

Loleta Community Services District



Municipal Service Review

September 2008

Prepared by:



HUMBOLDT
Local Agency Formation Commission

For the District Sphere of Influence Report

TABLE OF CONTENTS

	<u>Page</u>
Local Agency Formation Commission Authority	1
Agency Profile	3
Growth and Population.....	3
Services	4
Financing Constraints and Opportunities	6
Local Accountability.....	7
Municipal Service Review Determinations	7

LOCAL AGENCY FORMATION COMMISSION AUTHORITY

Latent Powers, Enabling Legislation and Empowered Services

The fundamental role of the Local Agency Formation Commission (LAFCo) is to implement the Cortese-Knox-Hertzberg Act (The Act) consistent with local conditions and circumstances. The Act guides LAFCo's decisions. The major goals of LAFCo as established by The Act are to:

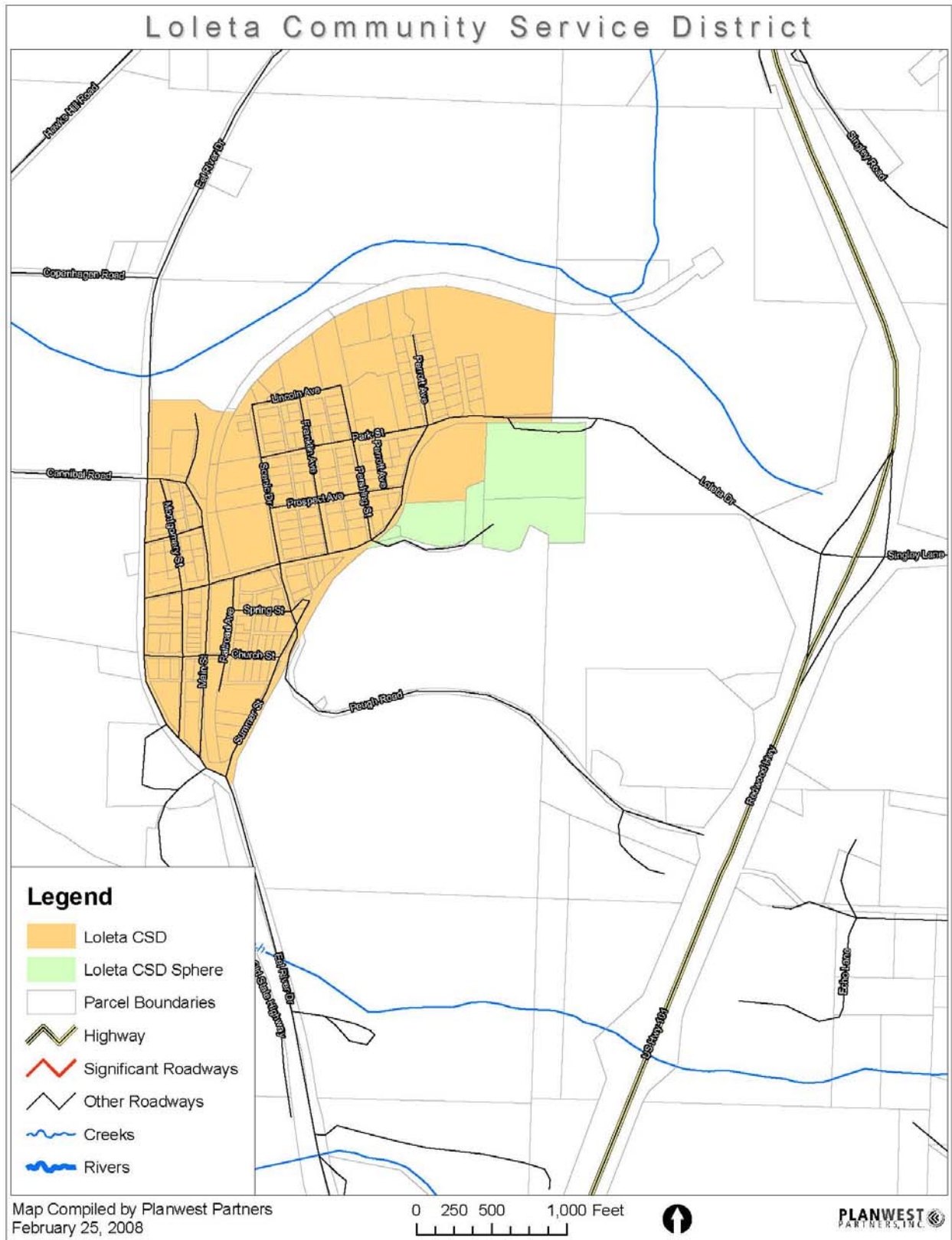
- Encourage orderly growth and development;
- Promote orderly development;
- Discourage urban sprawl;
- Preserve open-space and prime agricultural lands by guiding minimizing resource loss;
- Exercise its authority to ensure that affected populations receive efficient services;
- Promote logical formation and boundary modifications that direct the burdens and benefits of additional growth to those local agencies that are best suited to provide services;
- Make studies and obtain and furnish information which will contribute to the logical and reasonable development of local agencies to provide for present and future needs;
- Establish priorities by assessing and balancing community service needs with financial resources available to secure and provide community services and to encourage government structures that reflect local circumstances, conditions and financial resources;
- Determine whether new or existing agencies can feasibly provide needed services in a more efficient or accountable manner and, where deemed necessary,

As set fourth in § 56425 (g) of The Act, on or before January 1, 2008, and every five years thereafter, Humboldt LAFCo shall review and update each Sphere of Influence (SOI). Additionally, an MSR shall be conducted with, or in conjunction with the action to establish or to update a SOI pursuant to The Act. Together, the SOI and MSR documents analyze the District's ability to serve existing and future residents.

In order to prepare and to update Spheres of Influence in accordance with § 56425, Humboldt LAFCo shall conduct a service review of the municipal services provided in the Loleta Community Services District (CSD). The commission shall include in the designated for service review area any other geographic area as is appropriate for an analysis of the services to be reviewed, and shall prepare a written statement of determinations with respect to the following:

- (1) Infrastructure needs or deficiencies;
- (2) Growth and population projections for the affected area;
- (3) Financing constraints and opportunities;
- (4) Cost avoidance opportunities;
- (5) Opportunities for rate restructuring;
- (6) Opportunities for shared facilities;
- (7) Government structure options;
- (8) Evaluation of management efficiencies; and
- (9) Local accountability and governance.

Figure 1. Loleta CSD Map-District Boundary and Sphere of Influence



AGENCY PROFILE

The Loleta Community Services District (District) was originally organized on November 13, 1990 under Government Statute 1923, Statutes 1, Chapter 171. The governing board of the district is the Board of Directors. The citizens of the District elect the Board of Directors. District was formed for the purpose of providing water and sewer services. The District employs a General Manager who is responsible for administering and implementing policies set by the Board.

Presently, the District maintains water and sewer systems. These facilities provide adequate coverage and services to approximately 94% of the households in the District for domestic water supply and to almost 100% of the households in the District for wastewater services.

Figure 1 (above) shows the district boundary, service boundary, and sphere of influence, as well as infrastructure and other service providers that are near the Loleta District. The Loleta District is about 106 acres in size, and located in the central part of Humboldt County on an elevated plateau sloping to the west on the north side of the Eel River. The District is approximately fifteen miles southwest of the City of Eureka. The District boundary is limited to the Loleta community area

The area surrounding the Loleta District is predominantly agricultural lands with some limited forested areas. The district is south of the Table Bluff area and Hookton Slough.

GROWTH AND POPULATION

Demographics

The population served by the district is approximately 750 persons. According to the most recent Census, the total population in Humboldt County was 126,518.

County General Plan Growth Projections

The County is considering an Urban Service Area (USA) for Loleta, as part of the General Plan Update. The following is housing information about that USA from the County Community Infrastructure and Services Technical report, prepared in November 2007. The County estimates there were 278 housing units within the Loleta USA in 2005. Based on the County's housing growth projections of between 0.5% and 2.5%, the Loleta USA could have between 307 and 456 total housing units by 2025. Development potential within the USA, which takes into consideration physical and zoning constraints, is only 394. Therefore, the high growth rate projection is in excess of what the land can bear.

The high build-out estimate for total development potential of 394 housing units in the USA was used for infrastructure assessment and recommendations. This represents 116 new housing units within the Loleta USA.

SERVICES

The Loleta District provides and maintains water and wastewater services within its boundaries. Loleta's water system is in fair condition. The present water storage capacity and some water mains are not adequate for combined emergency and fire storage suggested requirements and with respect to ability to provide adequate fire flows. Major deficiencies include undersized distribution mains, inadequate storage capacity, and the low well volume. With approximately 476,000 gallons per day and maximum day demand of approximately 210,000, the system is operating at a current peak water use of approximately 76% of available production capacity.

Water

The District operates two wells located on Peugh Road in Loleta. Water is pumped from the wells through a Green Sand filter where the iron and manganese is removed by injecting chlorine and potassium permanganate. Treated water is provided to the service area through approximately 4.5 miles of pipe and to a 225,000 gallon storage tank located just off the freeway. The treatment system runs an average of twelve to thirteen hours a day. Please refer to Map 2 for an illustration for the existing water service system.

One of the wells located on Peugh Road pumps on the average of 60,000 gallons of water a day. Development of the other well is currently in progress. The capacity of the new well is designed to produce 309,600 gallons per day (gpd). With the new well producing the designed capacity, the capacity of water production for the Loleta water system will be 369,600 gpd; this is the ideal production rate, the target water production rate is 144,000 gpd. The storage capacity of the Loleta System is 225,000 gallons, which translates to approximately 1.4 days storage (according to the peak daily usage data). A current estimation of peak usage of the system is 157,000 gpd. According to the designed water production, and including the storage capacity of the system's 225,000 gallon tank, the Loleta water system is at 26 percent capacity on the highest use day of the year. However, these numbers do not take fire suppression in to consideration, and they are based on the assumption that the facilities are in perfect running order. The District serves 226 homes, 11 businesses, and 2 industrial sites. The District believes that they can supply an additional 60-70 homes.

Wastewater

The District collects wastewater through approximately 4.1 miles of pipe, which is gravity fed to the wastewater plant. The wastewater is treated through an activated sludge process and is then pumped into a settling tank where the sludge is removed. The sludge is gravity fed to a percolation pond, which is in turn pumped by Steve Septic and hauled to Nevada for disposal. The treated water is disinfected with chlorine in a contact basin. Excess chlorine is removed with sulfur dioxide. The disinfected effluent is pumped to a ranch where it is contained in a pond and used for irrigation. Please refer to Map 3 for an illustration for the existing sewer service system.

According to the September 1978 Loleta Sanitary District Wastewater Treatment Facility Operation and Maintenance Manual prepared by Vroman Engineering and Construction, the design capacity for flow of the Loleta Wastewater Treatment Facility is 100,000 gpd. The average flow for December 2002 in the waste water system was 222,000 gpd. During the dry season average daily flow is 55,000 gallons. According to calculations provided the Vroman

Report, capacity for the aeration system to withstand the Biochemical Oxygen Demand, is 246 pounds of organic material per day. Average daily load data was not obtained for this report.

The Loleta wastewater system may be affected by Senate Bill No. 709 (SB 709) which pertains to State Water Resources Control Board enforcement of waste discharge requirements. SB 709 mandates the issuing of an Administrative Civil Liability (ACL). The ACL imposes fines for violations pertaining to, but not limited to, monthly reporting, effluent limits, and equipment maintenance. A mandatory minimum penalty of three thousand dollars shall be assessed for the first serious violation in any six month period. If the District is affected by SB 709, actions will be taken immediately to resolve the problem.

Other Service Providers

Loleta Fire Protection District

Loleta FPD is responsible for providing structural fire protection services, through the Loleta VFD, to the town of Loleta and surrounding lands. The Loleta FPD operates one fire station, located on Park Street, which is centrally located in downtown Loleta. Although the District is responsible for structural fire protection, the California Department of Forestry and Fire Protection (CDF) retains responsibility for grass and forest fires within the boundaries of the District. The District does have a mutual aid agreement with CDF as well as other adjacent fire protection agencies.

The staff of the District consists of an all volunteer force of approximately 24 firefighters. Over the last decade, the level of personnel has decreased by almost half from 40 firefighters in 1996 to 24 firefighters in 2007. Loleta Fire Protection District has primary responsibility to protect all structures within the District's boundaries.

The District has mutual aid agreements with similar nearby districts. These mutual aid agreements allow the districts to enter into agreements for services, including emergencies which have the potential to overwhelm the resource capabilities within a single district. This enables the district to maintain preparedness for a disaster beyond their capacity, without the need to expand and create an additional facility.

Loleta Lighting District

The Loleta Lighting District is approximately 60 acres in area and covers most of the developed area of the community of Loleta. The district is governed by the Board of Supervisors and receives funding through a portion of the one percent property tax and a special assessment. District revenue is used to pay PG&E to own, operate, and maintain streetlights within the district. The Shadowbrook subdivision, one of the newer Loleta subdivisions, and the portions of the Loleta USA east and south of Shadowbrook Street are not located within the Loleta Lighting District.

Humboldt County provides general governmental services and law enforcement services throughout the district's territory.

FINANCING CONSTRAINTS AND OPPORTUNITIES

Budget

The Loleta District had the following budget in 2007

Budget Item	Amount
Wastewater	
Income (Operations)	\$ 176,764
Budget Expense – Operations & Maintenance	127,328
Budget Expense – Administration	46,683
Non Budgeted Expenses	0
Operating Income – (Expenses)	2,753
Other Income – Interest Income	8,549
Other Income – Connection Fees	12,500
Total - Other Income	21,049
Debt Retirement – Mortgage (1/2)	1,869
Capital Project Expenses	
Engineering Study	1,000
I & I Improvement Projects	20,000
North Main Sewer Service	20,000
Mandatory Fine	3,300
Non Operating Income (Expense)	44,300
Fresh Water	
Income (Operations)	132,293
Budget Expense – Operations & Maintenance	44,104
Budget Expense – Administration	37,615
Non Budgeted Expenses	0
Operating Income – (Expenses)	50,574
Other Income	(250)
Debt Retirement – Mortgage (1/2)	1,869

Fees effective September 1 2007

Meter Size	Monthly Fee
5/8 – 3/4"	\$24.77
1"	\$45.07
1 & 1/2"	\$86.71
2"	\$145.01
Hydrant	\$45.07

Yearly Increases beginning July 2008

Meter fees to increase by \$ 0.60/yr

Water fees to increase by \$ 0.70/yr for each 100 cubic feet

LOCAL ACCOUNTABILITY

Contact Information

Loleta Community Services District	
Contact:	Markus Drumm, General Manager
Mailing Address:	PO Box 236, Loleta CA 95551
Site Address:	358 Main Street, Loleta CA 95551
Phone Number:	(707) 733-1717
Types of Services:	Water & Wastewater
Population Served:	750 persons
Size of Service Area:	105.84 acres
Date of Formation:	November 13, 1990
Staff and Facilities	
Number of Paid Staff	7

The District Board meets the 3rd Thursday of each month, at 7:00 PM at the Loleta Volunteer Fire Department 567 Park Street.

MUNICIPAL SERVICE REVIEW DETERMINATIONS

Growth and Population

The Loleta CSD population is approximately 750 persons. The District serves 343 water customers, and 387 wastewater customers. The wastewater system has the capability to serve approximately 1,867 residents with its current system, and the water system is operating at about 47% capacity. Currently, the District has adequate infrastructure to serve the existing population, as well as accommodate growth. The County USA proposed as part of the General Plan could increase growth in the area. There has also been some interest in annexation to the district by adjacent property owners.

Infrastructure

The District is in the process of developing a new well as is described in Section A of this report. Determination of the ability to serve new water service connections is contingent upon the water production in the newly developed well. Most likely, the new well will adequately supply the District and additional new facilities will not be needed. The District also needs to upgrade their treatment facilities so that they can be operated automatically.

The wastewater treatment plant should be expanded and upgraded. The District plans to develop a new sludge handling system for the sewer system by way of dewatering and disposing of sludge in a more cost effective manner. The District also needs to look at reducing the amount of infiltration and inflow into the sewage collection system and should do an evaluation of their treatment and disposal facilities to identify components that are either at or near capacity or are near the end of their useful life. This evaluation will enable the District to prioritize any needed improvements so that the system is capable of handling current and future flows.

The District recognizes that the proposed Humboldt County General Plan will direct future development, and that other planning interests, like community design, economic development, timber and agricultural production, and protection of sensitive habitats will influence where development is planned and how services are delivered. Consequently, the District fully expects to modify the plan for developing new facilities, based on the adopted plan, in a way that insures the most cost effective delivery of services.

Financing Constraints and Opportunities

The District is able to provide services within their current budget, and provide some debt retirement. The District's largest expenditures are on wastewater system operations and maintenance. The District relies on connection and user fees for revenues.

Rate Restructuring

The District has reviewed and adjusted rates for 2008, as shown above. They periodically review and adjust rates as necessary. The District conducted a Wastewater User Charge Survey Report in May 2008. This report compared rates charged by the District, to other local service providers, and provided information showing that Loleta District wastewater fees: \$30.83, were within the reported range: \$15 - \$ 60 per month of studied service providers.

Cost Avoidance Opportunities

The District collects water and wastewater fees and conducts administrative activities at one location. They contract with an existing laboratory for testing, and contract with a private company for solids disposal. The solids disposal fees are a considerable expense.

Opportunities for Shared Facilities

There are no other similar service providers close enough to combine these services. The District uses the Loleta Fire Department meeting space for board meetings.

Government Structure Options

The District has 7 part time paid employees, and is overseen by a Board of Directors that meets once a month.

Evaluation of Management Efficiencies

Residents within the district receive water and wastewater services. The District operates these systems independently and staffs the District operations as efficiently as possible given funding constraints. Some personnel are shared with other districts.

Local Accountability

The District maintains office hours Monday through Friday. The District does not have a website, but public documents are available at the District office upon request. The District board meetings must comply with the provisions of the Brown Act.