

WORKSHOP DRAFT



(The Press Democrat, 2012)

COVELO COMMUNITY SERVICES DISTRICT

Municipal Service Review and Sphere of Influence Update

Prepared for:

MENDOCINO LAFCO

200 South School Street
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Workshop:

Public Hearing:

Adopted:

LAFCo Resolution No:

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1 INTRODUCTION

1.1 LOCAL AGENCY FORMATION COMMISSION

Local Agency Formation Commissions (LAFCos) are quasi-legislative, independent local agencies that were established by State legislation in 1963 to oversee the logical and orderly formation and development of local government agencies including cities and special districts. There is one LAFCo for each county in California.

LAFCo is responsible for implementing the Cortese-Knox-Hertzberg (CKH) Local Government Reorganization Act of 2000 (California Government Code Section 56000 et. seq.) in order to promote orderly growth, prevent urban sprawl, preserve agricultural and open space lands, and oversee efficient provision of municipal services.

LAFCo has the authority to establish and reorganize cities and special districts, change their boundaries and authorized services, allow the extension of public services, perform municipal service reviews, and establish spheres of influence. Some of LAFCo's duties include regulating boundary changes through annexations or detachments and forming, consolidating, or dissolving local agencies.

1.2 MENDOCINO LAFCO

The CKH Act provides for flexibility in addressing State regulations to allow for adaptation to local needs. Mendocino LAFCo has adopted policies, procedures and principles that guide its operations. These policies and procedures can be found on Mendocino LAFCo's website at the following location: <http://www.mendolafco.org/policies.html>.

Mendocino LAFCo has a public Commission with seven regular Commissioners and four alternate Commissioners. The Commission is composed of two members of the Mendocino County Board of Supervisors, two City Council members, two Special District representatives, and one Public Member-At-Large. The Commission also includes one alternate member for each represented category.

1.3 SPHERE OF INFLUENCE

The CKH Act requires LAFCo to adopt a Sphere of Influence (SOI) for all local agencies within its jurisdiction. A SOI is "a plan for the probable physical boundary and service area of a local agency or municipality as determined by the Commission" (GC §56076).

When reviewing an SOI for a municipal service provider, LAFCo will consider the following five factors:

1. The present and planned land uses in the area, including agricultural and open space lands.
2. The present and probable need for public facilities and services in the area.
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
4. The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.
5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public

facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

Sphere of Influence Updates include written statements or determinations with respect to each of the five mandated areas of evaluation outlined above. These determinations provide the basis for LAFCo to consider the appropriateness of establishing or modifying a service provider's SOI or probable future boundary.

1.4 MUNICIPAL SERVICE REVIEW

The CKH Act (GC §56430) requires LAFCo to prepare a Municipal Service Review (MSR) for all local agencies within its jurisdiction. MSRs are required prior to and in conjunction with the update of a Sphere of Influence (SOI).

An MSR is a comprehensive analysis of the services provided by a local government agency to evaluate the capabilities of that agency to meet the public service needs of their current and future service area.

An MSR must address the following seven factors:

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

MSRs include written statements or determinations with respect to each of the seven mandated areas of evaluation outlined above. These determinations provide the basis for LAFCo to consider the appropriateness of a service provider's existing and future service area boundary.

1.5 MENDOCINO LAFCO POLICIES

In addition to making the necessary determinations for establishing or modifying a SOI consistent with the CKH Act, the appropriateness of an agency's SOI is also based on an evaluation of consistency with local LAFCo policies.

The following Sphere of Influence policies are from the Mendocino LAFCo Policies and Procedures Manual, adopted November 5, 2018.

10.1.1 Legislative Authority and Intent

A sphere of influence is the probable 20-year growth boundary for a jurisdiction's physical development. The Commission shall use spheres of influence to:

- a) promote orderly growth and development within and adjacent to communities;
- b) promote cooperative planning efforts among cities, the County, and special districts to address concerns regarding land use and development standards, premature conversion of agriculture and open space lands, and efficient provision of public services;
- c) guide future local government reorganization that encourages efficiency, economy, and orderly changes in local government; and
- d) assist property owners in anticipating the availability of public services in planning for the use of their property.

10.1.2 Definitions

The Commission incorporates the following definitions:

- a) an “establishment” refers to the initial development and determination of a sphere of influence by the Commission;
- b) an “amendment” refers to a limited change to an established sphere of influence typically initiated by a landowner, resident, or agency; and
- c) an “update” refers to a comprehensive change to an established sphere of influence typically initiated by the Commission.

10.1.3 Sphere Updates

In updating spheres of influence, the Commission’s general policies are as follows:

- a) The Commission will review all spheres of influences every five years for each governmental agency providing municipal services. Municipal services include water, wastewater, police, and fire protection services.
- b) Sphere of influence changes initiated by any agency providing a municipal service shall generally require either an updated or new service review unless LAFCo determines that a prior service review is adequate.
- c) Spheres of influence of districts not providing municipal services including, but not limited to, ambulance, recreation, hospital, resource conservation, cemetery, and pest control shall be updated as necessary.

10.1.4 Reduced Spheres

The Commission shall endeavor to maintain and expand, as needed, spheres of influence to accommodate planned and orderly urban development. The Commission shall, however, consider removal of land from an agency’s sphere of influence if either of the following two conditions apply:

- a) the land is outside the affected agency’s jurisdictional boundary but has been within the sphere of influence for 10 or more years; or
- b) the land is inside the affected agency’s jurisdictional boundary but is not expected to be developed for urban uses or require urban-type services within the next 10 years.

10.1.5 Zero Spheres

LAFCo may adopt a “zero” sphere of influence encompassing no territory for an agency. This occurs if LAFCo determines that the public service functions of the agency are either nonexistent, no longer

needed, or should be reallocated to some other agency (e.g., mergers, consolidations). The local agency which has been assigned a zero sphere should ultimately be dissolved.

10.1.6 Service Specific Spheres

If territory within the proposed sphere boundary of a local agency does not need all of the services of the agency, a “service specific” sphere of influence may be designated.

10.1.7 Agriculture and Open Space Lands

Territory not in need of urban services, including open space, agriculture, recreational, rural lands, or residential rural areas shall not be assigned to an agency’s sphere of influence unless the area’s exclusion would impede the planned, orderly and efficient development of the area. In addition, LAFCo may adopt a sphere of influence that excludes territory currently within that agency’s boundaries. This may occur when LAFCo determines that the territory consists of agricultural lands, open space lands, or agricultural preserves whose preservation would be jeopardized by inclusion within an agency’s sphere. Exclusion of these areas from an agency’s sphere of influence indicates that detachment is appropriate.

10.1.8 Annexations Are Not Mandatory

Before territory can be annexed to a city or district, it must be within the agency’s sphere of influence (G.G. §56375.5). However, territory within an agency’s sphere will not necessarily be annexed. A sphere is only one of several factors that are considered by LAFCo when evaluating changes of organization or reorganization.

10.1.9 Islands or Corridors

Sphere of influence boundaries shall not create islands or corridors unless it can be demonstrated that the irregular boundaries represent the most logical and orderly service area of an agency.

10.1.10 Overlapping Spheres

LAFCo encourages the reduction of overlapping spheres of influence to avoid unnecessary and inefficient duplication of services or facilities. In deciding which of two or more equally capable agencies shall include an area within its sphere of influence, LAFCo shall consider the agencies’ service and financial capabilities, social and economic interdependencies, topographic factors, and the effect that eventual service extension will have on adjacent agencies. Where an area could be assigned to the sphere of influence of more than one agency, the following hierarchy typically applies:

- a) Inclusion within a city’s sphere
- b) Inclusion within a multi-purpose district’s sphere
- c) Inclusion within a single-purpose district’s sphere

Territory placed within a city’s sphere indicates that the city is the most logical provider of urban services. LAFCo encourages annexation of developing territory (i.e., area not currently receiving services) that is currently within a city’s sphere to that city rather than to one or more single-purpose special districts. LAFCo discourages the formation of special districts within a city’s sphere. To promote efficient and coordinated planning among the county’s various agencies, districts that provide the same type of service shall not have overlapping spheres.

10.1.11 Memorandum of Agreements (For City Sphere Amendments and Updates)

Prior to submitting an application to LAFCo for a new city sphere of influence or a city sphere of influence update, the city shall meet with the County to discuss the proposed new boundaries of the sphere and explore methods to reach agreement on development standards and planning and zoning requirements as contained in G.C. §56425. If an agreement is reached between the city and County the agreement shall be forwarded to LAFCo. The Commission shall consider and adopt a sphere of influence for the city consistent with the policies adopted by LAFCo and the County, and LAFCo shall give great weight to the agreement to the extent that it is consistent with LAFCo policies in its final determination of the city sphere.

10.1.12 Areas of Interest

LAFCo may, at its discretion, designate a geographic area beyond the sphere of influence as an Area of Interest to any local agency. (Resolution No. 2018-19-01)

- a) An Area of Interest is a geographic area beyond the sphere of influence in which land use decisions or other governmental actions of one local agency (the "Acting Agency") impact directly or indirectly upon another local agency (the "Interested Agency"). For example, approval of a housing project developed to urban densities on septic tanks outside the city limits of a city and its sphere of influence may result in the city being forced subsequently to extend sewer services to the area to deal with septic failures and improve city roads that provide access to the development. The city in such a situation would be the Interested Agency with appropriate reason to request special consideration from the Acting Agency in considering projects adjacent to the city.
- b) When LAFCo receives notice of a proposal from another agency relating to the Area of Concern, LAFCo will notify the Interested Agency and will consider its comments.
- c) LAFCo will encourage Acting and Interested Agencies to establish Joint Powers Agreements or other commitments as appropriate.

(LAFCo, 2018)

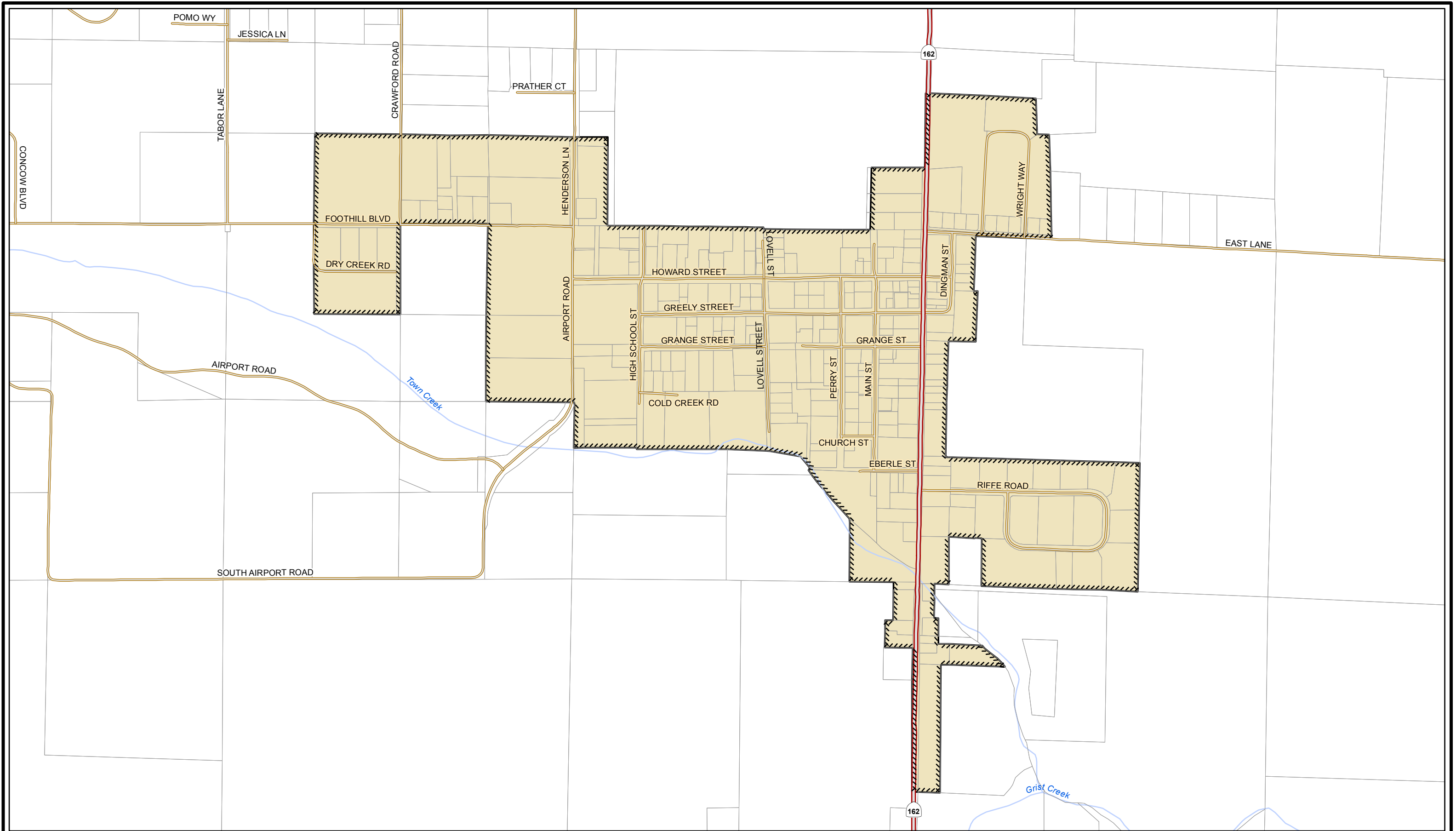
1.6 SENATE BILL 215

Senate Bill 215 (Wiggins) requires LAFCo to consider regional transportation plans and sustainable community strategies developed pursuant to SB 375 before making boundary decisions. Senate Bill 375 (Sustainable Communities and Climate Protection Act) requires each metropolitan planning organization (MPO) to address regional greenhouse gas (GHG) emission reduction targets for passenger vehicles in their Regional Transportation Plan (RTP) by integrating planning for transportation, land-use, and housing in a sustainable communities strategy.

Mendocino County is not located within an MPO boundary and therefore is not subject to the provisions of SB 375. However, the Mendocino Council of Governments (MCOG) supports and coordinates the local planning efforts of Mendocino County and the Cities of Fort Bragg, Point Arena, Ukiah, and Willits to address regional housing and transportation needs and helps provide a framework for sustainable regional growth patterns through the 2018 Mendocino County Regional Housing Needs Allocation (RHNA) Plan and Vision Mendocino 2030 Blueprint Plan. MCOG is also responsible for allocating regional transportation funding to transportation improvement projects consistent with the 2017 RTP for Mendocino County.

Mendocino County and the Cities of Fort Bragg, Point Arena, Ukiah, and Willits are the local agencies primarily responsible for planning regional growth patterns through adoption and implementation of general plan and zoning regulations. While Mendocino County is not subject to the provisions of SB 375, LAFCo will review applicable regional transportation and growth plans when considering a change of organization or reorganization application.

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Covelo Community Services District Sphere of Influence

Source: This map was prepared by the Mendocino County Information Services Department GIS Program, May 2021.
Note: This map is not a survey product.

- Covelo CSD
- Covelo CSD SOI
- Parcels
- Highway
- Roads
- Streams

Figure 1-1 Covelo CSD Boundary and Sphere of Influence Map



2 AGENCY OVERVIEW

Table 2.1 CCSD Profile

Agency Name:	Covelo Community Services District
Phone Number:	(707) 983-6888
Mailing Address:	P.O. Box 65, Covelo, CA 95428
District Office:	23950 Grange Street, Covelo, CA 95428
Website:	http://ccsd.roundvalley.org/
General Email:	covelocsd@hotmail.com
Date of Formation:	April 5, 1960
Agency Type:	Independent Special District, Multi-Service Provider
Enabling Legislation:	Community Services District Law: Government Code §61000 et seq.
Board Meeting Schedule:	2nd Thursday of the month at 6:00 p.m. at the District Office (Alternate: 2nd Wednesday of the month as needed)

Source: CCSD, 2020a.

2.1 HISTORY

2.1.1 FORMATION

The Covelo Community Services District (Covelo CSD, District, or CCSD) was formed on April 5, 1960 to protect the health and safety of the Covelo community associated with well water contamination from private septic systems. (LAFCo, 2010a)

2.1.2 BOUNDARY

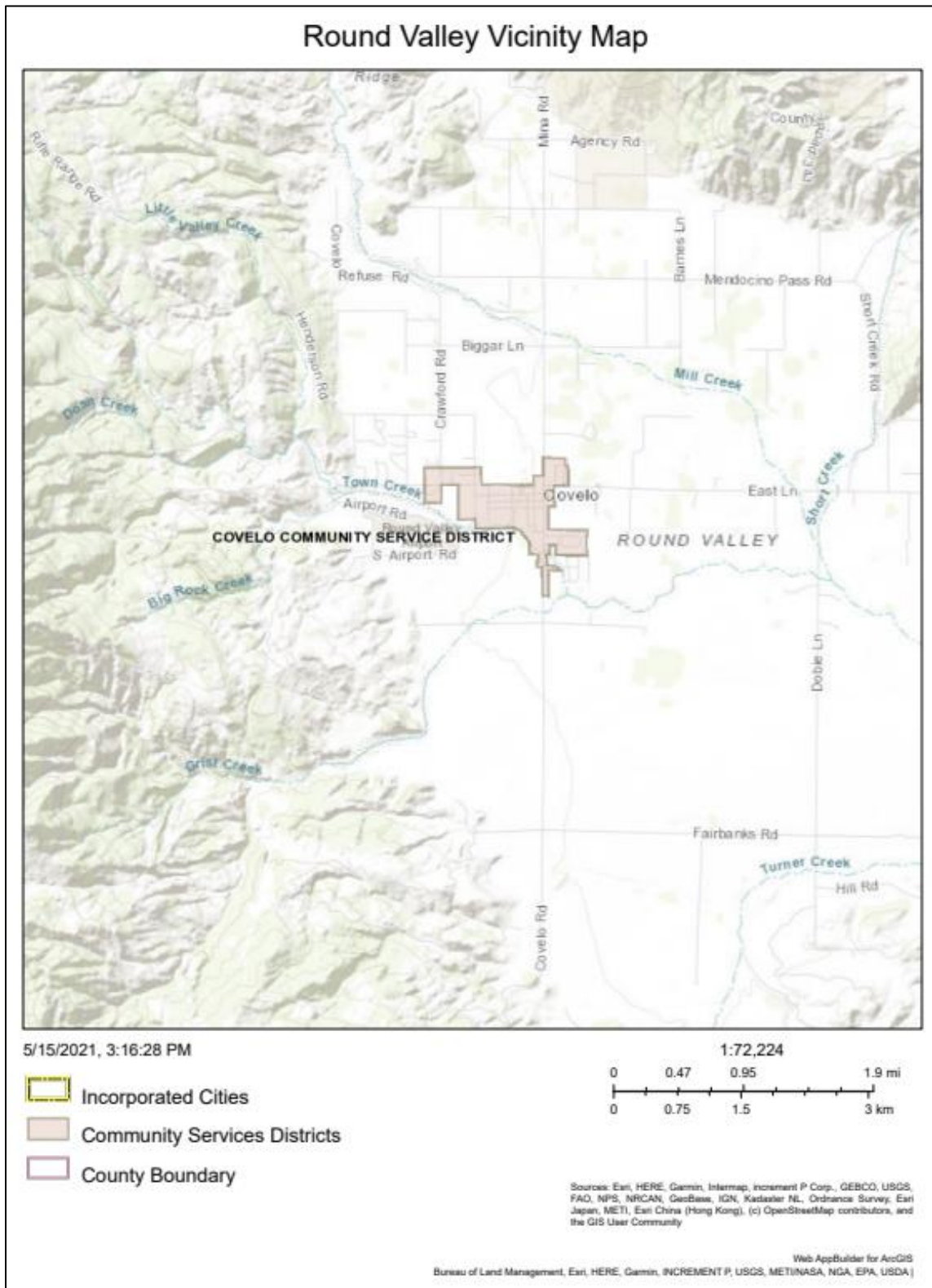
The District is located in the northeast region of Mendocino County between the Mendocino National Forest to the east and the Eel River to the west. The Covelo CSD boundary encompasses approximately 150 acres and includes the central or core portion of the unincorporated community of Covelo within the greater Round Valley area (see Figure 2-1).

Round Valley is approximately 23 square miles in size and is a north-south trending valley surrounded by rugged mountains. It is located in the upper Eel River basin above the confluence of the North Fork Eel River and the Middle Fork Eel River. Communities within the Valley are Covelo, which is located in the central portion of the valley, and the Round Valley Indian Reservation, which is located in the northern portion of the valley.

Access to the District is from State Highway 162, which traverses northeast from US Highway 101 for approximately 29 miles. Covelo is located approximately 35 miles northeast of the City of Willits.

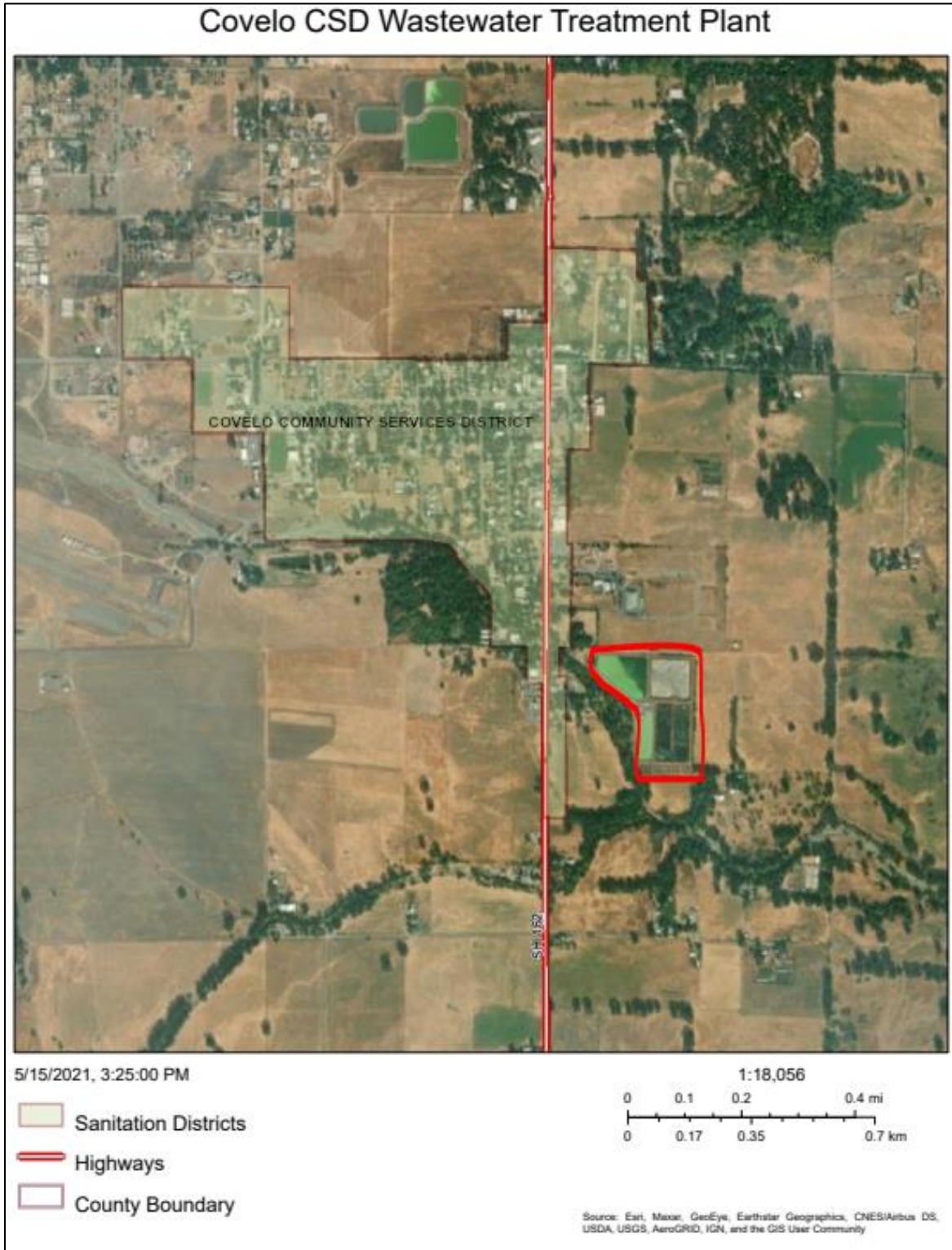
Much of the developed area of Covelo is within the District boundary; however, there are many structures and small parcels adjacent to the District's boundary. The District's wastewater treatment plant property is outside the District boundary and is located southeast of the District (see Figure 2-2).

Figure 2-1 Round Valley Vicinity Map



Source: Mendocino County, 2021.

Figure 2-2 Location of Covelo CSD Wastewater Treatment Plant



Source: Mendocino County, 2021.

2.1.2.1 Boundary Changes

There have been two changes to the District boundary that were approved immediately following adoption of the 2010 MSR/SOI Update, as shown in Table 2.2 below, annexing a total of approximately 62 acres.

Year	File Name	Acreage	Status	LAFCo Reso No.
2010	Travis Annexation	10.14	Completed	2010-02
2010	Covelo Community Services District Reorganization 2010	52.06	Completed	2010-03

The District boundaries have changed since the 2010 MSR, with the 2010 Travis Annexation and the Covelo CSD Reorganization in 2010.

(LAFCo, 2010b and 2010c)

2.1.3 SERVICES

The Covelo CSD is a single-service district providing wastewater services. For more information regarding this service refer to Chapter 3. For more information regarding other services provided by contract or agreement refer to Section 2.3.4.

2.1.3.1 Senate Bill 135

The Community Services District (CSD) Principal Act was comprehensively updated by Senate Bill (SB) 135 which took effect January 1, 2006. SB 135 consolidated the provisions for CSDs into a list of 31 services and facilities and also changed the definition of latent powers.

Under the old CSD statutes, latent powers were those services or powers authorized by the Principal Act when the District was formed, but were not currently being exercised, provided that any powers not designated in the petition for the formation of the District may not be exercised if the voters in the District must activate the power.

SB 135 redefined latent powers as those services and facilities authorized by the new CSD Principal Act that a CSD did not provide before January 1, 2006, as determined by LAFCo. Therefore, SB 135 effectively grandfathered in all services and facilities that CSDs provided before January 1, 2006.

The old CSD Principal Act from 1955 required voter approval of latent powers and predated the statewide creation of LAFCo in 1963. With SB 135, all powers authorized for CSDs but not being exercised became latent powers, regardless of the initial formation petition.

2.1.3.2 Active Powers

Consistent with SB 135, on December 29, 2005 LAFCo staff determined that the current services provided by Covelo CSD were as follows.

1. Collection and treatment of sewage, wastewater, recycled water and storm water in the same manner as a Sanitary District with a plant located at 76001 Covelo Road.

The 2010 MSR/SOI study prepared for the District reaffirmed the above list of active powers. There have been no changes to the District's active powers since that time.

(LAFCo, 2010a)

2.2 GOVERNMENT STRUCTURE

2.2.1 GOVERNING BODY

The Board of Directors is the legislative body for the District and is responsible for establishing policy, adopting and amending the annual budget, enacting ordinances, adopting resolutions, and appointing committees. The District is governed by a five-member Board of Directors elected at-large to serve staggered four-year terms (Table 2.3). In 2018, the District requested to consolidate elections and was approved by the County of Mendocino Board and Elections Office to move its elections to align with the General Election cycle, automatically extending the current terms of sitting Directors by one year. Board elections will now be held in even numbered years starting in 2024. (CCSD, 2019)

In order to be elected to the Board, candidates must be registered voters residing within the District boundaries. If there are insufficient candidates for election of Board vacancies, or if the number of filed candidates is equal to the number of Board vacancies, then District Board members may be appointed in lieu of election by the County Board of Supervisors per Elections Code §10515. New Board members take office at noon on the first Friday in December following their election. (County of Mendocino, 2019)

Government Code §1780-1782 governs the process for appointment of Board of Director seats vacated prior to the scheduled term expiration date. The District Board of Directors has 60 days to appoint an interested and qualified individual to a vacant seat if proper notice requirements have been met. The individual must live within the District boundary and be a registered voter. If the District cannot fill the seat within the 60-day period, the Mendocino County Board of Supervisors can appoint a Director to the District Board during a 30-day period following the initial 60-day period. If the vacant seat is not filled during the total 90-day period, the vacant seat remains empty until the next election.

The District Board of Directors elects Officers annually at the January regular meeting. Officers include a Chair and Vice-Chair elected and served by Board members, and a Treasurer and Secretary appointed by the Board and served by District staff. The Board may create additional offices and elect Board members to fill those offices, provided that no Board member holds more than one office. District Board members do not receive compensation for their public service. Staff support for the Board includes a General Manager and Bookkeeper/Office Manager. The current District Board of Directors is shown in Table 2.3 below.

(CCSD, 2020a)

Name	Office/Position	Term Expiration	Estimated First Year of Service	Serving Consecutive Terms
Joseph Gauder	Chair	Nov. 2024	2005	Yes
Sherrie Lee	Vice Chair	Nov. 2024	2019	No
Paul Filler	Director	Nov. 2022	2006	Yes
Vacant	Director	N/A	N/A	N/A
Vacant	Director	N/A	N/A	N/A

Source: CCSD, 2020a.

The District has difficulty filling vacancies, but has retained two long-term Board members. The last time the Board had five members was in Fiscal Year 2010-11.

Prior to serving as the District General Manager (since 2017), Dane Downing served on the District Board of Directors, and was the Chair at the time of the 2010 MSR prepared of the District. (LAFCo, 2010a)

2.2.2 PUBLIC MEETINGS

Regularly scheduled meetings for the Board of Directors are held on the second Thursday of the month at 6:00 p.m. at the District Office located at 23950 Grange Street in Covelo. Alternatively, the District Board meets on the second Wednesday of the month as needed, according to District staff. During the COVID-19 pandemic, meetings have been held via Zoom for Board members and the public; staff continues to meet in the office following current health order protocols.

In accordance with the Brown Act, all District Board meetings are open to the public and are publicly posted a minimum of 72 hours prior to regular meetings, or a minimum of 24 hours prior to special meetings. Meeting notices are posted outside the District office, at the Covelo Post Office bulletin board, Round Valley Library Commons bulletin board, and the Keith's Family Market bulletin board. No physical agendas are mailed. Board packets are emailed to two Directors and hand delivered to one Director. One member of the public also receives an emailed Board packet per their request.

The District maintains public notices regarding Board Director vacancies at its office, the Round Valley Library Commons, Covelo Post Office, and the local radio station provides a "bulletin board" report which includes the public notice on vacancies.

Public meeting information including past agendas and approved meeting minutes are posted on the District's website and are available at the District's office upon request.

Minutes are kept for all public Board meetings and are adopted at a subsequent meeting.

2.2.3 STANDING COMMITTEES

Committees may be assigned to assist in carrying out various functions of local government. The District does not currently have any standing committees (CCSD, 2020a).

2.2.4 PUBLIC OUTREACH

The District has a website at <https://ccsd.roundvalley.org>, which can be a helpful communication tool to enhance government transparency and accountability. The District's website has the District's contact information and agendas and minutes from District Board meetings from October 2019 to June 2020. The website is not current and does not appear to be maintained. A search of the District does not yield the District's website. (CCSD, n.d.(a))

The District's website would be enhanced by keeping it current; posting the regular Board meeting agenda, time, and location; posting the Board member contact information; and incorporating a content management system, such as DocuShare, to provide a searchable and chronologically organized document archive system for Board meeting packets and adopted ordinances, resolutions, annual budgets, financial audit reports, and other digital records. The website would also benefit from a search engine prioritization overhaul to improve the website ranking and site traffic, as the website does not currently appear in Google, Bing, or other searches for "Covelo Community Services District." The District should also consider maintaining additional social media outlets such as Facebook, and linking to relevant outside sources such as the Round Valley Library Commons Mendocino LAFCo's webpages.

With the passage of SB 929, all District's are required to be established and maintained with specific information and accessibility requirements; a website compliance handout is provided in Appendix B.

2.2.5 COMPLAINTS

The public can submit written or provide verbal comments or complaints on the District website, in person or by phone at the District office during business hours, Monday through Friday from 8:00 a.m. to 3:00 p.m., or at the District Board of Directors meetings during the general public comment period. The District received two complaints in the last two years, each one a suspected violation(s) by individuals of District policies. Each complaint was addressed by conducting on-site visits of the parcels in question. The District sent letters to the property owners requesting that they abate the violations per District Ordinances. No complaints were received regarding the District's conduct of business. (CCSD, 2020a)

2.2.6 TRANSPARENCY AND ACCOUNTABILITY

The District adopted a Policy Handbook at its July 12, 2006 regular Board meeting. The Handbook addresses the Board of Directors elections, officers, meeting conduct, conflicts of interest, decisions, rules of order, and responsibilities. This is in addition to general operating policies and procedures for the District, financial policies, and personnel policies that define the obligations, rights, privileges, benefits, and prohibitions placed upon all District employees.

The Political Reform Act requires all state and local government agencies to adopt and promulgate a Conflict of Interest Code pursuant to Government Code §81000 et seq. The Political Reform Act also requires persons who hold office to disclose their investments, interests in real property, and incomes by filing a Statement of Economic Interests (Fair Political Practices Commission Form 700) each year pursuant to Government Code §87203. The District complies with the above requirements (CCSD, 2020a).

According to AB 1234, if a local agency provides compensation or reimbursement of expenses to local government officials, then all local officials are required to receive two hours of training on public service ethics laws and principles at least once every two years and establish a written policy on reimbursements pursuant to Government Code §53235. Although the District does not compensate its Board members, its directors and staff attend Brown Act/Ethics trainings regularly.

Refer to Appendix A for a brief list of educational resources regarding open government laws and Appendix B for a website compliance handout.

2.3 OPERATIONAL EFFICIENCY

2.3.1 MANAGEMENT AND STAFFING

The Board of Directors appoints a District Manager to support their efforts and oversee the daily operations of the District to ensure that the Board's policies, programs, and priorities are implemented. The District Manager is the Executive Officer and Treasurer of the District. The responsibilities and specific duties of the District Manager include the following:

- Management and control of operations and works of the District, subject to the approval of the Board of Directors.
- Attendance at all meetings of the District's Board and other meetings as the Board determines necessary.

- The appointment, supervision, training, evaluation, discipline, and dismissal of the District's employees, consistent with the employee relations system established by the Board of Directors.
- The day-to-day supervision and leadership of the District's facilities and services.
- Maintenance of good customer service and customer and employee relationships.
- Supervision of the District's finances, including investing District funds, maintaining the District's insurance policies, and formulating budgets for the district.
- Implementation of the policies established by the Board of Directors for the operation of the District. (CCSD, n.d.(b))

General government services provided under the direction of the District Manager include administration, finance, and planning. Financial activities include accounting, utility billing, purchasing, payroll, collections, and assisting with the annual audit process. Administrative activities include preparing for public meetings, providing customer service at the District office and other outreach opportunities, and maintaining the District's official records such as meeting minutes, ordinances, resolutions, legal documents, and legal opinions. Planning activities include participating in the building permit process, working with engineers to develop repair and maintenance designs for grant funded projects, grant development and procurement.

District personnel include full-time and part-time employees for a total staffing level of two Full Time Equivalent (FTE) positions. Table 2.4 shows District staffing levels by personnel groups. The District has one full-time position and two part-time employees as follows: one General Manager (full-time), one Bookkeeper/Office Manager (part-time), and one Plant Operator/Collection Manager (part-time). In addition, the District employs a contract Certified Public Accountant (CPA) and legal counsel on an annual basis. As needed the District also enters into contracts with engineers, construction contractors, construction monitors, and others.

(CCSD, 2020a)

Personnel Groups	FTE
General Manager	1.0
Bookkeeping/Office Manager	0.5
Plant Operator/Collection System Manager	0.5
Total	2.0

Source: CCSD, 2020a.

2.3.2 AGENCY PERFORMANCE

A component of monitoring agency performance is routinely evaluating staff productivity. The District conducts organizational assessments and staff reviews annually upon negotiating the Employee Agreements, which are finalized before the final budget is approved each fiscal year. The General Manager also tracks non-salaried employee workload through bi-weekly timesheets. Employee workload assessments are conducted at times daily to aid and support the proper functioning of the District.

The District has Board of Director oversight and provides input and suggestions deemed to improve daily operations of the District. The General Manager also has authority to modify operations to increase efficiency and safety. (CCSD, 2020a)

2.3.3 REGIONAL AND SERVICE-SPECIFIC PARTICIPATION

The District participates in the following regional and service-specific associations and organizations:

- The District General Manager participates in the California Special Districts Association.
- The District General Manager participates in the Special District Risk Management Authority. (CCSD, 2020a)

2.3.4 INTERAGENCY COLLABORATION

Below are examples of the District's interagency collaborative arrangements:

- The District collaborates with other public agencies by sharing the office and Board meeting location with the Round Valley County Water District (RVCWD).
- The District is developing a Memorandum of Understanding (MOU) with the RVCWD to share office space with the Round Valley Area Municipal Advisory Council (RVMAC) for document storage.
- The District participates in the Special District Risk Management Association (SDRMA) for the purpose of pooled insurance for providing liability, workers compensation for its facilities, operations, and employees.

(CCSD, 2020a)

2.3.5 CONTRACT OR JPA SERVICES

No municipal services are provided to District residents by other public agencies or non-profit organizations through agreements or Joint Powers Authority (JPA), or by private businesses through service contracts.

2.3.6 SHARED SERVICES AND FACILITIES

Other than sharing office space with the RVCWD and RVMAC as described above, the District does not have agreement with other local agencies to jointly provide public services or jointly own, manage, or fund public facilities.

2.3.7 ENHANCED SERVICE DELIVERY OPTIONS

The District is the only wastewater service provider in Round Valley, outside of the RVIT. District services do not extend beyond Round Valley.

The County of Mendocino provides law enforcement, code enforcement, transportation, and stormwater collection services within the District. RVCWD provides flood control and stream restoration services to landowners in the Round Valley watershed. Firefighting and prevention services are provided by the Covelo Fire Protection District. There is no water purveyor in the Covelo/Round Valley area. Ambulance service in the Covelo and the Round Valley area are provided by Medstar Ambulance and by the Covelo Fire Protection District, and the County of Mendocino is in the process of establishing an Exclusive Operating Area contract for ambulance services covering the inland area of Mendocino County including Covelo. There is no redundancy in the provision of municipal services to the District.

As a CSD, the District has the opportunity to provide additional municipal services upon activation of latent powers through Mendocino LAFCo. Given the recent establishment of the RVMAC and the issues identified in the Covelo area, there may be opportunity for the District to serve as a vehicle for achieving some of the goals that are otherwise unattainable in such a rural, unincorporated area.

No new opportunities for the District to achieve organizational or operational efficiencies were identified during the preparation of this MSR.

2.3.8 GOVERNMENT RESTRUCTURE OPTIONS

Government restructure options should be pursued if there are potential benefits in terms of reduced costs, greater efficiency, better accountability or representation, or other advantages to the public. There is no recommendation for a reorganization of local municipal service providers in the area at this time.

2.4 FINANCES

The District's financial resources are accounted for in different funds based on organizational units such as programs, functions, and services. The District's governmental activities, including administration, finance, and planning, are accounted for in governmental funds. The District has one type of fund, the Proprietary Fund, which is an enterprise fund that reports the business-type operations, but provides more detail and additional information such as cash flows. The cost of providing enterprise services is intended to be recovered through sewer fees. (Robertson, 2019)

2.4.1 CURRENT FISCAL HEALTH

2.4.1.1 Financial Summary

The District prepares and adopts an annual budget prior to the beginning of each fiscal year (July 1), which serves as a financial planning tool and an expense control system. Expenses cannot exceed the authorized budgeted amounts unless the budget is amended by the Board of Directors by resolution during the fiscal year. The District also has annually audited financial statements prepared by a CPA which serves as financial assurance for the use of public funds. This section includes District financial information for Fiscal Year (FY) 2015-16, 2016-17, 2017-18, and 2018-19, and highlights specific revenue sources and long-term financial considerations.

The following table (Table 2.5) provides year-end (not budget) financial information for the District. This table summarizes the Statement of Revenues, Expenses prepared by Robertson & Associates, CPAs and represents the short-term financial standing of the District based on reporting annual income, expenses, and profits/losses using the accrual basis of accounting. This involves depreciation, which is a method of spreading the cost of a capital asset over its estimated useful life, as opposed to recognizing the cost of a capital asset as an expenditure at the date of acquisition. The annual financial reports define a capital asset as a fixed asset (land, buildings and improvements, equipment, and vehicles) with an initial cost greater than \$1,000. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are also capitalized. The length of useful life for each asset type is defined in the financial reports (Robertson, 2019).

According to the audited financial information in the table below, the District has operated at a net deficit each year in the last four fiscal years. The trend in net position is a key measure of fiscal health and indicates that the District needs to balance the budget and/or meet current operating costs with increased revenues. The District should be working toward a balanced budget as well as toward building additional reserves to fund capital improvements and replace equipment.

Table 2.5 CCSD Financial Summary				
	FY 15-16	FY 16-17	FY 17-18	FY 18-19
Beginning Net Position	\$3,101,344	\$3,018,013	\$2,872,182	\$2,668,820
Prior Period Adjustments	\$0	\$0	\$0	\$110,463
Ending Net Position	\$3,018,013	\$2,872,182	\$2,779,283	\$2,569,942
Operating Revenues				
Sewer Fees	\$211,300	\$205,640	\$268,515	\$269,495
Other operating revenue	\$9,578	\$9,707	\$13,133	\$19,318
Total Operating Revenues	\$220,878	\$215,347	\$281,648	\$288,813
Operating Expenses				
Salaries	\$70,645	\$82,582	\$105,883	\$122,673
Casual labor	\$195	\$642	\$611	\$516
Employee benefits	\$8,021	\$18,353	\$21,380	\$21,751
Payroll taxes	\$6,141	\$7,684	\$9,704	\$13,465
Vehicle expenses	\$2,366	\$3,284	\$1,059	\$3,221
Insurance	\$8,248	\$8,371	\$9,429	\$10,540
Supplies	\$4,926	\$6,386	\$12,117	\$6,236
Professional services	\$12,813	\$14,240	\$14,569	\$12,425
Licenses and fees	\$7,497	\$7,959	\$7,104	\$8,529
Maintenance	\$3,768	\$2,453	\$6,033	\$8,847
Monitoring	\$9,614	\$22,501	\$12,371	\$6,709
Utilities	\$26,266	\$31,759	\$22,683	\$30,713
Office expenses	\$3,581	\$12,873	\$6,118	\$5,197
Equipment	\$528	\$1,694	\$6,450	\$1,825
Depreciation expense	\$114,204	\$114,256	\$110,305	\$112,282
Other expenses	\$1	\$1,119	\$4,088	\$1,442
Total Operating Expenses	\$278,814	\$336,156	\$349,904	\$363,487
Net Income/(Loss)	(\$57,936)	(\$120,809)	(\$68,256)	(\$74,674)
Other Non-Operating Revenues (Expenses)				
Interest Income	\$64	\$75	\$49	\$68
Interest Expense	(\$25,459)	(\$25,097)	(\$24,692)	(\$24,272)
Total Non-Operating Revenue (Expenses)	(\$25,395)	(\$25,022)	(\$24,643)	(\$24,204)
Change in Net Position from Prior FY	(\$83,331)	(\$145,831)	(\$92,899)	(\$98,878)

Source: Robertson: 2016, 2017, 2018, 2019.

In FY 2015-16, the Proprietary Fund ended with a balance of \$3,018,013 compared to a \$3,101,344 fund balance at the end of the prior fiscal year. This was a decrease of \$83,331 from the prior year in net position. Overall revenues were \$220,942 and overall expenses were \$30,4273 in this fiscal year. (Robertson, 2016)

In FY 2016-17, total net position was \$3,018,013 at the beginning of the fiscal year and \$2,872,182 by June 20, 2017. This was a decrease of \$145,831 from the prior year. Overall revenues were \$215,422 and overall expenses were \$361,253. (Robertson, 2017)

In FY 2017-18, the Proprietary Fund ended with a fund balance of \$2,779,283, down from \$2,872,182 in fund balance at the end of the prior fiscal year. This represents a decrease of \$92,899 from the prior year. Overall revenues were \$281,697 and overall expenses were \$374,596. (Robertson, 2018)

In FY 2018-19, total net position was \$2,569,942 on June 30, 2019, a decrease of \$98,878 from the prior year. Overall revenues were \$288,881 and overall expenses were \$387,759. (Robertson, 2019)

Refer to Figure 2-3 below for the most recent Statement of Net Position, which represents the long-term financial standing, or net position, of the District based on reporting the difference between the District's assets and liabilities.

2.4.1.2 Enterprise Activities

The District's operational type is considered an enterprise activity in that they are financed and operated in a manner similar to private business operations enterprises where the intent is that the costs (including depreciation) to provide the wastewater services to the general public are financed or recovered primarily through user charges. These enterprise activities are accounted for in Enterprise Funds. The District reviews rates and fees during the annual budget development process and proposes an increase, when necessary, to support the on-going delivery of services. The District Board of Directors adopts rates and fees annually at a duly noticed Public Hearing based on actual expenditures and cost recovery.

The District's adopted Rates and Fees per Resolution No. 2017-001 is a monthly wastewater rate per equivalent dwelling unit is \$65. (CCSD, 2020b) The District's enterprise services are currently operating at a net loss, and the District has indicated that the community cannot, generally speaking, pay more for services than the current fees. Covelo CDP is a Severely Disadvantaged Community as described in more detail in Section 2.5.2.

The following resolutions were passed in Fiscal Year 2019-20 regarding fees:

- Resolution 2019-003: "fees" amended the Residential Equivalent Unit Rate Schedule, which defines how many REU's are assessed per category of residential and non-residential use;
- Resolution 2020-003 Eliminating Vacant Rate Category";
- RES 2020-004 Established the Capacity Fee per Residential Equivalent Unit", meaning the fee to connect to the sewer system; and
- RES 2020-006 "Establishing the Septage Disposal Fee and After-Hours Gate Fee for all Septage Haulers"

The District is not subject to the Gann Limit or Proposition 4 because it does not receive tax revenues. All revenues for the District are from user charges, fees, and penalties, as well as interest on the current fund balance.

2.4.2 LONG TERM FINANCIAL CONSIDERATIONS

2.4.2.1 Reserves, Cash and Equivalents, and Investments

The District has two reserve accounts established for capital replacement and routine maintenance of the wastewater treatment plant. These accounts are not governed by formal policy or resolution and are considered unrestricted. (Robertson, 2019)

- Capital Reserve: A capital reserve account in the Proprietary Fund for the purpose of funding any needed expansion of capital facilities or the acquisition of capital equipment. The Capital Reserve account has an approximate current balance of \$76,700.
- Maintenance Reserve: A maintenance account in the Proprietary Fund Funds to provide for maintenance, repair, and replacement of equipment and/or capital assets. Large infrastructure repairs and improvements have in the past been funded with grants and loan packages. The Maintenance Reserve Account has an approximate current balance of \$23,400.

(CCSD, 2020a and 2020b)

In addition to these reserve accounts, the District maintains funds within an investment account with the State of California called the Local Agency Investment Fund (LAIF) the State of California. The LAIF account currently has approximately \$6,700, with interest accruing in the last budget year at \$100 annually.

Figure 2-3 shows the District's Balance Sheet for Fiscal Year End June 20, 2020. (CCSD, 2021)

10:02 AM

Covelo Community Services District

06/24/21

Balance Sheet

Accrual Basis

As of June 30, 2020

	<u>Jun 30, 20</u>
ASSETS	
Current Assets	
Checking/Savings	
1B 11010 CCSD General Checking	84,906.94
1B 11021 USDA Installment Pmt	10.00
1B 11022 USDA Payment Reserve	38,214.91
1B 11030 LAIF	6,284.04
1B 11070 Community Foundation (Community Foundation Grant 2019 \$8,000)	8,000.00
1B 11080-Maintenance	21,873.88
1B 11090-Capital (Savings account)	76,760.05
Covelo Community Services Distr	-5.00
Total Checking/Savings	<u>236,044.82</u>
Accounts Receivable	
3R 11050 Accounts Receivable	60,453.85
Total Accounts Receivable	<u>60,453.85</u>
Other Current Assets	
1C 11051 A/R Other	-0.50
1C 11052 Allow for dbtful accts (Allowance Uncollectible A/R)	-1,172.92
1C 11060 Prepaid Insurance	340.36
1C 11062 Other Current Asset	817.33
Total Other Current Assets	<u>-15.73</u>
Total Current Assets	<u>296,482.94</u>
Fixed Assets	
12000 Land	39,640.00
12050 1960 Sewage Plant	157,496.49
12051 1976 Sewage Plant	843,876.94
12052 Treatment plant upgrade	1,429,563.86
12054 East Lane Sewer Line	25,936.47
12055 Howard/162 Collection Upg	2,288,983.69
12060 Water Wells (Water Wells)	19,076.25
12065 LAFCO Annexation Maps	5,940.50
12090 Equipment	95,333.93
Total Fixed Assets	<u>4,905,848.13</u>
Other Assets	
1C 13000 Accumulated Depr	-1,804,411.69
Total Other Assets	<u>-1,804,411.69</u>
TOTAL ASSETS	<u>3,397,919.38</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2P 21020 Accounts Payable	1,330.65
Total Accounts Payable	<u>1,330.65</u>
Other Current Liabilities	
21030 Accounts Payable-Other	-368.88
21050 Accrued P/R Taxes Payable	7,784.39
21100 P/R/ Taxes Payable-Other	-57.04
21500 Accrued Interest Payable	7,299.54
Total Other Current Liabilities	<u>14,658.01</u>
Total Current Liabilities	<u>15,988.66</u>
Long Term Liabilities	
1L 22020-Note PayableUSDA (4.125% - 40 years)	572,400.01

Covelo Community Services District

Balance Sheet

As of June 30, 2020

	<u>Jun 30, 20</u>
Total Long Term Liabilities	<u>572,400.01</u>
Total Liabilities	588,388.67
Equity	
28000 Contributed Capital	816,660.49
29000 Retained Earnings	-156,652.16
31000 Retained Earn/PrevYear	2,132,107.12
Net Income	<u>17,415.26</u>
Total Equity	<u>2,809,530.71</u>
TOTAL LIABILITIES & EQUITY	<u>3,397,919.38</u>

2.4.2.2 Outstanding Debt

On July 11, 2007, the District borrowed \$677,000 from the United States Department of Agriculture (USDA). This loan was used to complete Phase 1 of the Covelo Wastewater Facilities Improvement Project to upgrade the collection system for wastewater to the treatment plant. The annual interest rate on the loan, compounded semiannually, is 4.125 percent. The District has no other outstanding loans or debt obligations.

Figure 2-4 shows the District's long-term debt activity and schedule of future principal and interest as of FY 2019-20 under the USDA loan. The District will be obligated through 2048 for current debt payments.

Figure 2-4 Long-term Debt Activity for FY 2019-20

<u>For the Year Ended June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Payment</u>
2020	\$ 10,800	\$ 23,835	\$ 34,635
2021	11,200	23,381	34,581
2022	11,700	22,908	34,608
2023	12,200	22,415	34,615
2024	12,700	21,902	34,602
2025 - 2029	71,700	101,041	172,741
2030 - 2034	87,800	84,649	172,449
2035 - 2039	107,500	64,577	172,077
2040 - 2044	131,500	40,012	171,512
2045 - 2048	126,100	10,669	136,769
Totals	\$ 583,200	\$ 415,389	\$ 998,589

Source: Robertson, 2019.

2.4.2.3 Grant Funds

The District has received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Community Services Fund. However, the District has indicated that any such disallowed claims should not have a material adverse effect on the overall financial position of the District.

The District has applied for and received a North Coast Resource Partnership (NCRP) Grant to replace faulty sections of the collection system as well as to install solar panels at the treatment plant. The District anticipates that the cost savings from these improvements, which are scheduled for implementation in FY 2021-22, will provide the District with funds to repair the wastewater treatment plant restroom facilities.

The NCRP Grant is a CA Department of Water Resources (DWR) Grant that was administered by NCRP to solicit and select grantees. This grant is being administered in its execution by Humboldt County. The CCSD have been awarded \$750,000 to repair three sections of the collection system identified to be significant contributors to groundwater inflow. Wet winter years create tremendous strain on the WWTP to accommodate the high levels of inflows. The second component is construction of a roof cover for the disinfecting ozone unit. Additionally, solar panels will be mounted to the roof structure and will generate approximately 16 kilowatts per hour. The solar system is designed to be expandable, which will allow for additional panels and wind generators as resources become available.

A grant through the Mendocino Community Foundation provided \$8,000 toward installation of the ozone roof structure. The Community Foundation has also provided reporting extensions, necessary due to delays with DWR funding.

The CCSD was also awarded a \$250,000 California Technical Assistance Grant, which funded a team of engineers and support staff who assembled the preliminary funding package for a CA Waterboards Grant. The CCSD is now the lead in procuring the Waterboards Grant to fund the project, which will allow the District to replace the influent well and pumping station. The comprehensive grant packet has been completed and is expected to be considered by the Waterboard within the 2020/2021. No matching funds are required for the grants; however, the CCSD has authorized covering overages in the ozone unit roof construction.

2.4.2.4 Capital Improvement Plan

The District is responsible for prioritizing and budgeting for long-term capital needs in addition to ongoing operations and maintenance costs. The District does not have a Capital Improvement Plan (CIP). The District defines capital improvement priorities on an as-needed basis and in the annual budget process. Capital improvements are primarily funded in one of two ways. Small to mid-range projects that have not been defined in District policy are scheduled for the upcoming fiscal year through a capital outlay appropriation, while the District seeks loans or grants for larger projects. Two currently unused funding mechanisms available to the District to finance capital facilities and improvements include Proposition 218 bond measures and Development Impact Fees pursuant to the Mitigation Fee Act (GOV 66000 et seq.). Routine maintenance of equipment and facilities is generally performed based upon the manufacturer's recommended schedule, industry best practices, and actual need, and is funded through the budget development process. (CCSD, 2020a)

2.5 GROWTH

2.5.1 PRESENT AND PLANNED LAND USE AND DEVELOPMENT

The District is located in the unincorporated community of Covelo, a census-designated place (CDP) and a commercial hub of the larger Round Valley area. The CDP has a total area of 7.1 square miles or approximately 4,544 acres. Round Valley is a remote area devoted to agricultural uses including grazing lands and orchards, and rural residential home sites. The Round Valley Indian Reservation, including the Hidden Oaks Casino and Round Valley Indian Health Center, covers 405 acres of the CDP at the north end of Round Valley, with forest and rangelands extending further to the north. (Mendocino County, 2009)

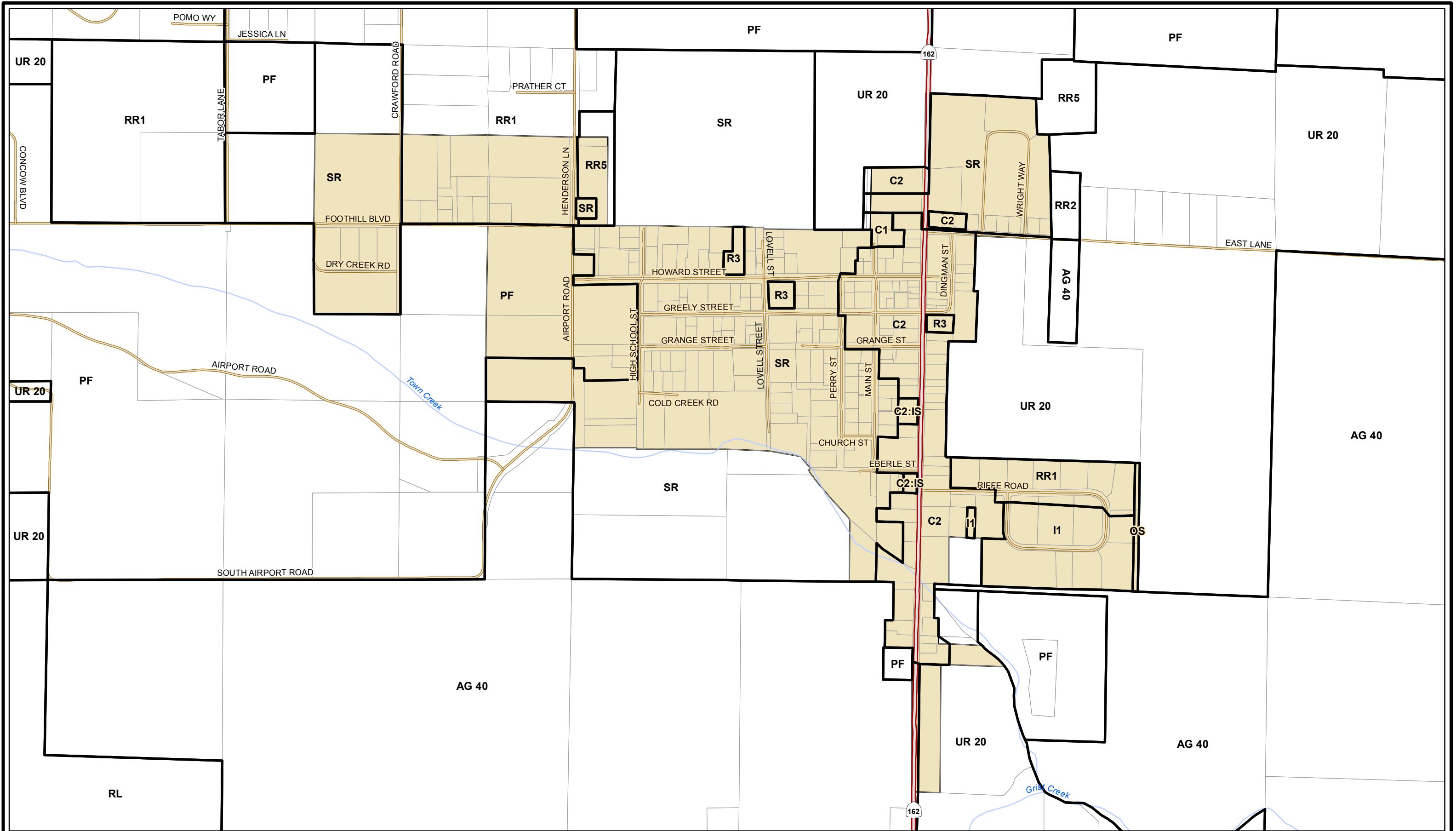
2.5.1.1 Land Use

The specific zoning designations for Covelo are listed below and are based on the Mendocino County Zoning Ordinance (Figure 2-5):

- AG Agricultural Lands
- C-1 Limited Commercial
- C2 Inland General Commercial
- C2-IS Inland General Commercial (Isolated Service)
- FL Forest Land
- I1 Inland Limited Industrial
- PF Public Facilities

- R-3 Multiple-family Residential
- RL Rangeland
- RR1 Rural Residential
- RR10 Rural Residential
- RR5 Rural Residential
- SR Suburban Residential
- TP Timberland Production
- UR Upland Residential

DRAFT



Covelo Community Services District Zoning

Source: This map was prepared by the Mendocino County Information Services Department GIS Program, May 2021.
 Note: This map is not a survey product.

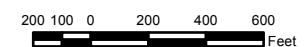
Covelo CSD
 Zoning
 Parcels

Highway
 Roads
 Streams

SR Suburban Residential
 R3 Multi Family Residential
 RR1 Rural Residential 1ac min
 RR2 Rural Residential 2ac min
 RR5 Rural Residential 5ac min
 C1 Limited Commercial

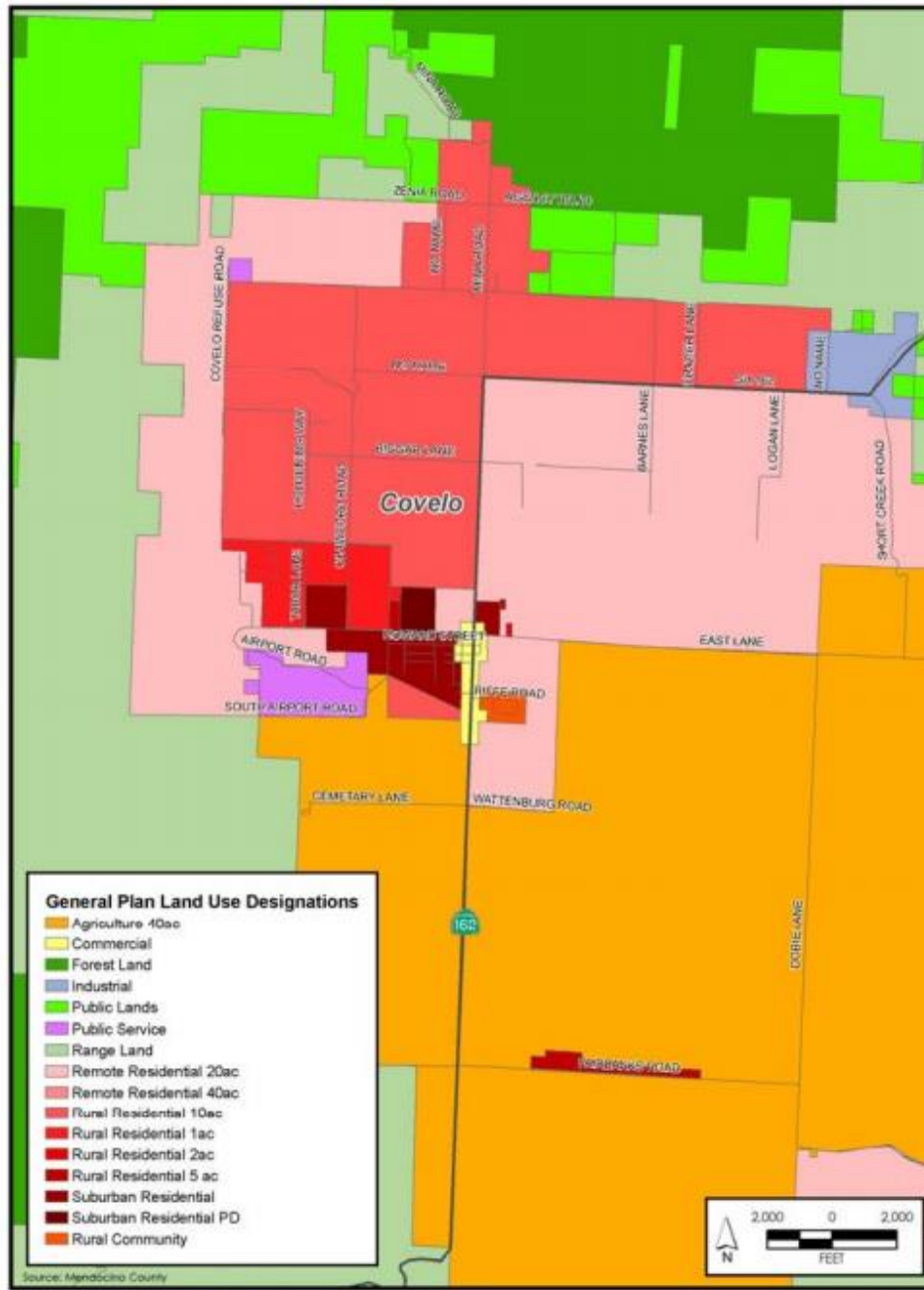
C2 General Commercial
 C2:IS General Commercial Isolated Service
 I1 Limited Industrial
 PF Public Facility
 UR 20 Upland Residential 20ac min
 AG 40 Agriculture 40ac min

Figure 2-5 Covelo CSD Zoning Map



As shown in Figure 2-6 below, the Community Plan Map for Covelo designates a commercial core area around State Route 162, surrounded by residential uses that become less dense farther from the commercial core. Outside of the District boundaries, agricultural uses and rural residential home sites prevail, with RL Rangeland (livestock grazing, protection of natural resources), TP Timberland Production (growing and production of timber), SR Suburban Residential (residential with some commercial uses), UR Upland Residential (low-density agricultural/residential uses), and PF Public Facilities (airport and school uses) predominating. (Mendocino 2013)

Figure 2-6 Covelo Community Map



Source: Mendocino County, 2009.

The following goals, policies, and action items from the Mendocino General Plan Community-Specific chapter could apply to public services and wastewater in particular in the Covelo area.

Covelo Community Goals

Goal CP-C-1: Conserve Round Valley’s natural, visual and historical resources while maintaining agricultural operations including grazing lands.

Goal CP-C-2: Expand economic opportunities in Round Valley consistent with the desired rural character of the valley.

Goal CP-C-3: Maintain compact development patterns by focusing commercial, residential and community uses in Covelo.

Covelo Community Area Policies

Policy CP-C-1: Preserve and enhance the established historic character of downtown Covelo.

Action Item CP-C-1.1: Enhance Covelo’s downtown and incorporate beautification improvements through circulation, streetscapes, signage, landscaping and other means.

Policy CP-C-2: Retain and restore historic buildings and sites.

Policy CP-C-4: Discourage subdivision activity in the outlying Rural and Remote Residential lands, including on lands adjacent to Rangelands and Forest Lands.

Policy CP-C-5: Encourage higher density residential uses, including affordable housing units, in or near the commercial centers as part of a mixed-use strategy.

Policy CP-C-6: Encourage improvements to existing residential structures.

Policy CP-C-7: Establish places and facilities that create a sense of community.

Action Item CP-C-7.1: Revitalize the commercial core of Covelo as the focal point of the community, with mixed-use potential for convenience retail, office and residential uses, focusing on the State Route 162 (Covelo Road) corridor and Greely Street.

Action Item CP-C-7.2: Consider installation of a central plaza or gazebo in the downtown.

Policy CP-C-8: Expand and diversify economic ventures.

Policy CP-C-9: The County encourages the expansion of commercial uses in Covelo.

Policy CP-C-10: Commercial uses should be focused near the established core areas along State Route 162.

Policy CP-C-11: Actively pursue light industrial manufacturing employers for Round Valley.

Action Item CP-C-11.2: Designate the mill site northwest of the town center as a study area to consider a range of future land uses, including industrial, light industrial, commercial and other uses supporting jobs creation for local residents

Policy CP-C-12: Increase economic and social ties with the Round Valley Indian Tribes.

Policy CP-C-13: Encourage joint-use opportunities with Round Valley Indian Reservation.

Policy CP-C-14: Support a community fire hydrant system to facilitate economic and public safety.

Policy CP-C-15: Encourage the Covelo CSD to plan for the provision of a public water system.

Action Item CP-C-15.1: Assist the Covelo Community Services District (CSD) in its efforts to serve future growth with water capacity consistent with the land use patterns and densities established in the General Plan.

Policy CP-C-16: Consider upgrades to the Round Valley Airport to support economic development and emergency services.

In addition to these policies, the County amended its cannabis regulations on December 4, 2018 to allow Cannabis Accommodation combining districts which apply in the Covelo core area and on Fairbanks Road in Round Valley. Commercial Cannabis Accommodation Combining Districts (Opt-In Districts) are areas intended to support continued operations by existing growers. From January 3, 2019 to July 1, 2019, the Department of Agriculture accepted applications for cultivation permits within the Cannabis Accommodation Combining Districts. (Mendocino County, n.d.)

2.5.1.2 Development

The District is centered on the core of the Covelo community area as shown in Figure 2-1. The population at the 2010 census was 1,255 people, an increase of 80 people from the 2000 census. (Current Community Survey 5-Year Estimates show an estimated population of 1,140 with a margin of error ± 239 (USCB, 2019b).) However, the population is likely much higher and, common with transient populations, fluctuates throughout the year. Covelo contains a range of commercial enterprises, churches, a lodging establishment, food establishments, grocery store, convenience store, gas station, Post Office, the Round Valley Airport, Round Valley Public Library, Round Valley Elementary School (K–8), Round Valley High School (9-12), Eel River Charter School (K-8), and residential areas interspersed throughout the community. A majority of the land within the District consists of a mixture of commercial and residential uses, with some agricultural and grazing lands on the outskirts. The core area of Covelo until recently retained the historic character embodied by older commercial buildings and residences. In 2019 a fire destroyed the majority of a remaining block of historic buildings. Rebuilding has not yet been initiated.

The community proper is a mixture of commercial uses (retail, office, etc.) and limited industrial uses. The remainder of the valley is developed as a mix of suburban residential, rural residential, and agricultural land uses. Agricultural land uses are predominantly pastureland devoted to cattle grazing, with a relatively small pear orchard on the south end of the valley. The Round Valley Indian Reservation occupies the north end of Round Valley and is home to the [Round Valley Indian Tribes \(RVIT\)](#), which is made of several Native American tribes. (Mendocino County, 2008a)

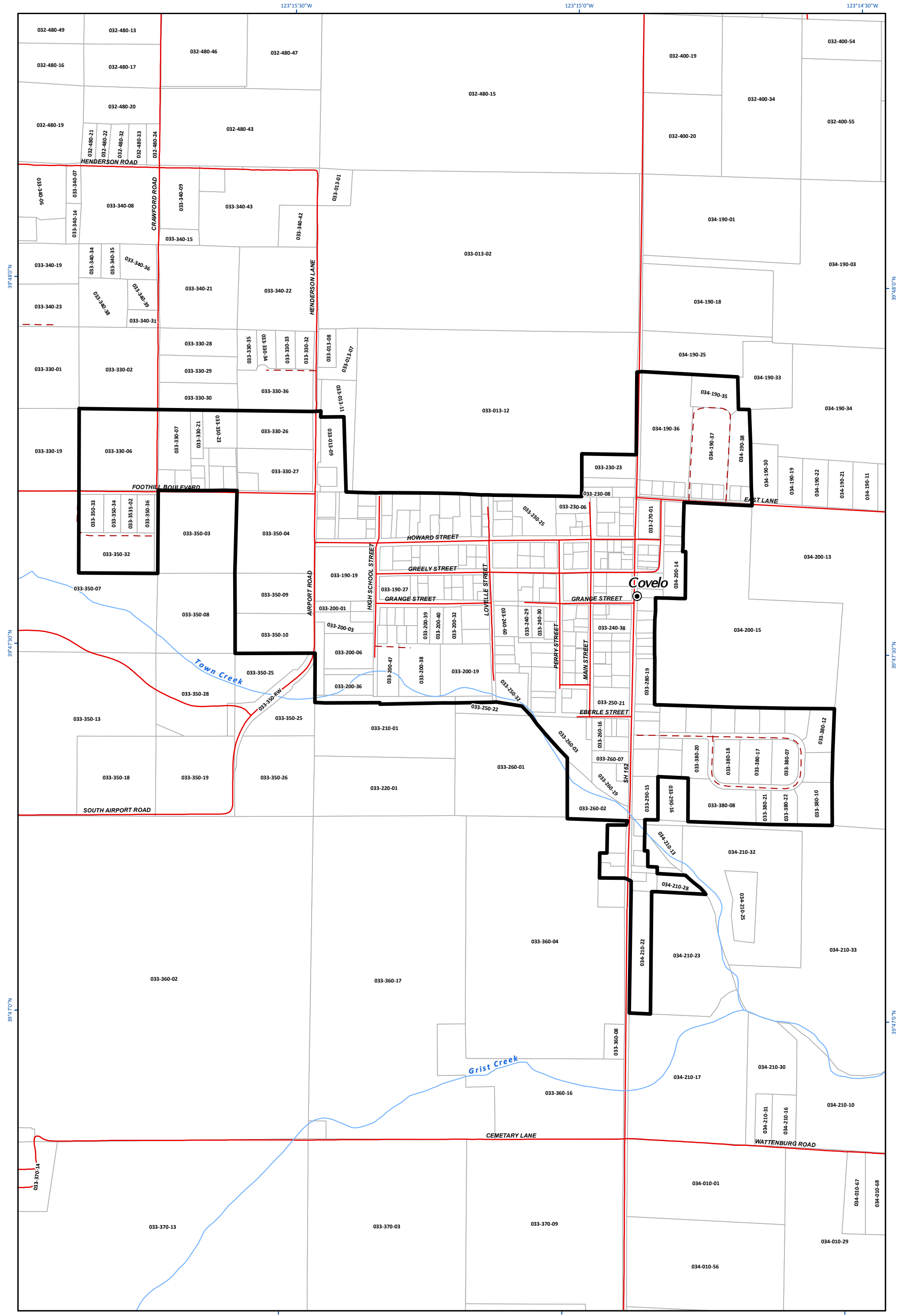
Residents have expressed interest in retaining Covelo’s historic nature and the rural character of the valley, while increasing economic development and affordable housing opportunities. Historically, Covelo’s economy was focused on the timber industry. The Round Valley Flour Mill is an identified historical resource in the Mendocino County General Plan.

The Covelo community planning area in Round Valley is accessed by State Route 162 and Round Valley Airport. Mendocino National Forest borders the community of Covelo to the north and east. Mendocino County has land use authority over privately owned lands within the District boundary and makes land-use decisions based on the County General Plan and Zoning Regulations.

The District includes some Tribal Lands within the western area of the District boundaries. The Round Valley Reservation is home to the RVIT, formerly the Covelo Indian Community, a sovereign nation of

confederated tribes: the Yuki, who were the original inhabitants of Round Valley, as well as the Pit River, Pomo, Nomlacki, Concow, and Wailacki tribes, who were forced onto the reservation with Yuki. The Round Valley Indian Tribe is a federally recognized tribe. The reservation was one of five reservations in California legislated by the United States Government in 1870 pursuant to the Four Reservations Act of 1864.

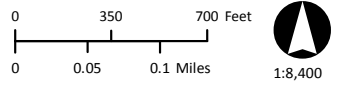
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Coordinate System: NAD 83, Calif. State Plane Zone II
 Projection: Lambert Conformal Conic
 Parcel Data: Mendocino County Info Svcs., October, 2014
 Aerial Imagery: US Dept. of Agriculture, NAIP series, unless otherwise indicated
 Topographic Data: USGS 7.5 minute quad series
 Flood Data: FEMA FIRM Maps, June 2011

- Rivers
- Private Roads
- Covelo CSD Boundary
- Public Roads
- Parcels 10-14

COVELO COMMUNITY SERVICES DISTRICT



Some factors affecting community growth include limited vehicular access, distance to employment centers such as Willits and Ukiah, lack of a public water system, and limited wastewater capacity provided by the Covelo Community Services District. Covelo is also the site of an alluvial basin that is locally susceptible to liquefaction. (Mendocino County, 2009)

Infrastructure and other nonresidential and residential development susceptible to flooding include Town Creek, which runs through Covelo, as well as much of the area south and east of Covelo, as shown on Figure 2-8. The RVCWD is responsible for flood control and stream restoration on Town Creek.

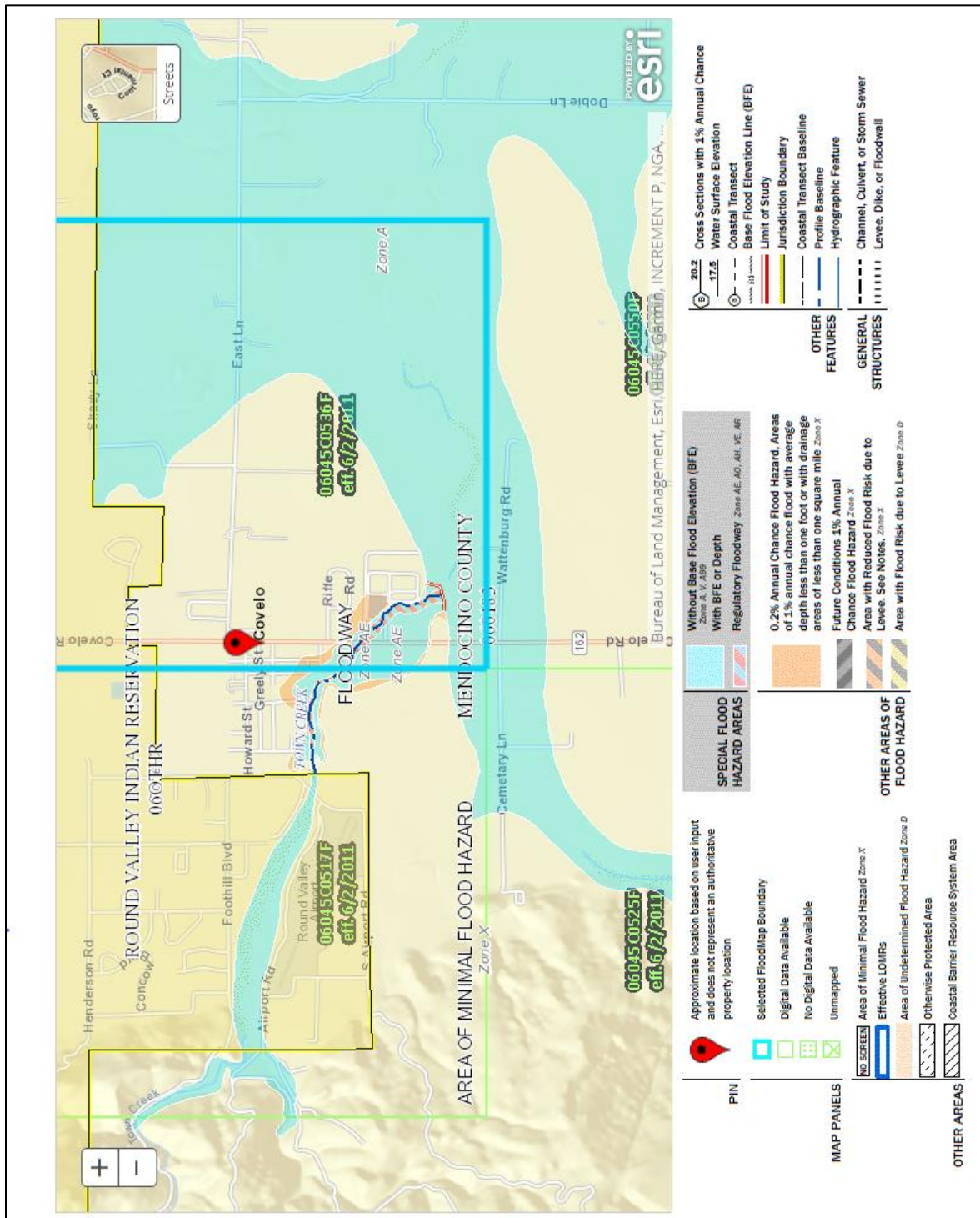
The most recent Housing Element adopted by Mendocino County in 2015 conducted an analysis of development potential for Covelo. Although there are many parcels throughout Covelo that are vacant or underutilized, only three were included in the Housing Element inventory due to development restrictions such as zoning and lack of centralized water services. See Figure 2-9 below. At the time of the 2015 Housing Element, it was reported that the District was pursuing expansion of its authority to include water service, initially for fire hydrants and suppression and in the longer term for a potable water system. The RVMAC has also recently expressed interest in these services for the benefit of the community. However, such an expansion has not materialized, primarily due to concerns of placing a large revenue burden on the residents of the District. In addition to a lack of water, the three parcels evaluated in the Housing Element are also close to the airport, which poses an additional development constraint with noise and safety impacts to any new residences.

Mitigating this challenge somewhat is the presence of a large, easily accessible aquifer that could be tapped by individual or communal wells to serve new multifamily structures. Three sites in the core of the Covelo currently have multifamily zoning and are available for such use. Since it is possible to utilize onsite wells for water supply and connect to the CSD for sanitation service, these properties do have development potential. However, the lack of a centralized water system would likely limit the potential number of units to half their development potential.

(Mendocino County, 2015)

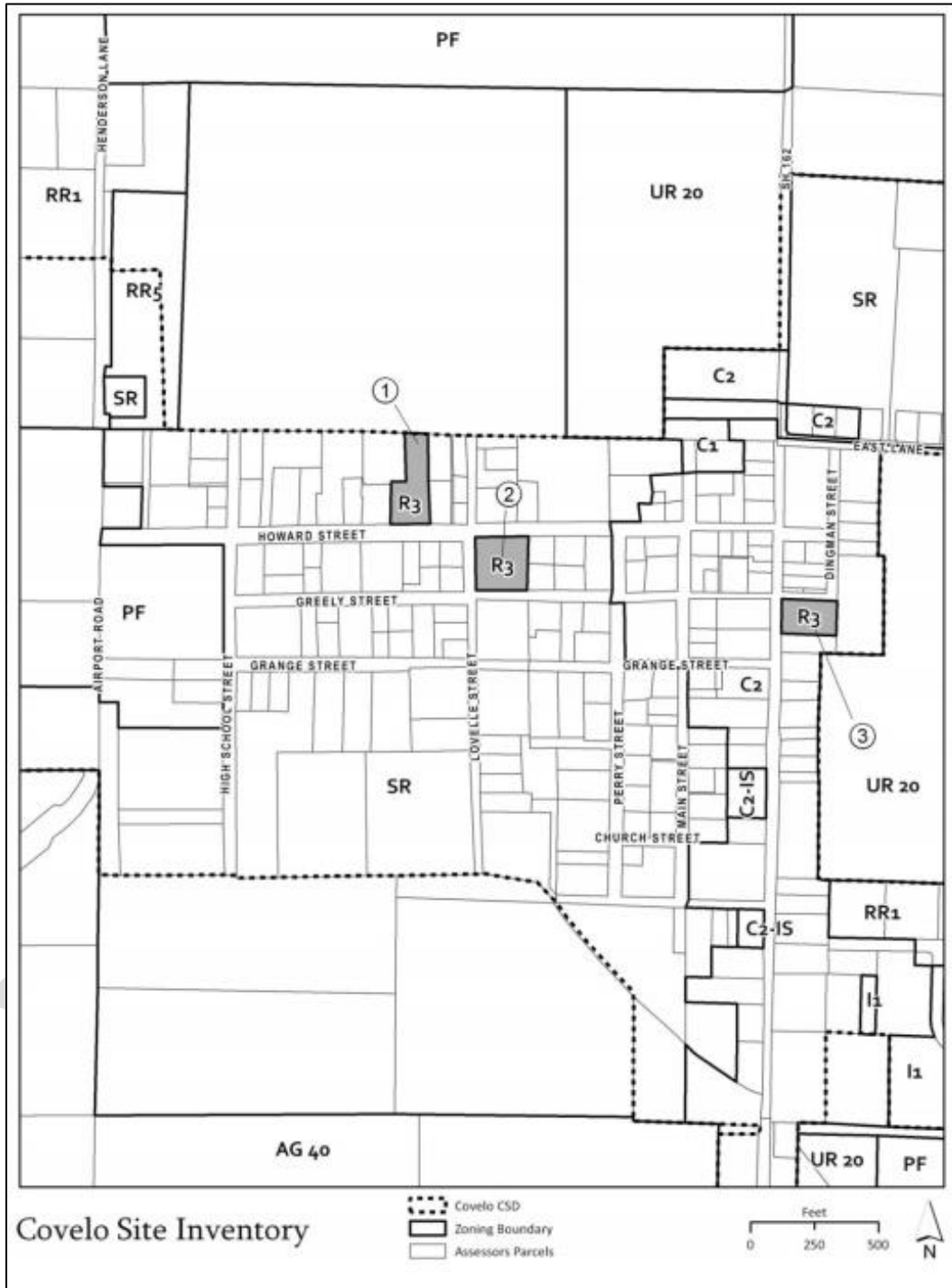
The entire District is currently under a temporary Mitigatable Moratorium due to the winter infiltration and inflow (I&) issues and treatment plant capacity shortfalls discussed in Section 3 of this document. Increased monthly rates are unaffordable for the community, so the only way to mitigate these issues to enable additional development is through external funding sources. The District has received a grant to remedy these issues and will be implementing that shortly (See Section 2.4.2.3). (North Coast Resource Partnership, 2018)

Figure 2-8 Flood Map for Covelo Area



Source: FEMA, 2011.

Figure 2-9 Housing Element Inventory of Buildable Sites in Covelo Planning Area



(Mendocino County, 2015)

2.5.2 EXISTING POPULATION AND PROJECTED GROWTH

According to District staff, the District currently serves approximately 430 residents with 265 service connections. The U.S. Census Bureau has designated Covelo as a Census Designated Place (CDP). Census Designated Places are Census Bureau estimates of what an incorporated city boundary would be if a concentrated population area were a city. The Covelo CDP is much larger than the District boundaries, but for general informational purposes, the Census data for the Covelo CDP indicates that as of the 2010 census, 1,255 people resided within the CDP, from which a population density of 164.9 people per square mile can be extrapolated. However, it is likely that this number is quite a bit higher but unreported. By comparison the average population for Mendocino County is 24.16 persons per square mile.

The rate of growth in Mendocino County from 2010 (87,850 residents) to 2019 (86,749) was -1.3%. However, the population of the District has been increasing more than the population of the County as whole. District and Census Tract boundaries are noncontiguous, but Census Tract 010100 encompasses approximately 80 percent of the District and is therefore used in the table below.

	1980	1990	2000	2010	2019
Census Tract 010100	2,137	2,066	2,374	2,617	2,674
Percent Change	13%	-3%	15%	10%	2%
Mendocino County	66,738	80,345	86,265	87,841	86,749
Percent Change	30%	20%	7%	2%	-1%

Source: USCB, 2019a; Mendocino County 2008b.

As shown in Table 2.6, the population growth of the Round Valley area was lower on average until 2000, when it began to see more growth on average than the rest of Mendocino County. If the last ten years is an indication of average growth for the next ten years, the District might expect to see 2% growth; however, the decades-long trend demonstrated by the data appears to be sagging, and growth may continue to slow. Growth projections published by Caltrans indicate a very slow overall County population growth of approximately 0.15%. (Caltrans, 2019) Based on this growth rate, the District can expect a small population increase of three people within the next five years. Although there are a number of parcels just outside the District of similar size as those within, and several which could be subdivided for development, there are no proposed or anticipated significant land use changes, new development projects, or redevelopment of existing sites within the District's boundary over the next five years (CCSD, 2020a). The District will likely experience limited growth until constraints related to infrastructure needs are sufficiently addressed.

The District has a maximum number of REU's available due to capacity limitations of the WWTP. Given that there is currently a temporary mitigatable moratorium in effect, there are no new developments possible. Although there are indications that populations have increased within the District as there seems to be an increase in residents per residence, there is no documentation available.

2.6 DISADVANTAGED UNINCORPORATED COMMUNITIES

Senate Bill (SB) 244, which became effective in January 2012, requires LAFCo to evaluate any Disadvantaged Unincorporated Communities (DUCs), including the location and characteristics of any such communities, when preparing an MSR that addresses agencies that provide water, wastewater, or structural fire protection services. A DUC is an unincorporated geographic area with 12 or more registered voters with a median household income (MHI) that is less than 80% of the State MHI of \$80,440 or \$64,000 (USCB, 2019c). This State legislation is intended to ensure that the needs of these communities are met when considering service extensions and/or annexations in unincorporated areas.

Covelo is a CDP and the primary population center within the District. Covelo CDP has an MHI of \$23,600 (USCB, 2019d) and qualifies as a DUC, and is also considered a Severely Disadvantaged Community (SDAC) under California Public Resources Code Section 75005 with a median household income of less than 60% the statewide average. Special consideration will be given to any DUCs affected by future annexation proposals consistent with GC §56375(8)(A) and LAFCo Policy.

3 MUNICIPAL SERVICES

A Municipal Service Review (MSR) is a comprehensive analysis of the services provided by a local government agency to evaluate the capabilities of that agency to meet the public service needs of their current and future service area. The MSR determinations inform the SOI Update process and assist LAFCo in considering the appropriateness of a public service provider's existing and future service area boundary. The information and analysis presented in Chapters 2 and 3 of this document form the basis for the MSR determinations provided under Section 3.7.

3.1 SERVICE OVERVIEW

3.1.1 SERVICES

Covelo CSD provides wastewater services within its boundaries and has only one service area.

Additional municipal services are provided to District residents by other public agencies or non-profit organizations through agreements and Joint Powers Authority (JPA) and by private businesses through service contracts, as detailed in Section 2.3.4. This MSR only reviews services provided by the District.

3.1.2 OUT-OF-AGENCY SERVICES

The District does not provide any out-of-agency services, and there are no pending or anticipated requests for or commitments from the District to provide out-of-agency services over the next five years. (CCSD, 2020a)

3.2 WASTEWATER

3.2.1 SERVICE OVERVIEW

The District owns, operates, and maintains a public wastewater collection system, treatment plant, and disposal system for the treated water and sludge (biosolids) byproducts from the treatment plant. The District is currently under a temporary Mitigatable-Moratorium (MM) due to winter infiltration and inflow (I&I) issues and treatment plant capacity shortfalls. (North Coast Resource Partnership, 2018)

The District currently does not have a capital improvement plan that identifies current and long-term District facility and equipment needs, including upgrades, renovations, and major maintenance, capital improvements and purchases, and facility expansions, and identifies potential revenue sources for addressing those capital needs.

3.2.2 COLLECTION SYSTEM

The District's wastewater collection system channels wastewater from the source (a residence, commercial, school, or other building) to the wastewater treatment plant via pipes that run from each structure to a sewer main in the street. The street sewer mains connect to progressively larger pipes until the wastewater treatment plant (WWTP) is reached. Residential mains are usually four inches in diameter. Street mains vary in size with the smallest being six inches in diameter. The District has 20,000 feet (approximately 3.75 miles) of 6-, 8-, 10- and 12-inch sewer lines, and one pump station.

In an ideal case, sewer collection systems are completely gravity powered, and the WWTP is ideally located at the lowest elevation of the collection system territory. In regions where gravity flow cannot be utilized, pumping stations known as lift stations are needed. As shown in Figure 2-9 below, the District sewer system consists of four major collection basins, three of them north of Town Creek and one south of the creek. The smallest of the three northern basins lies along East Lane within the northeast corner of the District. Wastewater in this basin flows by gravity to a lift station near the northern limit of the Commercial Street sewer main. The lift station pump lifts collected wastewater to the terminal manhole on the Commercial Street main where it joins wastewater generated in the largest northern collection basin situated within and west of Commercial Street. The largest collection basin is located north of Town Creek and primarily west of Commercial Street. All wastewater from these two northern collection basins flows by gravity toward Town Creek, and passes under the creek through an inverted siphon. A main interceptor sewer line located just south of Town Creek conveys collected wastewater east to the WWTP.

An area known as the “Business Park” comprises the third collection basin located north of Town Creek. This collection area was annexed into the District boundary in 2010. An independent gravity sewer line conveys wastewater from the Business Park directly to the treatment plant influent pump station on the north side of Town Creek.

The fourth sewage collection basin is located entirely south of Town Creek. This collection area is smaller in size than the combined areas located north of Town Creek, but potentially serves a lot of developable area between the Round Valley Airport on the east and Highway 162 on the west. The wastewater generated within this basin flows north and joins wastewater generated within the main northern basins on the south side of Town Creek before being conveyed through the main sewage interceptor to the treatment plant. The main interceptor includes a second inverted siphon below Town Creek, just upstream of the influent pump station at the treatment plant.

The overall collection system serves a geographic area of approximately 185 acres, including around 35 acres that lie outside of the existing district boundary. The collection system serves the customer breakdown as noted in Table 2.7

Type of Development	Residential Equivalent Units (REU)
Single-Family Dwelling	185
Business	59
Fire House	1
Church	4
Motel	4.25
Schools	47.5
Mobile Home Park	33
Restaurant	14

Source: CCSD, 2021

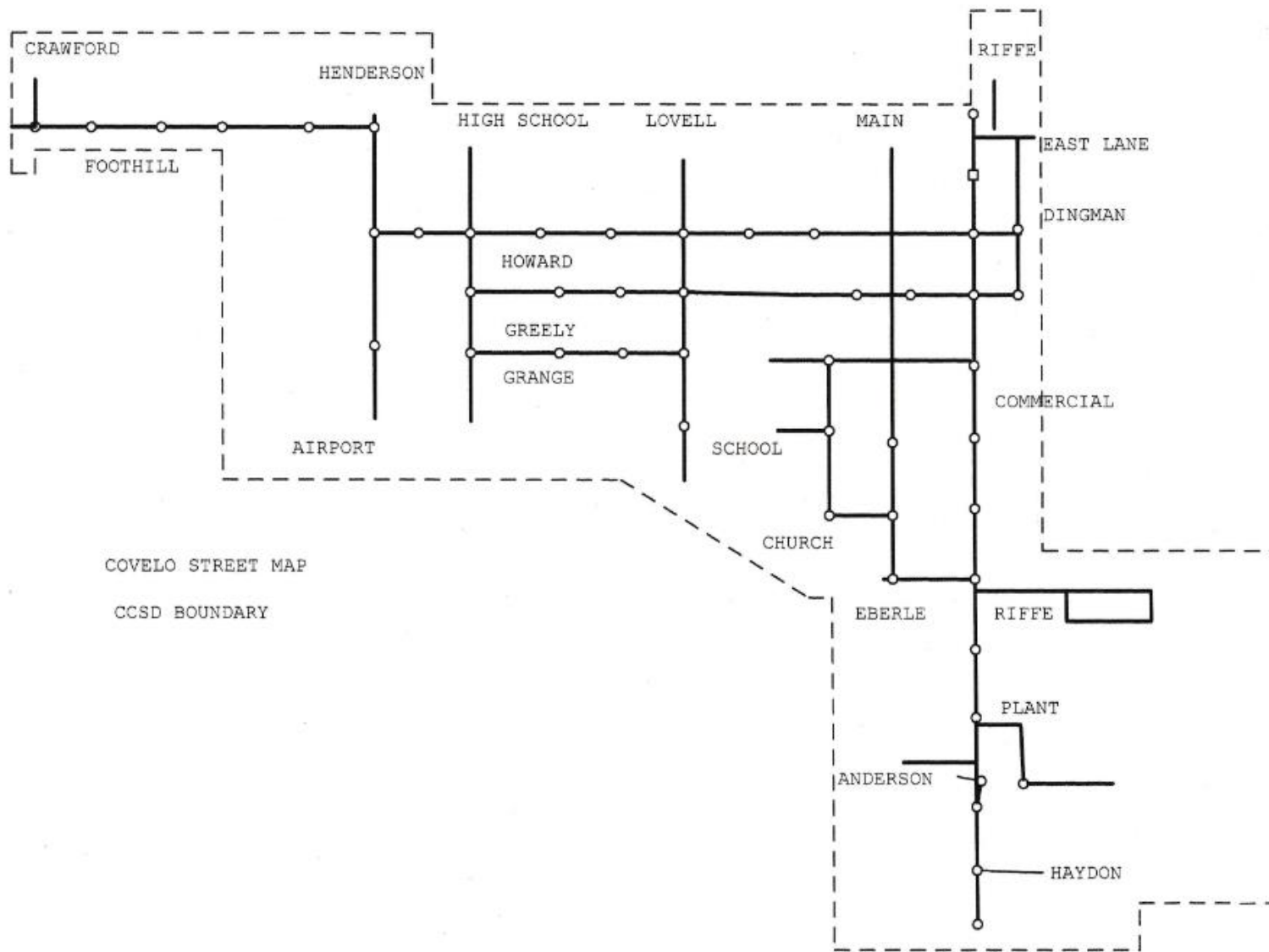
The sewer main piping comprising the collection system in the largest of the three northern basins includes approximately 3,900 linear feet of 8-inch diameter and 14,575 linear feet of 6-inch diameter asbestos-cement pipe (transite pipe). There are approximately 45 manholes and 10 mainline cleanouts in

this portion of the overall system. The Business Park collection system is the second largest of the three northern sewer basins, and consists of 2,200 linear feet of 6-inch diameter pipe, 1,085 linear feet of 12-inch diameter pipe, and 800 linear feet of 12-inch pipe that terminates within the WWTP property. The smaller, East Lane basin includes 800 feet of 6-inch diameter sewer main, 4 manholes and 1 mainline cleanout. A lift station raises collected wastewater from the East Lane basin to the north end of the Commercial Street basin.

Upgrades to the system were performed in 2008, but due to design and construction errors in some of these pipes, as well as aging infrastructure that was not replaced in 2008, much of the collection system now requires improvements because of I&I seepage. A collection system upgrade is currently being implemented under a North Coast Resource Partnership grant to remedy these issues as discussed further under Section 3.2.5. (North Coast Resource Partnership, 2018)

DRAFT

Figure 3-1 Map of Collection System



3.2.3 WASTEWATER TREATMENT AND DISPOSAL SERVICES

The District's wastewater treatment plant (WWTP/plant) is located just outside the District's boundary to the southeast, adjoining Grist Creek, which flows through Covelo in a southeast direction. The plant was first constructed in the 1960s and underwent major construction upgrades as part of the Clean Water Grant Program in 1976-77. The existing facility consists of an influent pump station, headworks, two treatment ponds, two holding ponds, a sand filter, an ozone disinfection process, and an outfall into Grist Creek.

The groundwater level is much higher under the wastewater treatment plant than in almost all the rest of Round Valley. Tests before the plant was constructed showed free groundwater 4 to 8 feet below the surface during the summer. During winter the groundwater rose to only a foot below the surface. This contrasts to water level fluctuations in the rest of the valley. There are two groundwater levels in the general region of the WWTP. The first, the Covelo Aquifer, extends to a depth of approximately 40 feet. It is heavily influenced by surface water and sewage disposal systems. An "aqualude" between 40 to 60 feet below the surface separates and isolates a second groundwater supply, the Round Valley Aquifer. This aquifer receives very little inflow from the surface directly above it. Recharge derives from the surrounding hills and terraces.

Water quality is good from the lower aquifer. Most well depths in the Valley are in the 100- to 200-foot depth range. Historically, Coho salmon and steelhead were known to occur in Mill Creek, into which Grist Creek flows, and Coho were even observed in Grist Creek; however, it has been decades since any have been observed in the tributaries. The plant is just outside the 100-year flood zone, but is partially within the 500-year zone.

(LAFCO, 2010a)

Raw sewage is pumped through a bar screen to two oxidation ponds, 4.7 and 2.2 million gallons in size (total surface area 4.5 acres) which function as semi-mixed, aerobic-anaerobic lagoons. Under its NPDES permit, the District may discharge into Grist Creek if there is a dilution ratio of 100:1. No discharge is allowed from May 15 through September 30 of each year under any circumstances. (North Coast Regional Water Quality Control Board, 2017)

Holding ponds are designed to store treated effluent subject to these limitations. Before discharge, treated effluent is filtered through four separate sand filters in two cycles and is then passed through a disinfection process similar to a tablet-type chlorination system. Current capacity is 40,000 gallons a day. The existing equipment could be upgraded to double that volume. (LAFCO, 2010a)

3.2.4 OPERATIONS AND MAINTENANCE

The District does not have an operation and maintenance program, nor a CIP as discussed in Section 2.4.2.4. The Plant Operator/Collection System Manager determines all maintenance and repair needs for the sewer system based upon the manufacturer's recommended schedule, industry best practices, and actual need. Maintenance is funded through the budget development process. (CCSD, 2020a)

It is recommended that the District maintain a System Operation and Maintenance Program (SOMP) which establishes procedures intended to prevent or minimize the potential for sanitary sewer overflows. The program can include guidelines for the operation and maintenance of the sanitary sewer collection system, such as a plan for drafting and maintaining the District's collection system maps, operation and maintenance activity schedules, a plan to prepare the District's capital improvement program (CIP),

system rehabilitation and replacement plans, and District personnel training schedules. As part of the SOMP, a schedule for monitoring and cleaning sewer lines and lift stations can be developed. Prevention and containment measures can also be planned for in an SOMP with emergency pump-around and containment equipment, and training schedules for staff to use this equipment in an emergency. Hot spots - areas where visual or video inspections indicate repeated or unusual accumulation of grease, grit, roots or other debris, or in areas with a past history of sewage blockages – can be identified, mapped, and placed on a routine cleaning schedule.

The District may also find efficiencies in developing Geographic Information Systems (GIS) mapping for the wastewater system with manhole, sewer line, and lift station layers, as well as an attribute table with manhole and sewer line information georeferenced to each manhole and sewer line, which lists the line type, line material and the pipe diameter. The District would be able to use the attribute table and map displays for collection system maintenance scheduling, to query information about the system, and to create maps and labels.

The District is required by the State Water Resources Control Board to prepare a Sewer System Management Plan (SSMP) that includes an operation and maintenance program, design and performance provisions, an overflow emergency response plan, and a system evaluation and capacity assurance plan, among other items. The District approved a SSMP at its September 12, 2019 regular board meeting.

Although no engineering report was available for review in the preparation of this MSR, a 2006 engineering analysis of the system by SHN Engineers listed a number of plant deficiencies. (SHN Consulting Engineers & Geologists, 2006) In 2008, repairs made to the system improved some of these issues, but they did not remedy them completely, and the District has had unauthorized surface discharges that have failed toxicity tests since that time. The District also currently has a moratorium on new service connections due to the maximum capacity and I&I issues.

The District recently received a North Coast Resource Partnership grant that includes funding for collection system improvements and wastewater treatment plant improvements. The grant award of \$750,000 will allow the District to address one of the moratorium mitigation measures: reduce inflow and infiltration by replacing faulty laterals, a manhole, and a section of main pipe. The construction design and bid package are to be completed by June 2021 and construction to begin and to be completed summer/fall of 2021, respectively.

The collection system's I&I issues compromise the treatment facility's capacity and have resulted in raised rates (in 2017) by \$15 a month to offset the testing and administrative costs needed during wet weather events. The project will redesign the treatment plant ponds to increase water treatment efficiency, thus reducing processing costs and timing of influent. The improvements will also allow the District moratorium to be lifted, allowing increased revenue from new development. Improvements will replace portions of the collection system to reduce approximately 0.2 MGD of wet weather I&I, and will upgrade the treatment plant to adjust inlets and outlets through various parts of the plant, separate some of the treatment facilities (wetlands and percolation pond), and install aerators/mixers in the primary oxidation pond to improve the treatment capacity and maintenance abilities of the WWTP. These improvements would also reduce the toxic ammonia in the plant's effluent.

(North Coast Resource Partnership, 2018)

3.2.5 SYSTEM CAPACITY

The District's wastewater collection, treatment, and disposal facilities serve 430 people with 265 service connections. The District serves predominantly commercial, residential, and school uses. The District is located in a larger community, which if appropriately characterized by the CDP boundaries, has an approximate resident population of 1,255, covering an area of approximately 7.1 square miles, with sparse development outside the District boundaries.

The permitted design capacity of the wastewater treatment plant is 77,000 gallons per day. The most recently available daily wastewater flows are as follows:

Parameter	Unit	2015	2016	2017	2018	2019	2020 ¹	Average
Average Daily Flow	MGD	.054	.093	.098	.054	.083	.044	.071
Average Dry Weather Flow	MGD	.037	.041	.033	.040	.039	.037	.038
Average Wet Weather Flow	MGD	.072	.137	.120	.061	.106	.046	.090
Maximum Daily Flow	MG	.144	.329	.455	.184	.369	.087	.261
Maximum Monthly Flow	MG	3.195	5.946	8.163	3.334	5.381	1.771	4.632

¹2020 was a significant drought year.

As shown in the table, most of the average flows were less than 77,000 gallons per day or .077 million gallons per day (MGD) in any given year. However, years with higher precipitation levels – 2016, 2017, and 2019 – produced some exceedances of the maximum permitted flow rate, particular the wet weather flows which exceeded the maximum flow rate in three of the last five years. These service peaks are mostly related to high rainfall years due to I&I issues. In the summer months (non-school year months), service demand drops due to less overall inflow.

Growth of the wastewater system could occur through new development within the boundaries of the District or expansion of the system to serve existing areas adjacent to the District currently utilizing onsite sewage disposal systems (septic systems). Although there are a number of parcels just outside the District boundaries which could be subdivided for development, there are no proposed or anticipated significant land use changes, new development projects, or redevelopment of existing sites within the District's boundary over the next five years. (CCSD, 2020a) The District will likely experience limited growth until constraints related to infrastructure needs are sufficiently addressed. After the system has been upgraded, it is anticipated that the District will see occasional requests for service and annexation.

3.2.6 FACILITIES AND ASSETS

The District owns, operates, and maintains multiple capital assets including land, structures, equipment, and infrastructure to provide services to its constituents. As of December 31, 2019, the District's capital assets totaled \$3,198,990. The District's North Coast Resource Partnership Grant is a DWR grant that has been awarded and is being developed for completion in 2021.. (CCSD, 2020c)

The Districts owns and operates its wastewater collection, treatment, and disposal system. The District owns 22.5 acres on two parcels where the wastewater treatment plant is located. The treatment plant facilities are owned by the District, including pumping stations, office/storage buildings, backup generators, and ozone disinfection unit. The District has easements to all sewer lines from the terminus at the plant on throughout the District up to each property line cleanout. Most facilities are approximately

20 years old and in generally good operating condition. Some facilities are no longer in good operating condition. The District also owns office equipment, vehicles to support its operations, and other equipment for maintenance and operations. Capital assets as of June 30, 2019, with depreciation, are shown in Figure 3-1 below.

As mentioned above, the District is currently in the process of implementing a North Coast Resource Partnership Grant to replace faulty sections of the collection system as well as to install solar panels at the WWTP. Additionally, the CCSD has applied for a CA Waterboard Grant to rebuild the influent well and pumping station.

Figure 3-2 Fixed Assets FYE 2020

Covelo Community Services District
CAPITAL ASSETS & DEPRECIATION SCHEDULE
FYE: 12/31/2020

PLACED IN SERVICE		LIFE YEARS	COST ORIGINAL	COST ADJUSTED	YEAR ENDED DEPREC.	ACCUM. DEPREC.	NET BOOK
					2020	2020	2020
1960	LAND		0.00				
1975	LAND	50	39640.00				
WASTEWATER TREATMENT PLANT							
1961	GENERAL PLANT	30	157496	157496.49	0.00	157496.49	0.00
1976	GENERAL PLANT	50	843876.94	843876.94	16877.54	742611.71	101265.23
2003	WATER WELL	30	19076.25	19076.25	635.88	10809.88	8266.38
2008	HOWARD/162 COLLECTION UPGRADE	40	2288983.69	2288983.69	57224.59	686695.11	1602288.58
2010	LAFCO ANNEXATION MAPS	30	5940.50	5940.50	198.02	1980.17	3960.33
2011	TREATMENT PLANT UPGRADE	40	1429563.86	1429563.86	35739.10	321651.87	1107911.99
EQUIPMENT							
2003	VINTAGE WW PIPE CUTTER	5	654.54	654.54	0.00	654.54	0.00
2003	WARTHOG POWER NOZZLE ATTACH	5	1174.39	1174.39	0.00	1174.39	0.00
2005	F150 TRUCK 1995	5	3845.00	3845.00	0.00	3845.00	0.00
2007	1994 FORD SEWER JET TRUCK	10	26614.65	26614.65	0.00	26614.65	0.00
2009	8 X 40 SHIPPING CONTAINER	30	2700.00	2700.00	90.00	990.00	1710.00
2009	HUSQVARNA RIDING MOWER	10	1848.70	1848.70	0.00	1848.70	0.00
2010	SEESNAKE SEWER VIDEO CAMERA	5	2300.00	2300.00	0.00	2300.00	0.00
2016	OZONE MONITOR MODEL M465H	10	6450.00	6450.00	645.00	2580.00	3870.00
			45587.28				
TOTALS			4,633,028.52	4,633,028.52	111,410.12	1,803,756.00	2,829,272.52

3.3 DETERMINATIONS

This section presents the required MSR determinations pursuant to California Government Code §56430(a) for the Covelo Community Services District.

3.3.1 MSR REVIEW FACTORS

3.3.1.1 Growth

Growth and population projections for the affected area

1. The Covelo CSD is estimated to serve a population of approximately 430 residents.
2. The Covelo CDP, which includes the District and is 7.1 square miles, currently has 1,255 residents and is estimated to grow very slowly due to infrastructure deficiencies.
3. Population growth is expected to increase at an annual rate of approximately 0.15% for Covelo CDP. Based on this growth rate, the District can expect a small population increase of 220 people within the next five years. It is anticipated that the District will experience very limited growth until constraints related to infrastructure needs are sufficiently addressed.
4. Mendocino County has land use authority over privately-owned lands within the District boundary and makes land-use decisions based on the County's Inland General Plan and Zoning Regulations.

3.3.1.2 Disadvantaged Unincorporated Communities

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

5. Covelo CDP has an MHI of \$23,600 and qualifies as a DUC and an SDAC with less than 60% of the State's MHI. Special consideration will be given to any DUCs affected by future annexation proposals consistent with GC §56375(8)(A) and LAFCo Policy.
6. The Round Valley Indian Reservation is located adjacent to the District in the northwest portion of Round Valley. However, the Round Valley Indian Tribes (RVIT) own and operate its own wastewater treatment facility for the Reservation.

3.3.1.3 Capacity of Facilities and Adequacy of Services

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 of influence

7. The District provides wastewater services within its boundaries with no distinct service areas.
8. The District does not provide any out-of-agency services.
9. The District's wastewater system serves a total of 265 residential equivalent users, including single family dwellings, 189; businesses, 59; schools, 47.5; mobile home park, 33; restaurants, 14; churches, 4.
10. The District's wastewater system facilities and infrastructure includes a wastewater treatment plant with a design capacity of 77,000 gallons per day, 20,000 feet (approximately 3.75 miles) of sewer lines and one pump station. The average total annual demand on the District's water system regularly exceeds the plant capacity, with three of the last five years exceeding average daily flow.

11. There are wastewater capacity issues and infrastructure needs for the District that need to be addressed within the timeframe of this MSR. The plant requires upgrades to prevent I&I issues during storm events, and some of the infrastructure requires replacement, such as the plant restroom facilities.
12. It is recommended that the District maintain a System Operation and Maintenance Program (SOMP) which establishes procedures intended to prevent or minimize the potential for sanitary sewer overflows. The program can include guidelines for the operation and maintenance of the sanitary sewer collection system, such as a plan for drafting and maintaining the District's collection system maps, operation and maintenance activity schedules, a plan to prepare the District's capital improvement program, system rehabilitation and replacement plans, and District personnel training schedules. As part of the SOMP, a schedule for monitoring and cleaning sewer lines and lift stations can be developed. Prevention and containment measures can also be planned for in an SOMP with emergency pump-around and containment equipment, and training schedules for staff to use this equipment in an emergency. Hot spots - areas where visual or video inspections indicate repeated or unusual accumulation of grease, grit, roots or other debris, or in areas with a past history of sewage blockages – can be identified, mapped, and placed on a routine cleaning schedule.
13. It is recommended that the District develop a Geographic Information Systems (GIS) map for the wastewater system with manhole, sewer line, and lift station layers, as well as an attribute table with manhole and sewer line information georeferenced to each manhole and sewer line, which lists the line type, line material and the pipe diameter. The District would be able to use the attribute table and map displays for collection system maintenance scheduling, to query information about the system, and to create maps and labels.

3.3.1.4 Financial Ability of Agency

Financial ability of agencies to provide services

14. The District prepares an annual Budget and has annual Independent Financial Audits prepared by a qualified Certified Public Accountant. The District shall provide LAFCo a complete copy of all future financial audit reports (starting with Fiscal Year 2019-20) prepared by a Certified Public Accountant within 12-months of the end of the fiscal year or years under examination consistent with the timeframes established by Government Code Section 26909(a)(2)(b)(ii) as amended by SB 448.
15. According to audited financial information from Fiscal Years 2016-17 through 2018-19, the District generally operates at a net deficit each year. The District's enterprise services are also currently operating at a net loss, and the overall net position has declined in each of the last four years. The trend in net position is a key measure of fiscal health and indicates that the District needs to balance the budget and/or meet current operating costs with increased revenues. The District's declining net position indicates that under the current level of service delivery, the District will eventually be unable to meet its ongoing financial obligations. The District does have adequate finances to meet current and future demands for public services within the next five years. However, the District should be working toward a balanced budget as well as toward building reserves to fund capital improvements and replace equipment.
16. The District does not have a Capital Improvement Plan. It is recommended that the District prepare and adopt a 5-year Capital Improvement Plan to ensure that financial planning occurs for future capital infrastructure needs.

3.3.1.5 Shared Services and Facilities

Status of, and opportunities for, shared facilities

17. The District does not participate in any shared services. There is no redundancy in the provision of municipal services to the District.
18. The District collaborates with other public agencies by sharing the office and Board meeting location with the RVCWD.
19. The District is developing an MOU with the RVCWD to share office space with the Round Valley Area Municipal Advisory Council for document storage.
20. The District participates in the SDRMA for the purpose of pooled insurance for providing liability, workers compensation for its facilities, operations, and employees. Health insurance is provided by the Association of California Water Agencies Joint Powers Insurance Authority for District employees and their dependents.
21. No new opportunities for the District to achieve organizational or operational efficiencies were identified during the preparation of this MSR.

3.3.1.6 Accountability, Structure, and Operational Efficiencies

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

22. The District is governed by a Board of Directors elected to serve 4-year terms. The Board is comprised of five seats, only three of which are filled as has been the case since Fiscal Year 2010-11. The District has difficulty filling vacancies, but has retained two long-term Board members, which can be a significant benefit in establishing long-standing positive working relationships in the community, understanding the history and unique aspects of the organization, and maintaining institutional knowledge. It is recommended that the District conduct public outreach to the community through physical bulletin board notification sites as well as local media and/or free social media to attract additional Board members. A small stipend for Board members may also attract more members.
23. Regularly scheduled meetings for the District Board of Directors are held on the second Thursday of the month at 6:00 p.m. at the District Office located at 23950 Grange Street in Covelo. Alternatively, the District Board meets on the second Wednesday of the month as needed, according to District staff. All meetings are open to the public and are publicly posted a minimum of 72 hours prior to the meeting in accordance with the Brown Act.
24. The District Board of Directors conducts business and takes action by approving motions and adopting resolutions and ordinances by a majority vote of a sufficient quorum. The District Board of Directors has adopted policies and procedures related to elected officials including conflict of interest and reimbursement, finances, and personnel. The District Board members file a Statement of Economic Interests (Fair Political Practices Commission Form 700) each year pursuant to Government Code §87203 of the Political Reform Act and receive two hours of training on public service ethics laws and principles at least once every two years pursuant to AB 1234. The District Board of Directors considers proposed increases to rates and fees at a properly noticed Public Hearing and subject to mailing a Notice of Hearing for Protests to all property owners pursuant to Proposition 218. The District complies with local government ethics laws and regulations and operates with accountability and transparency.

25. The District has a website at <https://ccsd.roundvalley.org>. The District's website has the District's contact information and agendas and minutes from District Board meetings from October 2019 to June 2020. However, the website is not current and does not appear to have been maintained in the last year. A search of the District in any major search engine does not yield the District's website, and it is not linked on the Mendocino LAFCo Special District page. The District's website would be enhanced by keeping it up to date; posting the regular Board meeting agenda, time, and location; posting the Board member contact information; and incorporating a content management system to provide a searchable and chronologically organized document archive system for Board meeting packets and adopted ordinances, resolutions, annual budgets, financial audit reports, and other digital records. The website would also benefit from a search engine prioritization overhaul to improve the website ranking and site traffic. The District should also consider maintaining community outreach, particularly prior to and during construction of capital improvements, with social media outlets such as Facebook, and linking to relevant outside sources such as Mendocino LAFCo's webpage.
26. The District has one full-time position and two part-time employees as follows: one General Manager, one Bookkeeper/Office Manager, and one Plant Operator/Collection Manager. In addition, the District employs a contract Certified Public Accountant (CPA) and legal counsel on an annual basis. As needed the District also enters into contracts with engineers, construction contractors, construction monitors, and others.
27. The public can submit written or provide verbal comments or complaints in person or by phone at the District office during business hours, Monday through Friday from 8:00 a.m. to 5:00 p.m., or at the District Board of Directors meetings during the general public comment period.
28. There are no government restructure options for the District to achieve organizational or operational efficiencies identified during the preparation of this MSR.

3.3.1.7 Other Service Delivery Matters

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

29. There are no other matters related to service delivery required by Mendocino LAFCo Policy.
30. As a CSD, the District has the opportunity to provide additional municipal services upon activation of latent powers through Mendocino LAFCo. Given the recent establishment of the RVMAC and the issues identified in the Covelo area, there may be opportunity for the District to serve as a vehicle for achieving some of the goals that are otherwise unattainable in such a rural, unincorporated area. Attachment C includes a list of municipal services that are authorized under Community Services District Law that could potentially be activated for the Covelo CSD.

4 SPHERE OF INFLUENCE

LAFCo prepares a Municipal Service Review (MSR) prior to or in conjunction with the Sphere of Influence (SOI) Update process. An SOI Update considers whether a change to the SOI, or probable future boundary, of a local government agency is warranted to plan the logical and orderly development of that agency in a manner that supports CKH Law and the Policies of the Commission. The MSR and required determinations are presented in Chapters 2 and 3 of this document and form the basis of information and analysis for this SOI Update. This chapter presents the SOI Update and required determinations pursuant to California Government Code §56425(e) for Covelo Community Services District.

4.1 SOI UPDATE

This update is prepared as part of a CKH Act mandated (GC §56076) process. As stated in that section, “In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local government agencies so as to advantageously provide for the present and future needs of the county and its communities, LAFCo shall develop and determine the Sphere of Influence (SOI) of each local governmental agency within the county”. A “SOI” under the CKH Act (GC §56076) definition is “.... a plan for the probable physical boundaries and service area of a local (government) agency”.

Decisions on organizational changes must be consistent with the SOI boundary and determinations. The adopted SOI is used by LAFCo as a policy guide in its consideration of boundary change proposals affecting each city and special district in Mendocino County. Other agencies and individuals use adopted SOIs to better understand the services provided by each local agency and the geographic area in which those services will be available. Clear public understanding of the planned geographic availability of urban services is crucial to the preservation of agricultural land and discouraging urban sprawl.

The following update will assess and recommend an appropriate Covelo Community Services District (CCSD) Sphere of Influence (SOI). The objective is to establish CCSD SOI relative to current legislative directives, local policies, and agency preferences in justifying whether to (a) change or (b) maintain the designation. The update draws on information from the CCSD Municipal Services Review (MSR) in Section 3, which includes the evaluation of availability, adequacy, and capacity of services provided by the District.

SOI reviews and updates typically occur every five years, or as needed. A local agency’s services are analyzed with a twenty-year planning horizon, and a sphere is determined in a manner emphasizing a probable need for services within the next 5 to 10 years. Actual boundary change approvals, however, are subject to separate analysis with particular emphasis on determining whether the timing of the proposed action is appropriate.

If the CSD were to annex the SOI in the future, and potentially activate additional latent powers, that would be an appropriate time to establish possible service zones within the District, identifying where various services, such as water, are provided. LAFCo oversight during the establishment of service zones would ensure the policies of the Commission, such as preserving agricultural land and open space, are addressed.

4.1.1 EXISTING SPHERE OF INFLUENCE

The Sphere of Influence (SOI) for Covelo CSD is coterminous (identical to) with the District boundary and was established by LAFCo on October 4, 2010 (LAFCo Resolution No. 2010-01). Concurrent annexations consistent with the 2010 SOI were also approved on October 4, 2010 (LAFCo Resolutions No. 2010-02 and 2010-03). There have been no changes to the District boundary or SOI since then. (LAFCo, 2010a)

4.1.2 STUDY AREAS

There are no additional study areas beyond the present SOI. Based on current wastewater treatment system capacity, which has reached its maximum extent and regularly exceeds its capacity in the rainy season, as well as the repair and capital improvement needs of the system, it appears that the District does not have the capacity to provide wastewater services beyond its proposed service area. There may be a future need for services outside the proposed jurisdictional boundaries of the District; however, the District is presently unable to provide those services. The territory of the District and the proposed coterminous SOI are in the County; therefore, the zoning for these parcels is controlled by the County. There are no present or planned land uses within the proposed coterminous SOI that differs with existing County zoning.

4.1.3 AREA OF INTEREST DESIGNATION

LAFCo's Area of Interest Policy, per Section 10.1.12, provides for the designation or identification of unincorporated areas located near to, but outside the jurisdictional boundary and established SOI of a city or district, in which land use decisions or other governmental actions of another local agency directly or indirectly impact the subject local agency.

An Area of Interest (AOI) designation serves as a compromise approach that recognizes situations involving challenging boundary or municipal service delivery considerations, or for which urbanization may be anticipated in the intermediate or long range planning horizons. It is a tool intended to enhance communication and coordination between local agencies.

An AOI designation is most helpful when the county and city or district can reach agreement that development plans related to LAFCo designated Areas of Interest will be treated the same as if these areas were within the city or district SOI boundary regarding notification to and consideration of input from the city or district.

As noted above, there are no Study Areas established in this MSR due to the District indicating that the existing District boundary and SOI are adequate, as well as current lack of capacity at the wastewater treatment facility and other repair and capital needs that should be addressed prior to any new annexations.

4.1.4 PROPOSED SOI CHANGES

The District has confirmed the adequacy of their existing District boundary and SOI. The coterminous SOI is appropriate given the District's current operating level, the current lack of capacity in the wet-weather season, other repair and capital needs that must be addressed, and the lack of financial ability to add additional service connections and new infrastructure that would require financial resources to maintain and operate. There are no proposed SOI changes for the Covelo CSD (Figure 1-1). (CCSD, 2020a)

4.1.5 CONSISTENCY WITH LAFCO POLICIES

The District is comprised of a community with residential, commercial, and public facility (school) uses. Maintaining the existing District SOI is consistent with Mendocino LAFCo Policies (refer to Section 1.5 for the specific SOI policies).

4.1.6 DETERMINATIONS

It is recommended that the Commission affirm the existing Sphere of Influence for Covelo Community Services District that is coterminous with the District boundary. The following statements have been prepared in support of this recommendation.

4.1.6.1 Land Uses

The present and planned land uses in the area, including agricultural and open space lands

The District service area is comprised of the semi-rural unincorporated community of Covelo within the larger Round Valley area. The District's uses include residential and residential-supporting commercial and public facility uses. Round Valley is a remote area devoted to agricultural uses including grazing lands and orchards, and rural residential home sites. The Round Valley Indian Reservation, including the Hidden Oaks Casino and Round Valley Indian Health Center, covers 405 acres of the CDP at the north end of Round Valley, with forest and rangelands extending further to the north. Outside of the District boundaries, agricultural uses and rural residential home sites prevail, with RL Rangeland (livestock grazing, protection of natural resources), TP Timberland Production (growing and production of timber), SR Suburban Residential (residential with some commercial uses), UR Upland Residential (low-density agricultural/residential uses), and PF Public Facilities (airport and school uses) predominating. Mendocino County has land use authority over privately-owned lands within the District boundary and makes land-use decisions based on the County's General Plan and Zoning Regulations. (Mendocino County, 2009)

4.1.6.2 Need for Facilities and Services

The present and probable need for public facilities and services in the area

General government services provided under the direction of the District Manager include Administration, Finance, and Planning. The Covelo CSD is estimated to serve a population of approximately 430 residents. Population growth is expected to increase at an annual rate of approximately 0.15% for the Covelo area. Based on this growth rate, the District can expect a small population increase of three people within the next five years. Although there are a number of parcels just outside the District of similar size as those within, and several which could be subdivided for development, there are no proposed or anticipated significant land use changes, new development projects, or redevelopment of existing sites within the District's boundary over the next five years. The District will likely experience limited growth until constraints related to infrastructure needs are sufficiently addressed. The residents and visitors currently receiving services from the District will continue to need these public services. (CCSD, 2020a)

4.1.6.3 Capacity of Facilities and Adequacy of Services

The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide

The District's enterprise services are currently operating at an annual net loss, and the District's overall net position has decreased in all of the last four years. The trend in net position is a key measure of fiscal health and indicates that the District needs to balance the budget and/or meet current operating costs

with increased revenues. The District should be working toward a balanced budget. The District does maintain a Capital Reserve account, which currently has \$76,748.19, but the District should be working toward building additional reserves to fund capital improvements and replace equipment. In addition, the District's capacity has been regularly exceeded during storm events in three of the last five years, in violation of the current NPDES permit. The District is currently working on a number of projects to improve the facilities and provide some cost-saving measures (such as installation of solar panels at the treatment plant). However, it is unclear whether these planned improvements will provide the additional capacity needed as well as the finances needed to bring the project into a stronger net position annually. The Covelo CSD has adequate finances, facilities, and equipment to meet current demands for public services within the next five years, but does not have the physical or financial capacity currently to sustain this level of service indefinitely.

4.1.6.4 Communities of Interest

The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency

No social or economic communities of interest have been identified that should be included in the Covelo CSD boundary or SOI.

4.1.6.5 Disadvantaged Unincorporated Communities

The present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence

Covelo is a Census Designated Place (CDP) and the primary population center within the District. Covelo CDP has an MHI of \$23,600 and qualifies as a DUC, and is also considered an SDAC under California Public Resources Code Section 75005 with a median household income of less than 60% the statewide average. Special consideration will be given to any DUCs affected by future annexation proposals consistent with GC §56375(8)(A) and LAFCo Policy.

The Round Valley Indian Reservation is located adjacent to the District in the northwest portion of Round Valley. The Round Valley Indian Tribes (RVIT) own and operate its own wastewater treatment facility for the Reservation.

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6 ACRONYMS

AF	Acre-feet
CCSD	Covelo Community Services District
CDP	Census Designated Place
CEQA	California Environmental Quality Act
CKH	Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000
CPA	Certified Public Accountant
CSD	Community Services District
DUC	Disadvantaged Community
FY	Fiscal Year
FTE	Full Time Equivalent
GPM	gallons per minute
I&I	Infiltration and inflow
JPA	Joint Powers Authority
LAFCo	Local Agency Formation Commission
MG	million gallons
MGD	million gallons per day
MHI	Median Household Income
MOU	Memorandum of Understanding
MSR	Municipal Service Review
RVCWD	Round Valley County Water District
RVIT	Round Valley Indian Tribes
RVMAC	Round Valley Municipal Advisory Committee
SB	Senate Bill
SDAC	Severely Disadvantaged Community
SDRMA	Special District Risk Management Association
SOI	Sphere of Influence
WWTP	Wastewater Treatment Plant

7 ACKNOWLEDGEMENTS

7.1 REPORT PREPARATION

This Municipal Service Review and Sphere of Influence Update was prepared by Hinman & Associates Consulting, Inc., contracted staff for Mendocino LAFCo.

Uma Hinman, Executive Officer
 Larkyn Feiler, Analyst
 Kristen Meadows, Commission Clerk

7.2 ASSISTANCE AND SUPPORT

This Municipal Service Review and Sphere of Influence Update could not have been completed without the assistance and support from the following organizations and individuals.

Covelo CSD	Dane Downing, General Manager Tim Dennis, Treatment Plant Operator Gail Cook, Clerk/Office Manager
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8 APPENDICES

8.1 APPENDIX A – OPEN GOVERNMENT RESOURCES

The purpose of this appendix is to provide a brief list of some educational resources for local agencies interested in learning more about the broad scope of public interest laws geared towards government transparency and accountability. This appendix is not intended to be a comprehensive reference list or to substitute legal advice from a qualified attorney. Feel free to contact the Mendocino LAFCo office at (707) 463-4470 to make suggestions of additional resources that could be added to this appendix.

The websites listed below provide information regarding the following open government laws: (1) **Public Records Act** (Government Code §6250 et seq.), (2) **Political Reform Act** – Conflict-of-Interest regulations (Government Code §81000 et seq.), (3) **Ethics Principles and Training** (AB 1234 and Government Code §53235), (4) **Brown Act** – Open Meeting regulations (Government Code §54950 et seq.), and (5) **Online Compliance** regulations (Section 508 of the US Rehabilitation Act and Government Code §11135).

- Refer to the State of California Attorney General website for information regarding public access to governmental information and processes at the following link: <https://oag.ca.gov/government>.
- Refer to the State of California Attorney General website for information regarding Ethics Training Courses required pursuant to AB 1234 at the following link: <https://oag.ca.gov/ethics>.
- The Fair Political Practices Commission (FPPC) is primarily responsible for administering and enforcing the Political Reform Act. The website for the Fair Political Practices Commission is available at the following link: <http://www.fppc.ca.gov/>.
- Refer to the California Department of Rehabilitation website for information regarding Section 508 of the US Rehabilitation Act and other laws that address digital accessibility at the following link: <http://www.dor.ca.gov/DisabilityAccessInfo/What-are-the-Laws-that-Cover-Digital-Accessibility.html>.
- Refer to the Institute for Local Government (ILG) website to download the Good Governance Checklist form at the following link: www.ca-ilg.org/post/good-governance-checklist-good-and-better-practices.
- Refer to the Institute for Local Government (ILG) website to download the Ethics Law Principles for Public Servants pamphlet at the following link: www.ca-ilg.org/node/3369.
- Refer to the Institute for Local Government (ILG) website for information regarding Ethics Training Courses required pursuant to AB 1234 at the following link: <http://www.ca-ilg.org/ethics-education-ab-1234-training>.
- Refer to the California Special Districts Association (CSDA) website for information regarding online and website compliance webinars at the following link: <http://www.csda.net/tag/webinars/>.

8.2 APPENDIX B – WEBSITE COMPLIANCE HANDOUT

Refer to the next page.

DRAFT

Appendix B

California Website Compliance Checklist

Use this checklist to keep your district's website compliant with State and Federal requirements.

Public Records Act

SB 929

Our district has created and maintains a website

Passed in 2018, all independent special districts must have a website that includes contact information (and all other requirements) by Jan. 2020

SB 272

Our Enterprise System Catalog is posted on our website

All local agencies must publish a catalog listing all software that meets specific requirements—free tool at getstreamline.com/sb272

AB 2853 (optional):

We post public records to our website

This bill allows you to refer PRA requests to your site, if the content is displayed there, potentially saving time, money, and trees

The Brown Act

AB 392:

Agendas are posted to our website at least 72 hours in advance of regular meetings, 24 hours in advance of special meetings

This 2011 update to the Act, originally created in 1953, added the online posting requirement

AB 2257:

A link to the most recent agenda is on our home page, and agendas are searchable, machine-readable and platform independent

Required by Jan. 2019—text-based PDFs meet this requirement, Microsoft Word docs do not

State Controller Reports

Financial Transaction Report:

A link to the Controller's "By the Numbers" website is posted on our website

Report must be submitted within seven months after the close of the fiscal year—you can add the report to your site annually, but posting a link is easier

Compensation Report:

A link to the Controller's PublicPay website is posted in a conspicuous location on our website

Report must be submitted by April 30 of each year—you can also add the report to your site annually, but posting a link is easier

Healthcare District Websites

AB 2019:

If we're a healthcare district, we maintain a website that includes all items above, plus additional requirements

Including budget, board members, Municipal Service Review, grant policy and recipients, and audits

Open Data

AB 169:

Anything posted on our website that we call "open data" meets the requirements for open data

Defined as "retrievable, downloadable, indexable, and electronically searchable; platform independent and machine readable" among other things

Section 508 ADA Compliance

CA gov code 7405:

State governmental entities shall comply with the accessibility requirements of Section 508 of the federal Rehabilitation Act of 1973

Requirements were updated in 2018—if you aren't sure, you can test your site for accessibility at achecker.ca



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The Brown Act: new agenda requirements

Tips for complying with AB 2257 by January, 2019

Placement:

What it says: An online posting of an agenda shall be posted on the primary Internet Web site homepage of a city, county, city and county, special district, school district, or political subdivision established by the state that is accessible through a prominent, direct link to the current agenda.

What that means: Add a link to the **current agenda directly to your homepage**. It cannot be in a menu item or otherwise require more than a single click to open the agenda.

Exception:

What it says: A link to the agenda management platform may be added to the home page instead of a link directly to the current agenda, if the agency uses an integrated agenda management platform that meets specified requirements, including, among others, that the current agenda is the first agenda available at the top of the integrated agenda management platform.

What that means: If you use an agenda management system, you may add a link to that system directly to your homepage (again, not in a menu item), if the format of the agenda meets the requirements below, and if the current agenda is the first at the top of the list.

Format:

What it says: [agenda must be] Retrievable, downloadable, indexable, and electronically searchable by commonly used Internet search applications. Platform independent and machine readable. Available to the public free of charge and without any restriction that would impede the reuse or redistribution of the agenda.

What that means: You cannot add Word Docs or scanned (image-based) PDFs of your agenda to your website—Word Docs are not platform independent (the visitor must have Word to read the file), and scanned PDFs are not searchable. Instead, **keep your agenda separate from the packet** and follow these steps:

1. From Word or other document system: Export agenda to PDF
2. Add that agenda to your website (or to your agenda management system), and include a link to that agenda on your homepage
3. Then, you can print the agenda, add it to your pile of documents for the packet, and scan that to PDF - just keep the packet separate from the agenda (only the agenda must meet AB 2257)
4. Keep the link on the homepage until the next agenda is available, then update the link

Questions? Contact sloane@getstreamline.com or dillong@csga.net

8.3 APPENDIX C – APPLICABLE POLICIES

County of Mendocino 2009 General Plan

Chapter 6: Community – Specific Policies: Covelo Goals and Policies

The following goals, policies, and actions are specific to Covelo, and supplement the countywide goals and policies elsewhere in this General Plan.

Covelo Community Goals

Goal CP-C-1: Conserve Round Valley’s natural, visual and historical resources while maintaining agricultural operations including grazing lands.

Goal CP-C-2: Expand economic opportunities in Round Valley consistent with the desired rural character of the valley.

Goal CP-C-3: Maintain compact development patterns by focusing commercial, residential and community uses in Covelo.

Covelo Community Area Policies

Policy CP-C-1: Preserve and enhance the established historic character of downtown Covelo.

Action Item CP-C-1.1: Enhance Covelo’s downtown and incorporate beautification improvements through circulation, streetscapes, signage, landscaping and other means.

Policy CP-C-2: Retain and restore historic buildings and sites.

Policy CP-C-3: The design of new development should reflect the rural character of the Covelo community.

Policy CP-C-4: Discourage subdivision activity in the outlying Rural and Remote Residential lands, including on lands adjacent to Rangelands and Forest Lands.

Policy CP-C-5: Encourage higher density residential uses, including affordable housing units, in or near the commercial centers as part of a mixed-use strategy.

Policy CP-C-6: Encourage improvements to existing residential structures.

Policy CP-C-7: Establish places and facilities that create a sense of community.

Action Item CP-C-7.1: Revitalize the commercial core of Covelo as the focal point of the community, with mixed-use potential for convenience retail, office and residential uses, focusing on the State Route 162 (Covelo Road) corridor and Greely Street.

Action Item CP-C-7.2: Consider installation of a central plaza or gazebo in the downtown.

Policy CP-C-8: Expand and diversify economic ventures.

Policy CP-C-9: The County encourages the expansion of commercial uses in Covelo.

Policy CP-C-10: Commercial uses should be focused near the established core areas along State Route 162.

Policy CP-C-11: Actively pursue light industrial manufacturing employers for Round Valley.

Action Item CP-C-11.1: Consider placement of a community signboard along State Route 101 at the State Route 162 intersection advertising services and special events in Round Valley.

Action Item CP-C-11.2: Designate the mill site northwest of the town center as a study area to consider a range of future land uses, including industrial, light industrial, commercial and other uses supporting jobs creation for local residents

Policy CP-C-12: Increase economic and social ties with the Round Valley Indian Tribes.

Policy CP-C-13: Encourage joint-use opportunities with Round Valley Indian Reservation.

Policy CP-C-14: Support a community fire hydrant system to facilitate economic and public safety.

Policy CP-C-15: Encourage the Covelo CSD to plan for the provision of a public water system.

Action Item CP-C-15.1: Assist the Covelo Community Services District (CSD) in its efforts to serve future growth with water capacity consistent with the land use patterns and densities established in the General Plan.

Policy CP-C-16: Consider upgrades to the Round Valley Airport to support economic development and emergency services.

Chapter 3 Development Element: Water Supply and Sewer (Wastewater Treatment) Services Policies

Policy DE-186: Coordinate community water and sewer services with General Plan land use densities and intensities.

Policy DE-187: The County supports efficient and adequate public water and sewer services through combined service agencies, shared facilities, or other inter-agency agreements.

Action Item DE-187.1: Work aggressively with water and sewer service providers to overcome current and projected system and supply deficiencies necessary to serve planned community growth.

Action Item DE-187.2: Support funding applications to improve and expand water and sewer service capabilities in areas planned for future growth or to resolve existing deficiencies.

Action Item DE-187.3: Work with communities and public water and sewer service entities to monitor, manage and/or maintain community-wide or decentralized water or sewer systems.

Policy DE-188: Encourage water and sewer service providers to incorporate water conservation, reclamation, and reuse.

- Encourage the development and use of innovative systems and technologies that promote water conservation, reclamation, and reuse.
- Encourage the development of systems that capture and use methane emissions from their operation.
- Encourage the development and use of innovative systems and technologies for the treatment of wastewater.

Policy DE-189: Oppose extension of water or sewer services to rural non-community areas when such extensions are inconsistent with land use and resource objectives of the General Plan, except where the extension is needed to address a clear public health hazard.

Policy DE-190: Development of residential, commercial, or industrial uses shall be supported by water supply and wastewater treatment systems adequate to serve the long-term needs of the intended density, intensity, and use.

Policy DE-191: Land use plans and development shall minimize impacts to the quality or quantity of drinking water supplies.

Chapter 3 Development Element: Infrastructure (Facilities and Services) Policies

Policy DE-117: Deliver programs and services to communities in an integrated, coordinated and equitable manner, reflective of local conditions.

Policy DE-118: The County shall discourage the extension of sewer and water service outside of areas designated by this General Plan or any city's General Plan for urban uses.

Action Item DE-118.1: Work with the Local Agency Formation Commission and service providers to coordinate service capabilities with this General Plan's land use designations.

Policy DE-119: Consider infrastructure capabilities, spheres of influence and master service elements adopted by the Local Agency Formation Commission, and city rezoning when adopting or revising General Plan elements.

Policy DE-120: General Plan changes to increase density or intensity should not be granted when basic infrastructure deficiencies are identified unless there is a program in place for timely resolution of the problem.

Policy DE-121: New discretionary development will be required to demonstrate that basic infrastructure is available and has adequate capacity to serve the project without degrading existing level of service standards.

Policy DE-122: When committing to serve new development, the County will encourage service providers to grant priority to allocation of available and future water resources to lower income housing developments that help meet the regional housing need.

Policy DE-123: Plans for completion of basic infrastructure should be made concurrent with discretionary development entitlement actions.

Policy DE-124: Plan for the expansion of commercial and industrial uses and sites for affordable housing when planning and designing community spaces and infrastructure.

Policy DE-125: The County supports the extension of affordable broadband internet access to all areas of the county, particularly rural areas which currently (2009) do not have broadband access.

Chapter 3 Development Element: LAFCo Policies

Policy DE-37: Work with LAFCO and other agencies to reduce suburban sprawl, promote efficient service delivery, and protect agricultural, timber and open space areas from unintended conversion to urban uses.

Policy DE-118: The County shall discourage the extension of sewer and water service outside of areas designated by this General Plan or any city's General Plan for urban uses.

Action Item DE-118.1: Work with the Local Agency Formation Commission and service providers to coordinate service capabilities with this General Plan's land use designations.

Policy DE-119: Consider infrastructure capabilities, spheres of influence and master service elements adopted by the Local Agency Formation Commission, and city rezoning when adopting or revising General Plan elements.

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