 25, 2022 from <https://webgis.co.humboldt.ca.us/HCEGIS2.0/>

⁶ USGS, Earthquake Hazards Program. Accessed from earthquakes.usgs.gov on December 12, 2022.

⁷ USGS, M 6.2 – 7km N of Petrolia, CA. Accessed April 19, 2022 from <https://earthquake.usgs.gov/earthquakes/eventpage/nc73666231/executive>

Figure 3: Weott - 1964 Flood Inundation and Present Day



The northern portion of the District is noted by steep slopes of 30% or more and is also the location of a historic landslide⁸. Due to the steep slopes in this area, landslides may occur during heavy rainfall events or large earthquake events. Landslides in and around the area may impact the District by silting in water intakes or disrupting transportation.

Another potential hazard for the District is wildfires. The entire area is located within a State Responsibility Area (SRA – where the state of California is responsible for wildfire protection) and the District is split between moderate and high severity fire hazard zones. In 2003, the Canoe Fire came within one mile of the District's southern border and burned a total of 11,043 acres⁹. Wildfires have the potential so severely impact the District by damaging buildings, infrastructure, and the watershed. There is also the potential for a drop in the existing customer base if homes are lost or people move away from the area due to the rising cost of insurance.

2.0 MUNICIPAL SERVICES

2.1 Water Services

The information provided in the following section was largely taken from the SWRCB Weott Community Service District Public Water System Inspection report dated March 27, 2019 (except where noted).

The District has two surface water sources including Mill Creek and Corner Creek (a combination of two other permitted sources) located across the Eel River from Weott in Redwoods State Park. The District's water right permit (SWRCB Permit #17694) allows for 0.39 cubic feet per second (cfs) (175 gpm) to be diverted from June 1 to October 31 and 0.26 cfs (116.7 gpm) to be diverted from November 1 to May 31 of each year with a maximum diversion of 186 acre feet per year (60.62 MG)¹⁰. Mill Creek currently has a pumping capacity of up to 60 gpm and Corner Creek has a capacity of up to 80 gpm. The District also has a well that was drilled in 2003 but never put on-line due to high levels of iron, manganese, arsenic, and magnesium which would require additional treatment before domestic use could be permitted. Due to the remoteness of the intakes within the State Park, they have not been inspected by the SWRCB for a long time.

Raw water is pumped from the creeks to settling tanks located next to the diversion point. It is then gravity fed to the treatment plant through two separate lines; Line A and Line B. These lines travel under the South Fork Eel River and Highway 101 before reaching the District's treatment plant on South Spring Street. The A Line portion of the system consists of approximately 8,100 linear feet of piping made up of 5 inch aluminum and 2.5 to 4 inch steel pipes. The B Line portion of the system consists of approximately 6,000 linear feet of 3 inch PVC. Currently, there is no way to shut off flow from the raw water lines so water is continuously flowing through the treatment system even if the storage tanks are full. This results in excess water that overflows from the tanks and is wasted.

⁸ Humboldt County, GIS – Hazards – Seismic Safety and Slope Stability. Accessed from <https://webgis.co.humboldt.ca.us/HCEGIS2.0/> on December 12, 2022.

⁹ Humboldt County, GIS – Hazards – Fire. Accessed from <https://webgis.co.humboldt.ca.us/HCEGIS2.0/> on December 12, 2022.

¹⁰ SWRCB, Division of Water Rights. Permit for Diversion and Use of Water – Permit #17694 (Application #25677). September 5, 1979.

Each raw water transmission line has its own treatment path. Raw water is first injected with coagulant before moving on to direct pressure filtration that includes roughing and polishing filters. From there, the water continues to disinfection with each filter path having their own chlorine injection point. Treated water is then transferred to storage tanks before entering the distribution system.

The Line A tank is a 72,000 gallon concrete block tank that is old and deteriorated. It also overflows into the Line B tank which is a 97,000 gallon bolted steel coated tank that was installed in 2001. Together, the two tanks provide 169,000 gallons of storage. From the tanks, treated water flows into the A Line and B Line portions of the distribution system. The A Line is made up of most 4 inch PVC (some smaller) and 3 inch steel pipe. The B Line portion is made up of mostly 4 inch PVC (some smaller). Approximately 10% of the service lines are of unknown material but both lines are reported to be in good condition.

As of the 2019 inspection report, the District had 129 connections (including one out of district connection for APN 095-191-016) and diverted 20.8 MG of water in 2018. The maximum diversion month for that year was August at 2.24 MG. According to the District's 2021 water rights progress report, a total of 13.64 was diverted with the maximum month being June 2021 with a total diversion of 1.92 MG. Based on the maximum permitted diversion amount of 60.62 MG per year and the total amount diverted in 2021, the District is using approximately 23% of its permitted source capacity. However, there have been reported issues with source flow during the summer months due to the ephemeral and remote nature of creeks. It is recommended that the District continue to monitor flows to better assess the overall source capacity for the system.

State Water Resource Control Board

During the last routine inspection conducted by the SWRCB on February 21, 2019, there were a number of items listed as deficiencies which included the following:

1. Obtain daily chlorine residual readings at the outlet of each tank or at the first connection that is served by each tank.
2. Provide the Division of Drinking Water (DDW) with a proposal to increase chlorine contact time in the B Tank.
3. Begin reporting the chlorine contact time data with the monthly treatment records.
4. Complete Stage 2 Disinfection Byproducts Monitoring Plan and submit a copy to DDW.
5. Obtain a shift operator for the system.
6. Provide DDW with a complete distribution system schematic.
7. Obtain the next round of the lead and copper samples from the service lines of unknown materials.
8. Continue to work on funding for fixing the treatment system deficiencies, this is an ongoing task.

The former General Manager/Lead Operator for the system was working on improving system operations and monitoring until his sudden passing in August 2022. Since that time the District has issued two boil water notices to the community with one in September 2022 due to a failed chlorine pump, and another in October 2022 attributed to higher than normal turbidity levels

caused by a raw water line break under Highway 101¹¹. In November 2022, two of the District's existing four board members resigned. This series of events has severely impacted the District's ability to adequately provide services to the community.

The District hired a temporary General Manager/ Lead Operator from Garberville Sanitary District in November 2022 to help run the District and train a replacement General Manager. Additionally, the Rural Community Assistance Corporation (RCAC) has been working on a preliminary rate study for the District to assess what level of fees will adequately support District operations¹². This will be discussed further under Financial Overview below.

Water Rates

The District currently has a fixed charge by connection size (Table 2-Water Rates) for a set volume of water that changes seasonally. During the winter months from November to April, there is an allotment of 550 cubic feet per connection. During the summer months from May to October there is an allotment of 1,350 cubic feet. If the monthly allotment is exceeded, there is an overage charge of \$11.00 per 130 cubic feet, or fraction thereof. According to the recent RCAC rate study, approximately 95% of customers use less than the monthly allotment on a regular basis and do not pay any overage charges.

Table 2: Water Rates

Meter Size in Inches	Monthly Base Fee
5/8" by 3/8"	\$55.00
1"	\$59.06
1 1/2"	\$108.12
2"	\$164.72
3"	\$340.82
4"	\$587.36

2.2 Wastewater Services

The Wastewater Treatment Facility has five major components: septic tank, recirculation tank, trickle filters, former chlorination/sulfonation contact basin, and leaching field. Wastewater first flows from the collection system into a three chamber, serpentine, 38,000-gallon septic tank where it undergoes anaerobic treatment¹³. While in the tank, the water passes through two screens that filter out debris before it is decanted into the 38,000-gallon recirculating/distribution tank. In the recirculation tank, new wastewater from the septic tank mixes with water that has already gone through the secondary filtration process. The mixing of the septic influent with the treated, aerated wastewater raises the oxygen concentration and helps to control possible odor problems.

¹¹ Redheaded Blackbelt. Broke, busted, and Beaten: Customers of the WCSD Demand Answers in Heated Meeting. October 25, 2022.

¹² Redheaded Blackbelt. Board Members Jump Ship as Help Arrives. November 28, 2022.

¹³ Anaerobic wastewater treatment is a biological process where microorganisms break down organic contaminants in the absence of oxygen. (SAMCO, What is Anaerobic Wastewater Treatment and How Does It Work? July 9, 2019)

From the recirculation tank, water is pumped into two gravel trickle filters. This aerates the wastewater and further filters it by percolation through the gravel media. Biological treatment is provided by microorganisms that affix themselves to the media and metabolize the wastewater components. From drains in the bottom of the filters, wastewater is pumped back into the recirculating basin and mixed with new wastewater from the septic tank before repeating the filtration process. Wastewater typically passes through the recirculation tank and trickle filters five times before flowing into the former chlorination basin. When the recirculation basin begins to fill up, a float valve shuts off the tank. Wastewater then bypasses the tank and flows into the former chlorination basin until water levels in the recirculating tank decreases.

The District no longer disinfects the filtered wastewater with chlorine gas and sulfur dioxide so the former chlorination basin is used as a final collection and settling pond before filtered wastewater gravity flows to the leach field. In the event that ground water comes within five feet or less of the leach lines, calcium hypochlorite is distributed into the chlorination basin to further treat the wastewater before it is discharged to the leach field¹⁴.

The treatment plant is designed to accommodate an average daily dry weather flow of 45,000 to 65,000 gallons and a daily peak wet weather flow of 209,000 gallons. Based on the average daily dry weather capacity, the plant could treat approximately 23.7 million gallons of wastewater annually. The total wastewater treated in 2021, as reported by the District, was 3.97 million gallons. The 2021 peak wet weather flow was 43,680 gallons in one day with a dry weather average of 5,874 gallons per day (for July 2021)¹⁵. These levels are well below the design flows and indicate that the District has ample capacity to meet current and future demands

Overflow Emergency Response

The District has an emergency response plan in place for any spill, accidental discharge, or Sanitary Sewer Overflow (SSO) that may occur. Issues may be identified by a district employee during their daily responsibilities, or a member of the community may observe the problem and bring it to the District's attention. An emergency contact number for the District is provided 24 hours a day, 7 days a week. As soon as operations is aware of a possible problem, they must immediately investigate and verify if an issue exists. The sewerage system spill investigation forms provide staff with key criteria to identify, quantify, and categorize any reported spills or overflows. Once the spill is verified, staff assesses the situation and collects the required data regarding the spill. They then work to contain the spill, recover as much of the spill volume as possible, mitigate to the extent possible, and prevent it from reaching storm drains, water channels, or surface water bodies. Staff must finally communicate with the appropriate agencies and other emergency response departments/teams to help protect public and environmental health and safety¹⁶.

Wastewater Rates

Customers within the District are charged a flat rate of \$47 per month for wastewater services.

¹⁴ WCSD, Sewer System Management Plan. 2018.

¹⁵ WCSD, General Manager. Personal Communication – Email. July 18, 2022.

¹⁶ WCSD, SSMP. 2018.

2.3 Other Service Providers

Fire Protection and Emergency Services

Due to lack of volunteers, financial constraints and the loss of the District's fire station, the Weott Volunteer Fire Department disbanded in 2017. As such, community fire and emergency response services are no longer provided and good-will services are delivered as available to Weott by the Miranda CSD, Rio Dell PFD – Redcrest Battalion, subject to long response times, and CAL FIRE. The CAL FIRE station, located in Weott on Newtown Road, responds to wildland fire related incidents and non-wildfire incidents throughout the Humboldt Del Norte Unit Battalion 2 when staffed and available during the wildfire season. This Battalion area generally encompasses the region of southern Humboldt from Scotia to Phillipsville along Highway 101 and from Petrolia along the coast to Fruitland Ridge in the east. However, their primary purpose is to respond to wildfires within the Battalion area. When they are called away for a wildfire or conducting other prevention activities, they are not able to respond to incidents in the immediate community.

Fire and emergency response services are vital to the community. The District or a community group should review the feasibility of several different options for providing fire services to the area including revitalization of the Weott VFD, annexation to a neighboring district, year-round contract services through CAL FIRE, or other viable options.

Solid Waste Disposal

Solid waste disposal and recycling services are provided by Recology Eel River. They serve residential, commercial, and industrial customers along the Eel River Valley including Ferndale, Fortuna, Loleta, Myers Flat, Rio Dell, Scotia, Stafford, Weott, and other parts of southern Humboldt County. There is also a transfer station located in Redway approximately 20 miles south of Weott on Highway 101.

Police Services

Police services in Weott are provided by the Humboldt County Sheriff Department. There is a Sheriff station located in Garberville and Eureka. In 2021, Sheriff Deputies responded to 48,743 calls for service including 75 in the immediate Weott area. Calls for service can include animal concerns, public assistance, suspicious circumstances, larceny, and more.

3.0 GOVERNANCE & FINANCE

3.1 Governance

The District is an independent small district typically served by a five-member Board of Directors that is elected to staggered four year terms. Board meetings are held every fourth Tuesday of the month at 7:00pm at the Weott Community Center located at 175 Lum Street.

Due to the small size of the District and remoteness of the community, the District has not been able to recruit individuals to regularly serve on the Board of Directors. As of December 2022, there are only two current board members which does not constitute a quorum. During this type of situation, a County Supervisor will typically step in to provide a quorum until an additional board member can be elected or appointed. The District should work on outreach and

recruitment of new board members in order to fill the Board and ensure proper governance of the District.

Table 2: Board of Directors

Board Member	Title	Term
Marcella Gauna	Chairperson	
Louis Iglesias	Vice Chairperson	
Alan Aitken	Director	
Margo French	Director	

Governance Options

The District may want to explore different governance options due to the continued struggle with finding board members and retaining staff. These options could include reorganization into a County Service Area that is a dependent district where the County Board of Supervisors acts as the governing board or reorganization with another nearby district that would assume control over the WCSD infrastructure.

Staffing

The District currently employs a temporary general manager/chief plant operator, a general manager/ lead operator in training, a monthly meter reading/maintenance and repairs employee, and an administrative manager/board secretary. According to SWRCB regulations, the District must have a certified lead operator and shift operator. The District is encouraged to continuing working on staffing efforts in order to bring a shift operator on board. This could include sharing administrative staff with other nearby Districts.

Accountability and Transparency

WCSD maintains a website (www.weottcsd.com) that provides information on the District including a list of Board Members, meeting agendas and minutes, audits, and a consumer confidence report. However, the District's budgets are not available and the consumer confidence report is for 2020 which is out of date. In order to increase transparency, it would be beneficial to post the District's adopted budgets and the most current consumer confidence report.

Board agendas and notices are posted at the District office, the Weott Community Center, and online at least 72 hours in advance of scheduled Board meetings. Meeting minutes are posted to the website and available at the District office.

3.2 Financial Overview

The District is primarily funded by fees for water and sewer services as discussed above under Municipal Services. Additional funding comes from donations, grants, loans, and property taxes. The District typically adopts an annual budget but as of December 2022 has not adopted a FY 22-23 budget. Audits are also typically conducted on an annual basis. However, due to staffing shortages and limited funding for professional services, the last available audit for the District is from FY 19-20. There is no information available on the State Controller's website which indicates that the District has not been filing annual reports with the state.

As can be seen in Table 3 below, the District has been budgeting at a loss for the last two fiscal years reviewed. This can be attributed to the increase in the cost of maintaining and operating the aging water system along with increased fees for liability insurance. The budget is based on the expected income from water and sewer services. However, since the start of the Covid-19 pandemic, revenues have been substantially less than budgeted due to accounts that have not been paid. During the pandemic, many people were not able to attend work and lost their main source of income. In order to help protect those who had lost their income, there was a moratorium on service disconnections and evictions. This has inadvertently led to a severe decrease in revenues for small service districts including Weott CSD. In addition to this loss of revenue, the District has not been budgeting for depreciation of their assets. According to the Special District Uniform Accounting and Reporting Procedures, the "costs of providing services, including capital costs (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues" and as such should be accounted for in the annual budget¹⁷.

Table 3: Weott CSD Annual Budget Summary

Category	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Revenues					
Water	\$100,000	\$115,000	\$120,000	\$116,000	\$116,000
Sewer	\$78,000	\$78,000	\$78,000	\$78,000	\$78,000
Interest	\$500	\$500	\$500	\$500	\$500
Late Charges	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Property Taxes	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Other	\$0	\$0	\$0	\$0	\$0
Total Revenues	\$183,000	\$198,000	\$203,000	\$199,000	\$199,000
Expenditures					
Salaries & Benefits	\$86,800	\$87,000	\$88,400	\$88,400	\$88,400
Water System	\$23,864	\$35,464	\$36,564	\$34,314	\$34,314
Sewer System	\$18,000	\$19,500	\$23,000	\$19,750	\$19,750
Professional Fees	\$7,100	\$7,300	\$7,300	\$7,300	\$7,300
Insurance	\$5,500	\$5,500	\$5,500	\$11,000	\$11,000
Utilities	\$9,700	\$10,200	\$9,200	\$9,200	\$9,200
Loans	\$23,136	\$23,136	\$23,136	\$23,136	\$23,136
Other	\$8,900	\$9,900	\$9,900	\$16,450	\$16,450
Total Expenditures	\$183,000	\$198,000	\$203,000	\$209,550	\$209,550
Gain/ (Loss)	\$0	\$0	\$0	(\$10,550)	(\$10,550)

¹⁷ California State Controller's Office, Special District Uniform Accounting and Reporting Procedures (2022 Edition) - Section 5.04 Proprietary Funds. June 13, 2022.

Table 4: Weott CSD Audit Summary

Category	FY 16-17	FY 17-18	FY 18-19	FY 19-20
Revenues				
Water Sales		\$116,261	\$124,348	\$114,760
Sewer Services		\$80,191	\$80,842	\$81,149
Community Revenue		\$640	\$570	\$20
<i>Total Revenue</i>		\$197,092	\$205,760	\$195,929
Operating Expenses				
Payroll and Taxes		\$85,783	\$101,892	\$85,324
Materials and Supplies		\$8,715	\$11,185	\$7,781
Travel		\$1,833	\$3,064	\$2,318
Labs, Research, Monitoring		\$5,175	\$7,529	\$20,766
Office Expense		\$5,542	\$7,068	\$10,758
Insurance		\$6,960	\$7,825	\$6,864
Professional Services		\$7,225	\$7,275	\$8,417
Repairs and Maintenance		\$31,576	\$22,796	\$16,551
Utilities		\$12,245	\$11,307	\$10,401
Other		\$275	\$1,232	\$54
Depreciation		\$127,006	\$129,237	\$129,237
<i>Total Operating Expense</i>		\$292,335	\$310,410	\$298,471
<i>Non-Op Revenue/ (Expense)</i>		\$4,130	\$3,475	\$1,891
Net Gain/(Loss)		(\$91,113)	(\$101,175)	(\$100,651)

The last available audits for the District show an overall decrease in the net position. This is largely due to depreciation of the District's assets including the aging water mains and wastewater treatment infrastructure. When looking at the revenues and expenses for each of the Districts enterprise services, water and wastewater, it can be seen that the majority of the District's losses are from the wastewater system (Table 6).

Table 5: Total Net Position Summary

Category	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20
Total Assets			\$1,804,303	\$1,680,914	\$1,567,160
Total Liabilities			\$255,751	\$240,307	\$227,204
Total Net Position			\$1,541,782	\$1,440,607	\$1,339,956

Table 6: Weott CSD Audit Summary (Water vs. Wastewater)

Category	Water			Sewer		
	FY 17-18	FY 18-19	FY 19-20	FY 17-18	FY 18-19	FY 19-20
Operating Revenue	\$116,261	\$124,348	\$114,760	\$80,191	\$80,842	\$81,149
Operating Expense	\$121,334	\$145,672	\$121,488	\$170,717	\$164,224	\$176,792
Non-Op Rev/ (Exp)	\$4,796	\$9,643	\$9,218	(\$6,423)	(\$6,168)	(\$7,327)
Net Gain/(Loss)	(\$277)	(\$11,681)	\$2,490	(\$96,949)	(\$89,550)	(\$102,970)

Fees for Services

The District's current rate structure was set in 2009. Based on the total number of active accounts (137) and the current rate structure, the District could expect a minimum of \$170,000 annually if all accounts are paid in full on a regular basis. This amount will vary based on the actual size of water meters and water usage. However, annual expenses for the District are typically over \$200,000 which results in an annual deficit as shown in the recent budgets and audits. For this reason, the District initiated a rate study in mid-2022.

RCRA has prepared initial rate options for water and wastewater based on the most recent financial information available for the District. Each option for water includes 4% to 10% inflation adjustments over a five-year period and are based primarily on usage as opposed to a flat rate per account. Wastewater rate options include a flat rate per connection and annual inflation rate adjustments ranging from 4% to 12.5%. Each option presented will provide the District will additional funding to support their capital improvement program. The District is encouraged to continue with the rate study and complete the required Proposition 218 process to raise rates in order to address the current funding deficit.