

Garberville Sanitary District

Municipal Service Review

Final Report
Adopted March 20, 2013



Prepared For Updating the
Sphere of Influence Report

HUMBOLDT LOCAL AGENCY FORMATION COMMISSION

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Prepared by
Humboldt LAFCo



www.humboldtlafo.org

With assistance from
Garberville Sanitary District



GARBERVILLE SANITARY DISTRICT

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INTRODUCTION

The Humboldt Local Agency Formation Commission (LAFCo) conducts municipal service reviews (hereafter referred to as “service reviews”) to assess existing and future public service conditions for cities and special districts within Humboldt County. This service review allows LAFCo, local agencies, and the public to better understand how public services – including water and wastewater – are provided by the Garberville Sanitary District.

This service review includes a discussion, analysis, and recommendations regarding services currently provided by the District. The current sphere of influence for the District was last updated and adopted in 1986. Since this time, the District has undergone many changes with respect to service provision and organization. This includes buying a private water system and providing public water services; receiving LAFCo approval for the extension of water services to the Kimtu Meadows Subdivision; and expanding and constructing new facilities to meet water quality standards and waste discharge requirements.

Statutory Authority

LAFCo operates under the provisions of the Cortese-Knox-Hertzberg (C-K-H) Local Government Reorganization Act of 2000, commencing with California Government Code Section 56000. The C-K-H Act authorizes LAFCo to conduct comprehensive studies of the delivery of municipal services provided in the county or other area deemed appropriate by the Commission. The term “municipal services” refers to the full range of services that a public agency provides or is authorized to provide.

The service review process provides LAFCo with a tool for studying existing and future public service conditions, evaluating organizational options for accommodating growth, and examining whether critical services are provided in an efficient and cost-effective manner. This includes making determinations on the adequacy, efficiency, and effectiveness of these services in relationship to local conditions and circumstances.

The service review process does not require LAFCo to initiate changes of organization based on service review findings; it only requires that LAFCo make determinations regarding the provision of public services in accordance with Government Code Section 56430. However, the service review helps to inform the sphere of influence development process with regard to identifying an appropriate and probable service area for the District. Service reviews are exempt from the California Environmental Quality Act (CEQA) because they are only feasibility or planning studies for possible future actions that LAFCo has not approved (CEQA Guidelines Section 15262).

The C-K-H Act requires that LAFCo review municipal services before or in conjunction with updating spheres of influence and prepare a written statement of determinations with respect to each of the factors summarized in the following table.

Service Review Determinations

1. Growth and population projections for the affected area
2. The location and characteristics of any disadvantaged unincorporated communities¹ within or contiguous to the sphere
3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies
4. Financial ability of agencies 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

Review Methods

This service review was prepared by LAFCo staff during February/March of 2013. The Garberville Sanitary District staff provided requested agency information, which provided LAFCo with the current status of District operations.

The 2005 Preliminary Engineering Report (Spencer), prepared to assess potential water system improvements, was used to obtain information regarding the District's proposed service extension to serve Kimtu Meadows Subdivisionⁱ. In addition, the Kimtu Meadows Water Transmission Line Construction Project Initial Study was reviewedⁱⁱ.

Finally, the 2007 Preliminary Engineering Report (Boyle) was referenced with regard to the new surface water treatment plant and a 750,000 gallon treated water storage tank, as recommended in this alternatives analysis report. As this municipal service review is being prepared, the final project design is being completed. The details from the design of this capital improvement project are in the sections to follow.

An administrative draft of this report was provided to the Garberville Sanitary District for review and clarification. All information gathered for this report is filed by Humboldt LAFCo for future reference.

¹ "Disadvantaged unincorporated community" means an inhabited community (12 or more registered voters) with an annual median household income that is less than 80 percent of the statewide annual median household income.

BACKGROUND AND CONTEXT

The Garberville Sanitary District's sphere of influence was last adopted in 1986, when the District was only providing wastewater services. A boundary change for wastewater services was approved by LAFCo on March 27, 2002, which consisted of the annexation of three areas – County Yard Road, Maple Lane, and Sunnybank Lane (Resolution No. 02-02; Effective date December 23, 2002). Subsequent to this approval, the District began providing water services. The following sections provide information relating to the provision of water services by the District and the need to update the District's jurisdictional boundary and sphere to account for water service.

Purchase of Water Company

In 2004, the community voted to acquire the assets of the Garberville Water Company (GWC), a private water system owned by the Hurlbutt family. The Garberville Sanitary District Board of Directors approved the provision of water service within its jurisdictional boundary, on July 13, 2004, by Resolution 2004-02 (on file with Humboldt LAFCo). The sale of the GWC to the District was effective November 18, 2004. The District began operating the system on November 18, 2004 and started monthly billings. The District has owned, operated, maintained, and managed the water system ever since.

The California Department of Public Health issued the Garberville Sanitary District a Domestic Water Supply Permit #01-01-11(P)-004 to be effective on December 27, 2004. In addition, the California Public Utilities Commission (CPUC), in their power to regulate the GWC as a privately held utility provider, issued an Order that the GWC could be sold to the Garberville Sanitary District on November 30, 2006. The GWC Permit and License from the State Water Resources Control Board (State Water Board) Division of Water Rights was transferred to the District.

Power to Provide Water Services

As discussed above, the Garberville Sanitary District purchased and began providing water services in 2004. Shortly thereafter, Senate Bill 135 (Kehoe) was signed into law providing LAFCo authority over a special district's exercise of latent powers. SB 135 defined "latent powers" as those services and facilities that a special district did not provide prior to January 1, 2006. Therefore, because the Garberville Sanitary District was providing water services prior to January 1, 2006, the definition of "latent powers" did not apply and, as such, the District did not need to obtain LAFCo approval to exercise such power granted by the Health and Safety Code Section 6512(a), as follows:

“A district may acquire, plan, construct, reconstruct, alter, enlarge, lay, renew, replace, maintain, and operate garbage dump sites and garbage collection and disposal systems, sewers, drains, septic tanks, and sewage collection, outfall, treatment works and other sanitary disposal systems, and storm water drains and storm water collection, outfall and disposal systems, *and water recycling and distribution systems [emphasis added]*, as the board deems necessary and proper.”

In summary, the District's ability to provide water service, and hence, the District's sphere and/or any potentially affected areas for receipt of such service, were not and did not need to be evaluated by LAFCo at such time for the power to become active.

Water Service Area and Place of Use

During the time the GWC was operating, the CPUC held authority over approving the GWC's Service Area. The CPUC last revised the GWC Service Area on June 11, 1978, based upon Advice Letter Number 11. The existing GWC Service Area is larger than the jurisdictional boundary of the Garberville Sanitary District. In addition, the GWC also authorized water services that were outside of both the CPUC Service Area boundary and the State Water Board's Division of Water Rights License and Permit Place of Use boundary.

On December 27, 2012, the State Water Board issued the Garberville Sanitary District a Cease and Desist Order that contained three elements, as follows: 1) Cease and desist the sale of bulk water to locations outside of the 1990 Place of Use unless it is demonstrated to the State Water Board that the water is needed for emergency domestic water supply; 2) Submit a Petition for Change in Place of Use to the State Water Board; and 3) File annual permit and license water use reports. The District has complied with the Cease and Desist Order by submitting the petitions for the place of use, filing the annual reports, and ceasing the sale of bulk water with the exception of approved emergency domestic uses.

Kimtu Meadows Subdivision

The Kimtu Meadows Subdivision (KMS) was created in 1968 and consists of 20 homes located at the terminus of Kimtu Road, approximately 2.5 miles southwest of the community of Garberville. Since then, the KMS has received domestic water service and fire protection from the Kimtu Mutual Water Company (KMWC) which owns and maintains a water intake structure in the South Fork of the Eel River, treatment, and distribution systems. The KMWC had regularly failed to meet the State standard that water served for domestic purposes is "at all times safe to drink," and therefore, the California Department of Public Health had issued a mandatory "Boil Water Advisory" for several years in a row.

The State of California awarded grant funds under Proposition 50 for the purpose of correcting the water quality deficiencies of the KMWC. The selected project consisted of extending an eight inch diameter water line from existing water facilities of the Garberville Sanitary District along approximately 2.5 miles of Kimtu Road and Sprowel Creek Road to the KMS. A mitigated negative declaration was prepared and adopted with the State of California Department of Public Health as the lead agency.

The District applied to LAFCo for approval of extension of water services to the KMS. In May 2010, the LAFCo approved this extension as an out of area water service extension to the KMS to remedy the health and safety risks to the residents. Construction of the waterline extension was completed in July 2012, and the 20 parcels were connected to the District's water system. After the completion of the construction project, the KMS residents and the KMWC transferred

ownership of the infrastructure, warrantees, and easements to the District. The KMWC has ceased diverting and treating water. The District now provides service to these 20 parcels.

Sphere of Influence, Water Service Area and Annexation

On September 5, 2002, the Garberville Sanitary District presented LAFCo staff with a Master Services Element that was prepared for the District Sphere of Influence Report. This document identified the inconsistencies between the District and GWC boundaries as well as the fact that GWC was providing water service outside of their CPUC-approved service area. This document was never adopted.

The Garberville Sanitary District is in the process of completing the environmental analysis for an annexation application to LAFCo for the purpose of revising the District boundary to include all the parcels that are receiving water service. An updated service review and sphere of influence is required by the Cortese-Knox-Hertzberg Act and needs to occur before LAFCo can take action on the annexation application.

AGENCY PROFILE

The Garberville Sanitary District serves the unincorporated town of Garberville and surrounding area. Garberville is located in southern Humboldt County, along US Highway 101, approximately 55 miles south of Eureka and 200 miles north of the San Francisco Bay Area. The communities of Redway and Benbow are within five miles of Garberville. Mendocino and Trinity County are approximately 10 to 15 miles south and east of the town, respectively. There is a small general aviation facility, the Garberville Airport, located two miles southwest of the urban area of Garberville.

Formation

The Garberville Sanitary District was formed by the Humboldt County Board of Supervisors on April 12, 1932, pursuant to the Sanitary District Act of 1923, after a majority vote was cast in a general election. The District was originally formed for the purpose of providing sanitary sewer services as specified under Health and Safety Code Section 6400 et seq.

Boundary

The existing jurisdictional boundary for the Garberville Sanitary District covers approximately 581 acres and generally extends from Bluff Creek at the north, Highway 101 to the west, the terminus of Wallan Road to the east, and north-bound Highway 101-Garberville off-ramp to the south. The existing sphere of influence for the District is approximately 1,745 acres and extends south to include the Garberville Airport and Southern Humboldt Community Park. Figure 1 illustrates the District's boundary and sphere.

Governance

The Garberville Sanitary District is an independent special district governed by a locally elected, five-member Board of Directors, each of whom serve four-year terms. In recent history, the Director positions have been appointed by the Board of Supervisors. The Board meets on the fourth Tuesday of each month at 5:00 p.m. The meetings are held at the District office at 919 Redwood Dr Garberville, CA 95542. The agenda is posted at the office and on the District website 72 hours prior to the meeting.

The District office is open and staffed from 9:00 a.m. to 5:00 p.m. Monday through Thursday. The District has five (5) paid personnel (see Organization Chart, Appendix A). The District has a website at www.garbervillesd.org. This website is maintained as an information dissemination avenue where meeting dates, agendas, and contact information along with water conservation tip and educational tidbits are posted.

Table 1: Agency Profile

Formation	
Agency Name	Garberville Sanitary District
Date of Formation	April 12, 1932
Enabling Legislation	State of California Health and Safety Code §6400 et seq.
Contact	
Contact	Tina Stillwell, Business Manager
E-mail	tstillwell@garbervillesd.org
District Office	919 Redwood Drive, Garberville, CA 95542
Mailing Address	P.O Box 211, Garberville, CA 95542
Phone	(707) 923-9566 Fax: (707) 923-3130
Website	www.garbervillesd.org
Governance	
Governing Body	Board of Directors
Board Members and Terms	Dennis Bourassa (Chairperson) 12/04/2009 - 12/06/2013 Bill Stewart (Treasurer) 12/02/2011 - 12/04/2015 Rio Anderson (Vice-Chairperson) 12/02/2011 - 12/04/2015 Vacancy 12/04/2009 - 12/06/2013 Vacancy 12/04/2009 - 12/06/2013
Board Meetings	Held at the District office on the fourth Tuesday of each month at 5:00 p.m.
Staffing	5 full-time staff
Services and Facilities	
Services Provided	Sewer and Water
Areas Served	Garberville, Connick Creek Subdivision, Kimtu Meadows Subdivision
Acres (District)	581 acres Population (District): 847 residents
Facilities	Wastewater collection and treatment facilities, water treatment and distribution system
Fiscal	
Sources of Funding	Utility service charges, connection fees, property taxes, grants
Budget (2012)	Revenues: \$779,757.47 Expenses: \$518,202.44

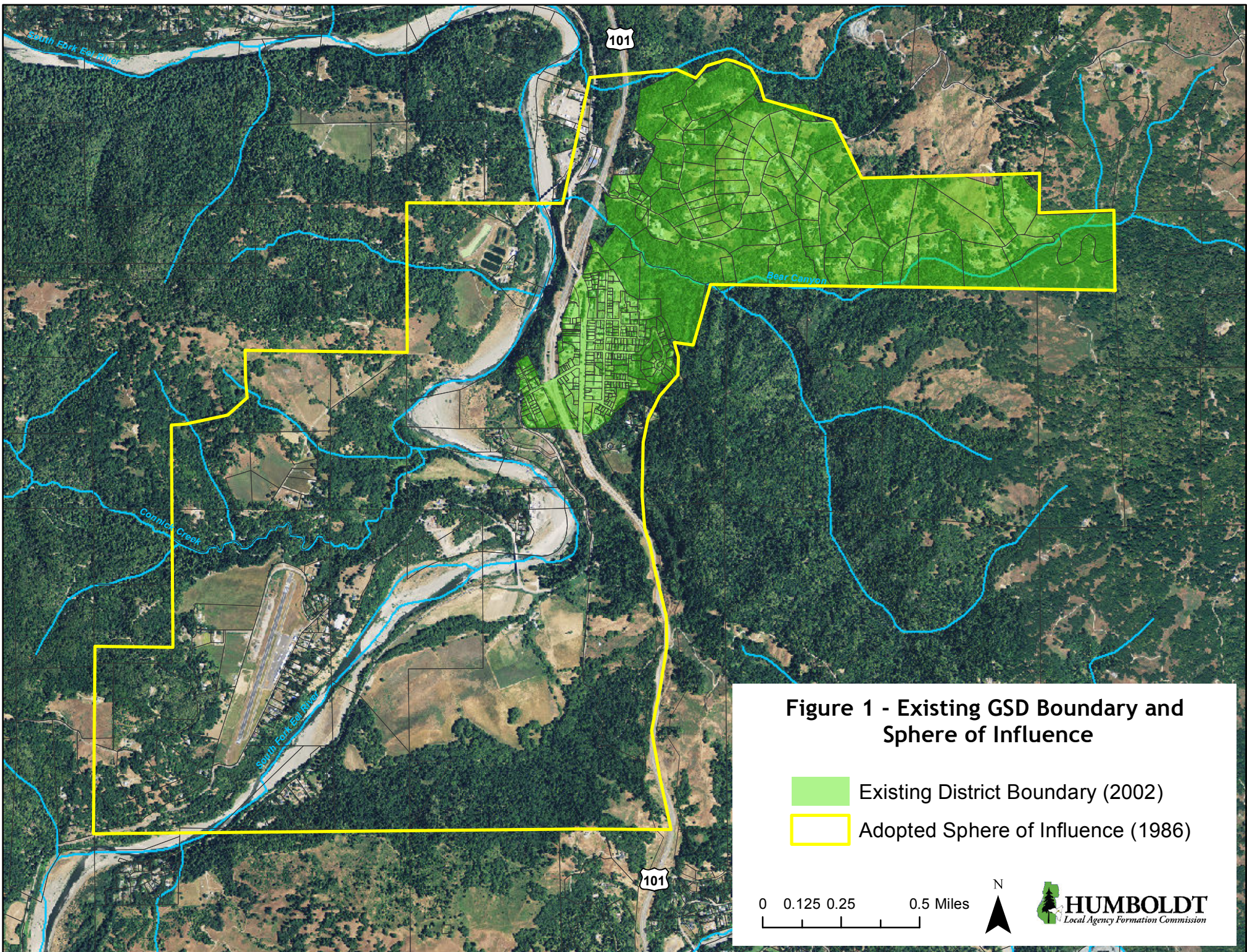




Figure 1 - Existing GSD Boundary and Sphere of Influence

-  Existing District Boundary (2002)
-  Adopted Sphere of Influence (1986)

0 0.125 0.25 0.5 Miles



Population and Housing

The total population of Humboldt County in 2010, as reported by the U.S. Census, was 134,587 residents. From 2000 to 2010, the overall population in Humboldt County grew at an average rate of approximately 0.6 percent per year. For unincorporated areas of the county, the population grew at a slightly slower rate, averaging 0.5 percent per year.

Garberville is a Census Designated Place (CDP), with a 2010 Census population of 913 residents, most of which is served by the Garberville Sanitary District. Growth in the next 20 years within the District is anticipated to be low. The District contains mostly low and medium density residential and commercial uses in the downtown area, with limited available land for urban-type development. The District's wastewater system serves a total of 353 connections within the District boundaries. It is therefore estimated that roughly 847 residents live within the existing boundaries, based on the average household size in Humboldt County, reported to be 2.4 in the 2010 Census. Using the unincorporated population growth rate of 0.5 percent, the 2030 projected population potentially served by the District would be 936 and 390 housing units, or an additional 89 residents and 37 housing units.

In 2012, the Garberville Sanitary District was authorized to provide water services to the Kimtu Meadows Subdivision, formerly served by the Kimtu Mutual Water Company, adding 20 housing units outside the District boundary. The District reports that another 41 housing units are being served water outside the boundary, for a total of 61 housing units being served water outside the boundary. The District is completing the CEQA analysis for annexing these 61 housing units into the District boundary.

According to the District, there is limited available land for new residential and commercial development within the District boundaries due to existing development densities and physical constraints. Significant additional growth in the future would likely need to occur outside the District's boundary, and would likely be dependent upon construction of water distribution and wastewater collection infrastructure. The area to meet these additional housing units will need to be annexed into the Boundary once the location for this future development has been identified. The location will be highly dependent upon property owners desiring to develop their property to meet the need for the additional housing units.

Disadvantaged Unincorporated Communities

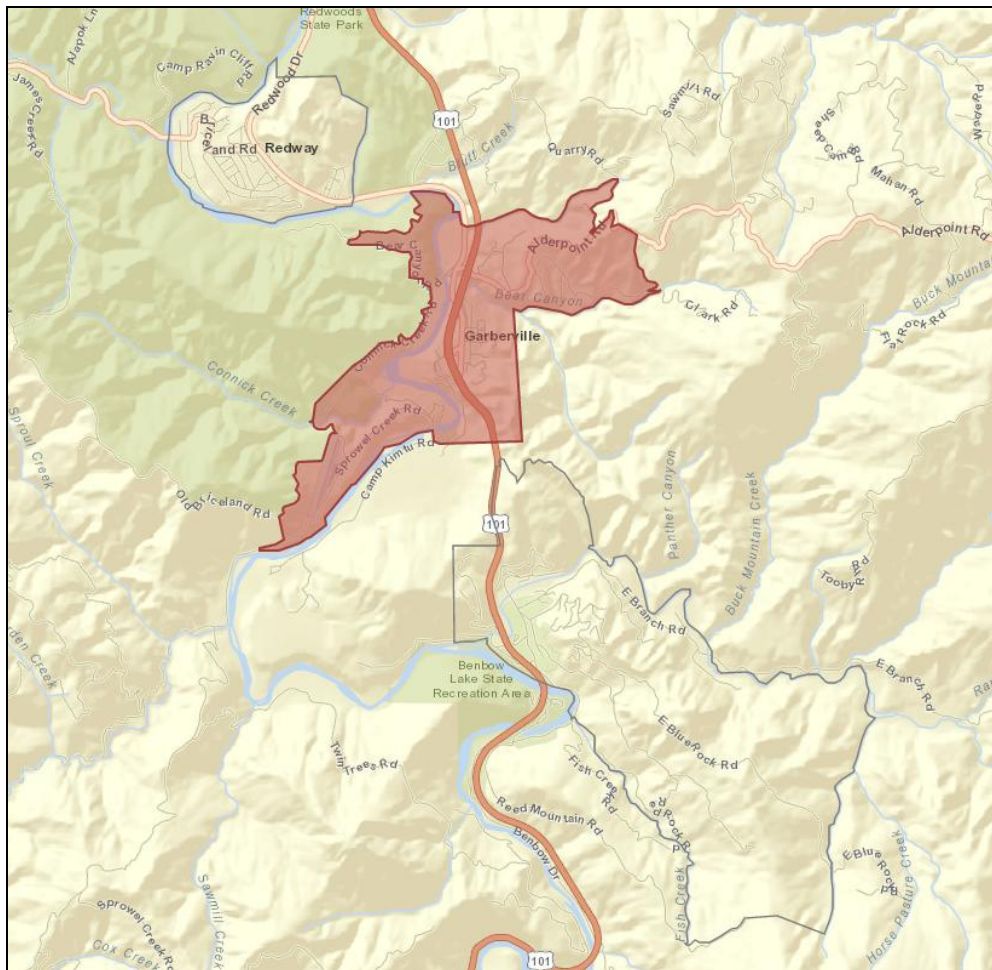
The Cortese-Knox-Hertzberg Act defines a "disadvantaged unincorporated community" as inhabited territory (12 or more registered voters), or as determined by commission policy, that constitutes all or a portion of a "disadvantaged community" as defined by Section 79505.5 of the Water Code. The Water Code Section 79505.5 defines a "disadvantaged community" as a community with an annual median household income that is less than 80 percent of the statewide annual median household income.

The State Department of Water Resources (DWR) has mapped for each county those communities that are at or below 80 percent of the annual median household income by using Census Designated Places (CDP)ⁱⁱⁱ. The U.S. Census Bureau defines CDPs as:

“The statistical counterparts of incorporated places, and are delineated to provide data for settled concentrations of population that are identifiable by name but are not legally incorporated under the laws of the state in which they are located.”

While the CDP data is a helpful tool in identifying DUCs, not all unincorporated areas are defined as CDPs that arguably should be defined as disadvantaged unincorporated communities. However, for this service review, there exists a CDP for Garberville, as well as for Redway to the north and Benbow to the south. Based on the CDP data, the Garberville CDP is identified as a disadvantaged unincorporated community, but neither Redway nor Benbow CDPs were found to be disadvantaged unincorporated communities.

The DWR map below shows the Garberville CDP area, which meets the disadvantaged unincorporated community median household income definition. The majority of the Garberville Sanitary District is within the Garberville CDP boundary, as well as portions of the District’s sphere of influence boundary, including the Tooby Memorial Park area and the Garberville Airport Area along Sprowel Creek Road and the majority of the Connick Creek Subdivision. The Kimtu Meadows Subdivision, while not included in the Garberville CDP boundary, also meets the disadvantaged unincorporated community definition.



Source: Department of Water Resources

Existing and Planned Uses

Land uses within the Garberville Sanitary District are subject to the Humboldt County Framework General Plan (Framework Plan), Volume I, and Zoning Regulations (Humboldt County Code Title III, Division 1). The District is within and subject to the land use policies in the Garberville-Redway-Alderpoint-Benbow Community Plan (General Plan, Volume II), adopted June 30, 1987, in addition to the Framework Plan and Zoning Regulations.

As shown in Table 2, the General Plan designates approximately 6.7 percent of the land in the District boundaries as Commercial General (location, access, and availability of services are suitable for commercial development) and Commercial Services (heavy commercial uses and compatible light industrial uses not serving day to day needs). About 8.2 percent is Residential Low Density (applied in urban areas where topography, access, utilities and public services make the area suitable for development), Residential Medium Density (applied in urban areas where, topography, access, utilities and public services make the area suitable for multi-family development) and Agricultural Suburban (adjacent to urban areas or rural community centers and may eventually require urban services).

Approximately 80.5 percent of the land in the District is Agriculture Rural (outside of Urban/Rural Community Center areas, few public services required, timber or agricultural land allowing intensive management opportunities), Agricultural Lands (remote, steep and high natural hazards areas; marginal timber, grazing, mining and quarrying, recreational areas, watershed and wildlife areas, occasional rural residences) and Green Gulch (areas to be left in a natural condition; development may be permitted where consistent with streamside management area and stream channel policies). The remainder is Public Facilities (appropriate for use by a governmental agency or public agency, which has the purpose of serving the public health, safety, convenience, or welfare).

Figure 2 shows the existing land use designations within and adjacent to the existing District boundaries and sphere. Figure 3 shows the proposed land use designations from the unadopted Humboldt County General Plan Update. The proposed land use designations largely maintain the current pattern of land uses in the Garberville area.

Table 2: General Plan Land Use Designations in District Boundary

Land Use Designation	Acres	% of Total
Residential Low Density (RL)	32	5.5%
Residential Medium Density (RM)	9	1.5%
Agricultural Rural (AR)	189	32.5%
Agricultural Lands-40 (AL-40)	214	36.8%
Agricultural Suburban (AS)	7	1.2%
Public Facilities (PF)	8	1.4%
Green Gulch	65	11.2%
Commercial Services (CS)	8	1.4%

Commercial General (CG)	31	5.3%
Other (highway/roads)	18	3.1%
Total	581 acres	100%

Other Service Providers

Several local agencies provide services in and surrounding the District. These agencies are summarized below.

Redway Community Services District (CSD)

The Redway CSD provides water and wastewater services to the community of Redway. The District has approximately 600 existing water service connections and approximately 524 existing wastewater service connections. The Redway CSD recently completed a project to address water system deficiencies. The project involved the construction of additional treatment capacity (total treatment capacity will equal 0.618 million gallons per day), reconstruction of the Eel River intake, abandonment of an existing water source from a spring, and the construction of approximately 450,000 gallons of additional storage. This project is expected to accommodate approximately 180 new dwelling units, which is roughly equivalent to the remaining capacity in the wastewater treatment plant.^{iv}

Garberville Fire Protection District (FPD)

The Garberville FPD is an all-volunteer fire department that serves communities of Garberville and Benbow. The Garberville FPD fire station is located at 648 Locust Street in Garberville. The District has identified the need for fire stations in the Benbow area and near the Garberville Airport. Both areas are outside the boundaries of the Garberville FPD, but served by the department on a goodwill basis. These new fire stations would be constructed only after they are annexed to the District and the Garberville FPD has secured sufficient funding for new facilities and equipment.^v

Redway Fire Protection District

The Redway FPD is an all-volunteer fire department that serves the community of Redway. The District has identified land within the Meadows Business Park for the development of a new fire station. This fire station would be constructed only after the district has secured sufficient funding for new facilities and equipment.

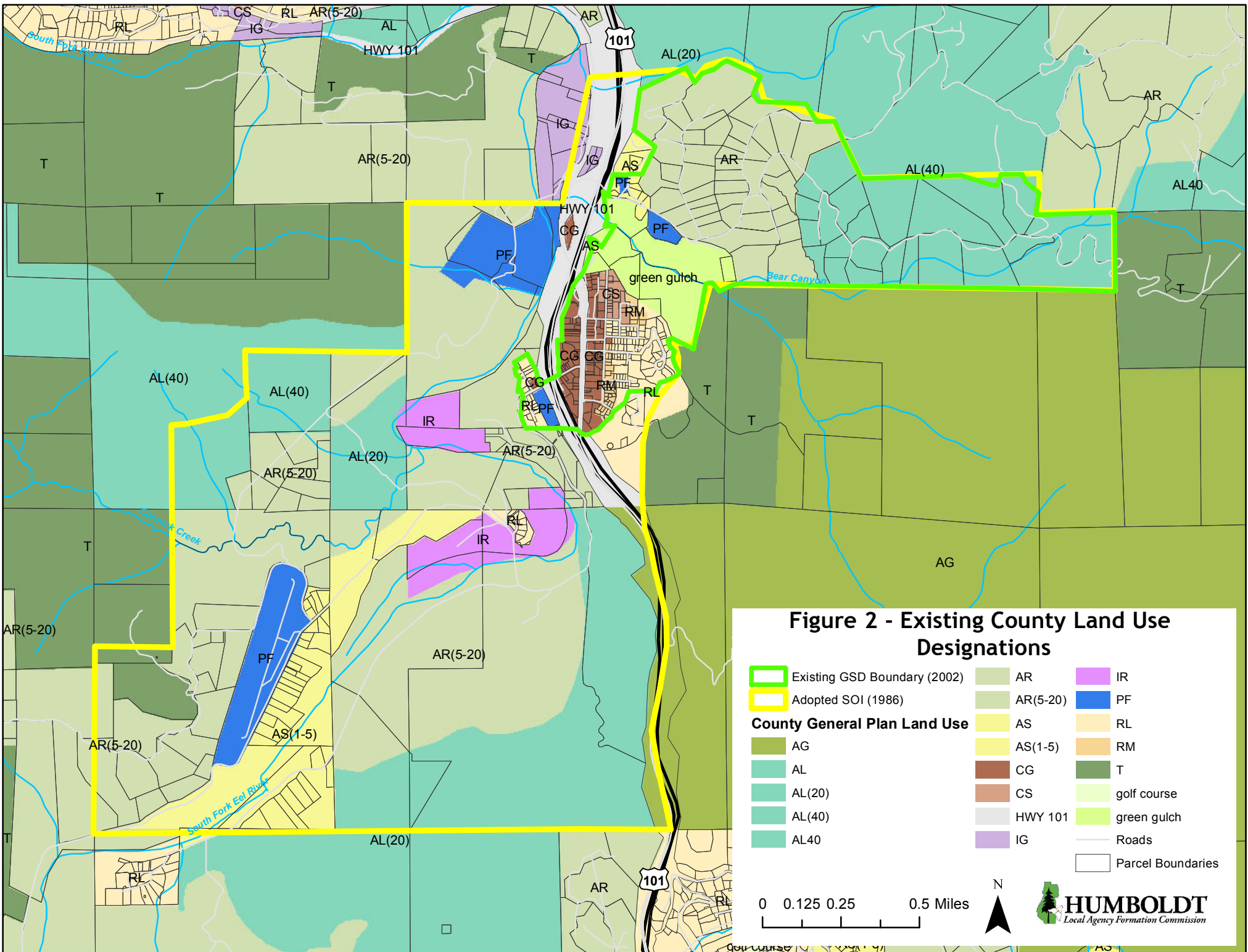
Benbow Water Company

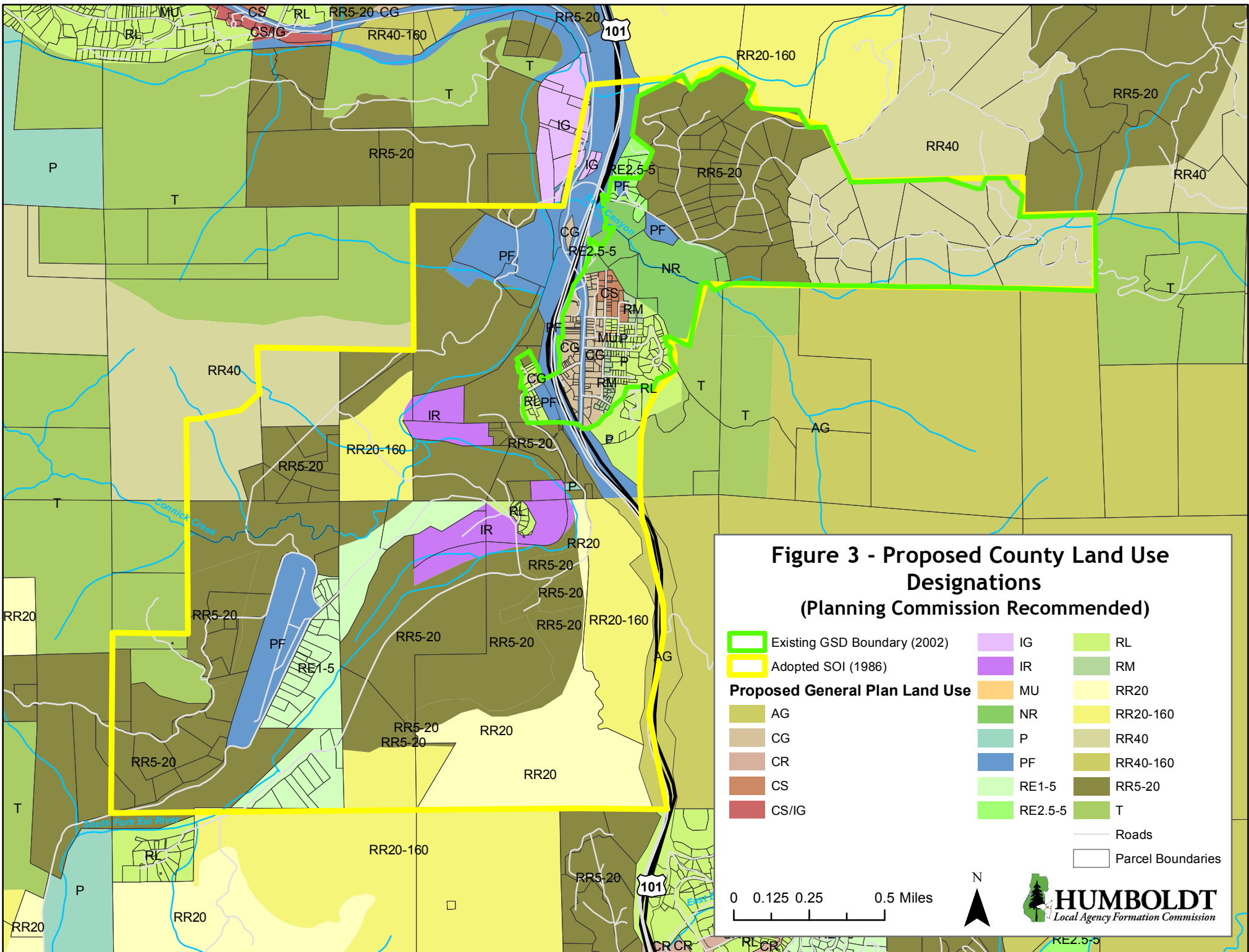
Water service in Benbow is provided to approximately 113 existing service connections by the Benbow Water Company, a private water system regulated by the California Public Utilities Commission. The Benbow Water Company diverts water from the East Branch of South Fork Eel River through an infiltration gallery located within the river bed. The Benbow State Recreation Area is also connected to the system and accommodates large special events in the summer (3000+ people), and a campground (400+ maximum). The Benbow Water Company is currently not meeting State requirements which mandate that total available source capacity shall

not be less than the needed source capacity. In addition, the water system is currently operating beyond the capacity of its filtration system. Therefore, no new connections are available until improvements to the system, which are soon to be underway, are completed. The Benbow Water Company is planning for an additional 20 to 50 new water connections in the next 20 years.

County of Humboldt

The County of Humboldt provides a range of governmental services, including courts, law enforcement and the operation of a county jail; general assistance or welfare; education; the construction and maintenance of county roads and bridges; and conducting elections. In addition, the County provides a variety of programs and services which benefit the entire county. The Humboldt County Board of Supervisors, as the elected legislative body, is the chief policymaking body for the County. As this municipal service review is being prepared, the Board of Supervisors is in the process of reviewing and considering a comprehensive General Plan Update, which reflects and responds to changes that have occurred in the county since the 1984 Framework Plan.





SERVICES PROVIDED

The Garberville Sanitary District currently provides the following services:

- Wastewater Collection, Treatment, and Disposal; and
- Water Treatment and Distribution

A summary of services, facilities and capacity follows.

Wastewater Service

The Garberville Sanitary District is responsible for collection, treatment, and disposal of the community's wastewater. The existing wastewater facilities are within the boundaries of the District. Existing facilities consist of collection and transmission lines including two headworks stations, two pumping stations, and a treatment plant.

The present service area consists of the downtown community of Garberville and the Meadows Subdivision. The Meadows Subdivision occupies approximately 400 acres of hillside with 69 parcels. The District provides approximately 353 existing wastewater service connections.

Wastewater Collection and Distribution

The original wastewater collection facilities were constructed in the early 1930s by the California Conservation Corps. Much of the existing collection system is still in use. In 1965, parts of the collection system were reconstructed. The freeway was constructed, which separated the southwest portion of Garberville from the rest of the community. The new freeway, and the configuration of the collection system, necessitated the construction of a pumping station at the foot of Sunny Bank Lane. In 1977, Meadows Subdivision Unit One was annexed to the District and contained one pumping station. This represented the only other major change in the configuration of the collection system in some 70 years of existence.

The pumping station, located at the foot of Sunny Bank Lane, was upgraded in 1984, and collects wastewater from approximately 25 residential connections and the College of the Redwoods branch campus. The wastewater is then pumped into the main system at a manhole approximately 500 feet west of Redwood Drive on Sprowel Creek Road. The upgraded pumping station has a pumping capacity of approximately 400 gallons per minute (gpm) for a single pump. There are duplex pumps with high wastewater level alarms. All gravity lines to the pumping station are 6-inch lines and the pressure line transporting wastewater from the pumping station to the manhole east of the freeway on Sprowel Creek Road is a 4-inch line. The 6-inch lines in Sunny Bank Lane, Riverview Drive, and Sprowel Creek Road were replaced in 2010. The pumps are regularly serviced and rebuilt as needed, with the last rebuilt in September 2011.

In 2003, the District replaced two of the three existing aerial spans by rerouting them into roadways and bridges. This project consisted of construction of approximately 2,400 lineal feet of 6-inch sewer line, 4,200 lineal feet of 8-inch sewer line, 440 lineal feet of 12-inch sewer line, a pump station, and modifications to the existing headworks station, bore and jack across

Highway 101 in two locations, and installation of 650 lineal feet of 4-inch waterline. The 5.5 million dollar project was funded by a grant/loan program from the State Water Resources Control Board.

The two headworks structures were built in 2003. All wastewater currently flows through the two headworks, and each includes a grit chamber, a Parshall flume, and a grinder unit, before flowing through a longitudinal encroachment along State Highway 101 then crossing the South Fork of the Eel River utilizing an inverted siphon through the Carl Cater Memorial Bridge to the treatment plant.

In 2011, the District replaced a portion of the wastewater collection system to reduce excessive infiltration and inflow observed at Sunnybank and Riverview Lanes.

Wastewater Treatment and Disposal

The District's wastewater treatment plant is located on Bear Canyon Road in Garberville, on the westerly side of the South Fork of the Eel River. The properties surrounding the plant are typically large acreage residential lots (20 acre minimum). The treatment plant improvements cover approximately 11 acres.

The original treatment process consisted of a large septic tank adjacent to the river. That was later converted to an oxidation pond. The pond was destroyed in the 1964 flood, and a single oxidation pond was constructed at the treatment plant's present location. In 1980s, the wastewater plant was upgraded to consist of three oxidation ponds, disinfection system, and two percolation ponds.

In 2011, the District completed a major treatment plant upgrade. The \$3.5 million project included: three oxidation ponds, four wetland treatment ponds, chlorination via an onsite chlorine generation system, improved percolation ponds, and an on-site operation and maintenance (O&M) building. The first primary oxidation pond was constructed at a new location. The other oxidation ponds and the wetland treatment ponds were created by modifying the existing treatment ponds and recharge basin. Improvements to the percolation ponds consisted of cleaning and regrading each basin.

The Garberville Sanitary District uses several naturally occurring processes to treat its wastewater. Shallow lagoons and constructed wetlands are the predominant wastewater treatment process. Various bacteria break down the solid waste to more stable compounds. The wetlands vegetation and algae use the nitrogen and phosphorous as nutrients to grow, releasing carbon dioxide and oxygen into the atmosphere.

When properly maintained, these treatment processes are very effective in the treatment of wastewater. This treatment processes result in not only clean wastewater, but they provide habitat for numerous forms of wildlife. Deer, fox and signs of pigs and bears have been observed at the treatment plant. Numerous birds make the lagoons their home. Others use them as a stop over during migration. Amphibians are also among those that call the lagoons and wetlands home (Source: www.garbervillesd.org)

Wastewater Infrastructure Needs and Deficiencies

The estimated wastewater flows for the wastewater collection system have been provided by the previous General Manager of the District. The average dry weather (low) flow is approximately 59,000 gallons per day (gpd). The average wet weather (high) flow is approximately 130,000 gpd. The new facility has the capacity to treat 160,000 gallons per dry weather day and 250,000 gallons per wet weather day.

According to the Humboldt County Community Services and Technical Report, the District's collection system experiences Inflow and Infiltration (I&I) during winter months. The District has an I&I reduction program. That program consists of videoing the collection system biannually. Repairs are completed based upon the severity of the findings and usually accomplished using trenchless technology.

The District was under a wastewater connection moratorium until additional capacity was constructed. Presently the WWTP is operating within its waste discharge requirements. In November 2011, the Water Quality Control Board rescinded the moratorium and issued a new Waste Discharge Permit ID# 1B831200HUM.

This waste discharge permit contains guidelines for an average dry weather flow of 162,000 gpd, 235,000 gpd average wet weather flow, and wet weather peak flow of 600,000 gpd. The treatment plant is currently operating at 38.88 percent of the capacity during dry weather flows. There is no significant large future capital improvement projects planned for the wastewater system. The existing infrastructure has the capacity to service the District for the duration of the planning period.

Water Service

The water system consists of two water sources, a treatment plant, four water tanks, three booster stations, approximately 420 active water service connections, and a waterline distribution network. One of the water sources is surface water from the South Fork of the Eel River and one is a shallow well in downtown Garberville. The surface water source is regulated by the California Surface Water Treatment Rules and Regulations.

The South Fork of the Eel River Infiltration Gallery provides collection of the main water source. It was originally installed in 1940. The infiltration gallery has one 6-inch, 320-gpm, 50-HP submersible pump that was installed in November 2009 and was replaced in November 2012. The pump operates against an approximate 380 feet differential elevation head. The pump discharges to the water treatment plant adjacent to the 160,000-gallon main storage tank. The pressure filter in the water treatment plant has a limited capacity of 250 gpm. Over the past five years, the treatment plant processed between 55 and 65 million gallons of water each year. The largest year on record was shown on the 1999 Annual Progress Report submitted by the GWC to the State Water Resources Control Board, which showed 80 million gallons of water processed.

The District holds a water diversion permit from the State Water Resources Control Board for appropriation of water from the South Fork of the Eel River. The permit is number 20789. This permit allows the District to divert a maximum of 0.595 cubic feet per second (267 gpm) from

the river, year round. The District also has a fixed license that allows the District to divert an additional 0.155 cfs. The total maximum instantaneous diversion allowed is 0.75 cfs (336 gpm). This would equate to a maximum daily diversion of approximately 484,700 gallons and 177 million gallons per year, if adequate pumps and treatment facilities were available.

The Tobin Well is the only subsurface water source and it has a limited capacity of 40 to 70 gpm. There is substantial draw down during sustained pumping. The District is evaluating the replacement of the pump with a duplex pumping system.

The existing system has adequate production, treatment, and storage capacities for the average peak daily demand. The maximum daily demand is 427,780 gpd recorded during the month of July in 1999. The total storage capacity for the system is approximately 260,000 gallons which is the sum of the four storage tanks in the system. This is sufficient to meet the average dry day water demand. The water treatment facility produces water that meets or exceeds the State regulations for drinking water but does not meet the Surface Water Treatment Regulations. The turbidity and residual free chlorine levels comply with the maximum allowable levels. The existing system provides four pressure zones with adequate pressure throughout the District.

Water Services Outside District Boundary

In 2004 when the District acquired the Garberville Water Company (GWC), there were a number of water services outside of the GWC's Service Area. The District has continued to fulfill their contractual obligation to serve all existing customers even if they are outside the District Boundary. The areas are outlined below and shown in Figure 4. The District is in the process of the environmental analysis for the annexation of these parcels that are outside of the District's boundary.

Leino Road / Sprowel Creek Road

The APNs of the connections on Leino Road are 032-171-009, 032-171-020 (3 meters), 032-171-021, and 032-171-026. The APNs of the connections on Sprowel Creek Road are 032-211-020, 032-161-014, and 032-171-015, 17 & 25 (one connection). Each of these connections services one single family residence.

Southern Humboldt Community Park / Buck Mountain Ranch / River Ranch Homes

The connection for APN 222-091-006 originally went to a single family residential house. This connection may date back to around the 1960s. This connection was plumbed to bring water to the caretaker's cottage and various other outbuildings on that parcel. As of this date, APN 222-091-006 is void. This APN was voided in 2009 when the Southern Humboldt Community Park, Buck Mountain Ranch, and Stephen Dazey completed a Lot Line Adjustment to realign the property boundaries of several parcels. The limits of the old APN that had service from GWC now covers portions of APNs 222-091-011, 222-091-012, and 222-091-014. On Figure 4, the area hatched as having service in 2004 is based upon the boundaries of APN 222-091-006, which was in effect at the time that the District purchased the GWC.

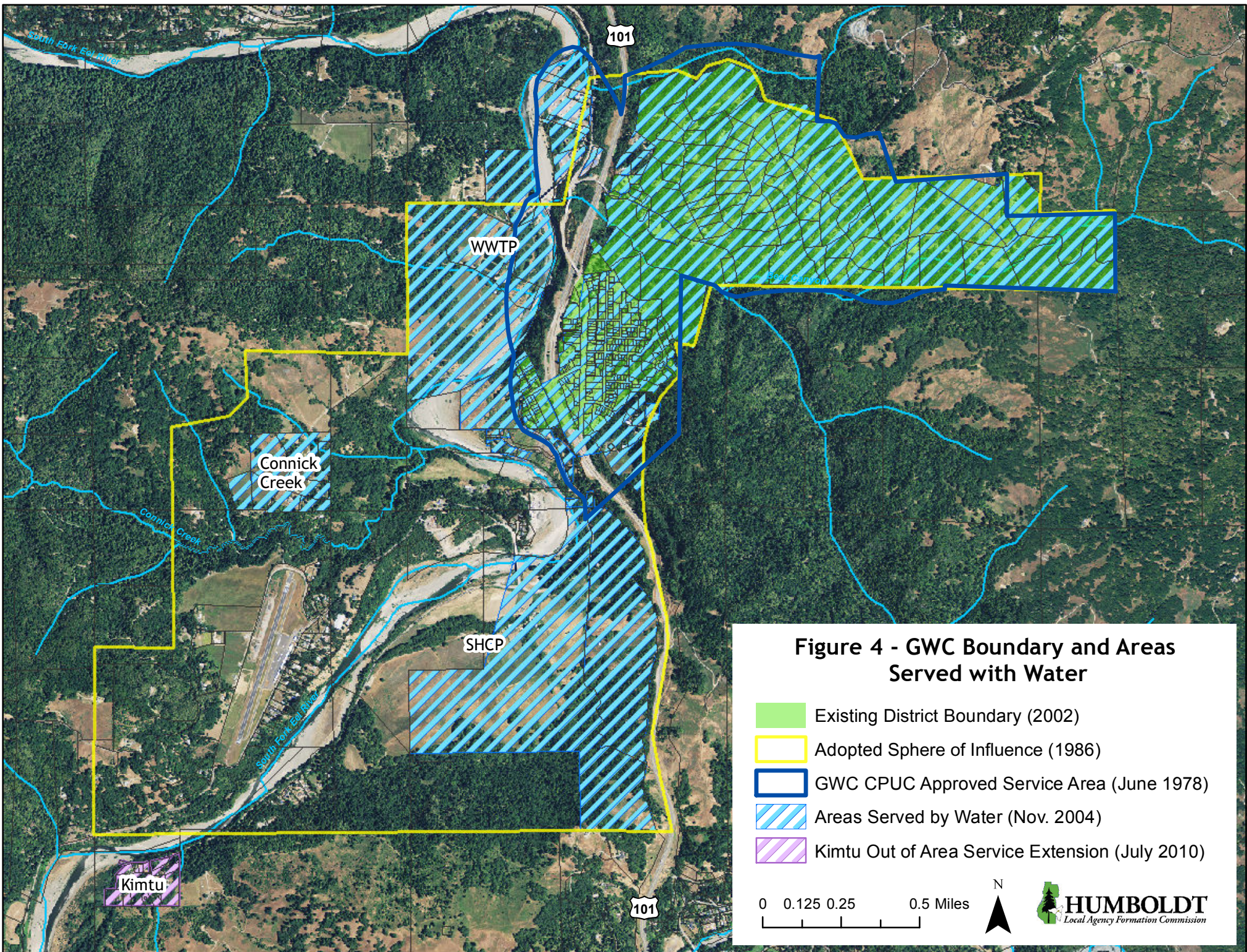


Figure 4 - GWC Boundary and Areas Served with Water

- Existing District Boundary (2002)
- Adopted Sphere of Influence (1986)
- GWC CPUC Approved Service Area (June 1978)
- Areas Served by Water (Nov. 2004)
- Kimtu Out of Area Service Extension (July 2010)

0 0.125 0.25 0.5 Miles



Connick Creek Subdivision

The Connick Creek Subdivision was originally one APN 213-096-005. In a will serve letter dated October 16, 1991, the Garberville Water Company committed to providing domestic water to this parcel for nine 5-acre lots from a meter located east of the Eel River on Thomas Lane. The subdivision owners were responsible for constructing the pipe and maintenance of the waterlines from their subdivision to Thomas Lane. The subdivision owners then approached the Garberville Sanitary District Board to ascertain whether they would be allowed to utilize the District's private waterline that crossed the South Fork of the Eel River on an aerial span from the Thomas Lane location to the wastewater treatment plant parcel. In October 1997, the District executed an agreement with the Connick Creek Subdivision owners that required them to upgrade the waterline on the District's aerial span and to purchase water from the District at a master meter set adjacent to Bear Canyon Road on the wastewater treatment plant parcel. This agreement was recorded on February 2, 1998 as Instrument Number 1998-2664-11. APN 213-096-005 was subdivided and resulted in eight parcels. Those APNs are 222-156-014 - 021.

In 2010, the Connick Creek Subdivision Association approached the District about installing individual meters to each of the APNs. This agreement also identified two additional connections that had been installed by the developer on the private waterline. These two connections were added to the list of APNs that were to receive a meter.

The District approved the agreement with the property owners that reiterated that the waterline from the master meter to the subdivision is a privately owned and maintained waterline. The agreement further stipulates that the quantity of water billed by the District to each property owner is based upon the total volume through the master meter. The District reads the individual meters and ratios out the usage to each active property owner based upon the total volume at the master meter. If there is a discrepancy between the sum of volumes through the individual meters and the master meter volume, then the difference is evenly split between the active customers. This agreement was recorded on October 8, 2010 as Instrument # 2010-22217-9.

Kimtu Meadows Subdivision

Water service has historically been provided to the Kimtu Subdivision by the Kimtu Mutual Water Company (KMWC), formed in the 1960's to administer the operation of the existing surface water intake and water treatment system that serves Kimtu. The subdivision consists of 20 single family residential lots, of which, were all served by the KMWC's existing surface water extraction and treatment system.

According to a 2005 Preliminary Engineering Report, KMWC's raw water source did not meet turbidity performance standards, as set by the State's Surface Water Treatment Regulations (SWTR). In 1994, the KMWC entered into an agreement with CDPH to operate the water treatment facility such that water served for domestic purposes is "at all times safe to drink." The agreement with CDPH also required the KMWC to have a plan for achieving compliance with the SWTR.

The alternatives considered by CDPH were determined unfeasible, for one, or a combination of, the following reasons: 1) unverified riparian water rights within the South Fork Eel River, which is a fully allocated waterway; 2) overly high water treatments costs, relative to the number of

customers served; 3) failure to meet the State's adopted policy of consolidating smaller water systems; and 4) the necessity of obtaining acquisition easements from adjacent landowners.

In July 2010, Humboldt LAFCo approved the extension of water service from the District to the Kimtu Meadows Subdivision, located approximately 730 feet south of the edge of the current (1986 Adopted) District Sphere of Influence. The California Department of Public Health (CDPH) provided documented evidence that the extension of water service was necessary due to the health and safety issues associated with the Kimtu Subdivision's unsafe water supply.

The KMWC constructed approximately 2.5 miles of 8-inch pressurized water main connecting the Kimtu Subdivision with the District's water system. The new 8-inch main was installed within the rights-of-way of Kimtu Drive, Kimtu Road, and a segment of Sprowel Creek Road.

The decommissioning of the existing KMWC surface water treatment facility will involve the removal of two submerged pumps and the existing treatment facility building. The pipe that delivers the water from the river to the treatment facility would be filled with a concrete "plug" and capped with a welded steel plate or by other means. The facilities located near the South Fork Eel River are proposed to be abandoned in place, pursuant to applicable federal, state and local regulations. The project also includes abandonment of existing 2-inch and 4-inch water pipelines located within the Kimtu Subdivision, and replacement with approximately 1,600 feet of new 6-inch pipelines for water distribution to the existing subdivision lots. This project is shown in Figure 5.

The Kimtu Meadows Subdivision consists of 24 APNs and 20 water connections. Four parcels in the subdivision are small and contain the old KMWC's infrastructure. The APNs in the subdivision are 222-201-002 through 025. The APNs that will have water service are: 222-201-002, 222-201-004, 222-201-005, 222-201-007, 222-201-008, 222-201-009, 222-201-010, 222-201-011, 222-201-012, 222-201-013, 222-201-014, 222-201-015, 222-201-016, 222-201-018, 222-201-019, 222-201-020, 222-201-022, 222-201-023, 222-201-024, and 222-201-025.

Water Infrastructure Needs and Deficiencies

The majority of the water mains in downtown Garberville were installed prior to 1940. Some of the lines are lead joint, some are copper, and most are either iron or asbestos cement. Only the line in Redwood Drive is an 8-inch. Most of the downtown mains are 4-inch lines. The water mains in the Wallen and Johnson Subdivision were installed in 1978 and are mostly 6-inch lines. In 2012, the Kimtu Meadows Mutual Water Company completed construction of an 8-inch waterline extension from the intersection of Sprowel Creek Road and the southbound Highway 101 off ramp to the Kimtu Meadows Subdivision. The subdivision has been connected to the District water system and the Kimtu Meadows Mutual Water Company is in the process of being dissolved.

The California Department of Public Health has identified deficiencies in the District water system pertaining mostly to lack of redundancy in pumping, lack of redundancy in filtration, and emergency power during PG&E outages. During storm events when high turbidity exists in the South Fork Eel River, the District's multimedia pressure filtration vessel has limited capacity. The Eel River Intake pump does not have a dual pump system to provide for redundancy.

The fire hydrants are antiquated and fire flow service is limited, due to under sized waterlines based upon current standards. Many of the hydrants installed are wharf hydrants that will not provide sufficient flow for fire suppression. The fire department reported that there are only a few hydrants that are approved for use during a structure fire, and most are located on Redwood Drive, the main street through town. The new wild land interface fire requirements cannot be met with the current spacing of existing fire hydrants.

Current Water Capital Improvement Projects

The District has identified five major capital improvement projects over the next twenty years. These projects are shown on Figure 5. These projects are separated into two categories. The first category includes projects that have at least partial external funding secured. The second category includes projects for which no external funding has been secured.

The District has undertaken a planning project that includes a detailed inventory of the water and wastewater infrastructure. Upon completion of that inventory, the information will be uploaded into the District GIS system. After hydraulic modeling is completed, the District will be able to identify additional specific distribution lines in the downtown area that need upgrades.

Projects with Partial External Funding Secured:

Drinking Water Improvement Project

The District is currently in the final design stages on a project that has received State Revolving Fund monies through the California Department of Public Health. As of January 2013, the District has received \$100,000 in loan funds and \$400,000 in grant funds for the planning phase of the project. The Project has been approved by CDPH and in November 2012 the District applied for Construction Funding. The total estimated project cost is \$4,800,000. The District anticipates receiving a SRF construction grant for \$3,000,000 and a SRF construction loan for the remainder. The existing rate structure includes the payment for this loan.

The project consists of the following elements:

- 1) Refurbishment of the existing the District water intake from the South Fork Eel River including installing a duplex pumping system that is capable of diverting the maximum instantaneous diversion under the Water License and Permit;
- 2) A proposed new surface water treatment plant (SWTP) on Tooby Ranch Road which has the capacity to treat up to 350 gallons per minute;
- 3) A new treated pipeline to be constructed within the roadway easement in Tooby Ranch Road to Sprowel Creek Road where the line will connect the new SWTP to the 8-inch Kimtu transmission line;
- 4) Construction of a new 6-inch raw waterline in Sprowel Creek Road from the existing intake to the new SWTP
- 5) Construction of new 8-inch lines are also proposed within the Town of Garberville starting at the west side of U.S. Highway 101 in Sprowel Creek Road where the Kimtu line terminated easterly to Redwood Drive.

The new treatment plant site is currently outside the District Boundary and inside of the Sphere of Influence. The District anticipates bidding this project in the spring of 2013. Construction will continue for two seasons. The anticipated construction completion date is December 2015.

Projects without external funding secured:

Bear Canyon Aerial Replacement Project

The northerly portion of the water system is fed by an aerial water transmission line from downtown to the northerly bank of Bear Canyon near the CDF fire station. This aerial line was constructed prior to 1936. It was originally a 6-inch line fed by a 4-inch line. It currently has a 160 foot section that is 3-inch waterline.

The water mains in the Wallen and Johnson Subdivision were installed 1978. The waterline was installed in several creek crossings, and the line was not sleeved, and is now settling within the backfill causing the joints to pull apart and potentially leak. There are only 4 hydrants in the Wallen and Johnson Subdivision portion of the system. The transmission lines within this project's boundary need to be replaced as part of the project.

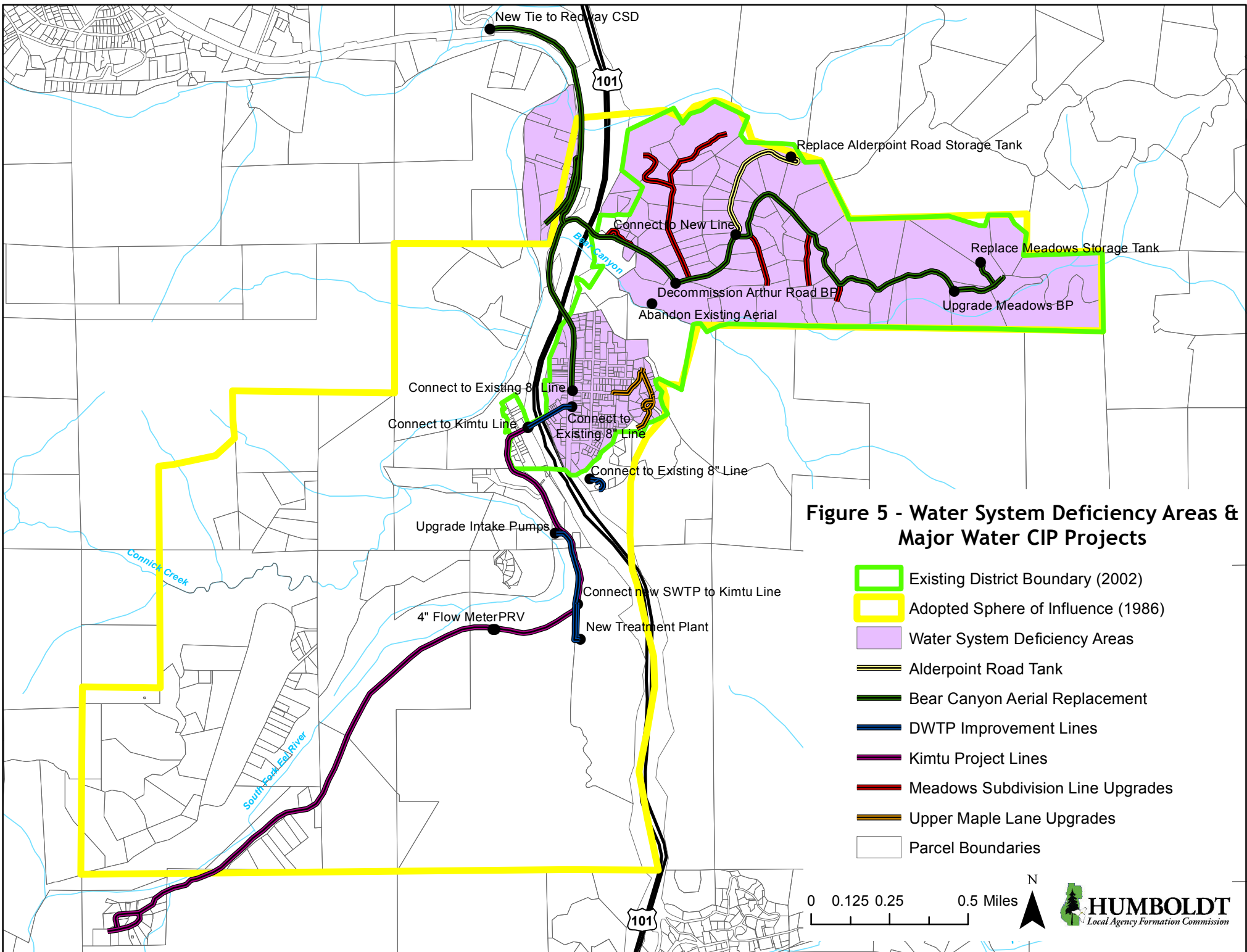
On March 4, 2010 and December 28, 2010, the southerly bank of Bear Canyon near the aerial line experienced landslides that ruptured the 6-inch water main feeding the aerial and required emergency replacement of a portion of the mainline.

The slope of Bear Canyon is extremely steep and access to the broken line with equipment was not feasible during winter conditions. CDF personnel assisted the District in installing a 3-inch HDPE line on the slope to restore basic water service to the 101 customers on the north side of Bear Canyon.

Lindberg Geologic Consulting evaluated the slide on December 29, 2010 and recommended that the waterline be relocated to the east as far as possible as a temporary solution. David N. Lindberg, Certified Engineering Geologist, further recommended that the long term solution was to relocate the waterline crossing of Bear Canyon to a more stable and accessible location.

Rerouting this waterline would consist of constructing a new water main starting at the new 8-inch line at Sprowel Creek Road in Redwood Drive to Alderpoint Road, over Highway 101, and tie into the Arthur Road pump station. A tee would be installed at the intersection of Redwood Drive and Alderpoint Road. One leg of the tee would continue down Redwood Drive to Bear Canyon Road and service the customers along that line. The line down Redwood Drive would also provide the location for the possible interconnection tie between the District and Redway CSD water systems. The other leg of the tee would go across Highway 101 in the Alderpoint Road Overcrossing structure and continue to the Arthur Road pump station.

The line would continue up Alderpoint Road to Wallen Road, then down Wallen Road to the Wallen Road pump station continuing to its termination at the Wallen Road Tank. The Arthur Road pump station would be decommissioned. The Wallen Road pump station would be upgraded.



The existing Wallen Road Tank is a 20,000 gallon redwood tank. The tank was erected in the 1970s when the Wallen and Johnson Subdivision was constructed. The tank is leaking and needs to be replaced. This project includes replacement of the Wallen Road Tank. For the purposes of estimating the cost of the project, a new tank capacity of 300,000-gallons has been used. The actual capacity of this tank will be determined once the design phase of the project is undertaken.

The approximate length of the waterline necessary is 14,000 lineal feet of 8-inch waterline. There are substandard fire hydrants and the spacing of the hydrants is insufficient to meet the Urban Wildland Fire Interface requirements. 23 new hydrants would be installed at 500 foot intervals and as required by the State Fire Marshall.

The estimated project costs are \$3,030,000.

In September 2011, the District submitted a pre-application to CDPH for SRF monies. This project could potentially be eligible for \$2,424,000 in grant funds which would leave \$606,000 as District funded.

This project could be constructed in phases if funding cannot be obtained for the entire project at once. The phases would be broken down as:

- Phase 1: Replace the 6" aerial line across Bear Canyon by running a new 8" line from downtown, across Hwy 101 in Redwood Drive, down Redwood Drive to Bear Canyon Road, down Bear Canyon Road to the Bear Canyon Bridge and down Redwood Drive to construct the interconnection with Redway's water system.
- Phase 2: Connect to the line in Redwood Drive at Alderpoint Road, install 8-inch line up Alderpoint Road to the Arthur Road pump station and construct the bypass for the pump station. The Arthur Road pump station would be decommissioned.
- Phase 3: Connect to the bypass at the Arthur Road pump station and construct replacement 8-inch line up Alderpoint Road to Wallen Road. It would then turn and run down Wallen Road to the Wallen Road pump station continuing to its termination at the Wallen Road Tank. The Wallen Road pump station would be upgraded. The Wallen Road Tank would be replaced.

Alderpoint Road Storage Tank Replacement Project

The existing Alderpoint Road Tank is a 30,000 gallon redwood tank. The tank was erected in the 1970s when the Wallen and Johnson Subdivision was constructed. The existing tank has a significant leak and needs to be replaced. The waterline filling this tank was also constructed in the 1970s and needs replacing. There are substandard fire hydrants and the spacing of the hydrants is insufficient to meet the Urban Wildland Fire Interface requirements.

This project consists of constructing replacement 8-inch waterline from the intersection of Alderpoint Road and Wallen Road, up Alderpoint Road to the Alderpoint Road Tank site. The

tank would also be replaced. New hydrants would be installed at 500 foot intervals and as required by the State Fire Marshall.

For the purposes of estimating the cost of the project, a new tank capacity of 300,000-gallons has been used. The actual capacity of this tank will be determined once the design phase of the project is undertaken. The approximate length of the waterline necessary is 3,700 lineal feet of 8-inch waterline. Two new hydrants would be installed at 500 foot intervals and as required by the State Fire Marshall.

This project will likely be completed in phases as financial resources become available. The tank replacement is slated for completion as part of the 5-year capital projects plan. The estimated project costs are \$1,120,000.

Meadows Subdivision Distribution Line Upgrades

The water mains in the Wallen and Johnson Subdivision were installed 1978. The waterline was installed in several creek crossings, and the line was not sleeved, and is now settling within the backfill causing the joints to pull apart and potentially leak. Current maintenance of the valves has shown that the bolts in the threaded flange by flange valves were totally rusted off after only 15 years. There are only 4 hydrants in the Wallen and Johnson Subdivision portion of the system. The above projects include replacement of the main transmission lines within the limits of the specific project.

The remaining roads included in this project are: County Yard Road, Arthur Road, Anita Road, Christopher Lane, Meredith Road, and Linda Lane. The approximate waterline length is 7,600 lineal feet of 4, 6, and 8-inch waterline. Twelve new hydrants would be installed at 500 foot intervals or as required by the State Fire Marshall. The estimated project costs are \$1,200,000.

Upper Maple Lane Distribution Line and Hydrants Upgrade

The water mains in the Upper Maple Lane area were installed as part of the subdivision. The distribution line is 2-inch and the hydrants are wharf style. The 2-inch line is substandard for both service pressure and fire flow. The hydrants are substandard and can not be used by the Garberville Fire Department to fight fire. The Upper Maple Lane area is an interface with wild land fire areas. This waterline and hydrants need to be replaced.

The approximate length of the waterline necessary is 2,250 lineal feet of waterline. Four new hydrants would be installed at 500 foot intervals or as required by the State Fire Marshall. The estimated project cost is \$405,000.

Downtown Distribution Infrastructure Upgrades

The majority of the water mains in downtown Garberville were installed prior to 1940. Some of the lines are lead joint, some are copper, and most are either iron or asbestos cement. Only the line in Redwood Drive is 8 inch. Most of the mains are only 4 inch lines. With the exception of a 2-inch PVC water main that was installed in 1993, the balance of the water mains in downtown Garberville is in conformance with the California Waterworks standards. According to the Garberville fire department, in the downtown portion of the system, there are only 14 fire hydrants and two wharf hydrants, most of which do not supply sufficient flow to fight a structure fire.

The District is in the process of inventorying the size, type, and location of the waterlines, valves, hydrants, meters, and other appurtenances within the system. The outcome of this inventory will be the ability to identify specific infrastructure that needs replacement and a prioritization of how, where, and when those upgrades should be completed.

For the purposes of this MSR, the District has estimated that the upgrades needed in the downtown area will likely cost between \$1 million and \$4 million. In the table below an estimate of \$3 million is included.

Table 3. Summary of Capital Improvement Project Costs

Project Name	Estimated Cost	Grant Funding	District Funding
DWTP Improvement	4,800,000	3,400,000	1,400,000
Bear Canyon Aerial Replacement	3,030,000	2,424,000	606,000
Alderpoint Road Tank Replacement	1,120,000	Unknown	1,120,000
Meadows Upgrades	1,200,000	Unknown	1,200,000
Upper Maple Lane Upgrades	405,000	Unknown	405,000
Downtown Distribution lines & Hydrants	3,000,000	Unknown	3,000,000
TOTAL	\$ 15,555,000	\$ 7,824,000	\$ 7,731,000

Undertaking projects beyond the Drinking Water Improvement Project and the replacement of the Alderpoint Road Tank Replacement project would require securing funding or implementing a major rate increase.

Once the Drinking Water Improvement Project is completed, the District will be capable of diverting and treating the maximum diversion allowed under the permit and license. The maximum year of 1999 represents diversion of about half of the allowable annual diversion under the license and permit.

BUDGET

The Garberville Sanitary District is primarily funded through water and sewer service charges, connection fees, property tax revenue and grants. The water and sewer utilities are accounted for as self-supporting enterprise funds. As such, revenues derived from utility service charges must be adequate to fund current and future operating and capital needs. In addition, the District uses long-term debt as a means to finance infrastructure improvements.

The following summarizes the District's finances.

Table 4: Adopted Budget for Fiscal Year 2012-13

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
OPERATING REVENUES			
Utility Sales	403,600.00	335,974.00	739,574.00
Bulk Water Sales ²	18,956.00	-	18,956.00
Connection Fees	-	-	-
Other Revenue	3,640.00	2,115.00	5,755.00
<u>Total Operating Revenues</u>	426,196.00	338,089.00	764,285.00
OPERATING EXPENSES			
Administration and General	117,442.47	126,057.47	243,499.94
Water Distribution	53,600.00	-	53,600.00
Water Treatment	94,260.00	-	94,260.00
Sewage Collection	-	44,460.00	44,460.00
Sewage Treatment	-	62,450.00	62,450.00
<u>Total Operating Expenses</u>	265,302.47	232,967.47	498,269.94
OPERATING GAIN	<u>160,893.53</u>	<u>105,121.53</u>	<u>266,015.06</u>
NON-OPERATING REVENUES (EXPENSES)			
Capital Grants	-	-	-
Property Taxes and Exemptions	-	11,552.47	11,552.47
Interest Income	1,100.00	2,820.00	3,920.00
Interest Expense	(6,538.46)	(9,394.04)	(15,932.50)
Savings Towards Purchase of Truck	(2,000.00)	(2,000.00)	(4,000.00)
<u>Total Non-Operating Revenues (Expenses)</u>	(7,438.46)	2,978.43	(4,460.03)
CHANGE IN NET ASSETS	153,455.07	108,099.96	261,555.03

² Bulk water sale revenue subject to change due to cease and desist order issued by the State Water Board in December 2012, which limits bulk sale and delivery of water to areas outside the authorized place of use, unless the water is needed for emergency domestic water supply

In 2009, a Water and Wastewater Rate Study for the District was prepared by Bartle Wells Associates, which developed water and wastewater rate recommendations based on financial projections. Key recommendations included five years of water and wastewater rate increases as well as some adjustments to the water and wastewater rate structures to better align rates with the cost of service and to improve equity among ratepayers. Service rates were developed to cover operation and maintenance costs, the anticipated water and wastewater projects, build fund reserves, and provide debt service funding for capital improvement projects. The District Board of Directors approved the rate increases for 2009-2013, in accordance with Proposition 218, at their August 25, 2009 meeting. The rate increases are expected to be sufficient for the next ten years or more.

Table 5 below shows the principal of the long-term debt incurred by the Garberville Sanitary District. A summary of these loans are as follows:

State Water Resources Control Board (SWRCB):

On June 28, 2005 the District borrowed \$395,340 for the Wastewater Improvement Project. On September 27, 2006, the District received additional loan funding of \$33,567. The loan is payable in annual installments of \$26,090 each August 1, including 2% interest, through August 1, 2023. Net revenues of the District are pledged as collateral for this loan.

State Revolving Fund (SRF):

In June of 2008 the District borrowed \$100,000 for design of the Water Treatment Project. The loan will be paid in full in June 2013.

Municipal Finance Corporation (MFC):

On August 24, 2010, the District borrowed \$300,000 for a Water and Wastewater Construction Project. The loan is payable in semi-annual installments of \$34,233.36, including 4.95% interest. Details of this loan are as follows:

Principal Amount at 1/30/2013 - \$188,719.42
 Water Project Portion - \$14,9323.29
 Wastewater Project Portion - \$39,396.13

Table 5: Summary of Long-Term Debt

LONG-TERM DEBT	Balance 6/30/2011	Principal Payments	Balance 6/30/2012	Principal Payments	Balance 1/30/2013
SWRCB	296,082.00	20,168.00	275,914.00	20,572.41	255,341.59
SRF	41,369.00	20,450.00	20,919.00	10,399.59	10,519.41
MFC	273,192.00	55,624.00	217,568.00	28,848.58	188,719.42
Total	610,643.00	96,242.00	514,401.00	59,820.58	454,580.42

MUNICIPAL SERVICE REVIEW DETERMINATIONS

56430(a) In order to prepare and to update spheres of influence 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 service review the county, the region, the subregion, 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.

Purpose: To evaluate service needs based upon existing and anticipated growth patterns and population projections.

The Garberville Sanitary District serves approximately 847 residents within the existing boundaries. It is estimated that the 2030 projected population potentially served by the District would be 936 residents and 390 housing units, or an additional 89 residents and 37 housing units. The District has been actively planning and constructing water and wastewater facility improvements to address system deficiencies and to provide sufficient capacity to meet current and future growth demands. In addition, the County's General Plan Update process includes policies and programs to guide future development in unincorporated areas based upon the availability of urban services.

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

Purpose: To identify communities that lack basic services and may benefit being included within the District's service area in the future.

The Garberville Census Designated Place (CDP), which includes the majority of the existing District boundaries and portions of the existing District sphere, has been identified as a disadvantaged unincorporated community by the State Department of Water Resources (DWR). The Kimtu Meadows Subdivision is located outside the Garberville CDP area; however, it meets the definition requirements of a disadvantaged unincorporated community, and, as such, is included in this determination.

3) Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged unincorporated communities within or contiguous to the sphere.

Purpose: To evaluate the infrastructure needs and deficiencies in terms of supply, capacity, condition of facilities, and service quality.

The town of Garberville receives water and wastewater services from the Garberville Sanitary District and fire protection and emergency medical services from the Garberville Fire Protection District (FPD). The Garberville FPD operates from one fire station located at 648 Locust Street in Garberville and is planning to annex areas outside its district boundaries to which it provides “good will” service.

The Garberville Sanitary District’s water system consists of two water sources, a treatment plant, four water tanks, three booster stations, and a waterline distribution network. The existing water system has adequate production, treatment, and storage capacities for the average peak daily demand. In addition, the District is in the final design stages of a water treatment plant upgrade to increase water treatment capacity and meet current state requirements for redundancy. Given the existing system capacities and planned improvements, and given the location of existing water system facilities within disadvantaged community-designated areas that exist within and contiguous to the existing sphere, new water service to areas within the existing sphere could be accommodated assuming reasonable usage requirements.

With regard to the District’s wastewater system, the wastewater treatment plant (WWTP) was upgraded in 2011 and consists of collection and transmission lines, including two headworks stations, two pumping stations, and a treatment plant. Presently, the WWTP is operating well within its waste discharge requirements and no significant future capital improvement projects planned for the system. However, it is unlikely that significant portions of the existing sphere, including areas designated as disadvantaged communities, could be served by the District’s wastewater system due to geographical and financial constraints.

4) Financial ability of agencies to provide services.

Purpose: To evaluate a jurisdiction’s capacity to finance needed improvements and services.

The Garberville Sanitary District is primarily funded through water and sewer service charges, connection fees, property tax revenue, and grants. Annual audits indicate that the District maintains a gain in net assets, fund balance is available, and long-term debt is regularly paid. The District has successfully secured grants and implemented appropriate rate increases to help fund capital improvement projects.

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

Purpose: To evaluate the opportunities for a jurisdiction to share facilities and resources to develop more efficient service delivery systems.

The Garberville Sanitary District serves an important role by providing water and wastewater services to the town of Garberville and surrounding residential uses. There are limited opportunities for the District to share facilities and services with adjacent local agencies due to geographical constraints, governance factors, and the restricted scope of services the District provides. A recent example, however, is the Kimtu Meadows Subdivision connection to the District’s water system, which will facilitate the dissolution of the Kimtu Meadows Mutual Water Company.

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

Purpose: To evaluate the internal organizational structure of the jurisdiction and to consider the advantages and disadvantages of various government structures to provide public services.

The Garberville Sanitary District involves the public in decision-making processes by complying with the Brown Act for all regular and special meetings of the Board of Directors. The District is responsive to Public Record Act requests and public complaints. The District should consider adopting administrative/management/operational policies and procedures to ensure appropriate local accountability in its management and operations. The District should also actively recruit candidates to fill the two vacant board member positions and consider hiring a general manager.

7) Any other matter related to effective or efficient service delivery, as required by commission policy.

The Garberville Sanitary District is currently providing water services to approximately 61 housing units outside the District boundary. The District is completing the environmental analysis for its annexation project, which would modify the existing District boundary to include these areas currently served by the water system. An application will be submitted to the Humboldt LAFCo for the proposed annexation project.

REFERENCES

ⁱ Spencer Engineering and Construction Management, Inc. 2005. *Preliminary Engineering Report*.

ⁱⁱ State of California Department of Public Health (CDPH). 2009. *Kimtu Meadows Water Transmission Line Construction Project*. Sacramento: August, 05. Print.

ⁱⁱⁱ State Department of Water Resources (DWR). *Disadvantaged Communities (DAC) Mapping Tool*.

^{iv} Humboldt County. *General Plan Update, Draft Environmental Impact Report (Draft EIR)*. April 2, 2012.

^v *Ibid.*

Garberville Sanitary District Organization Chart

