

# 7.0 PHILLIPSVILLE COMMUNITY SERVICES DISTRICT

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## 7.1 DISTRICT BACKGROUND

### Agency Overview

The Phillipsville Community Services District (CSD or District) provides water services to the community of Phillipsville located just east of Highway 101 and the South Fork Eel River. The community is surrounded by various outdoor recreation activities due to the surrounding Humboldt Redwoods State Park and is located on the ancestral tribal lands of the Sinkyone and Lassik peoples.

**Table 7-1: Contact Information**

<b>Primary Contact</b>	Bonnie Mullaney
<b>E-mail</b>	<a href="mailto:operations.pcsd@gmail.com">operations.pcsd@gmail.com</a>
<b>Address</b>	2831 Ave. of Giants, Phillipsville, CA 95559
<b>Phone</b>	707-943-1650
<b>Website</b>	N/A

### District Principal Act

The District's principal act is the Community Services District Law (Government Code §61000, et seq.) which authorizes CSDs to provide up to 31 types of governmental services within their boundaries. Phillipsville CSD is authorized to provide water services only. Other services, facilities, functions, or powers enumerated in the District's principal act but not identified in the formation resolution are "latent," meaning that they are authorized by the principal act under which the District is formed but are not being exercised. Latent powers and services activation require LAFCo authorization as indicated in Government Code §56824.10-14.

### Formation and Development

The original water service provider for the area, Phillipsville Mutual Water Association, required water system facility improvements in order to comply with Federal and State water drinking standards. The community was offered a grant ~~for~~ of \$279,400 if they formed a CSD prior to August 10, 1990. The District was formed in September 1989 under Government Code Section 61100 by the Humboldt LAFCo Resolution No. 89-09. The CSD was formed after a successful special election to provide the community with water. Since that time there have been no annexations or detachments from the District.

Figure 7-1: District Boundary Map



## Boundary and Sphere of Influence

The District's boundary and coterminous SOI encompass a total of 768 acres (1.2 square miles). Within the District boundary the majority of parcels are developed with single family homes and large agricultural lots. The northern and western boundaries of the District are surrounded by Humboldt Redwoods State Park, on its western boundary is the South Fork Eel River.

## Land Use and Zoning

The land uses in the District are subject to the Humboldt County General Plan and Zoning Regulations (Humboldt County Code Title III, Division 1). Under the Humboldt County General Plan, the District's land uses are Public Facility (PF), Residential Agriculture (RA), Commercial Recreation (CR), Mixed Use (MU), Residential Estates (RE), Residential Low Density (RL), Public Lands (P), and Conservation Floodway (CF).

Under Humboldt County Zoning Regulations, the District's zoning is Agriculture General (AG) with combining zone Special Building Site of 5 acres (B-5(5)), Highway Service Commercial (CH) with combining zone Design Control (D) and Qualified (Q), Agriculture Exclusive (AE), State Park, Rural Residential Agriculture of 1 to 5 acres (RA(1-5)), (R-3) with combining zone Q, Flood Plain (FP), and FP with combining zone Q.

The mix of uses described above allows for small town rural development with limited commercial development to support community needs and visitors. It is unlikely that any major development will occur that could cause a large increase in demand for water services.

## Growth and Population

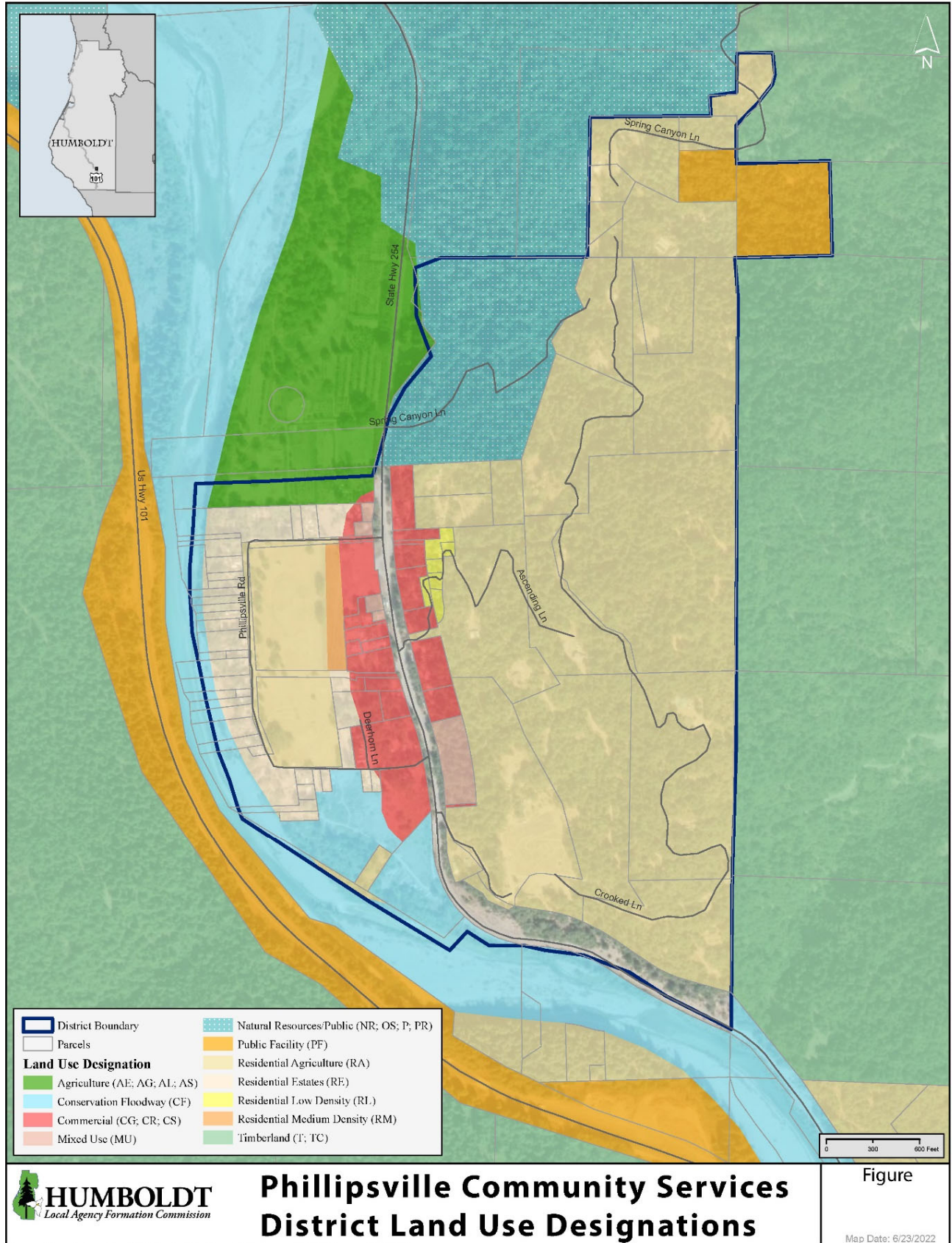
The District is located right off of the South Fork Eel River just south of Miranda. According to a recent inspection report prepared by the California State Water Resources Control Board, the population of the District in 2021 was approximately 300<sup>1</sup>. However, based on 2020 Census data and the District's boundary, GIS analysis estimates the current population to be approximately 120<sup>2</sup>. Since accurate population data can be difficult to obtain in remote rural areas, this report will utilize an approximate population of 130. Based on the historical and estimated population growth for the area, it is unlikely the District will grow substantially over the next five to ten years. In order to provide more accurate estimates for the area, it is recommended that the District consider conducting a District specific population and income survey as needed for grant funding.

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<sup>1</sup> State Water Resources Control Board: Division of Drinking Water, Phillipsville Community Service District Inspection. Print.

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

Figure 7-2: Phillipsville CSD Land Use



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

## Disadvantaged Unincorporated Communities

While the community of Phillipsville is a census designated place (CDP), there is no accurate MHI data available for the CDP or block group on the DWR DAC mapping tool. Therefore, the census tract that includes Phillipsville will be used instead, which DWR does consider a severely disadvantaged community. The estimated MHI for the larger area is \$35,884<sup>3</sup> which is 46 percent of the 2020 California MHI of \$78,672. The community is also listed by Humboldt County as an Unincorporated Legacy Community.

As noted previously, DUCs are assessed for three primary services: water, wastewater, and fire/emergency response. Phillipsville CSD provides water services to the area and wastewater services are provided by onsite wastewater treatment systems as there is no community wastewater system available in the area.

Emergency response and fire services are primarily provided by the Phillipsville Volunteer Fire Company (VFC). According to the Humboldt County Fire Chiefs' Association Annual Report, the VFC was unable to respond to calls in 2020 due to a lack of volunteers. When the VFC is unable to respond to calls, nearby providers including Miranda CSD will respond when available. However, this greatly reduces response time for incidents.

## Hazards

As noted previously, the community of Phillipsville is located in a densely forested area adjacent to the Eel River. Due to this setting, the area may experience several different types of hazards including flooding, wildfire, landslides, and earthquakes.

The South Fork of the Eel River has experienced major flooding in the past. The historic flood of 1964 devastated several communities in the county and severely damaged Phillipsville. At its highest, the water rose to 46 feet which is 13 feet higher than the flood stage of 33 feet. Currently, the portion of the District west of Highway 254 is within the FEMA designated 100-year floodplain. Should a major flood even occur, it could disrupt services in the area. The largest, most recent flood was recorded at 32.47 feet on January 11, 2017. This is just below the actual flood stage of 33 feet. The second largest flow in recent history reached 29.99 feet on February 27, 2019<sup>4</sup>.

Phillipsville is located along an unnamed fault that runs from northwest to southeast through the District. The soil in the western portion of the District has low instability, while the eastern portion has moderate instability. The soil stability can dictate how catastrophic an earthquake can be. Due to the low potential for liquefaction in the area and its distance from major fault zones, it is unlikely that an earthquake would have a major impact on district service. **Error! Bookmark not defined..** Most recently on December 20, 2022, a magnitude 6.4 earthquake took place 9.3 miles off the coast from of Ferndale. While the majority of damage occurred in the Rio Dell/Fortuna area, it was felt as far away as San Francisco. In the Phillipsville area, community responses indicated

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

<sup>4</sup> National Weather Service, South Fork Eel River Near Miranda. Accessed April 25, 2022 from [https://water.weather.gov/ahps2/hydrograph.php?gage=mrnc1&hydro\\_type=2&wfo=eka](https://water.weather.gov/ahps2/hydrograph.php?gage=mrnc1&hydro_type=2&wfo=eka)

that there was likely moderate to strong shaking with light damage<sup>5</sup>. A year prior, on December 20, 2021, a magnitude 6.2 earthquake took place near Petrolia that resulted in similar reports<sup>6</sup>.

Due to its location within a densely forested area, Phillipsville has a higher risk for wildfire. The majority of the District is within a high severity fire hazard zone with a moderate severity zone located to the southwest along the river and adjacent floodplain. Historic fires include the Bushnell fire one mile east of the District which occurred in July 2013 and burned approximately 22 acres. Four miles northeast of the District the Wildcat 1-51 fire burned 283.22 acres of land in July 2015. Major fires have the potential of damaging District infrastructure and severely impacting communities.

Within the District's boundary, slopes range from less to 15% to more than 50%. Steeper slopes are more likely to result in landslides but due to the relatively stable nature of soils, the possibility of a major slide is lower. Currently, there are no historic landslides within the District's boundary, but there are many outside of the boundary.

## 7.2 MUNICIPAL SERVICES

### Water Services

Phillipsville CSD obtains water from two sources including a groundwater well and a seasonal spring. The District's well, which was drilled in 2017, has a capacity of approximately 50 gallons per minute (gpm) while the spring has a variable capacity from 10 to 40 gpm depending on the season. When the spring has lower capacity, it only supplies the upper most area of the District on the hill east of Highway 254. The well has enough capacity to supply the whole system if necessary but the current infrastructure does not allow well water to reach the upper portion of the District that is currently supplied by the spring.

Water from the well is treated with chlorine for precautionary reasons before entering the distribution system. Water from the spring is obtained through collection pipes buried in the spring depression. Previous turbidity issues were reported after the spring collection system was upgraded in 2012 but was improved after community members made some minor adjustments including overflow piping and addition of native clay soil along the front of the depression to help prevent seepage from the collection area. Water flows from the collection area through a 6-inch pipe to the 500 gallon polyethylene (plastic) tank. From there, the water will either flow through the overflow piping or flow to the treatment building where it is sent through bag filters and injected with chlorine before flowing into storage and distribution. The plant was designed to process up to 40 gpm under proper configuration and operation. Unfortunately, due to the current pipe configuration of the collection tank, air sometimes enters the treatment line which prevents the filters from operating properly. Additional issues have been reported with the treatment system including improper manual cleaning of filters, overloading of filters, malfunctioning monitoring equipment, lack of adequate chlorine contact time, and inadequate operator oversight.

<sup>5</sup> USGS, M 6.4 – 15km WSW of Ferndale, CA. Accessed December 28, 2022 from <https://earthquake.usgs.gov/earthquakes/eventpage/nc73821036/executive>.

<sup>6</sup> USGS, M 6.2 – 7km N of Petrolia, CA. Accessed April 25, 2022 from <https://earthquake.usgs.gov/earthquakes/eventpage/nc73666231/executive>

The District has a total of five storage tanks including three polyethylene 5,000 gallon tanks located in the spring zone; one welded steel 140,000 gallon tank located in the main-lower zone and a 250 gallon polyethylene spring source surge tank. The main tank (140,000 gallons) did not have a lock on the tank hatch during its last inspection and the top screen needed to be repaired.

The District's distribution lines are a mix of 2-inch to 6-inch pipelines including approximately 550 feet of above ground 2-inch pipe that runs from the spring to the treatment plant. There are currently a total of 66 connections, all of which are metered. The annual production reported in 2020 was 11.46 million gallons (MG). Surface water (the spring) produced 4.347 MG, and groundwater produced 7.118 million gallons. The maximum recorded month was in June 2017 at 1.95 MG which results in approximately 65,000 gallons per day. Using a minimum production amount of 50 gpm (based on well production only), the District could produce up to 72,000 gallons per day. With the addition of a minimum of 10gpm from the spring source, this amount would increase to 86,400 gallons. Based on the reported demand and production capacity of the system, the District is currently using approximately 75% of its capacity. However, during peak day flows, such as when residents are filling individual water storage tanks or irrigating, the District may not have enough water to meet demand.

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

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

1. Adopt a Cross-Connection Control Ordinance, perform Hazard Survey, contact the California Rural Water Association to help develop the ordinance due December 2022.
2. Perform Disinfection byproduct sampling due March 1, 2022.
3. Collect lead and copper samples from five locations in the distribution system due September 1, 2022.
4. Develop Consumer Confidence Report due March 1, 2022.
5. Repair screening holes on air vent and place a lock on the top hatch of the 140,000 gallon tank due March 1, 2022.
6. Perform source water sampling on spring and well.

### **Other Service Providers**

#### Fire Protection and Emergency Response

The Phillippsville VFC station is located at 2973 Highway 254 in Phillippsville. The three bay station houses the available equipment for the VFC including a water tender that is used to respond to wildfires when necessary. As noted previously, the VFC currently has a lack of volunteers and is unable to respond to calls. As such, calls for service are handled by nearby providers including Miranda CSD who will respond when available.- Because the Phillippsville VFC is not associated with a local agency, it is not eligible to receive property tax revenue and has no ability to raise revenue through special taxes or special assessments, the primary sources of ongoing revenue for fire protection.

The Phillippsville VFD could join the Phillippsville CSD to provide consistent funding, administration, and increased operations and emergency response services. Formalizing fire protection services

under the Phillipsville CSD would require the activation of Phillipsville CSD's latent power to provide fire protection and rescue services in accordance with Government Code Section 56824.10 et seq. An application to LAFCo for the proposed latent powers activation and annexation of the full fire response area would be required. This approval would likely require approval of a special tax or assessment to provide a reliable funding source for continued fire protection services.

An alternate method for formalizing fire protection services provided by the Phillipsville VFD would be forming a new Fire Protection District with a separate governing board. Petition signature gathering and campaigning for district formation are often necessary to convince voters of the need to support establishing a new funding source (special tax or assessment) in order to ensure that fire protection services will be provided into the future. Consolidation through annexation with a neighboring fire service provider may also be a feasible alternative to building capacity to improve fire services in the Phillipsville area.

### 7.3 GOVERNANCE & FINANCE

#### Governance

The District is an independent small district served by a five member Board of Directors that is elected to four year staggered terms. Meetings are held on the first Wednesday of the month at 9:00 a.m. at the firehouse located at 2973 Hwy 254 in Phillipsville.

**Table 7-2: Board of Directors**

Board Member	Title	Terms of Office
Chris Valk	President	<u>12/04/2020-12/06/2024</u>
Jennie Beebe	Director	<u>12/02/2022-12/09/2026</u>
Andrew Van Nort	Director	<u>12/02/2022-12/09/2026</u>
Debbie Richards	Director	<u>12/04/2020-12/06/2024</u>
Vacant	Director	<u>12/04/2020-12/06/2024</u>

#### Staffing

The District currently employs four staff including a General Manager/Chief Operator, Office Manager, and two operators.

#### Accountability and Transparency

The District does not maintain a website. In order to increase ease of access, it would be beneficial to create a website where District information can be posted including board minutes, board agendas, consumer confidence reports, adopted annual budgets, and District audits. However, with limited staff resources this may be an undue burden for the District. It is recommended that the District adopt annual resolutions claiming hardship or otherwise establish a website to come into compliance with current state regulations (SB 929).

Consumer Confidence Reports (CCRs) are typically sent out on an annual basis to customers within the District. These reports provide a general overview of the quality of water provided by the District and any sampling and/or violations that occurred over the past year. However, these reports are not available for the District for the years 2020 to 2022.

## Financial Overview

The District has been submitting annual reports to the State Controller's Office.- However, due to lack of funding, audits have not been conducted in several years. The District also does not have recent budgets on file but as of May 2023 was in the process of developing a budget for FY2023-24. Based on the available reports from the State Controller's Office, the District has been operating with both losses and gains. Additional information will be required from the District to make accurate determinations about the financial health of the District.

**Table 7-3: Phillipsville CSD State Controller Summary**

Category	2017	2018	2019	2020	2021
Revenues					
Operating	\$73,213	\$95,661	\$84,738	-	\$63,771
Non-Operating	-	\$12,468	\$132,870	-	-
<i>Total Revenue</i>	\$73,213	\$108,129	\$217,608	N/A	\$63,771
Expenses					
Operating	\$84,978	\$162,777	\$58,448		\$59,232
<i>Total Expense</i>	\$84,978	\$162,777	\$58,448	N/A	\$59,232
<b>Net Gain/(Loss)</b>	<b>(\$11,765)</b>	<b>(\$54,648)</b>	<b>\$159,160</b>	-	<b>\$4,539</b>

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

State law also requires each district to file an annual audit report with the County Auditor-Controller. According to Government Code §61118, the Board of Directors shall provide for regular audits of the District's accounts and records and shall provide for annual financial reports to the State Controller. All special districts are required to submit annual audits to the County within 12 months of the completion of the fiscal year unless the Board of Supervisors has unanimously approved a biennial or five-year schedule<sup>7</sup>. Additionally, Government Code §26909(a)(1) states that the County Auditor shall either prepare the audit or contract with a certified public accountant to complete the annual audit for districts not in compliance with their audit requirement at the expense of the special district. However, the Auditor-Controller's Office has not enforced this requirement for special districts out of compliance.

<sup>7</sup> California Government Code Section 26909 (5)(b)(1-3).

## 7.4 PHILLIPSVILLE MSR DETERMINATIONS

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

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

a) The current District population is estimated to be 798 based on the 2020 decennial census data.- Due to the community's limited potential for development, it is anticipated that the population will remain fairly consistent over the next five to ten years.

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

a) Phillipsville and the surrounding area is considered a DUC with a 2020 MHI of \$35,884 which is 46 percent of the California MHI. The area is primarily developed with low density large lot residences. Outside of the District boundary, water and wastewater is typically provided by onsite systems.

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

a) Phillipsville CSD is a retail service provider with 66 existing connections and in 2020 the annual production was 11.46 million gallons. The District's water storage capacity totals 155,250 gallons. Based on existing capacity of groundwater and surface water resources, and the reported annual demand, the District is utilizing approximately 75% of its total system capacity.

b) The District's well has a pumping capacity of 50 gpm. However, it can only supply water to the lower portion of the District. Additional infrastructure would be required to pump water upslope to residents east of the Avenue of Giants. As such, there is currently no backup water source for upslope residents in the event the spring fails.

c) The spring water treatment plant is reported to have operational issues including excessive air in the treatment line, overloading of filters, malfunctioning monitoring equipment, and lack of adequate chlorine contact time. It is recommended that the District assess the treatment plant needs and work with local agencies on technical assistance to improve operation.

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

a) Based on financial data available from the State Controller's Office, the District's revenues and expenses vary greatly from year to year. During FY 2019 and 2021, the District operated at a net gain. However, in FY 2017 and 2018, the District operated at a loss.

b) Due to a lack of funding, the District has not conducted a financial audit in several years. The District is encouraged to work with the County Auditor/Controller to complete audits and develop a regular schedule for audits that will fit within the District's budget.

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

a) The Phillipsville VFD station is located within the Phillipsville CSD boundary. The VFD currently has a lack of volunteers and is unable to respond to calls. There may be options for the CSD to help support the VFD either through activation of fire services powers, agreements for administrative support, or other staffing considerations based on mutual agreements between the CSD and VFD.

b) Since the communities of Phillipsville and Miranda are near each other, there may be opportunities for shared staffing such as operators or administrative staff.

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

a) Phillipsville CSD is currently governed by a five member Board of Directors that meets on the first Wednesday of the month at 9:00 am at the firehouse located at 2973 Highway 254 in Phillipsville.

b) The District currently does not maintain a website. Since the District has limited staff and capacity to maintain a website, it is recommended that they annually adopt a resolution of hardship to come into compliance with SB 929.

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

a) It may benefit the District to reach out to local organizations such as the North Coast Resource Partnership and/or California Association of Special Districts for technical assistance and trainings to help improve system operations.

## 7.5 PHILLIPSVILLE SOI DETERMINATIONS

In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development of local governmental agencies to advantageously provide for the present and future needs of the county and its communities, the commission shall develop and determine the sphere of influence of each local agency, 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) The land surrounding the District's boundary and coterminous SOI is a mix of Timberland, Natural Resources, Agriculture, and Conservation. These designations indicate the land is meant to be preserved for natural resources with limited to no residential development.

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

a) The area is dominated by low-density development and natural resources. The existing residential and commercial uses within the District will require water services for the foreseeable future. However, it is unlikely that water services will be required outside of the District's boundary and coterminous SOI with the exception of agriculture fields located between Highway 254 and the South Fork of the Eel River across from Spring Canyon Lane.

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

a) Phillipsville CSD is currently using approximately 75% of its water supply capacity. However, this capacity is at times exceeded when residents are filling large onsite water tanks. As such, the District has limited capacity to provide water services to additional parcels in the area.

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

a) The community of Miranda is located approximately 10 miles northwest of Phillipsville along Highway 254. Miranda has a small market and other small businesses. It is also the location of the Junior High School and offices for the Southern Humboldt Joint Unified School District.

e)b) The community of Garberville is located approximately 10 miles south of Phillipsville along Highway 101 and is the main location for services in Southern Humboldt County.

**(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) There are currently no updates proposed to the coterminous SOI at this time.

b) Due to hardships faced by the Phillippsville VFD, there is currently a lack of adequate fire and emergency response services in the immediate vicinity. Phillippsville CSD is encouraged to participate in coordination and outreach efforts to help establish these services in the area.

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