



TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION

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LAFCO MEETING AGENDA
September 7, 2011 @ 2:00 P.M.
BOARD OF SUPERVISORS CHAMBERS
COUNTY ADMINISTRATION BUILDING
2800 West Burrel Avenue
Visalia, CA. 93291

COMMISSIONERS:
Allen Ishida, Chair
Juliet Allen, Vice-Chair
Steve Worthley
Cameron Hamilton
Rudy Mendoza

ALTERNATES:
Gerald Magoon
Amy Shuklian
Mike Ennis

EXECUTIVE OFFICER:
Ben Giuliani

I. Call to Order

II. Approval of Minutes from August 3, 2011 (Pages 1 – 6)

III. Public Comment Period

At this time, members of the public may comment on any item not appearing on the agenda and that is within the scope of matters considered by the Commission. Under state law, matters presented under this item cannot be discussed or acted upon by the LAFCO Commission at this time. So that all interested parties have an opportunity to speak, any person addressing the Commission may be limited at the discretion of the chair. At all times, please use the microphone and state your name and address for the record.

IV. Consent Calendar

There are no items.

V. Continued Action Items

There are no items.

VI. New Action Items

1. Adoption of Porter Vista PUD and CSAs #1 & #2 Municipal Service Reviews [Public Hearing]..... Recommended Action: Approval (Pages 7 - 36)

At the June 2011 LAFCO meeting, Staff provided for review draft Municipal Service Review (MSR) reports for Porter Vista Public Utility District (PUD) and County Service Areas (CSAs) #1 and #2. The draft MSRs were mailed and electronically forwarded to subject agencies and interested parties for review and comment. Suggestions were incorporated and information updated where applicable. Attached are MSR final drafts for these districts.

NOTE: Persons wishing to speak on any of the agenda items who have made a political contribution of more than \$250 to any commissioner in the last twelve months must indicate this when speaking.

2. Amendment to Policy C-12 (Reconsideration Procedures)
[No Public Hearing]..... Recommended Action: Approval (Pages 37 - 42)

This amendment would align policy with current State law regarding the reconsideration process of Commission decisions for changes of organization. The proposed policy amendment was reviewed by the Commission at the August meeting. No additional changes have been made.

VII. Executive Officer's Report

1. Proposed Amendment to Policy A-4 (Commission Composition) **(Pages 43 - 48)**

This proposed amendment defines in what circumstances the Commission could request the removal of members to their respective appointing bodies. The original draft of this policy amendment was reviewed by the Commission at the August meeting. The Commission directed staff to make further modifications to the policy in response to the City of Tulare's request to amend the process used to select the Public Member to the Commission.

2. Grand Jury Memorial Districts Report **(Pages 49 - 53)**

Enclosed is a Grand Jury report regarding Memorial Districts in Tulare County. The Grand Jury has identified functional issues in several of the districts.

3. Legislative Update **(No Page)**

The Executive Officer will provide a status update of proposed legislation that will, or potentially could, impact LAFCO's legislative authority and/or administrative responsibility.

4. CALAFCO Conference **(No Page)**

An update regarding the 2011 CALAFCO Conference (Aug. 31-Sep. 2) will be given at the meeting.

5. Upcoming Projects **(No Page)**

The Executive Officer will provide a summary and tentative schedule of upcoming LAFCO cases and projects.

VIII. Correspondence

None

IX. Other Business

1. Commissioner Report

At this time, any Commissioner may inform the Commission, Staff, or the public of pertinent LAFCO issues not appearing on the agenda.

2. Request from LAFCO for items to be set for future agendas

NOTE: Persons wishing to speak on any of the agenda items who have made a political contribution of more than \$250 to any commissioner in the last twelve months must indicate this when speaking.

X. Closed Sessions

There are no items.

XI. Setting Time and Place of Next Meeting

October 5, 2011 @ 2:00 P.M. in the Board of Supervisors Chambers in the County Administration Building

XII. Adjournment

<i>Item No.</i>	<i>Agenda Summary</i>
VI.1.	<i>Please see enclosed Porter Vista PUD and CSA #1 & #2 final draft MSRs.</i>
VI.2.	<i>Please see enclosed amendment to Policy C-12.</i>
VII.1.	<i>Please see enclosed draft amendmet to Policy A-4.</i>
VII.2.	<i>Please see enclosed Grand Jury report regarding Memorial Districts.</i>
VII.3.	<i>There are no enclosures for this item..</i>
VII.4.	<i>There are no enclosures for this item.</i>
VII.5.	<i>There are no enclosures for this item.</i>
IX.1.	<i>There are no enclosures for this item.</i>

NOTE: Persons wishing to speak on any of the agenda items who have made a political contribution of more than \$250 to any commissioner in the last twelve months must indicate this when speaking.

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TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION

Minutes of the Meeting

August 3, 2011

Members Present: Allen Ishida, Juliet Allen, Steve Worthley, Cameron Hamilton

Members Absent: Rudy Mendoza

Alternates Present: Gerald Magoon

Alternates Absent: Amy Shuklian, Mike Ennis

Staff Present: Ben Giuliani, Marcos Segura

Counsel Present: Nina Dong

I. Call to Order

Chair Ishida called the Tulare County Local Agency Formation Commission meeting to order at 2:00 p.m. on August 3, 2011.

II. Approval of the May 4, 2011 Minutes:

Upon motion by Commissioner Allen and seconded by Commissioner Hamilton, the Commission unanimously approved the June 1, 2011 minutes.

III. Public Comment Period

Chair Ishida opened the Public Comment Period

No comments were received; Chair Ishida closed the Public Comment Period

IV. Consent Calendar Items

There were no Consent Calendar items.

V. Continued Action Items

There were no Continued Action items.

VI. New Action Item

1. Reconsideration Request, LAFCO Case 1462-V-445, City of Visalia Annexation 2005-07 (River Way)

Chair Ishida informed attendees that this item is being pulled at the request of the City of Visalia.

2. Adoption of Health Care District and Mosquito Abatement District Municipal Service Review Reports

Analyst Segura provided a summary of the Health Care District and Mosquito Abatement District Municipal Service Review (MSR) reports. Some comments were received containing financial data. No other comments were received and no changes were made to the original determinations.

Chair Ishida opened the Public Hearing

No Comments were received; Chair Ishida closed the Public Hearing

Commissioner Allen stated that she found the MSRs to be clear and to-the-point.

Chair Ishida thanked Marshal Norgaard for his work on investigating the potential for expansion of mosquito abatement services to the east side of Tulare County.

Upon motion made by Commissioner Worthley and seconded by Commissioner Allen the Commission unanimously approved the final draft Municipal Service Reviews for Health Care Districts (Kaweah Delta, Tulare, Sierra View, Exeter Ambulance, Lindsay and Dinuba) and Mosquito Abatement Districts (Delta and Tulare).

3. Designation of Voting Delegate and Alternate for the CALAFCO Business Meeting

Upon motion made by Commissioner Worthley and seconded by Commissioner Hamilton, the Commission unanimously approved nominating Julie Allen as the voting delegate for the CALAFCO Business Meeting and Rudy Mendoza as the alternate voting delegate.

VII. Executive Officer's Report

1. MSR Drafts for Group 4 Fire Protection Districts

Analyst Segura provided a summary of the MSR drafts for Group 4 Fire Protection Districts (Woodlake and Strathmore). Draft copies were mailed out for review and comment. Comments will be received until September 1. Staff is seeking feedback. The final report will be brought before the Commission in October for consideration.

Commissioner Worthley stated that there is pending legislation that could possibly change the mandatory number of voting Board members on some of the fire districts.

Commissioner Allen questioned the number of districts this affects other than Tulare County and if CALAFCO's awareness should be heightened.

2. Proposed Policies

Executive Officer Giuliani stated that there are two draft policy changes.

A draft amended Policy A-4 pertaining to Commissioner replacement and attendance was circulated for review and feedback. The City of Tulare submitted a letter suggesting that before the expiration of a Public Member's term, the position should be advertised for other people to express interest. Staff is seeking direction from the Commission.

Commissioner Worthley added that it might be good to provide opportunity for more people to apply.

Commissioner Allen commented that it should be a two-part process, first Public Member Alternate before Commissioner.

Alternate Commissioner Magoon commented that it would make the process more transparent.

Executive Officer Giuliani stated that if the Commission decides to make these changes, direction would need to be provided on how to advertise.

Commissioner Ishida stated that it could be done the same way other Board openings are done in Tulare County and that staff is aware of the process.

Executive Officer Giuliani asked if the Public Member Alternate should be handled the same.

Commissioner Worthley stated yes to be consistent.

Executive Officer Giuliani stated that this would be a major revision and a draft would need to be re-circulated. Staff could bring it back to the Commission in October for consideration.

Commissioner Allen pointed out language, "any time and without cause", that should be removed from the policy.

Executive Officer Giuliani summarized Policy C-12 for reconsideration. Executive Officer Giuliani stated that the proposed changes will bring the policy in line with current state law. No comments have been received. Staff will bring the amended policy back to the Commission in September for consideration.

Commissioner Allen stated that it looks good.

3. Yokohl Ranch Update

Executive Officer Giuliani provided a Yokohl Ranch update. They are interested in creating two new districts and have been meeting with LAFCO staff to start the process. There are a lot of financial details that need to be worked out.

4. City of Dinuba/County of Tulare Memorandum of Understanding (MOU)

Executive Officer Giuliani stated that this brings up the subject of how to approach future sphere of influence updates noting the great disparity between Dinuba's SOI, City UDB and County UDB. Staff is seeking direction from the Commissioner in this regard.

Commissioner Worthley stated that the MOU's and SB375 should reduce land density; however, when cities do their SOI they have used their old density levels. It makes sense for LAFCO to take an impartial look and apply the appropriate density levels. Consideration should be given to how much land is needed to meet production that will leave less of a footprint. An example is the city annexing property and leaving it undeveloped.

Executive Officer Giuliani stated that he ran an initial analysis of residential supply within the city using their historic 20 year growth between 1990 and 2010 and using their existing density level they have 19 years of supply within the city.

Commissioner Ishida stated that the Blueprint requires the same plan for growth that includes industrial growth and housing. Discussion needs to take place regarding future planning.

Executive Officer Giuliani agreed adding that discussion is needed regarding school planning as well.

Commissioner Ishida stated that discussion is needed to create one single model.

Discussion ensued over the possibility of LAFCO being the keeper of the plans.

5. Upcoming Projects

Executive Officer Giuliani stated that the last round of Municipal Service Reviews will be provided for Commission review and the two draft policies will be provided for reconsideration.

6. Legislative Update

Executive Officer Giuliani provided a legislative update. Assembly Bill 54 regarding drinking water will be helpful for MSRs. Senate Bill 244 regarding land use is moving forward regarding addressing disadvantaged communities. Assembly Bill 392 regarding adding further Brown Act requirements to the posting of agendas is dead.

7. CALAFCO Quarterly Report

Commissioner Allen stated that CALAFCO met June 24th. They worked on the budget. There is a seven thousand dollar short fall. They reached a decision to take the difference out of reserves. They also discussed pending legislation. Senate Bill 244 (Wolk) regarding land use: general plan: disadvantaged unincorporated communities is high on the list. They also discussed how to best communicate with regional representatives.

VIII. Correspondence

There were no correspondence items

IX. Other Business

1. Commissioner Report

There were no reports received.

2. Request from LAFCo for items to be set for future agendas

Commissioner Ishida questioned Cal Fire's fee structure. He asked if districts will need to be created so that a \$150.00 fee is not incurred per parcel. He requested that Commissioner Allen discuss with CALAFCO.

Commissioner Worthley stated that the public comment period is open until August 8th.

Chair Ishida stated that today is Analyst Segura's last meeting with LAFCO. He thanked him for his service.

Commissioner Allen thanked Analyst Segura for his dedication to LAFCO and wished him well.

Commissioner Worthley wished Analyst Segura well adding that he is very impressed by Mr. Segura as an individual.

X. Closed Sessions

There were no closed session items

XI. Setting Time and Place of Next Meeting

September 7, 2011 @ 2:00 P.M. in the Board of Supervisors Chambers in the County Administration Building

XII. Adjourned

Chair Ishida adjourned the meeting at 3:20 p.m.

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Sewer Service Overview

Urban and suburban areas, where housing units are constructed closer together, are typically served by a community sewer system, as opposed to individual septic systems common in rural areas where households are spaced far apart.

Wastewater that is drained into various industrial, commercial and residential plumbing fixtures must be collected, treated and discharged to avoid offensive odors, avoid contamination of aquifers as well as other potable water sources and continue the ability of lakes and streams to support wildlife.

Ideally, a sewer system is completely gravity-powered. Pipes from each house or building flow to a sewer main that runs, for example, down the middle of the street. The sewer main is typically 3 to 5 feet in diameter. Periodically, a vertical pipe will run up from the main to the surface, where it is covered by a manhole cover. Manholes allow access to the main for maintenance purposes.

The sewer mains flow into progressively larger pipes until they reach the wastewater treatment plant. In order to help gravity do its job, the wastewater treatment plant is usually located in a low-lying area, and sewer mains will often follow creekbeds and streambeds (which flow naturally downhill) to the plant.

Normally, the lay of the land will not completely cooperate, and gravity cannot do all the work. In these cases, the sewer system will include a grinder-pump or a lift station to move the wastewater up over a hill.

Once the water reaches the wastewater treatment plant, it goes through one, two or three stages of treatment (depending on the sophistication of the plant). Here's what each stage does:

The first stage, known as primary treatment, involves a screen used to filter wastewater followed by a set of pools or ponds where water sits and solids settle out. The system then collects the solids for disposal (either in a landfill or an incinerator).

Primary treatment typically removes half of the solids, organic materials and bacteria from the water. If the plant does no more than primary treatment, then the water is chlorinated to kill the remaining bacteria and discharged.

The second stage, known as secondary treatment, removes organic materials and nutrients by allowing the water to flow to large, aerated tanks where bacteria consume everything they can.

The wastewater then flows to settling tanks where the bacteria settle out. At the point of Secondary treatment, approximately 90 percent of all solids and organic materials in the wastewater are removed.

The third stage, known as tertiary treatment, varies depending on the community and the composition of the wastewater. Typically, the third stage will use chemicals to remove phosphorous and nitrogen from the water, but may also include filter beds and other types

of treatment. Chlorine added to the water kills any remaining bacteria, and the water is discharged.

Measuring the Effectiveness of a Treatment Plant

Testing for toxins and other microbial agents are used to measure the effectiveness of a WWTF. Toxins and microbial agents include:

pH

This is the measure of the water's acidity once it leaves the plant. Ideally, the water's pH would match the pH of the river or lake that receives the plant's output.

Bio-Chemical Oxygen Demand (BOD)

BOD is a measure of how much oxygen in the water will be required to finish digesting the organic material left in the effluent. Ideally, the BOD would be zero.

Dissolved Oxygen

This is the amount of oxygen in the water as it leaves the plant. If the water contains no oxygen, it will kill any aquatic life that comes into contact with it. Dissolved oxygen should be as high as possible and needs to cover the BOD.

Suspended Solids

This is the measure of the solids remaining in the water after treatment. Ideally, suspended solids would be zero.

Total Phosphorous and Nitrogen

This is the measure of the nutrients remaining in the water.

Chlorine

The chlorine used to kill harmful bacteria needs to be removed so it does not kill beneficial bacteria in the environment. Ideally, chlorine should not be detectable.

Coliform Bacteria Count

This is the measure of fecal bacteria remaining in the water. Ideally, this number would be zero. Note that water in the environment is not totally free of fecal bacteria, birds and other wildlife also introduce fecal bacteria.

Electrical Conductivity (EC) and Total Dissolved Solids (TDS)

These measure the salinity of tested groundwater. TDS is expressed in parts per million (ppm), while EC is measured micro ohms per centimeter (umhos/cm).

Toxins and microbiological agents can be spread through water and cause disease. Typically, WWTF operates submit groundwater samples to university or commercial laboratories for testing.

(Source: Sewer System Evaluation, Rehabilitation, and Construction Manual, U.S. Environmental Protection Agency 1977 and Waste Water Engineering: Treatment Disposal and Reuse, Metcalf and Eddy 4th edition 2003)

Public Utility Districts

Public Utility Districts are established in accordance with the Division 7 of the California Public Utilities Code Section 15501 et seq., Public Utility District Act.

Each district is governed by a board of directors of three or five members elected by the voters within the district. When the district lies entirely in one county, three directors are elected at large. This number may be increased to five by majority vote of the voters of the district. A director must be a resident and registered voter of the district.

In addition to its general powers, a Public Utility District has the following specific powers provided by statute: (Numerical references are to sections of the Public Utilities Code)

- Acquire, construct, own, operate, control or use within or without the district, works for supplying its inhabitants with (a) light, (b) water, (c) power, (d) heat, (e) transportation, (f) telephone service or other means of communication and (g) means for the disposition of garbage, sewage or refuse matter. [§16461]
- Acquire, construct, own, complete, use and operate (a) fire department, (b) street lighting system, (c) public parks, public playgrounds, golf courses, public swimming pools, public recreation buildings, (d) buildings to be used for public purposes, and (e) works to provide for drainage of roads and public places. [§16463]
- Fix and collect charges for commodities or services furnished by any revenue producing utility. (§16467)
- Sell or otherwise dispose of outside the district any surplus water, light, heat or power. (§16473)
- A district may contract with any public agency or with any person, firm, or corporation, for the joint acquisition, construction, or use of any sewage disposal facilities for the servicing of the public utility district and such other area as may be designated in the contract, when in the judgment of the board it is for the best interests of the district so to do. (§16873)
- A contract may provide for the joint use of any sewage disposal facilities upon such terms and conditions as may be agreed upon by the parties to the contract, and for the flowage, treatment or disposal of sewage from such area for each of the parties as may be described in the contract. (§16875)

Porter Vista Public Utility District Municipal Services Review

The Porter Vista PUD (PVPUD) Municipal Service Review (MSR) report was prepared pursuant to Government Code (GC) Section 56430. The report begins by providing district background information and then summarizes data collected and analyzed for the purpose of supporting written statements of determination with respect to each of the following: 1) Growth and population projections for the affected area; 2) Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies; 3) Financial ability of agencies to provide services; 4) Status of, and opportunities for, shared facilities; 5) Accountability for community service needs, including governmental structure and operational efficiencies; 6) Any other matter related to effective or efficient service delivery, as required by commission policy. The determinations contained in the MSR are then used to inform the size and shape of the District's Sphere of Influence (SOI) and other Commission changes of organization involving the District. Sources of information include monitoring reports and various orders archived by the Regional Water Quality Control Board (RWQCB), City of Porterville's Sewer System Management Plan (prepared pursuant to GC Section 13267), information provided by the City of Porterville's Public Works Department. A thorough review of stated responsibilities to be effected, procedures followed and legislative intent specified in Division 7 of the California Public Utilities Code Section 15501 et seq., Public Utility District Act the Law was also conducted. A telephone interview of the District's General Manager was conducted by LAFCO Staff on May 19, 2011.

Background

The Porter Vista Public Utility District (PVPUD) was formed in January of 1977 (LAFCO Resolution No. 76-016, Case No. 535). The PVPUD provides sewer collection service to a 1,733-acre area east of the City of Porterville. The District's SOI encompasses a 1,749-acre area that matches the District's jurisdictional boundaries with the exception of a 16-acre area located in the District's northwest region.

In accordance with abovementioned GC Sections 16873 and 16875, on July 1, 1995 the PVPUD and the City of Porterville executed an intra-jurisdictional agreement providing for the joint use of the Porterville wastewater treatment facility (WWTF). Under the terms of the agreement the PVPUD is identified as a contributing agency. The conditions agreed upon between the two local agencies include:

- PVPUD must amend its sewer ordinance to adopt standards no less stringent than those contained in the City of Porterville's sewer ordinance.
- Requires that the PVPUD adopt an enforcement program
- PVPUD adopt the City of Porterville's sewer rates and that PVPUD be responsible for collecting sewer enterprise funds within its boundaries.
- PVPUD customers must apply for industrial discharge permit using a joint city/district application.

As a result of this agreement, PVPUD is primarily in charge of wastewater collection for distribution into the City's WWTF system, collection of sewer rates, and enforcement of adopted sewer ordinance and other regulations. Thus, the PVPUD MSR is largely an analysis of the Porterville WWTF, particularly in regard to the factor dealing with sewer service infrastructure.

Written Determinations

1) Growth and Population Projections

1. As of January 2011, the PVPUD serves approximately 1,785 residential connections and approximately 58 industrial connections.
2. PVPUD boundaries are coterminous to the Tulare County hamlet known as East Porterville, which is a Census Designated Place. The 2010 Census estimates East Porterville's population to be 7,046 persons. There are approximately 1,785 occupied housing units with the District's boundaries and an average household size is 3.95 persons per unit. Approximately 41% of individuals and 39.1% of families residing within the community live below the federal poverty line. Meanwhile, the 2000 Census estimated a population of approximately 6,730 persons and 1,853 occupied housing units with an average of 3.83 persons per household. Approximately 38.6% of individuals and 33.2% of families residing within the community lived below the federal poverty line at the time the 2000 U.S. Census was tabulated.
3. According to the Tulare County planning department there are no permits currently issued for construction of new dwelling units or expansion of existing residential developments within the District's boundaries.

Based on the fact that the District experienced an annual population growth rate of less than half a percent over the last Census period, the absence of building permits issued for construction of new dwelling units or expansion of existing residential developments within the District's boundaries, the fact that the District has not proposed an annexation since its formation and the limited availability of vacant land that can accommodate additional residential development, it can be logically determined that the District's population will remain at substantially the same level for the next 5 years (next MSR update is scheduled to be conducted in 2016).

Additionally, the upward mobility potential phenomenon described in previous Group 4 MSRs seems to also be taking place within PVPUD boundaries. The significant increase in both individuals and families living below the Federal poverty line and reduction in occupied households seem to indicate that those individuals able to attain a higher socioeconomic position, compared to other community residents, tend to move out of the community once they are able. In combination, household vacancies and an increase in the community's concentration of poverty produce a reduced pool of customers that is

less able to bear the economic burden of traditional revenue generating mechanisms (rate hikes, benefit assessments, special taxes). This forces the District to rely almost exclusively on State and Federal funds to cover infrastructure upgrades or even basic maintenance/operating costs. Like other impoverished rural communities, the lack of economic opportunity in the region, in effect, ensures that this cycle will continue.

Suppressed wages, underemployment or unemployment, results of the severe recession experienced in 2008, might also be drivers of the data produced by the 2010 Census.

2) Present and Planned Capacity of Public Facilities and Adequacy of Public Services, Including Infrastructure Needs or Deficiencies

1. The City of Porterville's sewer collection system consists of approximately 150 miles of 6" through 36" diameter sewers and includes 18 sewage lift stations and associated force mains. The conveyance of raw sewage depends on the system's series of gravity trunk sewers, generally 12 inches in diameter and larger, which function to convey the wastewater collected to the City's WWTF, located on the corner of Grand Avenue and North Prospect Street, west of Highway 65 in Porterville. Due to the relative flat topography of the area, lift stations were incorporated in the sewer trunk system at locations where the sewer elevation needs to be raised.
2. The City's WWTF is an activated sludge treatment plant consisting of a headworks with mechanical and manual screens, aerated grit chambers, two clarators with primary aerator and aeration chambers, two primary clarifiers, two aeration basins, four secondary clarifiers, a chlorine contact tank, a blower room, two sludge thickeners (Dissolved Air Flotation units), four anaerobic sludge digesters, and a bio-solids transfer station. The design capacity of the WWTP is 8.0 million gallons per day (mgd). The permitted monthly average daily discharge flow is 6.7 mgd, with actual flows of 4.85 mgd.
3. The WWTF generates undisinfected secondary treated water effluent that is discharged to a City reclamation area where it is used to irrigate approximately 620 acres of feed and fodder crops. Effluent not used for irrigation is discharged directly to about 60 acres of percolation basins. Old percolation ponds, located on the WWTF site, are now used as emergency storage ponds in the event that the effluent pumps are without power or become inoperable. Emergency storage capacity is required by California Code of Regulations Title 22.
4. Solids and biosolids, otherwise referred to as sludge, are thickened and stored in the sludge digesters then transferred via an underground pipeline to the various agricultural fields where they are used as a soil amendment. Current

sludge production is at 1,100 tons of dried sludge per year, which requires an estimated 65 to 70 acres of land each year.

5. The WWTF does not chlorinate to disinfect the treated effluent unless required to deal with algae blooms.
6. The City's WWTF conveyance system includes two diversions, Grand Avenue Diversion and Union Avenue Diversion, which serve to route flows to alternative trunk sewers in order to relieve sewer trunk capacity limitations.
7. The PVPUD owns and operates the sewage collection system that carries flows from within its boundaries to the City's sewage system. Approximately 80% of the flows from the PVPUD are pumped from a lift station located on the east side of Park Street. The pumped flows are routed south along Park Avenue and west along Date Avenue, via the City's 18" trunk sewer on Date Avenue. The remaining 20% of PVPUD flows are routed via a 12" gravity pipe to the lift station located on Jaye Street, south of the Tule River. These flows are then pumped northward across the Tule River into the City's existing 18" trunk sewer along Jaye street.
8. Flows from the PVPUD are not currently metered and flow estimates contained in the City's Sewer System Management Plan for the pump/lift stations that handle District flows only provide flow rates in the aggregate, not by jurisdiction. However, based on the per capita flow rate of 117 gallons per day per housing unit, contained in the Riverwalk Market Place Draft EIR (2011), the 1,785 housing units within PVPUD boundaries produce flows of approximately .21 mgd.
9. According to City of Porterville Public Works Staff, over the last 23 years the PVPUD has helped fund the cost of City system infrastructure upgrades only once. City Staff further indicated that there are no infrastructure needs or deficiencies that require action by the PVPUD at this time.
10. Based on existing demand factors and City 2030 General Plan build out estimates, the City estimates system wide flows to reach 12.5 mgd by 2030. Planning for the expected WWTF capacity increase projected to be required will begin in 2012. The District is also in the process of updating its Sewer System Management Plan (SSMP), a document that helps plan, develop, and fund required sewer infrastructure upgrades and replacements. As detailed in the population section of this report, the District is not expected to grow by any significant level in the future; thus, most of the expected increase in flows will come from new development and population growth within the City of Porterville and vacant land surrounding the City.

11. Depth-to-groundwater in the vicinity of the WWTF and the Reclamation Area varies considerably. Regional groundwater in the area is encountered between 50 and 100 feet below ground surface (bgs), and flow is to the southwest.
12. In 1993, the City of Porterville established a groundwater monitoring network around the WWTF and reclamations area. 14 additional monitoring wells were added in 2002.

Based on the above-cited data, the Porterville WWTF infrastructure, which the PVPUD forms a part of, has ample capacity to collect, treat and discharge current flows. Furthermore, the analysis contained in the 2030 General Plan Update regarding future wastewater flow demands in conjunction with the City's update of its SSMP will ensure that upgrades are made to the City's WWTF to help meet expected demand. No infrastructure needs or deficiencies were identified from the information available to LAFCO.

3) Financial Ability of the Agency to Provide Services

1. The PVPUD funding comes primarily from user fees and connection charges. An ad valorem property tax is also levied on the assessed value of property within the District's boundaries. Sewer rates and connection fees are set through ordinance by the PVPUD. The following is the PVPUD rate schedule:

<u>Unit Type</u>	<u>Rates</u>		
Single Family/unit	\$10.50		
Multiple Family/unit	\$9.88		
Mobile Home/space	\$10.50		
Industrial/hundred cubic feet	\$.67	\$.71	\$.75

Connection fees are determined through a joint District/City process and vary depending on the size of the lot. Connection fees average \$5,500 per single family dwelling. Rates or connection fees have not been raised since 1996.

2. According to the PVPUD's 2010 Cash Report prepared by the Tulare County Auditor Controller, in 2010 District operating revenues totaled \$556,044, while operating expenses totaled \$567,950. The Controller's report also shows that the District carried \$445,000 in debt resulting from the sale of bonds in 1978. Property tax revenues totaled \$94,436 in 2010.
3. The PVPUD is currently in the process of undergoing Proposition 218 proceedings. If successful, the new property assessment amount will go into effect on January 1, 2011.

Based on the District financial data available, it seems current sewer rates and connection fees do not generate sufficient revenues to cover the costs of both collection system operation and maintenance and meeting district debt obligations, debt carried for 33

years. It is determined that the District currently has the financial capacity to provide an adequate level of service and is taking appropriate step, through the Proposition 218 process, to ensure that it continues to possess the ability to provide service and meet debt obligations into the future.

4) Status of, and Opportunities for, Shared Facilities

1. As mentioned above, the PVPUD only collects raw sewage from within its boundaries and has entered into an intra-jurisdictional agreement with the City of Porterville for use of its WWTF to treat and discharge PVPUD wastewater.

Given the fact that the District only provides sewer collection service, it is determined that the District is already exercising the most feasible and logical opportunity to share facilities and infrastructure with another local agency. It is also Determined the current agreement between the City and the District continues to be implemented in an efficient manner that results in adequate treatment and disposal of PVPUD wastewater and protection of area drinking water. It is further Determined that there does not exist any other feasible and logical opportunities for shared facilities that will result in more efficient, higher quality and more affordable service provision.

5) Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies

1. The PVPUD is currently governed by a 5-member Board of Directors (the District Board of Directors consisted of only 3 members at the time of its formation). All Board members serve 4 year terms, at an at large capacity, and are appointed by the Tulare County Board of Supervisors. Meetings are scheduled every second Wednesday of the month at 7:00 PM and take place at the District's office located at 1124 East Success Drive, Porterville.
2. The PVPUD does not operate a sewer system, but rather maintains sewage collection infrastructure that forms part of a larger sewer system that is owned and operated by the City of Porterville. The California Regional Water Quality Control Board (RWQCB), Central Valley Region, regulates the secondary treated water from the City's WWTF in accordance with Waste Discharge Requirements Order No. R5-2001-104.
3. The City of Porterville is bound by Monitoring and Reporting Program (MRP) No. R5-2008-0034, which sets the requirements for sample collection and analysis. The order additionally sets the following monitoring schedule:

Influent Monitoring

Constituent (unite)	Sampling Frequency
Flow (mgd)	Daily
Monthly Average Daily Flow (mgd)	Monthly
Settleable Solids (ml/L)	Every 3 years
pH (s.u. 2)	Daily
BOD (mg/L)	Weekly
TSS (mg/L)	Weekly

Effluent Monitoring

Constituent	Sampling Frequency
Settleable Solids	Daily
pH	Daily
BOD	Weekly
TSS	Weekly
BOD (mg/L)	Weekly
TSS (mg/L)	Weekly
Nitrogen Forms	
Nitrate TKN Total Nitrogen	Twice-Monthly
Salinity	
EC TDS Chloride Sodium	Monthly

4. In accordance with the MRP, samples extracted from the City's groundwater test well network, ponds, pretreatment effluent, sludge, and reclamation area must be analyzed for the abovementioned constituents. Reports summarizing sample test results must be submitted to the RWQCB on a quarterly basis. An annual report must also be prepared.

5. An examination of the most recent annual report submitted by the City of Porterville (2009) and all quarterly reports submitted for 2010 (reports involve a lengthy list of monitoring wells set in various areas) , groundwater quality in the area surrounding the WWTF is generally of good to excellent quality except for nitrates. Samples extracted from monitoring wells MW 05, 06, 103, 105, 106, 107 consistently exceeded groundwater limitations or MCL's for EC, TDS, and/or nitrates.

6. Sewer System Management Plans (SSMP) is required to be prepared by the State Water Resources Control Board (Order No. 2006-0003) and Statewide General Waste Discharge Requirements for Sanitary Sewer Systems (Order No. 06-03). The SSMP serves to assist system staff in planning, developing and financing required sewer infrastructure. The City of Porterville is currently in the process of updating their SSMP and will outline sewer needs and upgrades for a 20-year period.
7. The PVPUD does not maintain a website where meeting notices, agendas and minutes can be made readily available. Notices are posted at two District facilities and the City of Porterville's Administration Office.
8. Government Code Section 16191 limits the maximum time of labor or service required of any laborer, workman, or mechanic employed upon any work of the district, whether employed directly by the district and its officers, or by a contractor or subcontractor, shall be eight hours during any one calendar day, except in case of emergency.
9. Government Code Section 16035 requires the District's Board of Directors to appoint a clerk, accountant, general manager, and treasurer. The District does employ a Clerk and General Manager, both of whom have worked for the District over 20 years. The County of Tulare's Auditor/Controller acts as the District's Treasurer and a private firm is contracted to provide the District with accounting services.
10. Government Code Section 16002 dictates that each member of the board shall receive such compensation as the board by ordinance provides, not exceeding four thousand eight hundred dollars (\$4,800) a year.

It is determined that there are adequate regulatory controls in place to ensure that wastewater from all sources is collected, treated and discharged properly and efficiently and that the integrity of area groundwater supplies is maintained. It is further determined that the Public Utilities Law requires sufficient controls to ensure that the District is operated efficiently and that revenues are used in a sensible manner and the District is acting in accordance with these laws.

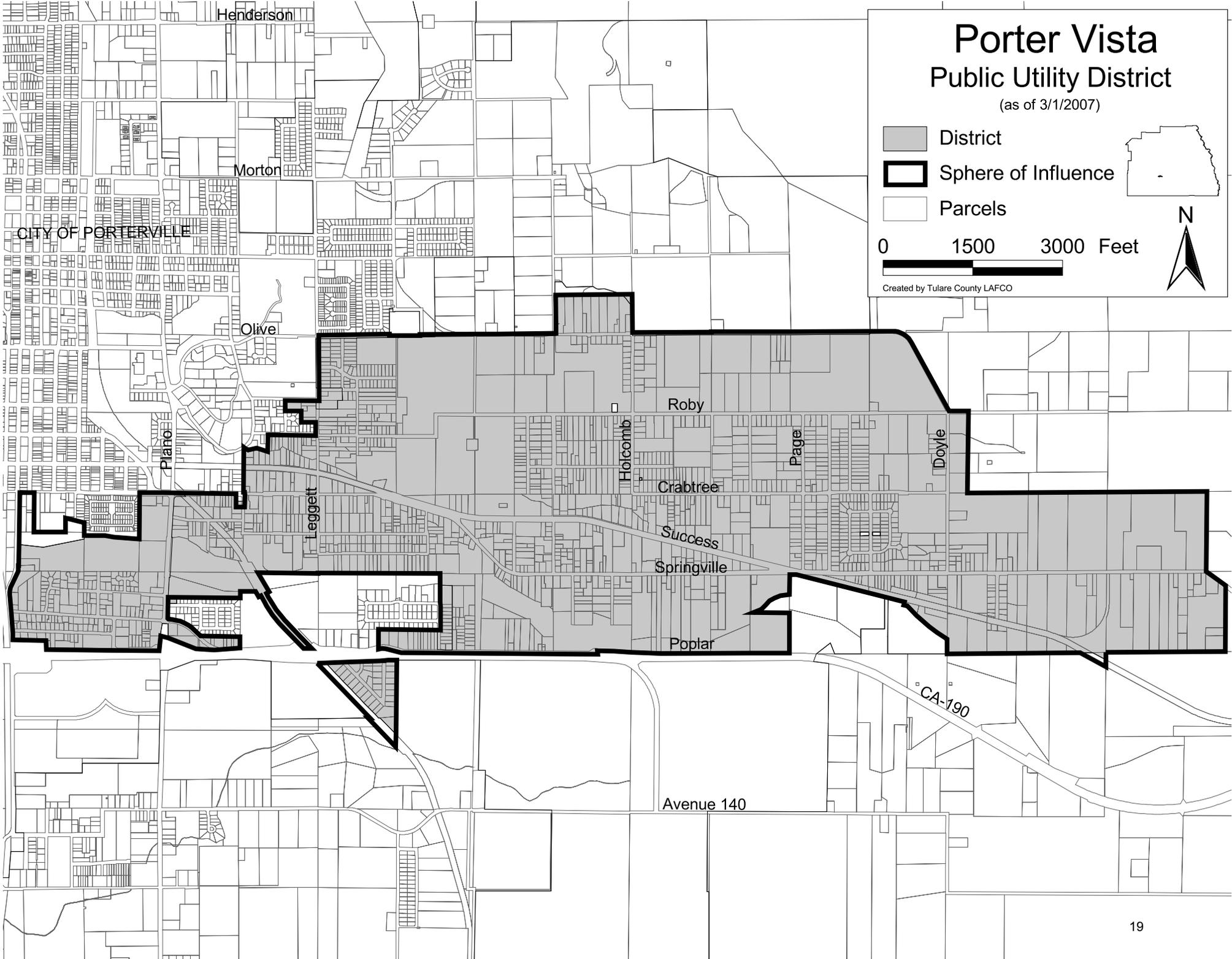
As with the majority of Group 4 MSR districts, it is determined that the PVPUD should establish a website where basic information can be archived, such as meeting minutes, agendas, various notices and the District's rate schedule. This will promote district transparency and accountability. The cost of creating and maintaining a webpage is a legitimate obstacle that must be considered. Financially strapped districts like those included in Group 4 LAFCO MSRs; however, can work together to combine their resources and raise the funds necessary to create and maintain a very simple, no-frills webpage that will house basic information for each district. Alternatively, these districts can use their consolidated resources to pay another governmental agency (such as

LAFCO, Tulare County) to house basic information for each district on their own website.

6) Other Matters Related to Effective or Efficient Service Delivery, As Required by Commission Policy

Recommendations:

There are overlaps between the Porter Vista PUD boundaries and SOI and the City of Porterville city limit boundaries and SOI. Since the PUD is almost completely surrounded by the City and relies on the City for the completion of its one existing service, its determined that the PUD should wholly be included within the City's SOI.



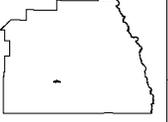
Porter Vista Public Utility District

(as of 3/1/2007)

-  District
-  Sphere of Influence
-  Parcels

0 1500 3000 Feet

Created by Tulare County LAFCO



County Service Area No. 1 & County Service Area No. 2 Municipal Services Review

County Service Areas

County Service Areas are established in accordance with Government Code Sections 25210.1 through 25211.33. The County Board of Supervisors governs these districts.

In addition to their general powers, a county service area may provide any of the following services, as provided by statute:

- extended police protection [§25210.4(a)]
- structural fire protection [§25210.4(b)]
- park/recreation facilities and services [§25210.4(c)]
- extended library facilities and services [§25210.4(e)]
- television transfer station facilities and services (subject to limitations) [§25210.4(f)]
- low-power television services [§25210.4(g)]
- miscellaneous extended services (including water service, sewer service, street lighting, street sweeping, garbage collection) [§25210.4(d)]

A county service area has only those aforementioned powers that are specifically set forth in the petition for formation of the district or which have been added subsequently by majority vote of the electorate. (§25210.3)

There are currently two County Service Area districts within Tulare County, County Service Area No. 1 (CSA No. 1) and CSA No. 2. CSA No. 1's boundaries encompass all unincorporated territory in the County, with a few exceptions, and CSA No. 2 boundaries only encompass a 27-acre area that includes the housing subdivision known as the Wells Tract, located east of the City of Woodlake.

Services Provided

The rewritten version of the County Service Area Law went into effect in 2009 (SB 1458). Section 25210.2 (g) now reads:

25210.2 Unless the context requires otherwise, as used in this chapter, the following terms shall have the following meanings:

(g) "Latent power" means any service or facility authorized by Article 4 (commencing with Section 25213) that the local agency formation commission has

determined, pursuant to Subdivision (h) Section 56425, that the county service area was not authorized to provide prior to January 1, 2009.

LAFCO Staff has since determined which powers CSA No. 1 and CSA No. 2 were authorized to perform upon their formation or through LAFCO action prior to January 1, 2009.

BOS Resolutions Nos. 71-10 and 71-3219, forming CSA No.1 and CSA No.2 respectively, were used to determine those powers each district was authorized to provide prior to January 1, 2009. From this, CSA No. 1 and CSA No. 2 latent powers were determined:

CSA No.1 & No. 2 Latent Powers:

- Police (extended protection)
- Fire (structural protection)
- Park and recreational facilities
- Library (facilities and services)
- T.V. translator (facilities and services)
- Cemeteries
- Under grounding of electrical and communication facilities
- Emergency medical service
- Airports
- Community centers and cultural facilities
- Open space and habitat conservation
- Graffiti Abatement
- Abatement of weeds and rubbish
- Flood Protection

Additional CSA No.2 Latent Powers:

- Pest control
- Road maintenance and construction
- Street and highway lighting
- Refuse and garbage collection
- Ambulance service
- Planning
- Soil conversion & drainage control
- Animal control
- MAC's
- Transportation
- Geologic Hazard Abatement

Tulare County must make a formal request with the LAFCO Executive Officer for activation of any of these latent powers. The request is subject to Commission approval or disapproval at a public hearing.

County Service Area No.1 and County Service Area No. 2

The Municipal Service Review (MSR) report for County Service Area (CSA) Nos. 1 and 2 was prepared pursuant to Section 56430. The report begins by providing district background information and then summarizes data collected and analyzed for the purpose of supporting written statements of determination with respect to each of the following: 1) Growth and population projections for the affected area; 2) Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies; 3) Financial ability of agencies to provide services; 4) Status of, and opportunities for, shared facilities; 5) Accountability for community service needs, including governmental structure and operational efficiencies; 6) Any other matter related to effective or efficient service delivery, as required by commission policy. The determinations contained in this report serve the purpose of informing the size and shape of the District's Sphere of Influence (SOI) and other changes of organizations involving the District. Sources for this MSR include monitoring reports prepared by the Regional Water Quality Control Board (RWQCB), Central Valley Division, monitoring reports prepared by Tulare County Environmental Health Division (Environmental Health) and financial reports prepared and maintained by the County of Tulare's Administrative Division. The MSR report format used in the Group 1, 2 and 3 MSR reports has been changed to reflect the amendments to CKH Section 56430 as a result of AB 1744 (Ch. 244, Stats 2007).

Background

The County hamlets of Delft Colony, Tooleville, Yetttem, Seville, El Rancho, Tonyville, Wells Tract and the community of Traver were all served by individual septic systems. According to a RWQCB study conducted in the mid 1980's, 69% of the lots within these communities were too small to properly dispose of wastewater. The resulting health hazards prompted the Tulare County Board of Supervisors (BOS) to adopt BOS Resolution 86-0423-D in 1986, imposing a moratorium on the installation of septic tank disposal systems. Primarily through the use of State Clean Water Act funds, over the course of the late 1980s and early 1990s the County of Tulare installed sewer collection infrastructure, wastewater treatment facilities (WWTFs) and disposal networks to serve the communities of Delft Colony, Tooleville and Traver. Sewer collection infrastructure, including lift stations, was installed to serve the following communities who then connected to the WWTF and disposal network of nearby local agencies: Yetttem and Seville (Cutler Public Utility District), El Rancho and Tonyville (City of Lindsay), Wells Tract (City of Woodlake).

As mentioned above, CSA No. 1 boundaries encompass all unincorporated territory within Tulare County (with a few exceptions). For the purpose of accurately calculating and recovering user fees, a Zone of Benefit (ZOB) was established for each community. A ZOB can be thought of as an assessment district whose fees are based on total cost of operation/maintenance divided by the number of dwellings in the area rather than the assessed value of property.

CSA No.1 ZOBs:

Community	Service Provided
Delft Colony	Sewer and Water
El Rancho	Sewer
Lindcove [inactive]	
Seville	Sewer
Tooleville	Sewer
Toneyville	Sewer
Traver	Sewer
Yetter	Sewer and Water

ZOBs were not established within CSA No.2, it serves a single community. CSA No. 2 provides sewer and potable water service to the Wells Housing Tract, located east of the City of Woodlake.

Note: Tulare County is currently the court appointed receiver for the mutual water company that served the community of Seville.

Written Determinations

1) Growth and Population Projections

1. A District customer is defined as a unit with an active connection:

Zone of Benefit	# of Connections
Delft Colony	Sewer (112) Water (112)
El Rancho	Sewer (26)
Lindcove [inactive]	
Seville	Sewer (99)
Tooleville	Sewer (82)
Toneyville	Sewer (79)
Traver	Sewer (189)
Yetter	Sewer (69) Water (69)
Wells Tract	Sewer (67) Water (67)

2. The actual number of people served is difficult to ascertain. The 2010 U.S. Census estimates the single-family dwelling unit density in the unincorporated area of Tulare County to be 3.563 persons per unit. From this we can determine that CSA No.1 and No.2 serve a total population of approximately 2,483 persons in the Zones of Benefit.
3. During the February 10th, 2009 Tulare County BOS meeting, a study session was held regarding a request made by Self-Help Enterprises for the County to take over temporary ownership of the privately owned Seville Mutual Water Company via the receivership process. Disputed ownership of the system jeopardized Self-Help Enterprise’s application for a Safe Drinking Water and

State Revolving Fund grant intended for the construction of a new water distribution system. The request was approved and remains in effect. The change in temporary ownership puts a well-established entity in place to receive the funding, oversee system operation, and oversee construction projects. The system has 114 water connections.

New connection requests within already existing ZOBs are rare. Additionally, the Tulare County Building Permits Center indicates that there are no active or pending permits for construction of new dwelling units or expansion of existing units within District ZOBs. Based on these two factors and the limited capacity of each system, which will be examined in more detail below, it is determined that the population served by CSA Nos. 1 and 2 will not experience significant growth in the foreseeable future.

2) Present and Planned Capacity of Public Facilities and Adequacy of Public Services, Including Infrastructure Needs or Deficiencies

1. The following is a breakdown of the average amount of dry weather wastewater influent produced by each ZOB, as measured by lift station meters and expressed in terms of thousand gallons per day. The percentage it represents of lift station maximum capacity is also included:

- Delft 39,136 (68%)
- Tooleville 23,695 (68%)
- Traver 57,383 (65%)
- Yettem 53,343 (45%)
- Seville 34,388 (69%)
- Tonyville 19,195 (32%)
- El Rancho (no meter)
- Wells Tract 24,380 (128 %)

2. The design and structure of the sewer systems serving the communities of Delft Colony, Tooleville and Traver are largely the same as are the collection systems for the remaining ZOBs.
3. ZOB wastewater influent is collected by a collection system consisting primarily of 6" PVC gravity collectors and 4" house laterals that transport influent to terminal lift stations. From there wastewater enters the sewer system distribution infrastructure consisting of submersible pumps rated at 235 gallons per minute (gpm) that are driven by 3 HP pumps that transfer the incoming sewage to the headworks. Before entering the headworks, the flow is measured by a Fischer-Porter magnetic flow meter, which transmits data to flow display panel and recorder in the control building. Sewage then flows through a grinder driven by a 2 HP motor. A bypass panel equipped with a bar screen is also provided. From the headworks, wastewater flows by gravity to facultative ponds and percolation ponds. After percolation ponds, wastewater

enters an outlet structure from where it can either continue to other percolation ponds or be returned to the lift station for recirculation through the plant.

4. Due to the proximity of WWTF to residences, 500 and 300 feet in Delft Colony and Tooleville respectively, the RWQCB Orders governing operation/maintenance of these WWTF focus on the prevention of nuisance conditions such as odors, mosquito breeding grounds and the like.
5. Delft Colony, Tooleville and Traver WWTFs have a design capacity of .0572 mgd, .035 mgd and .088 mgd respectively.
6. Water Dynamics Inc. operates all ZOB WWTF and lift station infrastructure. The private engineering firm provides system administrator, wastewater supervisor, operator and maintenance supervisor staffing services. An examination of RWQCB monitoring reports indicates that the same Water Dynamics Inc employee serves as the administrator, wastewater supervisor, operator or maintenance supervisor for each system.
7. An examination of RWQCB documents shows that the Delft Colony system was sporadically in violation for weed growth causing potential nuisance conditions. There have been no recent violations.
8. The flow meter at Tooleville was out of service in 2007 to the beginning of 2008. Violations were found for missing signatory statements on monthly self-monitoring reports. There have been no recent violations.
9. Several violations were found for the Traver system. These include presence of potential nuisance conditions, chronically in violation of contaminants in system discharge, not maintaining equipment in good working order. Also, the system's WWTF flows exceeded capacity in April and May of 2002. However, these issues have been corrected and there have been no recent violations.
10. Through contract with EcoStar USA, Tulare County RMA plans to install a treatment train at the Traver WWTF, including cloth-media biofiltration and an ultra violet disinfection system that will help produce tertiary-treated effluent.

Delft Colony Water System

11. The Delft Colony Water system has been in operation since 1992. The system consists of two drilled wells and a single 10,000 gallon steel pressure storage tank. Well No. 1 consists of 40-Hp water lubricated turbine pumps, check valve. Well No. 2 consists of 12" diameter casing equipped with 15 Hp water lubricated turbine pump and check valve. The system's distribution infrastructure consists of steel and PVC piping, 6" mains and 1 1/2" laterals. Permanent chlorination is provided at Well. 2.

12. Tulare County Resource Management Agency (RMA) is listed as the systems owner. RMA is required to conduct bacteriological testing (Total Coliforms) on a monthly basis, chemical testing (nitrates) on an annual basis and lead and copper testing every three years. Testing samples for all ZOB systems are collected by Water Dynamics Inc. and all ZOB sample testing is conducted by Moore Twinning Laboratory.
13. According to Tulare County Environmental Health (Environmental Health) records, the system has been absent of Total Coliforms since February of 2009. Nitrate sample testing was last performed in February of 2009 with results of 18 mg/L for Well. No. 1 and 19 mg/L for Well No. 2. The maximum contaminant Nitrate level allowed (MCL) is 45 mg/L. Last Lead and copper testing (2008) showed lead and copper levels below regulatory MCLs.
14. In 2007, RMA initiated the process of destroying approximately 30 abandoned wells in the Delft Colony area.

Yetter Water System

15. The Yettem water system has been in operation since 1995. The system consists of two drilled wells. Well No. 1 is used as a back-up and is equipped with 5 Hp lubricated turbine pump, one check valve. Well No. 2 is constructed in the same manner. The wells share 150,000 gallon storage tank that is equipped with a 25 Hp booster pump and a chlorinator. The distribution system consists of 6" and 1" laterals constructed of galvanized piping. In June, 2008, the pump in Well No. 2 was replaced with a 7.5 Hp submersible pump.
16. Bacteriological samples must be tested each month. Lab results show that bacteriological test samples failed to meet standards for total coliforms in April of 2010. The system has remained free of total coliform contaminants since October of 2010. The system is required to submit Nitrate testing results on a quarterly basis rather than annually because past annual Nitrate test results exceeded 50% of the Nitrate MCL allowed (45 mg/L). The system exceeded the established MCL in 2002 (64 mg/L) and 2004 (47 mg/L).

Seville Water System

17. Tulare County Superior Court is listed as the owner of the Seville water company. The County of Tulare was appointed as the receiver of the system on June 16, 2009 and is responsible for system compliance with state and federal regulations.
18. The Seville water system consists of a single well (no back-up well exists). The system well is equipped with 7.5 Hp submersible pump, one 5 Hp booster pump, check valve and two 550 gallon pressure water storage tanks. The

system's distribution infrastructure consists of 4" iron and galvanized main and 3" galvanized laterals.

19. Pressure testing of various system distribution points was conducted in 2007 (pressured measured in terms of pounds per square inch):

- Well head with pump running 46 psi
- Well head with pump off 36 psi
- Residential testing site 22 psi
- Stone Corral School 32 psi

Pressure must remain above 5 psi and pressure of 40-50 psi is desired.

20. The Seville water system has had two reported breakdowns, 1998 (nature of breakdown unknown) and 2002 (pump replacement needed). The system is also voluntarily shutdown from time to time in order to repair equipment.

21. Seville system bacteriological test results were absent total coliforms from January 2006 through July 2008. The system has provided positive bacteriological samples sporadically since July of 2008.

22. RMA is required to submit quarterly Nitrate tests results for the Seville water system. An examination of the system's Nitrate test result history from 2002 to the present shows that system test samples continually contain large amounts of Nitrate contaminants at or only a few mg below the established MCL of 45 mg/L (results range from 42 mg/L to 45 mg/L). Records also show that Nitrate test results were not submitted from 2002 through 2007 and submitted only once from 2007 through 2009. Results continually containing high Nitrate contaminants prompted Environmental Health to submit Compliance Order No. 2011-01, in February of 2011. The Order indicates that the system produces water that does not comply with primary drinking water standards and failed to ensure that water is pure, wholesome and healthful, all as a result of high Nitrate levels. The Order requests that RMA submit a plan to address the issue that additionally contains a timeline. This plan has yet to be submitted.

23. Based on a site inspection of the Seville water system, Environmental Health provided a letter to RMA requesting that RMA repair the leak at the valve stem at the 3" distribution line between the well head and pressure tank and additionally replace the inoperable booster pump in order to maintain appropriate pressure standards.

24. Each fiscal year Tulare County RMA prepares a list of proposed infrastructure projects for each ZOB. Several projects are proposed for each system and prioritized. Most of the proposed projects are deferred due to budget constraints.

Based on capacity numbers and the low level of violations associated with individual systems, it is determined that ZOB sewer infrastructure is in adequate condition and

meets current levels of demand in an efficient manner. It is further determined that the County of Tulare adequately assesses infrastructure needs and plans for required capital projects; however, the individual systems do not produce sufficient revenues to fund the necessary upgrades. This puts into question the ability of each system to sustain an adequate and efficient level of service in the future.

Based on the data examined, it is determined that the Delft Colony water system infrastructure is in adequate condition, is able to meet current demand and provides water supplies of good quality with adequate pressure. It is determined that Yettem water system infrastructure is also in adequate condition and able to meet current demand levels. Steps should continue to be taken to ensure the amount of Nitrate contaminants to levels remain in compliance of the MCL allowed. It is determined that Seville water system infrastructure is not in adequate condition and is unable to meet current demand levels due to sporadic shut down of the system whenever repairs are needed. As suggested by Environmental Health’s compliance order, it is determined that although not in excess of the actual established MCL, contaminant levels are high enough that the system should be treated as violator of Nitrate MCL. Accordingly, it is determined that the district must structure a plan to reduce Nitrate levels as prescribed in Environmental Health Order 01-2011.

3) Financial Ability of the Agency to Provide Services

1. Each ZOB and the Wells Tract served by CSA No. 2 are operated as individual systems and a separate budget it prepared for each. The following is a summary of each ZOBs 2010-2011 adopted final budget provided by Tulare County Resource Management Agency:

Zone of Benefit	Estimated Expenses	Estimated Revenues	Less Depreciation	Net Cost
Delft Colony	\$85,982	\$65,626	\$26,665	(\$9,309)
El Rancho	\$33,327	\$25,654	\$7,693	(\$20)
Seville	\$85,165	\$77,147	\$24,281	(\$16,263)
Tooleville	\$88,576	\$67,005	\$21,618	(\$21,618)
Toneyville	\$70,987	\$52,578	\$20,141	(\$1,732)
Traver	\$115,811	\$71,324	\$47,140	(\$2,653)
Yettem	\$73,549	\$63,266	\$15,008	(\$4,725)
Wells Tract	\$65,912	\$57,596	\$8,391	(\$75)

2. Operation and maintenance costs are to be covered in full through monthly user fess. As mentioned, user fees are calculated dividing total operating and maintenance costs with a ZOB by the number of single-family unit connections. When their systems first became operational, user fees were \$24/month, \$19/month and \$24/month for the Delft Colony, Tooleville, Traver ZOBs respectively. If deprecation is not factored in, only the Seville and Wells Tract systems are operating in the black., To cover the budgetary gap, the County of Tulare provides an annual loan using funds from the County’s Service Area Revolving Loan Fund that is serviced by the County’s General Fund. The loan amount for fiscal year 2009/2010 is \$128,128 and a total of \$690,000 has been loaned to date.

3. Pursuant to BOS Resolution No. 94-0356 rates cannot be increased by more than 10% per year and all rate increases are subject to Prop 218 procedures.
4. As part of the Proposition 218 process, a public hearing to consider increasing sewer and water user fees for all ZOBs, with the exception of Seville, was held on July 10, 2010 by the Tulare County Board of Supervisors. During the public hearing there were written protests submitted by residents of the Seville, Tonyville, and Tooleville ZOBs. The hearing was continued to allow County staff to assess the validity of the protests submitted. The number of protests submitted by El Rancho residents did not meet the protest threshold and some of the written protests submitted by Tonyville residents were deemed invalid and consequently the number of Tonyville protests also failed to meet the threshold. Protests submitted by Tooleville residents met the threshold and all were upheld.
5. The following is a summary of the CSA Nos. 1 and 2 fee schedule that includes the fee amount required to establish a zero net cost for operation/maintenance of each system in parenthesis:

Zone of Benefit	Current Sewer Fee	Sewer – Zero Net Cost	Current Water Fee	Water – Zero Net cost
Delft Colony -Residential	\$49.00	\$49.00	\$50.25	\$50.25
El Rancho -Residential	\$66.75	\$80.25		
Seville -Residential -School	\$59.75 \$203.00	\$59.75		
Tooleville -Residential	\$53.75	\$80.24		
Tonyville -Residential	\$60.00	\$60.00		
Traver -Residential -School -Childcare Center	\$30.00 \$295.25 \$47.25	\$30.00		
Yettam -Residential -Continuation School -Learning Center	\$79.25 \$109.50 \$100.25	\$79.25	\$56.00 \$63.50 \$63.50	\$58.25
Wells Tract -Residential	\$62.25	\$81.25	\$29.50	\$31.50

*Source: BOS agenda item for fee adjustments 7/20/10

6. In addition to user fees and the County's annual loan amount, Tulare County also applies for various grants on behalf of CSA Nos. 1 and 2 in order to fund infrastructure improvement projects. In 2008 the County of Tulare received a Proposition 50 Safe Drinking Water Grant, administered by the California Department of Health Services. The \$276,000 grant is being used to seal and destroy abandoned wells that lead to water system contamination within the Delft Colony ZOB.

Based on a thorough analysis of financial documents provided by Tulare County, including a breakdown of administrative services provided by the County and operating/maintenance costs charged by private contractors, it is determined that there are no significant steps that can be taken to lower the cost of operating/maintaining these systems or the user fees charged to customers. It is further determined that the economies of scale of these systems are simply too small to absorb the high costs associated with operating/maintaining sewer infrastructure. Other factors further compound the problem. The topography in the subject areas is such that lift stations are needed to be installed, an added component that is expensive to install, operate (electrical power) and maintain. Additionally water rates were increased by the City of Lindsay whose system serves the El Rancho and Tonyville ZOBs, as well as the City of Woodlake whose system serves the Wells Tract. Other expenditures include increased RWQCB fees and San Joaquin Valley Unified Air Pollution Control Board permitting fees needed to install emergency generators.

4) Status of, and Opportunities for, Shared Facilities

Given the fact that insufficient economies of scale are at the heart of system fiscal issues and high rates, consolidation of systems wherever feasible and other regional solutions should be pursued.

As detailed in the East Orosi CSD and Sultana CSD MSRs, the consolidation of the Yettam and Seville ZOBs with other Cutler-Orosi area systems is a highly feasible and logical solution that should be further examined.

The El Rancho and Tonyville ZOBs could potentially be consolidated; however, the distance between the two and the Lindsay WWTF is likely too great to make this a feasible approach, but the possibility should nonetheless be further examined. Delft Colony and Traver are simply too far removed from each other and any other water/sewer providing jurisdiction.

The Wells Tract, served by CSA No. 2, is not only connected to the City of Woodlake's WWTF, the tract is adjacent to City's boundaries. Annexation of the site into the City is a highly feasible and logical solution. Further analysis is needed to determine how annexation might impact current sewer rates charged to Wells Tract residents and how connection to the City's community water system will impact Wells Tract water rates. It should be noted that the Commission does not have the authority to initiate annexation

proposals. Annexation of this site must be initiated through city council adoption of a resolution of application or through a registered voter/landowner petition.

The Tooleville ZOB is located within 1 mile of the City of Exeter. The City has not shown an interest in annexing the area, but has recently indicated that it is willing to extend service to the area through an Extension of Services Agreement. LAFCO met with Self-Help Enterprises, who is working on behalf of the residents of Tooleville the proposal, in October 2009. The application was expected to be submitted to LAFCO at the end of 2010, but has not yet been received.

Another solution that has been actively pursued is the formation of Community Services Districts (CSD) that would take control of system operations and governance, including ownership of assets and liabilities. This approach; however, only serves to transfer responsibility from one local agency to another and does not address the issues driving ZOB fiscal insolvency. Without the annual County Revolving Fund loan amount that is now used to close annual budgetary gaps, systems would continue to incur similar expenses and would inevitably become insolvent and non-operational. In case of CSD insolvency and subsequent dissolution, the County would become the successor agency and would take on the defunct agency's likely larger debt, leaving both the County and the community in the same situation.

5) Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies

1. The Tulare County Board of Supervisors governs CSA Nos. 1 and 2. District matters are discussed during BOS public hearings, which are held each Tuesday at 9:00 AM. Notices are provided to service customers and posted on all County forums available including the County website.
2. The individual systems are subject to oversight by the following agencies:
 - All the systems have fewer than 200 water connections. As such the County of Tulare Environmental Health Agency is the permitting agency for each CSA 1 and 2 water system and each system is subject to agency inspections.
 - All sewer systems collection systems that are more than 1 mile in length are subject to the State Water Resources Control Board (SWRCB) regulatory mechanisms. This includes Statewide General Waste Discharge Requirements (WDRs) that mandate a Sanitary Sewer Management Plan (SSMP), which must include spill response plan. The County operates (4) wastewater treatment facilities and (5) sewer lift stations.

- System emergency generators require a permit issued by the San Joaquin Valley Air Pollution Control District.
 - Part VIII of the Tulare County Ordinance Code addresses policies and procedures for County CSAs. This document can be obtained online at http://www.co.tulare.ca.us/government/clerk_of_the_board/ordinance.asp
3. An Operations and Maintenance Manual was prepared by John Carollo Engineers in 1990.
 4. As previously mentioned all rate increases must undergo Prop 218 procedure.

It is determined that there is adequate oversight of service quality and accountability.

6) Other Matters Related to Effective or Efficient Service Delivery, As Required by Commission Policy

As detailed in section 4, the Yettem and Seville ZOBs can feasibly be consolidated with other Cutler-Orosi area sewer and water systems. This option should be pursued as outlined in the East Orosi and Sultana CSD reports.

The consolidation of the Tonyville and El Rancho ZOBs should also be further examined, but as mentioned above, the distances between the two systems and the size of their respective customer base make it unlikely that consolidation will yield lower user rates.

The proposed Extraterritorial Service Agreement between the City of Exeter and Tooleville system customers should continue to be pursued and LAFCO should provide technical and logistical help if requested by the City or the ZOB's representative.

County Service Area #1 Zones of Benefit

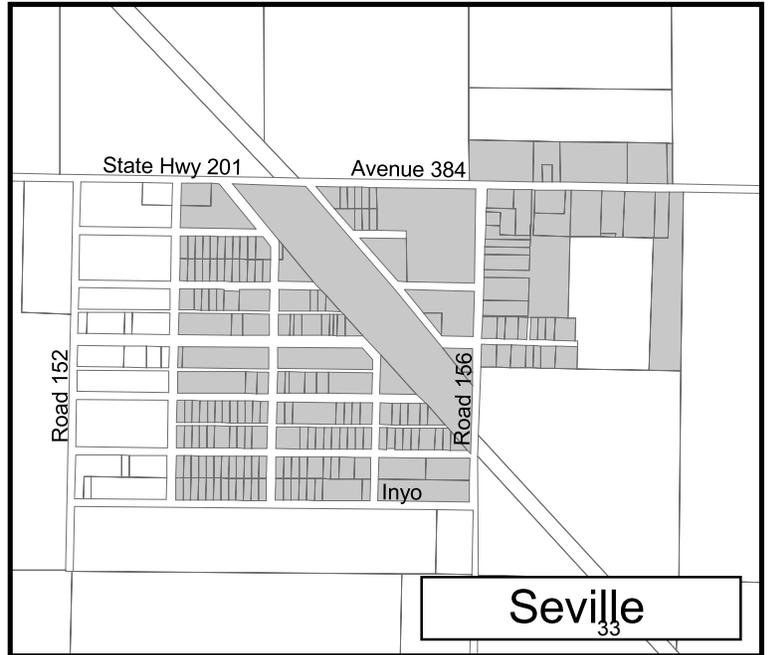
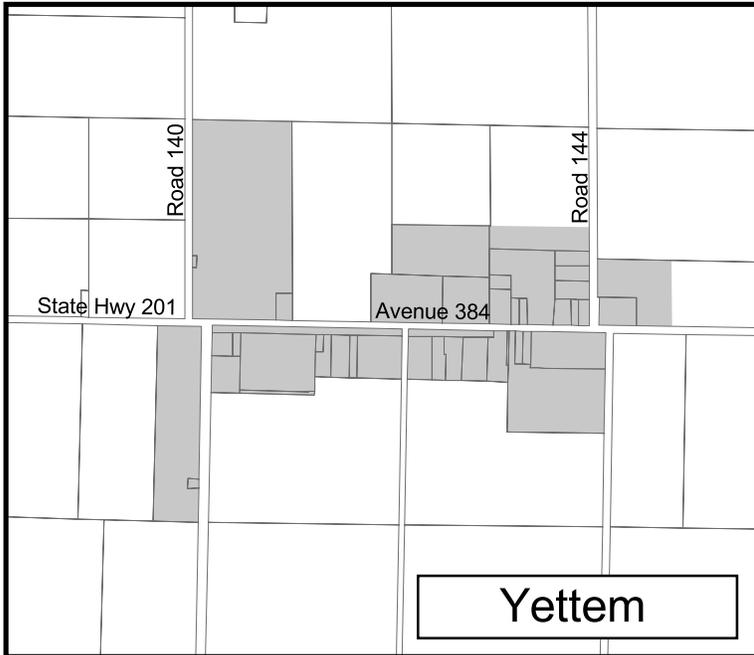
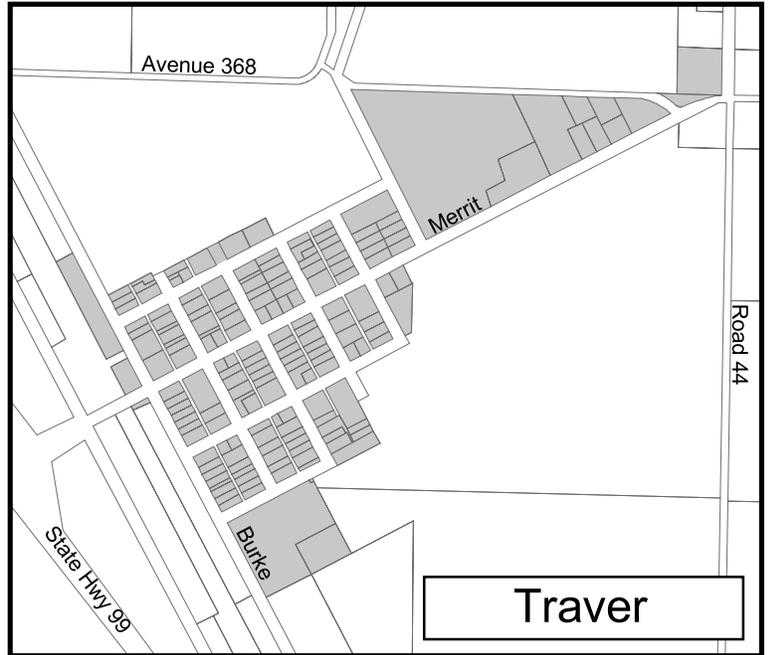
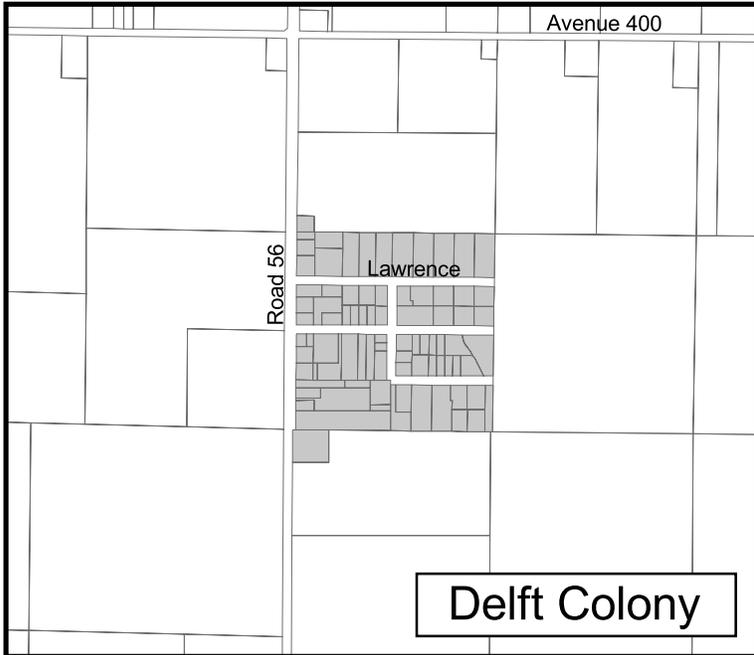
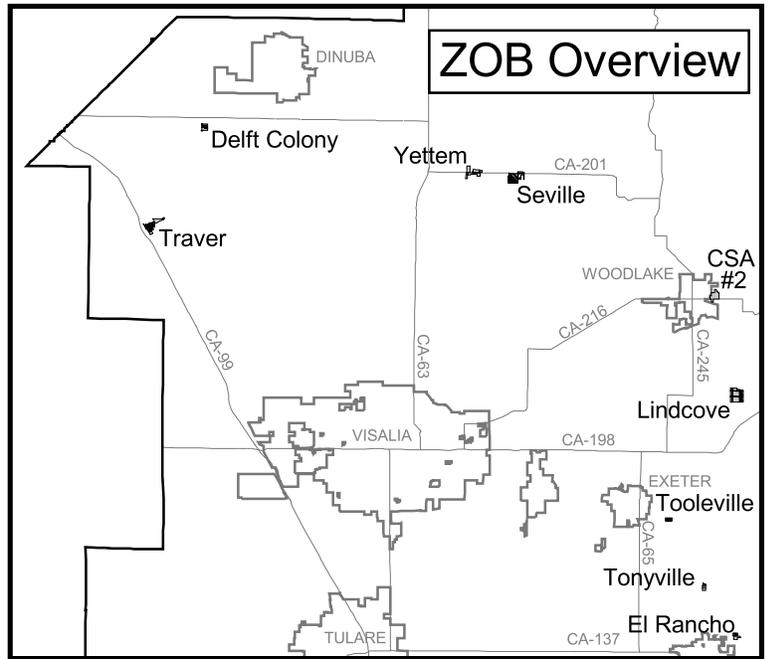
(as of 3/1/2007)

 Zone of Benefit

 Parcels

0 1000 2000 Feet

 (Scale for ZOB inset maps)
Created by Tulare County LAFCO



County Service Area #1 Zones of Benefit

(as of 3/1/2007)

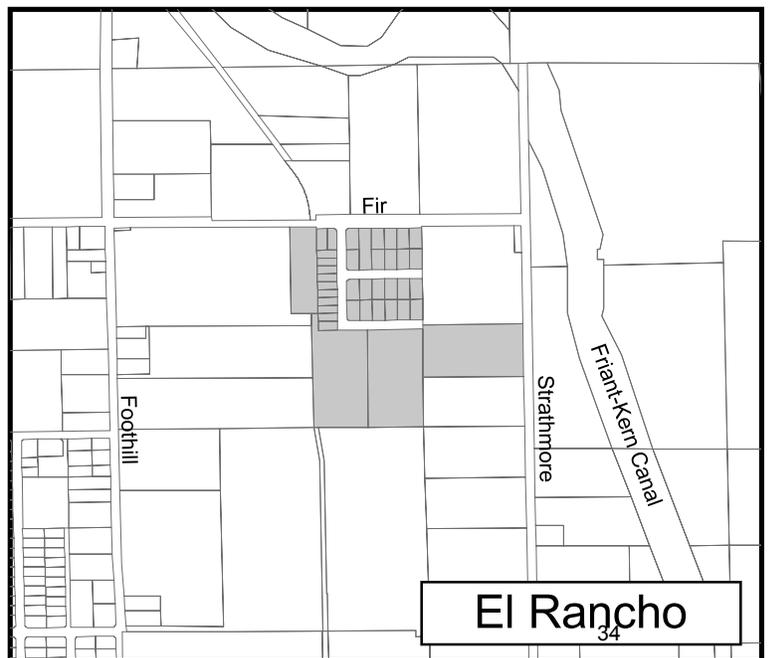
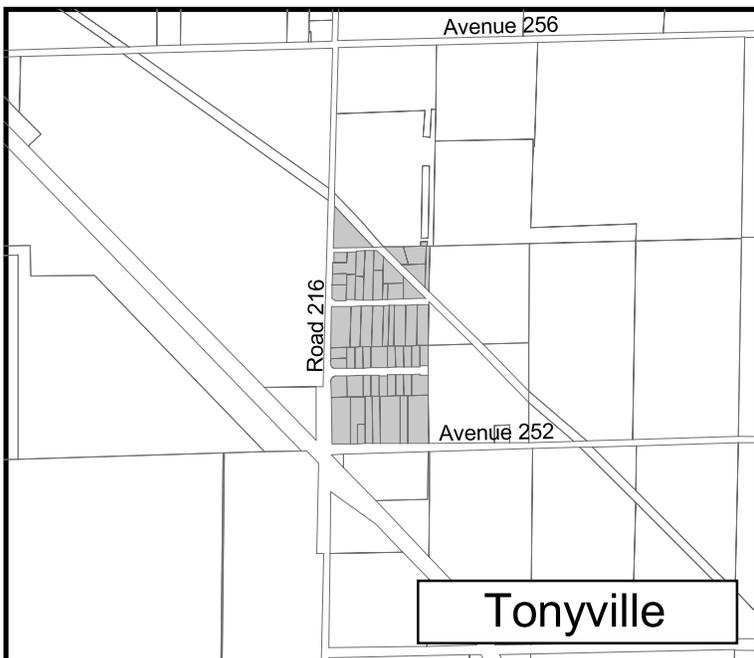
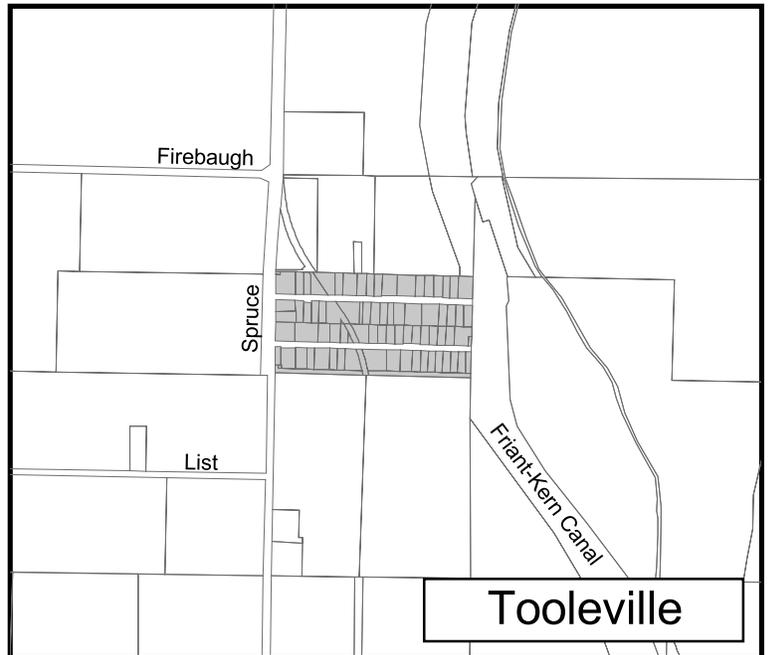
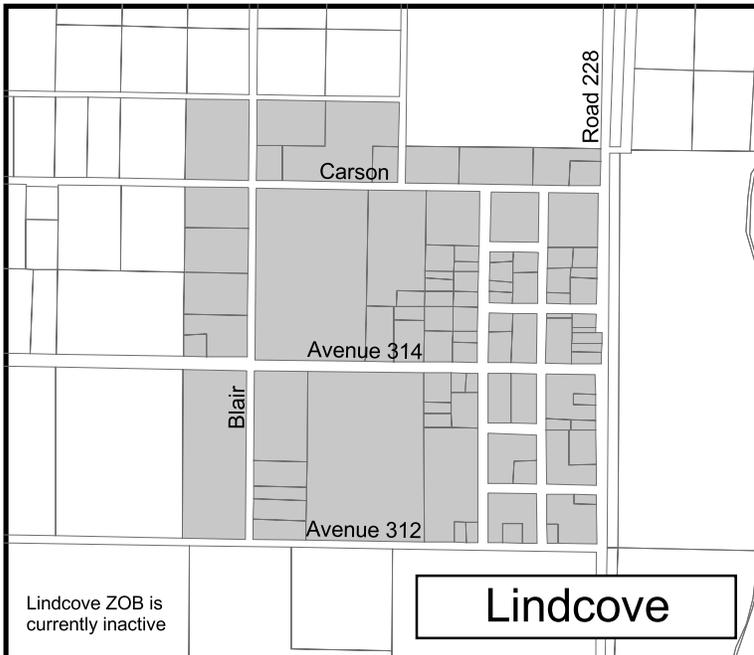
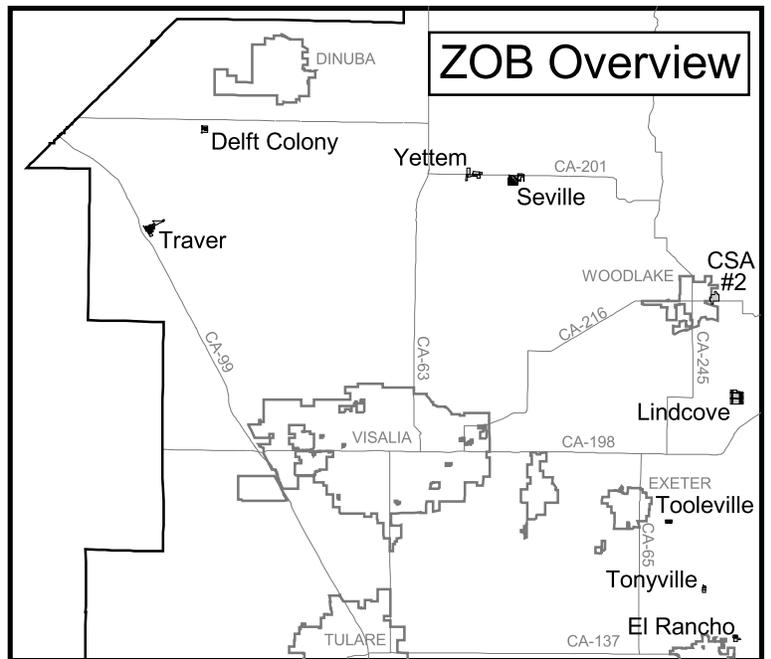
 Zone of Benefit

 Parcels

0 1000 2000 Feet

Created by Tulare County LAFCO

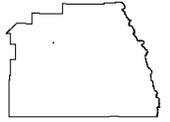
(Scale for ZOB
inset maps)



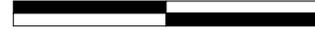
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(as of 3/1/2007)

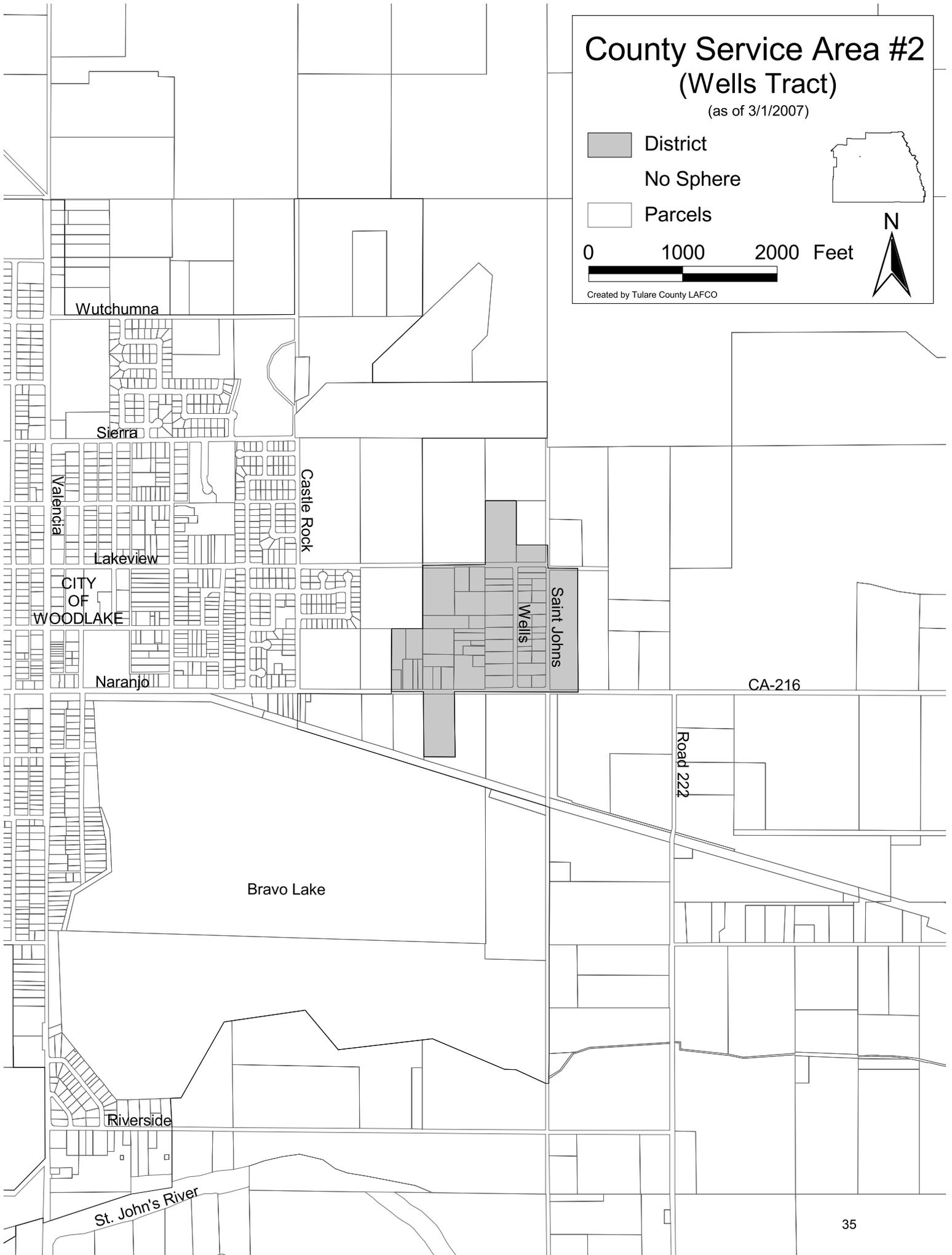
-  District
- No Sphere
-  Parcels



0 1000 2000 Feet



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TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION

5955 S. Mooney Blvd. Visalia, CA 93277 (559) 624-7261 FAX (559) 733-6720

COMMISSIONERS:
Allen Ishida, Chair
Juliet Allen, Vice Chair
Steve Worthley
Cameron Hamilton
Rudy Mendoza

September 7, 2011

ALTERNATES:
Gerald Magoon
Amy Shuklian
Mike Ennis

To: LAFCO Commissioners and Alternates

From: Ben Giuliani, Executive Officer

EXECUTIVE OFFICER:
Ben Giuliani

Subject: Amended LAFCO Policy C-12 (Reconsideration)

Summary

The draft amended Policy C-12 (attached) was circulated to city and county staff for review on June 5th. The proposed amendments reconcile Policy C-12 with existing State law as outlined below. The draft policy was presented to the Commission for review at the August 3rd meeting. No changes have been made to the draft policy that was presented to the Commission and circulated to city and county staff. Staff is recommending that the Commission adopt the attached amended Policy C-12.

Discussion

Policy C-12 (Reconsideration) currently creates a two step process for the review of reconsideration requests. Per the existing policy, the reconsideration is first presented to the Commission for acceptance and then, if accepted, brought back to the Commission for action at the next meeting.

Staff believes that this process is in conflict with statute. Government Code (GC) sections 56895(b) and (e) state the following:

(b)The person or agency shall file the written request within 30 days of the adoption of the initial or superseding resolution by the commission making determinations. If no person or agency files a timely request, the commission shall not take any action pursuant to this section.

(e)The executive officer shall place the request on the agenda of the next meeting of the commission for which notice can be given pursuant to this subdivision. The executive officer shall give notice of the consideration of the request by the commission in the same manner as for the original proposal.

For example, the Visalia annexation that was denied by the Commission at the May 4th meeting had a 21 day public notice. A timely reconsideration request for that decision would need to be submitted by June 3rd. The request would then be placed on the agenda for the next available Commission meeting for which a 21 day notice could be given.

While the required contents of a reconsideration request are defined by GC §56895(a), it is staff's opinion that the request, regardless of content, needs to be reviewed and acted upon by the Commission at one meeting that is subject to notice as specified in subsection "e" above.

Most spurious reconsideration requests would be discouraged by the requirement of the submission of the filing fee. Our fee for reconsideration requests is currently \$300 to cover staff time and public noticing. GC §56383(c) includes the following:

The commission may require that an applicant deposit some or all of the required amount that will be owed with the executive officer before any further action is taken. No application shall be deemed filed until the applicant deposits the required amount with the executive officer.

Attachments

Proposed amended Policy C-12

Policies and Procedures

Tulare County Local Agency Formation Commission

Policy Number: C-12

Effective Date: November 4, 2009

Authority: Government Code §56375(g) and §56895, LAFCO Resolution 09-017

Title: Reconsideration

Policy: The Cortese-Knox Hertzberg Local Government Reorganization Act of 2000 (CKH) authorizes any person or affected agency to file a written request with the Executive Officer requesting amendments to or reconsideration of a resolution making determinations.

Purpose: To set forth the process by which requests for amendment or reconsideration are processed by LAFCO in accordance with GC §56895.

Scope: This procedure applies to all requests for amendment or reconsideration of LAFCO resolutions making determinations on changes of organization, reorganizations, spheres of influence and extensions of service agreements.

History: This policy was added to the Manual on 11/4/09.

Procedure:

12.1. General

This procedure is intended to implement the reconsideration provisions contained in GC §56895. In the event of any conflicts between this procedure and the provisions of GC §56895, Section 56895 shall control.

12.2. Acceptance

A **timely** request for amendment or reconsideration shall not be accepted for processing under GC §56895 until the commission authorizes the Executive Officer to accept the request **is defined as the following:**

- A. **The request must be submitted in writing within 30 days of the Commission's adoption of resolution making determinations. [GC §56895(b)]**

- B. The request shall state the specific modification to the resolution being requested and shall state what new or different facts that could not have been presented previously are claimed to warrant the reconsideration. [GC §56895(a)]**
- C. The request must include the filing fee as listed in Policy B-2. [GC §56383(c)]**

12.3. Process

- A. Once a timely request for amendment or reconsideration is filed with the Executive Officer it shall be immediately placed on the agenda for the next regular meeting for which the notice required in this policy can be given. ~~The action before the commission shall be limited solely to the question of whether the request conforms to the requirements of GC §56895 for acceptance and processing.~~ **The notice shall be given in the same manner as for the original proposal. [GC §56895(e)]**
- B. Upon receipt of a timely request, the Executive Officer shall ~~immediately provide written notice to all affected agencies. Said notice shall be mailed not less than seven (7) calendar days prior to the date set for acceptance review before the commission~~ **not take any further action regarding the Commission's original determinations until the Commission acts on the request. [GC §56895(c)]**
- C. At the meeting, the Commission shall **consider the request and receive any oral or written testimony. The consideration may be continued but not to exceed 35 days from the date specified in the notice. [GC §56895(f)]** ~~determine whether the request meets all the requirements for amendment/reconsideration required under GC §56895, as follows:~~
 - I. ~~Does the request state the specific modification(s) to the resolution being requested?~~
 - II. ~~Does the request state what new or different facts are claimed to warrant reconsideration?~~
 - III. ~~Does the request state why the new or different facts could not have been presented previously?~~
- D. The Executive Officer's report shall address ~~these~~ **the** requirements **as listed in section 12.2.B above** with particular attention to whether the facts cited in the request are new or had been previously considered by the commission and whether substantial evidence exists to support the facts claimed. Argument, speculation, conjecture, unsubstantiated opinion or narrative does not constitute substantial evidence.

- ~~E. Although not a formal public hearing in accordance with the CKH Act, the commission shall provide an opportunity for public comment before rendering a decision on the acceptance~~
- F. ~~If the commission determines all or a portion of the request is in compliance with the requirements of GC §56995, it shall order the acceptance of the request and direct the Executive Officer to process the matter in accordance with law. If the commission determines the request is not in compliance with GC §56998, it shall deny acceptance and direct the Executive Officer to notify all affected parties and agencies and to complete the processing of the matter which was suspended when the request was filed. **At the conclusion of the hearing, the Commission may take one of the following actions:**~~
- ~~I. **Approve (or partially approve) the request and adopt a resolution superseding the resolution previously issued;**~~
 - ~~II. **Deny the request;**~~
 - ~~III. **Continue the hearing for a maximum of 35 days.**~~

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TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION

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Steve Worthley
Cameron Hamilton
Rudy Mendoza*

September 7, 2011

ALTERNATES:
*Gerald Magoon
Amy Shuklian
Mike Ennis*

To: LAFCO Commissioners and Alternates

From: Ben Giuliani, Executive Officer

EXECUTIVE OFFICER:
Ben Giuliani

Subject: Draft Amended LAFCO Policy A-4 (Commission
Composition)

Summary

The draft amended Policy A-4 (attached) was circulated to city and county staff for review on August 3rd. The proposed amendment adds section 4.4 pertaining to Commissioner replacement and attendance and modifies the selection process of the Public and Alternate Public Members. No additional comments have been received. Staff is planning to bring the proposed amended policy back to the Commission for adoption at the October 5th meeting.

Discussion

The original draft policy only included adding section 4.4 pertaining to Commissioner replacement. The policy was circulated for review on June 5th. The City of Tulare submitted a letter on July 8th requesting that the Commission amend the process used to select the Public Member. The City claimed that the current process for selecting the Public Member is inequitable. The City requested that the Commission conduct public outreach to provide the opportunity for other members of the public to be considered for appointment before the expiration of the Public Member's term. The current policy allows for the Commission to extend the Public Member's term without explicitly giving an opportunity for other members of the public to express interest in the position. At the August 3rd meeting, the Commission directed staff to further amend the policy to incorporate the City's requested amendments to the selection process.

Attachment

Proposed amended Policy A-4

Policies and Procedures

Tulare County Local Agency Formation Commission

Policy Number: A-4

Effective Date: February 6, 2002

Authority: GC §56325:56337 and LAFCO Resolutions 96-006, 02-006, 07-019

Title: **Commission Composition**

Policy: The method for selecting the Commissioners and Alternates of the Commission shall be equitable, efficient, and clearly articulated.

Purpose: To outline the method for selecting Commissioners and Alternates to the Commission that is equitable, efficient, and clearly articulated.

Scope: This procedure applies to all Tulare County LAFCO's county, city, and public members and alternates.

History: A public member selection and appointment policy was adopted on 4/3/96 and was incorporated into this policy in the initial adoption of the Policies and Procedures Manual on 2/6/02. The procedure was amended on 3/7/07 to add the process for the selection of Commission officers (A-4.5).

Procedure:

4.1. Composition

Tulare County LAFCO consists of a five member commission composed of two members of the County Board of Supervisors, chosen by the board; two members representing the cities in Tulare County, chosen by the city section committee and one public member, chosen by the other members of the commission. Also part of the commission are three alternates, each representing the county, cities, and the public, selected as described above.

4.2. Terms of Office

In accordance with Government Code Section 56334, the term of office of each member shall be four years to expire on the first Monday of May and until appointment and qualification of his or her successor.

- A. County and City Commissioners are required to vacate their seat if he or she ceases to hold the originating office. [GC §56337]

- B. Public Commissioners are required to vacate their seat if he or she becomes an officer or employee of the County or any city or district with territory in the County. [GC §56331]

4.3 Alternate Members

Alternate commissioners are encouraged to take an active role in LAFCO business including discussions and deliberations on project proposals, CALAFCO legislative activities and training workshops, interagency coordination and communication, and participation in policy development and other working groups. Alternate commissioners may vote in place of regular commissioners, in the same category as the alternate commissioner, who is absent or who disqualifies himself or herself from participating in an action.

4.4 Commissioner Replacement

Any member may be removed at ~~any time and without cause~~ by the body appointing that member.

- A. ***The Commission may recommend to the appointing authority that a member be removed for the following reasons:***
 - I. ***The absence of that member from three consecutive meetings or more than one quarter of the meetings in any 12-month period.***
 - II. ***Malfeasance of office or dereliction of duty by that member.***
 - III. ***Failure to complete the required financial disclosure documents in a timely manner.***

4.5 Public Member Selection and Appointment Policy (Resolution 96-06, 4-3-96)

The method for selecting the Public Member and Alternate Public Member should be equitable, efficient and clearly articulated for all concerned.

- A. In accordance with GC §56334, the term of office for the Public Member and Alternate Public Member shall be four years to expire on the first Monday in May or upon the qualification of the Commissioner's successor. The terms of office of the Public Member and Alternate Public Member shall be staggered by two years. The first full term for the Alternate Public Member shall begin on the first Monday in May, 1996.
- B. At least two months prior to the expiration of the term of office, the Commission shall consider at a regular meeting the question of re-appointment of the incumbent Public Member or Alternate Public Member. Upon a successful motion, that Commissioner shall be re-appointed for an additional four-year term ***Executive Officer shall seek application to the position from the community at large. Reasonable effort shall be taken to advertise the opening of the broadest selection of***

candidates possible. Candidates should be encouraged to submit a resume and statement regarding their qualifications and interest in serving on the Commission. Failure to be re-appointed shall not prevent ***This does not preclude*** the incumbent ***Public or Alternate Public Member*** from applying for appointment.

- ~~C.~~ In the event that the Public Member is not re-appointed, or the position becomes vacant, the Commission shall consider the question of the appointment of the current Alternate Public Member to the Public Member position. If the appointment is approved, the Commission will fill the Alternate Public Member position as described below. Failure to appoint the Alternate Public Member shall not prevent the Commissioner from applying for the position as described below.
- ~~D.~~ In the event that the incumbent Commissioner is not re-appointed, as described above, the Executive Officer shall seek application to the position from the community at large. Reasonable effort shall be taken to advertise the opening of the broadest selection of candidates possible. Candidates should be encouraged to submit a resume and statement regarding their qualifications and interest in serving on the Commission.
- E. At least one month prior to the expiration of the term of office, the Commission shall appoint a selection committee consisting of one County Member and one City Member. The committee will consider any materials submitted by the applicants and may conduct interviews of the candidates. It is anticipated that the candidates will be asked to present their qualification in an initial statement to be followed by questions from the members of the selection committee. Following this process, the committee will select a candidate to recommend to the commission. The Executive Officer will place the matter of the selection of the Public member or Alternate Public Member on the agenda of a regular meeting of the Commission. The recommendation of the selection committee will be presented to the Commission at the meeting. The Commission will select the successful candidate by a majority vote on a motion to appoint the candidate to the Commission.
- F. The application and selection process as outlined above shall begin immediately following a Commission determination that a Public Member or Alternate Public Member position has become vacant before the expiration of the term.***

4.6. Officers

- A. The officers of the Commission shall be a chair and vice-chair, and the vice-chair shall serve in the absence of the chairman. In the absence of both the chair and the vice-chair, the members present at such a meeting may elect a chair pro tem.

- B. The Executive Officer shall be selected by the Commission in accordance with the Staff Services Agreement with the County (Policy D-3) and GC §56384.
- C. The terms of office for chair and vice-chair shall be one year from January 1 to December 31: for chairman pro tem, for the meeting only at which he or she is appointed.
- D. It is the policy of this Commission to annually rotate the membership of its officers so that all members of the Commission will have an equal opportunity to serve as an officer of the Commission.

4.7. Current Commissioners and Terms

<u>Commissioner</u>	<u>Representing</u>	<u>Term Expires</u>
Steve Worthley	Board of Supervisors	May 2012
Rudy Mendoza	City Council	May 2015
Juliet Allen**	Public	May 2014
Allen Ishida*	Board of Supervisors	May 2014
Cameron Hamilton	City Council	May 2012

*Chair, **Vice-Chair

4.8. Current Alternates and Terms

<u>Alternate</u>	<u>Representing</u>	<u>Term Expires</u>
Mike Ennis	Board of Supervisors	May 2015
Amy Shuklian	City Council	May 2012
Gerald Magoon	Public	May 2012

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TULARE COUNTY VETERANS MEMORIAL DISTRICTS

BACKGROUND

Tulare County (County) Veterans Memorial Districts (Districts) were established between 1948 and 1954. The Districts are governed by the Military and Veterans Code §1170 - 1259.

A five person Board of Directors governs each District. Of the five Board Members, three must be veterans.

In addition to the general powers established by the Board of Directors, the Military and Veterans Codes have specific governing powers that may be followed. Some of those powers are as follows:

- § 1191(a)(1) Provide and maintain memorial halls, assembly halls, buildings, or meeting places...
- § 1191(a)(3) Purchase, construct, lease, build, furnish, or repair halls, buildings, meeting places, and facilities upon sites owned or leased by the district or made available to the district...
- § 1191(a)(6) Sell or lease any district property to the highest responsible bidder, as determined by the board, except as provided by § 1191.3...

There are currently fourteen Districts within the County of Tulare:

Dinuba	Porterville	Three Rivers
Exeter	Sequoia	Tulare
Ivanhoe	Springville	Visalia
Lindsay-Strathmore	South Tulare County	Woodlake
Orosi	Terra Bella	

South Tulare County Memorial District is comprised of the following towns, each of which has one Memorial facility: Alpaugh, Earlimart, Pixley, Richgrove and Tipton.

REASON FOR INVESTIGATION

The 2010-2011 Tulare County Grand Jury (Grand Jury) received a citizen complaint concerning the lack of concise rules and regulations for conducting District business. The Grand Jury discovered additional issues, some of which are serious and need to be addressed in this report.

PROCEDURES FOLLOWED

1. Interviewed relevant witnesses
2. Attended Memorial District Board meetings
3. Obtained and reviewed relevant documents
4. Visually inspected each District building

FINDINGS

1. There are 14 Districts in the County. Of the 14 Districts, 12 have one Memorial building (building), the Lindsay-Strathmore District has buildings in Lindsay and Strathmore and the South Tulare County Memorial District has buildings in Tipton, Earlimart, Pixley, Alpaugh and Richgrove.
2. Currently there are only eight Districts that have veteran groups regularly utilizing the facilities. They are Springville, Porterville, Exeter, Visalia, Tulare, Orosi, Ivanhoe and Dinuba.
3. Woodlake is used by the veterans only ONCE a year for an event which is attended by veterans County wide.
4. There are several Districts that serve only as community buildings, as veterans no longer use these facilities.
5. There are some Districts that lease their building to nearby schools. Those schools pay a nominal fee for the building's use.
6. Several Districts do not have enough board members to adequately govern the facilities and have canceled most of their meetings. Those Districts are conducting District business without majority board approval and are in violation of the Military and Veterans Code §1199 (example: Sequoia Memorial District has had one meeting within the past two years). This same District has not rented their facility to anyone in over two years.
7. The Lindsay/Strathmore Memorial District has not handled its own business in over ten years. A Certified Public Accountant (CPA) is paid to do this job. Board members do attend their meetings; however, the CPA conducts the meetings and makes recommendations to the board for appropriate action.
8. Not all of the requested documents received by the Grand Jury were up to date i.e. agendas, minutes, and audits.

9. Most of the Districts do not know how to properly complete a meeting agenda. Most of the Districts did not have the required language of the California Government Code §54957.5¹, (also known as SB343) listed on their meeting agendas. Most agendas do not have the required language of the California Government Code §54954.2(a)(1)².
10. Attending several different District meetings, the Grand Jury noticed that an American Flag was not displayed in the meeting room and there was no flag salute prior to starting those meetings. There are a few Districts that do have the flag on display; however, meetings still began without saluting the flag.
11. There are several successful Districts and their success may be based upon location, community participation (facility bookings), décor, etc. Several Districts are **failing** for many of the same reasons as stated above.
12. Having two facilities, the Lindsay/Strathmore District is one example of a failing District. During the past year, the Lindsay building has only been used twice for board meetings, has not been rented out and is in serious disrepair. The Strathmore building while used more often for meetings, does occasionally rent to an outside source and is also in serious disrepair.
13. Another failing District is the Ivanhoe Memorial District. The facility is not ADA (American Disabilities Act) code compliant and the parking lot is in serious disrepair. Ivanhoe recently received a \$48,000 grant plus an additional \$26,436 in District funds for some facility improvements and will be brought into compliance with the ADA. Due to gang related issues, the community is reluctant to rent the District facility.
14. Property tax revenues subsidize all of the Districts and none of the Districts would be able to survive without it.
15. For the fiscal tax year 2009-2010, the Districts received the following property tax revenues:

Dinuba Memorial; \$56,854	Lindsay-Strathmore Memorial; \$97,300
Exeter Memorial; \$170,575	Orosi Memorial; \$33,000
Ivanhoe Memorial; \$22,197	Porterville Memorial; \$232,704
Sequoia Memorial; \$18,200	South Tulare County Memorial; \$258,704
Springville Memorial; \$62,519	Terra Bella Memorial; \$51,407
Three Rivers Memorial; \$42,881	Tulare Memorial; \$379,193
Visalia Memorial; \$121,240	Woodlake Memorial; \$60,206

¹ California Government Code §54957.5(b) (2) requires designating the location where these records will be available on agendas of "all meetings of the legislative body of that agency".

² California Government Code §54954.2(a) (1) If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability...

16. In 2010 the State claimed economic hardship caused by Federal budget cuts and **borrowed** money from the wealthiest Districts. The monies borrowed are to be repaid to the District by the year 2013.

CONCLUSIONS

Some Districts are receiving tax money to maintain buildings that no longer serve a useful purpose for the veterans or the community.

Many facilities are more than 50 years old and are deteriorating faster than the District's ability to maintain them.

There are several Districts that do not have the required number of board members to establish a quorum. This has resulted in meetings being cancelled. Financial transactions are being done without board approval or participation.

RECOMMENDATIONS

1. Districts condemn, sell, or cancel their leases for facilities that are no longer in use, redirect tax money and take whatever action necessary to dissolve the District.
2. Buildings that serve a useful purpose for the community remain open even though they no longer hold veteran events.
3. All District Board members attend any voluntary special district training opportunities they can find including the series of Government trainings that are sponsored by the Board of Supervisors. Training materials that are presently available on the Board of Supervisor's website be reviewed by all board members.
4. All District agendas include the required language of the California Government Codes §54957.5 and §54954.2(a)(1).
5. Although the Grand Jury recognizes that having and saluting the flag are not legal requirements, all Districts adopt a policy of displaying and saluting the flag.

RESPONSES REQUIRED

Tulare County Board of Supervisors
Tulare County Chief Administrative Officer
Dinuba Veterans Memorial District
Exeter Veterans Memorial District

Ivanhoe Veterans Memorial District
Lindsay-Strathmore Veterans Memorial District
Orosi Veterans Memorial District
Porterville Veterans Memorial District
South Tulare County Veterans Memorial District
Springville Veterans Memorial District
Terra Bella Veterans Memorial District
Three Rivers Veterans Memorial District
Tulare Veterans Memorial District
Visalia Veterans Memorial District
Woodlake Veterans Memorial District