

8.0 REDWAY COMMUNITY SERVICES DISTRICT

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8.1 DISTRICT BACKGROUND

Agency Overview

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

Table 8-1: Redway CSD Contact Information

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

District Principal Act

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

Formation and Development

Redway CSD was originally formed in 1965 by the Humboldt County Board of Supervisors to provide the community with potable water service and latent powers relating to wastewater, fire protection, collection of solid waste, and street lighting. In February 1977, the District completed a successful reorganization with the Redway Sanitary District in which the CSD took on the responsibility for the established sewer system¹.

There have been several annexations over the years that included both Redway CSD and the Redway Fire Protection District (FPD), which have similar district boundaries. In 1991, the Redway Drive annexation to the Redway CSD and Redway FPD was approved by LAFCo (Resolution No. 91-05), which consisted of 44-acres that was a portion of a larger 205-acre parcel (APN 222-222-013). This annexation was originally requested to support the development of a senior housing development and care facility, which would have required a zone reclassification, parcel map subdivision, and conditional use permit. This development project did not get constructed and today the portion of the parcel within the district is largely undeveloped.

¹ As part of this action, the Redway Sanitary District was dissolved, and all its assets and liabilities transferred to the Redway CSD as successor. Following in December 1977, "Redway Community Services District – Zone No. 1" was formed comprising former Redway Sanitary District (Ord. 77-101) as a mechanism to levy additional taxes and assessments needed to repay outstanding obligations of the Redway Sanitary District, including but not limited to bonds, Davis-Grunsky loans, etc. According to State Board of Equalization tax rate areas and maps, the Redway Zone No. 1 still exists. It is recommended that a statement of boundary change filing be submitted to the State Board of Equalization to dissolve this zone if prior indebtedness related to Redway Sanitary District has been satisfied and the zone is no longer in use.

In September 1993, the Wallan and Johnson "Meadows" Business Park" (Unit 2, Phase 1 and 2) consisting of approximately 260 acres, was annexed to Redway CSD and Redway FPD (LAFCo Resolution No. 93-04; Recorded 1993-32589-1 on November 16, 1993). Originally, an on-site leachfield system was conceptually approved for the Business Park but upon further review it was determined that connection to the Redway CSD's municipal wastewater treatment plant would be better suited to treat light industrial wastewater. The Business Park was also connected to the Redway CSD water system.

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

Boundary and Sphere of Influence

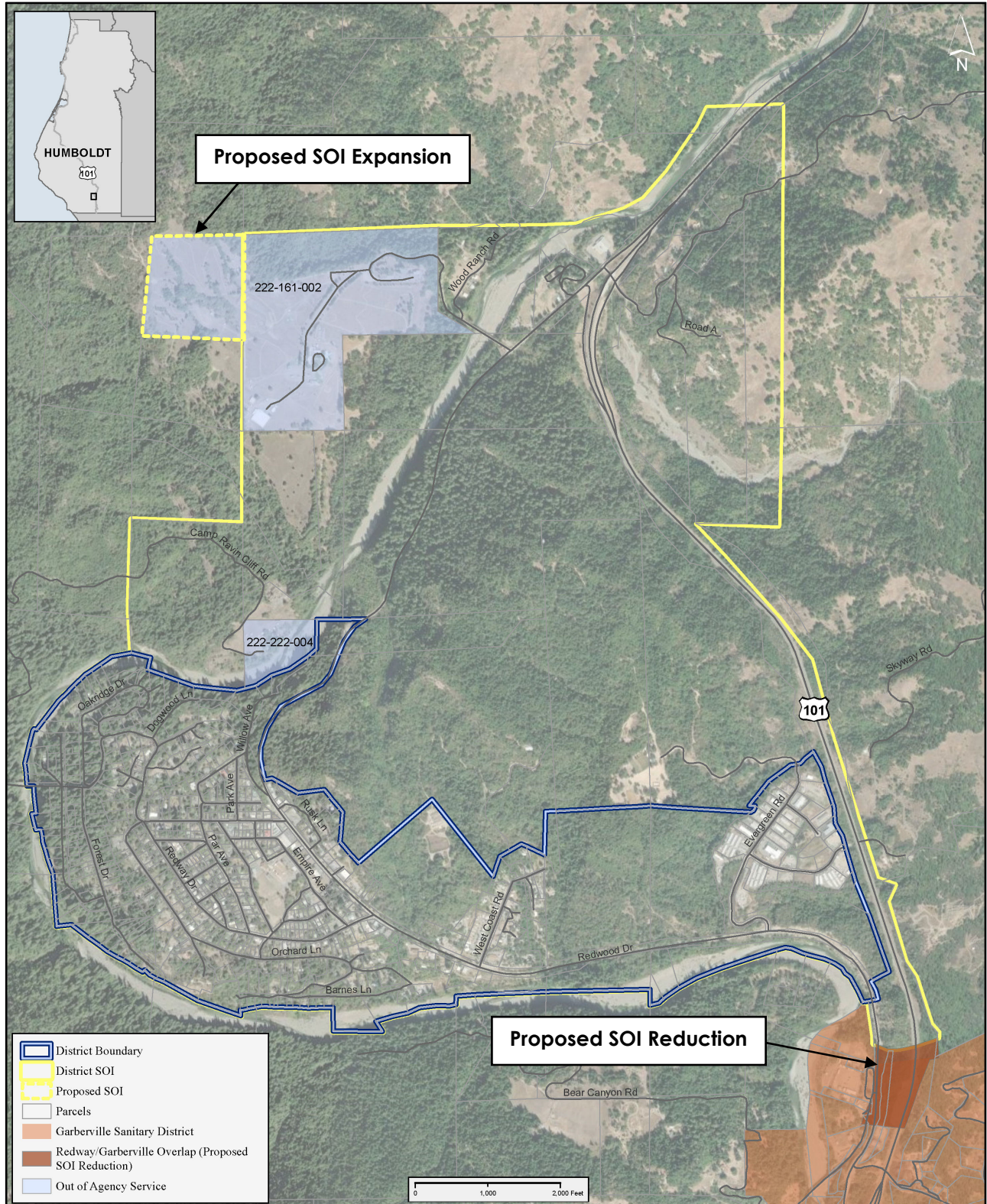
The District's boundary encompasses a total of 768 acres (1.2 square miles). Outside of the commercial area along Redwood Drive and the small industrial area located along Evergreen Road, the majority of parcels are developed with single family homes. The District's SOI extends north beyond the boundary to Redway Transfer Station Road and Dean Creek Road. A small portion of the SOI extends south along Highway 101 and overlaps with the Garberville Sanitation District SOI as shown in Figure 8-1. It is recommended that the Redway CSD SOI be amended to remove the overlap section with Garberville Sanitary District. It is also recommended that the SOI be amended to include the entirety of APN 222-161-002, which is the site of the Eel River Conservation Camp. The District currently provides wastewater services only to this parcel (see Out of Agency Services for more information).

Land Use and Zoning

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

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

Figure 8-1: Redway CSD Boundary and SOI



HUMBOLDT
Local Agency Formation Commission

Redway Community Services District

Figure

Map Date: 10/31/2023

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

Growth and Population

The District is located northwest of Garberville off of Highway 101 and adjacent to the South Fork Eel River. According to a recent inspection report prepared by the California State Water Resources Control Board, the population of the District in 2019 was approximately 1,225. Based on the 2020 Census information, the population was approximately 1,247² which is a slight increase over previous years' estimates. Based on the low growth rate for more rural unincorporated areas of the county and the historically low growth rate of the community, it is unlikely the District will grow substantially over the next five to ten years.

Disadvantaged Unincorporated Communities

According to the DWR DAC mapping tool, the estimated MHI for Redway is \$62,786³ which is 78 percent of the 2020 California MHI of \$80,440 which means the District qualifies as a DUC. The Humboldt County General Plan also has mapped Redway as an Unincorporated Legacy Community which indicates that the area has consistently had a MHI that qualifies the community as disadvantaged.

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

Hazards

Due to the District's proximity to the Eel River, a portion of the area lies within the FEMA 100-year flood zone. This includes properties along Barnes Lane and Eel River Lane adjacent to the river. Several flooding events have occurred in the area over the last 30 years including in 1997, 2016, 2017, and 2019⁴. On January 1, 1997, a flood of 33.64 feet occurred along the South Fork Eel River. Because the water was measured above 33 feet, the flood was considered a minor flood. The next significant flood occurred on January 17, 2016, at 27.09 feet. Almost a year later, a 32.47-foot flood happened on January 11, 2017. The next flood took place on February 27, 2019, at 29.99 feet.

The District is located within the Garberville-Briceland fault zone, but there is low potential for liquefaction in the area and ~~is its distance~~ from major fault zones. This reduces the potential for an, it is unlikely that an earthquake to would have a major severely impact ~~on~~ District services. On December 20, 2021, an earthquake with an initial magnitude of 5.7 took place near Petrolia. The earthquake was able to be felt as far north as Big Lagoon all the way to the south near Willits and Fort Bragg. The District likely experienced strong shaking but only light damage⁵.

² US Census Bureau, 2020 Decennial Census, Redway Census Designated Place. Accessed November 12, 2022.

³ United States Census Bureau, Median Income in the Past 12 Months (In 2020 Inflation-Adjusted Dollars). Accessed on April 13, 2022 from

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

⁴ USGS, South Fork Eel River Near Miranda. Accessed on April 19, 2022 from

https://water.weather.gov/ahps2/hydrograph.php?gage=mrc1&hydro_type=2&wfo=ekg. On January 1, 1997, a flood of 33.64 feet occurred along the South Fork Eel River. Because the water was measured above 33 feet, the flood was considered a minor flood. The next significant flood occurred on January 17, 2016 at 27.09 feet. Almost a year later, a 32.47 foot flood happened on January 11, 2017. The next flood took place on February 27, 2019 at 29.99 feet.

⁵ USGS, M 6.2 – 7km N of Petrolia, CA. Accessed April 19, 2022 from

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

Redway is also located in a densely forested area which creates a higher risk for wildfire. The entire District is within a designated State Responsibility Area (SRA – where the state of California is responsible for wildfire protection) and a high fire hazard severity zone with a very high fire hazard zone just to east adjacent to Highway 101. Approximately two miles east of the District's border, the Saw fire occurred in 2017 off of Alderpoint Road and Lower Sawmill Road and burned 85 acres⁶. South of the District and the community of Garberville, the Buck Fire occurred in 2015 and burned approximately 16 acres⁷.

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

8.2 MUNICIPAL SERVICES

Water Services

The District holds a water diversion permit (permit number 015665) from the State Water Resources Control Board, granting them the authority to appropriate water from the South Fork of the Eel River. The permit was last updated February 11, 1983, and needs to be updated to include the addition of Meadows industrial park, Meadow Tank, additional filters at water treatment plant, change in disinfection, etc.⁸ This permit allows the District to divert a maximum of 1.05 cubic feet per second (0.678 mgd) from the river throughout the year. In addition, the District has a fixed license that permits an additional diversion of 0.223 cubic feet per second (0.143 mgd). Overall, the total maximum instantaneous diversion allowed is 1.273 cubic feet per second (0.821 mgd). At permit face value, this translates to an annual diversion of 300 million gallons, assuming the availability of suitable pumps and treatment facilities. However, in actuality, the annual diversion quantity cannot exceed the maximum water diverted during the "permit development period", which was 0.749 mgd or equal to 273 million gallons per year. In any case, the District's river source water rights are adequate for the entire system⁹.

The District's water supply comes from the Eel River through an infiltration gallery. The District also holds water rights to a nearby spring which has been inactive since 2009. Though they maintain the water rights, the District has disconnected the spring and does not have it on standby. The infiltration gallery has three submersible pumps. Two pumps are used for water production, with the third pump used to clear away silt. Only one of the three pumps is active at a time. The District is allowed a maximum diversion (water rights supply) of 1.273 million gallons per day (mgd) 0.821 mgd and the pump has a maximum capacity of 0.749 mgd. Once pumped into the treatment system, the raw water is injected with polymer coagulant to help settle out suspended solids before flowing into the 26,000-gallon clarifier. A chlorine solution is then pumped into the water before it flows through four gravity filters. The water is chlorinated again before it goes into the 0.025 MG contact time (CT) tank. From there, the water is boosted into the distribution system via two pumps. Based on the treatment systems design capacity, the

⁶ CalFire, Saw Fire Incident. Accessed April 19, 2022 from <https://www.fire.ca.gov/incidents/2017/8/3/saw-fire/>

⁷ CalFire, Buck Fire Incident. Accessed April 20, 2022 from <https://www.fire.ca.gov/incidents/2021/6/6/buck-fire/>

⁸ SWRCB Field Inspection Report, 9/10/2020

⁹ Ibid

District can treat up to 365 gpm (0.53 MGD) during winter months and 450 gpm (0.65 MGD) during summer months¹⁰.

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

The distribution system's mains are made from three different types of materials. Approximately 4,000 feet of mains are made from Galvanized Steel Pipe that are mostly 2" in diameter and are approximately 35 years old. Another 22,000 feet of mains are made from asbestos cement that are various sizes and are approximately 45 years old. Lastly, 20,000 feet of mains are made from PVC that are either 4", 6", or 8" and are roughly 35 years old. The District has indicated that critical improvements to distribution mains are needed but are very costly¹¹.

The District has 686 connections and a population size of approximately 1,225 as of 2019¹². The total usage for 2019 was 69.83 MG, pumped from the river. The maximum month's usage was 8.533 MG with a maximum day use on March 3, 2019, recorded at 0.4798 MG. Based on the source capacity of 0.749 mgd, the District is using approximately 64 percent of its permitted capacity during maximum daily demand. This indicates that the District has adequate water supply to support the current and future demand. However, the District does have a waiting list based on a water capacity analysis conducted in 2014. Based on this analysis, the District's treatment plant can process 0.53 MGD during the winter months which means the District is using approximately 90% of their treatment capacity. There are also areas of the distribution system that experience low pressure (less than 20psi) during fire flow events. Additional connections to the system could further exacerbate the issue. Based on the 2014 capacity analysis, the District could reasonably support an additional 15 connections. According to the District, of the 15 available connections, 11 are waiting to be connected and one connection has been completed. Through the next grant process, the District would like to complete an updated water capacity analysis to account for improvements completed to the water system since 2015, such as new filter media and new water meters.

State Water Resource Control Board

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

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

¹⁰ WaterWorks Engineers, Redway Community Services District – Draft Water and Wastewater Systems Capacity Analysis. August 15, 2014.

¹¹ North Coast Resource Partnership, System Needs Survey Summary, January 2014

¹² SWRCB Field Inspection Report, 9/10/2020

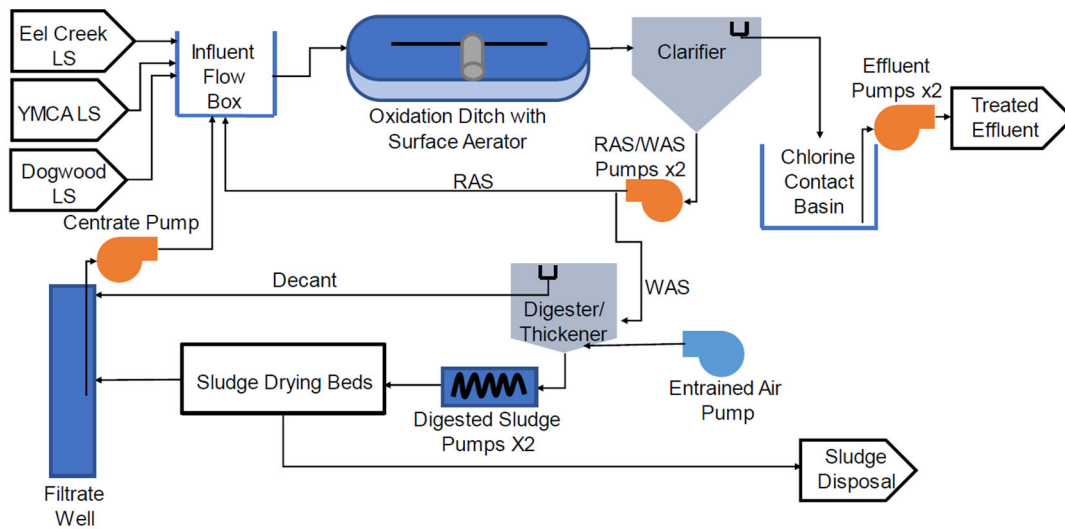
Currently the District is working on complying with all recommendations and is in the process of establishing a new well as a backup water supply.

Wastewater Services

As noted previously, the District took over wastewater services from the Redway Sanitary District in 1977. As part of the reorganization process, the District acquired all of the infrastructure and other assets of the former sanitary district. The collection and treatment system remains much the same as it did in 1977 and some components of the system are reaching the end of their useful life. In May 2022, the District completed a preliminary engineering report on the current status of the treatment plant and necessary upgrades to extend the plant's useful life. The following section summarizes the information provided in that report¹³.

The District's sanitary sewer collection system includes roughly 10 miles of gravity main and three miles of force main, ranging in size from 6 inches to 10 inches. There are a total of seven lift stations of which two are privately owned and maintained by the YMCA and the Eel Creek Conservation Camp. Wastewater is collected from the community and pumped across the Eel River to the treatment facility on Camp Ravin Cliff Road. Figure 8-2 shows the flow diagram for the existing treatment facility.

Figure 8-3: Redway CSD Wastewater Treatment Diagram



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

After spending time in the oxidation basin, influent is moved to the clarifier which separates liquid from solids. Liquid flows from the clarifier into a chlorine contact basin to be treated before it is discharged to percolation ponds. Solids flow either back to the oxidation ditch or to the digester. The current digester has a total volume of 25,213 gallons and is used to break down solid material so that it can be further separated into liquids and solids. The liquid from the digester is decanted into a filtrate well before circulating back to the oxidation basin. Processed solids are pumped

¹³ GHD, Preliminary Engineering Report Wastewater Collection and Treatment: Redway Community Services District. May 25, 2022.

to an open-air drying bed to dry completely before being disposed of. However, the drying process can be difficult due to wet weather conditions.

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

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

The report also recommends several other minor upgrades such as a sludge drying cover and transformer upgrade. Altogether, the estimated cost for plant rehabilitation is \$7,093,990 (as of May 2022)¹⁴.

Out of Agency Services

Redway CSD provides out of agency service connections to two entities northwest of the District boundary that are within or partially within the District's current SOI. The YMCA camp (APN 222-222-004) located at the end of Camp Ravin Road is provided water and wastewater services by the District. The CAL FIRE Eel River Conservation Camp (APN 222-161-002) located off of Transfer Station Road is provided wastewater services only by the District. The conservation camp maintains its own water intake on the Eel River and is licensed to divert up to 0.046 CFS with a maximum annual diversion of 21.7 AF¹⁵.

The connections for the YMCA camp and the CAL FIRE conservation camp are historic connections that predate the requirement for LAFCo approval. Redway CSD has billing records for each entity dating back to March 1999. According to Government Code Section 56133(a), "A city or district may provide new or extended services by contract or agreement outside its jurisdictional boundaries only if it first requests and receives written approval from the commission in the affected county." Subsection (e) further states, "This section does not apply to any of the following: . . . (4) An extended service that a city or district was providing on or before January 1, 2001." As such, the District is not required to obtain approval from LAFCo for these connections.

Other Service Providers

Fire Protection and Emergency Response

In 1958, the Redway Fire Protection District (FPD) was formed to provide fire protection, rescue, emergency medical services, and any other services related to the protection of lives and property. Within the region there is also the Garberville FPD, Briceland FPD, Phillipsville Volunteer Fire Company (VFC), and Salmon Creek Volunteer Fire Department¹⁶.

¹⁴ GHD, Preliminary Engineering Report – Wastewater Collection and Treatment – Redway Community Services District. May 25, 2022.

¹⁵ SWCRB, License for Diversion and Use of Water (No. 9433). Dated July 3, 1970.

¹⁶ Formation of the Salmon Creek Fire Protection District was conditionally approved by LAFCo in July 2022. Should voters approve the establishment of a special tax to fund district activities, the formation will be finalized.

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

Solid Waste Disposal

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

Shared Services

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

8.3 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. Board meetings are held every third Wednesday of the month at 5:30pm. Meetings are held at the District Office located at 1150 Evergreen Road, Suite 2. However, during the Covid-19 pandemic, the board hosted meetings via Zoom video conference in compliance with Executive Orders N-08-21, N-29-20, and N-25-20.

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

Table 8-2: Board of Directors

Board Member	Title	Term
Arthur McClure	Chair	12/04/2020-12/06/2024
Dian Griffith	Vice Chair	12/02/2022-12/09/2026
Linda Sutton	Director	12/04/2020-12/06/2024
Michael McKaskle	Director	12/04/2020-12/06/2024
Marie Etherton	Director	12/02/2022-12/09/2026

Staffing

The District currently employs a general manager, office manager, and five operations personnel. The operations personnel include a field supervisor/chief plant operator for drinking water, chief plant operator for wastewater, general laborer, utility worker II/heavy equipment operator, and wastewater plant operator in training¹⁷.

¹⁷ Redway Community Services District, Personnel. Retrieved from <https://redwaycsd.org/personnel>

Accountability and Transparency

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

Financial Overview

Redway is primarily funded through service fees and property taxes, along with other minor revenues. The largest revenue for the District comes from water and sewage charges. These make up approximately 84% of the revenues. The District adopts a budget annually, typically in May or June. In the last three years the District has been able to budget a surplus in funds, as seen in Table 8-4¹⁸. This could be due to an increase in the Property Tax Revenue. A surplus of funds would allow the District to plan for and implement minor capital improvement projects.

Table 8-3: Annual Budget Summary

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

¹⁸ Redway Community Services District, TOTAL Profit & Loss Budget vs. Actual for Fiscal Year 2020-21.

The District also conducts annual audits in compliance with CSD law. As can be seen in Table 8-5, over the last five fiscal years the District has seen a net increase in funds consistent with their adopted budgets. However, in two of the four years reviewed, the District saw a minor decrease of funds. Overall, there has been an increase of the District's net position from \$4,105,363 in FY 16-17 to \$4,356,708 in FY 19-20 (Table 8-6)¹⁹.

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

Table 8-4: Redway CSD Audit Summary

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

Table 8-5: Total Net Position Summary

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

¹⁹ Redway Community Services District, Financial Statements for Fiscal Years Ending June 30, 2017, 2018, 2019, 2020, 2021.

8.4 REDWAY 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 approximately 1,247 as of 2020. Based on the historically low growth rate of the community, it is unlikely that the District will grow substantially 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) The estimated MHI for Redway is \$62,786, which is 78% of the 2020 California MHI of \$80,440. This qualifies the District as a DUC. Additionally, Redway is mapped as an Unincorporated Legacy Community by the Humboldt County General Plan, indicating that Redway has consistently had a MHI designating it as disadvantaged.

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

a) The District holds a water diversion permit (permit number 015665) from the State Water Resources Control Board, granting them the authority to appropriate water from the South Fork of the Eel River. The permit was last updated February 11, 1983, and needs to be updated to include the addition of Meadows industrial park, Meadow Tank, additional filters at water treatment plant, change in disinfection, etc.

b) The District serves 686 water connections and receives its water through an infiltration gallery from the Eel River. At the time of this report, Redway CSD has been working on establishing a new well as a backup water supply. The District could produce up to 0.749 mgd and based on 2019 data, it uses approximately 69.83 MG annually which is 64% of its capacity during maximum daily demand. This indicates that the District has adequate source water capacity to support current and future demand. However, the system is limited by the District's treatment plant which is operating at approximately 90% during peak winter demand, and also by low pressure issues during fire flow events. This has limited new connections and currently the District has an existing waiting list for water service connections.

c) The District has approximately 0.81 MG of water storage from three storage tanks which are all operating in good condition. The District has 22,000 feet of distribution system mains made of asbestos cement that are approximately 45 years old. No deficiencies have been reported, but it's possible that in the next ten to fifteen years these mains will need to be replaced due to this material's useful life expectancy.

d) All of the District's wastewater infrastructure was acquired from the Redway Sanitary District upon reorganization. As such, many system components are reaching the end of their useful life. Demand is projected to exceed plant capacity by 2030. The District will

need to install and upgrade many components to extend the plant's useful life, estimated to cost approximately \$7.1 million.

(4) Financing ability of agencies to provide services

a) Redway CSD is primarily funded through service fees and property taxes. The District conducts annual audits and is in compliance with CSD law. Between the years of FY 16-17 and FY 20-21, the District operated at a net gain for three of the fiscal years, likely due to an increase in the Property Tax Revenue. The surplus of funds will allow the District to plan for and implement minor capital improvement projects, but the District will likely need to source grant funding or other funds to finance the future wastewater plant improvement project. The District is considering implementing a rate increase to cover the costs of maintenance and repairs and will need to comply with Proposition 218 which requires an engineer's report and significant public outreach. Overall, the District is in good financial standing.

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

a) The District provides wastewater services for the Eel River Conservation Camp approximately 2 miles north of the District. This is a historic connection that predates LAFCo approval for out of agency service connections. Currently, the Camp maintains an active license for water rights to the South Fork of the Eel River and does not obtain water from Redway CSD.

b) The District provides water and wastewater services to the YMCA camp located adjacent to the RCSD wastewater treatment plant. This is a historic connection dating back to the 1990's. The camp does not own, maintain, or operate any separate water or wastewater system.

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

a) The District is governed by a five-member Board of Directors elected to four-year staggered terms. Board meetings are held every month and agendas are posted at the District Office at least 72 hours in advance of scheduled meetings in accordance with the Brown Act.

b) The District maintains a website in accordance with SB929. Historical Board agendas are posted but current agendas and meeting minutes are not available online. The District is encouraged to post Board agendas, meeting minutes, adopted annual budgets, and audits on its website to increase transparency and come into compliance with SB929 standards.

c) The District employs seven personnel, two of which are management and five of which are operations personnel.

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

a) It is recommended that the Redway CSD SOI be amended to remove the overlap section with Garberville Sanitary District. It is also recommended that the SOI be amended to include the entirety of APN 222-161-002, which is the site of the Eel River Conservation Camp. The District currently provides wastewater services only to this parcel.

8.5 REDWAY 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) Land uses within the District include Residential Low Density, Commercial, Residential Medium Density, Residential Agriculture, Public Facility, Industrial, and limited Natural Resources/Public. Land uses surrounding the District largely consist of Residential Agriculture, Natural Resources/Public, Timberland, and Public Facility. These designations indicate that the surrounding land is largely meant to be preserved for natural resources with limited residential development.

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

a) Within the District boundary are large amounts of low-density development, residential agricultural, and commercial lands. These uses will require water and wastewater services for the foreseeable future. It is unlikely that these services will be required outside of the District's boundary and SOI in the future, with the exception of residential agricultural lands to the south and east of the District, should they be developed.

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

a) Redway CSD currently uses approximately 64% of its source water supply capacity and 90% of its treatment plant capacity. There are some current wastewater treatment plant deficiencies and projected demand will likely exceed plant capacity by 2030.

(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) Redway is located approximately 3 miles north of Garberville, the main hub of services in southern Humboldt County. Garberville has facilities including a library, hospital, pharmacy, and numerous restaurants, groceries, and other services.

b) Approximately 8 miles north of Redway is the community of Phillipsville. Another small community, Phillipsville offers recreational opportunities for tourists, including Chimney Tree, multiple river access points, and some of the largest redwood trees in the State.

(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) A small portion of the District's SOI in the southeast is recommended to be amended in order to remove overlap with the Garberville Sanitary District's boundary. It is also

recommended that the SOI be expanded to include the entirety of APN 222-161-002 in order to form a more logical boundary.

b) Water and wastewater services are provided to the Redway community by the District and there is currently limited to no need for these services outside of the boundary and SOI. Fire and emergency response services are provided by the Redway FPD.