

AGENDA ITEM 2.A.

MEETING: February 24, 2026
TO: Trinity LAFCo Commissioners
FROM: Colette Santsche, Executive Officer
SUBJECT: Presentation of Lewiston CSD Consolidation Case Study

BACKGROUND

Trinity LAFCo includes a standing “Presentations/Announcements” item on each regular meeting agenda to highlight partner agencies and initiatives relevant to the Commission’s mission and responsibilities.

DISCUSSION

The Commission will receive a presentation from Krisin Dobbin, Assistant Cooperative Extension Specialist with UC Berkeley, regarding a case study of the 2018 consolidation between Lewiston Community Services District and Lewiston Park Mutual Water Company.

This case study is part of a statewide research project to develop 8-12 examples of consolidation efforts. The research aims to (1) create practical, shareable resources for agencies considering consolidation, and (2) evaluate common factors, outcomes, and lessons learned across projects.

RECOMMENDATION

Staff recommends the Commission receive the presentation and ask questions as appropriate.

Attachments:

A) Lewiston CSD Consolidation Case Study

Lewiston Community Services District's consolidation of Lewiston Park Mutual Water Company

(Trinity County)

Background

Lewiston Community Services District (LCSD) is an independent special district in rural Trinity County. The district was originally formed in 1960 to provide fire services and later expanded its authority to include street lighting and recreation. It wasn't until 2012 that LCSD requested and received authorization to provide water and wastewater services following the district's acquisition of the Lewiston Valley Water Company with 51 service connections. LCSD acquired the company at their request to help address chronic water system deficiencies. Ultimately it was necessary to construct a new water treatment plant and storage facilities, for which LCSD secured grant funding.

Soon after, State Water Resources Control Board approached LCSD about acquiring the Lewiston Park Mutual Water Company, which provided water to 550 customers through 168 service connections. The LCSD board was initially reluctant to take on such a large (by comparison) system which also had significant infrastructure deficiencies but ultimately agreed as part of an arrangement to receive a \$17 million grant to bring their failing wastewater system into compliance.

Construction of an intertie between the two systems began in 2016 and was completed in 2017, funded through Integrated Regional Water Management program. This funding was also used to install two new fire hydrants as well as a flow metering station. Then in July 2018, LCSD formally acquired the Lewiston Park Mutual Water Company system.

Post-consolidation, LCSD once again needed to pursue grant opportunities to replace deteriorating infrastructure in the consolidated system. With funding from the Integrated Regional Water Management program and the Drinking Water State Revolving Fund, the distribution system for the acquired system was fully rebuilt with expanded fire capacity and new fire hydrants. This project was completed in July 2025.



The old Lewiston Bridge across the Trinity River.

Source: Angela Feltes, [Shutterstock.com](https://www.shutterstock.com)

Accomplishments

- ➔ Prior to consolidation, Lewiston Park customers regularly received water boil notices when surface water was drawn from the Trinity River. Consolidation with LCSD eliminated this issue, ensuring a consistent supply of safe drinking water.
- ➔ System upgrades have also improved reliability and efficiency throughout the service area, while increasing resilience to drought and wildfires.
- ➔ LCSD has been highly successful in obtaining grants to make improvements to their water and wastewater systems. In the last fifteen years the district has rebuilt most of its infrastructure including a new water intake, a new treatment plant, new storage facilities, rebuilt distribution lines and a brand-new wastewater treatment plant. Some of these investments were only possible with consolidation given their high costs and LCSD's small number of connections.

Challenges

- ➔ LCSD has struggled to find operators qualified to manage their state-of-the-art facilities. Due to their remote location, LCSD has had to contract out for operators at significant expense to the district.
- ➔ Even post-consolidation, LCSD is an extremely small system (234 service connections). The community is also a severely disadvantaged community. This combination has made it very difficult for the board to keep up with increasing operations and maintenance costs without imposing hardship to residents. Despite rate increases of 3% in 2019, 2020, 2021, 2022, 2023 and 2025, LCSD continues to struggle to cover the cost of operating their system.
- ➔ LCSD cannot afford a general manager, leaving grant and system management to volunteer board members. This, in turn, has caused board member burnout and raised significant concerns about long-term technical, managerial, and financial (TMF) capacity and sustainability. LCSD has reached out to nearby districts about sharing the costs of a general manager, but they have not found a system willing to do so.

“We have a plant that’s first class, no question about that. It just costs so much money to run.”

Key Takeaways

Regional funding programs offer opportunities to fund consolidation projects

LCSD has leveraged state bond funding through their local Integrated Regional Water Management group, the North Coast Resource Partnership, to fund the physical consolidation project and later to partially fund a complete replacement of the consolidated water system’s distribution system. Such regional programs, while inconsistently funded, offer technical assistance and grant opportunities with different eligibility and prioritization criteria than statewide grant programs. Often these programs also offer incentives for projects that benefit disadvantaged and severely disadvantaged communities.

Very small consolidated systems may still need operations and maintenance support

Receiving systems can face financial strain trying to balance affordability with sustainability, pointing to the need for proactive planning to cover operation and maintenance costs as part of consolidation agreements and potential, supplemental operations and maintenance funding as part of grant packages. This is particularly true for very small systems acting as receiving systems and systems serving severely disadvantaged communities. In this case, while grants addressed infrastructure deficiencies, LCSD continues to struggle with ongoing costs despite consistently raising their rates.

Capacity investments are as important as infrastructure

Beyond sustainable operations and management funding, to be successful, consolidated water systems need sufficient human capacity to operate effectively. Post-consolidation, LCSD has struggled not just financially but managerially and technically as well. Because they have not been able to afford to hire a general manager, that labor has been done on a volunteer basis by district board members, and the lack of regional operators has caused further challenges. Whether through Technical Assistance programs, investing in regional shared services arrangements, or covering the additional costs of contract labor, there should be plans in place to ensure adequate staffing to sustain the achievements associated with consolidation long-term.

Next Steps

LCSD is continuing to explore options for addressing their staffing needs. The district recently applied for Technical Assistance funds to get additional support in managing the system. PACE Engineering, on behalf of the district, is currently conducting a rate study to potentially further increase rates to cover the district's operating expenses.



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For more case studies visit: https://bit.ly/Consolidation_casestudies_library

Highlights

Water systems involved (service connections at the time of consolidation)	<ol style="list-style-type: none"> Lewiston Community Services District (Independent Special District): 51 service connections Lewiston Park Mutual Water Company (Mutual Water Company): 168 connections
<u>Consolidation structure</u>	Acquisition
<u>Consolidation type</u>	Physical
<u>Governance of consolidated entity</u>	Independent Special District
Motivations for consolidation	<ul style="list-style-type: none"> Lewiston Park Mutual Water Company's groundwater well production was decreasing leading to increased reliance on the Trinity River. Because the system's treatment plant was not sufficient, this led to regular boil water notices LCSD was seeking additional grant funding to address challenges with their wastewater system and needed a grant that exceeded the State Water Board's \$15 million cap
Concerns about consolidation	<ul style="list-style-type: none"> The LCSD board was concerned about the costs and expertise needed to manage a water system that would be 350% larger than their current system
Project Financing	<ul style="list-style-type: none"> Integrated Regional Water Management Proposition 84 grant for \$558,000 for the water system intertie project Later LCSD secured another Integrated Regional Water Management Proposition 1 Round 1 grant for just over \$1M and a Drinking Water State Revolving Fund grant just over \$6M to replace the system's distribution system
Rate impacts for consolidated customers	<ul style="list-style-type: none"> <u>Pre-consolidation monthly rate:</u> Unknown. <u>Current average monthly rate:</u> \$51.63 (approximately 1.2% of area MHI). <u>Future changes:</u> Another rate study is in progress. Additional rate increases are expected.
Infrastructure Improvements	<ul style="list-style-type: none"> The original consolidation project included the construction of a 3,585 foot 10-inch system intertie, flow metering, and valve station and two fire hydrants Subsequently the distribution system of the consolidated water system was rebuilt including approximately 14,170 feet of water main and appurtenances, 7 new fire hydrants, new AMI water meters, and a new well