



SAMOA PENINSULA FIRE DISTRICT

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SUBJECT: Peninsula Community Services District Start-up funds request

To: Amy Nilson, Humboldt County Chief Administrative Officer

The Peninsula Community Services District (CSD) is scheduled to be formed in March 2020, bringing with it great opportunity as the new service provider on the Samoa Peninsula. The CSD will be providing a wide range of services including: water, wastewater treatment and disposal, parks and recreation, fire protection, emergency response and tsunami preparedness, streets, trails, lighting and drainage. The Samoa Peninsula Fire District will be a part of this reorganization and has been working with the entire Peninsula community to make this happen. The CSD will be managing much of the Peninsula infrastructure, including a new water tank and piping system; a tertiary wastewater treatment facility and discharge; parks; beach access and interpretive displays; an upgraded Vance Avenue through Samoa, emergency vehicle building, and trails. The CSD will also be the service provider for the 80 units of workforce housing now under construction in Samoa. A new business park is also planned. Good things are happening on the Samoa Peninsula and we're happy to be part of that.

The CSD intends to be part of a Joint Powers Authority with the County, the Humboldt Bay Harbor District and other services providers. The CSD will be able to pursue grants and infrastructure financing not possible prior to its formation. Having a parks and recreation service provider on the Peninsula could be a benefit for the County, for managing County facilities there. The potential for Redwood Marine Terminal 1 to become a renewable energy port will be enhanced by a local service provider. The potential overall economic benefits are impressive.

As with all newly formed service providers, sufficient startup costs are critical. A Financial Plan and Rate Study has shown that the CSD will be viable. The Proposition 218 process, for services fees and benefit assessments is already underway. The Samoa Pacific Group has made a commitment to provide funds but not until Phase 1 close of escrow. No funding is immediately available to establish CSD governance. This will include staffing expense, financial accounts setup, bylaws and policies, completing the Prop 218 fees – assessment process, expanded Board responsibilities, agency coordination, legal counsel, and engineering services. These startup costs are estimated to be \$95k. The Samoa Peninsula Fire Department has been working on this reorganization for many years and have consumed all of our reserves in the process.

It is requested that Humboldt County provide the Peninsula CSD startup funds, in the amount of \$95,000. This will ensure that we can have an immediate impact as a service provider. It will also ensure that these final steps in the formation process are done well, thereby ensuring the long term wellbeing of this new CSD.

Having a functioning CSD on the Samoa Peninsula will be another incentive to draw businesses, industry, visitors and new residents to the area. Your favorable consideration is requested.

Sincerely,

Troy Nicolini, Board President

Samoa Peninsula Fire Department (Peninsula Community Services District)