

## City of Fortuna

# Municipal Services Review and Sphere of Influence Update



Adopted

January 20, 2021



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### **Acknowledgements:**

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# 1.0 MSR/SOI BACKGROUND

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## 1.1 Role and Responsibility of LAFCo

Local Agency Formation Commissions (LAFCos) are independent regulatory commissions that were established by the State legislature in 1963 to encourage the orderly growth and development of local governmental agencies including cities and special districts. Today, there is a LAFCo in each of California's 58 counties. Humboldt LAFCo is a seven-member commission comprised of two members of the Humboldt County Board of Supervisors, two City Council members, two Special District representatives, and one Public Member-At-Large. The Commission also includes one alternate member for each represented category.

LAFCo is responsible for implementing the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("CKH Act") (California Government Code Section 56000 et seq.) for purposes of facilitating changes in local governmental structure and boundaries that fosters orderly growth and development, promotes the efficient delivery of services, and encourages the preservation of open space and agricultural lands. Some of LAFCo's duties include regulating jurisdictional boundary changes and the extension of municipal services. This includes city and special district annexations, incorporations/formations, consolidations, and other changes of organization. LAFCo seeks to be proactive in raising awareness and building partnerships to accomplish this through its special studies, programs, and actions.

The CKH Act outlines requirements for preparing Municipal Service Reviews (MSRs) for periodic Sphere of Influence (SOI) updates. MSRs and SOIs are tools created to empower LAFCo to satisfy its legislative charge of "discouraging urban sprawl, preserving open space and prime agricultural lands, efficiently providing government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances (§56301). CKH Act Section 56301 further establishes that "one of the objects of the commission is to make studies and to obtain and furnish information which will contribute to the logical and reasonable development of local agencies in each county and to shape the development of local agencies so as to advantageously provide for the present and future needs of each county and its communities." SOIs therefore guide both the near-term and long-term physical and economic growth and development of local agencies, and MSRs provide the relevant data to inform LAFCo's SOI determinations.

## 1.2 Purpose of Municipal Service Reviews

As described above, MSRs are designed to equip LAFCo with relevant information and data necessary for the Commission to make informed decisions on SOIs. The CKH Act, however, gives LAFCo broad discretion in deciding how to conduct MSRs, including geographic focus, scope of study, and the identification of alternatives for improving the

efficiency, cost-effectiveness, accountability, and reliability of public services. The purpose of a MSR in general is to provide a comprehensive inventory and analysis of the services provided by local municipalities, service areas, and special districts. A MSR evaluates the structure and operation of the local municipalities, service areas, and special districts and discusses possible areas for improvement and coordination. While LAFCOs have no direct regulatory authority over cities and special districts, MSR's provide information concerning the governance structures and efficiencies of service providers – and may also serve as the basis for subsequent LAFCo decisions. The MSR is intended to provide information and analysis to support a sphere of influence update. A written statement of the study's determinations must be made in the following areas:

- (1) Growth and population projections for the affected area
- (2) Location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence
- (3) Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies
- (4) Financial ability of the agency to provide services
- (5) Status of and opportunities for shared facilities
- (6) Accountability for community service needs, including governmental structure and operational efficiencies
- (7) Any other matter related to effective or efficient service delivery, as required by Commission policy

This MSR is organized according to these determinations listed above. Information regarding each of the above issue areas is provided in this document.

### **1.3 Purpose of Spheres of Influence**

In 1972, LAFCOs were given the power to establish SOIs for all local agencies under their jurisdiction. As defined by the CKH Act, “‘sphere of influence’ means a plan for the probable physical boundaries and service area of a local agency, as determined by the commission” (§56076). All boundary changes, such as annexations, must be consistent with an agency's sphere of influence with limited exceptions.

Pursuant to Humboldt LAFCo policy, a MSR is conducted prior to or in conjunction with its mandate to review and update each local agency's sphere of influence every five years or as necessary. The municipal service review process is intended to inform the Commission as to the availability, capacity, and efficiency of local governmental services prior to making sphere of influence determinations.

LAFCo is required to make five written determinations when establishing, amending, or updating an SOI for any local agency that address the following (§56425(c)):



- (1) The present and planned land uses in the area, including agricultural and open space lands.
- (2) The present and probable need for public facilities and services in the area.
- (3) The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
- (4) The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.
- (5) For an update of an SOI of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

Service reviews may also contain recommendations for sphere of influence or government structure changes needed to implement positive service changes. Where more detailed analysis of service options is necessary, service reviews may contain recommendations for special studies where there is the potential to reduce service gaps and improve service levels.

## **1.4 Disadvantaged Unincorporated Communities**

SB 244 (Chapter 513, Statutes of 2011) made changes to the CKH Act related to “disadvantaged unincorporated communities,” including the addition of SOI determination number 5 listed above. Disadvantaged unincorporated communities, or “DUCs,” are inhabited territories (containing 12 or more registered voters) where the annual median household income is less than 80 percent of the statewide annual median household income.

Humboldt LAFCo has adopted DUC policy, which identifies 31 inhabited unincorporated “legacy” communities for purposes of implementing SB 244. These legacy communities were defined as part of the Humboldt County 2014 Housing Element for areas not located within the sphere of influence of a city. Therefore, additional review is needed to determine “disadvantaged unincorporated communities” within and adjacent to city spheres of influence. As such, this MSR will document DUCs associated with the City of Fortuna SOI.

CKH Act Section 56375(a)(8)(A) prohibits LAFCo from approving a city annexation of more than 10 acres if a DUC is contiguous to the annexation territory but not included in the proposal, unless an application to annex the DUC has been filed with LAFCo. The legislative intent is to prohibit selective annexations by cities of tax-generating land uses while leaving out under-served, inhabited areas with infrastructure deficiencies and lack of access to reliable potable water and wastewater services. DUCs are recognized as social and economic communities of interest for purposes of recommending SOI determinations pursuant to Section 56425(c).

## 1.5 Organization of MSR/SOI Study

This report focuses on key issues that may be particularly relevant to the subject agency while providing required LAFCo MSR and SOI determinations. This report provides the following:

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



## 2.0 CITY OF FORTUNA AGENCY OVERVIEW

### 2.1 Overview

The City of Fortuna is located in Humboldt County, approximately 20 miles south of Eureka and 253 miles north of San Francisco. The city lies along Highway 101, east of the Eel River and is bounded by rising hillsides, bluffs, scattered forests, and rural residences.

Fortuna is governed by a five-member city council whose members are elected at large. The city provides a wide range of municipal services including general government, finance, community development, law enforcement, public works, parks, water, and wastewater. The City also contracts with outside agencies to provide certain municipal services, such as garbage collection. The Fortuna Fire Protection District (FFPD), a separate local government agency, provides fire protection and emergency services to the city and surrounding unincorporated areas. For more information regarding these services, refer to Chapter 5 of this report.

**Table 1: City of Fortuna Summary Profile**

FORMATION	
Incorporation Date	February 20, 1906
Enabling Legislation	General Law City, California Constitution, Article 11, Section 2, and California Government Code §34000 et seq.
CONTACT	
Primary Contact	Liz Shorey, Deputy Director of Community Development
E-mail	lshorey@ci.fortuna.ca.us
City Hall/ Mailing Address	621 11 <sup>th</sup> Street, Fortuna, CA 95540
Phone	707.725.7600
Website	www.friendlyfortuna.com
GOVERNANCE	
Governing Body	City Council
Meeting Schedule	1st & 3rd Monday of every month, 6:00 PM
Meeting Location	City Hall Council Chamber, 621 11 <sup>th</sup> Street, Fortuna, CA 95540
SERVICES	
Municipal Services	Water, wastewater, law enforcement, streets and street maintenance, stormwater drainage, planning and zoning, and parks and recreation
Areas Served	Incorporated City Limits is approximately 4.7 sq. mi.

A municipal service review for Fortuna was previously conducted in 2008. This review serves to build upon the previous analysis conducted and update Fortuna's SOI to reflect current local conditions.

## 2.2 Formation and Development

The City of Fortuna is located within Wiyot ancestral territory that extends from Little River near Trinidad to Bear River Ridge near Scotia, and east to Berry Summit and Chalk Mountain. Wiyot people lived in permanent villages along the waterways which also served as travel and trade routes. This region supported a precontact population estimated at 1,500 to 2,000 Wiyot peoples. However, this population declined to approximately 200 after the 1860 Massacres, then to 100 by 1910<sup>1</sup>. Euro-American settlers began to inhabit the lower Eel River area in the early 1850s.

The City of Fortuna was incorporated on February 20, 1906, making it the fifth city formed in Humboldt County. Fortuna's physical form reflects 125 years of growth and evolution<sup>2</sup>. One of Fortuna's previous names, "Springville," was a natural outgrowth of the Springville Mill, the first of several lumber mills within what is now the Fortuna Planning Area. According to historic accounts, the initial 16-lot plat of the town occurred in 1875<sup>3</sup>. By 1880, the town had grown to 88 lots. These lots, located near the intersection of 11th Street (formerly 1st Street) and Main Street, were organized into a traditional rectilinear block and street pattern, as shown on the original town plat. In 1884, the citizens of Springville (as they preferred to call their town) petitioned the California Legislature to change the name of the town to Fortuna. The name Fortuna, meaning "good fortune," was selected due to its excellent location between the redwood forests and the Eel River Valley and proximity to the Pacific Ocean<sup>4</sup>.

As Eureka and Arcata emerged as major seaports, as well as the centers of political and economic influence in the region, the road system linking Fortuna and Rohnerville to these ports was critical to the early growth of both towns. The early maps of the area suggest that this primary road access generally preceded the historic alignment of U.S. Route 101.

In 1906, the California Northwestern Railroad ran north from San Francisco for 152 miles, and the Eureka, Scotia, and Camp Five Railroad ran south from Eureka for a distance of 36 miles. Until a rail connection was completed, the 100-mile gap between the rail lines required stagecoach travel, followed by automobiles in the early 1900s. Rough topography and steep grades made the overland journey particularly difficult; mountain streams made the road impassible in winter and during spring runoff. Ferries were required at major river crossings.

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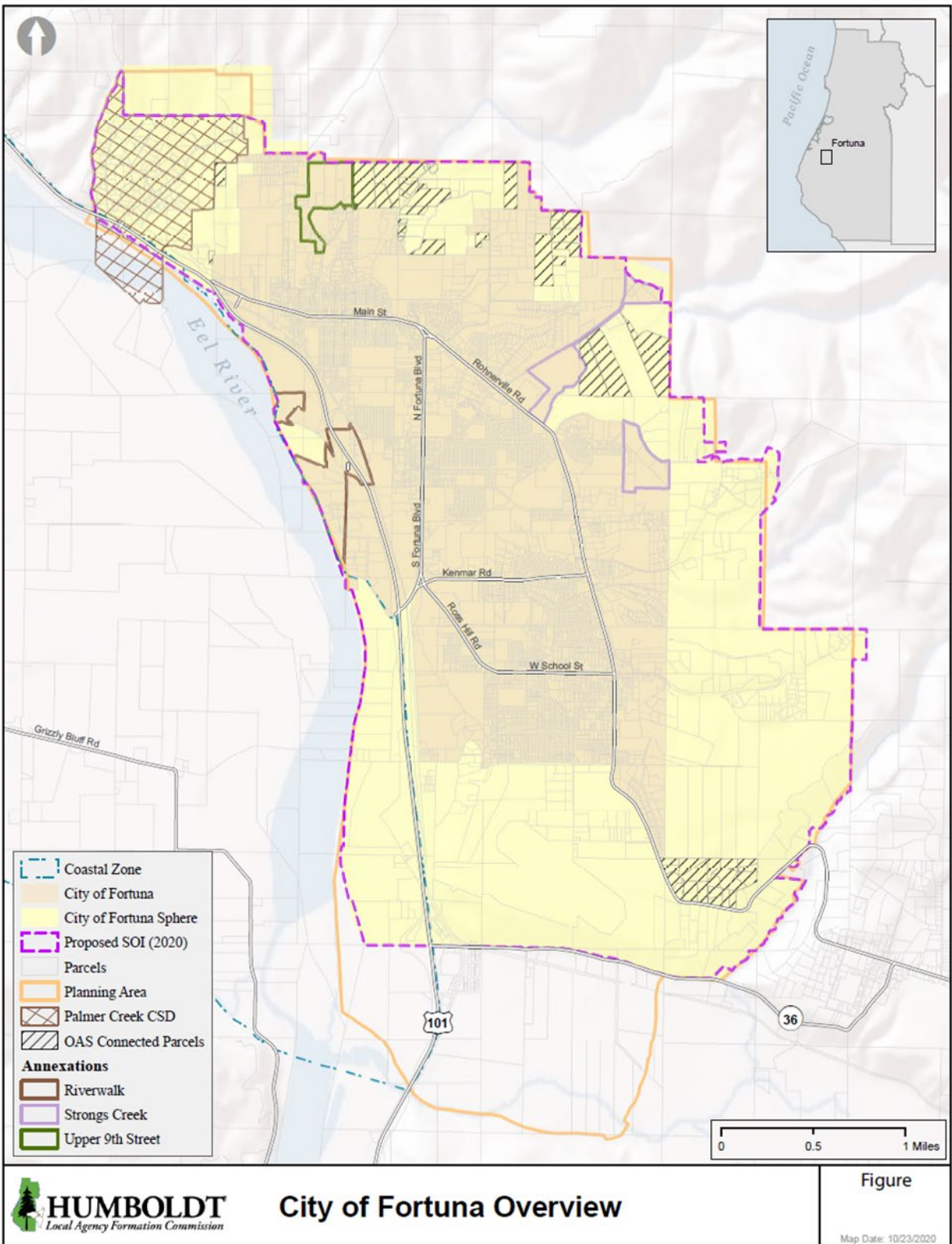
<sup>1</sup> Today, the Wiyot Tribe and the Bear River Band of the Rohnerville Rancheria as sovereign nations have rebuilt their communities and currently have over 600 tribal citizens each, living on tribally owned lands and surrounding communities.

<sup>2</sup> City of Fortuna MSR. Humboldt LAFCo. 2008

<sup>3</sup> City of Fortuna General Plan 2030

<sup>4</sup> Ibid

Figure 1: City of Fortuna Overview



The timber industry was central to the economic development of Fortuna. Timber harvesting, milling and shipping accounted for a major portion of the employment for the area for the 65-year period from 1865 – 1930<sup>5</sup>. During the height of this natural resource economy there were approximately eight lumber mills in the area, each with an independent rail system. The industry was sustained until 1930 when the severe economic impacts of the Great Depression swept the country. The Newburg Mill closed in 1931 and was dismantled in 1934.

In addition to the timber and lumber industry, the area was widely known for its excellent agricultural lands, particularly for the production of vegetable crops, fruits (many apples from southern Humboldt and the Mattole Valley came through Fortuna by boat and wagon), and berries, as well as for the Eel River fisheries. The area most recently occupied by the Pacific Lumber Mill was once the location of a large “evaporator” or complex of drying sheds for drying apples. This local agricultural economic resource provided an important support for the logging and lumber industries that dominated the regional economy.

## 2.3 Jurisdictional Boundary

Fortuna's jurisdictional boundary or “city limits” encompasses approximately 5 square miles (3,351 acres). This accounts for several annexations that have taken place since the last MSR, as summarized below.

- The Riverwalk Annexation, approved by LAFCo in 2013 (Resolution No. 13-04), included 86 acres of predominantly commercial and visitor serving uses west of Riverwalk Drive known as the “Riverwalk District”.
- The Upper 9<sup>th</sup> Street Annexation, approved by LAFCo in 2015 (Resolution No. 15-03), included approximately 50 acres of improved and unimproved single family residential and agricultural uses generally located north of downtown Fortuna, and accessed via 9<sup>th</sup> Street and Home Avenue. The Upper 9<sup>th</sup> Street area was an existing water service area of the city.
- In 2016, the City annexed 86.6 acres of land (22 parcels) as part of the Strongs Creek Valley Annexation (LAFCo Resolution No. 16-06). This annexation was initiated by the City of Fortuna to address service needs for existing residences and to facilitate development of the Fortuna Community Health Center property owned by the McLean Foundation.

The above annexations were proposed by the City of Fortuna consistent with the Fortuna General Plan that contemplates four annexation areas within the city's Planning Area. The General Plan includes policies and programs applicable to these areas as well as pre-zoning these areas consistent with the city's Land Use Diagram.

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<sup>5</sup> Ibid

## 2.4 Sphere of Influence

Currently, Fortuna's SOI extends beyond its jurisdictional boundary and encompasses an additional six square miles<sup>6</sup>. The City's SOI includes the Palmer Creek, Carson Woods Road, and Nelson Drive areas to the north; low density residential and agricultural areas east of Rohnerville Road including the Loop Road and Mill Street areas; and the Rohnerville airport area to the south of the city, which includes a range of agricultural, residential, public facility and commercial and industrial uses. Only minor changes are being proposed to the City's SOI to better follow parcel lines and to capture land uses that would require services in the future or that would be considered for annexation in the future. Additionally, the SOI considers the Urban Development Areas and Urban Expansion Areas as shown in Figure 3 and 4 in Section 3.2.

## 2.5 Out of Agency Services

The City serves approximately 55 water customers located outside the City boundary but within its sphere of influence. The majority of the residential water service connections are located north in the Carson Woods Road and Nelson Drive areas, and south along Rohnerville Road near Fox Hill Lane. Many of these connections are considered legacy connections and are not subject to current LAFCo review. Any future proposals to extend services outside the city's boundary would be subject to LAFCo review and approval pursuant to Government Code Section 56133 and Humboldt LAFCo policy.

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<sup>6</sup> Ibid

## 3.0 SOCIO-ECONOMICS

### 3.1 Population and Development

Fortuna, along with Arcata and McKinleyville, represent Humboldt County's primary growth areas. There are approximately 12,259 people residing in the City of Fortuna and the average household size is 2.55 persons<sup>7</sup>. Table 2 identifies the City of Fortuna and Humboldt County's historic and projected population. From 2010 till 2019, Fortuna's growth rate was 0.31%. Using this growth rate, the 2030 population is estimated at 12,679 or an additional 420 people. At this time, it is uncertain how the Covid-19 pandemic will affect the population of the City and the county as a whole. There could be an increase or decrease in population growth rates across the county.

As indicated below, the city's projected population is 16,817 in 2030 according Fortuna's 2030 General Plan, which represents an additional 4,558 residents. The information included in Table 2 is a mixture of Census data, City of Fortuna General Plan data, and Humboldt County General Plan data.

**Table 2: City of Fortuna and Humboldt County Population<sup>8</sup>**

Year	City of Fortuna		Humboldt County	
	Population	% Change	Population	% Change
1980	7,591	-	108,525	-
1990	8,788	15.8%	119,118	9.8%
2000	10,497	19.4%	126,518	6.2%
2010	11,926	13.6%	134,623	6.4%
2020	14,752	21.7%	139,033	3.3%
2030	16,817	14%	140,608	1.1%

As the population of Fortuna continues to grow, more housing and associated infrastructure will be required to accommodate new residents. According to the Department of Finance, in 2018 approximately two-thirds (69.6 percent) of the city's housing stock was made up of single-family homes, nearly one-quarter (23.3 percent) were multifamily units, and the remaining 7 percent were mobile homes<sup>9</sup>. According to the City's building permit records, 127 units were constructed between 2014 and 2018. Single family homes accounted for 61 units and the remaining 66 were multi-unit

<sup>7</sup> Census Quick facts Population Estimates, July 1, 2019

<sup>8</sup> Census Data, City of Fortuna General Plan 2030, and Humboldt County General Plan.

<sup>9</sup> City of Fortuna Housing Element. Placeworks. August 2019.



developments. The City of Fortuna has a projected housing need of 290 residential units for the 2019 to 2027 period<sup>10</sup>.

The City's 2014–2019 Housing Element includes goals, policies and programs to guide growth and development within the community. One such program (H-23) states that the City will analyze existing and potential infrastructure financing measures for their ability to meet infrastructure needs without an adverse impact to housing costs and identify and apply for state or USDA infrastructure funding programs to support improvement efforts. The City will also consider allowing fee exemptions when energy and water conservation measures are considered for new development. This has been included to help minimize infrastructure costs for residential development by identifying infrastructure needs and available sources of funding for infrastructure improvements.

The City also collects development fees for drainage, traffic, water, and sewer capital improvements. These fees are important because new development has been severely restricted in the past due to inadequate public facilities. Traffic fees are based on the improvements needed in the transportation system to accommodate future development. The City has taken the approach to have new development pay its fair share of the cost of the public infrastructure needed to accommodate it so that the costs are not borne by the existing residents through general fund subsidies.

Site improvements are an important component of new development and include roads, water, sewer, and other infrastructure necessary to serve the new development. Improvement standards are established by the City's Improvement Standards and Specifications. The City has been working on revising standards, including required street widths, in an effort to reduce development costs. The City is currently using Senate Bill 2 Planning Grants to update Improvement Standards and Specifications, the Accessory Dwelling Unit Ordinance, and identify infrastructure financing among other tasks.

According to the City's most recent Housing Element, there is sufficient water and wastewater capacity to accommodate anticipated housing needs<sup>11</sup>. To comply with SB 1087, as the water and sewer provider, the City will continue to grant priority for service to proposed developments that include units affordable to lower-income households. Dry utilities, including refuse collection, electricity, and telephone service, are available to all areas within the City with sufficient capacity to meet current and future needs.

## **3.2 Land Use and Geographic Factors**

Existing land uses in the City of Fortuna are dominated by single-family residential development, with commercial corridors along Main Street and Fortuna Boulevard, and a scattering of multi-family, industrial, public and open space uses. Downtown Main Street serves as the Central Business District and is the historic, civic and cultural core of the community.

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<sup>10</sup> Ibid.

<sup>11</sup> City of Fortuna Housing Element. Placeworks. August 2019.

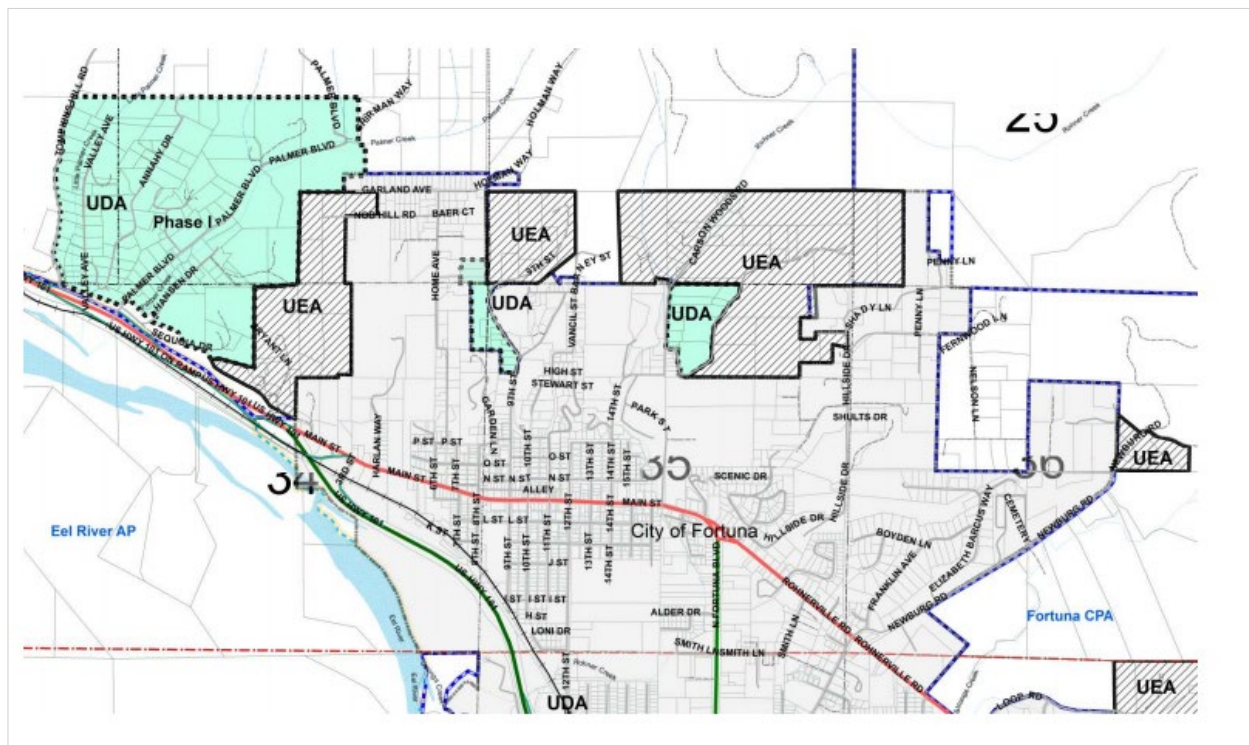


The City of Fortuna has a full range of land uses including very low to high density residential, commercial, office, industrial, public, parks, agricultural, and open space designations. The 2030 General Plan Land Use Element establishes policies and programs to maintain the existing pattern of land uses within the city while anticipating and providing for future growth and development within the Fortuna Planning Area. Fortuna has policies that support infill development, such as allowing mixed-use developments in commercial districts. The 2030 General Plan Land Use Element designates several focus areas for its commercial areas, including Fortuna Boulevard, Downtown, the Riverwalk District, Rohnerville, and the Mill District.

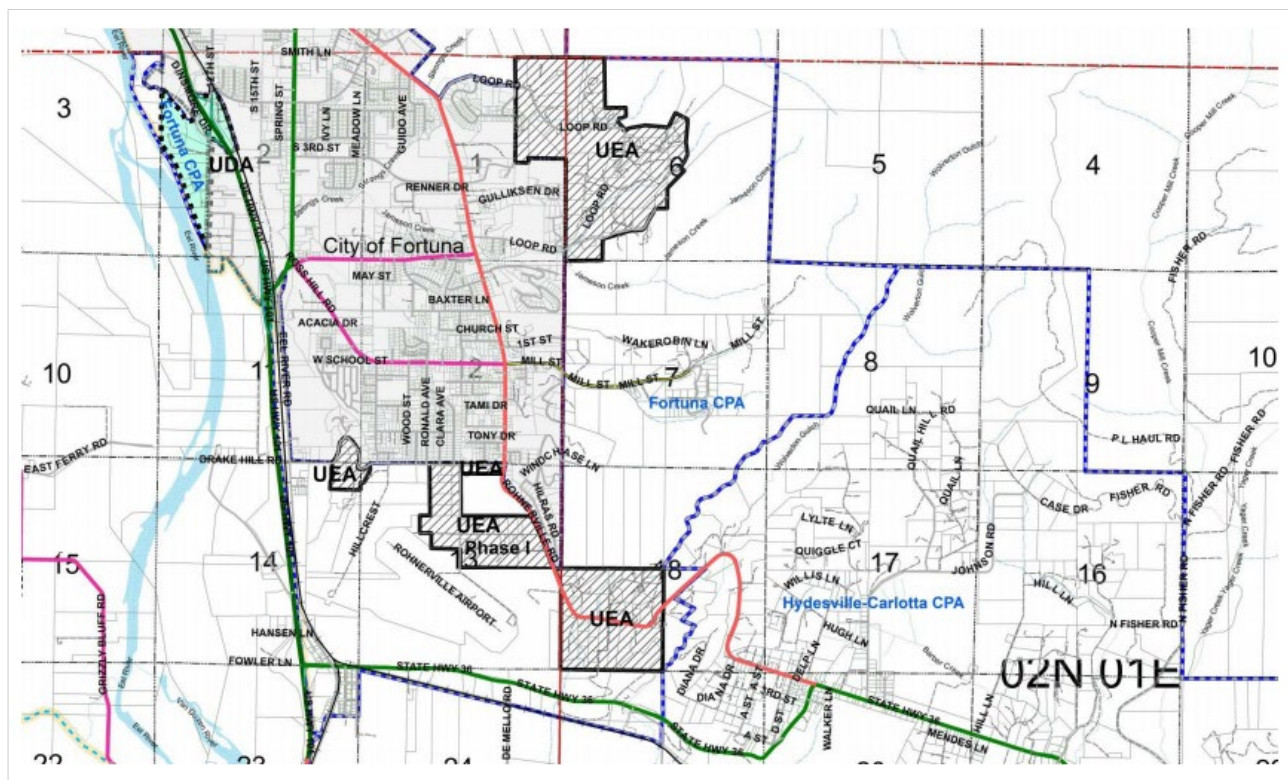
Making up a large area of the city is the former PALCO mill site, which has not been in operation since 2006. The 73-acre site is currently zoned for industrial uses. The City has plans to prepare a Mill District Specific Plan that would establish design and development criteria and phased development provisions for the site.

In addition to the land use designations listed above, the Fortuna Community Plan (1985) guides land uses and development within the unincorporated areas surrounding the city. Fortuna Community Plan policy excerpts and land use maps are included in Appendix C of the Humboldt County General Plan (2017). These identify Urban Development Areas (UDA) and Urban Expansion Areas (UEA), with consideration and/or provision of appropriate types and levels of urban facilities and services to be directed toward the UDAs and followed by Phase I UEs as shown on the Land Use Map. The UDAs and UEs are included in the existing and proposed SOL.

**Figure 2: Fortuna Community Plan Land Use Map (Northern Fortuna)**



**Figure 3: Fortuna Community Plan Land Use Map (Southern Fortuna)**



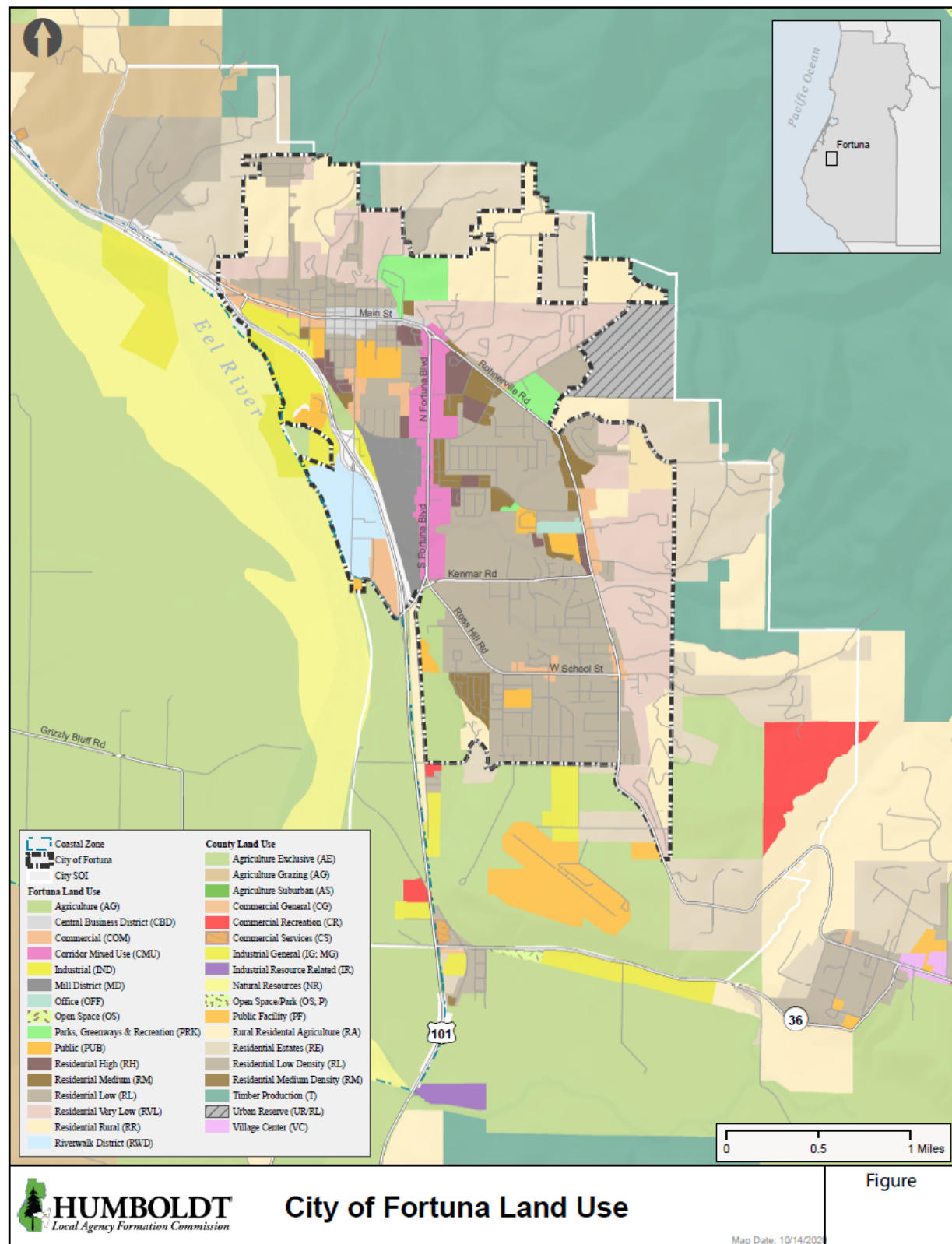
In an effort to reduce the cost of development due to infrastructure costs, the City has included policies in its most recent Housing Element that encourage infill, especially in the mid-Fortuna area<sup>12</sup>. Infill projects are typically less costly since there is already existing infrastructure in place. This also reduces the future maintenance and repair costs, and the City can more efficiently provide services.

### ***Agricultural Land and Open Space***

The City of Fortuna General Plan includes lands designated for Parks, Greenways and Recreation (PRK), Agriculture (AG) and Open Space (OS). Agricultural uses in and surrounding the City of Fortuna includes farmland, timberland, and lands under Williamson Act contract. According to the City's General Plan EIR, prime farmland and timberland acreages collectively represent 22.2% of the Planning Area's 8,051 acres. No land within the incorporated City limits is under Williamson Act contract. However, 396 acres of farmland and timberland under Williamson Act contract are in the SOI portion of the Planning Area. The 2030 General Plan does not designate any of this land for urban use, meaning the General Plan is in conformance with the Williamson Act.

<sup>12</sup> City of Fortuna, Housing Element. Policies H-6.5 and H-6.6. August 2019.

Figure 4: City of Fortuna and Humboldt County Land Use





### 3.3 Disadvantaged Unincorporated Communities

LAFCo is required to evaluate disadvantaged unincorporated communities (DUCs) as part of this review, including the location and characteristics of any such communities within or contiguous to the Fortuna SOI. As noted previously, a DUC is an unincorporated geographic area with 12 or more registered voters with a median household income (MHI) of 80% or less of the statewide median household income. The identification of DUCs is intended to ensure that the needs of these communities are met when considering service extensions and/or annexations in unincorporated areas.

While by definition cities are not DUCs, the MHI of the city under review is a helpful indicator to establish likely regional economic conditions. The 2018 MHI for the City of Fortuna is \$45,893<sup>13</sup>, which is 64% of California's statewide MHI of \$71,228<sup>14</sup>. The City is therefore considered to be a disadvantaged community and it is likely that the City's adjacent unincorporated neighborhoods may qualify as DUCs. Special consideration will therefore be given to any DUCs affected by future annexation proposals consistent with GC §56375(8)(A) and LAFCo Policy. The City is responsible for providing water and wastewater services. The Fortuna Fire protection District is responsible for providing structural fire protection services.

Pursuant to GC §65302.10(b), SB 244 also requires each City to plan for DUCs in their General Plan Land Use Element in conjunction with adopting their Housing Element. To comply with this requirement, each city must identify, describe, and map each island and fringe community within the city's Sphere of Influence that qualifies as a DUC; analyze the water, wastewater, stormwater drainage, and structural fire protection needs or deficiencies of the DUCs; and analyze potential funding mechanisms that could make the extension of services to the DUCs financially feasible.

In 2018, the City completed a Disadvantaged Community Analysis according to SB 244. Through this process, two disadvantaged communities were identified in the SOI, the community of Palmer Creek (DUC 1) and the community surrounding Becker/Blair Lane (DUC 2)<sup>15</sup> (see Figure 5). The community of Palmer Creek is discussed below. The community of Becker/Blair Lane is adequately served for fire and water services, however, it is underserved with wastewater service. In response, funding and financing mechanisms were identified to further development of adequate service<sup>16</sup>. The City also amended the Fortuna General Plan to incorporate DUC policies and reports (Resolution 2018-33).

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

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

<sup>15</sup> Memo from Michael Baker International to Liz Shore, Deputy Director of Community Development. May 23, 2018.

<sup>16</sup> Memo from Michael Baker International to Liz Shore, Deputy Director of Community Development. July 10, 2018.

Several adjacent residential areas meet the registered voter criteria for DUC evaluation: the communities of Hydesville and Carlotta located southeast of Fortuna along Highway 36, and the community of Palmer Creek located north of the city.

The community of Carlotta receives fire protection services from the Carlotta CSD through the Carlotta Volunteer Fire Department, whereas community water and wastewater services is not available to the Carlotta community. Carlotta has a MHI of \$61,458 which is 86 percent of the California MHI<sup>17</sup> and does not qualify it as a DUC. Carlotta has been identified as a legacy community in the Humboldt County Housing Element. Legacy communities are unincorporated areas that are geographically isolated and have been inhabited for at least 50 years<sup>18</sup>. Legacy communities and disadvantaged unincorporated communities often have shared boundaries.

The community of Hydesville receives water services from the Hydesville County Water District, which has two groundwater wells located at Ward Creek, and fire protection services from the Fortuna Fire Protection District. Community wastewater services are not available to the Hydesville community. Hydesville Census Designated Place has a MHI of \$55,577 which is 78 percent of the California MHI and qualifies it as a DUC<sup>19</sup>.

Another qualifying DUC is the community of Palmer Creek adjacent to the northern boundary of the City and within its SOI. This small community has a MHI of \$48,292 which is 68 percent of the California MHI<sup>20</sup>. The community is currently served by the Palmer Creek Community Services District (CSD) which provides water and wastewater services. Wastewater is transported from the Palmer Creek CSD system to the City's wastewater treatment plant. Fire protection services are provided by Fortuna FPD in the Palmer Creek area.

Within a DUC, three basic services are evaluated: water, wastewater, and fire protection. Should future annexations or service extensions be proposed for the City of Fortuna, special consideration will be given to any potential DUCs affected by the annexation consistent with GC §56375(8)(A) and LAFCo Policy.

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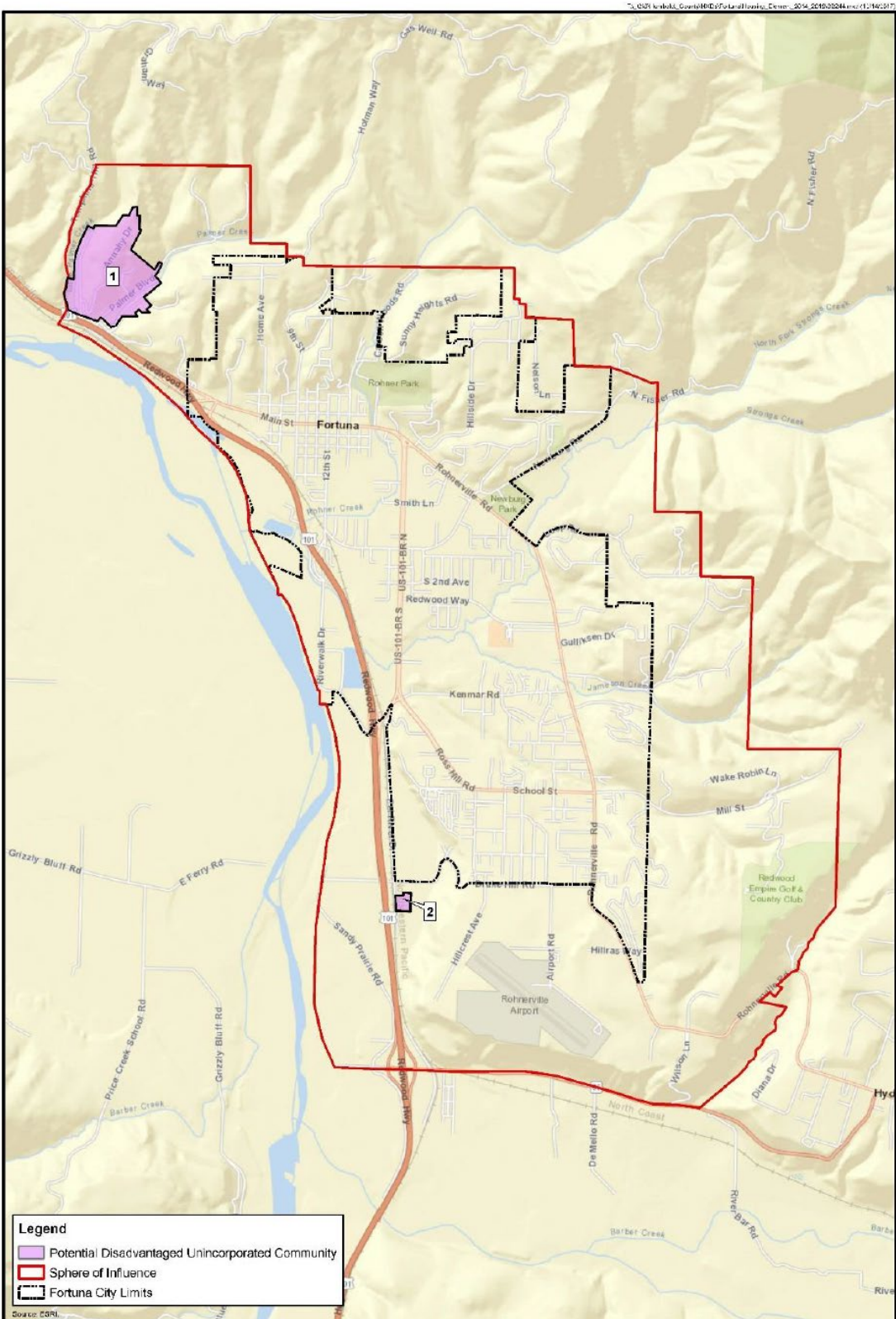
<sup>17</sup> American Community Survey 5-year Estimates (2018), Table B19103 – Median Income in the Past 12 Months, Block Group 2, Census Tract 109.02, Humboldt County, California. Accessed October 22, 2020.

<sup>18</sup> Humboldt County General Plan 2017- Housing Element Appendix G

<sup>19</sup> American Community Survey 2018 5-year Estimates (2018) S1903 – Median Income in the Past 12 Months, Hydesville CDP. Accessed October 22, 2020.

<sup>20</sup> US Census, American Community Survey 2018 5-year Estimates, Humboldt County Block Group 108.2, Table B19013. Accessed April 7, 2020.

Figure 5: City of Fortuna Disadvantaged Community Analysis



## 4.0 ACCOUNTABILITY AND GOVERNANCE

### 4.1 Governance

Fortuna is a charter city, utilizing the Council-Manager form of government. The five-member city council is elected at large to overlapping four-year terms by registered voters that reside within the city limits. The council members in turn select one of their own members to serve as mayor. The city employs a City Manager who is responsible for administering and implementing the policies set by the council. In the Council-Manager form of government, legislative and policy functions are vested in the City Council, while the City Manager runs the day-to-day business of the city.

The City Council is the policy-setting body that is responsible for enacting ordinances, establishing policy, adopting and amending the budget, and adopting resolutions. The Mayor has appointive powers, subject to council approval. The City Council appoints the City Manager to support their efforts and oversee the daily operations of the City to ensure that the Council's policies, programs, and priorities are implemented. Several boards, commissions, and committees assist in carrying out various functions of city government. This includes the Planning Commission, Parks and Recreation Commission, Measure E Oversight Committee, and Historical Commission.

**Table 3: Fortuna City Council Members<sup>21</sup>**

Council Members	Seated	Term Expiration
Sue Long, Mayor	2010	2022
Tami Trent, Mayor Pro Tem	2012	2024
Mike Losey	2020	2024
Mike Johnson	2018	2022
Jeremy Stanfield	2018	2022

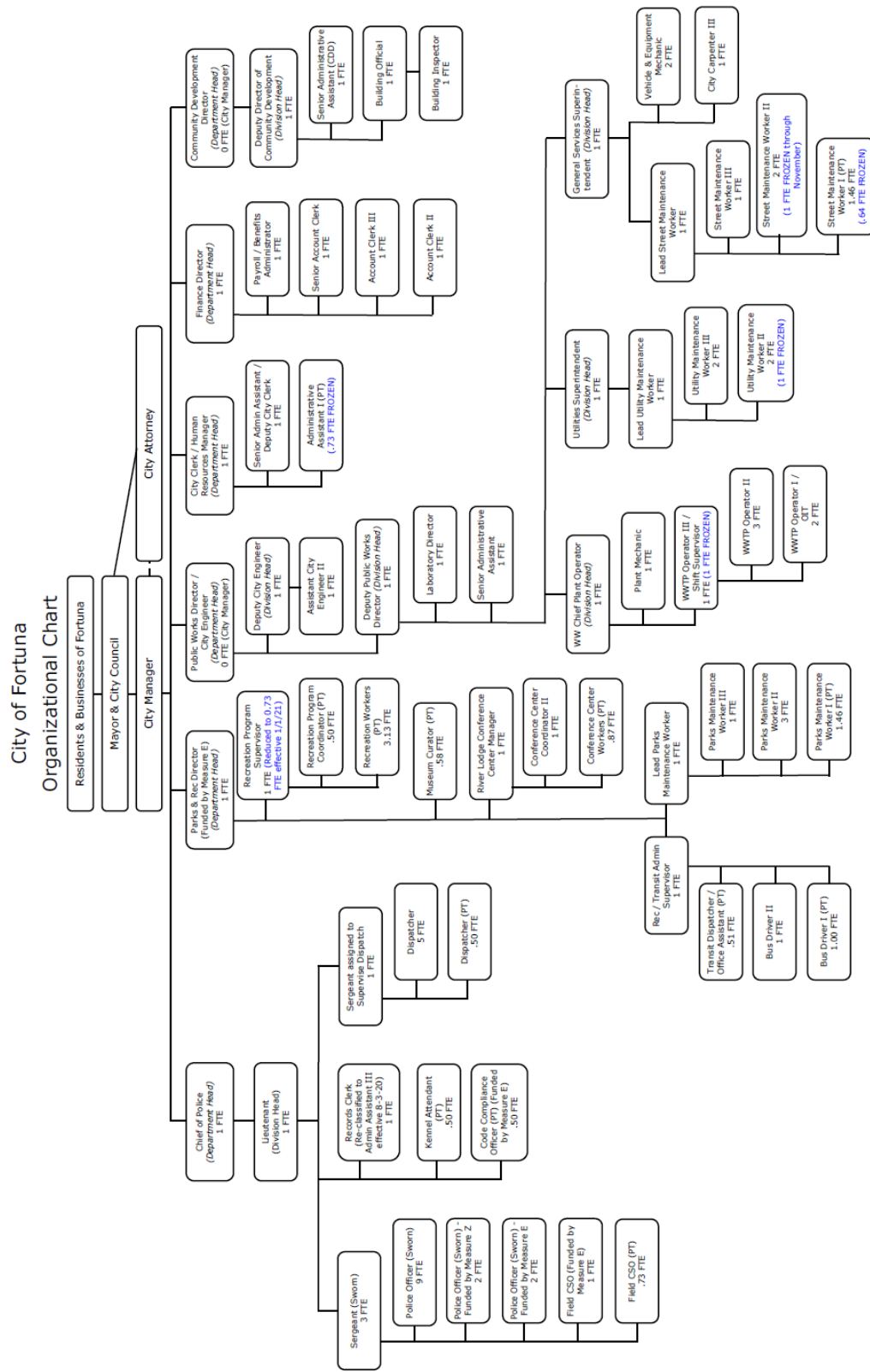
Regularly scheduled City Council meetings are held on the first and third Monday of the month at 6:00 p.m. at City Hall. Regularly scheduled Planning Commission meetings are held on the second and fourth Tuesdays of every month at 6:00 p.m. at City Hall. All meetings are open to the public in accordance with the Brown Act and are publicly posted a minimum of 72 hours prior to the meeting on the city's website and at the kiosk located at City Hall (621 11<sup>th</sup> Street).

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<sup>21</sup> Fortuna City Council Meeting Agenda. May 19, 2020. Accessed July 20, 2020.



Figure 6: City of Fortuna Staff Organization



## 4.2 Administration

The City of Fortuna presently has six operating departments: Finance, City Clerk/Human Resources, Police, Community Development, Public Works, and Parks and Recreation. Each department has a director who is responsible to the City Manager. Currently the city employs 79 full-time employees and 13.11 regular part-time employees for a total of 92.11 employees<sup>22</sup>.

The City Manager is responsible for directing and supervising the day-to-day administration of the city to ensure that laws, ordinances, resolutions, contracts, and leases are enforced and executed. This is in addition to the City Manager's specific duties and responsibilities as set forth in the Fortuna Municipal Code (F.M.C.) §§ 2.08.070.

## 4.3 Accountability

When conducting service reviews and reviewing proposals, LAFCo considers an agency's accountability for community service needs, including governmental structure, operational efficiencies, financial resources, and promoting public access.

The City offers multiple ways to keep citizens informed about services, meetings, finances, and decision-making processes. Public notices are posted on the website. Past meeting agendas and meeting minutes may be found on the home page of the city's website. The public may also provide verbal comments or complaints by phone or in person at City Hall during business hours and/or at City Council meetings during the general public comment period.

## 4.4 Shared Facilities

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

- An agreement with Palmer Creek CSD to receive wastewater for treatment and disposal.
- An agreement with Rohner Community Recreation and Park District to provide administrative staffing support as needed.
- A long-term relationship with the Fortuna Fire Protection District, which provides fire protection and rescue services to the Fortuna and Hydesville areas.
- Membership in the Redwood Coast Energy Authority (RCEA), a joint powers authority founded in 2003 whose members include the seven cities, the county, and the Humboldt Bay Municipal Water District. RCEA administers Humboldt County's Community Choice Energy program, which offers local renewable energy and lower energy prices to Humboldt County residents and businesses.

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<sup>22</sup> City of Fortuna Annual Operating Budget Fiscal Year 2020-2021.

- Membership in the Humboldt County Association of Governments (HCAOG), a JPA comprised of the seven cities and the county. HCAOG is the designated Regional Transportation Planning Agency and is largely responsible for programming state highway, local street, and road improvements, and public transportation resources.
- Membership in the Redwood Region Economic Development which is a collaboration of elected officials from throughout Humboldt County dedicated to economic and business development.
- California League of Cities, an association of California city officials who work together to enhance knowledge and skills, exchange information and combine resources to influence policy decisions that affect cities.

## 5.0 CITY SERVICES AND INFRASTRUCTURE

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

### ***Public Works***

Water

Wastewater

Stormwater Drainage

Streets and Lighting

### ***Parks and Recreation***

Parks

Recreation

Museum

Transit

### ***Community Development***

Planning

Building

### ***Police and Emergency Services***

Law Enforcement

Emergency Services

Among the services enumerated above, the provision of water supply and wastewater disposal facilities are generally the major determinants of the location of future development. The need for the other urban services tends to follow the provision of water and sewers as development occurs and population increases. For this reason, the discussion which follows focuses primarily on the city's capability to provide water and wastewater facilities and services. Other services provided by the city are given a brief overview.

## 5.2 Public Works

### 5.2.1 Water Services

The City of Fortuna provides drinking water from city-owned and operated groundwater wells. The City's Public Works Department operates and maintains the water pumping and treatment facilities and equipment. Routine maintenance of pumping and treatment facilities is done on a daily basis. The Public Works Department also utilizes a computer-generated maintenance schedule. The City of Fortuna provides water to approximately 12,000 individuals with 5,727 service connections<sup>23</sup>.

**Table 4: City of Fortuna 2019 Managed Water Connections and Volume<sup>24</sup>**

# of Municipal Connections	Volume of Water Supplied
5,727	424 Million Gallons

#### ***Water Supply and Treatment***

The City's water source is groundwater from five wells located on Eel River Drive between Drake Hill Road and Kenmar Road near the southwest corner of the city. These wells are known as Well #1, #2, #3, #4, and #5 and are considered most vulnerable to human and animal activity, including agricultural irrigation and drainage, grazing, and septic systems<sup>25</sup>. The City currently has water rights allocations to extract up to 1,642 acre-feet per year.

The City's Urban Water Management Plan describes the wells as shallow (less than 100 feet deep). Four pumps, one situated at each well, pump water through the aeration tower at the Corrosion Control Facility and into a 120,000-gallon wet well, where water is also chlorinated. Treated water from the wet well is pumped through two transmission mains (12 inch and 14 inch) to the distribution system network<sup>26</sup>. The Corrosion Control Facility has three 100-horsepower pumps; running in an alternating pattern with a maximum of only two pumps operating together at one time<sup>27</sup>. The pumps produce a maximum of approximately 1,900 gallons per minute or 2.736 million gallons per day (MGD). The highest flow day in the last six years was measured at 2.458 MGD.

The fifth well pump is a high head system that delivers water directly to the Stewart Street reservoirs through the City's distribution system.

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<sup>23</sup> City of Fortuna 2019 Consumer Confidence Report

<sup>24</sup> City of Fortuna 2019 Consumer Confidence Report

<sup>25</sup> City of Fortuna 2019 Consumer Confidence Report

<sup>26</sup> City of Fortuna MSR. Humboldt LAFCo. 2008

<sup>27</sup> Ibid

## **Distribution System**

The Utilities Division of the City's Public Works Department operates and maintains the underground water infrastructure, including water mains and related items such as water meters and other items located in the street right of way. The Engineering Division of the Public Works Department is responsible for the orderly development of the City's water system and provides engineering design services.

Drinking water testing is conducted on a continuous basis, according to state and federal laws, and findings are reported annually in a Consumer Confidence Report and monthly to the State Water Resource Control Board Division of Drinking Water through a required self-monitoring report. According to the 2019 Consumer Confidence Report, the City received a violation for the amount of chlorine within the treatment system<sup>28</sup> due to high reservoir disinfection levels entering the distribution system. This occurred for two days and was remedied by flushing the distribution system and testing residuals until levels returned to acceptable parameters. No other violations were noted.

The City's distribution system includes 40 miles of piping, 4 reservoirs that store over 8 million gallons of water, and 8 pump stations<sup>29</sup>. The system is composed of both new and old piping, with a mix of older asbestos-cement and cast-iron pipe, and newer polyvinyl chloride or PVC pipe<sup>30</sup>.

The system is divided into seven separate pressure zones (see Figure 4<sup>31</sup>). Each zone is pressurized by a series of pumps, reservoirs, water tanks and/or hydro-pneumatic tanks. The seven pressure zones in the city are determined by location and the hydraulic grades of the system. Pressure zones 3 and 5 and 4 and 6 have been recently combined. The 4 City-owned reservoirs and 8 pump stations are inspected on a daily basis.

## **Water Storage**

The City owns and maintains 4 enclosed reservoirs which have a combined storage capacity of 8.25 million gallons (see Table 5). The Holman reservoir was demolished in 2013 during the pressure zone 3 and 5 intertie project<sup>32</sup>. In addition to daily inspections and maintenance, these reservoirs are regularly lowered and filled to ensure the freshest water is available to customers. Based on the average daily demand noted below, these reservoirs could potentially provide up to seven days of water in the event water supply is interrupted.

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<sup>28</sup> City of Fortuna 2019 Consumer Confidence Report

<sup>29</sup> City of Fortuna 2019 Consumer Confidence Report

<sup>30</sup> Ibid

<sup>31</sup> City of Fortuna 2015 Urban Water Management Plan. Freshwater Environmental Services. May 25, 2016.

<sup>32</sup> City of Fortuna, Public Works Department, Personal Communication. October 5, 2020.

**Figure 3**



**Table 5: City of Fortuna Water Storage<sup>33</sup>**

Reservoir Name	Year Built	Capacity
Campton	1989	1 million gallons
Hillside	1989	250,000 gallons
Vancil	1964	5 million gallons
Stewart	2012	2 million gallons
<b>Total</b>		<b>~8,250,000 million gallons</b>

### Water Demand

The City currently serves 5,727 water connections of which 5,170 are residential and 557 are commercial/other<sup>34</sup>. Based on water supplied during 2019, there is an approximate average daily demand of 1.16 million gallons which is 42% of the total daily treatment capacity. Annual water supplied by the City has increased by 7% from 395.3 MG in 2015 to 423.54 MG in 2019.

According to City Staff, there are two subdivisions that have been approved and are under construction and would require City water service, but the parcel maps have not been recorded yet. First, there is the Fitze Planned Unit Development of 12.9 acres into single family residential parcels ranging in size from 1,632-1,972 square feet and open space parcel (APNs 200-082-005 and 202-121-002) located on the south side of Redwood Way between Maxwell Street and Rohnerville Road. Second, there is the Cook Subdivision of 1.82-acre parcel into eight single family residential parcels (APN 040-282-013) located on the west side of Fortuna Boulevard north of Alder Dive. There is also adequate fire flow capacity throughout the City<sup>35</sup>. Based on the current demand, the City is using approximately 1,300-acre feet or 79% of its 1,642-acre feet groundwater allocation under current water rights which allows some room for growth.

Based on City projections, the average monthly water demand could increase 8% by 2025 to 38.12 MG per month as shown in Table 6<sup>36</sup>. This could bring yearly demand up to 457 MG or approximately 85% of the City's water rights allocation.

**Table 6: City of Fortuna Projected Water Demand**

Year	Demand (MG)	
	Monthly	Annually
2019	35.30	423.60
2021	35.86	430.32
2022	36.42	437.04
2023	36.99	443.88
2024	37.55	450.60
2025	38.12	457.44

<sup>33</sup> City of Fortuna, Public Works Department, Personal Communication. October 5, 2020.

<sup>34</sup> City of Fortuna, Public Works Department, Personal Communication. October 5, 2020.

<sup>35</sup> City of Fortuna, Public Works Department, Personal Communication. August 27, 2020.

<sup>36</sup> City of Fortuna, Public Works Department, Personal Communication. August 27, 2020.

## **Capital Improvement Projects**

The City annually updates their Capital Improvement Plan and continues to work on system repairs and upgrades including replacement of aging pipeline. In the last 5 years the City has completed several projects including the following:

- The City completed the Stewart Street Reservoir Replacement Project on March 20, 2013. This involved the replacement of two 0.5 MG tanks with one 2 MG reservoir with a pre-stressed concrete tank, thereby increasing the capacity for the City's largest pressure zone by 1 MG. The project also replaced a booster station which feeds Vancil Reservoir.
- The City completed a combination of two of its pressure zones on March 28, 2014, resulting in a total of seven pressures zones. The project combined zones 3 and 5, which use a hydro pneumatic system through two booster stations connected by supervisory control and data acquisition (SCADA). Project completion involved deconstruction of an elevated tank which held 35,000 gallons of water at zone 3, which was then transformed into a hydro pneumatic system and combined with zone 5, an existing hydro pneumatic system.
- The City combined pressure zones 4 and 6 during the month of July 2020, which will continue to operate independently, but will be able to back feed if necessary, using a Pressure Regulating Valve station.

The following projects were identified in the 2020-2021 CIP with a total cost of \$1,281,600<sup>37</sup>.

- Vancil Reservoir Site Rehabilitation Project
- Corrosion Control Facility Piping and Well Replacement Project
- Water Tank Recoating Project
- Kenmar and Drake Hill Pump House Stationary Gensets
- Drake Hill Water Pump House Drainage Project
- Zones 4 and 6 Intertie Project
- Downtown Water Line Replacement Project
- 11<sup>th</sup> Street Water Main Project
- Corrosion Control Facility Electrical Project
- 12<sup>th</sup> Street Water Main Project

## **Water Rates**

The rates listed below were established in Fiscal Year 2010-2011<sup>38</sup>. Besides service charges, other sources of revenue include connection fees and late fees. The City is expected to complete rate studies and propose a rate increase within the next 1-2 years for water services.

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<sup>37</sup> City of Fortuna CIP FY 20-21

<sup>38</sup> City of Fortuna, Finance Department, Personal Communication. October 5, 2020.

**Table 7: 2019-20 Water Service Rates<sup>39</sup>**

	Charge Type	Monthly Charge
Inside City Rate	Base Fee for 5/8" or 3/4" pipe (most residences)	\$23.04
	1"	\$44.07
	1 ½"	\$87.21
	2"	\$147.61
	3"	\$320.16
	4"	\$561.73
	6"	\$1,251.95
	301 - Above cu. ft. (consumption)	\$1.90 per 100 cu. ft.
Outside City Rate	Outside the City limits service area, the rate charged shall be one and one-half (1.5) times the rate for service within the City limits.	1.5 x service rate within City limits

## **5.2.2 Wastewater**

The City's wastewater system consists of eight pump stations, a collection system, and Wastewater Treatment Plant (WWTP)<sup>40</sup>. The Wastewater Treatment Plant Division of the City's Public Works Department operates and maintains all the wastewater pumping and treatment facilities and equipment. Routine maintenance is performed daily on the wastewater pumping and treatment facilities. Wastewater connection fees, for new sewer hook-ups, and bond monies are used to pay for wastewater system capital improvements. Currently, wastewater services have not been extended to the former PALCO mill site or Alton areas which are planned for future development. The development proposals previously described will require extension of wastewater services.

The 2018 Sewer System Management Plan (SSMP) for the City of Fortuna focuses on proper management, operation, and maintenance of all parts of the sanitary sewer system. Included in the 2018 SSMP are the following goals<sup>41</sup>:

1. Maintaining or improving the condition of the collection system infrastructure in order to provide reliable services now and into the future;
2. Cost-effectively minimizing infiltration/inflow (I/I) and provide adequate sewer capacity to accommodate design storm flows;
3. Minimizing the number and impact of sanitary SSOs that occur;
4. Preventing unnecessary damage to public and private property;
5. Using funds available for sewer operations in the most efficient manner;

<sup>39</sup> [https://www.friendlyfortuna.com/departments/finance/water\\_sewer\\_services/water\\_billing\\_info.php](https://www.friendlyfortuna.com/departments/finance/water_sewer_services/water_billing_info.php)

<sup>40</sup> City of Fortuna MSR. Humboldt LAFCo. 2008

<sup>41</sup> City of Fortuna Sewer System Management Plan. July 1, 2018.

6. Working cooperatively with local, state, and federal agencies to investigate the causes of, minimize, and mitigate the impacts of SSOs;
7. Meeting all applicable regulatory notification and reporting requirements;
8. Being available and responsive to the needs of the public to prevent and restore interruptions in service and to minimize public health and property impacts related to SSOs;
9. Implementing regular, proactive maintenance of the system to remove and control roots, debris, fats, oils and grease (FOG) that may cause SSOs;
10. Prioritizing renewal and replacement of wastewater collection system facilities to maximize their useful life and optimize capital expenditures; and
11. Maintaining the SSMP, which will serve as a reference for the City's sanitary sewer system management practices.

The 2018 SSMP covers a portion of the City's collection system and includes inflow and infiltration (I&I) recommended improvements, which are discussed further in the section titled "Wastewater System Planned Upgrades." The City anticipates continuing to complete a similar plan and initiating projects for the system over a 10-year period until the entire I&I system has been analyzed, projects identified, and added to the City's CIP.

### **Collection System**

Approximately 90% of the connections to the collection system are residential and commercial users; the remaining 10% are industrial<sup>42</sup>. The City's wastewater collection system extends throughout most of the areas within the City Limits and is considered generally adequate to serve the existing developed areas of the city. Palmer Creek CSD also connects into the city's treatment system. Wastewater flows are measured at the headwork's structure within the wastewater treatment plant (WWTP) and includes the Palmer Creek CSD flows, which are metered separately for billing purposes.

The City's collection system ultimately feeds into two main lines: one gravity main line and one force main line<sup>43</sup>. The gravity main line is a 15-inch line located at Loni Drive. The second main line is a 12-inch force main. This force main, ties into the California Conservation Corps (CCC) Wet Well Pump Station force main on Alamar Way. This force main transfers the flows north along Dinsmore Drive to the WWTP.

There are nine city owned pump stations in the collection system, which include the Strongs Creek, CCC, North Main Street, Rohnerville Road, Rancho Buena Vista, Rundells, Kenwood Meadows/Laurelwood, Astor, and Nob Hill pump stations<sup>44</sup>. These pump stations are equipped with pumps ranging in size from 2 to 8 inches that provide the majority of the pumping capacity for average daily flow conditions along with secondary pumps for additional capacity during peak flow conditions.

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<sup>42</sup> Wastewater Treatment and Effluent Percolation System Upgrade Project. GHD. April 2020

<sup>43</sup> City of Fortuna MSR. Humboldt LAFCo. 2008

<sup>44</sup> Ibid

## **Treatment Facility**

The City's WWTP, originally constructed in 1974, is regulated under the North Coast Regional Water Quality Control Board (NCRWQCB) and operates under waste discharge requirements issued by the NCRWQCB in Order No. R1-2017-0005, effective November 1, 2017<sup>45</sup>. Treatment processes include screening and grit removal, primary treatment, secondary treatment, mixed liquor recycle for biological nutrient removal (BNR), sludge thickening, anaerobic digestion, electrical cogeneration, solids dewatering, composting, side stream equalization, and effluent disinfection<sup>46</sup>. Treated and dechlorinated effluent is currently discharged to the percolation ponds during dry weather (May 15-September 30) and to Strongs Creek during the wet weather season (October 1-May 14). However, the use of the percolation ponds will be discontinued after construction of a new percolation field on the west side of the Eel River.

During the dry season of 2019 (May-October), the average dry weather flow (ADWF) was 0.827 MGD. During the wet season of 2019 (January-April and November-December), the average influent flow was 1.498 MGD<sup>47</sup> which is approximately 40% of the plant's design capacity. Under extreme influent flows, some of the influent is diverted to flow equalization ponds. This allows the plant flow to remain at a controlled, uniform rate below the plant's current wet weather operational capacity of 3.8 MGD. Once flows subside, this overflow volume is metered back into the plant influent for proper treatment and disposal.

In recent years, the City has developed a long-term solids handling plan for disposing of sewage sludge. The process involves composting biosolids generated from the WWTP and providing it to residents and agricultural producers for re-use as a soil conditioner. All biosolids produced are disposed of in this manner on a regular basis.

WWTP upgrades and expansion were completed in June 2007<sup>48</sup>. These improvements included upgrading the existing hydraulic capacity of the plant and adding new unit operations including a new anaerobic digester; a secondary clarifier; a composting solids handling system; and odor control biofilters. The hydraulic capacity of the plant was increased with the addition of a new secondary clarifier and a new discharge pipe. A new operations building, and a grit handling and headwork's system were also constructed, as well as co-generation capability which converts digester gases into electricity to supplement the electrical power needed to operate the WWTP.

The Compliance Project to upgrade the communications system at the WWTP, which began in 2017, is complete<sup>49</sup>. The upgrade included new Programmable Logic Controls (PLCs), installation of network cable, modifications to the SCADA system, and remote access. These modifications, in addition to the installation of equipment for continuous, real-time monitoring of the disinfection process, allows for quicker, more efficient

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<sup>45</sup> Wastewater Treatment and Effluent Percolation System Upgrade Project. GHD. April 2020

<sup>46</sup> City of Fortuna Wastewater Treatment Plant 2019 Annual Report. February 6, 2020.

<sup>47</sup> City of Fortuna Wastewater Treatment Plant 2019 Annual Report. February 6, 2020.

<sup>48</sup> Ibid

<sup>49</sup> City of Fortuna Wastewater Treatment Plant 2019 Annual Report. February 6, 2020.

notification and control of chlorine residuals in the contact basin and the final effluent. Current capacities for the system are summarized in Table 5-4.

**Table 8: Fortuna WWTF Design Flow and Loads<sup>50</sup>**

Type of Flow (units)	Design Capacity
<b>Average Annual Design Flow (MGD)</b>	1.5
<b>Maximum Month Design Flow (MGD)</b>	421.3
<b>Influent Average Annual BODs (PPD)</b>	558
<b>Influent Average Annual TSS (PPD)</b>	957

### **Wastewater Rates**

The rates listed below were established in Fiscal Year 2010-2011<sup>51</sup>. Rates are determined by property use and include a base charge for up to 500 cubic feet and then a usage fee for each additional 100 cubic feet. The City is expected to complete rate studies and propose a rate increase within the next 1-2 years for wastewater services.

Through contractual agreement, the City of Fortuna receives wastewater from the Palmer Creek CSD which is then processed at City's wastewater treatment plant before being discharged to one of three discharge points. The current wastewater agreement requires City approval for new connections in the CSD. Monthly flow restricts new connections, which cannot exceed 42,120 gallons per the average day dry month (average flow occurring during the months of June-September) or Peak Wet Weather Monthly Flow capacity of 2,527,200 gallons per month<sup>52</sup>. This information is tracked by the CSD. The City is in the process of doing a rate study and updating the agreement with Palmer Creek CSD with the new agreement going into effect by the end of 2021<sup>53</sup>.

**Table 9: Fortuna Wastewater Service Rates<sup>54</sup>**

	Charge Type	Monthly Charge
Inside City Rate	<b>Residential:</b> Residential dwelling units including single family apartments	Base: \$38.75 Usage: \$8.61/100ft <sup>3</sup>
	<b>Light Commercial:</b> Business that produce effluence with a strength factor of less than 200 mg/l	Base: \$38.02 Usage: \$8.45/100ft <sup>3</sup>

<sup>50</sup> City of Fortuna Wastewater Treatment Plant 2019 Annual Report. February 6, 2020.

<sup>51</sup> City of Fortuna, Finance Department, Personal Communication. October 5, 2020.

<sup>52</sup> Palmer Creek CSD and City of Fortuna Wastewater Treatment Agreement 1989.

<sup>53</sup> City of Fortuna, Public Works Department, Personal Communication. September 24, 2020.

<sup>54</sup> [https://www.friendlyfortuna.com/departments/finance/water\\_sewer\\_services/water\\_billing\\_info.php](https://www.friendlyfortuna.com/departments/finance/water_sewer_services/water_billing_info.php)

	<b>Medium Commercial:</b> Business that produce effluent with a strength factor of between 200 mg/l and 500 mg/l	Base: \$49.02 Usage: \$10.89/100ft <sup>3</sup>
	<b>Heavy Commercial:</b> Business that produce an effluent with a strength factor of greater than 500 mg/l	Base: \$96.69 Usage: \$21.49/100ft <sup>3</sup>
	<b>Industrial:</b> Includes any industry where the waste is difficult to treat because of strength, flow or solids	Base: \$767.56 Usage: \$29.64/100ft <sup>3</sup>
	<b>Palmer Creek CSD</b>	Base: \$168.02 Usage: \$6.49/100ft <sup>3</sup>
Outside City Rate	Outside the City limits service area, the rate charged shall be one and one-half (1.5) times the rate for service within the City limits.	1.5 x service rate within City limits

### **Wastewater System Planned Upgrades**

During 2019, the WWTP experienced violations related to disinfection byproduct limits, nitrogen limits, challenges with disinfection, and an exceedance of required chlorine residual in the effluent<sup>55</sup> due to conditions at the time of sampling, increased rainfall, and plant process controls. The plant will continue to experience higher nitrate levels until the plant is upgraded, which is expected to occur within the next four years. Besides these violations, City Staff reports the WWTP functioned well because of careful control of operational processes and current plant staff. City of Fortuna's utilities crews continue to inspect sanitary sewer manholes and other infrastructure for I&I throughout the year. Routine maintenance, flow-monitoring of recognized problematic areas, and video-inspection of the City's collection system is ongoing. Staff continues to work on implementing a procedure for rating the collection system and prioritizing maintenance and repairs. Data from the City's 2018 Sanitary Sewer Evaluation Survey is used to formulate a maintenance plan and provide information for sewer collection projects in the City's Capital Improvement Plan.

The following projects were identified in the 2020-2021 CIP with a total cost of \$2,800,000<sup>56</sup>.

- NPDES Compliance Project
- Wastewater Treatment Digester Maintenance Project
- Sanitary Sewer Lining Project
- Compost Area Expansion Project

<sup>55</sup> City of Fortuna Wastewater Treatment Plant 2019 Annual Report. February 6, 2020.

<sup>56</sup> City of Fortuna CIP FY 20-21



- Strong's Creek Screening Project
- East Downtown Sewer Replacement Project
- 12<sup>th</sup> Street Sewer Capacity Project
- Hilltop Sewer Main Project

### ***Wastewater Treatment and Effluent Percolation System Upgrade Project***

Currently, the City is upgrading its treatment and disposal systems to comply with environmental regulations set by the Regional Water Quality Control Board. According to City Staff, once completed, the treatment and disposal system will comply with environmental regulations and have capacity for at least the next 15 years<sup>57</sup>.

The Regional Board is requiring the City to implement an alternative method of summertime effluent disposal due to potential connectivity with the Eel River during periods when river discharge is not allowed<sup>58</sup>. The Regional Board is also requiring the City to upgrade the treatment system to improve treatment for ammonia and nitrate.

The City is required to meet effluent targets per the NPDES permit issued by the Regional Board. In order to meet updated targets, the City is proposing to add Biological Nutrient Removal (BNR) to the existing treatment process, which would include converting the aeration basins to a Modified Ludzack Ettinger (MLE) process, as well as modifying the waste activated sludge (WAS) and filtrate equalization (EQ) basins.

The City obtained funding through the Clean Water State Revolving Fund (CWSRF) for planning of the Wastewater Treatment and Effluent Percolation System Upgrade Project which will address these issues and construct a new disposal system to replace the historic use of the percolation ponds<sup>59</sup>.

Under the proposed project, treated effluent would be pumped from the existing treatment plant under the Eel River through a new, directionally-drilled pipeline. A new pump station and piping modifications at the treatment plant would be required, along with a network of subsurface percolation pipes at the new percolation site.

The new effluent percolation system would be located on the western side of the Eel River, opposite Fortuna. The nearest roads are Pleasant Point Road and Renner Lane. The new percolation field would be located on APN 106-091-030 and 106-091-040. Construction is anticipated to occur over an eight-month construction window planned to commence during a single construction season (2021, 2022, or 2023)<sup>60</sup>.

The proposed project does not include components that would directly support unplanned population growth, such as new housing, roads, utilities, or other developments and will not increase overall system capacity.

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<sup>57</sup> City of Fortuna, Public Works Department, Personal Communication. August 27, 2020.

<sup>58</sup> Ibid

<sup>59</sup> Ibid

<sup>60</sup> Wastewater Treatment and Effluent Percolation System Upgrade Project. GHD. April 2020

### **5.2.3 Stormwater Drainage and Flood Control**

#### **Operations**

The City of Fortuna Public Works Department is responsible for the management, maintenance and operation of the storm drain system which includes 300 drainage structures, several miles of drainage ditches and stream reaches, and pipeline facilities. The Public Works Administrative Division is responsible for management of the system and the General Services Division is responsible for maintenance, including regular stream clearing activities<sup>61</sup>. The City is also part of the North Coast Stormwater Coalition which is a group that works collaboratively with Northern California city and county governments to reduce stormwater pollution and protect local waterways.

The City discharges storm water to the Eel River and is therefore subject to National Pollution Discharge Elimination System (NPDES) Phase II regulations as an MS4. The Municipal Storm Water Program regulates storm water discharges from municipal separate storm sewer systems (MS4s) throughout California. U.S. EPA defines an MS4 as a conveyance or system of conveyances (including roads with drainage systems, municipal streets, catch basins, curbs, gutters, ditches, man-made channels, or storm drains) owned or operated by a State (40 CFR 122.26(b)(8)).

The City holds a Phase II NPDES General Municipal Permit for these point-source discharges. The City's Storm Water Management Program (SWMP), approved by the Regional Water Quality Control Board in January 2006, was adopted by the City Council in March 2006. The SWMP defines six minimum control measures and corresponding Best Management Practices (BMPs) to be implemented over the five-year program. These include: (1) Public education and outreach; (2) Public involvement/ participation; (3) Illicit discharge detection and elimination; (4) Construction site storm water runoff control; (5) Post construction storm water management; and (6) Pollution prevention/good housekeeping for municipal operations<sup>62</sup>. The SWMP has not been updated since 2006 and the City continues to operate with these six principles in mind.

#### **Stormwater Rates**

Stormwater monthly user charges are based on a range of square footage and property type. For example, a single-family residence under 15,000 square feet will pay \$0.55 each month. In addition to rates, the City maintains a Storm Drain Maintenance fund which comes from development projects that include drainage development fees.

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<sup>61</sup> City of Fortuna MSR, Humboldt LAFCo. 2008.

<sup>62</sup> City of Fortuna General Plan 2030.

**Table 10: Fortuna Stormwater Drainage Rates<sup>63</sup>**

<b>Charge Type</b>	<b>Monthly Charge</b>
<b>Residential</b>	
<15,000 square feet	\$0.55
>15,000 square feet	\$0.88
<b>Multi-family</b>	
<15,000 square feet	\$0.45
>15,000 square feet	\$0.45
<b>Commercial</b>	
<15,000 square feet	\$1.75
>15,000 square feet	\$2.81
<b>Industrial</b>	
<15,000 square feet	\$1.65
>15,000 square feet	\$2.65

### ***Infrastructure, Facilities and Services***

A Storm Drain Master Plan was prepared by the City in July 2005, which provides a detailed overview of the existing system, and recommendations for improving storm drain system deficiencies<sup>64</sup>. According to the 2005 Storm Drain Master Plan, the majority of the storm drain system within the City Limits consists primarily of Reinforced Concrete Pipe (RCP) and corrugated metal pipe (CMP) storm drains. In the rural areas surrounding the city, the storm drainage system consists largely of roadside ditches and culverts.

### ***Planned Upgrades***

The 2005 Storm Drain Master Plan is organized according to the six major natural drainages located within the city limits. These drainages include the North Fortuna Drainage; Rohner Creek Drainage; Hillside Creek Drainage; Strongs Creek Drainage; Jameson Creek Drainage; and Mill Creek Drainage (Figure 5).

The hydraulic analyses provided in the 2005 Master Plan identified 79 drainage structures within the City of Fortuna that were considered deficient (i.e., undersized for the 25-year design flow). The identified deficiencies were combined into 55 recommended improvement projects with an estimated total implementation cost of approximately \$14.8 million. In 2007, the Fortuna Redevelopment Agency through the Fortuna Public Financing Authority issued over \$12.6 million in revenue bonds to finance the construction or remediation of various infrastructure projects.

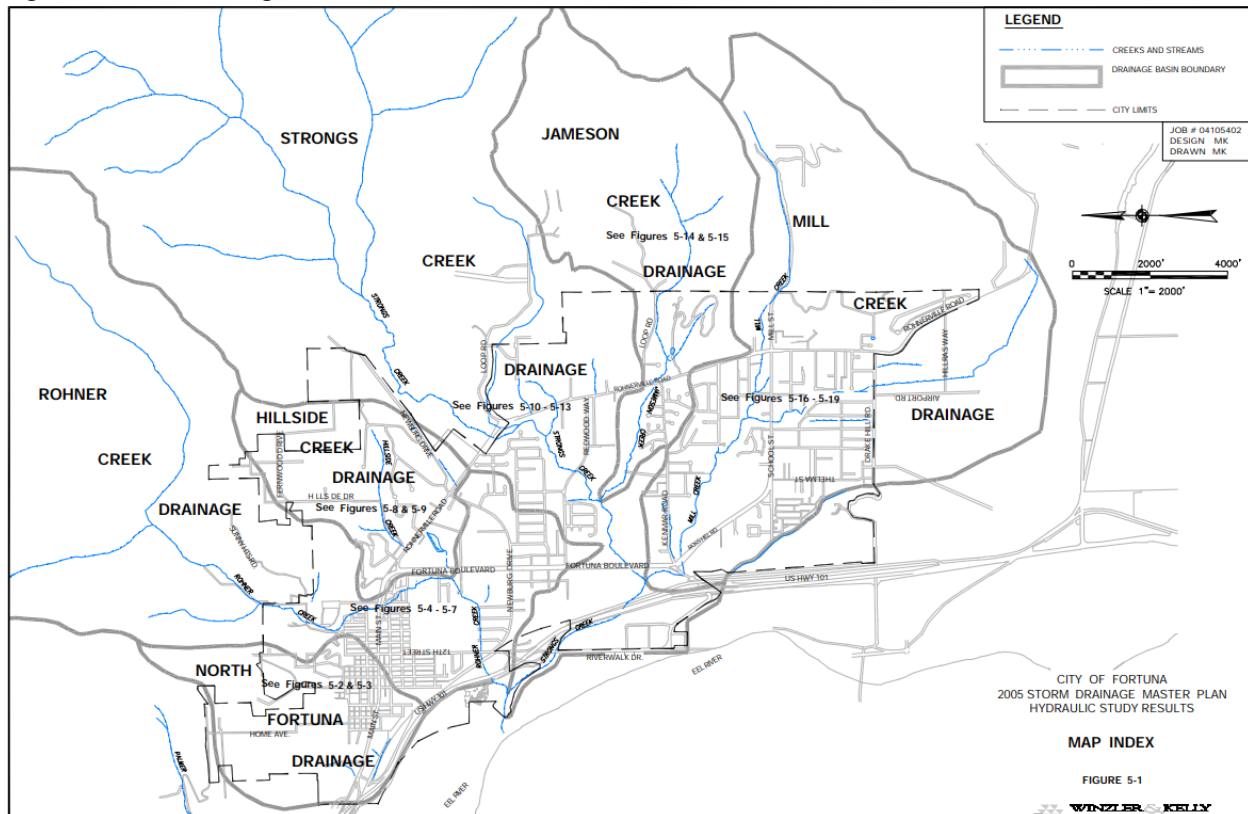
The City used state grants (California Department of Water Resources Proposition 1E Stormwater-Flood Management), former Redevelopment Agency loan bond proceeds, and storm drainage funds to complete almost \$6.5 million in improvements to the Rohner Creek Flood Control and Riparian Habitat Improvement Project in fiscal year 2018. This project determined the most feasible option to construct channel improvements in the

<sup>63</sup> City of Fortuna Fee Schedule Fiscal Year 2019-2020.

<sup>64</sup> City of Fortuna MSR. Humboldt LAFCo. 2008

stream and/or a bypass channel to decrease flooding of Rohner Creek during a 100-year flood event. The objective of the project is to manage stormwater runoff to reduce flood damage and where feasible, provide other benefits, such as water quality improvements and ecosystem restoration<sup>65</sup>.

**Figure 8: Storm Drainage Areas**



Following completion of this project, the City moved forward with the \$2.5 million Hillside Creek Flood Control Project, 75% of which was funded by a Federal Emergency Management Agency (FEMA) grant<sup>66</sup> and the remainder by Measure E and Department of Water Resources funds. The Hillside Creek Project was completed in fiscal year 2019-2020 and involved replacing the culvert and grading adjoining channels<sup>67</sup> allowing for removal of multiple properties along the creek and a section of Fortuna Boulevard from the flood plain. This project was identified because the banks of Hillside Creek would overflow during a ten-year storm event<sup>68</sup>. The Public Works Department secured critical matching funds for this project which improves flood safety and enhances the City's ability to withstand future 100-year flood events<sup>69</sup>.

Rohner Creek Widening Project included creek widening and habitat improvement along Rohner Creek from Main Street to 12<sup>th</sup> Street. The need for this project was identified

<sup>65</sup> California Bond Accountability website. Accessed September 28, 2020.

<https://bondaccountability.resources.ca.gov/Project.aspx?ProjectPK=8475&PropositionPK=5>

<sup>66</sup> City of Fortuna 2018-2019 Comprehensive Annual Financial Report.

<sup>67</sup> City of Fortuna CIP FY 20-21.

<sup>68</sup> City of Fortuna CIP FY 15-16.

<sup>69</sup> City of Fortuna Annual Operating Budget Fiscal Year 2020-2021.

as flooding along Rohner Creek has occurred multiple times, flooding into neighborhoods on Fortuna Boulevard costing property owners thousands of dollars for flood insurance. This project removed all properties within the project limits from the flood zone<sup>70</sup> and was completed in fiscal year 2017-2018<sup>71</sup>.

Currently, the City is in the process of remapping Rohner Creek with FEMA, which will remove properties from the flood zone<sup>72</sup> and has a grant out for a Low Impact Development project. Another major project recently completed includes culvert replacement at Jameson Creek to allow for improved fish passage<sup>73</sup>.

Overall, stormwater infrastructure is nearing the end of its life cycle, meaning the City installs minor replacements every year for failing/deteriorating storm drain pipes and is on a continual maintenance cycle as they encounter issues in the system and attempt to keep up with improvements. The City is nearing completion of projects identified in the 2005 Storm Drain Master Plan<sup>74</sup>. As such, the City is planning to use a FEMA grant to conduct a stormwater conditions assessment, which will act as an updated Storm Drain Master Plan. This will involve surveying the existing stormwater system to quantify conditions and establish needed improvements for a comprehensive update to the City's stormwater infrastructure.

### **Capital Improvement Projects**

The following stormwater and flood control projects were identified in the 2020-2021 CIP with a total cost of \$3,852,990<sup>75</sup>.

- Citywide Storm Drain Maintenance Project
- Prop 1 LID 12<sup>th</sup> Street Project
- Storm drain Infrastructure Vulnerability Assessment Project
- Jameson Creek Culvert Replacement Project
- 12<sup>th</sup> Street Storm Drain Project
- South 15<sup>th</sup> Storm Drain Project
- Home Avenue Storm Drain Project
- Renner Drive Culvert Project
- P Street Storm Drainage Project
- Kenmar Storm Drain Project

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<sup>70</sup> City of Fortuna CIP FY 15-16.

<sup>71</sup> City of Fortuna CIP FY 18-19.

<sup>72</sup> City of Fortuna, Public Works Department, Personal Communication. September 24, 2020.

<sup>73</sup> City of Fortuna CIP FY 20-21.

<sup>74</sup> City of Fortuna, Public Works Department, Personal Communication. September 24, 2020.

<sup>75</sup> City of Fortuna CIP FY 20-21

### ***Flood Control District***

The Humboldt County Flood Control District (FCD) was formed by the state legislature in 1945 for broad purposes including control and conversion of flood and storm waters. The Board of Supervisors is designated and empowered to act as the governing authority of the Flood Control District. Currently, the FCD serves one ongoing function, which is to administer funds for flood-related projects in the Fortuna area. A sub-zone known as Sub-Zone 1-1 of the FCD was formed in 1956 for the watersheds of Rohner Creek and Strongs Creek in the Fortuna area. Approximately 0.6% of property taxes collected in Sub-Zone 1-1 is directed to County fund 2840, where it accrues until a request is made, normally by the City of Fortuna, to fund specific flood-related projects.

In 2012, the City of Fortuna initiated the Rohner Creek Flood Control Habitat and Seismic Improvement Project upon receiving a Prop 1E Grant from the Department of Water Resources. The City requested \$190,000 from the County to reimburse costs associated with the project since it lies within the FCD<sup>76</sup>. Historic modifications, channelization, urban encroachments into the lower reaches of Rohner Creek contributed to the increase in flood frequency throughout the City and degradation of in-stream habitat.

### ***Eel River Levee***

The Eel River Flood Control Project (levee) at Sandy Prairie is located along the right bank of the Eel River adjacent to the City's Riverwalk area, with extensions along Strongs Creek and the Van Duzen River, near the City of Fortuna. The levee was constructed by the Army Corps of Engineers and completed in 1959. During the 1964 flood, the levee was breached near the location of the present-day Fortuna River Lodge conference center. The total length of levee is approximately four miles<sup>77</sup>. The County accepts operation and maintenance of the levee, which is funded through the County's General Fund. The County and the City have been informally collaborating regarding matters related to levee system maintenance, with the City taking responsibility for levee system maintenance within city limits. The County and City have discussed a memorandum of understanding to formalize this agreement, but nothing has been established yet. The County recognizes the recreational value of the levee but does not manage it for pedestrian use because there currently is not budget for those amenities. The City has a vision of linking connector trails to the levee for river access<sup>78</sup>. It is recommended that a memorandum of understanding be formalized in order to better define operational and maintenance responsibilities.

### ***Groundwater Sustainability Planning***

The Sustainable Groundwater Management Act (SGMA) was signed into law in September 2014 and applies to designated medium and high priority basins in the state. The Eel River Valley groundwater, which includes the City of Fortuna, is the medium-

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<sup>76</sup> Humboldt County Staff Report, Expenditure Authorization for Humboldt County Flood Control District. September 6, 2016.

<sup>77</sup> County of Humboldt website: <https://humboldt.gov/2485/Levee-Management>

<sup>78</sup> County of Humboldt, Public Works Department, Personal Communication. October 2, 2020.

priority basin in Humboldt County. The City is the largest municipal water supplier in the basin and has been actively involved in the Eel River Valley Working Group since 2015.

On November 14, 2019, Humboldt County submitted a grant application to the California Department of Water Resources (DWR) to obtain a planning grant for the Eel River Valley Groundwater Sustainability Plan and Monitoring Well Installation Project<sup>79</sup>. The proposed project includes stakeholder outreach and engagement, data collection and analysis, enhancement of the hydrogeological conceptual model and water budget, numerical modeling of the groundwater-surface water system, and document preparation.

On May 5, 2020, the Humboldt County Board of Supervisors adopted a resolution forming a Groundwater Sustainability Agency (GSA) for the Eel River Valley groundwater basin. A Groundwater Resources Advisory Committee will serve to advise the Board on groundwater matters in the Eel River Valley and provide guidance and assistance to Public Works in developing the GSP. A Request for Proposals for professional consulting assistance to develop a GSP for the Eel River Valley groundwater basin was issued on May 5, 2020. A consultant has been selected for the project and work began in August 2020 with project completion scheduled by January 2022.

#### **5.2.4 Streets and Transportation**

##### ***Operations***

The General Services Division of the City of Fortuna's Public Works Department is responsible for the street system, which includes maintenance of the streets, traffic control signs, the roadway striping and pavement markings, and street sweeping programs. The Division also handles roadside maintenance, as well as maintenance and repair of the city's streetlight system and traffic signals.

##### ***Infrastructure, Facilities and Services***

Fortuna's street system includes approximately 52 miles of streets and 400 traffic control signs<sup>80</sup>. The approximately seven miles of Highway 101 that run through the city are maintained by Caltrans.

##### ***Demand and Capacity***

Level of Service (LOS) is a qualitative indicator of the relative ease or congestion of traffic movement; with Level 'A' representing free flow conditions and Level 'F' representing conditions where traffic is at or over roadway capacity. The City of Fortuna's existing adopted LOS standard is contained in the 2030 General Plan Circulation Element. This current standard allows for a minimum LOS of 'A/B' for Main Street and LOS range of 'A-C' for all other roadways.

As part of the General Plan Update, an analysis was performed on 26 critical intersections. Twenty-two of the 26 intersections studied operated at an acceptable LOS.

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<sup>79</sup> County of Humboldt website: <https://humboldt.gov/2489/Groundwater>

<sup>80</sup> City of Fortuna MSR. Humboldt LAFCo. 2008

## **Planned Upgrades**

As a result of the critical intersection analysis performed as part of the General Plan Update, it was determined that the following intersections are operating below the current LOS standard contained in the 2030 General Plan Circulation Element<sup>81</sup>:

- Intersection #3, the westbound left-turn at North Fortuna Boulevard/Main Street-Rohnerville Road, which is operating at LOS F during the evening peak hour.
- Intersection #15, the southbound approach at Kenmar Road/Highway 101 South Ramps, which is at LOS E during the evening peak hour.

Intersections #19 (Future extension of Redwood Way through the Mill District to Newburg Road Northbound Fortuna Boulevard), #20 (Fortuna Blvd/Strong's Creek Westbound), and #21 (Redwood Way/Proposed Strong's Creek Southbound Strong's Creek Approach) were not evaluated because they do not exist yet.

When the General Plan Update was conducted, LOS was the metric for identifying and mitigating transportation impacts. As of July 1, 2020, statewide implementation of Vehicle Miles Traveled (VMT) is the new metric for identifying and mitigating transportation impacts within the California Environment Quality Act (CEQA). VMT has been implemented as part of Senate Bill 743 to "more appropriately balance the needs of congestion management with statewide goals related to infill development, promotion of public health through active transportation, and reduction of greenhouse gas emissions." When the City conducts their next General Plan Update, VMT will likely be used. There are regional efforts currently taking place to introduce VMT and provide technical assistance in using this metric in rural Humboldt County.

Overall, the City is shifting towards more walkable, bike friendly, and transit-oriented design. According to City Staff, studies have been completed for several areas focusing on safety and capacity during and following completion of the General Plan process in 2010. The City has also completed several smaller safety projects, a Safe Routes to School project, and roadway maintenance and rehabilitation<sup>82</sup>. The City was awarded Safe Routes to School (SRTS) funding in 2014 for pedestrian and bike improvements near Ambrosini Elementary School, Toddy Thomas Middle School, and Redwood Preparatory Charter School. Improvements focused on adding clearly marked crosswalks, continuous sidewalks, marked bike paths, improved signage, and street painting for driver visibility. This project was completed in Summer 2017. The South Fortuna Elementary School SRTS project is currently in the design stage and improvements will alter the traffic striping on Newburg Road, and improve pedestrian and cyclist facilities on Newburg Road and in the Lawndale Subdivision.

In 2014, the City completed the John Campbell Memorial Greenway and Strong's Creek Trail Final Master Plan to provide convenient east-west connection from the southern end

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<sup>81</sup> City of Fortuna General Plan 2030

<sup>82</sup> City of Fortuna, Public Works Department, Personal Communication. August 27, 2020.



of the Riverwalk area to the Headwaters Forest Reserve and City destinations in between. In 2016, the City completed the Highway 101 Fortuna Downtown and Riverwalk Area Complete Streets and Connectivity Planning Study to provide an assessment of design alternatives to improve connectivity between Highway 101 and important destinations in the City, including downtown and the Riverwalk Area<sup>83</sup>.

As identified by City Staff, three primary intersections remain a concern for capacity and safety: Highway 101 and 12th Street Interchange, Highway 101 and Kenmar Road Interchange, and 12th Street and Newburg Intersection. These intersections are outdated, confusing for users, lack non-motorized connectivity, and are expected to exceed acceptable LOS with the City's planned growth. The City has completed studies of these intersections and conceptual designs for implementation. Funding for preliminary design and permitting is currently only available for the Kenmar intersection.

Continued development on the edges of the City may lead to increased traffic causing further congestion in these problem areas. As noted previously, the Kenmar Road Interchange sees large amounts of congestion during commute times due to increased development in the southern portion of Fortuna. The City is encouraged to continue assessing these problem areas, consider alternative modes of transportation, and explore infill options that may reduce reliance on the rural road network.

### ***Capital Improvement Projects***

The CIP serves as the City's maintenance program for its roadways. The Pavement Management Program completed by HCAOG serves as the City's needs assessment for paved roadways.

The following projects were identified in the 2020-2021 CIP with a total cost of \$4,324,000<sup>84</sup>

- Citywide Paving Project
- Citywide Slurry Project
- Citywide Concrete Project
- South Fortuna Elementary School
- Local Road Safety Plan
- Redwood Way Reconstruction Project
- SB1 Paving Projects
- Kenmar Interchange Improvement Project
- ADA Barrier Removal Project
- P Street Paving Project
- 8<sup>th</sup> Street Slurry Project

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<sup>83</sup> City of Fortuna Highway 101, Fortuna Downtown and Riverwalk Area Complete Streets and Connectivity Planning Study. GHD. November 4, 2016.

<sup>84</sup> City of Fortuna CIP FY 20-21

## 5.3 Parks and Recreation

### 5.3.1 Parks, Recreation, Museum, and Transit

#### ***Operations***

The Parks and Recreation Department has three divisions, which include Parks, Recreation, and the Depot Museum. The department is administered by the Parks Director and assisted by administrative staff, maintenance workers, and a part-time/seasonal staff, which includes recreational program supervisors, leaders, and aides to run recreational programs.

The Parks Division is responsible for the maintenance and landscaping of the City Parks, Fortuna Boulevard Medians, Monday Club, River Lodge, Main Street planters, City Hall, Library and Chamber of Commerce<sup>85</sup>. The department is also responsible for maintenance of public parking lots and the operation of the Senior/Disabled Bus.

The Recreation Division is responsible for the administration of city leisure programs, the reservation and scheduling of all park facilities, daily reservations and dispatching of drivers for the Senior/Disabled Bus Service and secretarial support for the Park and Recreation Commission. Park Staff assist the Depot Museum staff with various duties, in addition to building repairs, maintenance and improvements made to the facility.

#### ***Infrastructure, Facilities and Services***

**Rohner Park:** Rohner Park is located in the center of Fortuna's downtown district. The 55-acre multi-use park serves as a hub of community activities with recreational structures and facilities including, but not limited to: the Depot Museum, the Firemans Pavilion, Park office, two room Recreational Hall, Rodeo Arena, cookshack with covered patio, three Little League baseball fields, batting cages, a recreation softball field, an outdoor basketball court, horseshoe pits, two playgrounds, a pistol range, public restrooms, three bocce ball courts, and a community forest<sup>86</sup>.

**Newburg Park:** Newburg Park is a 24-acre community park located on the corner of Rohnerville and Newburg Roads<sup>87</sup>. Recreational facilities in Newburg Park include two hardball fields, three softball diamonds, one regulation soccer field, and seven additional soccer fields, a picnic area, a playground, an all-weather walking path, public restrooms, paved bike park/pump track, parking and a large expanse of open space.

**Local School Grounds:** Many of the public schools in Fortuna have play and recreational facilities. The Parks and Recreation Department has a shared agreement with Fortuna High school and elementary schools to use gym and school field facilities with reciprocal use rights for school teams to use Rohner and Newburg Parks for soccer, baseball and

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<sup>85</sup> City of Fortuna MSR, Humboldt LAFCo. 2008

<sup>86</sup> City of Fortuna MSR, Humboldt LAFCo. 2008

<sup>87</sup> Ibid

certain track and athletic events. This partnership allows the community to maximize use of available parks and facilities.

**Mini/Pocket Parks:** There are two mini/pocket parks in Fortuna. These include the Chamber Park, approximately 2,500 square feet, located between the Chamber of Commerce building and the Fortuna Library<sup>88</sup>. The second park, named Walk and Overlook Park is located near the River Lodge and is approximately 4,000 square feet in size.

**River Lodge:** River Lodge is a meeting/conference facility with approximately 13,000 square feet of meeting spaces, which is rented out for community meetings, events, and private functions<sup>89</sup>.

**The Monday Club:** The Monday Club built in 1923, is currently rented out for social and musical events. The club was recently renovated; renovations included a new roof, heating system, paint, electrical, ADA compliant restrooms, ADA accessible ramp, remodeled front porch, refinished floors, and upgraded doors and windows. The renovations took place from 2010-2019<sup>90</sup>.

### ***Demand, Capacity, and Planned Upgrades***

Fortuna has 75 acres of community parkland, an average of 6.7 acres per 1,000 residents. The City of Fortuna does not currently have a parkland standard. In 1975, the state adopted the Quimby Act which is designed to ensure adequate open space acreage in jurisdictions adopting Quimby Act standards (e.g., 3 – 5 acres per 1,000 residents). This is currently being met in the city.

The City conducted several meetings and identified improvements desired by the public at the City's Newburg Park. Improvements include additional parking, additional soccer fields, outdoor pickle ball and basketball courts, softball field upgrades, skate park, and trails. The purchase of over 8 acres adjacent to the park will be necessary to accommodate the proposed improvements. Additionally, an aquatic facility has been identified as a community need and the City is working with the Rohner Community Recreation and Park District to identify a mechanism to fund and maintain an aquatic facility.

The Parks Department was able to secure funding for replacement roller skates as well as grant matching funds to acquire additional parkland and enhance the trail system<sup>91</sup>. The FY 2020-2021 CIP does not allocate funds towards Parks and Recreation projects due to COVID-19 cutbacks<sup>92</sup>.

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<sup>88</sup> Ibid

<sup>89</sup> Ibid

<sup>90</sup> City of Fortuna CIP FY 10-11, FY 11-12, FY 17-18, FY18-19

<sup>91</sup> City of Fortuna Annual Operating Budget Fiscal Year 2020-2021.

<sup>92</sup> City of Fortuna CIP FY 20-21

### ***Rohner Community Recreation and Park District***

The Rohner Community Recreation and Park District is an independent special district that includes both the City of Fortuna and unincorporated areas surrounding the City. The District is governed by a five-member Board of Directors with three members appointed by Fortuna City Council and two members appointed by the Humboldt County Board of Supervisors. The RCRPD was originally formed for the purpose of overseeing the planning, acquisition and construction of a community swimming pool. In 1969, the District was unsuccessful in receiving voter approval of a bond measure as well as federal grant funds for construction of the public swimming pool facility. The RCRPD oversees annual funds that are levied from property taxes. Currently the district has no staff and is largely supported by the City of Fortuna for administrative functions. The District Board was re-established in 2018 and has been meeting regularly. Most recently, the District is looking to develop and submit a Proposition 68 grant application to support construction of an aquatic facility in the Fortuna area.

## **5.4 Community Development**

### **5.4.1 Planning and Building**

The Community Development Department coordinates and manages the activities of the Building and Planning Divisions, including issuing building permits and planning permits, and overseeing a variety of development activities within the City. The Department provides support to the public and works directly with the City's citizens, developers, businesses, other governmental agencies, and City departments.

The Department manages the City's orderly growth and protects public health and safety by implementing and enforcing the zoning and building codes, General Plan policies, housing policies, the California Environmental Quality Act (CEQA), and coordinating economic development and other long-range planning activities.

## **5.5 Police and Emergency Services**

### **5.5.1 Law Enforcement**

#### ***Operations***

Police protection services, traffic patrol, and animal services within the Fortuna City limits are provided by the Fortuna Police Department (FPD). The Humboldt County Sheriff Department provides law enforcement services within the unincorporated areas surrounding the city. The California Highway Patrol provides traffic patrol along the Highway 101 corridor within the city limits. The FPD does occasionally assist with calls outside the city limits when requested under existing mutual aid agreements between the city and the county.

FPD staffing has remained relatively the same for the past 35 years, although the population has continued to increase<sup>93</sup>. The Police Department consists of 29 employees with 17 sworn positions including one police chief, one lieutenant, four sergeants, one detective, one problem-oriented officer, one school resource officer, and eight police officers<sup>94</sup>. In addition, the department employs 12 non-sworn employees including one full-time and one part-time field community service officers, five full-time and one part-time dispatchers, one records clerk, one part-time kennel attendant, and one part-time code compliance officer.

### ***Infrastructure, Facilities and Services***

The FPD temporarily operates out of two locations, one site at 621 11<sup>th</sup> Street and the other at 2600 Rohnerville Road to practice physical distancing during COVID-19. The long-term goal is to operate out of a single facility at 2600 Rohnerville Road. The FPD has two holding cells for persons awaiting transfer to the Humboldt County jail for questioning. The FPD is unique in that they provide first response for medical calls in Fortuna, versus the majority of other cities where the Fire Department responds to medical calls<sup>95</sup>. Every police unit is equipped with oxygen, a full medical bag, and an automated deliberator.

The FPD responded to 21,849 calls in 2019, with an average response time of four minutes and thirty-six seconds (4:36). The FPD Dispatch Center handles all 911 calls for the Eel River Valley. They handle calls for the Ferndale, Rio Dell and Fortuna Police Departments in addition to dispatch call for the Fortuna Volunteer Fire Department.

Currently, there is no department report or master plan for the Fortuna Police Department. The department is fully staffed and the primary need identified by the department is a larger facility to meet long term space needs. The City has purchased property for a future facility but does not currently have a funding plan for the long-term needs of the department.

The FY19-20 CIP allocated \$40,000 towards the Police Department Front Counter Safety Project<sup>96</sup>. The FY 20-21 CIP allocates \$55,000 towards the Police Facility Replacement Project<sup>97</sup>, which includes remodeling the existing building at 2600 Rohnerville Road as an interim police facility.

Fiscal year 2020-21 Budget eliminated the police office supervisor position (decrease of \$66,320) and decreased the police department remodel (decrease of \$267,000) due to COVID-19 budget cutbacks. The police department remodel will be brought back later in fiscal year 2020-21 for consideration once a cost study is complete<sup>98</sup>.

### ***Demand and Capacity***

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<sup>93</sup> City of Fortuna MSR. Humboldt LAFCo. 2008

<sup>94</sup> City of Fortuna. Department Organization. Accessed August 7, 2020.

[https://www.friendlyfortuna.com/departments/public\\_safety/department\\_organization.php](https://www.friendlyfortuna.com/departments/public_safety/department_organization.php)

<sup>95</sup> Ibid

<sup>96</sup> City of Fortuna CIP FY 19-20

<sup>97</sup> City of Fortuna CIP FY 20-21

<sup>98</sup> City of Fortuna FY 2020-21 Staff Report. June 15, 2020.

The Fortuna Police Department has approximately one officer per 1,514 residents. In 2007, the City of Fortuna through the Fortuna Public Financing Authority issued over \$2 million in revenue bonds to finance the acquisition and construction of a new police facility<sup>99</sup>. In 2017, the City paid off the remaining principal balance on the bond because it was determined to be unfeasible to construct a new police facility with the remainder of \$1 million after the site was acquired<sup>100</sup>. The City returned all unspent funds and paid off the remaining principal balance. The City purchased property at 280 12<sup>th</sup> Street, but ultimately found it too costly for the reason stated above and sold the property in 2019. On July 15, 2019, City Council directed staff to negotiate and enter into a purchase agreement for parcels at 2600 Rohnerville Road and 2650 Rohnerville Road as an alternate location for future use as a police facility. Staff entered into a purchase agreement for both properties<sup>101</sup>.

## **5.5.2 Emergency Services**

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

The Fortuna Fire Protection District (FPD) provides fire protection services, including fire prevention, public education, preparedness and emergency response to the City of Fortuna and the outlying communities of Alton, Hydesville, Metropolitan, Fernbridge and Palmer Creek. The area encompasses 29 square miles with a population of approximately 15,000<sup>102</sup>. The Fortuna FPD is staffed by the Fortuna Volunteer Fire Department. Five fire companies work out of three fire stations within the District. Of the three stations, the largest is centrally located on South Fortuna Boulevard, with the two smaller stations located in Hydesville and Campton Heights. Further information on the Fortuna FPD is provided in the Eel River-Lost Coast Regional Fire Services MSR conducted in 2016.

### ***Emergency Planning***

The City participates in the Humboldt County Operational Area Hazard Mitigation Plan 2019, the Humboldt County Emergency Operations Plan (EOP) 2015, and the City of Fortuna's Police Department Plan to prepare for emergencies. The City also incorporates emergency planning into other City programs such as its Capital Improvement Program.

The City's Capital Improvement Program includes projects which can help mitigate potential hazards. The City will act to ensure consistency between the hazard mitigation plan and the current and future capital improvement plans. The hazard mitigation plan may identify new possible funding sources for capital improvement projects and may result in modifications to proposed projects based on results of the risk assessment. The general plan includes a "Health & Safety" element to protect the community from unreasonable risk by establishing policies and actions to avoid or minimize the following hazards: general, emergency response, air quality, noise, geologic and seismic hazards, human-made hazards, flooding, wildland fires, and aircraft hazards. The City's adoption

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<sup>99</sup> City of Fortuna MSR. Humboldt LAFCo. 2008

<sup>100</sup> City of Fortuna, Finance Department, Personal Communication. October 5, 2020.

<sup>101</sup> City of Fortuna City Council Packet, Regular Meeting. April 20, 2019.

<sup>102</sup> Eel River-Lost Coast Regional Fire Services MSR. Humboldt LAFCo. 2016

of the California building and fire codes incorporated local modifications to account for the climatic, topographic, and geographic conditions that exist in the City.

The Hazard Mitigation Plan uses long-term and short-term strategies to reduce or alleviate loss of life, personal injury, and property damage that can result from a disaster. The plan includes an overview of population and demographics, critical facilities, critical infrastructure, and identifies risks for the county as a whole. It includes strategies that can mitigate impact of hazards, such as planning, policy changes, program, and projects. Risks evaluated in the plan include climate change, dam failure, drought, earthquake, flooding, landslides, severe weather, tsunami, and wildfire. Among the risks assessed, wildfire (risk rating score-45) and earthquakes (risk rating score-36) rated among the highest risk for the City of Fortuna. Flooding has a risk rating score of 16 and is in the medium category. Tsunami has a risk rating score 0 and therefore was not included in any categories. According to the sea-level risk assessment, none of Fortuna's population or structures would be exposed<sup>103</sup>. There is a tsunami warning system for the Pacific Ocean and local warning systems from the National Oceanic and Atmospheric Administration and the California Governor's Office of Emergency Services.

The City of Fortuna is located in the lower Strongs Creek watershed adjacent to the Eel River. Many sub-watersheds consist of large portions of impervious land cover that increase runoff volumes contributing to flooding throughout the City's right-of-way, residential, commercial, and industrial areas. Additionally, increased flows create erosion and bank destabilization hazards adjacent to natural waterways. High flows can migrate up the storm drain system and wastewater collection system, surcharging and causing additional flooding. Water distribution pump station control panels at for the Corrosion Control Facility and Chlorination Facility, where the City's potable water is produced, are located below the Eel River 100-year base flood elevation making these panels vulnerable to flooding and failure. The pump station services the entire water distribution system.

The County maintains the Eel River levee near the City of Fortuna which was built by the Corps of Engineers in 1958-1959. The two worst flood events in Humboldt County occurred in December 1955 and December 1964, both related to the Eel River, causing tens of millions of dollars in damage and numerous facilities. There is an action item (Action HC-19) to upgrade non-accredited federal flood control projects to meet current FEMA and Army Corps of Engineer standards. Mitigation actions addressing these issues were prioritized for consideration in the action plan presented in Section 6.10 of the Hazard Mitigation Plan. The City of Fortuna would like to update the FEMA FIRMs for the Strongs Creek and Eel River flood sources to better understand and communicate risk and vulnerability so that project may be developed to reduce risk and vulnerability.

The EOP provides a framework for the Humboldt Operational Area agencies to respond to any emergency requiring multiagency participation and/or activation of the County Emergency Operations Center (EOC). All hazard-specific and topic-specific contingency

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<sup>103</sup> Humboldt County Operational Area Hazard Mitigation Plan 2019 pages C17-C19.

plans complement and build on the EOP. Additionally, the City has an Emergency Action Plan for chlorine and sulfur dioxide releases for the WWTP and a Water Quality Emergency Notification Plan.<sup>104</sup>

## 5.6 Other Service Providers

**Library Services:** The City of Fortuna library provides information, reading, audio, and visual materials<sup>105</sup>. The present library has reached capacity at 18,000 books and has a monthly circulation around 9,000 books. The city has signed a memorandum of understanding between the City of Fortuna and the Humboldt County Library. The MOU transfers all library equipment owned by the City of Fortuna to the county. The Humboldt County Library is responsible for maintenance, supplies, and property insurance of the equipment, whereas the city owns the building and pays for repairs and maintenance.

**Solid Waste Services:** Solid waste collection in Fortuna is managed by franchise contract with Recology Eel River which provides weekly curbside recycling and garbage pickup. The city also promotes composting and sells compost bins at a subsidized rate to Fortuna residents. The city's Solid Waste Department is responsible for developing and implementing the many programs contained in the Fortuna Source Reduction and Recycling Element (FSRRE). The programs include public education, technology transfer, recycling, and waste reduction activities. The department is also responsible for supervision of solid waste franchise agreements.

**Transit Services:** The City of Fortuna provides public transit to all Fortuna residents through sponsorship of the Humboldt Transit Authority. The City's Parks and Recreation Department operates the "Dial-a-Ride" service for seniors over the age of fifty and persons with disabilities regardless of age. Two buses are in operation Monday through Friday from 8:30 a.m. to 4:30 p.m.<sup>106</sup>. One bus operates on Saturday from 9:00 a.m. to 3:30 p.m. Fare Box fees were increased by 25% in order to maintain the minimum requirement that 10% of the Senior Bus operating expenses are recovered from Fare Box revenues<sup>107</sup>.

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<sup>104</sup> City of Fortuna, Public Works Department, Personal Communication. October 5, 2020.

<sup>105</sup> City of Fortuna MSR. Humboldt LAFCo. 2008

<sup>106</sup> City of Fortuna MSR. Humboldt LAFCo. 2008

<sup>107</sup> City of Fortuna MSR. Humboldt LAFCo. 2008



## 6.0 FINANCE

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

- Current services be preserved at existing levels to the highest degree possible.
- Freeze vacant and part-time positions and retain full-time work force to the extent possible.
- Comply with State Constitution, City Charter, and Municipal Code Provisions.
- Maintain and review working capital balances to ensure future reserve balances are healthy enough to protect the City from any future uncertainties.
- Develop department budgets that reflect the best estimates possible for the true cost of operations.
- Strive to balance recurring expenditures with recurring revenues.

The City adopted a conservative budget for FY 2020-21 and retained reserves in excess of the City's reserve policy. The budget will be revisited more frequently to review actual revenue projections in relation to expenditures.

### 6.1 Revenues and Appropriations

Preparing the fiscal year 2020-21 budget required different processes due to the impacts of COVID-19 pandemic. City Council used conservative projections for anticipated revenue and identified ways to reduce expenditures to account for COVID-19 pandemic impacts. This process involved going through each budget line item and taking out anything that was not critical to supporting City services for the community. General fund departments were directed to keep operation costs the same or lower than last year's budget.

During the budget process, the City became aware of how important Measure E revenues were for the budget's health. Since Measure E is a transaction and use tax, it is applied to online sales and purchases not made within the City of Fortuna. Physical businesses were not in operation during the shelter-in-place order, but online businesses were still accessible. Therefore, online sales experienced less of a projected drop than the City's regular sales tax. Measure E funds were critical in covering the revenue shortfall for this year's budget.

Three special budget workshops were held with City Council and staff to discuss the effects of the pandemic on the City's budget. The first budget workshop held on May 11

discussed General Fund expenditures and identified an approximate 10%<sup>108</sup> decrease from previous year's budget in General Fund taxes and licenses revenues. Due to the COVID-19 pandemic the largest sources of revenue, sales tax and transient occupancy tax will be affected<sup>109</sup>. Sales taxes are estimated to be lower since non-essential businesses have been closed. Transient occupancy taxes are estimated to be lower since people are restricted to travel. At the second workshop on May 19, the City's enterprise funds were reviewed, which include the Water, Wastewater, and Transit Fund. An enterprise fund is a self-sufficient fund, meaning it is supported by selling goods and services to the public for a fee. Because these funds depend on service charges, they did not need as significant reductions as the General Fund. At the third workshop on June 3, three sales tax revenue projection scenarios were discussed. The current budget already included a reduction of \$420,400 or 14.2% when compared to last year's fiscal budget<sup>110</sup>. The City decided to go with an option that decreased general fund sales tax revenue and Measure E transaction and use tax revenue by an additional \$125,000<sup>111</sup>.

This decrease in revenue required City staff to reduce expenditures for a more balanced budget. The General Fund experienced reductions overall, including capital improvement projects, capital outlay items, supplies, and professional services. It was also necessary to freeze, furlough, and eliminate positions. Four positions have been frozen for a year, one position has been frozen for 5 months, one position has been furloughed for three months, and two positions have been eliminated. Changes to the budget include decreased Police Department Remodel Project funds, freezing a vacant Streets Maintenance Worker position, and eliminating the Police Office Supervisor position (Figure 8 and 9).

**Figure 9: General Fund Reductions 2020**

Summary of line item Changes for all Funds from Proposed Budget Presented to Council 06-03-20	Related Account #	Amount
<b>General Fund (100):</b>		
Increased Chamber of Commerce Support to include River Lodge Usage	100-6800-1800	\$ 3,000
Decreased Police Department Remodel Project (To be brought back later in fiscal year for consideration once cost study is complete)	100-xxxx-9104	(270,000)
Net Impact to Fund:		<u>\$ (267,000)</u>

<sup>108</sup> City of Fortuna FY 2020-21 Staff Report. June 15, 2020.

<sup>109</sup> City of Fortuna Annual Operating Budget Fiscal Year 2020-2021.

<sup>110</sup> City of Fortuna FY 2020-21 Staff Report. June 15, 2020.

<sup>111</sup> City of Fortuna FY 2020-21 Staff Report. June 15, 2020.

**Figure 10: 2020 Frozen or Eliminated Staff Positions**

Summary of Position Changes from Proposed Budget Presented to Council 06-03-20		FTE Change	Amount
<b>Public Works Department:</b>			
Froze vacant Streets Maintenance Worker II position for 5 months	No Change		\$ (28,292)
Total:			<u>\$ (28,292)</u>
<b>Police Department:</b>			
Eliminated Police Office Supervisor Position effective July 15, 2020	(1.00)		\$ (66,320)
Total:			<u>\$ (66,320)</u>

The combination of the General Fund and Measure E Fund provides the City with \$6,827,697 in total operating uses; this is a decrease of approximately \$400,000 compared to last year's budget<sup>112</sup>. Measure E will continue to fund two Police Officer Detectives, one Community Services Officer, one part-time Code Compliance Officer, and one Parks and Recreation Director. Revenue generated from Measure E will also fund the nuisance abatement program, storm drain maintenance projects, street maintenance projects, transit assistance for seniors, recreation program staffing, parkland acquisition, and park improvements.

The General Fund balance at the beginning of the 2020-2021 fiscal year is projected to be \$5.17 million with remaining reserves at \$4.98 million at the end of the fiscal year. Appropriations are greater than revenues by \$740,617. Measure E funds in the amount of \$549,328 will be put towards the General Fund deficit. The combination of the General Fund and Measure E Fund provides the City with \$6,636,408, resulting in a loss of \$191,289<sup>113</sup>. The City will pull \$191,289 from their reserves to account for this loss.

**Table 11: City of Fortuna Net Position (in thousands of dollars)**

Category	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19
<b>Total Revenues</b>	19,362	14,615	18,258	21,353	19,334
<b>Total Expenses</b>	12,381	12,108	14,275	17,694	16,636
<b>Change in Net Position</b>	6,981	2,507	3,983	3,659	2,698
<b>Total Net Position</b>	<b>\$68,461</b>	<b>\$70,968</b>	<b>\$74,751</b>	<b>\$78,410</b>	<b>\$81,108</b>

<sup>112</sup> City of Fortuna FY 2020-21 Staff Report. June 15, 2020.

<sup>113</sup> City of Fortuna FY 2020-21 Staff Report. June 15, 2020.

Table 12: City of Fortuna Financial Summary<sup>114</sup>

Category	Actual 17/18	Actual 18/19	Budget 19/20	Estimated 19/20	Adopted 20/21	Change vs. PY Budget
<b>Beginning Balance</b>	4,138,382	4,994,303	5,146,810	5,146,810	5,172,453	25,643
<b>Revenues</b>						
<b>Taxes and Fees</b>	5,609,469	5,723,985	5,440,080	5,374,430	5,035,872	(404,208)
<b>Non-recurring Receipts</b>	133,281	52,154	6,318	883,318	195,536	189,218
<b>Transfers from other Funds</b>	125,720	184,642	394,728	394,728	549,328	154,600
<b>Total Revenue</b>	\$5,868,470	\$5,960,781	\$5,841,126	\$6,652,476	\$5,780,736	\$ (60,390)
<b>Appropriations</b>						
<b>Salaries and Benefits</b>	3,531,174	3,871,881	4,012,075	3,978,880	4,115,572	103,497
<b>Services and Supplies</b>	1,249,193	1,483,636	1,440,808	1,485,852	1,477,077	36,269
<b>Capital Outlay</b>	67,531	167,565	101,000	134,900	15,000	(86,000)
<b>Projects</b>	30,155	6,103	-	772,500	30,000	30,000
<b>Debt Service</b>	-	-	-	-	-	-
<b>Development Fund</b>	-	136,630	136,373	133,940	171,505	35,132
<b>River Lodge Fund</b>	118,780	139,737	125,227	121,912	134,799	9,572
<b>Transfers Funds</b>	15,716	2,722	-	-	28,072	28,072
<b>Total Appropriations</b>	\$5,012,549	\$5,808,274	\$5,815,483	\$6,627,984	\$5,972,025	\$156,542
<b>Gain (Loss)</b>	<b>\$855,921</b>	<b>\$152,507</b>	<b>\$25,643</b>	<b>\$24,492</b>	<b>(\$191,289)</b>	<b>(\$216,932)</b>
<b>Ending Balance</b>	<b>\$4,994,303</b>	<b>\$5,146,810</b>	<b>\$5,172,453</b>	<b>\$5,171,302</b>	<b>\$4,981,164</b>	<b>(\$191,289)</b>

As shown in Table 6-2, the City's net position has steadily increased over the past five financial years. This means the City has received positive income and is able to pay down their debts for improved financial health.

## 6.2 Long-term Liabilities

At times, the City must enter into long term financing agreements for large capital projects, land purchases, or other needs. As such, the City has several outstanding long-term liabilities which can be separated into two different overarching categories: governmental activities and business-type activities. Table 13 provides a summary of the City's obligations as of June 30, 2019.

<sup>114</sup> City of Fortuna Annual Operating Budget Fiscal Year 2020-2021.

**Table 12: City of Fortuna Financial Liability Summary**

<b>Category</b>	<b>Total Liability</b>
<b>Governmental Activities</b>	
Capital Lease Obligations	\$36,967
PGE Loan	\$56,766
Compensated Absences	\$213,759
Net Pension Liability	\$9,690,000
<b>Business-type Activities</b>	
2017 Water Bonds	\$5,180,000
2017 Wastewater Bonds	\$8,370,000
Bond Premiums	\$1,831,024
<b>Total Liabilities</b>	<b>\$25,378,516</b>

As with most public agencies, the pension obligations make up the majority of the City's long-term liability followed by Wastewater and Water Bonds. Recent changes in CalPERS obligations have increased pension debt for many agencies.

## 6.3 Reserves

The City maintains a reserve policy that promotes economic contingency by setting aside funds for unexpected loss of revenue or economic downturn (5% of revenues) and provides time to adjust services to changing revenues, Capital Improvement/Infrastructure Reserve funds for unexpected major infrastructure failure, and Operating/Working Capital Reserve cash flow for tax and grant collection period. The City Council is able to reduce funds below this amount for unforeseeable financial conditions and emergency situations. As of June 30, 2019, the General Fund had an unassigned balance of \$8,313,297<sup>115</sup>. The City Council is committed to maintaining the General Fund Reserve Policy for FY 2020-21, which focuses on conservative fiscal management. By maintaining General Fund reserves, the City is ensuring that critical City services are maintained during difficult economic periods, such as the COVID-19 pandemic.

## 6.4 Financial Summary

The City continues to operate under its current financial policies which promote balanced budgets and growth of financial reserves when possible. Considering significant budget challenges posed by the COVID-19 pandemic, the City developed a budget that allows services to continue at existing levels. Measure E revenue proved to be critically important during the economic downturn caused by the COVID-19 pandemic. The City's ability to prioritize services and allocate available resources creates improved financial health and responsibility.

<sup>115</sup> City of Fortuna 2018-2019 Comprehensive Annual Financial Report.

## 7.0 MSR DETERMINATIONS

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As set forth in Section 56430(a) of the CKH Act- In order to prepare and to update the SOL in accordance with Section 56425, the commission shall conduct a service review of the municipal services provided in the county or other appropriate area designated by the commission. The commission shall include in the area designated for a service review the county, the region, the sub-region, or any other geographic area as is appropriate for an analysis of the service or services to be reviewed, and shall prepare a written statement of its determinations with respect to each of the following:

### **(1) Growth and population projections for the affected area**

- a) Currently, the estimated population of the City of Fortuna is 12,259 and the estimated population of 2030 is 16,817.

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

- a) Given Fortuna's MHI which is 64% of the State MHI, it stands to reason that sections of unincorporated territory surrounding the City may qualify as disadvantaged. Should Fortuna pursue annexation, DUCs within the proximity of the city may be further evaluated.
- b) The community of Becker/Blair Lane is adequately served for fire and water services, however, it is underserved with wastewater service.
- c) The community of Carlotta receives fire protection services from the Carlotta CSD, whereas community water and wastewater services is not available to the Carlotta community. Carlotta has a MHI of \$61,458 which is 86 percent of the California MHI<sup>116</sup> and does not qualify it as a DUC.
- d) The community of Hydesville receives water services from the Hydesville County Water District, which has two groundwater wells located at Ward Creek, and fire protection services from the Fortuna Fire Protection District. Community wastewater services is not available to the Hydesville community. Hydesville Census Designated Place has a MHI of \$55,577 which is 78 percent of the California MHI and qualifies it as a DUC.
- e) The community of Palmer Creek has a MHI of \$48,292 which is 68 percent of the California MHI and qualifies it as a DUC. The community is currently served by the Palmer Creek CSD which provides water and wastewater services.

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<sup>116</sup> American Community Survey 5-year Estimates (2018), Table B19103 – Median Income in the Past 12 Months, Block Group 2, Census Tract 109.02, Humboldt County, California. Accessed October 22, 2020.



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

- a) The City's wastewater treatment and disposal system is required to be upgraded to comply with environmental regulations set by Regional Water Quality Control Board. It is encouraged that the City continue with the planned facility improvements as outlined in the Capital Improvement Program and the City of Fortuna Wastewater Treatment and Effluent Percolation System Upgrade Project report.

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

- a) The City continues to operate under its current financial policies which promote balanced budgets and growth of financial reserves when possible. Considering significant budget challenges posed by the COVID-19 pandemic, the City developed a budget that allows services to continue at existing levels. The City's ability to prioritize services and allocate available resources creates improved financial health and responsibility.

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

- a) Currently, the City receives wastewater from Palmer Creek CSD for treatment and disposal. The agreement provides for adequate services to the District but does not allow any additional connections without City approval.

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

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

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

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

## 8.0 SOI DETERMINATIONS

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

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

- a) Humboldt County General Plan land uses within the City's SOI are predominantly Residential Estates and Agricultural Exclusive with Airport land use compatibility overlay in some portions. Other land uses include Residential Low Density, Agricultural Grazing, Urban Reserve, Timberland, Public Facility, Commercial Recreation, and Residential Agriculture.

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

- a) The City of Fortuna has approximately 55 water service connections outside the City boundary, which indicates a continued need for services in the area.
- b) Only minor changes are being proposed to the City's SOI to better follow parcel lines and to capture land uses that would require services or that would be considered for annexation in the future. Additionally, the SOI takes into account the Urban Development Areas and Urban Expansion Areas.

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

- a) The City is upgrading its wastewater treatment facility to comply with environmental regulations set by Regional Water Quality Control Board. The City is encouraged to complete planned upgrades for the wastewater treatment and effluent percolation system prior to the consideration of future annexations to ensure the service of current needs and plan for anticipated future growth.
- b) The City is currently using approximately 1,300-acre feet or 79% of its 1,642-acre feet groundwater allocation under current water rights, which allows some room for future growth.

**(4) Existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.**

- a) The Hydesville area located southeast of the City is a potential community of interest. However, the area is currently served by the Hydesville County Water District.

**(5) For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere.**

- a) Unincorporated territory surrounding the City may qualify as disadvantaged. Should future annexations or service extensions be proposed, special consideration will be given to any DUCs affected by the annexation consistent with GC §56375(8)(A) and LAFCo Policy.
- b) The community of Hydesville receives water services from the Hydesville County Water District, which has two groundwater wells located at Ward Creek, and fire protection services from the Fortuna Fire Protection District. Community wastewater services is not available to the Hydesville community. Hydesville Census Designated Place has a MHI of \$55,577 which is 78 percent of the California MHI and qualifies it as a DUC.
- c) The community of Palmer Creek is identified as a DUC and is currently within the boundary of Fortuna's SOI and Palmer Creek CSD which provides water and wastewater services. Wastewater is transported from the Palmer Creek CSD system to the City's wastewater treatment plant.
- d) The community of Becker/Blair Lane is adequately served for fire and water services, however, it is underserved with wastewater service.

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