



TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION

210 N. Church Street, Suite B, Visalia 93291 Phone: (559) 623-0450 FAX: (559) 733-6720

LAFCO MEETING AGENDA January 24, 2024 @ 2:00 P.M. BOARD OF SUPERVISORS CHAMBERS COUNTY ADMINISTRATIVE BUILDING 2800 West Burrel Avenue Visalia, CA 93291

COMMISSIONERS:
Richard Feder, Chair
Liz Wynn, V. Chair
Maribel Reynosa
Pete Vander Poel
Dennis Townsend

ALTERNATES:
Larry Micari
Fred Sheriff
Steve Harrell

EXECUTIVE OFFICER:
Ben Giuliani

NOTE: This meeting will allow members of the public to participate, observe, and provide public comments during the meeting via Teleconference.

The toll free call-in number for this meeting is: 888-475-4499 | Meeting ID: 876 2737 6776 | Passcode: 399803

Although members of the public are able to participate via teleconference, Commissioners and LAFCo Staff will participate in person. LAFCo has designated the physical location noted above for any persons wishing to participate in person.

I. Call to Order

II. Approval of Minutes from December 6, 2023

(Pages 1-2)

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. Action Items and Presentations

1. Annexation to the City of Visalia and Detachment from County Service Area #1, (Mineral King – Road 148 / East Side Regional Park) Case 1579-V-465 **(Pages 3-18)**
[Public Hearing] Recommended Action: Approval

The City of Visalia has submitted a request for an annexation of approximately 129 acres of land located on the east side of the future Road 148 alignment between Houston Avenue and Mill Creek. The proposal is intended to facilitate the development of a park and groundwater recharge project. The City of Visalia has prepared an Environmental Impact Report for use in this project.

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.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting please contact LAFCO Staff at 559-623-0450. Documents related to the items on this Agenda submitted to the Board after distribution of the Agenda packet are available for public inspection at 210 N Church Ste. B Visalia CA 93291

2. Annexation to the Goshen Community Services District, Case 1580 (Goshen) **(Pages 19-30)**
[Public Hearing] *Recommended Action: Approval*
San Joaquin Valley Homes has submitted a request for an annexation of approximately 60.64 acres of land located at the northwest corner of Avenue 304 and Road 64 in the Goshen Community. The proposal is intended to facilitate the development of 303 dwelling units that will ultimately be developed with low, and medium density residential units (Conway Subdivision). A Mitigated Negative Declaration has been prepared in compliance with CEQA by the County of Tulare.
3. Legislative Policy **(Pages 31-36)**
[No Public Hearing] *Recommended Action: Approval*
Enclosed is the CALAFCO legislative platform for 2024.

V. Executive Officer's Report

1. 2023 LAFCo Annual Report **(Pages 37-58)**
LAFCO staff prepares an overview of the past year including a series of maps and statistical tables that track city and special district annexation activity for both the preceding year and since the inception of LAFCo. The map and table series also review prime agricultural land, land uses, government owned land and land under Williamson Act contract.
2. Legislative Update **(No Page)**
The legislature reconvened on January 3rd, 2024. The last day to submit bills for this session is February 16th, 2024. The CALAFCO list of tracked bills will be included in next month's agenda.
3. Upcoming Projects **(No Page)**
The Executive Officer will provide a summary and tentative schedule of upcoming LAFCO projects.

VI. Correspondence

1. CALAFCO 2024 Calendar **(Page 59)**
This is CALAFCO's annual calendar of events.
2. State Water Board Letter to the Cutler Public Utility District **(Pages 61-92)**
The State Water Board has determined that Cutler and Oroshi PUDs' proposed consolidation plan does not meet the requirements of a consolidation.

VII. Other Business

1. Commissioner Report **(No Page)**
2. Request from LAFCO for items to be set for future agendas **(No Page)**

VIII. Setting Time and Place of Next Meeting

1. March 6, 2024 @ 2:00 P.M in the Board of Supervisors Chambers in the County Administration Building, 2800 W. Burrell Ave., Visalia, CA 93291.

IX. Adjournment

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.
In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting please contact LAFCO Staff at 559-623-0450. Documents related to the items on this Agenda submitted to the Board after distribution of the Agenda packet are available for public inspection at 210 N Church Ste. B Visalia CA 93291

**TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION
2500 W. Burrell Avenue, Visalia, CA 93291
Tulare County Human Resources and Development
December 6, 2023 – Meeting Minutes**

Members Present:	Wynn, Feder, Vander Poel
Members Absent:	Townsend, Reynosa
Alternates Present:	Micari, Sherrif
Alternates Absent:	Harrell
Staff Present:	Giuliani, Kane, and Adams recording
Counsel Present:	Matthew Pierce

I. Call to Order

Vice Chair Feder called the meeting to order at 2:04pm.

II. Approval of the June 7, 2023 Meeting Minutes

Upon motion by Commissioner Wynn and seconded by Commissioner Micari, the Commission unanimously approved the LAFCO minutes.

III. Public Comment Period

Vice Chair Feder opened/closed the Public Comment Period at 2:05 p.m. No public comments received.

IV. Action Items and Presentations:

1. Annexation to the City of Visalia and Detachment from County Service Area #1 (Pratt Family Ranch), Case 1577-V-463

Staff Analyst Kane reported that the City of Visalia is requesting an annexation of approximately 95.56 acres of land located North of Riverway Drive on the West and East Sides of Mooney Boulevard.

Vice Chair Feder opened the Public Hearing at 2:12 p.m. Paul Bernal, City of Visalia, spoke in favor of the project.

Upon motion by Commissioner Vander Poel and seconded by Commissioner Wynn, the Commission unanimously approved the annexation to the City of Visalia and Detachment from County Service Area #1 as recommended.

2. Annexation to the City of Visalia and Detachment from County Service Area #1 (Carleton Acres Annexation), Case 1578-V-464

Commissioner Micari gave a statement and recused himself from voting or participating during this agenda item due to a conflict of interest.

Staff Analyst Kane reported that the City of Visalia is requesting an annexation of approximately 483 acres generally bound by West Riggan Avenue to the South, North Akers Street to the East, North Shirk Road to the West, and Avenue 320 (West Kibler Avenue) to the North.

Vice Chair Feder opened the Public Hearing at 2:19 p.m. Paul Bernal, City of Visalia, spoke in favor of the project.

Upon motion by Commissioner Wynn and seconded by Commissioner Vander Poel, the Commission unanimously approved the annexation to the City of Visalia and Detachment from County Service Area #1 as recommended.

3. Election of Officers

Upon motion by Commissioner Vander Poel and seconded by Commissioner Micari, the Commission unanimously approved the Vice Chair Feder as Chair and Commissioner Wynn as Vice Chair in 2024.

4. 2024 LAFCO Meeting Schedule

Upon motion by Commissioner Wynn and seconded by Commissioner Micari, the Commission unanimously approved the proposed 2024 LAFCO Meeting Schedule.

V. Executive Officer's Report

1. Legislative Update

EO Giuliani stated there were no legislative updates as the legislature is on recess until January 4, 2024.

2. Upcoming Projects

EO Giuliani reviewed projects that would be presented at upcoming meetings, such as one from Visalia and a possible annexation for Goshen.

EO Giuliani stated that Staff Clerk Gallo will no longer be clerk for LAFCO and that position will now be filled by Staff Clerk Adams.

VI. Correspondence:

None

VII. Other Business:

1. Commissioner Report:

None

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

None

1. Setting Time and Place of Next Meeting:

The next Local Agency Formation Commission (LAFCO) meeting is scheduled for **January 24, 2023 at 2:00 p.m.** in the Board of Supervisors Chambers in the Board of Supervisors Chambers, 2800 W. Burrell Ave., Visalia, CA 93291.

2. Adjournment:

The Tulare County LAFCO meeting adjourned at 2:27 p.m.

**TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION
EXECUTIVE OFFICER'S REPORT**

January 24, 2024

**LAFCO Case Number 1579-V-465
Annexation 2021-02 to the City of Visalia
(Mineral King – Road 148 / East Side Regional Park)**

PROPOSAL: Annexation to the City of Visalia, detachment from CSA #1.

PROPONENT: The City of Visalia by resolution of its City Council.

SIZE: Approximately 129 acres

LOCATION: On the east side of the future Road 148 alignment between Houston Avenue and Mill Creek (Figures 1 & 2)

NOTICE: Notice for this public hearing was provided in accordance with Government Code Sections 56660 & 56661.

SUMMARY: The proposal is intended to facilitate the development of a park and groundwater recharge project. **(Figure 3)**

APNs: 103-110-024, 025, 026, 027,028, 029, 032, 033

GENERAL ANALYSIS

1. Land Use:

A. Site Information

	Existing	Proposed (City)
Zoning Designation	AE-20	Q-P (Quasi-Public)
General Plan Designation	Parks / Recreation (based upon Visalia City Council approval of General Plan Amendment No. 2021-16 on Nov. 20, 2023).	Parks / Recreation
Uses	Agriculture, Orchards, Open Space, and Recharge Basins	East Side Regional Park and Groundwater Recharge Project.

B. Surrounding Land Uses and Zoning and General Plan Designations:

	Zoning Designation	General Plan Designation	Existing Use
North	AE-20 (Agricultural Exclusive 20-acre) County Zoning	Residential and Commercial, and Public Institutional	Open space, rural residential, storage
South	QP (Quasi-Public)	Parks & Recreation	Residential, middle school, church, water storage tank, vacant dairy
East	AE-20 (Agricultural Exclusive 20-acre) County Zoning	Residential	Open space, rural residential, service commercial uses
West	R-1-5 (Single-family Residential)	Residential Low Density	Edison transmission poles, single-family residences

C. Topography, Natural Features and Drainage

The site is relatively flat and does not contain any natural topographical features. South of the site, within the boundaries of the proposed East Side Regional Park, Mill Creek and Packwood Creek flow in an east-west direction.

D. Conformity with General Plans and Spheres of Influence:

The project is entirely inside of the City Sphere of Influence. It is also inside the City's Tier 1 Urban Development Boundary (UDB).

2. Impact on Prime Agricultural Land, Agriculture and Open Space:

The site is not under Williamson Act contract.

3. Population:

The estimated population of the proposal area is 0, as there are no habitable structures on site and the property. The County Elections Division has indicated that there are fewer than 12 registered voters in the proposal area. Therefore, pursuant to GC Section 56046, the annexation area is uninhabited.

4. Services and Controls - Need, Cost, Adequacy and Availability:

Agency providing service

Service	Now	After	Method of finance
Police Protection	County of Tulare	City of Visalia	General Fund
Fire Protection	City of Visalia Fire Department (Contracted with County of Tulare)	City of Visalia Fire Department	General Fund
Water Supply	Private Wells	Cal Water	User Financed
Sewage Disposal	None	City of Visalia	Impact / User Fees
Street Lighting	None	City of Visalia	General Fund
Street Maintenance	County of Tulare	City of Visalia	General Fund
Planning/Zoning	County of Tulare	City of Visalia	General Fund
Garbage Disposal	None	City of Visalia	User Fees
Storm Drain	None	City of Visalia	Impact / User Fee
Ground Water	None	City of Visalia	Impact / User Fee

The City can provide urban services and infrastructure for development such as sewer service, fire, police, street lighting, etc., as well as planning and building services.

Houston Avenue (State Route 216) is located on the perimeter of the annexation area and is maintained by Caltrans. This street will be improved with development as deemed necessary.

A new arterial roadway, Road 148, is planned for the west side of the annexation site. This street will be constructed in coordination with the development of the recreational component of the East Side Regional Park. In time, Road 148 will be extended south of State Route 198 and will include a freeway interchange.

Services which would be extended to the area, including police and fire safety services and development permit services, will be funded primarily through the City General Fund and user permit fees. Road improvements are funded through a combination of various source including, but not limited to, the General Fund, development fees, and Measure R.

Water is to be provided by the California Water Service. A will-serve letter from Cal Water has been provided (Figure 4).

5. Boundaries and Lines of Assessment:

The boundaries of the proposal area are definite and certain and conform to the lines of assessment and ownership.

6. Assess Value, Tax Rates and Indebtedness:

Upon completion of this annexation the area will be assigned to a new tax rate area. The total assessed valuation of the proposal area is as follows:

Land: \$2,617,348
Improvements: \$495,101

7. Environmental Impacts:

The City of Visalia is the lead agency for this proposal. The City prepared an initial study/environmental checklist and on the basis of that study and other planning documents an Environmental Impact Report was prepared and adopted for this project. A copy of the document is included in the application materials.

8. Landowner Consent:

The landowner (City of Visalia) has provided signed consent to the annexation. Notice was mailed to all landowners and registered voters within 300 feet of the reorganization area. Since this reorganization has received 100% landowner consent, the protest hearing can be waived in accordance with Government Code §56662.

9. Regional Housing Needs Assessment (RHNA):

Pursuant to GC §56668 (I), LAFCO shall consider the extent to which the proposal will assist the receiving city and the County in achieving its fair share of regional housing needs as determined by the appropriate council of governments.

The proposal involves no proposed housing but will assist the city by providing residential amenities. The City recently has completed several annexations to contribute towards the Regional Housing Needs Allocation, as determined by Tulare County Association of Governments.

The table below shows the current RHNA cycle allocation.

6th Cycle City of Visalia RHNA allocation

Very Low	Low	Moderate	Above Moderate	Total
3,741	2,306	1,321	3,423	10,791

During the 6th Cycle, the City of Visalia made the following progress towards providing its fair share of regional housing from the annexations that were approved last month.

Very Low	Low	Moderate	Above Moderate	Total
0	146	691	708	1545

The table below shows the total remaining fair share of regional housing for the City of Visalia.

Very Low	Low	Moderate	Above Moderate	Total
3,741	2,160	630	2,715	9,246

10. Discussion:

Residential Land Supply and Development

Increased services will be provided to the territory by the City of Visalia. The City is prepared to include this area in their everyday services. Approval of this proposal would provide approximately 129 acres of Parks/Recreation Land Use Designation, and coupled with the existing Parks/Recreation designation to the south will provide a total of approximately 286 acres of parks, open space, and groundwater recharge. City services are currently provided to the south and west of the subject territory. Utility services can be extended and/or utilized for the annexation area at the time of development with the developer, with the City taking on their appropriate shares of costs and maintenance of required physical improvements.

RECOMMENDED ACTIONS:

It is recommended that this proposal be approved and that the Commission take the following actions:

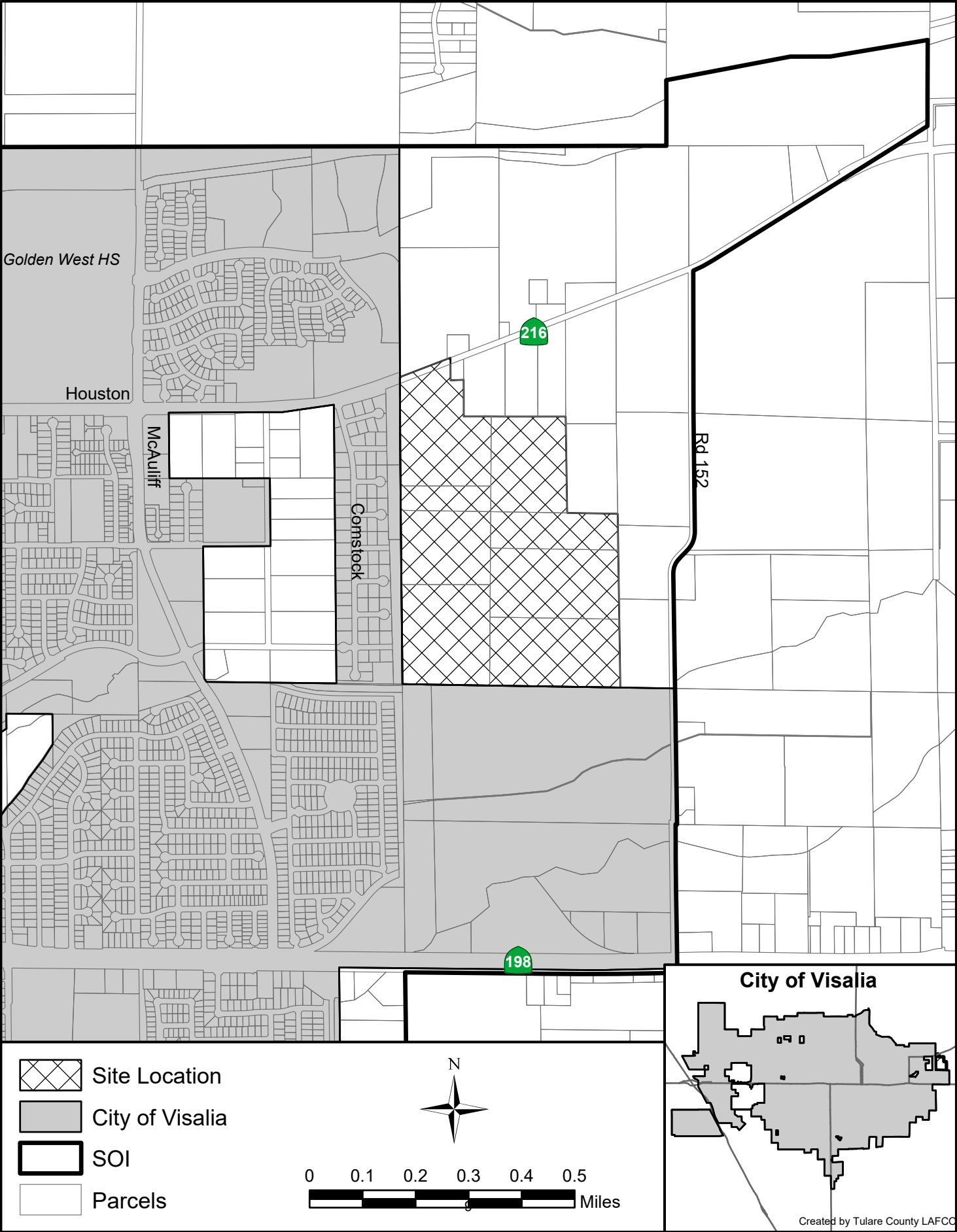
1. Certify that the Commission has reviewed and considered the Environmental Impact Report and Statement of Overriding Considerations prepared by the City of Visalia for this project and determine that the project will have significant impacts on the environment though the benefits of the Project outweigh the unavoidable environmental effects for the reasons presented by the Lead Agency in the Statement of Overriding Considerations, consistent with the Guidelines of the California Environmental Quality Act (CEQA).
2. Find that the proposed reorganization of the City of Visalia complies with the policies and priorities of the Cortese-Knox-Hertzberg Act, Section 56377.
3. Pursuant to LAFCO Policy and Procedure Section C-1, determine that:
 - a. The boundaries of the proposed reorganization are definite and certain.
 - b. The proposed annexation is compatible with the city's General Plan.
 - c. There is a demonstrated need for municipal services and controls and that the city has the capability of meeting this need.
 - d. There is a mutual social and economic interest between the residents of the city and the proposed annexation territory.
 - e. The proposed annexation represents a logical and reasonable expansion of the annexing municipality.
 - f. All urban services and infrastructure can be provided for by the city.
4. Find that the annexation does not contain any Williamson Act contract land.

5. Find that the territory proposed for this reorganization is uninhabited.
6. Approve the proposed reorganization, to be known as LAFCO Case Number 1579-V-465, City of Visalia, Annexation 2021-02 (Mineral King – Rd 148/East Side Regional Park) subject to the following conditions:
 - a. No change be made to land use designations or zoning for a period of two years after the completion of the annexation, unless the city council makes a finding at a public hearing that a substantial change has occurred in circumstances that necessitate a departure from the designation or zoning.
 - b. The applicant must provide the required filing fee for the Statement of Boundary Change that is to be submitted to the Board of Equalization.
7. Waive the protest hearing for this proposal in accordance with Government Code §56662 and order the reorganization without an election.
8. Authorize the Executive Officer to sign and file a Notice of Determination with the Tulare County Clerk.

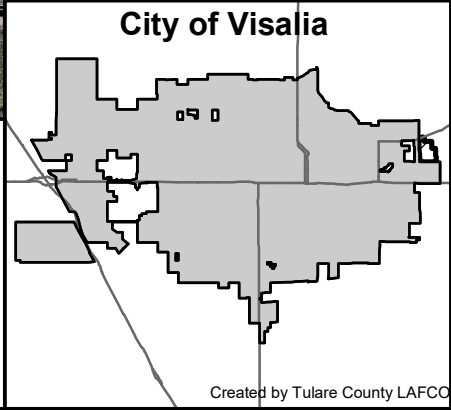
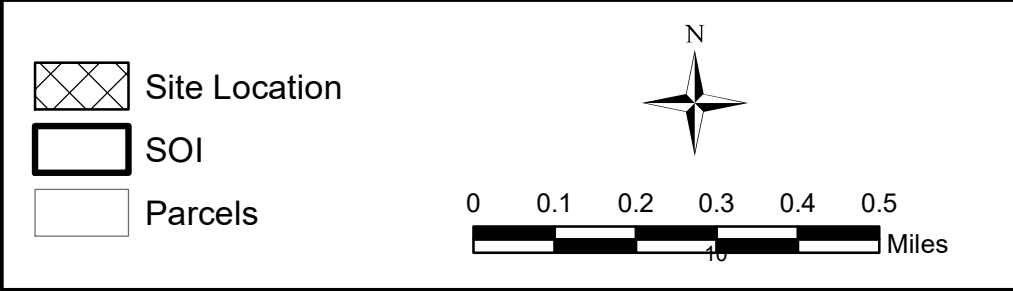
Figures:

- | | |
|----------|--|
| Figure 1 | Site Location Map |
| Figure 2 | Aerial |
| Figure 3 | East Side Regional Park Site Master Plan |
| Figure 4 | Cal Water Will Serve Letter |
| Figure 5 | Resolution, Annexation to City of Visalia and Detachment from CSA #1 |

LAFCO Case 1579-V-465



LAFCO Case 1579-V-465



East Side Regional Park and Groundwater Recharge

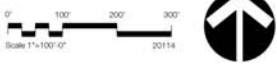
Site Master Plan - Concept B1

Visalia, California

July 1, 2015



The HLA Group Landscape Architects & Planners, Inc.
2600 Capitol Avenue, Suite 120 / Sacramento, California 95816
916.447.7400 / 916.447.8270 fax / www.hlagroup.com



Plan Legend

- 1 Lighted, Fenced Adult Softball Fields (325' to outfield)
- 2 Lighted, Fenced Youth Baseball Fields (225' to outfield)
- 3 Lighted Full Size Soccer Fields (210'x330)
- 4 Cricket Field
- 5 Lighted Tennis Courts
- 6 Lighted Pickleball Courts
- 7 Amphitheater with Seating Capacity of 1,500 People
- 8 Community Center Building - Approx. 30,000 S.F.
- 9 Dog Park - Approx. 3 Acres
- 10 Multi-Use Trails with Fitness Equipment
- 11 Event Space Turf Area
- 12 Open Turf Area
- 13 Children's Adventure Play Area
- 14 Covered Picnic Area
- 15 Informal Picnic Area
- 16 Ranger Kiosk at Vehicular Entries
- 17 Maintenance Yard
- 18 Groundwater Recharge Facilities with Low-Flow Channels and Native Grasses
- 19 Agriculture Education Barn
 - History of Valley
 - Demonstration Garden & Orchard
 - Outdoor Classroom and Picnic Area
- 20 Resource Center
 - History of Visalia Groundwater
 - Recharge Principles
 - Recharge Facilities
 - Water Conservation - Water Wise Garden
- 21 Entry Monumentation
- 22 Tree Massing Buffer
- 23 Interior Circulation Road
- 24 Packwood Creek with Riparian Vegetation
- 25 Realigned Mill Creek with Riparian Vegetation
- 26 Existing Trees
- 27 Parking Lot
- 28 Restroom
- 29 Trailhead Parking
- 30 City of Visalia Gateway Sign
- 31 Splash Pad
- 32 Lighted Full Court Basketball Court
- 33 18 Hole Disc Golf Course



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CALIFORNIA WATER SERVICE

Visalia District 216 North Valley Oaks Drive
Visalia, CA 93292 *Tel:* (559) 624-1600

December 6, 2023

Brandon Smith
City of Visalia
315 E Acequia Ave
Visalia, CA 93291

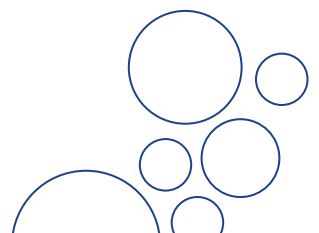
Will Serve Letter
Annexation No. 2021-02
City of Visalia

Dear Mr. Smith:

As a regulated utility, California Water Service Company Visalia district (“Cal Water”) has an obligation to provide water service in accordance with the rules and regulations of the California Public Utility Commission (CPUC). Assuming you receive all required permits from Tulare County, Cal Water will provide water service to the above referenced project. Cal Water agrees to operate the water system and provide service in accordance with the rules and regulations of the California Public Utilities Commission (CPUC) and the company’s approved tariffs on file with the CPUC. This will serve letter shall remain valid for **two years** from the date of this letter. If construction of the project has not commenced within this **two year** time frame, Cal Water will be under no further obligation to serve the project unless the developer receives an updated letter from Cal Water reconfirming our commitment to serve the above mentioned project. Additionally, Cal Water reserves the right to rescind this letter at any time in the event its water supply is severely reduced by legislative, regulatory or environmental actions.

Cal Water will provide such potable water at such pressure as may be available from time to time as a result of its normal operations per the company’s tariffs on file with the CPUC. Installation of facilities through developer funding shall be made in accordance with the current rules and regulations of the CPUC including, among others, Tariff Rules 15 and 16 and General Order 103-A. In order for us to provide adequate water for domestic use as well as fire service protection, it may be necessary for the developer to fund the cost of special facilities, such as, but not limited to, booster pumps, storage tanks and/or water wells, in addition to the cost of mains and services. Cal Water will provide more specific information regarding special facilities and fees after you provide us with your improvement plans, fire department requirements, and engineering fees for this project.

This letter shall at all times be subject to such changes or modifications by the CPUC as said Commission may, from time to time, require in the exercise of its jurisdiction.





CALIFORNIA WATER SERVICE

If you have any questions regarding the above, please call Sedelia Sanchez at (559) 624-1621.

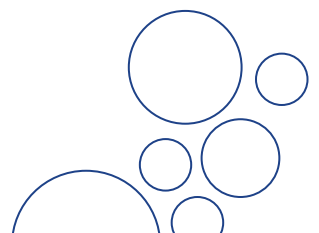
Sincerely,

Stephen Johnson

Stephen Johnson
District Manager

SJ:bg

cc: Ting He – Cal Water Engineering Dept.
File



BEFORE THE LOCAL AGENCY FORMATION COMMISSION
OF THE
COUNTY OF TULARE, STATE OF CALIFORNIA

In the Matter of the Proposed Annexation)
to the City of Visalia and Detachment from) **RESOLUTION NO. 24-XXX**
CSA #1. LAFCO Case 1579-V-465,)
City of Visalia Annexation No. 2021-02)
(Mineral King-Road 148/East Side)
Regional Park))

WHEREAS, application has been made to this Commission pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.) for approval of a proposal to annex certain territories described in attached Exhibit “A” made a part hereof; and

WHEREAS, this Commission has read and considered the Resolution of Application and application materials, the report of the County Assessor and the Executive Officers report and recommendations of the Executive Officer, all of which documents and materials are incorporated by reference herein; and

WHEREAS, on January 24, 2024 this Commission heard, received, and considered testimony, comments, recommendations and reports from all persons present and desiring to be heard concerning this matter.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED as follows:

1. The information, material and facts set forth in the application, the report of the County Assessor, and the report and recommendations of the Executive Officer

(including any corrections), have been received and considered in accordance with Government Code Section 56668. All of said information, materials, facts, reports and other evidence are incorporated by reference herein.

2. The City of Visalia, as the Lead Agency, prepared an Environmental Impact Report in compliance with the California Environmental Quality Act and the City of Visalia has adopted said Environmental Impact Report and determined that the project will have significant impacts on the environment and adopted a Statement of Overriding Considerations. And finds that the Commission has reviewed and considered the Environmental Impact Report for this project and the Statement of Overriding Considerations by the Lead Agency and determines that the project will have significant impacts on the environment though the benefits of the Project outweigh the unavoidable environmental effects for the reasons presented by the Lead Agency in the Statement of Overriding Considerations.

3. The Commission has reviewed and considered, in accordance with Government Code Section 56668, the information, material and facts presented by the following persons who appeared at the meeting and commented on the proposal:

XXXXXXXXXXXXX
XXXXXXXXXXXXX

4. All notices required by law have been given and all proceedings heretofore and now taken in this matter have been and now are in all respects as required by law.

5. Based upon the evidence and information on the record before it, the Commission makes the following findings of fact:

- a. Fewer than 12 registered voters reside in the affected territory, which is considered uninhabited.
- b. The subject territory is within the Sphere of Influence of the City of Visalia.
- c. The proposed reorganization does not contain any Williamson Act contract land.

6. Based upon the evidence and information on the record before it and the findings of fact made above, the Commission makes the following determinations:

- a. The boundaries of the proposed reorganization are definite and certain.
- b. The proposed annexation is compatible with the City's General Plan.
- c. There is a demonstrated need for municipal services and controls and that the city has the capability of meeting this need.
- d. There is a mutual social and economic interest between the residents of the city and the proposed annexation territory.
- e. The proposed annexation represents a logical and reasonable expansion of the annexing municipality.
- f. All other urban services and infrastructure can be provided for by the city.

7. The Commission hereby waives the protest hearing proceedings in accordance with GC §56662 and orders the annexation without an election.

8. The Commission hereby approves the proposed reorganization of the territory described in Exhibit "A," attached hereto, subject to the following conditions:

- a. No change shall be made to land-use designations or zoning for a period of two years after completion of the annexation, unless the city council makes a finding at a public hearing that a substantial change has occurred in circumstance that necessitate a departure from the designation or zoning.

- b. The applicant must provide the required filing fee for the Statement of Boundary Change that is to be submitted to the BOE.

10. The following short form designation shall be used throughout these proceedings:

LAFCO Case No. 1579-V-465, City of Visalia Annexation No. 2021-02 (Mineral King – Road 148 / East Side Regional Park)

11. The Executive Officer is hereby authorized and directed to mail certified copies of this resolution as required by law.

12. The Executive Officer to hereby authorized to sign and file a Notice of Determination with the Tulare County Clerk.

The foregoing resolution was adopted upon motion of Commissioner _____, seconded by Commissioner _____, at a regular meeting held on this 24th day of January 2024, by the following vote:

AYES:

NOES:

ABSTAIN:

PRESENT:

ABSENT:

Ben Giuliani, Executive Officer

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**TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION
EXECUTIVE OFFICER'S REPORT**

January 24, 2024

**LAFCO Case Number 1580 (Goshen)
Goshen Community Services District Annexation TSM No. 23-001 (Conway
Subdivision)**

PROPOSAL: Goshen Community Services District Annexation

PROPONENT: San Joaquin Valley Homes by land owner petition

SIZE: 60.64 acres

LOCATION: Northwest corner of Avenue 304 and Road 64 (*Figures 1 & 2*)

NOTICE: Notice for this public hearing was provided in accordance with Government Code Sections 56660 & 56661.

SUMMARY: The annexation area is intended to facilitate the development of a 303-lot residential subdivision. (*Figure 3*)

APNs: 073-060-013, 042, 043, 044

GENERAL ANALYSIS

1. Land Use:

A. Site Information

	Existing (County)	Proposed (County)
Zoning Designation	C2 MU	No change
General Plan Designation	MU	No change
Uses	Agriculture	Residential

B. Surrounding Land Uses and Zoning and General Plan Designations:

	Zoning Designation	General Plan Designation	Existing Use
North	C2-MU	Mixed Use	Agriculture
South	AE-40, M-1	Agriculture	Agriculture
East	C2-MU, M-1	Mixed Use	Light Industrial
West	AE-40	Agriculture	Agriculture

C. Topography, Natural Features, and Drainage

The site is relatively flat, with a light east-to-west slope and does not contain any natural topographical features

D. Conformity with General Plans and Spheres of Influence:

The site is within the Goshen CSD Sphere of Influence and consistent with the Tulare County General Plan 2030 update.

2. Impact on Prime Agricultural Land, Agriculture and Open Space:

The parcels are not under Williamson Act contract.

3. Population:

There are not more than 12 registered voters in the proposed annexation area. Therefore, pursuant to GC Section 56046, the annexation area is uninhabited.

4. Services and Controls - Need, Cost, Adequacy and Availability:

Agency providing service

<i>Service</i>	<i>Now</i>	<i>After</i>	<i>Method of finance</i>
Police Protection	Tulare County Sheriff	Tulare County Sheriff	General Fund
Fire Protection	Tulare County Fire	Tulare County Fire	General Fund
Water Supply	On Site Well	Cal Water	Service Fees
Sewage Disposal	On Site Septic	Goshen CSD & City of Visalia	Service Fees
Street Lighting	None	Community Facility District	CFD
Street Maintenance	County of Tulare	County of Tulare	General Fund
Planning/Zoning	County of Tulare	County of Tulare	Service Fees and General Fund
Garbage Disposal	None	Mid Valley Disposal	Private Service Fees

5. Boundaries and Lines of Assessment:

The boundaries of the proposal area are definite and certain and conform to the lines of assessment. A map sufficient for filing with the State Board of Equalization has been received.

6. Assessed Value, Tax Rates and Indebtedness:

Upon completion of this annexation the area will be assigned to a new tax rate area. The total assessed valuation of the proposal area is as follows:

Land	\$ 707,652
Improvements	\$ 11,794
Total	\$ 180,000

7. Environmental Impacts:

The County of Tulare is the lead agency for this proposal. The County prepared an initial study/environmental checklist and on the basis of that study, the Tulare County General Plan 2030 update and other planning documents, a Mitigated Negative Declaration was approved for use with this proposal. A copy of the document is included in the application materials.

8. Landowner Consent:

Signed consent to this annexation has been received from all property owners. Notice was mailed to all landowners and registered voters within 300 feet of the annexation area. Since this annexation has received 100% landowner consent, the protest hearing can be waived in accordance with Government Code §56662.

9. Regional Housing Needs Assessment (RHNA):

Pursuant to GC §56668 (I), LAFCO shall consider the extent to which the proposal will assist the County in achieving its fair share of regional housing needs as determined by the appropriate council of governments.

Approximately 303 units are proposed for residential development and are intended to serve low-income groups.

6th Cycle County of Tulare (unincorporated) RHNA allocation

Very Low	Low	Moderate	Above Moderate	Total
1,563	963	1,870	4,847	9,243

10. Discussion:

Government Services

The adequacy of governmental service will be improved within the subject area. According to the the County they are currently able to provide the annexation area urban services and infrastructure for development such as police, fire, streets, lighting, etc., as well as planning and building services. The only service the District would provide to the area is the conveyance of wastewater to be treated by the City of Visalia at the City's wastewater treatment plant.

The City of Visalia approved an amendment to the City/Goshen wastewater treatment agreement on December 18th, 2023. The City, Goshen CSD and Tulare County will need to continue to coordinate to ensure that the City's wastewater treatment facility continues to have capacity to accommodate growth in Goshen.

Scenario	Flow Avg	Flow Max	BOD Avg	BOD Max	SS Avg	SS Max
	(MGD)	(MGD)	(PPD)	(PPD)	(PPD)	(PPD)
2022 (QK Study)	.326	.411	796	2,725	676	2,780
Prior Agreement	.360	.540	1,180	1,770	950	1,425
New Amendment	.563	.850	1,750	2,600	1,460	2,200

BOD = Biochemical Oxygen Demand, SS = Suspended Solids, PPD = Pounds per Day, MGD = Millions of Gallons per Day

The area will need increased services. The District and the County are prepared to provide these services. Services which would be extended to this area will be funded primarily through impact fees and the general fund. The applicant has not yet provided a will-serve letter from Cal Water. The will-serve letter must be provided prior to recording the Certificate of Completion.

Goshen CSD

This annexation is currently on the District's agenda for approval on January 25th, 2024. Staff recommends that the approval should take place before the recording of the Certificate of Completion. Since there is a mandatory 30 day reconsideration for all LAFCO actions for changes of organization prior to the recording of certificates of completion, this will not result in a delay to the project.

RECOMMENDED ACTIONS:

It is recommended that this proposal be approved and that the Commission take the following actions:

1. Certify that the Commission has reviewed and considered the Mitigated Negative Declaration prepared by the County of Tulare for this project and find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent.

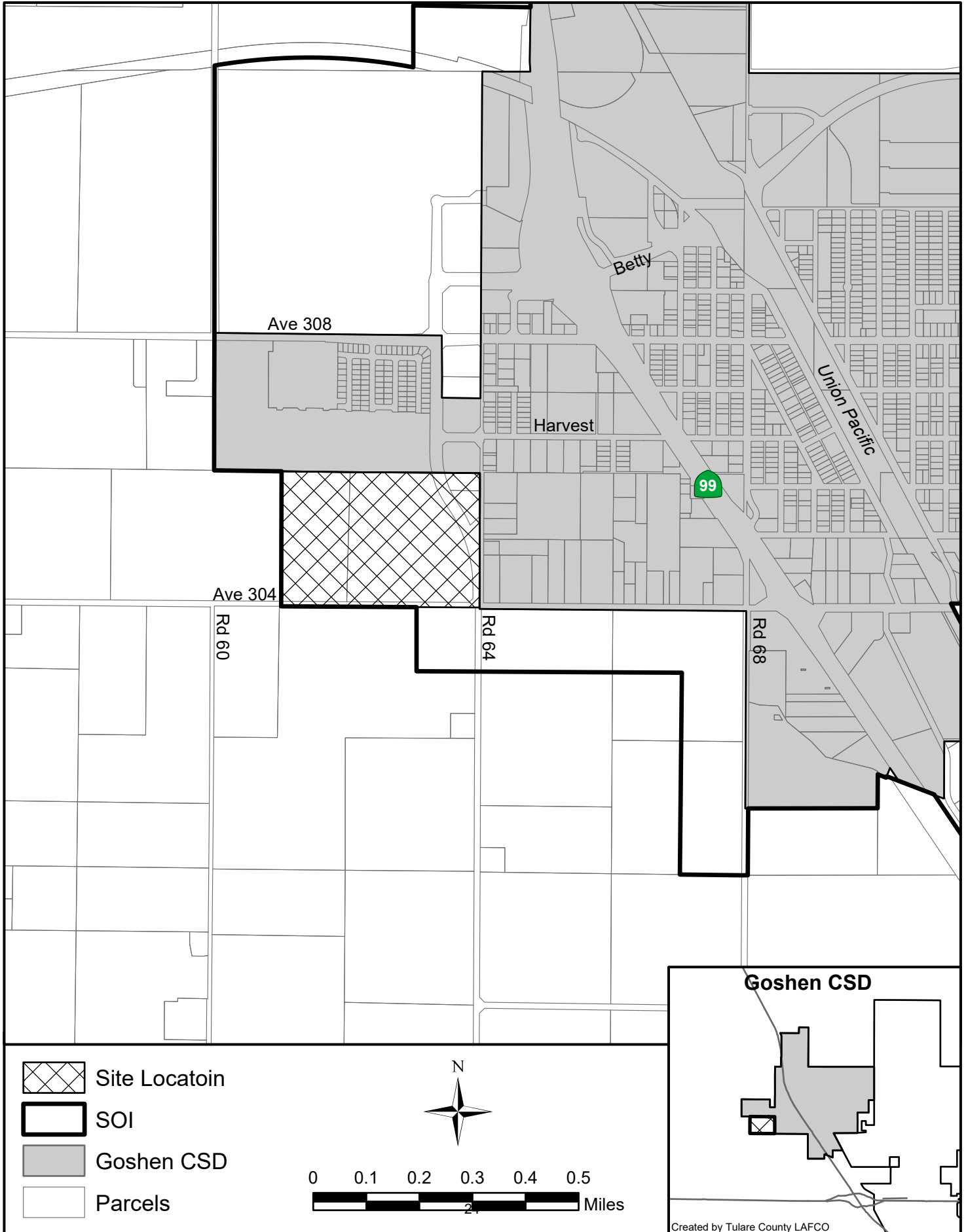
EXECUTIVE OFFICER'S REPORT
1580 (GOSHEN)
PAGE 4

2. Find that the proposed annexation to the Goshen Community Services District complies with the policies and priorities of the Cortese-Knox-Hertzberg Act, Section 56377.
3. Pursuant to LAFCO Policy and Procedure Section C-1, find or determine that:
 - a. The boundaries of the proposed annexation are definite and certain and conform to lines of assessment.
 - b. The proposed annexation represents a logical and reasonable expansion of the district.
 - c. The proposed annexation is compatible with the plans of the adjacent governmental agencies
4. Find that the territory proposed for this annexation is uninhabited.
5. Find that the annexation territory does not contain any Williamson Act contract land.
6. Approve the proposed annexation, to be known as LAFCO Case Number 1580 (Goshen) subject to the following condition:
 - a. The applicant must provide the required filing fee for the Statement of Boundary Change that is to be submitted to the Board of Equalization.
 - b. Provide a copy of the approved Resolution from the Goshen CSD for the annexation prior to the recording of the Certificate of Completion.
 - c. Provide a will-serve from Cal Water prior to the recording of the Certificate of Completion.
7. Waive the protest hearing for this proposal in accordance with Government Code §56662 and order the annexation without an election.
8. Authorize the Executive Officer to sign and file a Notice of Determination with the Tulare County Clerk.

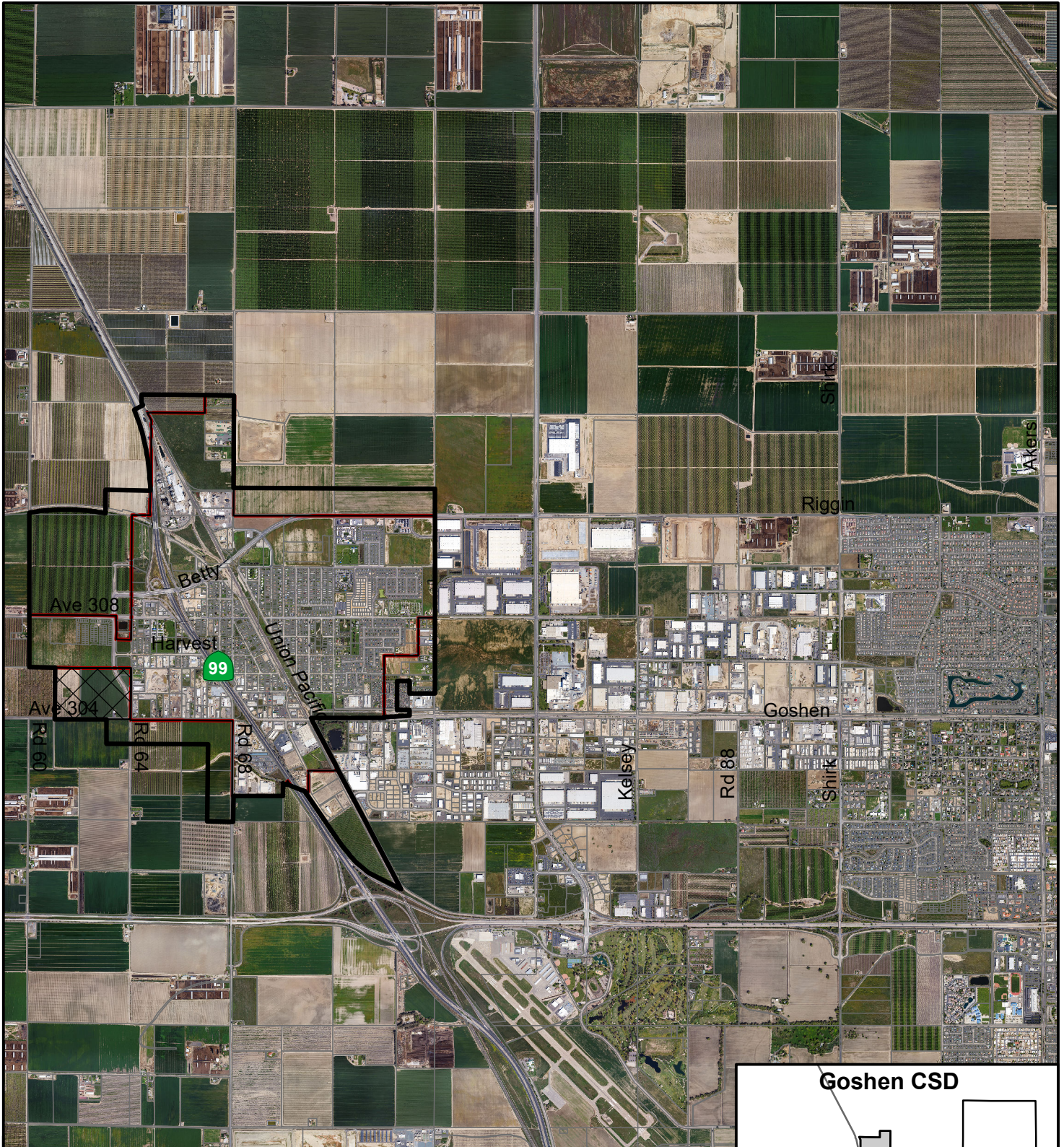
Figures:

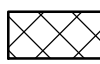



- | | |
|----------|-------------------|
| Figure 1 | Site Location Map |
| Figure 2 | Aerial Photo |
| Figure 3 | Subdivision Map |
| Figure 4 | Resolution |

LAFCO Case 1580



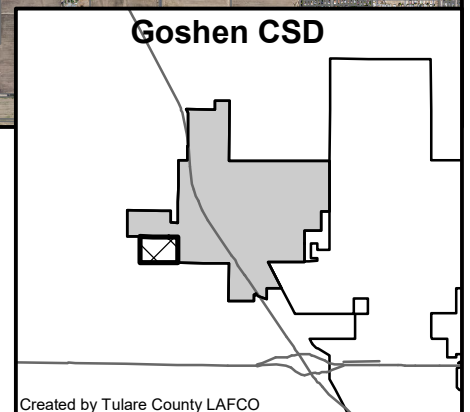
LAFCO Case 1580



-  Site Location
-  SOI
-  Goshen CSD
-  Parcels



0 0.3 0.6 0.9 1.2 1.5
25 Miles



Created by Tulare County LAFCO



MATCHLINE SEE SHEET 06

9. MATERIALS AND CONSTRUCTION OF ALL UTILITIES SHALL COMPLY WITH THE LATEST CITY OF VISALIA STANDARDS AND SPECIFICATIONS.
10. ALL DRIVE APPROACHES TO BE INSTALLED PER CITY STD. C-302.
11. ALL CURBS TO BE INSTALLED PER CITY STD. C-4 AND SIDEWALK TO BE INSTALLED PER CITY STD. C-4 OR C-61.
12. ALL CURB RETURNS TO BE INSTALLED PER CITY STD. C-413 OR C-68 (BASED ON THE TYPE OF DRIVE APPROACH) TO BE INSTALLED PER CITY STD. C-313.
13. ALL STREET LIGHTS TO BE INSTALLED PER CITY STD. S-1 AND S-L-2. REFER TO STREET LIGHT PLAN FOR ALL STREET LIGHT UPGRADES.
14. ALL STORM DRAIN MANHOLES (SMH) TO BE INSTALLED PER CITY STD. D-1.
15. ALL SANITARY SEWER MANHOLES (SSMH) TO BE INSTALLED PER CITY STD. D-1 AND D-14.
16. ALL SANITARY SEWER MANHOLES (SSMH) TO BE INSTALLED PER CITY STD. S-1.
17. ALL SANITARY SEWER LATERALS TO BE INSTALLED PER CITY STD. S-10.
18. SEE CITY STANDARD SPECIFICATIONS FOR ALL MATERIALS AND FOR REFERENCE ONLY. SEE CALIFORNIA PLANS FOR ALL WATER DESIGN.
19. ALL FIRE HYDRANTS TO BE INSTALLED PER CITY STD. W-1.

KEYNOTES:

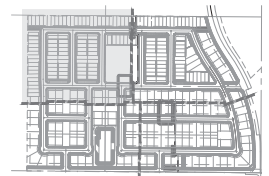
1	SAWCUT PAVEMENT TO A NEAT, CLEAN GRADE ON EDGE
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- 2 INSTALL BLOCK WALL; SEE BLOCK WALL PLAN
- 3 INSTALL MOW CURB; SEE BLOCK WALL PLAN
- 4 INSTALL MAILBOX CLUSTER PER CITY STD. M-2
- 5 INSTALL TIMBER BARRICADE PER CITY STD. B-1
- 6 INSTALL 6 FT HIGH CHAIN LINK FENCE PER CITY STD. F-2
- 7 INSTALL CROSS GUTTER PER DETAIL X-1



*INTERIM PHASING REQUIREMENT

IN THE EVENT THAT CONWAY SHALL BE CONSTRUCTED IN A PHASED MANNER AS DEPICTED IN THE FINAL MAP PHASE 1, 2 & 3, INTERIM REQUIREMENTS SUCH AS SSO'S, SSM's, AND WATER BLOWOFFS SHALL BE CONSTRUCTED AS SHOWN ON THE IMPROVEMENT PLANS.

ROUGH GRADING NUMBERS (CuYd)		
	ADJUSTED (20% SHRINKAGE)	UNADJUSTED
CUT	37,916	37,916
FILL	104,523	87,103
NET	66,607 (FILL)	49,187 (FILL)



KEY MAP

- | | |
|---|------------------|
|  | THIS SHEET |
|  | PROJECT BOUNDARY |
| | MATCHLINE |
| | PHASE LINE |



Know what's below.
Call before you dig.

[illegible]

APPROVED BY:	DATE	RYAN J. DUDLEY PROJECT ENGINEER	RCE 69798
ACCEPTANCE BY:	DATE	XXX XXX	

PREPARED BY:

 **4C BREAKS**

324 S. SANTA FE, STE. A
P.O. BOX 7993
MSALIA, CA 92362
TEL: 559.802.2652
FAX: 559.802.3015

DRAWN BY: EV, LR, NM, RH, TS

CHECK BY: JF, RD

IMPROVEMENT PLANS FOR:
SAN JOAQUIN VALLEY HOMES
 5607 AVE OF THE ROBLES
 VISALIA, CA 93291
 (559) 732-2660

CONWAY SUBDIVISION - PHASE 1
GRADING AND DRAINAGE PLAN SHEET 1

PLOT DATE:	Nov 03, 2023
JOB NO.:	22054
FILE NAME:	22054_04-07_0P
SCALE:	1" = 40'
SHEET NO.:	04 OF 24

NOT FOR CONSTRUCTION

BEFORE THE LOCAL AGENCY FORMATION COMMISSION
OF THE
COUNTY OF TULARE, STATE OF CALIFORNIA

In the Matter of the Proposed Annexation)
To the Goshen Community Services District) **RESOLUTION NO. 24-XXX**
LAFCO Case No. 1580 (Goshen))

WHEREAS, application has been made to this Commission pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.) for approval of a proposal from the Goshen Community Services District to annex certain territories shown in attached Exhibit “A” made a part hereof; and

WHEREAS, this Commission has read and considered the Petition of Application and application materials and the report and recommendations of the Executive Officer, all of which documents and materials are incorporated by reference herein; and

WHEREAS, on January 24, 2024 this Commission heard, received, and considered testimony, comments, recommendations and reports from all persons present and desiring to be heard concerning this matter.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED as follows:

1. The information, material and facts set forth in the application and the report of the Executive Officer (including any corrections), have been received and

considered in accordance with GC §56668. All of said information, materials, facts, reports and other evidence are incorporated by reference herein.

2. The County of Tulare as Lead Agency, filed a Mitigated Negative Declaration in compliance with the California Environmental Quality Act (CEQA). And finds that the Commission has reviewed and considered the Mitigated Negative Declaration prepared by the County of Tulare for this project and finds although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent.

3. The Commission has reviewed and considered, in accordance with GC §56668, the information, materials and facts presented by the following persons who appeared at the public hearing and commented on the proposal:

XXXXXXXXXXXXX
XXXXXXXXXXXXX

4. All notices required by law have been given and all proceedings heretofore and now taken in this matter have been and now are in all respects as required by law.

5. Based upon the evidence and information on the record before it, the Commission makes the following findings of fact:

- a. The boundaries of the proposed annexation are definite and certain and conform to lines of assessment.
- b. Fewer than 12 registered voters reside in the affected territory and 100% landowner consent was received.
- c. The territory proposed for this annexation is uninhabited.

- d. The subject territory is within the Sphere of Influence of the Goshen Community Services District.
- e. The annexation territory does not contain any Williamson Act contract land.

6. Based upon the evidence and information on the record before it and the findings of fact made above, the Commission makes the following determinations:

- a. The proposed annexation represents a logical and reasonable expansion of the district.
- b. The proposed changes are compatible with the plans of the adjacent governmental agencies.
- c. The proposal is consistent with the findings and declarations of GC §56001.

7. The Commission hereby approves the proposed annexation of the territory shown in Exhibit “A” attached hereto which excludes the Caltrans ponding basin parcel, subject to the following condition:

- a. The applicant must provide the required filing fee for the State of Boundary Change that is to be submitted to the Board of Equalization.
- b. Provide a copy of the annexation approval resolution from the Goshen CSD prior to the recording of the Certificate of Completion.
- c. Provide a will-serve letter from Cal Water prior to the recording of the Certificate of Completion.

8. Waive the protest hearing for this proposal in accordance with GC §56662 and order the change of organization without an election.

9. The following short form designation shall be used throughout these proceedings: LAFCO Case No. 1580 (Goshen), Goshen Community Services District Annexation No. 2023-# (Conway Subdivision)

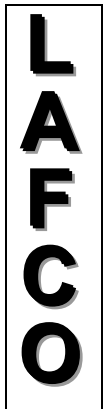
10. The Executive Officer is hereby authorized and directed to sign the Notice of Determination on behalf of the Commission and file said notice with the Tulare County Clerk pursuant to Section 21152 (a) of the Public Resources Code.

The foregoing resolution was adopted upon motion of Commissioner _____, seconded by Commissioner _____, at a regular meeting held on this 24th day of January, 2024 by the following vote:

- AYES:
- NOES:
- ABSTAIN:
- PRESENT:
- ABSENT:

Ben Giuliani, Executive Officer

ak



TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION

210 N. Church St., Suite B, Visalia, CA 93291 (559) 624-7274 FAX (559) 733-6720

January 24, 2024

TO: LAFCO Commissioners, Alternates, Counsel
FROM: Ben Giuliani
SUBJECT: Legislative Policy

COMMISSIONERS:

*Richard Feder, Chair
Liz Wynn, V-Chair
Pete Vander Poel
Maribel Reynosa
Dennis Townsend*

ALTERNATES:

*Larry Micari
Fred Sheriff
Steve Harrell*

EXECUTIVE OFFICER:

Ben Giuliani

Background

CALAFCO annually adopts a legislative platform. Per Tulare County LAFCO Policy A-5.7, the legislative platform is reviewed and adopted on an annual basis. In emergency situations when proposed legislation affecting LAFCO cannot be considered by the full Commission due to timing, the Executive Officer is authorized to provide written or e-mail correspondence regarding the Commission's position if the position is consistent with the adopted legislative platform of the Commission. The Chair and Vice-Chair reviews and either can sign the letter or approve the email prior to it being submitted for consideration.

Discussion

Attached is the 2024 CALAFCO Legislative platform. There were no changes to the platform over the last two years.

Recommendation

Adopt the 2024 CALAFCO legislative platform with any potential modifications by the Commission.



CALAFCO 2024 Legislative Policies

As adopted by the Board of Directors on December 1, 2023

1. LAFCo Purpose and Authority

- 1.1. Support legislation that enhances LAFCo authority and powers to carry out the legislative findings and authority in Government Code §56000 et seq. Oppose legislation that diminishes LAFCo authority.
- 1.2. Support authority for each LAFCo to establish local policies to apply Government Code §56000 et seq. based on local needs and conditions. Oppose any limitations to that authority.
- 1.3. Oppose additional LAFCo responsibilities that require expansion of current local funding sources. Oppose unrelated responsibilities that dilute LAFCo ability to meet its primary mission.
- 1.4. Support alignment of responsibilities and authority of LAFCo and regional agencies that may have overlapping responsibilities in orderly growth, agricultural and open space preservation, and municipal service delivery. Oppose legislation or policies that create conflicts or hamper those responsibilities.
- 1.5. Oppose grants of special status to any individual agency or proposal to circumvent the LAFCo process.
- 1.6. Support individual commissioner responsibility that allows each commissioner to independently vote his or her conscience on issues affecting his or her own jurisdiction.

2. LAFCo Organization

- 2.1. Support LAFCo independence from local agencies.
- 2.2. Oppose the re-composition of any LAFCo to create special seats and recognize the importance of balanced representation provided by cities, the county, the public, and special districts in advancing the public interest.
- 2.3. Support representation of special districts on all LAFCos in counties with independent districts and oppose removal of special districts from any LAFCo.
- 2.4. Support communication and collaborative decision-making among neighboring LAFCos when growth pressures and multicounty agencies extend beyond an individual LAFCo's boundaries.

3. Agricultural and Open Space Protection

- 3.1. Support legislation that clarifies LAFCo authority to identify, encourage and ensure the preservation of agricultural and open space lands.
- 3.2. Encourage a consistent definition of agricultural and open space lands.
- 3.3. Support policies that encourage cities, counties and special districts to discourage development on all types of agricultural lands, including prime agricultural lands and open space lands.
- 3.4. Support policies and tools that protect all types of agricultural lands, including prime agricultural lands and open space lands.
- 3.5. Support the continuance of the Williamson Act and restoration of program funding through State subvention payments.

4. Orderly Growth

- 4.1. Support the recognition and use of spheres of influence as a planning tool pertaining to growth and development, and the preservation of agricultural and open space lands.
- 4.2. Support recognition of LAFCo spheres of influence by other agencies involved in determining and developing long-term growth and infrastructure plans.
- 4.3. Support orderly boundaries of local agencies and the elimination of islands within the sphere of influence and boundaries of agencies.
- 4.4. Support communication among cities, counties, special districts, stakeholders and affected parties through a collaborative process that resolves service, infrastructure, housing, land use, and fiscal issues, prior to application to LAFCo.
- 4.5. Support cooperation between counties and cities on decisions related to development within a city's designated sphere of influence.
- 4.6. Support cooperation between cities and special districts on decisions related to development within city and district spheres of influence that overlap.
- 4.7. Support the recognition of extreme natural disasters and disaster preparedness when considering growth and service delivery issues.

5. Service Delivery and Local Agency Effectiveness

- 5.1. Support the use of LAFCo resources to review Regional Transportation Plans, with a focus on sustainable communities strategies and other growth plans to ensure reliable services, orderly growth, and conformity with LAFCo's legislative mandates. Support efforts that enhance meaningful collaboration between LAFCos and regional planning agencies.
- 5.2. Support LAFCo authority as the preferred method of local governance. Support the availability of LAFCo tools that provide options for local governance and efficient service delivery, including the authority to impose conditions that assure a proposal's conformity with LAFCo's legislative mandates.
- 5.3. Support a deliberative and open process for the creation or reorganization of local governments that evaluates the proposed new or successor agency's long-term financial viability, governance structure and ability to efficiently deliver proposed services.
- 5.4. Support the availability of tools for LAFCo to insure equitable distribution of revenues to local government agencies consistent with their service delivery responsibilities.
- 5.5. Support legislation and collaborative efforts among agencies and LAFCos that encourage opportunities for sharing of services, staff and facilities to provide more efficient and cost-effective services.

2024 Legislative Priorities

Primary Issues

Authority of LAFCo

Support legislation that maintains or enhances LAFCo's authority to condition proposals in order to address any or all financial, growth, service delivery, and agricultural and open space preservation issues. Support legislation that maintains or enhances LAFCo's ability to make decisions regarding boundaries and formations, and to enact recommendations related to the delivery of services and the agencies providing them, including changes of organization and reorganizations.

Agriculture and Open Space Protection

Support policies, programs and legislation that recognize LAFCo's mission to protect and mitigate the loss of all types of agricultural lands, including prime agricultural lands and open space lands and that encourage other agencies to coordinate with local LAFCOs on land preservation and orderly growth. Support efforts that encourage the creation of habitat conservation plans.

Water Availability

Support policies, programs and legislation that promote an integrated approach to water availability and management. Promote adequate water supplies and infrastructure planning for current and planned growth and disadvantaged communities, and that support the sustainability of all types of agricultural lands, including prime agricultural lands and open space lands. Support policies that assist LAFCo in obtaining accurate and reliable water supply information in order to evaluate current and cumulative water demands for service expansions and boundary changes. Such policies should include the impacts of expanding water company service areas on orderly growth, and the impacts of consolidation or dissolution of water companies providing services.

Viability of Local Services

Support policies, programs and legislation that maintain or enhance LAFCo's ability to review and act to determine the efficient and sustainable delivery of local services and the financial viability of agencies providing those services to meet current and future needs including those identified in regional planning efforts such as sustainable communities strategies. Support legislation that provides LAFCo and local communities with options for local governance that ensures efficient, effective, and quality service delivery. Support efforts that provide tools to local agencies to address aging infrastructure, fiscal challenges, declining levels of services, and inadequate services to disadvantaged communities.

Issues of Interest

Housing

Provision of territory and services to support housing plans consistent with State affordable housing mandates, regional land use plans and local LAFCo policies.

Transportation

Effects of Regional Transportation Plans and expansion of transportation systems on future urban growth and service delivery needs, and the ability of local agencies to provide those services.

Flood Control

The ability and effectiveness of local agencies to maintain and improve levees and protect current infrastructure. Carefully consider the value of uninhabited territory, and the impact to public safety of proposed annexation to urban areas of uninhabited territory at risk of flooding. Support legislation that includes assessment of agency viability in decisions involving new funds for levee repair and maintenance. Support efforts that encourage the creation of habitat conservation plans.

Adequate Municipal Services In Inhabited Territory

Consistency of expedited processes for inhabited annexations with LAFCo law that include fiscal viability. Promote environmental justice for underserved inhabited communities, funding sources should be identified for extension of municipal services, including options for annexation of contiguous disadvantaged unincorporated communities. Support policies, programs, and legislation that would provide adequate municipal services to disadvantaged communities. Promote the delivery of adequate, sustainable, efficient, and effective levels of municipal services through periodic updates and reviews of Municipal Service Reviews, Spheres of Influence, and related studies prepared by LAFCOs.

Climate Adaptation

The ability and effectiveness of local agencies to proactively and effectively address issues that impact municipal service infrastructure and service delivery that include sea level rise, sand erosion, and levee protection. Adequate resources for local agencies to prepare for and appropriately respond to extreme disasters related to climate change. Ensure local agencies are considering climate resiliency when considering future development.

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TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION

210 N. Church Street, Suite B, Visalia 93291 Phone: (559) 623-0450 FAX: (559) 733-6720

January 24, 2024

To: LAFCO Commissioners and Alternates

From: Amie Kane, Staff Analyst

Subject: 2023 Annual Report

COMMISSIONERS:

*Richard Feder, Chair
Liz Wynn, V-Chair
Maribel Reynosa
Pete Vander Poel
Dennis Townsend*

ALTERNATES:

*Larry Micari
Fred Sheriff
Steve Harrell*

EXECUTIVE OFFICER:

Ben Giuliani

Local Agency Formation Commissions (LAFCOs) were established in each California county with the purpose of discouraging urban sprawl, preserving open-space and prime agricultural lands, efficiently providing governmental services to the residents of their respective counties, and encouraging the orderly formation and development of local agencies (i.e. cities and special districts) based on local conditions and circumstances. To help the Commission accomplish its propose, the Cortese-Knox-Hertzberg Local Reorganization Act of 2000 (Act) establishes procedures for local government changes of organization that are subject to commission review and approval such as annexations to a city or special district, city incorporation, district formation and consolidation of districts. A copy of the latest version of the Act can be accessed here <http://alcl.assembly.ca.gov/publications>.

A listing of Commission actions and reports, and a series of maps, graphs and tables are presented each year, which track changes within several categories under the purview of the Commission. These maps not only provide the Commission insight into future issues, challenges, and opportunities that could arise during consideration of future proposals, but they also serve as a gauge of the Commission's progress in accomplishing their purpose. The following is a summary of the materials contained in this presentation.

Action and Report Summary

Listed below is a summary of all the actions taken by the Commission and the special reports given to the Commission in 2023. The February meeting was combined with January and the May, July, and August meetings were cancelled.

JANUARY

Case No. 1569-T-169 Proposed Annexation to the City of Tulare and Detachment from County Service Area #1

The Commission approved an annexation to the City of Tulare and detachment of the same area from County Service Area #1 for 38.5 acres of land located at the southwest corner of Tulare Avenue (SR 137) and Oakmore Street.

Agriculture Report

This was an informational item from the CCEMSA regarding ambulance service in Tulare County.

MARCH

Case No. 1570-V-458 Proposed Annexation to the City of Visalia and Detachment from County Service Area #1

The Commission approved an annexation to the City of Visalia and detachment of the same area from County Service Area #1 for 23.7 acres of land located at the North side of Ferguson Avenue approximately 800 feet west of Demaree Street.

APRIL

Case No. 1571-P-325 Proposed Annexation to the City of Porterville and Detachment from County Service Area #1

The Commission approved an annexation to the City of Porterville and detachment of the same area from County Service Area #1 for 20.23 acres of land located at the southwest corner of W. Gibbons Avenue and S. Jaye Street in southern Porterville.

Commissioner Stipends

The Commission approved stipends in the amount of \$100 per meeting for the Public Member and Alternate Public Member.

2023/2024 Preliminary Budget and Work Program

The Commission approved the 2023/2024 Preliminary Budget and Work Program and designated \$75,000 from reserve funding to offset city/county contributions.

Amendment to the LAFCO Policy C-5 (Sphere of Influence)

The Commission approved the amendments to the policy to define SOI Updates and SOI Amendments.

JUNE

2023/2024 Final Budget and Work Program

The Commission approved the 2023/2024 Final Budget and Work Program and designated \$75,000 from reserve funding to offset city/county contributions.

SEPTEMBER

Presentation from County RMA on East Orosi CSD/Orosi PUD water system consolidation status.

Annexation to the City of Porterville and Detachment from County Service Area #1, (Gray Annexation) Case 1572-P-326

The Commission approved the annexation to the City of Porterville and detachment from County Service Area #1 of approximately 0.62 acres of land located at the southeast corner of River Avenue and Plano Street.

OCTOBER

Annexation to the City of Visalia and Detachment from County Service Area #1, (Pearl Woods Annexation) Case 1573-V-459

The Commission continued the annexation to the City of Visalia and detachment from County Service Area #1 of approximately 67.7 acres of land located in between South Lovers Lane and Road 148, just south of East Cherry Avenue. This was intended to facilitate a single-family residential development of 273 units on the site.

Annexation to the City of Visalia and Detachment from County Service Area #1, (Shepherds Ranch II) Case 1574-V-460

The Commission continued the annexation to the City of Visalia and detachment from County Service Area #1 of approximately 40.46 acres of land located on the east side of Road 88, approximately ¼ mile south of West Goshen Avenue. This was intended to facilitate a single-family residential development of 200 units on the site.

Annexation to the City of Visalia and Detachment from County Service Area #1, (Crenshaw) Case 1575-V-461

The Commission approved the annexation to the City of Visalia and detachment from County Service Area #1 of approximately 7.11 acres of land located at 125 North Crenshaw Street, on the west side of Crenshaw Street between West Mineral King Avenue and West Oak Avenue. This was intended to facilitate 34-lot single family residential units on the site.

Annexation to the City of Visalia and Detachment from County Service Area #1, (Barr & Wood) Case 1576-V-462

The Commission continued the annexation to the City of Visalia and detachment from County Service Area #1 of approximately 69.35 acres of land located at the northwest corner of South Roeben Street and West Whitendale Avenue. This was intended to facilitate a single-family residential development of 136 units on the site.

NOVEMBER

Annexation to the City of Visalia and Detachment from County Service Area #1, (Pearl Woods Annexation) Case 1573-V-459

The Commission approved the annexation to the City of Visalia and detachment from County Service Area #1 of approximately 67.7 acres of land located in between South Lovers Lane and Road 148, just south of East Cherry Avenue. This was intended to facilitate a single-family residential development of 273 units on the site.

Annexation to the City of Visalia and Detachment from County Service Area #1, (Shepherds Ranch II) Case 1574-V-460

The Commission approved the annexation to the City of Visalia and detachment from County Service Area #1 of approximately 40.46 acres of land located on the east side of Road 88, approximately ¼ mile south of West Goshen Avenue. This was intended to facilitate a single-family residential development of 200 units on the site.

Annexation to the City of Visalia and Detachment from County Service Area #1, (Barr & Wood) Case 1576-V-462

The Commission approved the annexation to the City of Visalia and detachment from County Service Area #1 of approximately 69.35 acres of land located at the northwest corner of South Roeben Street and West Whitendale Avenue. This was intended to facilitate a single-family residential development of 136 units on the site.

DECEMBER

Annexation to the City of Visalia and Detachment from County Service Area #1, (Pratt Family Ranch) Case 1577-V-463

The Commission approved the annexation to the City of Visalia and detachment from County Service Area #1 of approximately 95.56 acres of land located North of Riverway Drive on the West and East sides of Mooney Boulevard. This was intended to facilitate the development of approximately 541 dwelling units and 8.3 acres of parks/open space.

*Annexation to the City of Visalia and Detachment from County Service Area #1, (Carleton Acres)
Case 1578-V-464*

The Commission approved the annexation to the City of Visalia and detachment from County Service Area #1 of approximately 483 acres of land generally bound by West Riggan Avenue to the South, North Akers Street to the East, North Shirk Road to the West, and Avenue 320 to the North.

2023 Extraterritorial Service Agreements

Note: One ESA for the City of Kingsburg to provide domestic water to existing residences in the County of Tulare was approved by the Executive Officer in 2023 (listed in the April 2023 agenda).

Two ESA for the City of Porterville to provide domestic water to two existing residences on one parcel was approved by the Executive Officer in 2023 (listed in the September 2023 agenda).

LAFCO Activity Overview

Figure 1 (City Annexation Map)

During the calendar year 2023 Tulare County LAFCO approved 10 city annexations.

Figures 2-9 (City Maps)

Individual maps of the County's (8) incorporated cities.

Tables 1 (Cities) and Table 2 (Special Districts)

These tables correspond to Figure 1 and Figure 2. The tables summarize city and special district growth in terms of total acreage and square mileage over the period 1/1/1980 to 12/1/2023. The city of Porterville extended services to an area outside of their jurisdictional boundaries through an Extraterritorial Service Agreement (ESA) twice in 2023. In 2023 there was 10 total annexations, Visalia had 7, Porterville had 2, and Tulare had 1.

Note: Only districts that provide an urban level of service appear on Table 2. Growth of these districts, in terms of acreage and square mileage, is a dependable indicator of pressure on open space and agricultural land as well as demand for urban services and space. There was 3 extraterritorial service agreement approved in 2023. Two for the City of Porterville to provide domestic water to two existing residences on two parcels and One for the City of Kingsburg to provide domestic water to one existing development.

The County's four most populace cities experienced the largest total acreage increase and highest square mileage growth rate from 1/1/1980 to 12/1/2023. The special districts listed have experienced little growth over the last 35 years. Generally, Tulare County special districts lack the financial resources and adequate infrastructure to support additional growth of any type. Table 2 indicates that districts containing the most populated unincorporated communities within their jurisdictional boundaries have experienced the largest gain in total acreage and largest percentage increase in square mileage area; however, most of that growth occurred from 1980 to 2000.

Table 3

Table 3 corresponds with Figure 1. The table provides the total amount of acreage annexed each year and further divides the total into developed acres, undeveloped acres and road right-of-way (ROW) in terms of acres. The total amount of proposals considered by the Commission each year is also provided, as well as annexation proposals 300 ac in size or larger. In 2023, only 1 annexation occurred that was 300 acres or larger, Carleton Acers in the northern part of the city of Visalia.

Table 4

For each of the last sixteen years (2006-2023), this table shows total acreage annexed each year, the amount of acres pre-zoned residential, commercial, industrial, and institutional, and the percentage of the total acres annexed each land-use category represents.

Residential

As the figures indicate, we saw a significant increase in annexations for residential projects. In 2023, 92% of the acres annexed occurred within this category; compared to 49% in 2022 and 54% in 2021.

Commercial

Commercial annexations have seen some growth over the past couple of years with approximately 24% of the total land annexed in 2020 and 2021. However, in 2022, no annexations occurred within this category and 2023 only saw a slight increase of 4% which was from two annexations in this category.

Industrial

2007, 2011, and 2016 experienced spikes in industrial annexations; however, these were the result of a single annexation in each year. In 2023, no annexations occurred within this category.

Institutional

This type of use includes sites slated for the development of parks, accommodation of city municipal service facilities, road improvements or construction, etc. Along with a larger park project several smaller parks were included as part of larger annexations.

Mixed Use

In 2017, a new land use category was added to the table, Mixed Use, which was the pre-zoning for the Lowry West development. In 2023 no annexations occurred in this category

Figure 10 (Prime Agricultural Soils)

This map shows the four classes of soils identified by the USDA Soil Survey of Tulare County and their location throughout the County. Class 1 and 2 are identified as prime agricultural soils, all other classes are considered non-prime.

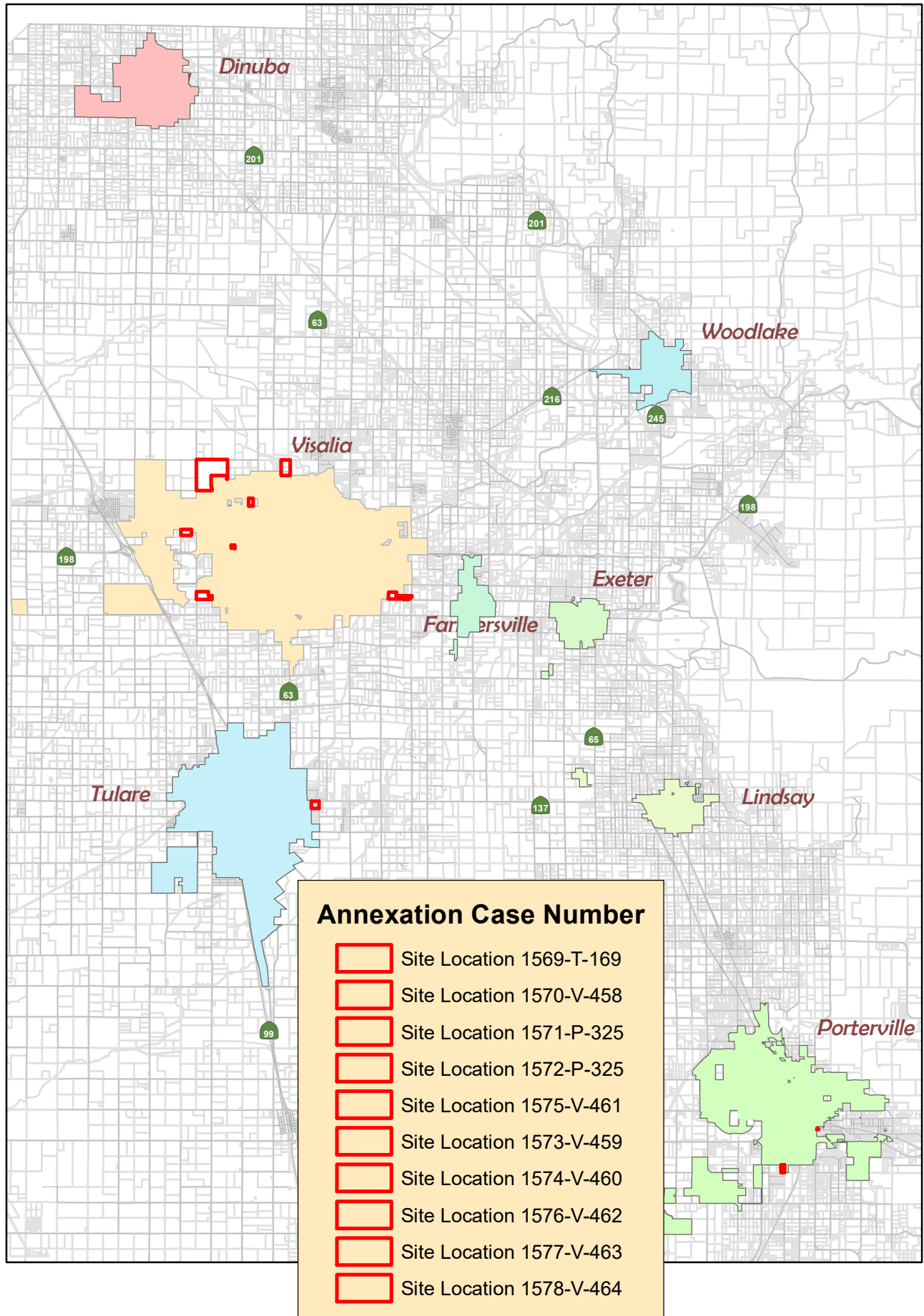
Figure 11 (Williamson Act Land)

In order for land to be considered prime agricultural land, it must meet one of five requirements listed under GC 56064; a USDA 1 or 2 soil classification is listed as a requirement. While land under Williamson Act contract isn't specifically defined as prime under Code, it can be an indicator of the presence of other qualifications for prime land. Also, the locations of contracts with notices of non-renewal may indicate future growth pressure in the area.

Figure 12 (Lands Owned by Government Entities)

This map identifies lands owned by the federal, state, county, city, district (all types of districts including special districts and school districts) governments. The map also includes land under trust for the purpose of open-space conservancy.

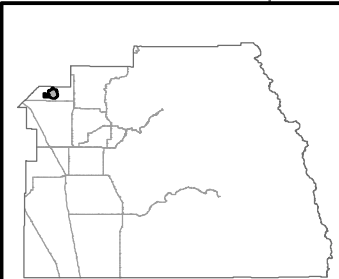
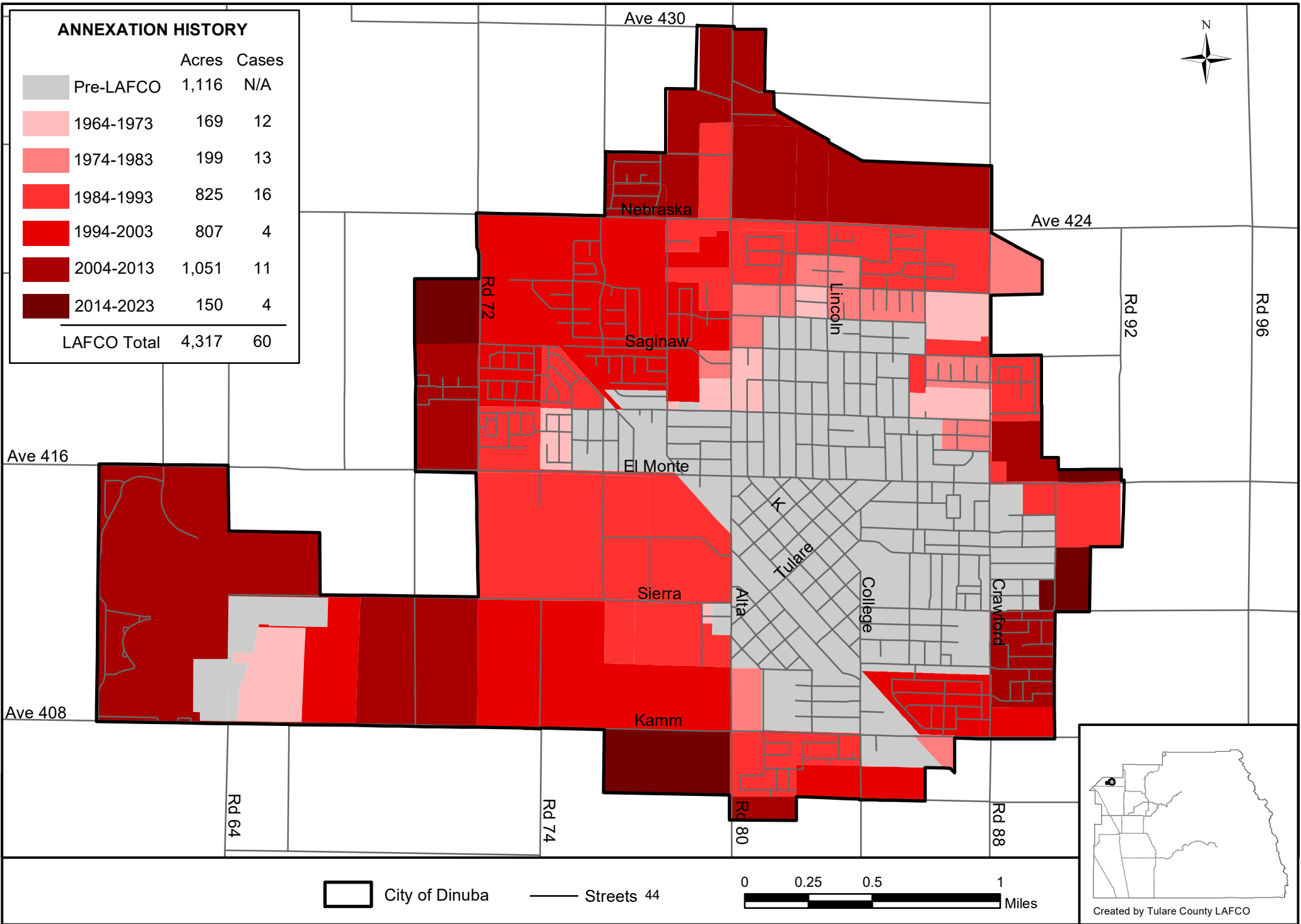
Figure 1 City Annexations Overview



City of Dinuba

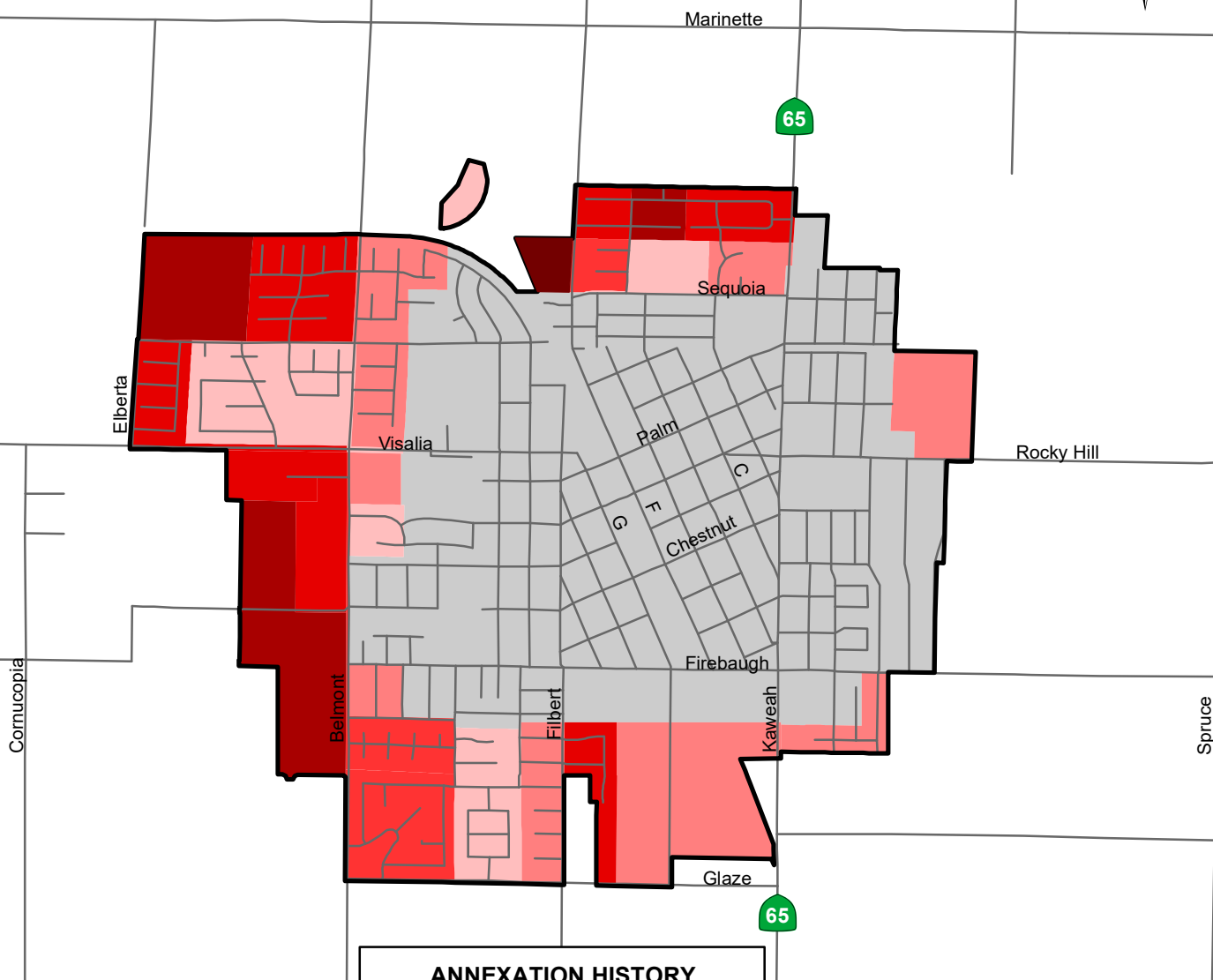
ANNEXATION HISTORY








	Acres	Cases
Pre-LAFCO	1,116	N/A
1964-1973	169	12
1974-1983	199	13
1984-1993	825	16
1994-2003	807	4
2004-2013	1,051	11
2014-2023	150	4
<hr/>		
LAFCO Total	4,317	60



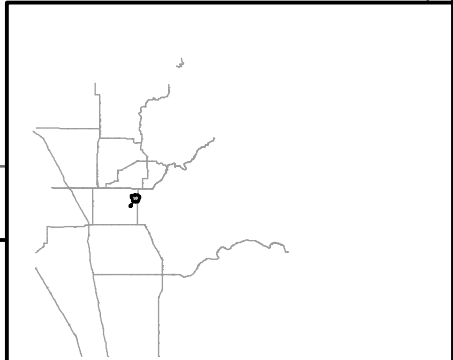
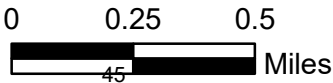
Created by Tulare County LAFCO

City of Exeter



ANNEXATION HISTORY			
	Acres	Cases	
 Pre-LAFCO	806	N/A	
 1964-1973	175	7	
 1974-1983	223	8	
 1984-1993	75	3	
 1994-2003	173	8	
 2004-2013	117	3	
 2014-2023	10	1	
LAFCO Total		30	

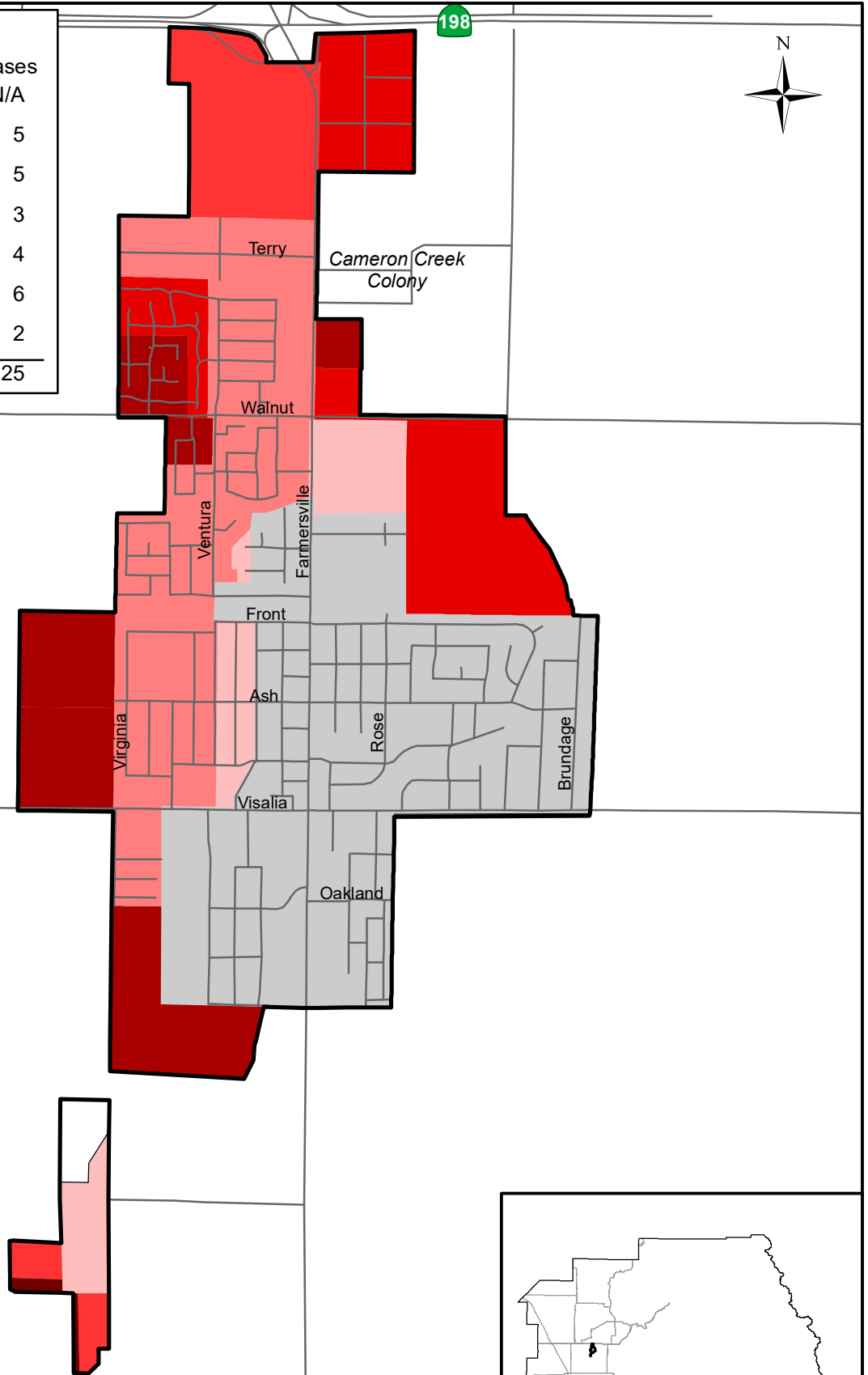
 City of Exeter
 Streets




City of Farmersville

ANNEXATION HISTORY

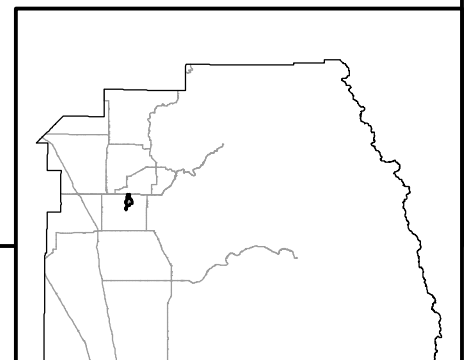
	Acres	Cases
Pre-LAFCO	542	N/A
1964-1973	91	5
1974-1983	308	5
1984-1993	114	3
1994-2003	195	4
2004-2013	183	6
2014-2023	21	2
LAFCO Total	1,454	25



 City of Farmersville

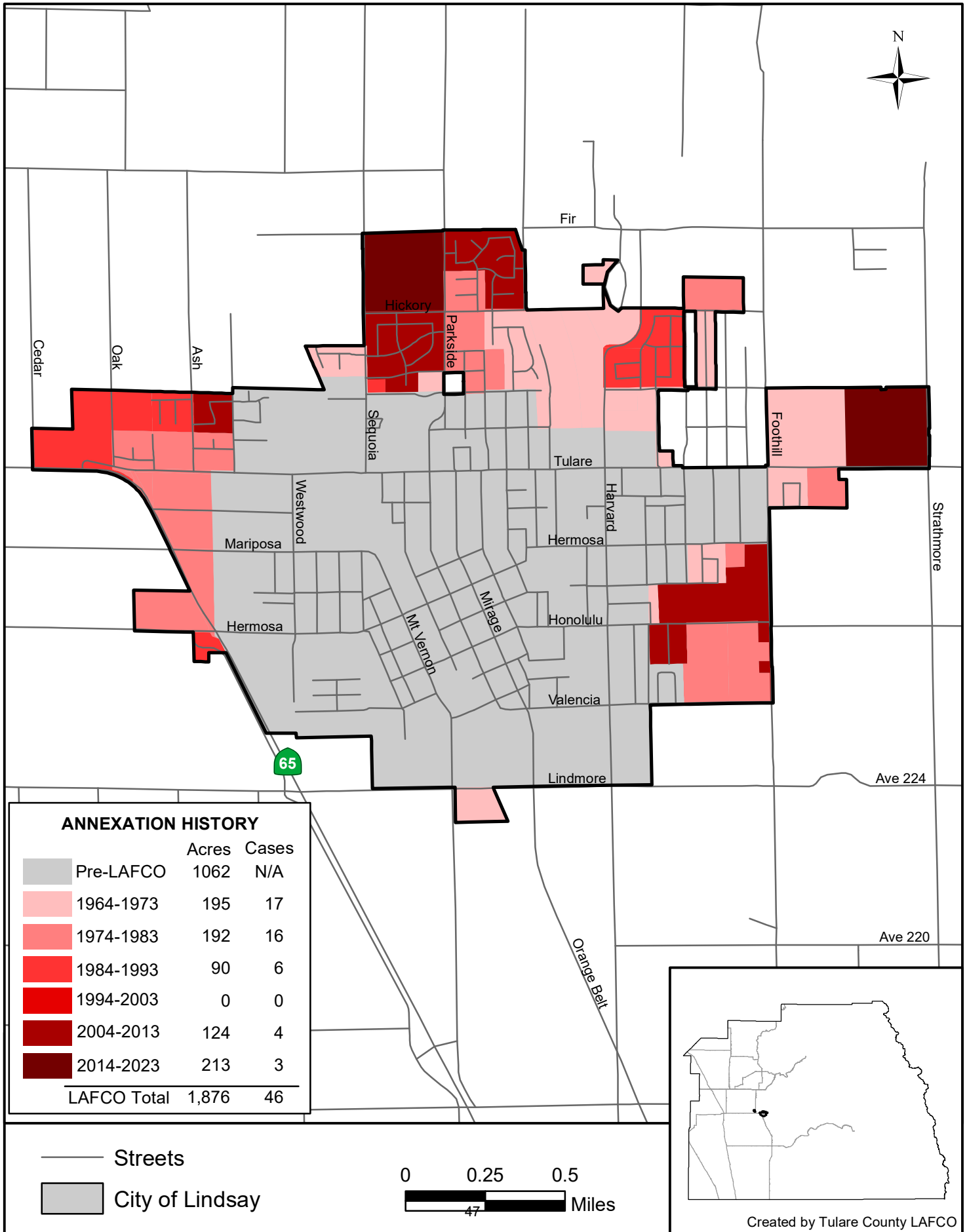
 Streets

0 0.25 0.5
Miles

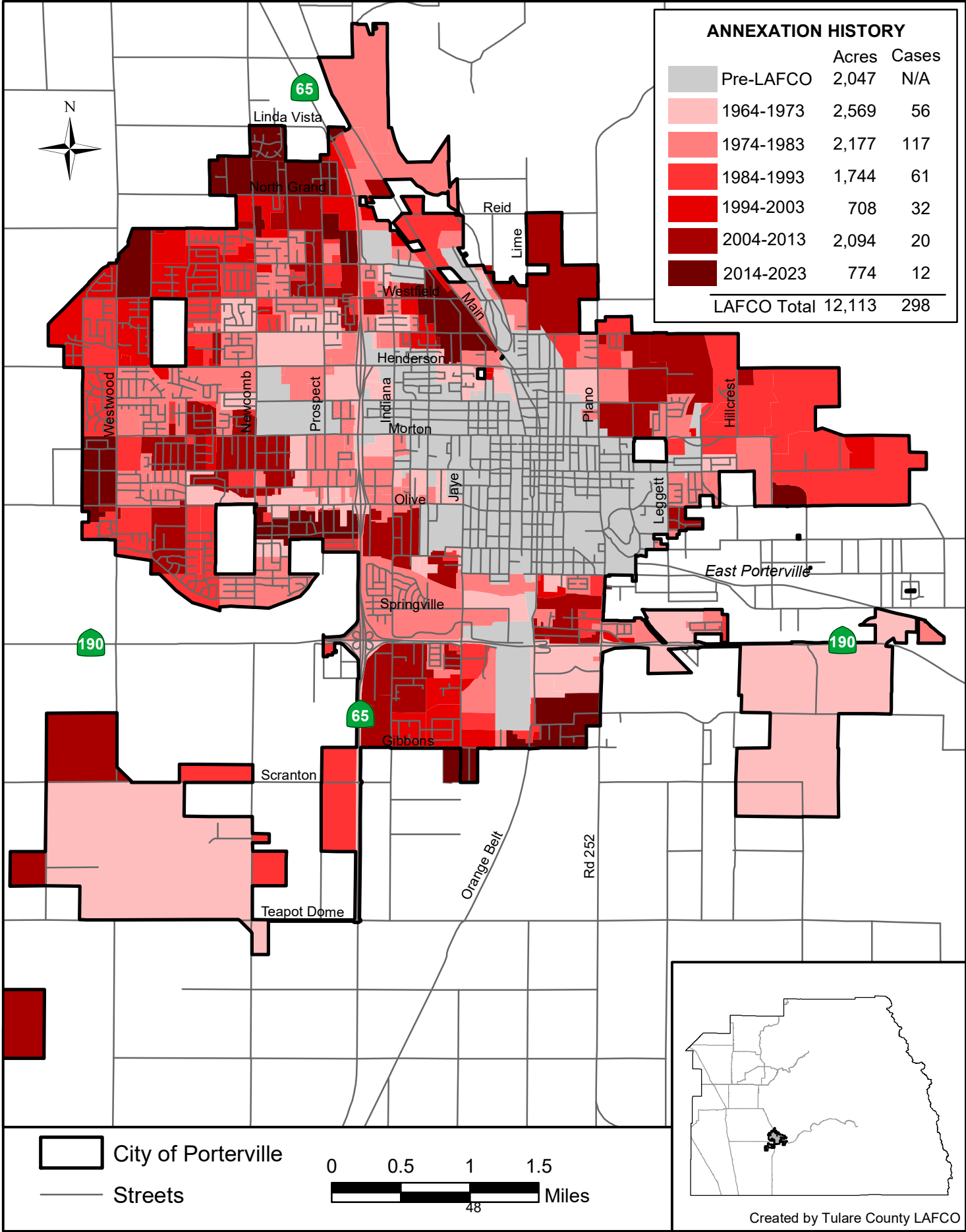


Created by Tulare County LAFCO

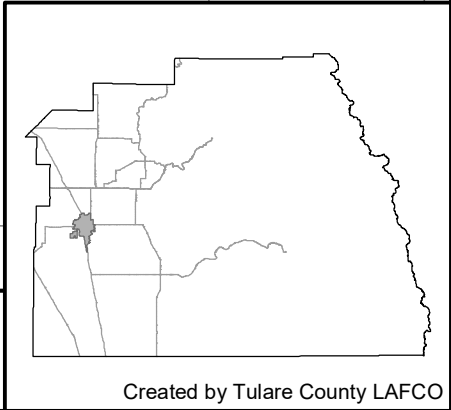
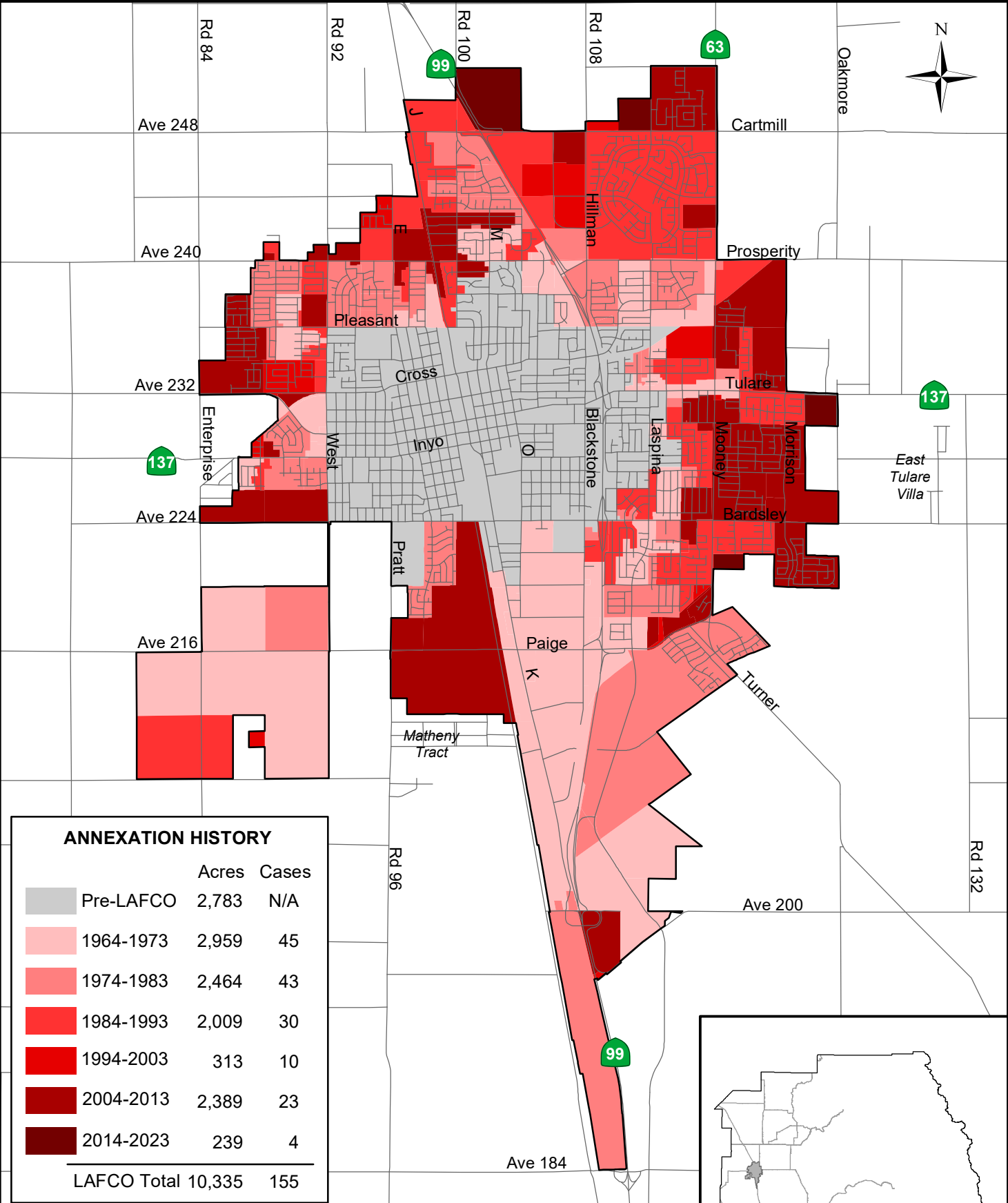
City of Lindsay



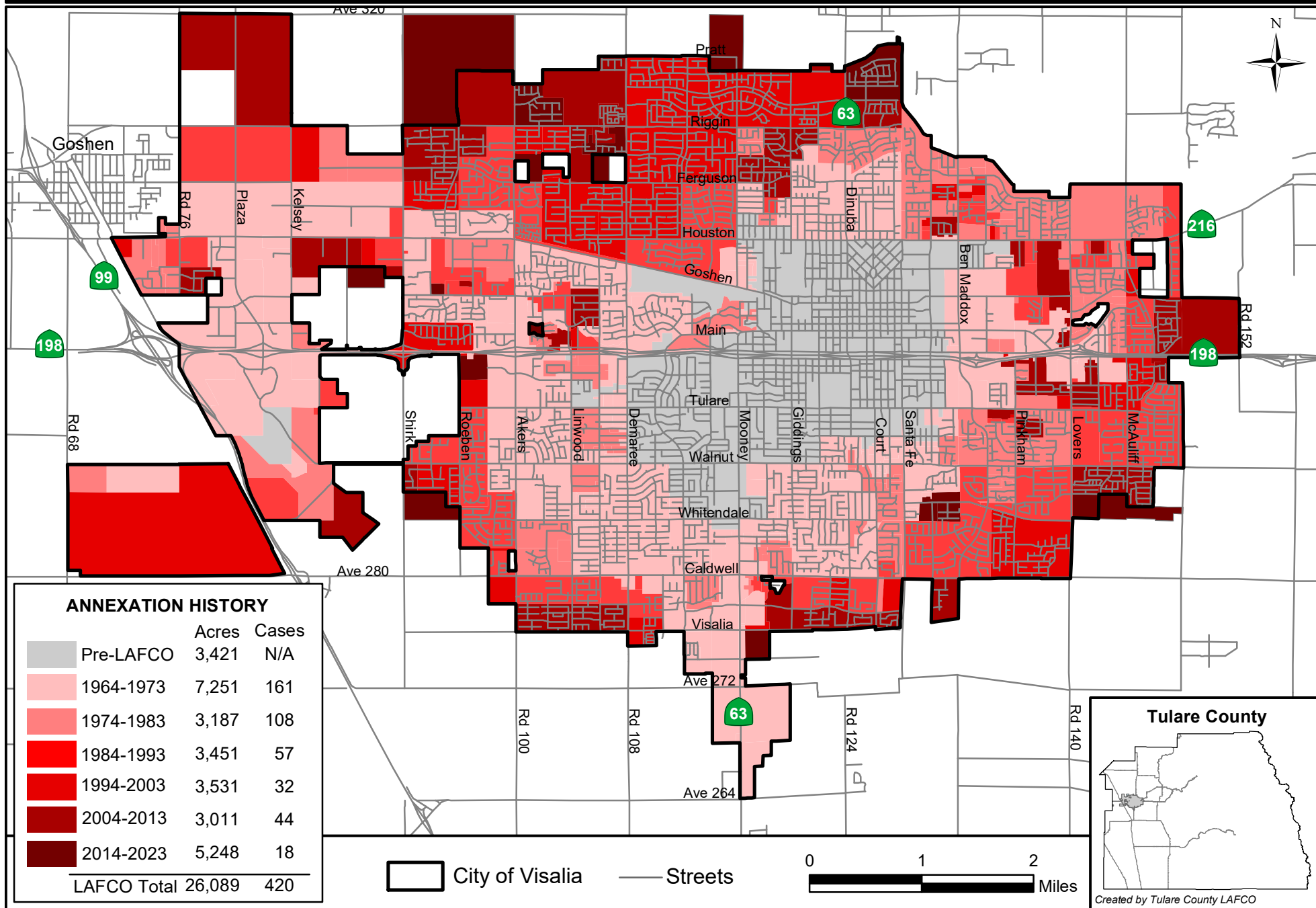
City of Porterville



City of Tulare



City of Visalia



City of Woodlake

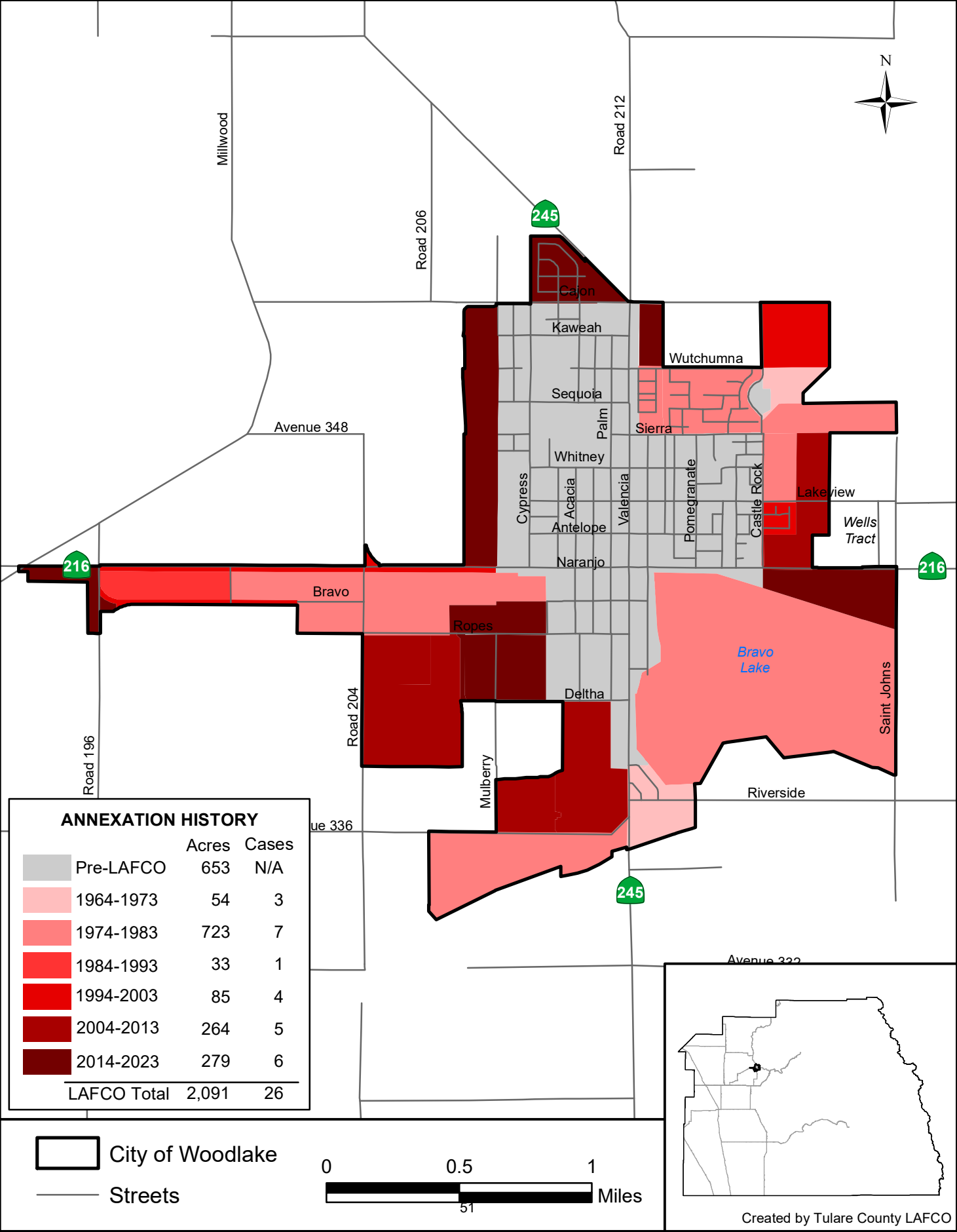


Table 1 - City Area Increase 1980 to 2023

	1/1/1980 Acres	12/1/2023 Acres	Annexed Acres	1/1/1980 Sq. Miles	12/1/2022 Sq. Miles	Annexed Sq. Miles	% Increase
Dinuba	1,429.9	4,317.3	2,887.4	2.2	6.7	4.5	201.9
Exeter	1,173.3	1,578.5	405.3	1.8	2.5	0.6	34.5
Farmersville	931.4	1,453.7	522.3	1.5	2.3	0.8	56.1
Lindsay	1,375.7	1,876.9	501.3	2.1	2.9	0.8	36.4
Porterville	6,436.9	12,114.0	5,677.1	10.1	18.9	8.9	88.2
Tulare	7,094.3	13,196.8	6,102.5	11.1	20.6	9.5	86.0
Visalia	13,162.8	25,228.3	12,065.5	20.6	39.4	18.9	91.7
Woodlake	926.9	2,092.0	1,165.0	1.4	3.3	1.8	125.7
CITY TOTAL	32,531.2	61,857.6	29,326.4	50.8	96.7	45.8	90.1

Visalia had 7 annexations, Porterville had 2 annexations, and Tulare had 1 annexation
Porterville had 2 ESAs

Table 2 - Urban District Area Increase 1980 to 2023

	1/1/1980 Acres	12/1/2023 Acres	Annexed Acres	1/1/1980 Sq. Miles	12/1/2021 Sq. Miles	Annexed Sq. Miles	% Increase
Allensworth CSD	783.1	788.1	5.0	1.2	1.2	0.0	0.6
AV/SC CSD	985.3	985.3	0.0	1.5	1.5	0.0	0.0
Cutler PUD	560.5	665.1	104.6	0.9	1.0	0.2	18.7
Ducor CSD	263.3	263.3	0.0	0.4	0.4	0.0	0.0
Earlimart PUD	814.6	972.4	157.8	1.3	1.5	0.2	19.4
East Orosi CSD	52.9	52.9	0.0	0.1	0.1	0.0	0.0
Goshen CSD	577.4	1,220.8	643.4	0.9	1.9	1.0	111.4
Ivanhoe PUD	594.8	626.9	32.1	0.9	1.0	0.1	5.4
Lemon Cove SD	21.2	24.0	2.8	0.0	0.0	0.0	13.2
London CSD	189.7	189.7	0.0	0.3	0.3	0.0	0.0
Orosi PUD*	717.0	887.7	164.2	1.1	1.4	0.3	22.9
Patterson Tract CSD	77.9	77.9	0.0	0.1	0.1	0.0	0.0
Pixley PUD	634.6	888.9	254.3	1.0	1.4	0.4	40.1
Ponderosa CSD	251.6	251.6	0.0	0.4	0.4	0.0	0.0
Poplar CSD	180.1	418.1	238.0	0.3	0.7	0.4	132.2
Porter Vista PUD	1,742.8	1,742.8	0.0	2.7	2.7	0.0	0.0
Richgrove CSD	263.4	361.9	98.5	0.4	0.6	0.2	37.4
Springville PUD	303.7	308.8	5.1	0.5	0.5	0.0	1.7
Strathmore PUD	298.8	417.6	118.8	0.5	0.7	0.2	39.8
Sultana CSD	317.6	420.6	103.0	0.5	0.7	0.2	32.4
Terra Bella SMD	165.1	169.6	4.6	0.3	0.3	0.0	2.8
Teviston CSD	191.5	191.5	0.0	0.3	0.3	0.0	0.0
Three Rivers CSD	5,253.4	5,253.4	0.0	8.2	8.2	0.0	0.0
Tipton CSD	673.0	683.3	10.3	1.1	1.1	0.0	1.5
Tract 92 CSD	73.4	73.4	0.0	0.1	0.1	0.0	0.0
Woodville PUD	319.2	336.3	17.0	0.5	0.5	0.0	5.3
DISTRICT TOTAL	16,306.0	18,272.1	1,959.5	25.5	28.6	3.1	12.0

Table 3 City/Urban District Annexations per Year

ROW	Projects	Annexations of over 300 acres:
98.11	30	
55.99	16	736ac to Tulare for Farm Show and surrounding area
14.72	13	380ac to Woodlake for Bravo Lake
18.13	6	
7.08	9	
0.00	8	
51.30	17	337ac to Visalia for Green Acres Airport and surrounding area
46.68	22	
69.79	15	
101.42	24	
91.77	25	622ac to Tulare (Lagomarsino) and 323ac to Visalia (industrial uses)
80.61	24	
86.23	29	
40.97	14	
32.52	9	
70.31	21	432ac to Goshen CSD for primarily industrial uses
46.65	9	
16.27	14	
35.59	11	
18.89	7	
3.06	6	
53.59	5	702ac to Visalia for Shannon Ranch
48.95	11	472ac to Visalia (IOH/Luisi) and 384ac to Dinuba (northwest residential)
24.02	16	935ac to Visalia for wastewater irrigation
51.09	22	
198.10	43	
189.00	33	534 to Dinuba for reclamation/golf course
1.80	20	707 to P-ville city uses and 460 to Visalia for Industrial Park Expansion
	3	
2.00	1	
13.00	9	461 Tulare South I Street Annexation
0.00	2	
0.00	1	
0.00	1	
0.00	4	
16.90	7	Porterville 4 island annexations totaling 455.90 acres
9.20	3	
21.65	6	
2.50	1	
17.80	5	
36.18	4	
3.12	7	
4.35	7	
22.70	10	Visalia Carleton Acres for approximately 481 acres
1,679.32	550	

Annexation Acreage per Year (Cities, CSDs, PUDs, SMDs)

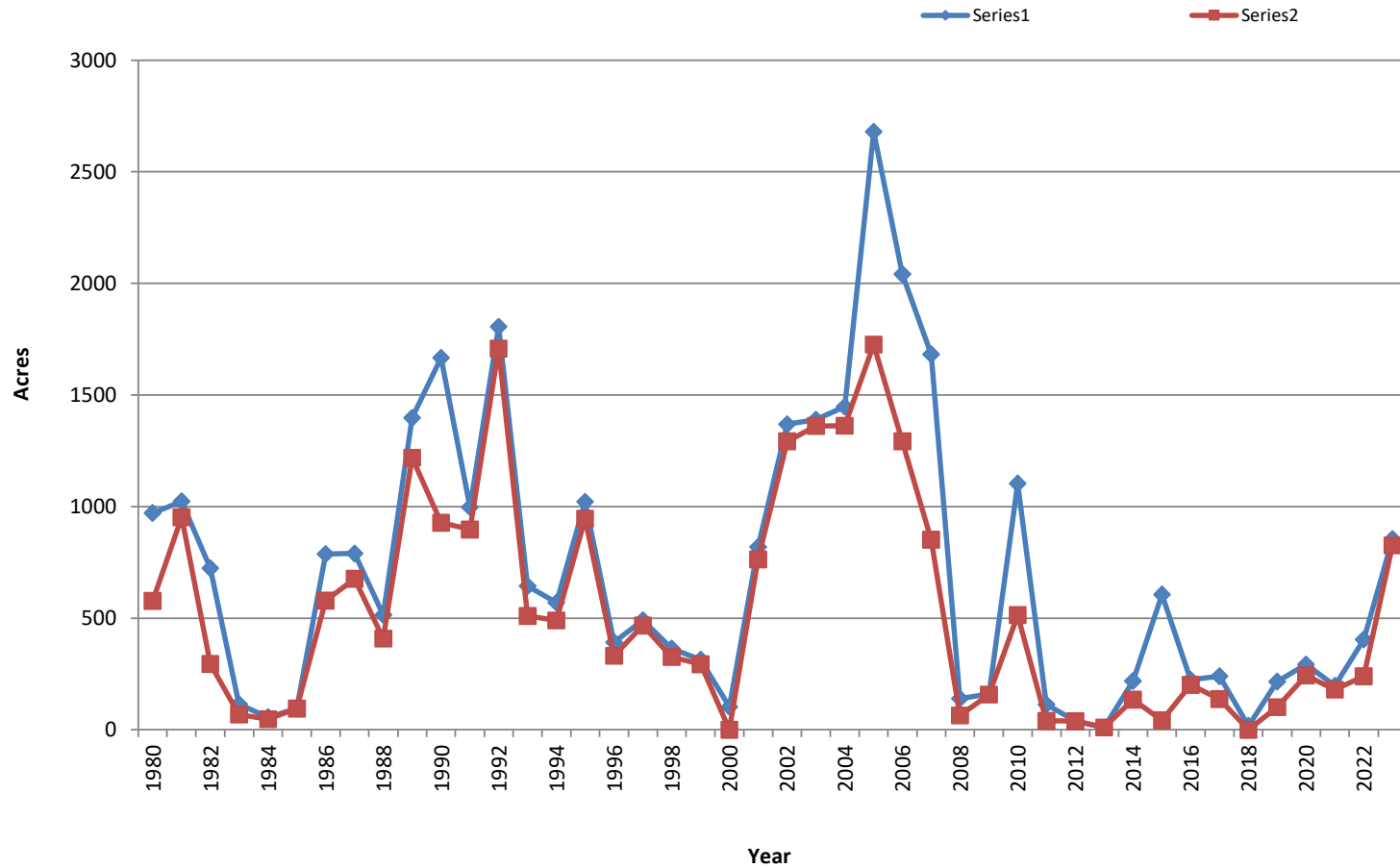


Table 4 - Annexation Land Use

By Year

Year	Total Acres	Residential Ac.	% of Total	Commercial Ac.	% of Total	Industrial Ac.	% of Total	Institutional Ac.	% of Total	Mix Use Ac	% of Total
2006	2042.2	1483.6	72.6	52.4	2.6	0.0	0.0	505.3	24.7	0.0	0.0
2007	1682.7	452.9	26.9	398.0	23.7	771.0	45.8	368.0	21.9	0.0	0.0
2008	139.5	26.5	19.0	66.5	47.7	36.5	26.2	10.0	7.2	0.0	0.0
2009	159.7	20.0	12.5	0.0	0.0	0.0	0.0	159.7	100.0	0.0	0.0
2010	1104.5	22.5	2.0	0.0	0.0	491.0	44.5	480.1	43.5	0.0	0.0
2011	113.9	0.3	0.3	0.0	0.0	113.6	99.7	0.0	0.0	0.0	0.0
2012	38.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2013	10.5	0.0	0.0	10.5	100.0	0.0	0.0	0.0	0.0	0.0	0.0
2014	219.0	113.0	51.6	0.0	0.0	0.0	0.0	106.0	48.4	0.0	0.0
2015	606.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2016	224.3	68.3	30.5	0.0	0.0	156	69.5	0.0	0.0	0.0	0.0
2017	240.3	179.6	74.7	0.0	0.0	0.0	0.0	26.2	10.9	34.5	14.4
2018	17.9	0.0	0.0	0.0	0.0	17.9	100.0	0.0	0.0	0.0	0.0
2019	216.2	157.7	72.9	9.5	4.4	0.0	0.0	49.0	22.7	0.0	0.0
2020	292.9	217.3	74.2	68.6	23.4	0.0	0.0	7.0	2.4	0.0	0.0
2021	187.6	102.0	54.4	45.8	24.4	0.0	0.0	39.8	21.2	0.0	0.0
2022	405.6	198.3	48.9	0.0	0.0	0.0	0.0	207.3	51.1	0.0	0.0
2023	840.0	773.7	92.1	36.0	4.3	0.0	0.0	30.3	3.6	0.0	0.0

Figure 10 - Prime Agricultural Soils

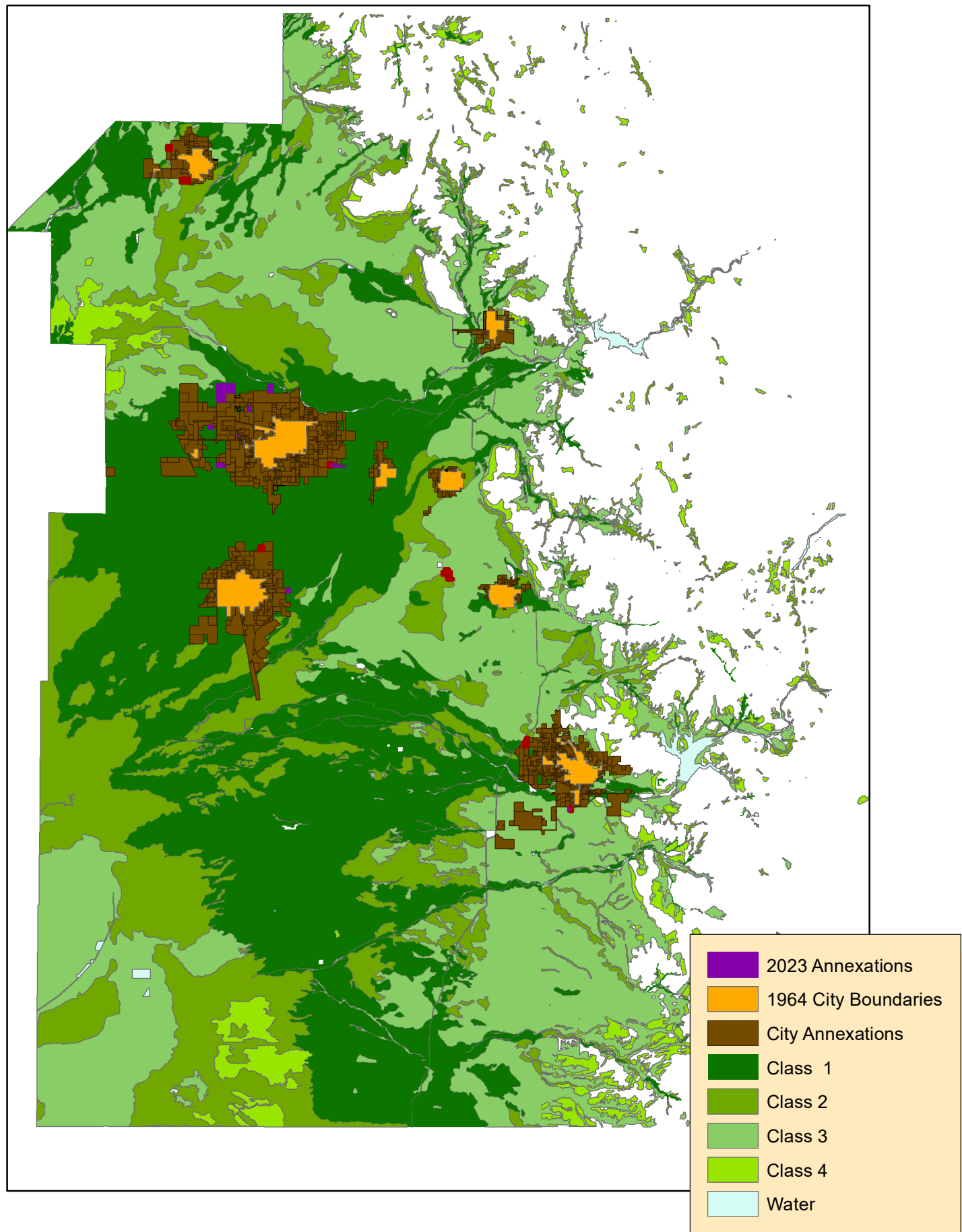


Figure 11 - Williamson Act Land

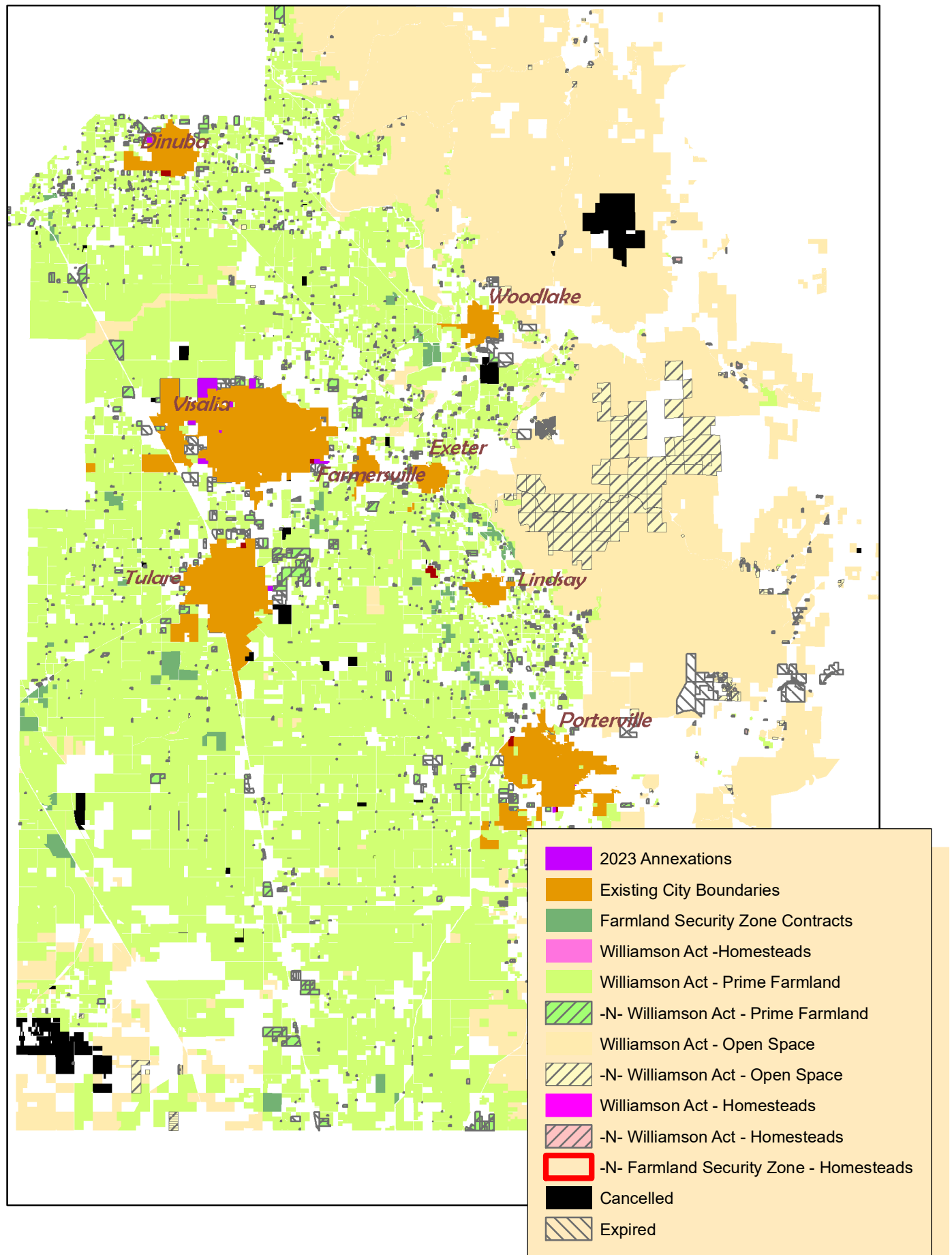
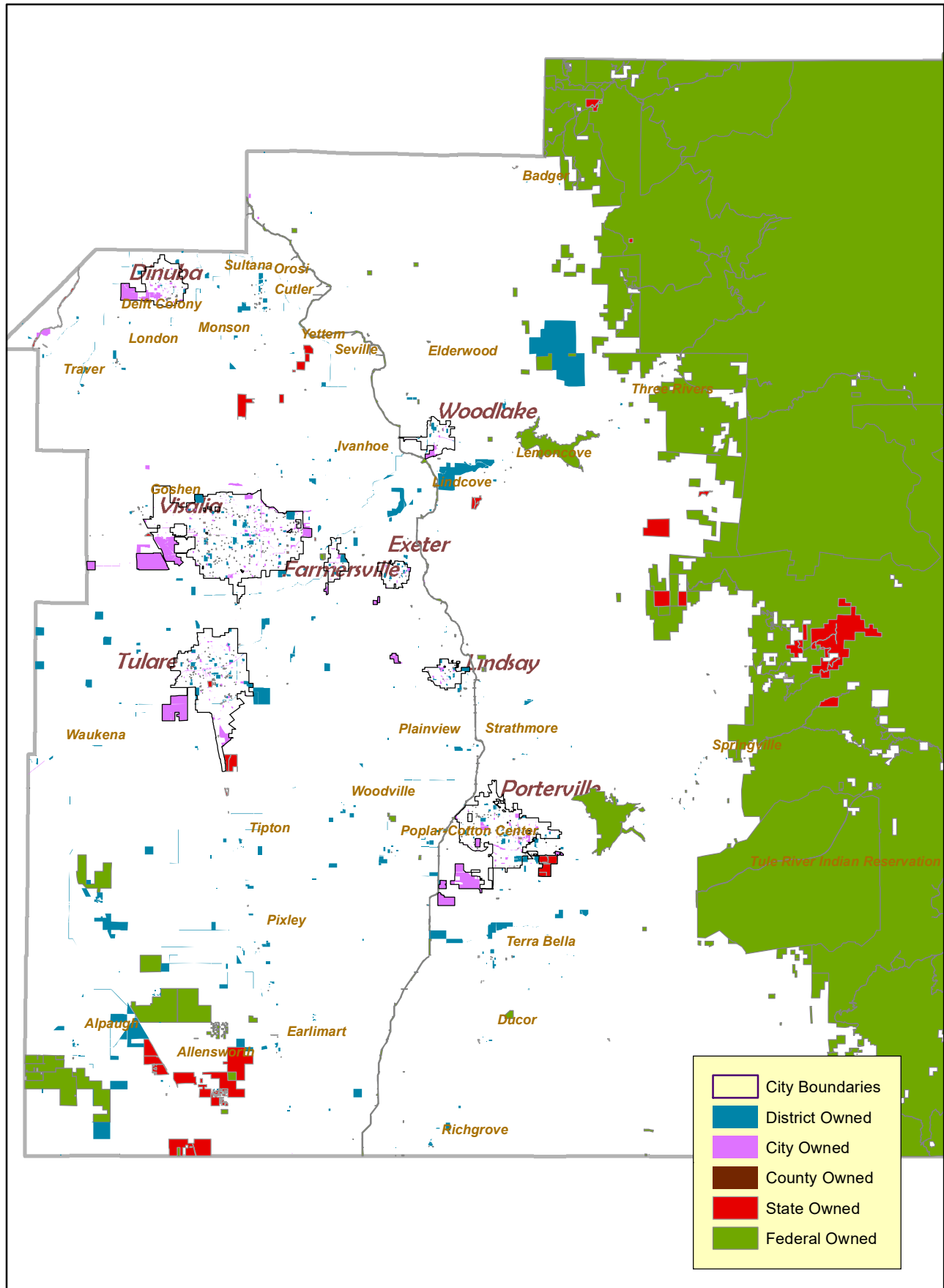


Figure 12 - Government Owned Land



2024 Events Calendar

JANUARY

- 5** CALAFCO Board of Directors Meeting (Virtual)*
- 12** CALAFCO Legislative Committee (Virtual)†
- 24-26 League New Mayor & Council Academy
- 24-26 CA Assn. of Sanitation Agencies Winter Conference (Palm Springs)

FEBRUARY

- 10-13 NACo Legislative Conference
- 16** CALAFCO Legislative Committee (Virtual)†

MARCH

- 22** CALAFCO Legislative Committee (Virtual)†

APRIL

- 12** CALAFCO Board of Directors Meeting (Virtual)*
- 17-19 CA State Assn. of Counties Leg Days (Sacto.)
- 23-26 Fire District Assn. Annual Meeting (Seaside)
- 24-26** CALAFCO Staff Workshop (Pleasanton)

MAY

- 7-9 Assn. of CA Water Agencies Conference (Sacto.)
- 10** CALAFCO Legislative Committee (Virtual)†
- 21-22 CA Special Districts Assn. Leg Days (Sacto.)

JUNE

- 14** CALAFCO Legislative Committee (Virtual)†

JULY

- 12** CALAFCO Legislative Committee (Virtual)†
- 19** CALAFCO Board of Directors Meeting (Virtual)*
- 31 CA Assn. of Sanitation Agencies Annual Conference (Monterey)

AUGUST

- 1-2 CA Assn. of Sanitation Agencies Annual Conference (Monterey)
- 23** CALAFCO Legislative Committee (Virtual), if needed†

SEPTEMBER

- 9-12 CA Special Districts Assn. Conference (Monterey)
- 18-20 Regional Council of Rural Counties Annual Meeting (Sonoma)

OCTOBER

- 16-18 League Annual Conference (Long Beach)
- 16-18** CALAFCO Annual Conference (Yosemite)
- 17** CALAFCO Annual Business Meeting (Yosemite)
- 18** CALAFCO Board of Directors Meeting (Yosemite)

NOVEMBER

- 1** CALAFCO Legislative Committee (Virtual)†
- 18-22 CA State Assn. of Counties Annual Conference (Pasadena)

DECEMBER

- 3-5 Assn. of CA Water Agencies Conference (Palm Desert)
- 6** CALAFCO Legislative Committee (Virtual), if needed†

*Regular Board Meetings start at 10:00 AM

†Legislative Committee Meetings start at 9:00 AM

For current information and other CALAFCO resources please visit www.calafco.org

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State Water Resources Control Board

Division of Drinking Water

January 9, 2024

Martha Lowery
CPUD Office Manager
40526 Orosi Drive
Cutler, CA 93615

Dear Cutler PUD,

The State Water Resources Control Board's (State Water Board) Division of Drinking Water (Division) received correspondence from Cutler Public Utility District (Cutler PUD) dated November 7, 2023. This correspondence responds to the Division's May 8, 2023, letters sent to both Cutler PUD and Orosi Public Utility District (Orosi PUD). Pursuant to California Health and Safety Code section 116682, subdivision (b)(8)(A), the Division's letters constituted notification to both parties that they should begin negotiations to consolidate Cutler PUD with Orosi PUD, and set November 8, 2023 as the deadline for completion of the negotiations. The Division appreciates Orosi PUD's and Cutler PUD's diligence in conducting these negotiations, as evidenced by the November 7, 2023 submittal.

As you are aware, the State Water Board currently offers incentives to a receiving water system in exchange for completing a voluntary consolidation. The consolidation incentive may be applied to one or more eligible projects chosen by a receiving water system and approved by the Division of Financial Assistance. Although the consolidation incentives differ for full consolidations and master meter connections, there is some flexibility in what the incentives may be used for. More information about consolidation incentives can be found in the State Fiscal Year (SFY) 2023-24 Drinking Water State Revolving Fund (DWSRF) Intended Use Plan (IUP). Consolidation incentives are subject to change as a new IUP is adopted each SFY that describes the State Water Board's plan for implementing the DWSRF and its complementary financing programs.

The November 7, 2023 submittal contains a document titled "Consolidation Agreement of Cutler Public Utility District and Orosi Public Utility District" (Draft Agreement) between Orosi PUD, Cutler PUD, and proposed Cutler-Orosi Surface Water Plant Authority. The Draft Agreement proposes to construct a surface water treatment plant and physically deliver potable drinking water, on a master metered and wholesale basis, to the water distribution systems of Cutler PUD and Orosi PUD.

E. JOAQUIN ESQUIVEL, CHAIR | EILEEN SOBECK, EXECUTIVE DIRECTOR

The Division has determined that the proposed Draft Agreement does not meet the State Water Board's definition of "consolidation." Health and Safety Code section 116681, subdivision (g) defines "consolidation" as the joining of two or more public water systems, state small water systems, or affected residences not served by a public water system, into a single public water system. Instead of combining Orosi PUD and Cutler PUD into one single public water system, the Draft Agreement proposes to maintain both Orosi PUD and Cutler PUD as separate entities and create a third entity, the Cutler-Orosi Surface Water Plant Authority (Authority). The Authority would meet the definition of a public water system on its own and require a drinking water permit. The result of the Draft Agreement is three separate public water systems.

The Draft Agreement's approach is not the most resilient for a long-term supply of safe drinking water for all Cutler PUD and Orosi PUD residents. Consolidating into one public water system can create a more resilient system by leveraging economies of scale. Operating three public water systems duplicates managerial, financial, and technical work. This could result in increased costs and less reliable outcomes for customers. Cutler PUD's inability to comply with the maximum contaminant levels (MCLs) for nitrate and 1,2,3 TCP¹ indicate that it is not a self-sustaining public water system. Lastly, once signed the Draft Agreement expires June 30, 2044. This indicates that the Authority and the agreement are non-permanent. This does not address the long-term sustainability of Cutler PUD.

To address these concerns, the Division would like to meet with representatives from Cutler PUD and Orosi PUD to discuss the Draft Agreement. Additionally, the State Water Board is granting a one-time extension of the negotiation period for an additional six months. **Cutler PUD shall submit a revised draft consolidation agreement by March 31, 2024, and a final consolidation agreement by June 30, 2024.** The State Water Board intends to hold a second public meeting during the extended negotiation period. The State Water Board is supportive of and encourages Cutler PUD and Orosi PUD to continue negotiations towards voluntary consolidation.

The State Water Board has submitted a technical assistance request on behalf of Cutler PUD as requested in the submission. If a voluntary consolidation is not timely achieved, the State Water Board may take action pursuant to Health and Safety Code section 116682, subdivision (a) for consolidation of the Cutler PUD and Orosi PUD water systems.

Please coordinate with Bryan Potter of my staff to set up a meeting to discuss the Draft Agreement. Additionally, all submissions should be sent electronically via email to DDW-SoCalEngagement@Waterboards.ca.gov

¹ Cutler PUD was issued Compliance Order No. 03_24_22R_007 on August, 26, 2022 and Compliance Order No. 03_24_23R_006 on September 21, 2023 for violations of the 1,2,3-TCP maximum contaminant level (MCL) and the nitrate MCL, respectively, in Well 05.

Sincerely,



Andrew Altevogt, P.E.
Assistant Deputy Director
State Water Resources Control Board, Division of Drinking Water

Attachments

Report on Six Month Period for Voluntary Consolidation and Request for Extension and Feedback, Water System No. 5410008

cc:

Maria Elena Vidana
OPUD District Manager
orosipud@sbcglobal.net

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David Rice, Legal Counsel
SWRCB, Division of Drinking Water
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CUTLER PUBLIC UTILITY DISTRICT

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559-528-3859
www.CutlerPUD.org

Andrew Altevogt, P.E., Assistant Deputy Director
STATE WATER RESOURCES CONTROL BOARD
1001 I Street
Post Office Box 100
Sacramento, California 95812-0100

November 7, 2023
Via U.S. and fax:
916-341-5199

RE: Report on Six Month Period for Voluntary Consolidation and Request for Extension and Feedback; Water System No. 5410008.

Dear Mr. Altevogt:

The Cutler Public Utility District ("CPUD") and the Orosi Public Utility District ("OPUD") hereby acknowledge receipt of a **May 8, 2023** letter from you and the State Water Resources Control Board ("SWRCB" or "State Water Board") which states that it "...serves as official notification that...Cutler PUD is to negotiate with the Orosi PUD regarding consolidation of Cutler PUD with the Orosi PUD...The State Water Board requests that the parties report the outcome of such negotiations to the State Water Board..." Please accept this letter as the report of the parties.

The governing bodies of both parties jointly met numerous times after receipt of the May 8, 2023 letter to work out the terms of a voluntary consolidation agreement and related issues, including joint meetings on May 30, June 27, August 1, August 22, September 26, and October 24, 2023. Mr. Chad Fischer, P.E., of the SWRCB attended the October 24, 2023 joint meeting and provided information about "**Consolidation Incentives**", which parties now desire to pursue. The parties believe that with approximately 2,800 acre-feet of new surface water guaranteed to them, they have found a consolidation solution which is laid out in their proposed voluntary consolidation agreement. The CPUD and the OPUD respectfully request your consideration and feedback on their voluntary consolidation agreement before it is signed and finalized.

Enclosed is the draft of the voluntary consolidation agreement which the CPUD and the OPUD boards have approved for submission to the SWRCB for proceeding with a voluntary consolidation. In order to assure that the agreement is satisfactory to the SWRCB, the OPUD and the CPUD board authorized their undersigned representative to request an extension period for the purpose of finalizing the proposed voluntary consolidation agreement, after receipt of feedback from the SWRCB as to any revisions which the SWRCB believes are necessary in order for the proposed agreement to qualify for and be approved for "**Consolidation**

Andrew Altevogt, P.E., Assistant Deputy Director, State Water Resource Control Board
RE: *Report on Six Month Period for Voluntary Consolidation and Request for Extension
and Feedback; Water System No. 5410008.*

November 7, 2023

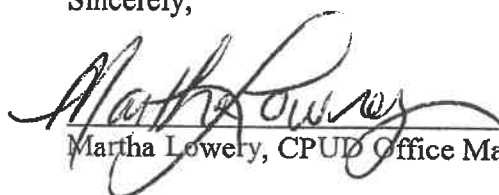
Page: 2 of 2

Incentives” under the SWRCB’s programs, including but not limited to the SWRCB’s FY2023-24 Intended Use Plan. The parties hereby seek technical assistance under HSC § 116682(b)(8)(B) to develop a financing package which benefits both the receiving system(s) and the subsumed system.

The parties respectfully request a reasonable extension of time from the SWRCB in order to continue the negotiations period, which will enable the CPUD and the OPUD to schedule a joint governing body meeting under the Ralph M. Brown Act, for the purpose of reviewing and deciding upon any necessary revisions or further language which the SWRCB might request for inclusion in the voluntary consolidation agreement. As you may recall, the governing bodies of both the CPUD and the OPUD are locally elected officials who are **not** full-time members of their respective governing bodies, and generally carry on full-time employment in most cases. Therefore, scheduling special joint meetings is often a significant task because of differences in each member’s schedule and availability. Accordingly, the CPUD and the OPUD ask that you take that into consideration.

The CPUD and the OPUD thank you for your consideration of the enclosed voluntary consolidation agreement and ask that you please provide a reasonable extension which will allow the SWRCB to provide quality feedback on the proposed consolidation agreement, and allow the CPUD and the OPUD a reasonable amount of time thereafter to receive, digest and implement necessary revisions to the voluntary consolidation agreement, in order to avoid the need for a compulsory consolidation Compliance Order from the SWRCB. We look forward to hearing from you in regard to the **requested** feedback on the enclosed voluntary consolidation agreement and the related extension now requested to finalize it. Thank you.

Sincerely,


Martha Lowery, CPUD Office Manager


Maria Elena Vidana, OPUD District Manager

Enclosures: Additional letter from the CPUD Board President to SWRCB regarding intent to consolidate voluntarily in accordance with the agreed upon milestones and timelines; and

DRAFT of CONSOLIDATION AGREEMENT OF CUTLER PUBLIC UTILITY DISTRICT AND OROSI PUBLIC UTILITY DISTRICT.

CC: CPUD General Counsel, via fax only: 559-741-2864; and
OPUD General Counsel, via fax only: 559-900-3555.

CUTLER PUBLIC UTILITY DISTRICT

40526 Orosi Drive
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November 7, 2023
Via U.S. and fax:
916-341-5199

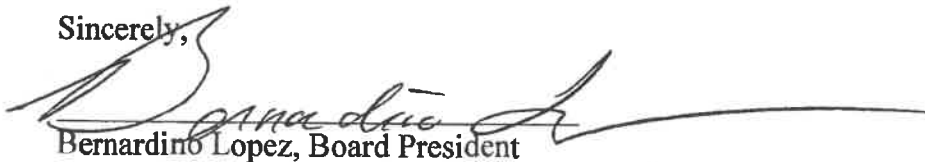
RE: Report on Six Month Period for Voluntary Consolidation and Request for Extension and Feedback; Water System No. 5410008.

Dear Mr. Altevogt:

The Cutler Public Utility District ("CPUD") is in receipt of a **May 8, 2023** letter from you and the State Water Resources Control Board ("SWRCB" or "**State Water Board**") which states, among other things, that it "...reporting shall include a letter signed by the Cutler PUD Board stating that they intend to consolidate voluntarily in accordance with the agreed upon milestones and timelines..."

The governing bodies of both parties jointly met numerous times after receipt of the May 8, 2023 letter to work out the terms of a voluntary consolidation agreement and related issues, including joint meetings on May 30, June 27, August 1, August 22, September 26, and October 24, 2023. In a report accompanied by this letter, the CPUD and the OPUD respectfully request your consideration and feedback on their voluntary consolidation agreement, which was enclosed therewith. On behalf of the CPUD Board, please be assured that the CPUD intends to consolidate voluntarily in accordance with the agreed upon milestones and timelines.

Sincerely,



Bernardino Lopez, Board President

Enclosures: (none).

CC: CPUD General Counsel, via fax only: 559-741-2864; and
OPUD General Counsel, via fax only: 559-900-3555.

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CONSOLIDATION AGREEMENT
OF
CUTLER PUBLIC UTILITY DISTRICT
AND
OROSI PUBLIC UTILITY DISTRICT

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I. INTRODUCTION

This consolidation agreement (“**Agreement**”) is made by and between OROSI PUBLIC UTILITY DISTRICT (“**OROSI**”) a public utility district, CUTLER PUBLIC UTILITY DISTRICT (“**CUTLER**”), a public utility district, and CUTLER-OROSI SURFACE WATER PLANT AUTHORITY (“**Authority**” or “**COSWPA**”) a joint powers authority. This Agreement is dated **November 1, 2023** for reference purposes.

II. RECITALS

A. WHEREAS, both OROSI and CUTLER (collectively “**Districts**” or the “**Parties**”, singularly a “**Party**” or “**District**”) are each public utility districts organized under the Public Utility District Act, Chapter 560 of the Acts of the Regular Session of the 44th Legislature (now codified at Public Utilities Code §§ 15501 *et seq.*).

B. WHEREAS, pursuant to Public Utilities Code §§ 16880, 16881 each district is authorized to contract with any public agency for the joint acquisition or construction or use of any water works or other facilities for supplying water to the public utility district or such other public agency; and a contract may provide for the construction and maintenance of water works or other facilities and for the payment by or for the parties to the contract of such proportionate part of the cost of the acquisition, construction, or maintenance of such water works or other facilities as may be stated in the contract.

C. WHEREAS, pursuant to Public Utilities Code § 16431, each district may lease or dispose of, real and personal property of every kind within or without the district, when in the judgment of its governing board it is in the best interests of the district so to do.

D. WHEREAS, pursuant to Public Utilities Code § 16462, each district may also purchase any water and other commodities or services from any other utility district, municipality, person, or private company, and re-distribute them.

E. WHEREAS, under the provisions of the Joint Exercise of Powers Act (Government Code §§ 6500 *et seq.*), the parties hereto may jointly exercise the powers common to each.

F. WHEREAS, each of the Parties hereto currently own, operate and maintain certain facilities for the collection, treatment, conveyance and distribution of drinking water within their respective jurisdictional boundaries.

G. WHEREAS, the Alta Irrigation District ("Alta") has developed a source of surface water, which has proven to be reliable for over a decade, as a groundwater water recharge project which offers such surface water at cost to public drinking water systems within Alta's territorial boundaries, and has contracted with the Authority to guaranty delivery of no less than 2,800 acre-feet ("AF") of such surface water each year to the Authority.

H. WHEREAS, the contracted supply of 2,800 AF of surface water from the Authority is sufficient to satisfy all of the drinking water capacity demands of both of the Parties, all year around.

I. The Parties now desire to provide for the joint acquisition, construction and/or use of water works and/or other consolidated facilities for treating and supplying drinking water to each of the Parties to distribute to the inhabitants within their jurisdictional boundaries; and furthermore to lease such consolidated facilities to the Cutler-Orosi Surface Water Plant Authority ("Authority" or "COSWPA"), and to contract with the Authority for the ongoing consolidated operation and maintenance ("O&M") of a surface water treatment plant ("SWTP") on behalf of the Parties, including procurement from Alta no less than 2,800 AF of surface water which the Authority shall treat, make potable and then deliver to each of the Parties for distribution to their customers.

J. WHEREAS, by approval of this Agreement, the legislative bodies of the Parties find and determine that is in the best interest and advantage of both of the Parties to authorize and provide for the construction and consolidated operation of a surface water treatment plant, for treatment of surface water and for its delivery to each of the Parties in an efficient manner, and also to provide for the financing of the same through payments and charges under the terms of this Agreement.

K. WHEREAS, CUTLER and OROSI shall each own a separate fifty percent (50%) interest in the real property and improvements which shall constitute the SWTP and its auxiliary facilities necessary for the consolidated treatment and delivery of surface water.

L. WHEREAS, a purpose of this consolidation Agreement is to jointly finance, acquire, construct, maintain, operate and utilize consolidated water works and facilities under Health and Safety Code § 116275(h)(3) as needed for procurement, treatment, reclamation and/or delivery or disposal of surface water for the benefit of the inhabitants within the boundaries of the Parties' respective districts.

M. WHEREAS, the Parties by way of this Agreement intend to provide for the consolidated procurement, treatment and delivery of surface water to the Parties and for the

joint ownership and use of capacity rights in the consolidated SWTP to be operated and maintained by the Authority for the benefit of the Parties, and to address proportionate share of its operational costs through payment and compensation from the Parties.

N. WHEREAS, the Parties hereto understand and agree to their obligation to cooperate with one another to the extent necessary to maintain the consolidated SWTP. Therefore, the Parties hereby recognize their obligation to continue communication with one another about the physical matters or events occurring within or to their respective distribution systems which may directly or indirectly effect their receipt of treated surface water from the consolidated SWTP.

ACCORDINGLY, IT IS AGREED:

III. TERM AND DEFINITIONS

1. **Term**: This Agreement shall become effective as of the date of signing by all parties hereto and shall expire at 11:59 PM on **June 30, 2044** unless otherwise terminated as provided in this Agreement.

2. **Definitions**. Unless the contract otherwise requires, the terms defined in this Section shall, for all purposes of this Agreement and for any agreement supplemental hereto and to any other documents herein mentioned, have the meaning herein specified, to be equally applied to both the singular and the plural forms of any of the terms herein defined.

(a) **“Capacity”** refers to the quantity of surface water which can be successfully treated by the consolidated SWTP and distributed as potable drinking water which satisfies all applicable State and federal drinking water standards.

(b) **“CUTLER”** refers to the Cutler Public Utility District.

(c) **“Cost”** is an amount of money and other equivalent financial resources associated with a specific item or purpose. Costs may be calculated amounts (such as depreciation) or actually incurred or accrued expenses.

(d) **“GPD”** and **“gpd”** is the abbreviation for gallons per day.

(e) **“OROSI”** refers to the Orosi Public Utility District.

(f) **“O&M”** refers to operation and maintenance.

III. CONSOLIDATION AND ADMINISTRATION, OPERATION AND MAINTENANCE

3. **Consolidation:** The Parties agree to consolidate their water supplies into a physically and operationally consolidated surface water supply collection and treatment plant, as a consolidated public water system under Health and Safety Code § 116275(h)(3), according to and contingent upon all of the terms and conditions, time schedule, and milestones described within this Agreement which will physically deliver potable drinking water, on a master metered and wholesale basis, to the water distribution system of each of the Parties.

4. **Timing of Implementation:**

(a) The Parties shall make every reasonable effort to complete the consolidation and related tasks as quickly as possible while ensuring that OROSI's and CUTLER's current customers are not negatively impacted and that the consolidated water system is reliable and sustainable.

(b) Subject to provision 4(a) and 4(c), the consolidation and all associated improvements and tasks, shall be completed according to the time schedule and milestones described in **EXHIBIT C**, contingent on the timing and availability of State grant funding to cover the costs of consolidation.

(c) To the extent that any portion of the consolidation project or associated improvements or tasks are delayed despite the diligent and good faith effort of the Parties, the Parties agree to complete the remaining tasks promptly without undue delay.

(d) The physical consolidation is complete when both of the following are complete: (i) the contingency set forth in the following **Section 5** is satisfied; and (ii) the construction of the consolidated SWTP and a physical interconnection between the consolidated SWTP and both CUTLER and OROSI, with all improvements listed in **EXHIBIT D**.

5. **Contingent Upon Funding:** The Agreement to consolidate the Parties' water supply systems shall be contingent upon the award of State and/or federal financing package(s) that benefits both OROSI and CUTLER. The financing package must, at a minimum, meet all of the requirements of California Health and Safety Code, 116682(e) and provide grant funding for the projects, and improvements identified in **EXHIBIT D**, including all associated soft costs (e.g., associated costs for consultants and fees) to complete the projects and

improvements at no cost to OROSI and CUTLER residents and rate payers and to minimize impact on OROSI resources.

6. Regular Communication: The Parties agree to regularly meet and communicate together and with other involved third parties, including but not limited to the State Water Resources Control Board (SWRCB or SWB) and any consultants and contractors, at agreeable intervals to ensure that the consolidation project and all related improvements and tasks are completed promptly without undue delay.

7. The consolidated SWTP shall be operated by the Authority, which is a separate public entity from the Parties to this Agreement.

8. Manner of Exercising Powers. In exercising the powers granted under this Agreement to the Authority, and in the conduct of all business of the Authority, the Authority shall be subject to the restrictions upon the manner of exercising such powers, which applies to public utility districts under California law.

9. Ratepayer Payments. Each of the Parties are entitled to and must charge and collect all rates and capacity, connection and other fees, charges and assessments from each ratepayer within their respective boundaries. Each of the Parties shall be responsible for compliance with all applicable laws pertaining the adjustment of rates, fees, charges and assessments to be collected from the ratepayers within their respective boundaries. The Authority shall not have authority to initiate or otherwise undertake any rate increase, fee or special assessment proceedings or measures within the boundaries of any of the Parties without such Party's express written consent.

10. In order to provide adequate facilities to adequately treat and utilize surface water as drinking water, it is contemplated that new construction within the territory in which the consolidated SWTP is located will be required from time to time. That when such new construction is required, the Authority shall make a determination of the following facts:

- (a) Which of the Parties or entity(ies), if any, is the source of the need for additional construction;
- (b) How much capacity shall be added to the consolidated SWTP;
- (c) Whether the financial capability of the Party or entity requiring the increase in capacity of the consolidated SWTP will enable such Party or entity to pay the costs of said expansion of capacity, or whether the state of finances of said Party or entity will require them to stop further growth within their respective boundaries, and refrain from increasing its capacity demand upon the consolidated SWTP.

11. Each of the Parties shall also retain the power to contract for the construction of additional plant and/or treatment capacity.

12. The Authority shall have the power to prevent each or both Parties from permitting additional connections which add capacity demand originating from within the respective boundaries of said Parties into the new consolidated SWTP, if sufficient capacity does not exist to accommodate said additional water capacity demand.

13. Water Distribution System. The Parties must acquire, construct, own, operate and maintain all water distribution works within their own jurisdictional boundaries and such water distribution works as are necessary to receive treated surface water from consolidated SWTP at their respective territorial boundaries. Unless and only to the extent otherwise provided and agreed to herein, each of the Parties shall have the sole responsibility of managing, maintaining and operating its own water distribution system within their respective jurisdictional boundaries.

14. Connections to District Water Distribution System.

Each of the Parties agrees that each must protect the consolidated SWTP in entering into any contract and enacting any ordinance pertaining to connections to each Party's water distribution system, including but not limited to, by authorizing each Party to engage in enforcement of relevant connection standards and requirements.

15. Treatment and Storage Facilities. The Authority shall maintain, manage and operate the consolidated treatment and storage facilities consistent with applicable provisions and requirements of this Agreement, if any.

16. Authority Treatment and Transfer of Surface Water.

The Authority shall accept, treat and then transfer the surface water to the Parties so long as said transfers are in compliance with all applicable State and federal laws, rules and regulations.

17. Injunctive Relief. The Authority shall also have the right to take whatever appropriate legal action is necessary in order to compel each of the Parties' compliance with the connection requirements and the use and capacity limits outlined in this Agreement including, but not limited to, enjoining each of the Parties from using the consolidated SWTP.

IV. SERVICE REGULATIONS

18. Limitations on Water Use.

The Parties agree that all water provided by the Authority shall only be used for household purposes and such existing commercial purposes which are currently approved by each of the Parties, but all agricultural use or any use which is deemed wasteful shall not be permitted.

19. The Parties agree to enact specific limitations, prohibitions and actions as follows:

See **EXHIBIT B**.

20. [Reserved].

V. FINANCIAL PROVISIONS

21. Annual Budget.

The Treasurer of the Authority must cause to be prepared and must submit to the Parties, in sufficient time for revision and adoption prior to June 1 of each year, an annual budget of the Authority for the next succeeding fiscal year. All expenditures of funds must be approved by the governing body of the Authority. Amendments to the annual budget cannot be approved through the Authority's governing body consent calendar or consent agenda and must be approved as separate action items.

22. Accountability for Funds. All funds from the Parties which are received by the Authority shall be placed in the custody of the Authority's Treasurer or designee who shall hold such funds in a fiduciary capacity. The Treasurer (or designee) of the Authority must receive, have custody of and disburse Authority funds as nearly as possible in accordance with generally accepted accounting practices applicable to local government agencies within the State of California. These funds must be given object accounts, and the receipt, transfer or disbursement of such funds during the term of this Agreement must be accounted for by the Treasurer or designee in accordance with generally accepted accounting practices applicable to local government agencies within the State of California. There shall be strict accountability of all funds by the Treasurer and designee(s). All revenues and expenditures must be reported by the Treasurer or designee to the Parties at least on a monthly basis, unless more frequent reporting is required by the Parties.

23. Approval of Expenditures. All expenditures must be consistent with the approved budget and must be made upon the review and approval of the General Manager of the Authority in accordance with the rules, policies and procedures adopted by the governing body of the Authority and all such rules, policies and procedures must be consistent with this Agreement and all applicable laws.

24. Unbudgeted But Necessary Expenditures. Notwithstanding any other provision of this Agreement, the Authority must not expend or make any payment which is inconsistent with the Authority's approved budget. Unanticipated and unbudgeted but necessary expenses must be presented to the Parties who may choose to authorize funding them only after amendment of the Authority's annual budget.

25. Annual Audit. Pursuant to the provisions of the Government Code of the State of California, the Authority must cause all accounts, books and other financial records of the Authority to be kept in accordance with generally accepted accounting practices applicable to local government agencies within the State of California. The Authority must cause an annual audit to be performed on its books and records, by an independent Certified Public Accountant, which satisfies the Minimum Audit Requirements and Reporting Guidelines prescribed by State Controller's Office for special districts. A copy of said audit report must be forwarded to each of the Parties. The expense of said audit and report and all bookkeeping and accounting costs must be treated as a required cost of the consolidated SWTP. The annual audit report must be submitted to the Authority's governing body when completed.

26. (a) Records. The Authority shall also cause to be kept accurate and correct books of account, showing in detail the costs and expenses of any new construction, extra construction or reconstruction and the maintenance and operation of the consolidated SWTP and all parts thereof, and all financial transactions of the Authority, which books of account must correctly show each and all receipts and also any costs, expenses or charges to be paid by the Authority, and also metering records of the water delivered to each of the Parties and other entities, together with the daily peak capacity demand of each of the Parties. The books and records must also correctly show each and all receipts and any costs, expenses or charges paid to, or to be paid by, the Parties.

(b) Inspection of Records. All books of account and all financial records and memoranda, whether final or in draft form, must be open to inspection during all normal business hours to: any member of the board of directors of OROSI or CUTLER; any accountant or other person authorized by CUTLER or OROSI's board of directors; and to the general manager or office manager of the Parties. This obligation is separate and independent of the Authority's obligation to comply with the California Public Records Act (Government Code §§ 7920.000 et seq.). The individuals in charge of maintaining books and financial records must be employees of the Authority or qualified independent contractors. Any independent contractor in possession of records of the Authority which are requested by either of the Parties must comply with the request of any of the Parties within five (5) business days.

(c) Treasurer's Initiation of Annual Audit. The Authority's Treasurer, within one hundred twenty (120) days after the close of each fiscal year, must ensure that all financial activities for such fiscal year have been accurately recorded and must ensure that the annual

audit has been commenced and is proceeding without undue delay, unless the governing bodies of both CUTLER and OROSI have expressly authorized otherwise for that particular fiscal year which recently closed.

27. Contributions. The Parties may in the appropriate circumstance when required hereunder: (a) make contributions from their treasuries for the purposes set forth herein; (b) make payments of public funds to defray the cost of such purposes; (c) make advances of public funds for such purposes, such advances to be repaid as provided herein; and/or (d) if specifically authorized by the Parties in writing, and for a particular purpose, use their respective personnel, equipment or property in lieu of other contributions or advances. Under no circumstances will the Parties be obligated to make contributions or payments to the Authority or the Authority's contractors for any expenses for the consolidated SWTP if such expenses are not included in the Authority's approved annual budget.

28. Credit to the Parties. All accounts or funds created and established pursuant to any instrument or agreement to which the Authority is a party, and any interest earned or accrued thereon, shall inure only to the benefit of the Parties to this Agreement in the respective proportions to their ownership interest in all of the real property and improvements of the consolidated SWTP, insofar as that Party's required payments or contributions to the Authority under this Agreement are not past due.

29. (a) Imposition and Administration of Fees and Costs. The Authority shall have the right to impose upon and collect from each of the Parties, based upon a monthly billing period, the total cost properly determined by the Authority for that Party's actual proportional share of operation and maintenance of the consolidated SWTP, but only to the extent such operation and maintenance costs are within the Authority's approved budget, as amended from time to time. The Parties shall be charged and must pay the budgeted operation and maintenance charges in direct proportion to the metered amount of water delivered to each such Party receiving treated water from the consolidated SWTP. The Authority shall also charge and collect the budgeted operation and maintenance charges from the public entities receiving water service from the Authority as identified in **EXHIBIT A** and all other third-party users in direct proportion to their metered use or otherwise as duly allocated to each such person/entity. The foregoing amounts shall be subject to post-fiscal year true-up.

(b) Maintenance and Operation. The term "**maintenance and operation**" as used herein shall mean the repair and upkeep made necessary by ordinary use and operation of the of the consolidated SWTP, within the Authority's approved budget. Actual annual operational and maintenance costs shall be defined as including all: labor costs, such as salaries and wages, including overtime and premium pay, health and welfare, and all fringe benefits; all general operating expenses; education and travel allowances; buildings, grounds

and equipment maintenance; capital outlay expenses; accounting expenses; collections, enforcement and other legal expenses; and incidental expenses for insurance and special charges. In addition, such costs shall include the pro-rata share of direct and indirect charges for overhead representing actual costs of service.

(c) Under no circumstances will the Parties be obligated to make contributions or payments to the Authority or the Authority's contractors for any expenses for the consolidated SWTP if such expense(s) is not included in the Authority's approved annual budget, as amended from time to time.

(d) Pro-Rata or Proportionate Share. By default, the Parties' pro-rata and proportionate share shall be determined by the proportion of metered water received by each Party, after subtracting each and all payments or service charges allocated of all users who are not a Party to this Agreement, if any.

30. Changes in Number of Connections. The Parties hereby agree to advise each other by the 25th day of each month of any changes in the number of connections to their respective water distribution systems. In addition, by July 1st and January 1st of each year the Parties must provide to the Authority a certified summary of billing units by category of use. This monthly reporting must include changes in the number of connections as a result of any extraterritorial service agreement between a Party and customer outside of its normal service area.

31. Surface Water Capital Reserve Fund. The Parties hereby agree to incorporate into their respective rate structure appropriate provisions for depreciation as required by federal and State revenue program guidelines or as required by the Authority should federal and State revenue program guidelines eliminate the requirements for a depreciation set aside fund. Said fund shall include each entity's pro-rata share of the consolidated SWTP and each entity shall accumulate and utilize such funds in accordance with the aforementioned guidelines. Funds accumulated by each Party in their respective Surface Water Capital Reserve Fund shall be retained by such Party until such times as said funds may be required for major repair and capital improvements expenses as outlined in this Agreement. Each Party must not use said funds for any other purpose other than as outlined in this Agreement and must not borrow against said funds.

32. Major Repairs and Capital Improvement Expenses. Each Party hereby agrees to pay its half (i.e. 50/50 split) and share of major repairs and capital improvement expenses, as specified in the Authority's approved budget, based upon design parameters of the consolidated SWTP. In the event that major repair and capital improvement expenses are included in a preliminary budget as prepared by the Authority, then sufficient advance notice by the Authority to the Parties must be provided in order for the Parties to include their pro-rata share in their respective budgets. Where such expenses may be defrayed from

accumulated depreciation funds collected in a Party's Surface Water Capital Reserve Fund, then such Party must make payments upon thirty (30) days notice by the Authority of its award of a contract for such work or completion thereof by forced account. In the event that a Party is unable to defray such expenses from accumulated depreciation funds in its Surface Water Capital Reserve Fund, then such Party must make such arrangements for payments of its pro-rata share as are satisfactory to the Authority.

33. Procedure for Collection and Charges Imposed for Facility Use.

Each Party shall, based upon the charges set by the Authority, impose and collect said charges and remit them to the Authority on a monthly basis. The amount set by the Authority must be based upon the total volumetric use of each of the Parties and users, as determined through metering figures. Payments must be remitted to the Authority within thirty (30) days following the end of the service month for which the charge is billed.

34. Net Contract. It is understood and agreed that this Agreement, including the Parties' obligation to pay all fees, costs and charges described herein, shall be deemed and construed to be a "net contract", except that the Authority may not immediately invoice the Parties for expenses of consultants and contractors that are not yet included in the approved annual budget, but may invoice the Parties after said expenses have been added by amendment to the Authority's annual budget. The Parties agree that such payments shall be an absolute net return to the Authority, free and clear of any expenses, charges or setoffs each of Parties may claim against the Authority or any third party including each of the Parties' customers.

VI. LIABILITY AND INDEMNIFICATION

35. Authority As Tenant of Facility: The Authority shall take full possession of the consolidated SWTP, and the improvements and fixtures thereon, and shall be fully responsible for the O&M thereof, and for any contractual and/or tort liability arising from the use or operation thereof and premises upon which the consolidated SWTP is located.

36. Limitation on Parties' Liability. The Parties shall not be liable at any time for any loss, damage or injury to property or any person whomsoever, arising out of any acts or omissions by the Authority in carrying out its management, operation and maintenance of the consolidated SWTP. This section shall not limit the Authority's ability to seek an injunction or other equitable or legal remedies against any Party or person so as to prevent the unauthorized use of surface water treated at the consolidated SWTP.

37. Obligations of the Authority; Indemnification from Debt Liabilities. The debts, liabilities and obligations of the Authority shall be the debts, liabilities and obligations of the Authority alone and shall not be binding upon, the Parties. Should any debt, liability or

obligation of the Authority not be waived or allowed payable through assets of the Authority, the Parties shall each not be liable therefore. The Authority shall protect, indemnify and hold each of the Parties safe and harmless from any and all debts or liabilities whatsoever arising out of or in connection with the Authority's operation, management and maintenance of the consolidated SWTP or any of the Authority's day to day activities.

38. Authority's Indemnification of Parties for Tort Liability. Notwithstanding anything to the contrary in this Agreement, and irrespective of any insurance carried by the Authority, the Authority shall protect, defend, indemnify and hold safe and harmless each of the Parties, their respective elected and appointed officials, officers and employees from and against any and all liabilities, damages, loss, cost, claims, expenses, actions or proceedings of any kind or nature caused by officers of or staff employed by the Authority including, without limitation, injury or death of any person, injury or damage to any property, including consequential damages and attorneys' fees and costs, resulting or arising out of or in any way connected with the alleged willful or negligent acts or alleged failure to act in the course and scope of carrying out their responsibilities in the performance of their duties to the Authority.

39. Insurance. The Authority shall obtain liability insurance containing limits of liability no less than such amount as the Parties jointly agree to be necessary to cover the risk of liability incurred by the activities of the Authority. Each Party and its elected and appointed officials, officers and employees shall be named as an additional insured for said liability insurance. Whenever the Authority has employees, the Authority must cover all its employees with workers' compensation insurance.

40. Mutual Indemnification Between the Parties. In lieu of and notwithstanding the pro-rata risk allocation which might otherwise be imposed between the Parties pursuant to Government Code § 895.6, the Parties agree that all losses or liabilities incurred by any of the Parties shall not be shared pro-rata, but instead the Parties agree that pursuant to Government Code § 895.4, each of the Parties hereto shall fully indemnify, hold harmless and defend the other party, its officers, governing body members, employees and agents, from and against any claim, expense, cost, damage or liability occurring by reason of the negligent acts or omissions or willful misconduct of the indemnifying Party, its officers, governing body members, employees or agents, arising out of or in connection with any work, activity, authority or jurisdiction under the scope of this Agreement. No Party, nor any officer, governing body member, employee or agent thereof shall be responsible for any damage or liability occurring by reason of the negligent acts or omissions or willful misconduct of any other Party hereto, its officers, governing body members, employees or agents.

41. Limitation on Authority's Liability for Parties' Distribution Systems. The Authority shall not be liable at any time for any loss, damage or injury to the property or person whomsoever or to any fines or punitive actions at any time occasioned by or arising out of any acts or omissions by any of the Parties in the distribution of water obtained from the consolidated SWTP, or in the ownership, management, operation and maintenance of the distribution system within the jurisdiction of any of the other Party. Notwithstanding anything to the contrary in this Agreement, and irrespective of any insurance carried by any of the Parties, each of the Parties hereby agree to protect, indemnify and hold the Authority harmless from any and all damages and liabilities whatsoever arising in connection with their receipt of water from the consolidated SWTP or their ownership, maintenance, management and operation of their respective distribution systems within their respective boundaries. Each of the Parties must take all reasonable steps to include the Authority and its officers and employees as additional insureds on all insurance policies held by each of the Parties.

42. Privileges and Immunities from Liability. The provisions of Government Code § 6513 are hereby incorporated into this Agreement by reference.

43. Fines and Penalties Arising From Parties' Breach. In the event that any Party violates any of the terms of this Agreement, and as a result of said violation, the Authority violates its regulatory requirements and is fined or receives any penalties from any State or federal regulatory entity having jurisdiction over the consolidated SWTP and its operations, then said Party hereby agrees to protect, indemnify and hold the Authority safe and harmless from all such fines and penalties.

44. All indemnification obligations in this Agreement shall continue beyond the term or expiration of this Agreement as to any acts or omissions occurring under this Agreement or any extension of this Agreement.

VII. OWNERSHIP INTERESTS

45. Unless otherwise agreed in a writing signed by each Party, each Party shall separately own a fifty percent (50%) interest in all of the real property and improvements of the consolidated SWTP, including all of the fixtures and equipment used to operate the consolidated SWTP. Such ownership necessarily includes any fixtures subsequently added by the Authority.

46. All plant capacity in the consolidated SWTP shall be separately vested as follows: fifty percent (50%) in CUTLER; and fifty percent (50%) in OROSI.

47. All personal property, including any valuable byproducts produced, owned or held by the Authority shall be deemed to be held solely in trust by the Authority for the sole benefit of the Parties, in the same proportions specified in this Agreement for the Parties' ownership of fixtures and equipment used to operate the consolidated SWTP.

48. The Authority shall not be authorized to acquire any beneficial fee ownership in the real property or personal and intellectual property utilized by the consolidated SWTP, and the title to each and all portions real property held by the Authority, if any, shall be deemed to be held solely in trust by the Authority for the sole benefit of the Parties, in the proportions specified in this Agreement for real property and improvements of the consolidated SWTP. Title to any and all real property acquired by the Authority by means of eminent domain must promptly be conveyed to the Parties who shall hold it as tenants in common (in the same proportions specified in this Agreement for the Parties' ownership of fixtures and equipment used to operate the consolidated SWTP) and until it is conveyed the Authority's holding of title thereto shall be solely in trust for the Parties.

VIII. TERMINATION AND DISPOSITION OF PROPERTY

49. This Agreement shall remain in full force and effect until the expiration of its term or until such earlier time as one or more Parties hereof terminate this Agreement. Unless otherwise expressly agreed, termination of this Agreement shall not alter the accrued rights, benefits and obligations of the Parties existing at that time. Existing joint operations shall be terminated or amended in an orderly manner as soon as practicable or upon terms mutually agreed upon by the Parties.

50. Distribution of Assets Owned Only By Authority. Upon termination of this Agreement, any assets beneficially owned by the Authority after payment of all liabilities, costs, expenses and charges incurred under this Agreement shall be distributed to whichever public entity or entities shall assume responsibility for collection, treatment, reclamation and/or disposal of sanitary surface water and similar surface waters within the Parties' boundaries, to be used solely for such purposes, or if none, to the Parties hereto in the ownership proportions specified by this Agreement.

51. Disposition of Assets Not Owned by Authority. Upon termination of this Agreement, all property not beneficially owned by the Authority, both real and personal, shall be divided among the Parties hereto in proportion to their ownership interest in the consolidated SWTP.

IX. GENERAL TERMS

52. Compliance With Law: The Authority shall provide services in accordance with applicable federal, state, and local laws, regulations and directives. With respect to the Authority's employees, the Authority must comply with all laws and regulations pertaining to wages and hours, state and federal income tax, unemployment insurance, Social Security, disability insurance, workers' compensation insurance, and discrimination in employment.

53. Governing Law: This Agreement shall be interpreted and governed under the laws of the State of California without reference to California conflicts of law principles. The Parties agree that this contract is made in and shall be performed in the County of Tulare, State of California.

54. Notices:

(a) Except as may be otherwise required by law, any notice to be given shall be written and shall be either personally delivered, sent by facsimile transmission or sent by first class mail, postage prepaid and addressed as follows:

OROSI:

Maria Elena Vidaña, District Manager
OROSI PUBLIC UTILITY DISTRICT
12488 Avenue 416
Orosi, California 93647
559-528-4262
559-528-2770 – Fax

With A Copy To:

Moses Diaz, District Counsel
PUBLIC INTEREST LAW FIRM
A Professional Corporation
2924 West Main Street
Visalia, California 93291
559-900-3500
559-900-3555 – Fax

CUTLER:

General Manager
CUTLER PUBLIC UTILITY DISTRICT
40526 Orosi Drive
Cutler, California 93615
559-528-3859
559-528-1919 – Fax

J. Patrick Sullivan, District Counsel
SULLIVAN & SULLIVAN PLC
505 North West Street
Visalia, California 93291
559-741-2860
559-741-2864 – Fax

(b) Notice personally delivered is effective when delivered. Notice sent by facsimile transmission is deemed to be received upon successful transmission, only if accompanied by a legible fax transmission report. Notice sent by first class mail shall be deemed received on the **fifth** day after the date of mailing. Either party may change the above address by giving written notice pursuant to this paragraph.

55. Dispute Resolution: If a dispute arises out of or relating to this Agreement, or the breach thereof, and if said dispute cannot be settled through negotiation, the Parties agree first to try in good faith to settle the dispute by non-binding mediation before resorting to litigation or some other dispute resolution procedure, unless the Parties mutually agree otherwise. The mediator shall be mutually selected by the Parties, but in case of disagreement, the mediator shall be selected by lot from among two nominations provided by each Party. All costs and fees required by the mediator shall be split equally by the Parties, otherwise each Party shall bear its own costs of mediation. If mediation fails to resolve the dispute within thirty (30) days, either Party may pursue required claims and then litigation to resolve the dispute.

56. Construction: This Agreement reflects the contributions of all undersigned Parties and accordingly the provisions of Civil Code section 1654 shall not apply to address and interpret any alleged uncertainty or ambiguity.

57. Headings: Section headings are provided for organizational purposes only and do not in any manner affect the scope, meaning or intent of the provisions under the headings.

58. No Third-Party Beneficiaries Intended: Unless specifically set forth, the Parties to this Agreement do not intend to provide any other person or entity with any benefit or enforceable legal or equitable right or remedy, except to the extent that the Authority is expressly authorized to pursue an equitable remedy.

59. Waivers: The failure of either Party to insist on strict compliance with any provision of this Agreement shall not be considered a waiver of any right to do so, whether for that breach or any subsequent breach. The acceptance by either Party of either performance or payment shall not be considered to be a waiver of any preceding breach of the Agreement by the other Party.

60. Exhibits And Recitals: The recitals and the exhibits to this Agreement are fully incorporated into and are integral parts of this Agreement.

61. Conflict With Laws or Regulations/Severability: This Agreement is subject to all applicable laws and regulations. If any provision of this Agreement is found by any court or other legal authority, or is agreed by the Parties to be, in conflict with any code or regulation governing its subject matter, only the conflicting provision shall be considered null and void. If the effect of nullifying any conflicting provision is such that a material benefit of the Agreement to either Party is lost, the Agreement may be terminated at the option of the

affected Party. In all other cases the remainder of the Agreement shall continue in full force and effect.

62. Entire Agreement Represented: This Agreement represents the entire agreement between the Parties as to its subject matter and no prior oral or written understanding shall be of any force or effect. No part of this Agreement may be modified without the written consent of both Parties.

63. Amendments: This Agreement may be amended or supplemented by an agreement in writing and executed by the authorized representatives of the parties hereto as authorized by resolution of the legislative bodies of the respective parties hereto.

64. Further Assurances: Each party will execute any additional documents and perform any further acts which may be reasonably required to effect the purposes of this Agreement.

65. Successors. This Agreement shall be binding upon and shall inure to the benefit of the successors of the Parties, respectively. No Party may assign any right or obligation hereunder without the written consent of all of the other Party.

THE PARTIES, having read and considered the above provisions, indicate their agreement by their authorized signatures below.

[SIGNATURES ON NEXT PAGE]

//

CUTLER PUBLIC UTILITY DISTRICT

Bernardino Lopez, Board President (date) Martha Lowery, Secretary (date)

As to form:

J. Patrick Sullivan, Esq. (date)

OROSI PUBLIC UTILITY DISTRICT

Alex Marroquin, Board President (date) Maria Elena Vidana, Board Secretary (date)

As to form:

Moses Diaz, Esq. (date)

CUTLER-OROSI SURFACE WATER PLANT AUTHORITY

_____, Board President (date) _____, Board Secretary (date)

As to form:

James Koontz, Esq. (date)

EXHIBIT A
(Specifications)

TOTAL CAPACITY: 4,450 gallons per minute

CAPACITY ALLOCATIONS (as of January 1, 2024)*

Orosi PUD: 54 % **

Cutler PUD: 46 % **

* Use of capacity allocation may change on the 25th of each month, based upon reported AF of each of the Parties or other participating entities for the prior period.

** Percentages shown reflect including capacity for the East Orosi Community Services District with that of the Orosi Public Utility District and a proportional split of the balance of the capacity between the Orosi Public Utility District and the Cutler Public Utility District. Capacity is only allocated for permitted Serving Utilities.

EXHIBIT B
(Minimum Requirements of Water Ordinance)

1. Basis for and payment of capacity rights fees;
2. Basis for and payment of use fees;
3. Basis for delinquency action related to non-payment of use and depreciation billings;
4. Inventory and inspection of all installed water fixtures;
5. Backflow prevention device installation, testing and repair/replacement;
6. No increase in fixture unit demand or installed fixtures without written application and approval;
7. No agricultural water use; and
8. Basis for enforcement and procedures related to waste and unreasonable use of available water supply.

EXHIBIT C
(Milestones)

1. 2024 – Approval of applications for funding to SWRCB/USDA for Project design;
2. 2024 – 30% Plans and Specifications;
3. 2025 – 60% Plans and Specifications;
4. 2026 – 100% Plans and Specifications;
5. 2026 – Funding Agreements and Bidding; and
6. 2028 – Construction Notice of Completion and Start-up.

EXHIBIT D
(Improvements)

1. Turnout structure, intake moss screen, meter and pipeline from Friant-Kern Canal;
2. Clarifier;
3. Water Filters;
4. Electrical power, power distribution and control systems;
5. Operation and SCADA systems for turnout structure and plant areas;
6. Treated water storage tank;
7. Tanks associated with treatment process including backwash;
8. Chemical storage and delivery/injection facilities;
9. Multiple pumps, valves and pressure controls;
10. Hydropneumatic tanks for system pressurizing;
11. Office and repair shop;
12. Emergency back-up electrical generators;
13. Outdoor lighting system;
14. Security systems for turnout structure and plant areas;
15. Sludge drying and storage facilities;
16. Site drainage and fencing;
17. Treated water distribution pipelines to Cutler, East Orosi and Orosi; and
18. Master meter, recording and data storage equipment and facilities.

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