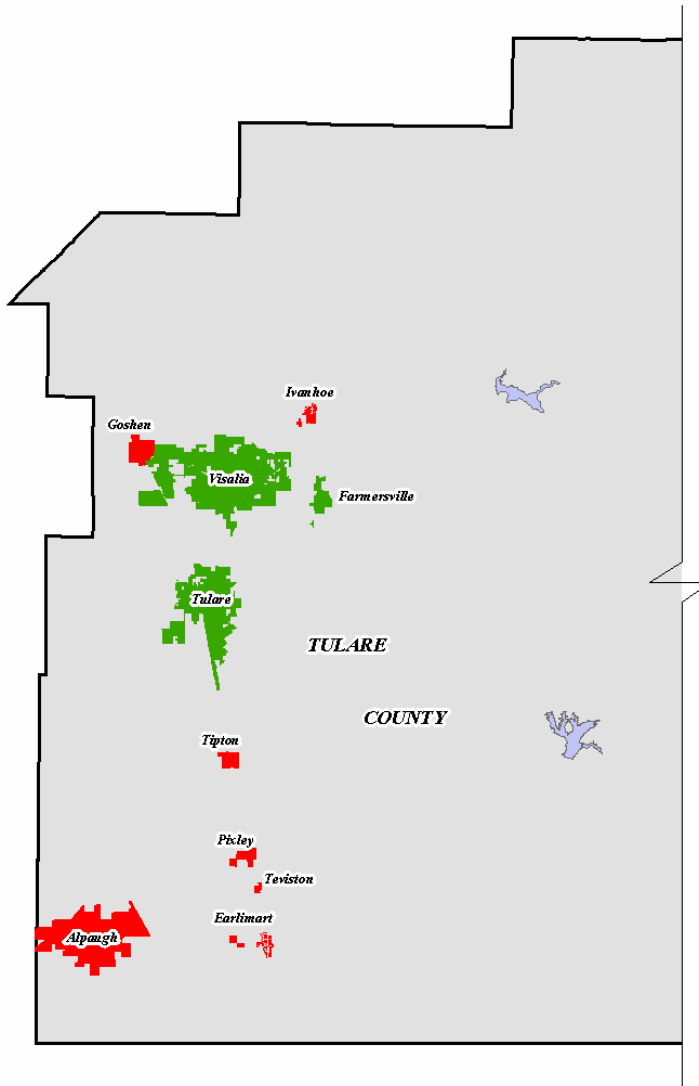




Tulare County LAFCO

Tulare County LAFCO



Includes Cities of:

Visalia
Farmersville
Tulare

And Communities of:

Goshen
Earlimart
Ivanhoe
Pixley
Tevison
Tipton
Alpaugh

Group 1

Municipal Service Reviews

FINAL REPORT
(MARCH 2006)

**MUNICIPAL SERVICE REVIEWS
GROUP 1 CITIES AND SPECIAL DISTRICTS**

FINAL REPORT

**Prepared For:
TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION**

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LAFCO Resolution 06-010**

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CHAPTER 1 – CITY OF VISALIA MUNICIPAL SERVICE REVIEW

EXECUTIVE SUMMARY

This section provides an overview of the written determinations findings of the Visalia Municipal Service Review. As part of its review of municipal services, LAFCO is required to prepare a written statement of its determination with respect to each of the following: 1) Growth and population projections for the affected area; 2) Infrastructure needs and deficiencies; 3) Financing constraints and opportunities; 4) Cost avoidance opportunities; 5) Opportunities for rate restructuring; 6) Opportunities for shared facilities; 7) Government structure options; 8) Evaluation of management efficiencies; and 9) Local accountability and governance. These requirements are established by the AB 2838, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. The Visalia MSR identifies the following written determinations.

Written Determinations

1) Growth and Population

Population

1. Based upon Census 2000 data, the City of Visalia had an incorporated land area of approximately 28 square miles, approximately 32,650 housing units, and a total population of 91,565.
2. Based upon population projections available from the California Department of Finance, the City had a population of approximately 107,550 as of January 2005.
3. Available data indicates that the City experienced an average annual population growth rate of approximately 1.9% between 1990 and 2000, and 3.3% between 2000 and 2005. Assuming the City's population will continue to grow at an average annual growth rate of approximately 3.0%, the City can expect a year 2025 population of approximately 194,250.
4. Using an annual average growth rate of 3.0% results in a year 2020 population of 167,559 and a 2025 population of 194,247, compared to the year 2020 General Plan Land Use Element estimate of 165,000. Based upon these comparisons, it is concluded that the General Plan Land Use Element provides reasonable estimates of the City's population at General Plan build-out, projected to occur by year 2020.

Planning Boundaries

1. Visalia's *General Plan Land Use Element* establishes planning boundaries including a UAB, UGB, and UDB's to help establish a timeline for establishing urban development areas.
2. While the City's *General Plan Land Use Element* associates the SOI with the UAB, this is not consistent with a SOI as defined by Tulare County LAFCO. As defined by LAFCO, a SOI would be more representative of Visalia's definition of a UGB. A City's SOI should generally extend beyond or be coterminous with a City's UGB, and inside a City's UAB, which is not currently the case with the City of Visalia.

Land Use Findings

1. The City's *General Plan Land Use Element*, in addition to the preparation of Specific Plans provides for the logical and reasonable growth and development for the City of Visalia.
2. The City plans future development through the preparation, adoption, and implementation of Specific Plans. Specific Plans address the distribution of land uses, the location and sizing of supporting infrastructure, methods of financing public improvements, and standards of development for a specific planning area boundary. To date, the City of Visalia has adopted eight Specific Plans. The City requires specific plans to be approved for community centers prior to development.
3. There is adequate land zoned for residential development within the City's current UGB to accommodate residential growth through the year 2020.
4. In December 2005, the City adopted a comprehensive update to their *General Plan Housing Element* which was previously updated in 1993. Regular updates to the *General Plan Housing Element* assist in maintaining consistency between the *General Plan Housing Element* and changing economic conditions that affect housing supply and/or needs.
5. The City's *General Plan Land Use Element* provides for adequate land zoned for retail commercial and office within the City's UGB.
6. The *Visalia Industrial Park Implementation Plan* establishes a study area which lies totally within Visalia's UAB, but portions of which are outside the City's UDB, UGB, SOI, and City Limits. The boundaries of the study area were designed to make sure jurisdictional issues between the City and County were addressed. The City will need additional land zoned for industrial uses to accommodate future expansions of the industrial park area.
7. The *Visalia Industrial Park Implementation Plan* provides for Master Planned growth within the northwest industrial area, including land use, public utilities, traffic and circulation, economic analysis, financial planning, and environmental documentation.

Annexations

1. Since 1996, Visalia has successfully annexed over 3,000 acres of land into the City.
2. There are almost 20 "islands" (developed and undeveloped) within the City Limits, in which services are currently provided by Tulare County. Visalia has some infrastructure in place in many of the developed islands, anticipating ultimate connection to their services.
3. California SB 1266, effective January 1, 2005, amended AB 1555 by expanding the maximum area for island annexations from 75 to 150 acres. All other provisions of the current law will remain unchanged.
4. The *Visalia Industrial Park Implementation Plan* concluded that there is an immediate need to annex between 25 and 225 acres of land (for industrial development), and that priority be given to annexation of unincorporated areas south of Goshen Avenue, land which is currently within Visalia's SOI.

Potential SOI Updates

1. The City's SOI should generally extend beyond or be coterminous with the City's UGB, and inside the City's UAB, which is not currently the case with the City of Visalia. At a minimum, the City's SOI should be updated to encompass land within the City's UGB.
2. The ultimate development potential of Visalia's industrial park would require the expansion of the current SOI to include the area generally bounded by Shirk Road, Road 68, Avenue 312, and Avenue 320.

2) Infrastructure Needs & Deficiencies

Water

1. The City of Visalia contracts with California Water Service (Cal Water), a private water service provider, to serve the City with potable water and fire protection use. The Cal Water Visalia District primarily serves the City of Visalia, the community of Goshen to the west, and several unincorporated areas adjacent to the City of Visalia. It should be noted that Cal water is not subject to a SOI determination, and therefore has been identified as being exempt from the municipal service review requirement.
2. Based upon data available from the California Department of Water Resources, Cal Water has not complied with the Urban Water Management Planning Act for the 2000 requirement. Cal Water has until December 2005 to comply with the 2005 requirement. The Cal Water Visalia District Manager indicated that an Urban Water Management Plan was submitted to the California Department of Water Resources, and was adopted in June 2004. It is recommended that Cal Water work to comply with the requirements of the Urban Water Management Planning Act.
3. The Cal Water Visalia District completed a comprehensive Water Supply and Facilities Master Plan (Boyle Engineering) in February 2005. The master plan program is intended to proactively address the service needs of the existing customers in light of potential water quality and quantity issues as well as address expansion to the system to meet projected future growth. The master plan has a study area consistent with the City's UGB.
4. The City is in a watershed where the groundwater supplies (from the Tulare Lake Basin) are over-drafted, which means more water is being withdrawn from the ground for use than is being replenished. The City has been actively involved in seeking and implementing ways to mitigate the impacts of groundwater overdraft.
5. In August 2005, the City adopted a groundwater overdraft mitigation ordinance which assesses impact fees upon new development and a volumetric fee upon existing urban water supplies to fund activities and projects to mitigate the impacts of groundwater overdraft. These efforts demonstrate the City's ability to continue to implement long term water supply solutions even through they are not the direct supplier of domestic water to City residents.
6. The City of Visalia has a capital improvement fund set up for underground water recharge efforts. Funds are used for the acquisition of water, and other activities to improve groundwater levels, and increase the supply of water to the City.

7. The City's Municipal Code contains a *Water Conservation Ordinance* which outlines specific policies pertaining to the conservation of potable water. Employees of California Water Service Company are authorized by the ordinance to issue written notices of violations, but are not authorized by law to issue citations for violations. The City's *Water Conservation Ordinance* is available on the City's website.
8. Despite the fact that the City is not the direct domestic water supplier for its residents the City continues to make significant efforts to ensure that the long term water supply needs of the City continue to be addressed. City officials have indicated that they are studying the feasibility of various alternatives of implementing a City owned domestic water system.

Drainage Infrastructure

1. The City continues to expand and improve its drainage infrastructure as new development occurs within the City. The City accomplishes this through development fees (for new drainage facilities), and a drainage utility fee of \$0.75 per month for all developed properties (for maintaining existing facilities).
2. The City has a Master Planned storm drain system that is anticipated to meet drainage infrastructure needs through the build-out of the General Plan. The *Storm Water Master Plan and Management Program* addresses future facility expansion needs to accommodate growth within the City's UGB.
3. The City of Visalia has two capital funds set up for storm sewer improvements, one for new facilities, and one for correcting existing deficiencies as outlined in the *Storm Water Master Plan and Management Program*.

Wastewater Collection, Treatment and Disposal

1. The City continues the process of upgrading and replacing sewer collection pipelines through the implementation of the *Sewer System Master Plan*. The *Sewer System Master Plan* is a long range plan that identifies trunk lines that would ultimately serve the City's UAB.
2. The City has a comprehensive capital improvement program that appropriates funds to construct sewer infrastructure projects on an annual basis.
3. The *Sewer System Master Plan* indicates that many trunk sewers are nearing capacity, and the maintenance of these lines is essential to provide the designed flow capacities. The Master Plan recommends that the City develop a sanitary sewer maintenance program that includes cleaning pipes on a regular basis.
4. The City continues to upgrade the wastewater treatment plant through the implementation of the *Wastewater Treatment Master Plan Update*. The City has budgeted \$1,000,000 annually to carryout upgrades associated with NPDES discharge regulations. Continual upgrades of the wastewater treatment plant will be necessary to accommodate future growth.
5. Improvements to the VWCP have increased the plant's hydraulic capacity to 22 MGD, the BOD₅ capacity to 103,229 lbs/day, and the SS capacity to 148,068 lbs/day. The current permit in which the VWCP is operating under, which prescribes a maximum average daily dry weather flow of 16 MGD, expired on March 1, 2002. The City has submitted a renewal application for the NPDES permit, which is pending action from the RWQCB. The City has

been directed by the RWQCB to continue operating under the expired permit until a new permit is issued by the Board. The City anticipates that the renewed permit will allow for a maximum flow of 22 MGD.

6. As of August 2004, the average dry weather flow into the treatment plant was 12.5 MGD, resulting in a reserve design capacity of approximately 9.5 MGD. The Goshen CSD contracts with the City of Visalia for wastewater treatment services, and has current (December 2005) contracted capacity of 335,000 GPD. As of November 2005, Goshen was contributing a flow of 315,000 GPD to the VWCP.

Streets and Roads

1. The City continues the process of upgrading and replacing roads and streets through the implementation of its comprehensive capital improvement program that appropriates funds to construct transportation infrastructure projects on an annual basis. Currently, the City has four capital funds which are allocated to annual transportation improvements.
2. The City coordinates closely with the Tulare County Association of Governments (TCAG) and Caltrans to obtain funding for transportation improvement projects.
3. The City's *General Plan Circulation Element* provides a comprehensive policy base for improving the City's transportation system.
4. The Tulare County Regional Transportation Plan provides a link between local (City) and regional (County) transportation needs. The Regional Transportation Improvement Program (RTIP), which qualifies projects for the State Transportation Improvement Program (STIP), is consistent with the RTP, and serves as the implementing document.
5. Due to the State budget crisis, several projects programmed to receive STIP funding have been significantly delayed, and therefore, the City has had to prioritize which transportation projects to construct based on immediate needs, and funding shortages.
6. The 2003 public opinion survey conducted by the Citizens Advisory Committee indicates that residents were generally more satisfied with City services except for street and road maintenance, which residents were less satisfied with compared to previous years. In addition, respondents rated street and road maintenance as the most important City service besides police and fire. These results indicate that the City may need to focus more on these issues in future years.
7. The City Council recently adopted a major policy change in the way that the City's arterial and collector streets are funded and constructed. Under the new policy, the City will now have the financial responsibility for all portions of arterial and collector streets. If these streets are built by developers, they will be reimbursed the entire cost of construction. In exchange, the City significantly raised its traffic impact fees for new development. The City anticipates that the new policy for constructing streets will provide the funding capability to respond to the public's major traffic concerns in a more timely fashion.

Fire and Police Protection Services

1. The City of Visalia operates four fire stations staffed 24 hours a day, 365 days a year, and responded to 7,849 calls in 2003.

2. The City of Visalia currently staffs 124 full time sworn officers, and 53 non sworn positions. The City's police force also includes 11 reserve officers, 52 volunteers, and 8 chaplains. With a current (January 2005) jurisdictional population of 107,550, the VPD has a sworn police officer to population ratio of approximately 1:870. The VPD responded to a total of 99,820 calls in 2004.
3. Through capital improvement funds and general fund allocations, the City of Visalia continues to meet the public safety needs of its residents.
4. The residents of Visalia voted to pass Measure T, a local ¼ cent sales tax increase effective July 1, 2004, which provides a secure, local revenue stream to the City which is used entirely to provide additional police and fire personnel and services to protect the community.
5. The City requires developers to pay public safety impact fees prior to the issuance of any building permits. The fees vary based upon type of service (police and fire), and proposed land use. The fees collected are allocated to fund capital improvements to police and fire protection facilities.
6. The City has steady revenue streams (Measure T revenues & development impact fees) that can be used to expand public safety services to accommodate future growth.
7. The City recently purchased 5 acres of land at the southeast corner of Shirk Road and Ferguson Avenue for the purpose of sitting a new fire station and a training facility, and is actively looking for an appropriate site in the southeast quadrant of the City for another new station. Funding for these new stations comes from the proceeds of the Measure T sales tax (about 30%) and from the Fire Development Impact Fee (about 70%).
8. The City has purchased land for a new south side police precinct office at the corner of County Center Drive and Cameron Avenue, and site planning is under way.

Solid Waste

1. The City has ordinances in place that require residents to bag garbage, and recycle. This helps reduce the amount of solid waste transported to County landfills.
2. In 1989, the State of California passed the Integrated Waste Management Act. AB 939 required that all Cities and Counties implement programs to reduce landfill tonnage by 25% by the end of 1995, and 50% by the end of 2000. The eight Tulare County City's, which are involved in the Joint Power Authority, are currently at 44% diversion. The JPA has a time extension and plans to return to 50% diversion.
3. The City of Visalia salvages approximately 1,150 tons of recyclables and 2,500 tons of green waste per month, corresponding to 13,800 tons of recyclables and 30,000 tons of green waste annually. The City disposes approximately 8,500 tons of recyclables and garbage each month, corresponding to an annual disposal tonnage of 102,000 tons, or approximately 1,000 tons per capita per year.
4. The City is contracted with Sunset Waste Paper to process residential and commercial recycling from residential split trucks and commercial recycling routes. The City is also

contracted with Tulare County Compost and Bio-Mass, to process residential and commercial green waste.

5. The City has in place several programs including “Curbside Pick Up”, “Dump on Us” days, the annual “Trash-A-Thon”, the annual “Fall Drop Off”, and the annual “Christmas Tree Pickup” which are provided free of charge to Visalia residents.
6. The potential privatization of the City’s solid waste operations was studied, and subsequent to the study, it was determined that it would be in the City’s best interest to continue its solid waste operations and not privatize them at this time.

3) Financing Constraints and Opportunities

1. The City prepares an award-winning annual budget that clearly and comprehensively describes the services provided by the City to residents and the funds expended for those services.
2. The City prepares its annual budget on a two year cycle, thereby reducing administrative costs associated with preparing comprehensive budgets on an annual basis. The two year budget includes a mid-cycle review in June, and two midyear reviews each January.
3. The City recognizes the need to offset revenue losses resulting from the State budget crisis, and continues to develop strategies to offset these losses. An example would be the passage of Measure T, a ¼ cent increase in local sales tax, revenue that is to be used for expanding the City’s public safety services.

4) Cost Avoidance Opportunities

Fiscal Structure

1. The City uses conservative budgeting practices to ensure adequate and cost-effective services to current residents.
2. The City’s two year budget cycle provides for an excellent short-term fiscal planning tool while reducing the amount of time and resources associated with the preparation of annual budgets.
3. Master planned infrastructure helps the City in avoiding unnecessary costs through effective planning and implementation policies, and help eliminate overlapping and/or duplicative services.
4. The City’s developer impact fee program has proven effective in reducing the financial responsibility of the City to install and maintain the infrastructure for new developments.

Purchasing Policy

1. The City has a well defined purchasing policy that promotes healthy competition, and guides the City in obtaining cost effective quality services.

5) Opportunities for Rate Restructuring

Fee Structure

1. Rates and fees for services are established and updated using the City's budget process, ordinances and other regulations.
2. The City has a sound fee structure in place which allows the City to continue to provide cost effective services to its residents while continuing to maintain and improve the current infrastructure.
3. There is no evidence suggesting that the City would not be able to provide services to areas within the SOI and UGB for fees consistent with citywide fees for such services.

6) Opportunities for Shared Facilities

Current Facilities Sharing Activities

1. The City continues to look for opportunities to construct joint use projects, and opportunities for shared services. The City has demonstrated this effort with the completion of many projects in cooperation with the County, and by sharing services with local and surrounding jurisdictions.

Future Opportunities

1. The City has several future opportunities to share services and/or facilities in the future, including but not limited to: groundwater recharge efforts, recreational facilities, and the sharing of office buildings.

7) Government Structure Options

Development within SOI Areas

1. Since development of properties within the SOI/UGB generally relies on Master Planned infrastructure available from the City, it is logical for the City to assume the lead in planning for these sites, consistent with the City of Visalia General Plan.
2. The City has a sound governmental structure that provides necessary resources to provide public services and infrastructure improvements within the SOI/UGB areas.
3. Annexation of County islands into the City would create a more defined City Limit boundary while meeting or exceeding the current level of services provided by the County.
4. Coordinated infrastructure plans, for development within SOI/UGB areas, submitted with specific annexation requests would create a checks and balance system for incorporating lands into the City while promoting improvements to impacted adjacent County land.
5. Tulare County LAFCO has adopted specific policies for reviewing proposals for a change in organization, reorganization, incorporations, dissolution and other proposals processed by Tulare County LAFCO, including annexations, and SOI amendment proposals.

Boundary Conflicts

1. The City of Visalia governmental structure could be affected by the potential overlapping of boundaries with the Goshen Community Services District (which provides sanitary sewer collection service in the Goshen Community).
2. The City of Visalia has a Wastewater Service Agreement with the Goshen CSD, which sets forth specific criteria with regard to wastewater collection and treatment services within the boundary of each agency.
3. The agreement does not appear to address wastewater collection services within the Goshen CSD SOI, which in some areas overlaps with the City of Visalia SOI. Boundary conflicts and service provisions would ultimately be resolved between the City of Visalia, the Goshen CSD, and Tulare County LAFCO.

8) Evaluation of Management Efficiencies

1. The City has an effective organizational structure that is readily available to respond to the needs of the community.
2. There is no evidence indicating that the City's current management structure would not be able to assume services within the SOI/UGB areas, and/or continue to assist other agencies through mutual aid agreements.
3. The City ensures that services can be efficiently provided in the SOI/UGB areas through the preparation of master service plans that include funding mechanisms for infrastructure that will ultimately serve the SOI/UGB areas.
4. As a part of the budget process, the City evaluates the accomplishments during the previous budget cycle, and also outlines specific objectives for the following budget cycle. This is done for each department at the division and/or bureau level.

9) Local Accountability and Governance

1. The City continues to make reasonable efforts to maintain public involvement regarding land use and development projects in the community. The City accomplishes this through regular City Council meetings, newsletters, and website postings.
2. The City maintains a comprehensive website, which provides a means to keep the public informed on local events, current City projects, department budgets, recreational activities, and other activities occurring in the City.
3. The City conducts public workshops to keep the public involved with local planning issues including land use, housing, circulation, and other issues key to the development and growth of Visalia.
4. The City's budget preparation process gives residents the opportunity to review the services the City is providing, and the cost of those services. This type of accountability helps the City to identify services that are operating efficiently and areas where improvement may be needed within the organization.

1.0 CITY OF VISALIA

1.0.1 Background

In July 2003, the Tulare County Local Agency Formation Commission (LAFCO) Board adopted a Municipal Service Review (MSR) exemption policy, which identifies the agencies that would be subject to a review and the extent of that review. The agencies in Tulare County were divided into three (3) categories: agencies subject to a full comprehensive study; agencies subject to a questionnaire study; and agencies exempt from a MSR study. Each of the Cities in Tulare County shall be subject to full review. The policy further identifies that the services subject to review shall be:

- Police protection
- Fire protection
- Water and wastewater
- Solid waste collection and disposal
- Streets and traffic circulation
- Power generation and distribution
- Health Care

The City of Visalia, founded in 1852 and incorporated in 1874, is located within western Tulare County in the heart of the San Joaquin Valley. The City of Visalia operates under the Council-Manager form of government, and provides the following services that are subject to a municipal service review: public safety (police and fire protection), highways and streets, wastewater collection, treatment, and disposal, and solid waste collection. Although the City provides solid waste collection services, the solid waste landfills are owned and operated by Tulare County.

For the City of Visalia, domestic water service is not provided as a City operation, but is instead provided by California Water Service Company, a private water provider. Information has been obtained from California Water Service Company in order to review (to the extent possible) the domestic water service provided within the City of Visalia and associated Sphere of Influence (SOI) area. Similarly, power generation and distribution is provided by privately owned utility companies. The Southern California Edison (SCE) Company serves most of the cities within Tulare County, including Visalia. Review of the services provided by privately owned and operated utility companies is outside the scope of this MSR. It should also be noted that due to the unique nature of healthcare, review of this service has been specifically excluded from this report.

Historically, Visalia's economy has been based upon agriculture and related industries. In recent years, however, the City has broadened its economic base to include many diversified industrial enterprises including manufacturers of school yearbooks, business forms, metal products, electronic components and food and fiber processing plants. Visalia is the Tulare County seat and principal trading center for the County, which consistently ranks as one of the three most productive counties in the United States in terms of agricultural output. This economic growth has been accompanied by a significant increase in population and has established Visalia as a regional trading center serving an estimated 500,000 persons living within Tulare County, southern Fresno County, Kings County and northern Kern County. Over the past ten years, the City has averaged approximately 42% of the retail sales in Tulare County, while having about 27% of the population.

Incorporated cities surrounding Visalia include Farmersville to the east and Tulare to the south. Smaller size communities surrounding Visalia include Ivanhoe to the northeast, Goshen to the west and Tagus to the south. The current City Limit Boundary and the currently adopted SOI for the City of Visalia are illustrated on Figure 1-1. The following excerpt from the Tulare County LAFCO website (www.co.tulare.ca.us/lafco/info.asp) defines a SOI and the purpose it serves.

A “Sphere of Influence” is the physical boundary and service area that a local governmental agency is expected to serve. Establishment of this boundary is necessary to determine which governmental agencies can provide services in the most efficient way to the people and property in any given area. The Sphere of Influence requirement also works to discourage urban sprawl by preventing overlapping of jurisdictions and duplication of services.

The following discussions address the nine legislative factors required by the Cortese-Knox-Hertzberg Act: 1) Growth and population, 2) Infrastructure needs and deficiencies 3) Financial constraints and opportunities, 4) Cost avoidance opportunities, 5) Opportunities for rate restructuring, 6) Opportunities for shared facilities, 7) Government structure options, 8) Evaluation of management efficiencies, and 9) Local accountability and governance.

1.1 GROWTH AND POPULATION

The purpose of this section is to present historical and projected growth patterns and population projections to establish a baseline for the evaluation of service needs. This section provides a summary and analysis of historical data, current planning boundaries, current and projected land use needs, land annexations, and potential SOI updates. The findings of each section are then summarized in written determinations, contained in Section 1.1.6.

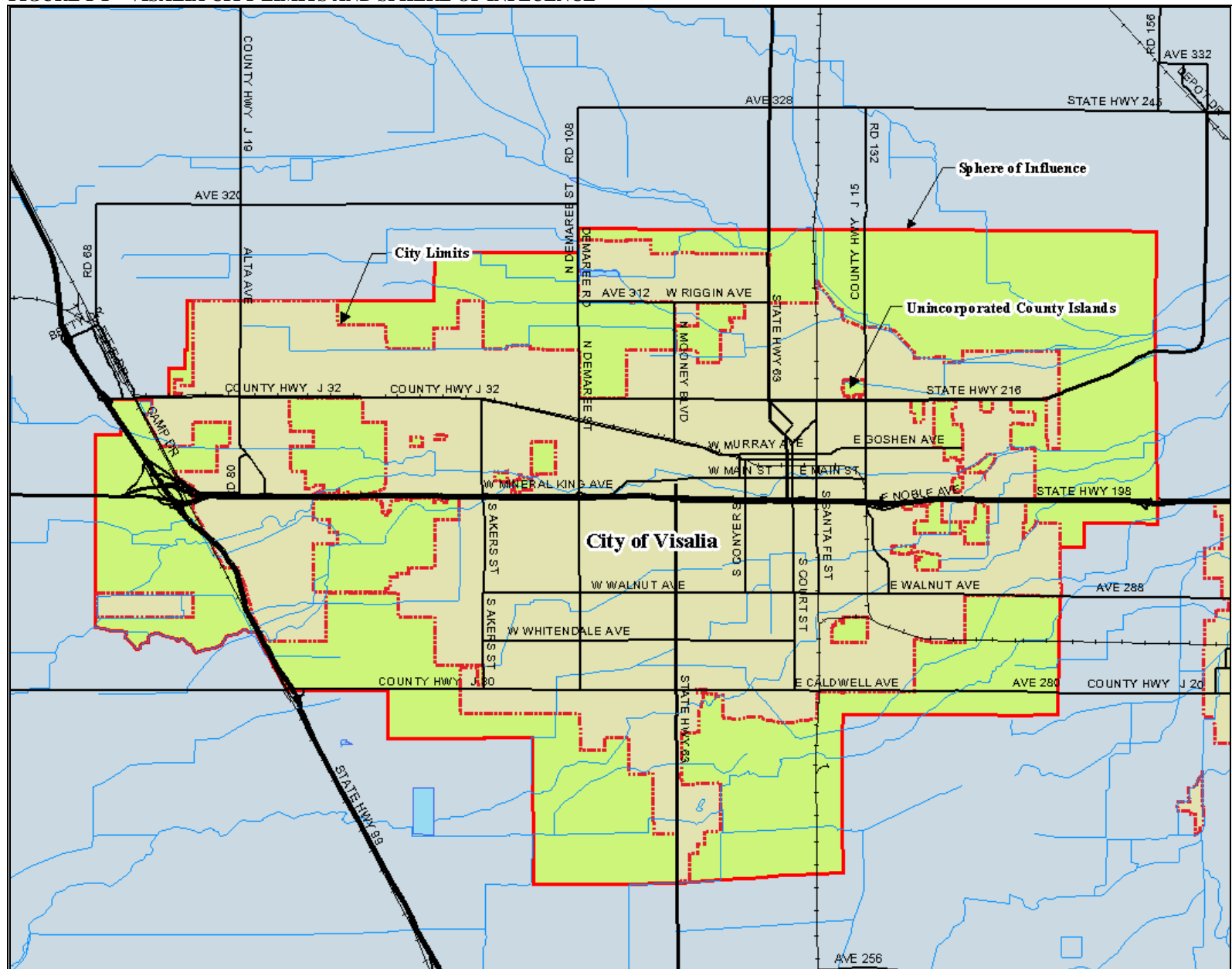
1.1.1 Historical Data

Based upon information contained in the *General Plan Land Use Element* (City of Visalia, Updated 1996), Visalia had a population of 49,729 in 1980, and 75,636 in 1990. Based upon *Census 2000* data, the City of Visalia had an incorporated land area of approximately 28 square miles (17,900 acres), approximately 32,650 housing units, and a total population of 91,565. The same data indicates that Tulare County had a year 2000 population of 368,021. Between 1990 and 2000, according to census data, Visalia experienced an average annual growth rate of approximately 1.9%.

Based upon population projections available from the California Department of Finance, the City of Visalia had a population of approximately 107,550 as of January 2005 and approximately 37,142 housing units. The same data estimates a January 2005 population of approximately 409,900 for Tulare County. Between 2000 and 2005, Visalia experienced an average annual growth rate of approximately 3.3%.

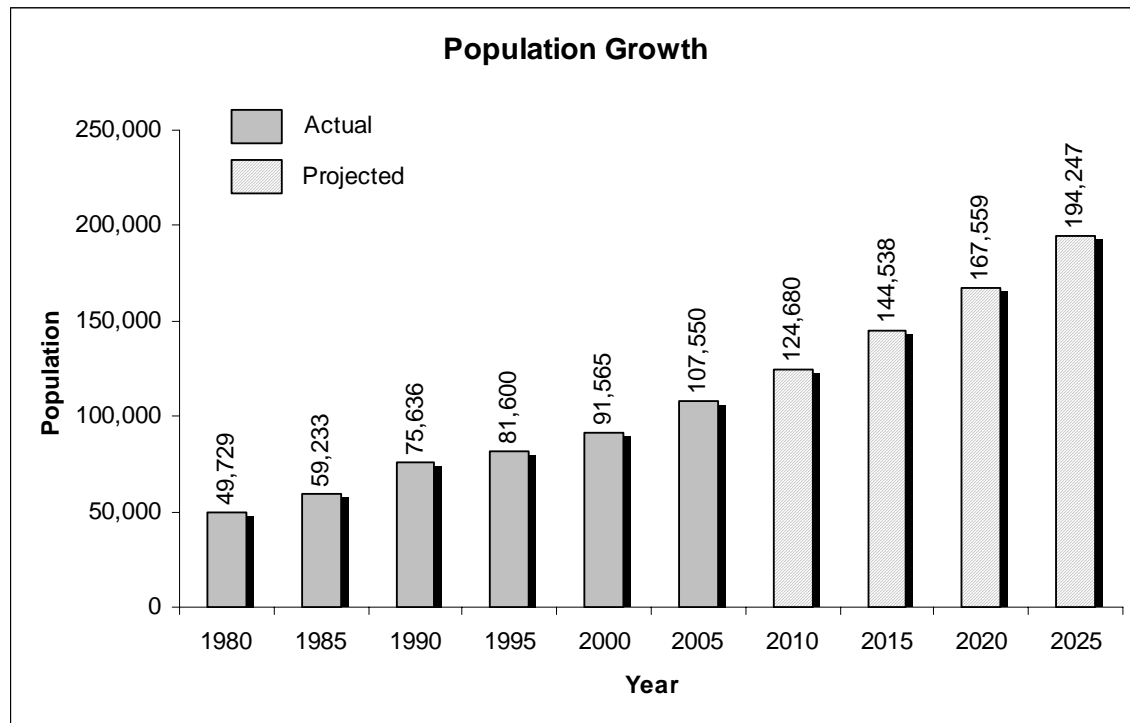
The City's *General Plan Land Use Element* estimated a year 2000 population of 98,700, a year 2005 population of 113,000, and a year 2020 population of 165,000. Assuming the City's population will continue to grow at an average annual rate between 2.5% and 3.5%, the City of Visalia can expect a year 2025 population between 176,000 and 214,000. A comparison of the estimated year 2020 General Plan population of 165,000 to the January 2005 population of 107,550 results in an average annual growth rate of 2.9%, which is within the range of historical trends. Figure 1-2 summarizes the historical and projected population data for the City of Visalia, assuming an average annual growth rate of 3.0%.

FIGURE 1-1 – VISALIA CITY LIMITS AND SPHERE OF INFLUENCE



Source: Tulare County GIS Database (July 2004)

FIGURE 1-2 – CITY OF VISALIA POPULATION GROWTH



Sources: California Department of Finance & City of Visalia General Plan Land Use Element

As indicated on Figure 1-2, using an annual average growth rate of 3.0% results in a year 2020 population of 167,559 and a 2025 population of 194,247, compared to the year 2020 *General Plan Land Use Element* estimate of 165,000. Based upon these comparisons, it is concluded that the *General Plan Land Use Element* provides reasonable estimates of the City’s population at General Plan build-out, projected to occur by year 2020.

1.1.2 City of Visalia Planning Boundaries

In addition to a SOI, which is defined by LAFCO, the *General Plan Land Use Element* defines additional planning boundaries including an Urban Area Boundary, an Urban Development Boundary, and an Urban Growth Boundary. The *General Plan Land Use Element* provides the following descriptions for each of these planning boundaries.

Urban Area Boundary (UAB) – Approximately 90 square mile area which represents Visalia’s ‘Sphere of Influence’ or the City’s probable ultimate physical boundary and service area. The land area between the UAB and the Urban Development Boundary (UDB), the urban fringe, is generally not suited for urban development within the Land Use Element’s 30-year planning and implementation period (year 2020). This urban fringe area is designated for agriculture. An implementation measure is to promote development of a City/County mutual agreement to specify a process and review criteria for review of General Plan amendments and development proposals in this urban fringe area.

Urban Development Boundary (UDB) – Estimated urbanization area within which a full range of urban services will need to be extended or provided to accommodate urban development to the year 2020. Three boundaries are established by estimated City population generally for the years 2000, 2010, and 2020. These boundaries have been primarily determined to accommodate land use demand associated with economic and population projections. Periodic adjustment to these estimates and projections will be necessary to reflect changing conditions and updated data. A UDB implementation measure is to work with the County to agree to use the Visalia Land Use Element, as amended, as the basis for review and action on any Tulare County General Plan amendments, zoning actions and development review for the area inside the Visalia UDB and outside of the Visalia City Limits.

Urban Growth Boundary (UGB) – This boundary line separates the urban development areas designated to accommodate urban development through the planning period (165,000 population or year 2020) from agricultural rural lands. The Urban Growth Boundary represents the City's 20-year Urban Development Boundary.

While the City's *General Plan Land Use Element* associates a SOI with the UAB, this is not consistent with a SOI as defined by Tulare County LAFCO. As defined by LAFCO, a SOI would be more representative of Visalia's definition of a UGB. A City's SOI should generally extend beyond or be coterminous with the City's UGB, and inside the City's UAB. Figure 1-3 shows the City's UGB, and UAB, in comparison to the current City Limits and SOI.

As indicated on Figure 1-3, on the following page, the City's UGB generally extends beyond the City's SOI in the northwestern and southeastern areas of the City. To the south, southwest, and northeast, the City's SOI generally extends beyond the City's UGB. As previously noted, a City's SOI should generally extend beyond or be coterminous with the City's UGB, which is currently not the case with the City of Visalia's planning boundaries.

1.1.3 Land Use

Visalia has a small town character yet exhibits many big City amenities. The City is surrounded by agricultural land which emphasizes its distinctive community character. The downtown core, bounded by Ben Maddox Way to the east, Mooney Boulevard to the west, Houston Avenue to the north, and Tulare Avenue to the south, is Visalia's original town site area and historic center. The core area exhibits many of the City's small-town characteristics such as historic residential areas, the Central Business District (CBD), Redwood and Mt. Whitney high schools, and Recreation and Lincoln Oval parks. The CBD, bounded by Santa Fe to the east, Conyer Street to the west, Mineral King Avenue to the south, and Murray Street to the north, including the Court-Locust corridor to the Lincoln Oval area, is Visalia's traditional retail, medical, and professional center. The CBD remains a magnet for activity, with its role evolving from a retail sales hub to an administrative service center.

Table 1-1 contains the cumulative (developed and undeveloped) land use designation acreages within the City's 2000, 2010, and 2020 UDB's, and the projected 2020 needs, as contained in the *General Plan Land Use Element*. General land use categories include residential, commercial, public/institutional, industrial, and open space. Residential land uses include rural residential, and low, medium, and high density residential (medium and high density uses include multi-family housing). Commercial land uses include convenience center, neighborhood center, shopping/office center, community center, CBD, regional retail, highway and service commercial, professional/administrative offices, and business parks. Public/institutional land uses include police/fire stations, City hall, schools, courthouse, etc. Industrial land uses include light and heavy industrial uses, and heavy industrial reserve. Open space includes agricultural land, conservation, and land reserved for parks.

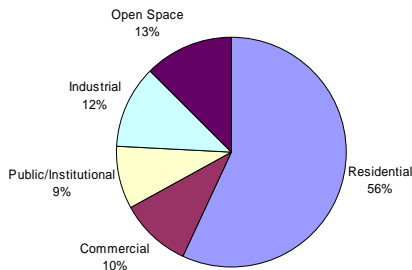
TABLE 1-1 CUMULATIVE LAND USE DESIGNATIONS & PROJECTIONS

General Plan Designation	Gross Designated Acreage (acres)			Cumulative 2020 Land Needs
	Year 2000 UDB	Year 2010 UDB	Year 2020 UDB	
Residential				
Rural	1,480	1,912	1,978	728
Low Density	8,680	11,080	13,751	13,742
Medium Density	574	666	981	1,586
High Density	287	370	527	
Subtotal	11,021	14,028	17,237	16,056
Commercial				
Convenience Center	27	27	30	*
Neighborhood Center	70	84	124	
Shopping/Office Center	178	178	227	
Community Center	80	135	135	
Central Business District	255	255	255	
Regional Retail	406	512	639	
Highway Commercial	72	72	72	
Service Commercial	370	370	409	*
Professional/Admin.	342	410	480	
Business Research Park	135	295	375	
Subtotal	1,935	2,338	2,746	
Community Facilities				
Public/Institutional	1,749	1,824	1,824	*
Subtotal	1,749	1,824	1,824	
Industrial				
Light Industrial	743	743	743	*
Heavy Industrial	1,488	1,491	1,491	
Heavy Industry Reserve	0	620	1,280	
Subtotal	2,231	2,854	3,514	
Open Space				
Agriculture	690	690	690	*
Conservation	594	633	873	
Parks	1,158	1,175	1,954	
Subtotal	2,442	2,498	3,517	
Total	19,378	23,542	28,838	

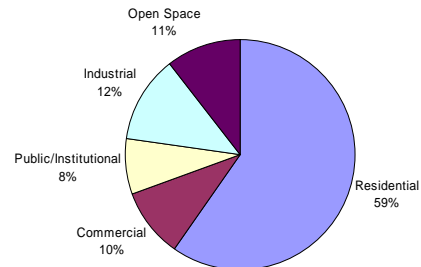
Notes: 1) Source: City of Visalia General Plan Land Use Element (1996)
2) Total acreage does not include rights-of-way
3) * Cumulative land needs are not provided in General Plan Land Use Element, however net (undeveloped) land use needs for these uses are considered.

Figures 1-4A – 1-4C illustrate land use percentage charts for each major land use category for year 2000, year 2010, and year 2020, respectively.

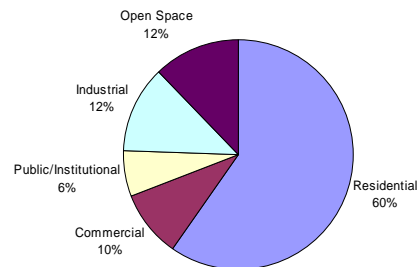
**FIGURE 1-4A –
YEAR 2000 LAND USE CHART
(TOTAL ACREAGE – 19,378 ACRES)**



**FIGURE 1-4B –
YEAR 2010 LAND USE CHART
(TOTAL ACREAGE – 23,542 ACRES)**



**FIGURE 1-4C –
YEAR 2020 LAND USE CHART
(TOTAL ACREAGE – 28,838 ACRES)**



The City's economy is driven by a variety of factors including retail sales tax volume, school enrollment, housing starts, and building permits. Although Visalia's economy is developing rapidly in the manufacturing, commercial, and service sectors, the importance of a strong and diverse industrial backbone remains. The City of Visalia has a diverse labor pool as a result of its role as a regional manufacturing, service and retail center. Major employers in the City include Tulare County Offices, Kaweah Delta District Hospital, Visalia Unified School District, College of the Sequoias, Cigna, Jostens, Kraft, Visalia Medical Clinic, Butler Manufacturing, Jo-Ann Stores, Inc., and Imperial Bondware.

Residential

The need for the City to have adequate land designated for all types of residential growth is clearly recognized in the *General Plan Land Use and Housing Elements*. Most recently, residential growth within the City has occurred in the outlying areas. The City is promoting multi-use (residential/commercial) developments within the central infill development areas. The City has expressed specific interest in integrating east downtown into the existing downtown with a mix of retail and residential development and capitalizing on Mill Creek by making it a linear park that links the future Civic Center to downtown. These concepts are being explored as a part of the "East Downtown Strategic Plan". The City's evolving strategy in this area features higher density development.

Based upon estimates provided in the *General Plan Land Use Element*, a cumulative total of approximately 16,056 acres of land would be needed to accommodate residential growth through year 2020. The City's Year 2020 UDB contains 17,237 acres of land zoned residential, indicating that the UDB has sufficient land supply to accommodate residential development through 2020. Of the total

cumulative 2020 need, 13,742 acres of single family, 1,586 acres of multi-family, and 728 acres of rural residential makeup the estimated need.

Visalia had 32,654 total housing units in the year 2000 based upon information provided in the *Tulare County Data Book (Census 2000)*. Of the 32,654 total housing units, 30,883 units (94.6%) were occupied while 1,771 units (5.4%) were vacant. Of the occupied units, 62.7% were owner-occupied, while 37.3% were renter-occupied. Based upon the above occupancy and housing data, along with *Census 2000* population data, it can be concluded that Visalia has an average household density of approximately 2.9 persons per household. A comparison of household densities for all cities in Tulare County is provided in Table 1-2.

**TABLE 1-2
YEAR 2000 HOUSEHOLD DWELLING
UNIT OCCUPANCY RATES COMPARISON**

City	Persons Per Unit
City of Visalia	2.91
City of Farmersville	4.05
City of Tulare	3.22
City of Porterville	3.20
City of Exeter	3.02
City of Lindsay	3.74
City of Woodlake	3.74
City of Dinuba	3.72

Source: Tulare County Data Book (Tulare County, 2003); Census 2000

As indicated, Visalia had a year 2000 dwelling unit occupancy rate of 2.91 persons per household, the lowest of all cities within Tulare County, lower than the County average of 3.28, and slightly higher than the statewide average of 2.87 persons per household. In December 2005, the City adopted a comprehensive update to their *General Plan Housing Element* which was previously updated in 1993. Regular updates to the *General Plan Housing Element* assist in maintaining consistency between the *General Plan Housing Element* and changing economic conditions that affect housing supply and/or needs.

Commercial Centers

The two largest commercial centers in Visalia are the downtown and the Mooney Boulevard corridor, which are intended to attract citywide and regional customers. Major retail development along Mooney Boulevard south of Highway 198 includes regional retail centers, enclosed shopping malls, and numerous restaurants. The City's General Plan identifies four community-level commercial centers that would serve the four quadrants of the City. The southwest community center is located at Demaree Street and Caldwell Avenue and is the only one of the four that is even partially developed. The other three sites are the Demaree Street/Riggin Avenue intersection in the northwest, the Dinuba Boulevard/Riggin Avenue intersection in the northeast, and the Lovers Lane/Caldwell Avenue intersection in the southeast. These community centers are required to have a specific plan approved before they may develop.

The City guides the development of retail commercial and commercial office centers through comprehensive Specific Plans and Master Plans. Specific Plan areas generally include a mixture of residential, retail commercial, commercial office, schools, and/or parks, within a specific planning area boundary. A Specific Plan is essentially a General Plan implementation document which functions to create a bridge between General Plan policies and individual development proposals. Ideally, a Specific

Plan directs all facets of future development, from the distribution of land uses to the location and sizing of supporting infrastructure, from methods of financing public improvements to standards of development. A list of adopted Specific Plan and Master Plan documents (not including infrastructure Master Plans which are discussed later) which have assisted in guiding development patterns within Visalia include the following:

- Modoc Plan (City of Visalia Planning Division, 1982)
- Country Club Estates Specific Plan (Quad Engineering, 1990)
- Caldwell 51 Specific Plan (Quad Engineering, 1990)
- Demaree/Caldwell Specific Plan (Quad Knopf, 1999)
- Northeast Area Specific Plan (City of Visalia Advance Planning Division, 1988)
- Togni Towne Centre Specific Plan (Quad Engineering, 1995)
- West Visalia Specific Plan (Quad Consultants, 1988)
- St. John's River Park Master Plan (City of Visalia Planning Division, 1988)
- Medical District Master Plan (City of Visalia Planning Division, 1987)
- South Packwood Creek Specific Plan (Coats Consulting, 2002)

The most recently adopted South Packwood Creek Specific Plan incorporates land which is currently outside the Visalia City Limits, but within the City's SOI. Two of the six parcels within the Specific Plan area are under agricultural preserve contracts. Build-out of the South Packwood Creek Specific Plan area could yield a net square footage of approximately 1.1 million square feet of regional commercial uses.

The City's neighborhood-level centers are to be spaced no closer than one mile from community centers or other neighborhood centers and are only to be located on one corner of the designated intersection. Designated neighborhood centers that currently exist are located at the following intersections.

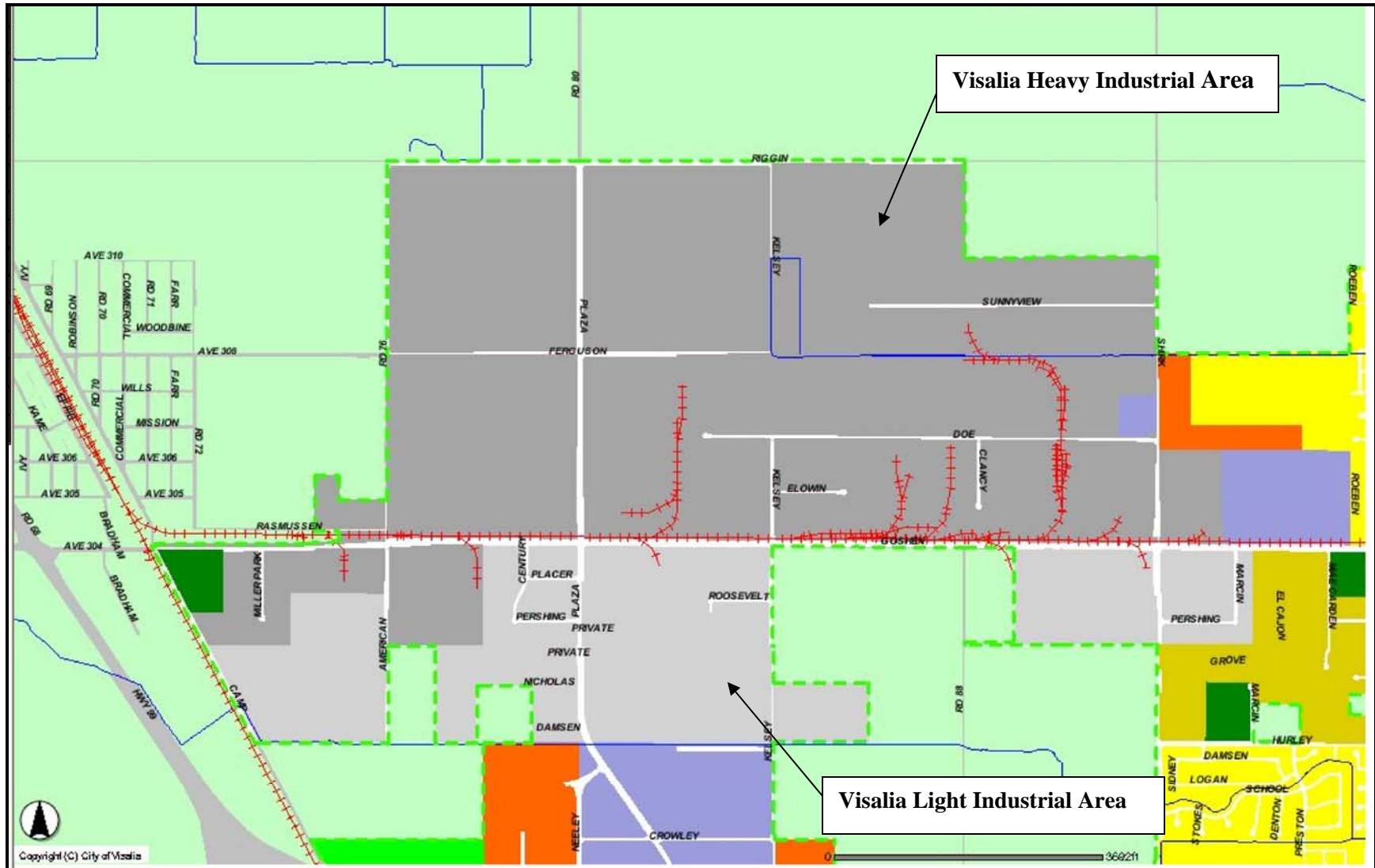
- Ben Maddox Way/Houston Avenue
- Akers Street/Goshen Avenue
- Santa Fe Street/Tulare Avenue
- Akers Street/Walnut Avenue
- Demaree Street/Walnut Avenue

Planned neighborhood centers, which have not yet been built, would be located at the following major intersections: Demaree Street/Houston Avenue, Lovers Lane/Walnut Avenue, Court Street/Caldwell Avenue, and Ben Maddox Way/Caldwell Avenue. Neighborhood centers are required to have a supermarket/grocery store as part of the first phase of their development.

Industrial Park

Visalia has attracted a large industrial trade center, primarily due to its centralized valley location between Los Angeles and San Francisco, and its close proximity to SR 99, a highway that is used extensively for the mass transportation of goods. Visalia's industrial park is located near the northeast quadrant of SR 99 and SR 198, both currently 4-lanes. More specifically, Visalia's current industrial area (north of Goshen Avenue) is bounded by Shirk Road to the east, Road 76 to the west, Riggan Avenue to the north, and Goshen Avenue to the south. There is also an industrial area located south of Goshen Avenue between Kelsey Drive and Camp Drive, north of Mill Creek. Figure 1-5 illustrates Visalia's industrial area.

FIGURE 1-5 – VISALIA INDUSTRIAL AREA



Source: City of Visalia Website (<http://www.ci.visalia.ca.us/>, December 2004)

The City of Visalia's ongoing efforts to improve its service to the industrial park are exhibited by current plans to strengthen the transportation infrastructure immediately surrounding the growing industrial area. The City also exhibits its efforts to attract new industrial and manufacturing businesses through the implementation of a tax-exempt industrial development bond (IDB) program to finance eligible projects from \$2 million to \$10 million dollars. Up to 100% financing can be obtained for land, buildings, capital equipment, and on-site improvements. Before a tax-exempt IDB can be issued, a project must be reviewed by the *California Industrial Development Financing Advisory Commission* and the allocation (the amount of the IDB issuance request) must be approved by the *California Debt Limit Allocation Committee* (CDLAC). The City's Economic Development staff and the Industrial Development Authority's familiarity with this process, has led to a high success rate in securing State allocation approval and actual IDB issuance.

The City adopted the *Visalia Industrial Park Implementation Plan* (Quad Knopf, 2003) in October of 2003. The plan addresses several issues within the industrial park planning area boundaries including land use, public utilities, traffic and circulation, economic analysis, financial planning, and environmental documentation. The *Visalia Industrial Park Implementation Plan* was segregated into two study areas, the northern study area, and the southern study area. The northern study area is generally bounded by Avenue 320 to the north, Hurley Avenue/Mill Creek Ditch to the south, Shirk Road to the east, and Road 68, Road 72, and SR 99 to the west. The southern study area is located at the southwest quadrant of the SR 99/SR 198 interchange, and is generally bounded by SR 198 to the north, Avenue 288 to the south, SR 99 to the east, and Road 68 to the west. While the study area lies totally within Visalia's UAB, portions of it are outside the City's UDB, UGB, SOI, and City Limits. The boundaries of the study area were designed to make sure jurisdictional issues between the City and County were addressed. Table 1-3 provides a summary of existing land use quantities within the Visalia Industrial Park study areas, as presented in the *Visalia Industrial Park Implementation Plan*.

**TABLE 1-3
CURRENT INDUSTRIAL PARK LAND USES**

Land Use	Northern Area (Acres)	Southern Area (Acres)	Total (Acres)
Agriculture	3,052	659	3,711
Industrial	801	26	827
Commercial	113	0	113
Vacant/Fallow	457	0	457
Residential	97	10	107
Public	46	0	46
Right of Way	202	0	202
Totals	4,768	695	5,463

Source: Visalia Industrial Park Implementation Plan (Quad Knopf, 2003)

As indicated in Table 1-3, the *Industrial Park Implementation Plan* encompasses an area of approximately 5,463 acres, 3,711 acres of which is currently being utilized for agricultural production. Of the 3,711 acres currently in agricultural production, 2,411 acres (66%) are covered by agricultural preserve contracts. Agricultural preserve contracts obligate a landowner to limit use of the land to agricultural production in exchange for tax benefits. Referred to as the Williamson Act, the program allows farming to continue in areas close to urbanization by a beneficial tax assessment procedure whereby the land is assessed based on its agricultural value rather than its speculative value for urbanization purposes. The contracts are for ten years and are automatically renewed each year for another ten years, and will continue indefinitely unless: (1) the owner requests cancellation or, (2) a notice of non-renewal is filed, or, (3) a City elects not to succeed the provisions of the agricultural preserve contract upon annexation of the land. While the existence of a non-protested Williamson Act contract

does not prohibit development, it does require special findings (primarily that there are no non-contracted lands which are suitable for the project), and payment of a cancellation fee equal to 12.5% of the urban value of the property.

The *Visalia Industrial Park Implementation Plan* concluded that there is a need for between 600 and 1,000 additional developed industrial acres over the next twenty years. The City's present supply of annexed vacant industrial land totals approximately 275 acres, an approximate five to nine year supply. Constraints exist for expansion north of the Avenue 316 alignment as prescribed by the *General Plan Land Use Element* due to the presence of non-protested agricultural preserves; this condition affects virtually all of the property on Visalia's long-term industrial development horizon. The plan recommends annexation of land to ensure that Visalia has at least a ten-year supply of annexed and zoned industrial land; the plan therefore concluded that there is an immediate need to annex between 25 and 225 acres of land, and that priority be given to annexation of unincorporated areas south of Goshen Avenue, land which is currently within Visalia's SOI.

1.1.4 Annexations

Past Annexations (1996 – Present)

Since 1996, the City has successfully annexed over 3,000 acres of land into the City. Table 1-4 below provides an annual breakdown of the amount of land that has been annexed into the City since 1996. Annexations have occurred within the industrial park planning area, north of Houston and Riggins Avenues, near the northwest Quadrant of the Demaree Street/Goshen Avenue intersection, just north and south of Caldwell Avenue, northeast of the Walnut Avenue/Ben Maddox Way intersection (including a previous County island), and along the eastern City Limit boundary.

**TABLE 1-4
HISTORICAL ANNEXATIONS (1996 – PRESENT)**

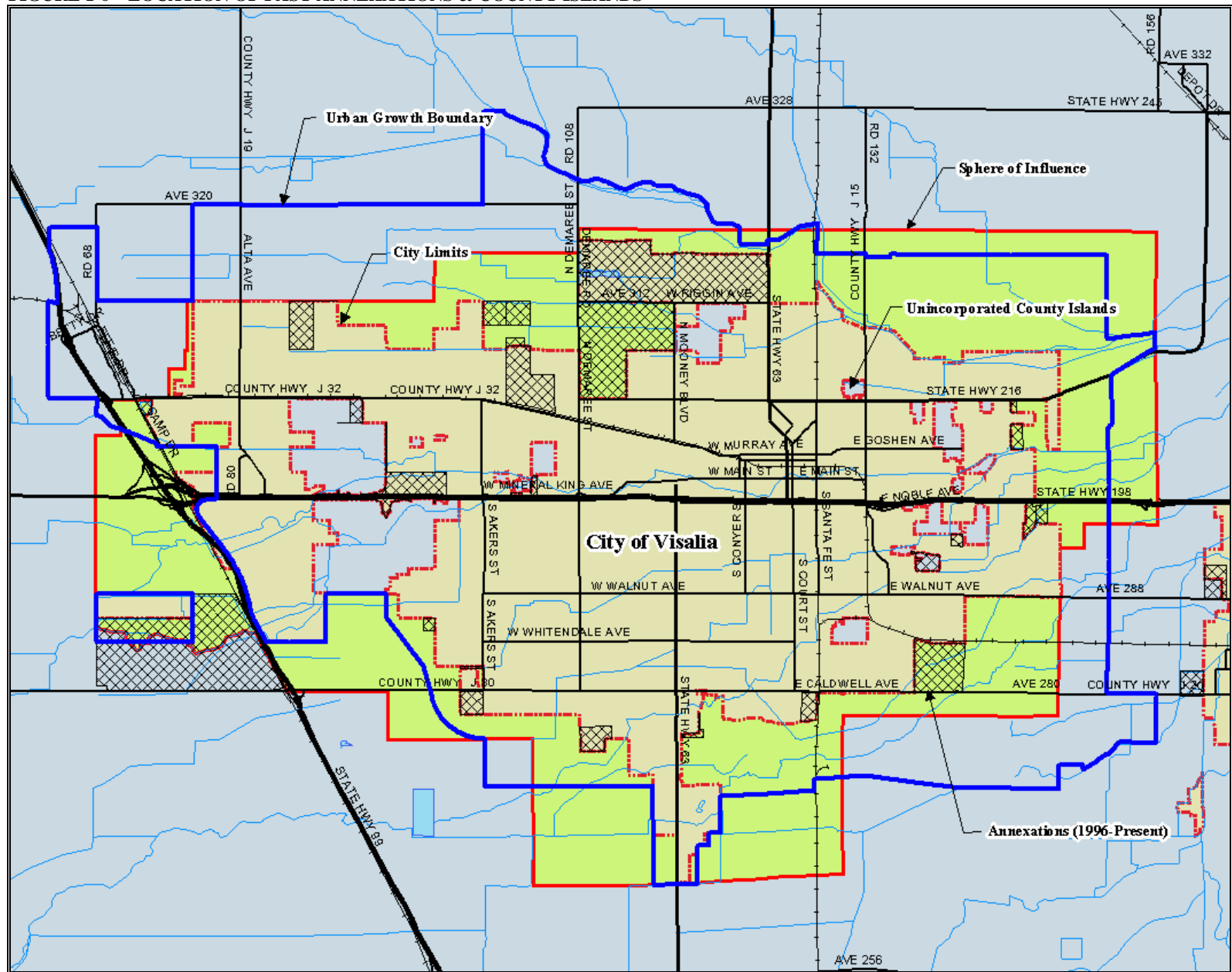
Year	Acres Annexed
1996	1
1997	146
1998	231
1999	0
2000	7
2001	819
2002	530
2003	1,055
2004 - Present	213

As indicated in Table 1-4, in 2003, the City successfully annexed over 1,000 acres of land into the City, approximately 1/3 of the total annexed area since 1996. Of the 1,055 acres of land annexed in 2003 includes a 900 acre City owned walnut orchard that is not planned for development. From January 2004 to date, the City has successfully annexed 213 acres of land. Figure 1-6 shows the locations of annexations that have occurred since 1996. In May of 2004, the City completed an annexation of one (Pinkham Island) of the many County islands within the outlying City Limits.

County Islands

There are almost 20 “islands” (developed and undeveloped) within the current Visalia City Limits, in which services are currently provided by Tulare County. The City of Visalia has some infrastructure in place in many of the developed islands, anticipating ultimate connection to their services. As previously noted, annexation of one of the County islands (Pinkham Island) into the City was completed in May 2004. County islands that still remain within the outlying City Limits are depicted on Figure 1-6 in blue. It should be noted that SB 1266 (Torlakson), effective January 1, 2005, amended AB 1555 by expanding the maximum area for island annexations from 75 to 150 acres. All other provisions of the current law will remain unchanged.

FIGURE 1-6 – LOCATION OF PAST ANNEXATIONS & COUNTY ISLANDS



Source: Tulare County GIS Database

1.1.5 Potential Sphere of Influence Updates

Urban Boundaries

A LAFCO SOI represents the physical boundary and service area that a local governmental agency is expected to serve, while a City's UGB generally represents the area around a City designed to contain enough land to accommodate 20-years of growth. As previously noted, a City's SOI should generally lie between a City's UGB and UAB, which is not currently the case with the City of Visalia. At a minimum, the City's SOI should be updated to encompass land within the City's UGB.

Industrial Park

As previously indicated, the ultimate development potential of Visalia's industrial park would require the expansion of the current SOI. To meet projected demands within Visalia's well established industrial area, a SOI expansion to include the area bounded by Shirk Road, Road 68, Avenue 312 and Avenue 320 may be necessary. The City should be aware of, and properly address any complications with property under Williamson Act contracts. The City and County should work cooperatively to establish a special tax sharing agreement upon annexation of the land.

1.1.6 Written Determinations

Population

1. Based upon Census 2000 data, the City of Visalia had an incorporated land area of approximately 28 square miles, approximately 32,650 housing units, and a total population of 91,565.
2. Based upon population projections available from the California Department of Finance, the City had a population of approximately 107,550 as of January 2005.
3. Available data indicates that the City experienced an average annual population growth rate of approximately 1.9% between 1990 and 2000, and 3.3% between 2000 and 2005. Assuming the City's population will continue to grow at an average annual growth rate of approximately 3.0%, the City can expect a year 2025 population of approximately 194,250.
4. Using an annual average growth rate of 3.0% results in a year 2020 population of 167,559 and a 2025 population of 194,247, compared to the year 2020 *General Plan Land Use Element* estimate of 165,000. Based upon these comparisons, it is concluded that the *General Plan Land Use Element* provides reasonable estimates of the City's population at General Plan build-out, projected to occur by year 2020.

Planning Boundaries

1. Visalia's *General Plan Land Use Element* establishes planning boundaries including a UAB, UGB, and UDB's to help establish a timeline for establishing urban development areas.
2. While the City's *General Plan Land Use Element* associates the SOI with the UAB, this is not consistent with a SOI as defined by Tulare County LAFCO. As defined by LAFCO, a SOI would be more representative of Visalia's definition of a UGB. A City's SOI should generally extend beyond or be coterminous with a City's UGB, and inside a City's UAB, which is not currently the case with the City of Visalia.

Land Use Findings

1. The City's *General Plan Land Use Element*, in addition to the preparation of Specific Plans provides for the logical and reasonable growth and development for the City of Visalia.
2. The City plans future development through the preparation, adoption, and implementation of Specific Plans. Specific Plans address the distribution of land uses, the location and sizing of supporting infrastructure, methods of financing public improvements, and standards of development for a specific planning area boundary. To date, the City of Visalia has adopted eight Specific Plans. The City requires specific plans to be approved for community centers prior to development.
3. There is adequate land zoned for residential development within the City's current UGB to accommodate residential growth through the year 2020.
4. In December 2005, the City adopted a comprehensive update to their General Plan Housing Element which was previously updated in 1993. Regular updates to the *General Plan Housing Element* assist in maintaining consistency between the *General Plan Housing Element* and changing economic conditions that affect housing supply and/or needs.
5. The City's *General Plan Land Use Element* provides for adequate land zoned for retail commercial and office within the City's UGB.
6. The *Visalia Industrial Park Implementation Plan* establishes a study area which lies totally within Visalia's UAB, but portions of which are outside the City's UDB, UGB, SOI, and City Limits. The boundaries of the study area were designed to make sure jurisdictional issues between the City and County were addressed. The City will need additional land zoned for industrial uses to accommodate future expansions of the industrial park area.
7. The *Visalia Industrial Park Implementation Plan* provides for Master Planned growth within the northwest industrial area, including land use, public utilities, traffic and circulation, economic analysis, financial planning, and environmental documentation.

Annexations

1. Since 1996, Visalia has successfully annexed over 3,000 acres of land into the City.
2. There are almost 20 "islands" (developed and undeveloped) within the City Limits, in which services are currently provided by Tulare County. Visalia has some infrastructure in place in many of the developed islands, anticipating ultimate connection to their services.
3. California SB 1266, effective January 1, 2005, amended AB 1555 by expanding the maximum area for island annexations from 75 to 150 acres. All other provisions of the current law will remain unchanged.
4. The *Visalia Industrial Park Implementation Plan* concluded that there is an immediate need to annex between 25 and 225 acres of land (for industrial development), and that priority be given to annexation of unincorporated areas south of Goshen Avenue, land which is currently within Visalia's SOI.

Potential SOI Updates

1. The City's SOI should generally extend beyond or be coterminous with the City's UGB, and inside the City's UAB, which is not currently the case with the City of Visalia. At a minimum, the City's SOI should be updated to encompass land within the City's UGB.
2. The ultimate development potential of Visalia's industrial park would require the expansion of the current SOI to include the area generally bounded by Shirk Road, Road 68, Avenue 312, and Avenue 320.

1.2 INFRASTRUCTURE NEEDS AND DEFICIENCIES

The purpose of this section is to evaluate the infrastructure needs and deficiencies of the City of Visalia in terms of availability of resources, capacity to deliver services, condition of facilities, service quality, and levels of service. The section provides an overview of the City's capital improvement program in which funding is allocated to specific infrastructure improvements. An overview of services including water, storm drainage, wastewater collection and treatment, streets and roads, fire and police protection, and solid waste is then provided focusing on past improvements and planned future improvements.

LAFCO is responsible for determining that an agency requesting an SOI amendment is reasonably capable of providing needed resources and basic infrastructure to serve areas within the City and its SOI. It is important that these findings of infrastructure and resource availability are made when revisions to the SOI and annexations occur. LAFCO accomplishes this by evaluating the resources and services to be expanded in line with increasing demands. In the City of Visalia, there are currently no formal proposals to expand the current SOI boundary; however, the City is currently discussing the potential to expand its SOI to include areas encompassed within the UGB. The infrastructure capability of Visalia to serve existing and future residents within the SOI/UGB is analyzed in the following sections.

1.2.1 Capital Improvement Program

Capital improvements are generally large, one-time expenditures for the purchase or construction of capital assets. They include the construction of streets and public facilities, the purchase of major pieces of equipment, major maintenance of existing facilities, land acquisition for future City use and other construction projects. The City's capital improvement program is a five-year document which programs capital improvements from 2002-2003 FY through the 2007-2008 FY. The City has multiple capital improvement funds and sources including unrestricted funds, restricted funds, enterprise funds, internal service funds, and fiduciary funds set up for specific improvement purposes. Each of these funds is described below.

Unrestricted Funds

General Fund – Revenues derived from sales and property taxes, motor vehicle license in-lieu fees, business license taxes, transient occupancy taxes, construction permits, fees for services and interest earnings. These revenues, for the most part, are discretionary and are approved by City Council.

Restricted Funds

Police Impact Fund – Revenues derived from Public Safety Impact fees collected at the time of building permit issuance. Funds are to only be used for new facilities, equipment, and not for operation and maintenance. A portion of funds generated from Measure T, a ¼ cent sales tax increase for public safety improvements, would also be allocated to this fund.

Fire Impact Fund – Revenues derived from Public Safety Impact fees collected at the time of building permit issuance. Funds are to only be used for new facilities, equipment, and not for operation and maintenance. A portion of funds generated from Measure T, a ¼ cent sales tax increase for public safety improvements, would also be allocated to this fund.

Gas Tax Fund – Revenues derived from Sections 2105, 2106, and 2107 of the Streets and Highways Code. These revenues come from a gas tax placed on motor vehicle fuels. Allocations are generally distributed on a population basis. This fund also received money from the State Transportation Program that is distributed to each region based on population and road miles. Funds are to be used only for construction, improvements and maintenance of streets and roads.

Park and Recreational Facilities Fund – Revenues derived from fees paid by developers in lieu of providing parks and open space. Funds are to be used only for open space acquisition and providing and maintaining park and other recreational facilities.

Storm Sewer Construction Fund – Revenues derived from Storm Sewer Impact Fees collected at the time of development. Funds are to be used only for construction of new storm sewer lines to implement the Storm Water Master Plan.

Storm Sewer Deficiency Fund – Revenues derived from a portion of the monthly storm sewer user fees. Funds are to be used for construction of storm sewer facilities to correct existing deficiencies as identified in the Storm Water Master Plan.

Kaweah Lake Fund – Revenues derived from a portion of the monthly storm sewer user fees. Funds are to be used for the Kaweah Lake enlargement & maintenance of the lake.

Underground Water Recharge Fund – Revenues derived from a portion of the monthly City Utility Bill. The fees from this fund are based on the size of the water service line. Funds are to be used for the acquisition of water and other activities to improve groundwater levels and increase supply of water to the City.

Wastewater Trunk Line Construction Fund – This fund's revenues are derived from Sanitary Sewer and Treatment Plant connection fees. Funds are to be used only for new sanitary sewer trunk line construction, and not for operation and maintenance.

Transportation Impact Fees Fund – Revenues derived from fees collected at the time of building permit issuance. Funds can be used only for new street improvements and expansion of transportation facilities related to growth.

Waterways Fund – Revenues derived from a combination of monthly storm sewer rates and developer impact fees. The funds are restricted for acquisition of development setbacks along waterways designated in the Visalia General Plan, restoration of riparian vegetation, and maintenance of the setback areas.

Transportation Fund – Revenues derived from ¼ cent of statewide sales tax collected and returned to each County in compliance with the Local Transportation Development Act. First priority of funds is public transit; remaining monies, as well as various discretionary revenues, may be used for road and street purposes, including bike/pedestrian facilities. This fund also receives monies from TCAG and the STIP, which is to be used only for approved transportation projects.

Traffic Congestion Relief Fund – This fund is derived from money received from sales tax on gasoline from the State Transportation Congestion Relief Program. This money must be used only for street and highway pavement maintenance, rehabilitation and reconstruction of necessary associated facilities such as drainage and traffic control

devices. Rehabilitation or reconstruction may include widening to bring the roadway width to meet standards. All Counties and Cities are scheduled to receive congestion relief money through 2005/2006.

Community Development Block Grant Fund – Monies for this fund are provided to the City as an entitlement community through the Department of Housing and Urban Development (HUD). The CDBG program is authorized under Title 1 of the National Affordable Housing Act. The primary objective of the CDBG program is the development of a viable urban community through the provision of decent housing, a suitable living environment and economic opportunity principally for low- and moderate-income persons.

Redevelopment District Downtown Fund – Monies for this fund are provided through a Tax Increment generated in the Downtown Redevelopment Project Area. The project area is authorized under California Redevelopment Law. The primary objective of the Project Area is to eliminate blight through continued growth of industrial, commercial, and residential development.

Redevelopment District Central Fund – Monies for this fund are provided through Tax Increment generated in the Central Redevelopment Project Area. The project area is authorized under California Redevelopment Law. The primary objective of the Project Area is to eliminate blight through continued growth of industrial, commercial, and residential development.

Multi-Funded/Resource Fund – Revenue derived from other funds combined under one project number to show total appropriations for each project. This fund is used for projects that are funded by more than one fund.

Enterprise Funds

Airport Fund – Revenue derived from the Federal Aviation Administration (FAA) and various grants. This money can only be used for approved capital projects. This fund also receives revenues from airport user fees, such as hangar rentals and fuel sales. They are to be used for operations, improvements, and vehicle and equipment acquisitions. These revenues are also used for the Airport's 10% match on FAA and grant funded projects.

Convention Center Fund – Revenues derived from rental fees at the Convention Center, L.J. Williams Theater, and Rotary Theater, and a contribution from the general fund. Funds are to be used only for Convention Center, L.J. Williams Theater, and Rotary Theater projects.

Wastewater – Revenues derived from Sanitary Sewer user fees and rates. Funds are to be used only for operations and maintenance, and improvements, including vehicle and equipment acquisitions related to collection and disposal of wastewater.

Solid Waste Fund – Revenue derived from refuse collection fees. Cash for capital replacements has been set aside for improvements and vehicle and equipment acquisitions related to collection and disposal of solid waste. Depreciation oil continues to be used for capital replacements.

Transit Fund – Revenues derived from State Transportation Funds, Federal grants, and user fees. Revenue is to be used for transit operating and capital expenditures, such as buses and bus shelters. State and Federal grant funds are to be used for major projects such as the regional bus transfer facility and the operations maintenance facility.

Street Sweeping Fund – Revenue derived from residential and commercial street sweeping fees that are collected on the Solid Waste bill. Monies are to be used for operation, maintenance and improvements, including equipment and vehicle acquisitions related to sweeping of streets.

Internal Service Funds

Vehicle Replacement Fund – This fund is supported by City departments, on a cost reimbursement basis, for replacement of the current operational fleet as each vehicle reaches its full useful life.

Information Services Fund – This fund is supported by City departments, on a cost reimbursement basis, for internal services provided for the operation and replacement costs associated with the organization's computer and communications technology, including Geographic Information Systems and Telephone Services.

Fiduciary Funds

Parking In-Lieu Fund – Revenue derived from in-lieu fees paid by uses established within the central business district which do not provide required street parking spaces. The in-lieu fee is assessed in the amount of \$3,191.13 per space at the time of building permit issuance.

1.2.2 Water

The City of Visalia contracts with California Water Service, a private water service provider, to serve the City of Visalia with potable water and fire protection use. California Water Service Company (Cal Water) is the largest investor-owned water utility in the western United States, and third largest in the nation. Formed in 1926, the San Jose-based company serves water to 1.36 million California customers through approximately 373,500 connections. Cal Water acquired the Visalia district water system from the Visalia City Water Company in 1927. The Cal Water Visalia District primarily serves the City of Visalia, the community of Goshen to the west, and several unincorporated areas adjacent to the City of Visalia. It should be noted that Cal Water is not subject to a SOI determination, and is therefore exempt from the municipal service review requirement. Information regarding domestic water provided by Cal Water has been provided for informational purposes only.

Cal Water receives its water supply from groundwater sources within the Tulare Lake Hydrologic Region. The Tulare Lake Hydrologic Region contains the following groundwater sub-basins within Tulare County: Tule Groundwater Basin (southwestern County), Kaweah Groundwater Basin (western County), and a portion of the Kings Groundwater Basin (northwestern County). Figure 1-7 illustrates the Tulare Lake Hydrologic Region, and the groundwater sub-basins within Tulare County.

Groundwater extractions are derived from 75 active wells serving the Visalia service area. The total annual water production for 2003 from the 75 active wells was 30,821 acre-feet (or 10,039.5 million gallons). Within the Visalia service area, Cal Water owns, operates, and maintains two elevated water storage tanks, each with a capacity of 300,000 gallons.

FIGURE 1-7 – TULARE LAKE HYDROLOGIC REGION AND GROUNDWATER SUB-BASINS



Source: (http://www.sjd.water.ca.gov/groundwater/basin_maps/index.cfm)

From the source points, water is supplied to the Visalia service area through 412 miles of main pipeline, with a total of 32,873 service connections (as of April 2004). Currently there are 15,073 metered connections, and 17,800 non-metered (flat-rate) connections. All connections to the system occurring after 1987 are metered connections. Based upon information provided by the California Water Service Visalia District, the average daily water demand per connection for 2003 was 837 gallons/day, and the maximum daily water demand per connection was 1,451 gallons/day.

The Urban Water Management Planning Act requires the Department of Water Resources to evaluate Urban Water Management Plans adopted by urban water suppliers pursuant to Section 10610.4 (c) and submitted to the Department no later than 30 days after adoption and updating once every five years, on or before December 31 in years ending in five and zero. Based upon data obtained from the California Department of Water Resources website (www.dwr.water.ca.gov), no California Water Service Districts had submitted an Urban Water Management Plan for the year 2000 submittal requirement (as of June 2002). Non-compliant urban water suppliers are ineligible to receive funding pursuant to Division 24 (commencing with section 78500) or Division 26 (commencing with section 79000), or receive drought assistance from the State until the UWMP is submitted pursuant to the Urban Water Management Planning Act. State funding for urban water improvements are often necessary to aid agencies in providing quality water service, especially during drought periods. The Cal Water Visalia District Manager indicated that an Urban Water Management Plan was submitted to DWR, and was adopted in June 2004. It is recommended that Cal Water work to comply with the full requirements of the Urban Water Management Planning Act.

The Cal Water Visalia District completed a comprehensive *Water Supply and Facilities Master Plan* (Boyle Engineering) in February 2005. According to Cal Water, the document is updated in 10 year increments. The master plan program is intended to proactively address the service needs of the existing customers in light of potential water quality and quantity issues as well as address expansion to the system to meet projected future growth. The master plan has a study area consistent with the City's UGB.

SB 610 and SB 220 amended state law, effective January 1, 2002, to improve the link between information on water supply availability and certain land use decisions made by Cities and Counties. SB 610 and SB 220 are companion measures which seek to promote more collaborative planning between local water suppliers and Cities and Counties. Both statutes require detailed information regarding water availability to be provided to the City and County decision-makers prior to approval of specified large development projects. Both statutes also require this detailed information be included in the administrative record that serves as the evidentiary basis for an approval action by the City or County on such projects. Under SB 610, water assessments must be furnished to local governments for inclusion in any environmental documentation for certain projects (as defined in Water Code 10912) subject to the California Environmental Quality Act (CEQA). Under SB 220, approval by a City or County of certain residential subdivisions requires and affirmative written verification of sufficient water supply.

The City is in a watershed where the groundwater supplies are over-drafted, which means more water is being withdrawn from the ground for use than is being replenished. There is a particularly large cone of depression under the City, because virtually all the City's water comes from groundwater sources. Consequently, groundwater levels will continue to drop and it will cost more to provide water in the future. The Visalia City Council has recently expressed interest in looking at ways to enhance the water supplies that serve the City. Based upon information contained in the July 20, 2004 Inside City Hall Beyond the Headlines newsletter (a City of Visalia publication), the City Attorney, Dan Dooley, outlined options for securing surface water rights that are often associated with land could be annexed into the City. It is important that surface water supplies from the Kaweah and San Joaquin Rivers, which offset

the use of groundwater, continue to be used in and around the City. The following options were proposed for obtaining surface water rights:

- Adopt a policy requiring the dedication of any surface water rights attached to lands being annexed as a condition of annexation.
- In lieu of dedication of existing water rights, a landowner could acquire and dedicate other rights as a condition of annexation.
- If the landowner seeking annexation doesn't have or cannot acquire surface water rights to dedicate to the City, the landowner could pay fees to enable the City to acquire water to mitigate the impacts caused by additional groundwater pumping.

The Visalia City Council expressed interest in the proposed concept, and directed staff to discuss the matter with the development industry, and to outline the appropriate legal and technical information for further consideration. In August 2005, the City adopted a groundwater overdraft mitigation ordinance which assesses impact fees upon new development and a volumetric fee upon existing urban water supplies to fund activities and projects to mitigate the impacts on groundwater overdraft. Such activities include, but are not limited to, acquisition of surface water rights and surface water supplies; development of groundwater recharge facilities; reconfiguration of storm water facilities designed to retain as much storm water as possible within and near the City; enhancement of cooperative programs with local water management agencies and companies; development of more efficient water delivery systems. These efforts demonstrate the City's ability to continue to implement long term water supply solutions even though they are not the direct supplier of domestic water to City residents.

As discussed in the previous section, the City of Visalia has a capital improvement fund set up for underground water recharge. The City has set aside annual funding as a part of the capital improvement program, for the purchase of water rights and water supply for groundwater recharge. Water rights could potentially be purchased from any surface water sources from which land within, or annexed into the City has rights attached thereto, including creeks, rivers, irrigation ditches, or reservoirs.

The City has additional capital improvements pertaining to water supply including the construction of a recharge basin north of Mineral King and west of Road 152 between Mill Creek and Packwood Creek. Design of the basin is scheduled for FY 2003-2004, and construction is scheduled for FY 2004-2005 through FY 2005-2006. The City also has plans to construct an additional groundwater recharge basin at a location to be determined in the future.

The City's Municipal Code contains a *Water Conservation Ordinance* which outlines specific policies pertaining to the conservation of potable water. Specific stages of the *Water Conservation Ordinance* include the following:

- Prohibition on Water Waste
- Voluntary Compliance – Water Alert
- Mandatory Compliance – Water Warning
- Mandatory Compliance – Water Emergency

Employees of California Water Service Company are authorized by the ordinance to issue written notices of violations outlined in the above stages, but are not authorized by law to issue citations for violations. Despite the fact the City is not the direct domestic water supplier for its residents the City continues to make significant efforts to ensure that the long term water supply needs of the City continue to be

addressed. City officials have indicated that they are studying the feasibility of various alternatives of implementing a City owned domestic water system.

1.2.3 Drainage Infrastructure

The City of Visalia provides storm-water collection, and disposal services throughout the City. The City has a *Storm Water Master Plan and Management Program* in place that was adopted in 1994. The plan is a comprehensive document providing several informational and planning aspects, including but not limited to the following,

- Inventory of Existing Drainage Infrastructure
- Basis of Design
- Storm Water Management Alternatives
- Entitlement Flow Management Alternatives
- Proposed Improvements
- Cost Estimates and Capital Improvement Plan
- Financing
- Water Quality Measures

The City continues to expand and improve its drainage infrastructure as new development occurs within the City. The City accomplishes this through the implementation of the *Storm Water Master Plan and Management Program*. Funding for drainage infrastructure improvements is derived from development impact fees (for new drainage facilities), and a drainage utility fee of \$0.75 per month for all developed properties (for maintaining existing facilities). The City has two capital funds set up for storm sewer improvements, one for new facilities, and one for correcting existing deficiencies as outlined in the *Storm Water Master Plan and Management Program*. Several capital storm water infrastructure projects are programmed in the current City of Visalia capital improvement program (CIP), providing evidence that the City is working towards the full implementation of the *Storm Water Master Plan and Management Program*. A partial list of these projects is provided below.

Storm Sewer Construction Fund

Enlarge storm basin on the north side of St Johns Parkway, east of McAuliff, and north of Houston. Current basin serves Golden Valley Estates and Capistrano subdivisions and will be enlarged to serve River Run Ranch Subdivisions. (FY 2002-2003: \$107,500)

Install Master Planned storm drain line along Goshen Avenue from Cain Street to the west side of Ben Maddox, including a bore, and connection to an existing storm line that discharges into Jennings Ditch. The existing line west of Ben Maddox is temporary until a Master Plan basin and storm drain line west of Ben Maddox is purchased and developed. (FY 2002-2003: \$150,000)

Construct a terminal basin for Mill Creek southwest of the treatment plant, implementing the 1994 storm water Master Plan. The pond is located at the northeast corner of Avenue 280 and Road 44 and will allow the City a recharge/settling basin downstream of the Treatment Plant. (FY 2002-2003: \$150,000)

Install a storm drain line along Houston from County Center to Demaree. The storm line will connect to an existing line in the Houston alignment west of Demaree and will eliminate the temporary ponding basin west of Green Acres School. (FY 2002-2003: \$137,500, FY 2003-2004: \$137,500)

Reimburse developers for additional costs incurred when constructing the required storm sewer drainage facilities with their development. The additional cost is the difference between the “development requirement” and the requirement to accommodate future development in the area. (FY 2002-2003 through FY 2007-2008: Approximately \$225,000 annually)

Acquire property (Russell property) and construct a storm basin south of Packwood Creek and east of the future County Center alignment. The area of service is bound by Packwood Creek, west of County Center, and south of Avenue 276. This basin would replace storm drain lines identified in the storm water Master Plan. Future phases will include pump and piping to discharge into Packwood Creek at a reduced rate. (FY 2002-2003: \$350,000, FY 2006-2007: \$175,000)

Storm Sewer Deficiency Fund

Install a drainage system along Houston Avenue from Rinaldi Street to Willis Street and connect into the Goshen Avenue drainage system at Rinaldi Street. (FY 2002-2003: \$325,000)

Construct a storm/recharge basin east of the Blain property at approximately Road 158 and north of SR 198. The project is located in the southwest quadrant of the intersection of Oakes Ditch, Packwood Creek, and Mill Creek. The City’s total cost is \$350k of the \$700k joint project with Kaweah Delta Water Conservation District. (FY 2002-2003: \$100,000, FY 2003-2004: \$100,000)

Study storm water drainage problems and perform minor repairs to the storm water system. (FY 2002-2003 through FY 2007-2008: \$25,000 annually)

It should be noted that the above list contains only a portion of the projects that are listed in the City’s 5-year Capital Improvement Program. The City’s CIP should be referred to for a complete list of the capital improvements programmed through FY 2007-2008. Many of the storm drain projects listed above would provide additional capacity for developments occurring within the City’s UGB and SOI.

1.2.4 Wastewater Collection, Treatment, and Disposal

The City provides wastewater collection, treatment and disposal services throughout the City, and areas within the urban growth boundary. The City has a *Sewer System Master Plan (Boyle Engineering Corporation, February 1994)* and a *Wastewater Treatment Master Plan Update (John Carollo Engineers, August 1993)* in place. The *Sewer System Master Plan* provides important information pertaining to providing future sewer infrastructure to support projected growth within the urban growth boundary, and trunk lines that would ultimately serve projected growth out to the City’s UAB including the following:

- Design Standards/Analysis Criteria
- Existing Collection System Analysis
- Existing System Deficiencies
- Expansion Improvements
- Capital Improvement Program
- Financing Alternatives and Connection Fees

With regard to maintenance of existing sewer facilities, the *Sewer System Master Plan (Boyle Engineering Corporation, 1994)* states the following,

“During installation of the flow meter sensors, sand and other materials were sometimes found settled at the bottom of the sewer pipes. An attempt was made each time to remove the settled material in order to install the meter sensor. At times it was discovered that the meter sensor read erroneous data when the upstream section of the pipe was partially plugged.

Due largely to manpower constraints, the City does not have a preventive maintenance program to clean sanitary sewer pipes on a regular basis. Pipes are cleaned on an as-needed basis when problems are indicated. The City does, however, keep a list of locations that receive regular cleaning due to recurring problems.

Analysis of the sewer system indicates that many trunk sewers will reach their design capacity by the year 2000. It is thus desirable to maintain the carrying capacity of those pipes as high as possible to provide the designed flow.

This study recommends that the City develop a sanitary sewer maintenance program that includes cleaning pipes on a regular basis. A typical program would divide the sanitary sewer system into service areas and classify pipes into categories for frequency of cleaning. Classification of pipes will depend on existing slopes, age of pipes, odor complaints, and occurrence of other problems such as surcharging, overflowing, etc. A schedule would then be assigned for each category of pipe, whereby pipes would be cleaned at the appropriate frequencies.”

The City’s sewer system (as of the preparation of the *1994 Sewer System Master Plan*) was divided into eight service areas, as identified below:

- Service Area 1 – Caldwell – Akers Trunk
- Service Area 2 – Walnut – Lovers Lane Trunk and Walnut Outfall
- Service Area 3 – Tulare Trunk
- Service Area 4 – Akers – Mineral King Trunk
- Service Area 5 – Ranch – Houston Trunk
- Service Area 6 – Akers – Houston Trunk
- Service Area 7 – Road 84 Trunk
- Service Area 8 – Road 76 – Sunnyview Trunk

The *Sewer System Master Plan* recommends improvements to mitigate existing and projected deficiencies in the existing sewer trunk system, and also recommends service area expansions to meet the short and long-term needs of the City. Specifically, the Master Plan proposes additional service areas nine (9) through twelve (12), as identified below. A copy of the Master Planned sewer service areas (Boyle Engineering Corporation, February 1994) is provided as Figure 1-8.

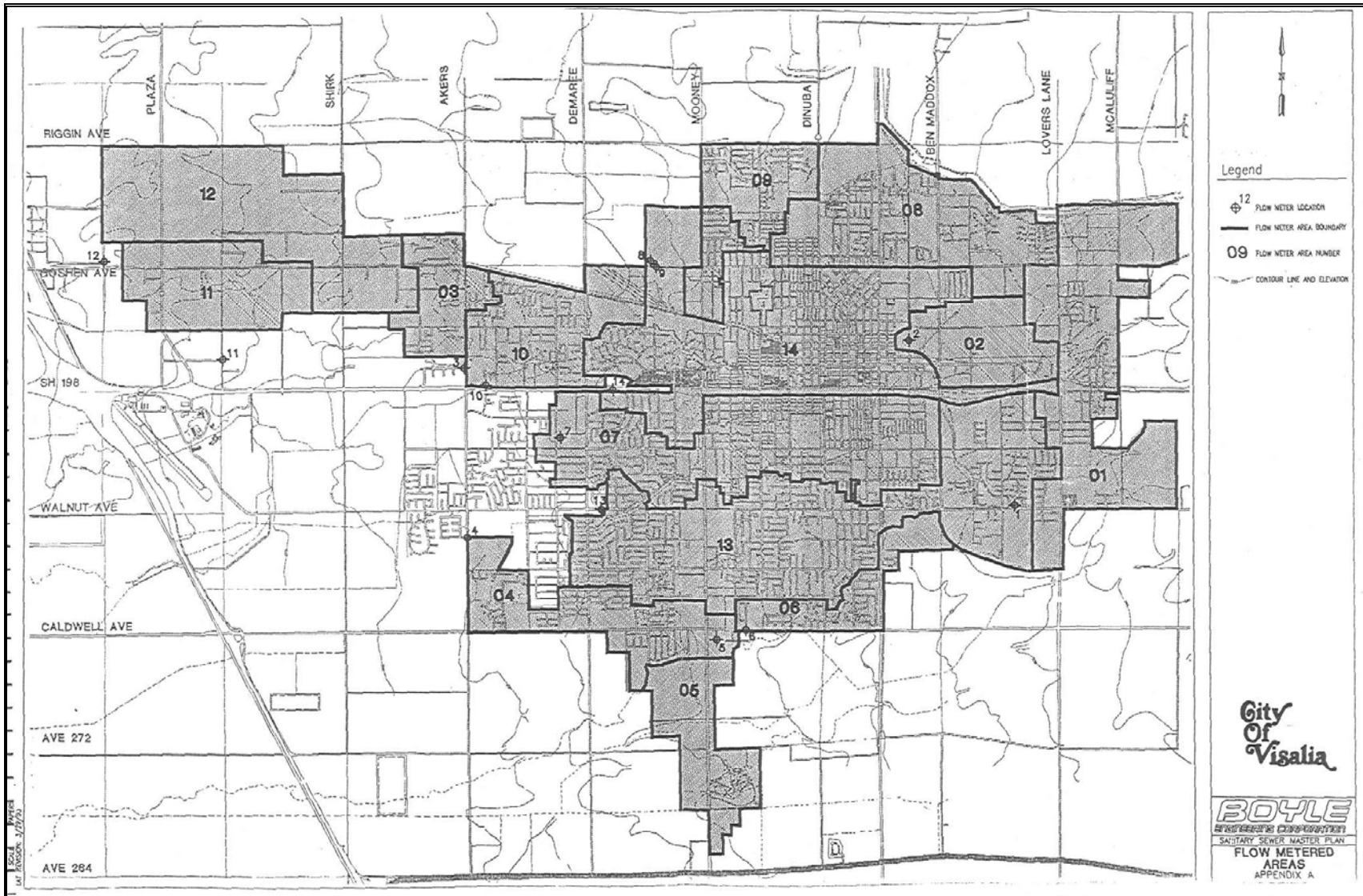
- Service Area 9 – Proposed Avenue 276 – Road 148 Trunk
- Service Area 10 – Proposed Shirk – Riggin Trunk
- Service Area 11 – Proposed Avenue 320 Trunk
- Service Area 12 – Proposed Road 76 – Avenue 320 Trunk

Specific improvements for the periods between 1992-2000, 2000-2010, 2010-2020, and post 2020, are outlined for each of the proposed expansion service areas (refer to the *Sewer System Master Plan* for

additional information). The *Sewer System Master Plan* identifies improvements necessary to accommodate growth to the City's UAB.

The City has two capital funds set up for wastewater infrastructure improvements, one for new trunk line construction, and one for operations and maintenance and improvements to existing facilities. Several major capital wastewater infrastructure projects are programmed in the current capital improvement program (CIP), providing evidence that the City is working towards the full implementation of the *Sewer System Master Plan*. A partial list of these projects is provided below.

FIGURE 1-8 – MASTER PLANNED SEWER SERVICE AREAS



Source: Sewer System Master Plan (Boyle Engineering Corporation, February 1994)

Wastewater Trunk Line Construction Fund

Install a trunk sewer from Demaree & Ferguson to Dinuba Blvd. & Riggins Avenue. (FY 2001-2002: \$925,800, FY 2002-2003: \$1,860,000)

Construct a trunk line from Akers to Stonebrook. (FY 2001-2002: Design trunk line, \$550,000; FY 2002-2003: Construct Akers from Caldwell to Avenue 276 and Avenue 276 from Akers to Stonebrook, \$1,650,000; FY 2005-2006: Construct Avenue 276 from Mooney to Santa Fe and Santa Fe from Avenue 276 to Caldwell, \$1,400,000)

Preliminary engineering and design work necessary to provide developers and engineers with adequate information to construct Master Planned sewer lines with proposed development projects. (FY 2002-2003 through FY 2007-2008: \$25,000 annually)

Reimburse developers for additional costs incurred when constructing the required sanitary sewer with their development. The additional cost is the difference between the “development requirement” and the requirement to accommodate future development in the area. (FY 2002-2003 through FY 2007-2008: \$96,000 annually)

Wastewater Fund

Install sanitary sewers in County islands annexed into the City. The residents who choose to connect to the sewers pay connection fees that are used to reimburse the construction cost. (FY 2003-2004 & FY 2004-2005: \$150,000; FY 2005-2006: \$100,000)

Replace sanitary sewer mains based upon video inspection. Old sewer mains are starting to deteriorate, which can cause overflows. (FY 2002-2003 through FY 2007-2008: \$200,000 annually)

The Visalia Water Conservation Plant (wastewater treatment facility) currently operates under Order No. 97-061 NPDES No. CA0079189 issued by the Regional Water Quality Control Board Central Valley Region (RWQCB). The Visalia Water Conservation Plant (VWCP) is an activated sludge wastewater treatment facility. The VWCP receives influent waste that is about 20% industrial and 80% domestic wastewater; the domestic and industrial wastewater streams mix in the trunk sewer line and wet well before entering the headworks for combined treatment. The VWCP is located one mile west of SR 99, near the southeast quadrant of Road 68, and Avenue 288.

In early 1993, the City began to implement a project to expand the design capacity of the VWCP from 12.5 to 22 million gallons per day (MGD), to be completed in two phases. The first phase of the expansion project included the following:

- Construction of one primary clarifier
- Addition of one secondary clarifier
- Replacement of rock media trickle filters with expanded plastic media filters
- Construction of two chlorine contact basins
- Addition of two gravity belts for waste-activated sludge
- Construction of twelve sludge drying beds
- Construction of an additional anaerobic digester

The second phase of the project included the following:

- Installation of one additional anaerobic digester
- Construction of additional sludge drying beds
- Miscellaneous work consisting of installation of associated piping; relocation of maintenance and chlorine buildings, etc.

Based upon discussions with City staff, both phases of improvements to the VWCP have been completed, bringing the plant's current hydraulic capacity up to 22 MGD, the 5-day biochemical oxygen demand (BOD₅) capacity to 103,229 lbs/day, and the suspended solids (SS) capacity to 148,068 lbs/day. The current permit in which the VWCP is operating under, which prescribes a maximum average daily dry weather flow of 16 MGD, expired on March 1, 2002. The City has submitted a renewal application for the NPDES permit, which is pending action from the RWQCB. The City has been directed by the RWQCB to continue operating under the expired permit until a new permit is issued by the Board. The City anticipates that the renewed permit will allow for a maximum flow of 22 MGD.

Based upon information contained in the Wastewater User Charge Survey Report FY 2004-05 (CalEPA – State Water Resources Control Board), as of May 2005, the VWCP had an average dry weather flow of 12.5 MGD. Based upon discussion with City staff, as of August 2004, the average dry weather flow into the treatment plant was 12.5 MGD, resulting in a reserve design capacity of approximately 9.5 MGD. The City of Visalia is currently contracted with the Goshen Community Service District (CSD) to provide wastewater treatment services. The Goshen CSD provides wastewater collection service within the Goshen community, and contracts with the City of Visalia to treat the wastewater. The district has a current (December 2005) contracted wastewater treatment capacity (average daily discharge) of 335,000 GPD. As of November 2005, Goshen was contributing approximately 315,000 GPD to the VWCP.

Effluent from the VWCP is discharged to three separate locations, Mill Creek, an irrigation ditch, and two evaporation/percolation ponds covering a total of 80 acres. Mill Creek, which is the primary discharge point year-round, is a tributary to Cross Creek, and a water of the United States. Mill Creek supplies irrigation water to hundreds of acres of cotton, alfalfa, sugar beets, and orchards downstream of the discharge point. It also supplies water to a 160 acre groundwater recharge basin, roughly three miles downstream of the VWCP, which is owned and operated by the City of Visalia. Mill Creek flows into Cross Creek about eight miles downstream and southwest of the VWCP. Cross Creek is a tributary to the Tule River approximately 16 miles downstream of the discharge point. There is no residential development along Mill Creek downstream of the discharge point; the portion of Mill Creek between the discharge point and Cross Creek is bounded by agricultural lands.

The second discharge point is to an irrigation ditch in which effluent is mixed with irrigation water and used for furrow irrigation of 900 acres of walnut orchard owned by the City. Prior to 1995, the orchard was not available for wastewater reclamation. Currently, the discharger reclaims water on the orchard and leases the land to a local farmer. Discharge to the orchard occurs primarily during February through September at a maximum rate of about 5 MGD.

The third discharge point is to two evaporation/percolation ponds covering 80 acres, land which is owned by the City. Prior to 1995, discharge to the ponds occurred frequently at a rate of about 9 MGD. In 1995, discharge to the ponds was minimized to reduce potential for degrading the shallow groundwater beneath the ponds.

While the *Sewer System Master Plan* addresses current and future needs for the sewer collection system (pipelines and lift stations), the *Wastewater Treatment Master Plan Update* addresses current and future

needs for wastewater treatment and disposal. The City is in the process of having a comprehensive update to the *Wastewater Treatment Master Plan Update* (which was adopted in 1993) prepared.

Table 1-5 shows the projected wastewater treatment plant loadings as identified in the *1993 Wastewater Treatment Master Plan Update*. Average day maximum month flows are arrived at by considering average flows during the month in which the highest wastewater flows are encountered.

**TABLE 1-5
PROJECTED PLANT LOADINGS
CITY OF VISALIA WATER CONSERVATION PLANT**

Parameter	1995	2000	2005	2010	2015	2020
Quantity (MGD)						
Domestic	9.05	10.49	12.16	14.10	16.35	18.95
Industrial	1.60	1.68	1.77	1.86	1.95	2.05
Total (Avg.)	10.65	12.17	13.93	15.96	18.30	21.00
Avg. Day Max. Month Total	11.37	13.00	14.88	17.04	19.54	22.42
Quality (1,000 lbs./day)						
Avg. Day BOD ₅	45.32	50.10	55.61	61.81	68.81	76.83
Avg. Day SS	23.74	26.46	29.58	33.12	37.15	41.77
Avg. Day Max. Month BOD ₅	60.10	66.44	73.74	81.97	91.25	101.88
Avg. Day Max. Month SS	27.85	31.04	34.70	38.85	43.57	48.99

Notes: 1) Source: *Wastewater Treatment Master Plan Update* (John Carollo Engineers, 1993)

2) MGD = Million Gallons per Day

3) BOD₅ = 5-Day Biochemical Oxygen Demand

4) SS = Suspended Solids

The projected treatment plant loadings as indicated in Table 1-5 are based upon population projections outlined in the *Wastewater Treatment Master Plan Update*, as identified in Table 1-6 below (approximate values). The projected per capita flow is derived utilizing the average day maximum month flows outlined in Table 1-5, and projected population increases.

**TABLE 1-6
PER CAPITA FLOW PROJECTIONS
CITY OF VISALIA WATER CONSERVATION PLANT SERVICE AREA**

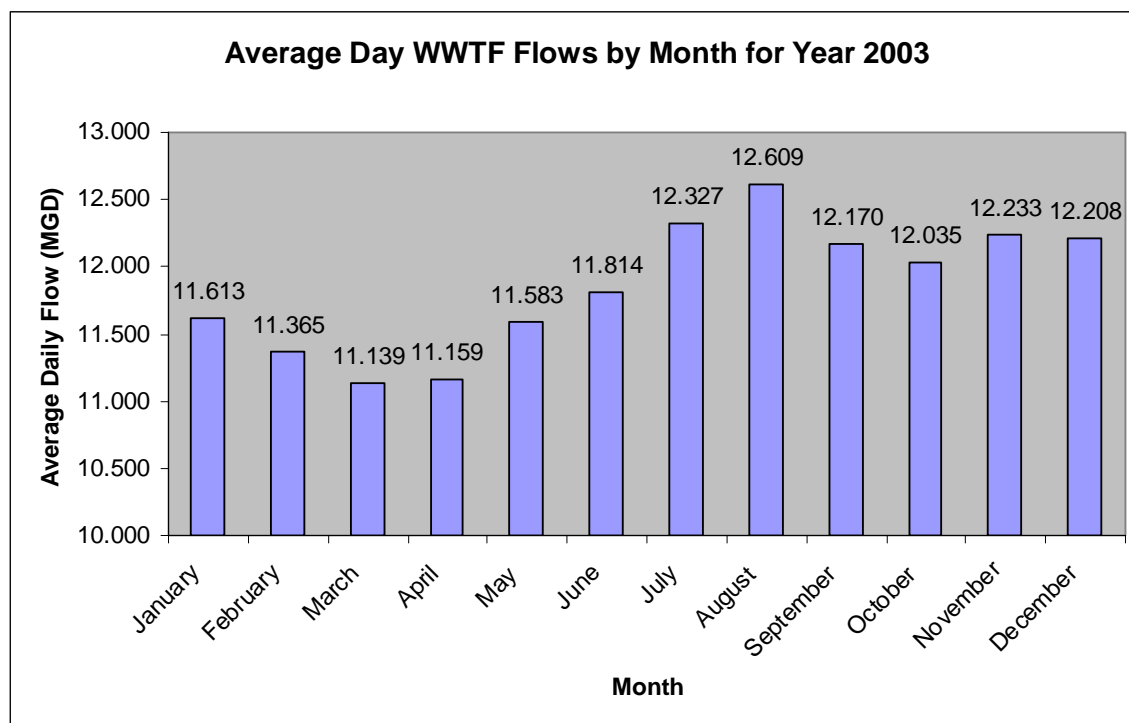
Year	Population	Per Capita Flow (GPD/Person)
1995	89,900	127
2000	104,200	125
2005	119,000	125
2010	140,000	122
2015	161,000	122
2020	188,300	120

Notes: 1) Source: *Wastewater Treatment Master Plan Update* (John Carollo Engineers, 1993)

2) GPD/Person = Gallons per Day per Person

Figure 1-9 illustrates a chart with the actual average daily flows into the VWCP for each month in year 2003. The information was obtained from the VWCP.

FIGURE 1-9 – YEAR 2003 AVERAGE DAILY FLOWS BY MONTH



The per capita flow projections are anticipated to decrease in the future due to continuing efforts by the City to increase water conservation awareness. A comparison of Table 1-5 and Figure 1-9 indicate that the projected flows as contained in the *1993 Wastewater Treatment Master Plan Update*, are higher than actual flow increases. However, the addition of a single large industrial user connection to the system could significantly increase the current flows. Similarly, as indicated in Table 1-6, population growth projections provided in the *Wastewater Treatment Master Plan Update* are also high in comparison to actual growth that has occurred since the preparation of the plan.

The City is currently in the process of having a comprehensive update to the *1993 Wastewater Treatment Master Plan* prepared. Pending completion, this document should be referred to for a complete schedule of proposed improvements at the VWCP, and future capacity increases resulting from any of the proposed improvements.

The City's Wastewater Fund, which is set up for operations and maintenance and improvements to existing facilities, provides funding for improvements to the VWCP. Capital wastewater treatment infrastructure improvements are programmed in the current capital improvement program (CIP), providing evidence that the City is working towards the full implementation of the *Wastewater Treatment Master Plan Update*. A partial list of these projects is provided below.

Wastewater Fund

Capital improvements to treatment plant that may be required to comply with the renewal of the NPDES discharge permit. Examples of improvements that may be required are additional groundwater monitoring wells, replacement of water supply wells on surrounding property, lining of the supernatant pits with plastic, lining of the sludge drying beds with concrete, and construction of additional effluent storage ponds. (FY 2002-2003 through FY 2007-2008: \$1,000,000 annually)

Overhaul the primary clarifier with new chains and flights and epoxy coating of exposed concrete. There are a total of 4 primary clarifiers and each one is overhauled on an 8-year cycle. The clarifiers scrape activated sludge very slowly back to pumps that send it to the digesters. The scrapers are called flights and they are mounted like a horizontal ladder on two long chains that pull them through the basin. (FY 2002-2003 & FY 2004-2005 & FY 2006-2007: \$40,000 biannually; FY 2003-2004 & FY 2005-2006 & FY 2007-2008: \$100,000)

Overhaul the secondary clarifier with new chains and flights and epoxy coating of exposed concrete. There are a total of 4 secondary clarifiers and each one is overhauled on an 8-year cycle. The clarifiers scrape activated sludge very slowly back to pumps that send it to the digesters. The scrapers are called flights and they are mounted like a horizontal ladder on two long chains that pull them through the basin. (FY 2002-2003 & FY 2004-2005 & FY 2006-2007: \$40,000 biannually)

It should be noted that the above list contains only a portion of the projects that are listed in the City's 5-year CIP. The City's CIP should be referred to for a complete list of the capital improvements programmed through FY 2007-2008. Many of the sanitary sewer and treatment plant projects listed above would provide additional capacity for developments occurring within the City's UGB and SOI.

1.2.5 Streets and Roads

Regional Transportation

Routes of regional significance that serve the City of Visalia include State Route (SR) 198, SR 99, SR 216 (Houston Avenue east of Lovers Lane), SR 63 (Mooney Boulevard/Dinuba Road), Caldwell Avenue (Avenue 280), and Avenue 320. Western Visalia is served by four diamond interchanges along SR 198 at Plaza Drive, Shirk Road, Demaree Street, and Akers Street. Through central Visalia, SR 198 is straddled by the Noble Avenue, Mineral King Avenue one-way couplet, which includes freeway access at Mooney Boulevard, Johnson Street, Church Street, and Central Avenue. East of Ben Maddox Way, Noble Avenue, and Mineral King Avenue become two-way facilities. A hook ramp interchange exists along SR 198 just east of Ben Maddox Way, and provides access to Noble Avenue, and Mineral King Avenue.

The Tulare County Association of Governments (TCAG) has adopted the 2004 Regional Transportation Plan (RTP). The Regional Transportation Improvement Program (RTIP), which qualifies projects for the State Transportation Improvement Program STIP, is consistent with the RTP, and serves as the implementing document. The first RTP was written and adopted in 1975 with updates every two years and in 1999 the *California Transportation Commission* (CTC) amended the requirement to every three years. The 2004 RTP is based on regional transportation facilities and the proposed constrained improvements funded during the time frame of the Plan.

The 2004 RTP includes the following major chapters:

- Policy Element
- Assessment of Need
- Action Element
- Financial Element
- Public Participation Summary
- Valley-wide Chapter

The 2004 *Regional Transportation Plan* identifies the following improvement projects as being programmed for *State Transportation Improvement Program* (STIP) funding during the 2004 - 2007/2008 STIP cycle.

- SR 63 – Widen to 6-lane divided arterial from Packwood Creek to SR 198
- SR 65 – Passing lanes/operational improvements from Kern County Line to Route 190
- SR 198 – Widen to 4-lane expressway from SR 99 to Kings County Line
- Road 80 – Widen to 4-lane expressway from Goshen Avenue to El Monte Way
- Prosperity – Prosperity/SR 99 Interchange
- Scranton – Signalization and operational improvements
- Rehabilitation – Rehab projects for County and Cities
- Road 108 – Widen to 4-lanes from Leland Avenue to Caldwell Avenue
- SR 65 – Widen to 4-lanes from Avenue 56 to SR 190
- Caldwell Avenue – Widen to 4-lanes from Akers Road to Shady Lane
- Road 204 – Widen to 4-lanes from SR 137 to SR 198
- Plaza Drive – Widen to 4-lanes from Airport Road to Goshen Avenue
- SR 216 – Widen to 4-lanes from Lovers Lane to Road 152
- Avenue 416 – Widen to 4-lanes from Fresno County Line to Road 88
- Visalia Road – Operational improvements from Steven to Brundage

The City assesses developer's traffic impact fees for street and road improvements. With the fees, the City is able to fund improvements on roads that are not programmed in the STIP.

General Plan Circulation Element Summary

The streets, roads and circulation patterns in the City of Visalia were studied as part of the *General Plan Circulation Element Final Environmental Impact Report (SCH EIR No. 1995032056)*, adopted by the City Council in February 2001. This information base provides an excellent foundation for evaluating the transportation issues in the City. The intent of the *General Plan Circulation Element* is to:

- Identify the transportation needs and issues within the City, as well as regional relationships which affect the City's transportation system;
- Describe the proposed circulation system in terms of geometric design elements, operating characteristics, and limits of operation, including current standards, guidelines, and accepted criteria for the location, design, and operation of the transportation system;
- Consider alternatives other than the single occupant vehicle as essential in providing services and access to facilities;
- Establish policies which coordinate the circulation system with planned land uses and provide direction for future decision-making in the realization of the Circulation Element goals;
- Develop implementation strategies and identify funding sources to provide for the timely implementation of the Circulation Element's recommendations.

The City's street network generally consists of a grid system of east-west and north-south arterials and collectors. In addition, Visalia provides local transit service through Visalia City Coach (VCC). A demand-responsive service is also available through the City's Dial-a-Ride program. The VCC won the

2004 Transit Excellence Award from the California Transit Association for its new Downtown Transit Center.

The City also owns and operates the Visalia Municipal Airport, which provides aviation services to approximately six fixed-base operators. One commuter airline provides passenger service at the airport to Fresno and Los Angeles. Passenger rail service is currently provided via a feeder bus system that connects several Tulare County cities, including Visalia, to the existing Amtrak station located in the City of Hanford in Kings County. The City has adopted several ordinances and Master Plans aimed at alternative modes of transportation to relieve traffic congestion.

The *General Plan Circulation Element* outlines five goals defined as a vision of conditions related to public health, safety, or general welfare toward which the City directs planning and implementation. The five goals of the Circulation Element are quoted below.

- *Goal 1: “Provide an integrated transportation system for the safe and efficient movement of people and goods in the Visalia planning area. This system shall enhance the physical, economic, and social environment of the City.”*
- *Goal 2: “Consider all modes of transportation as an integral component of the City’s transportation system. These modes include mass transit (public and private bus, passenger rail, and taxi systems), air transportation, and non-motorized transportation (pedestrian and bicycle).”*
- *Goal 3: “Develop and promote alternative transportation strategies designed to reduce vehicle trips and improve traffic flow.”*
- *Goal 4: “Participate in and assist with coordinating regional efforts which integrate the City’s transportation system with the 1998 Regional Transportation Plan (RTP).”*
- *Goal 5: “Plan and develop an efficient transportation system to promote the orderly development of Visalia.”*

The *General Plan Circulation Element* outlines a variety of local, State, Federal, and private funding sources for its implementation. Local, State, and Federal funding sources as identified in the Circulation Element are identified below. The majority of funds generated from State and Federal sources are from gas taxes distributed through a variety of programs, acts, and grants.

Local Funding Sources

Airport Fund – An enterprise revenue account derived from airport user fees (such as hangar rentals and fuel sales) to fund airport operations and improvements.

General Fund – Unrestricted, discretionary funds for anything approved by the City Council. Its sources are sales and property taxes, motor vehicle in-lieu fees, business licenses, transient occupancy taxes, fees for services and interest earnings.

Redevelopment Funds – Monies for these funds are provided through tax increments generated in various project areas.

Transportation Impact Fees – Adopted in 1989, fees collected (when building permits are issued) for new street improvements and transportation facility expansion related to new growth.

Parking District – Fees collected on new and expanded development projects in the Central Business District and used to partially fund downtown area parking facilities.

Property Based Improvement District (PBID) – Downtown improvement district set up for promoting, landscaping, and parking improvements in the downtown area of the City.

Highway Users (Gas Tax) – Per capita allocations from motor vehicle gas tax monies placed on motor vehicle fuels for construction, improvements, and maintenance of streets and highways.

State Funding Sources

AB 2766 Program – Annual funds made available through the San Joaquin Valley Unified Air Pollution Control District (SJVUAPCD) for Clean Air Projects and Transportation Control Measures.

California Aid to Airports Program (CAAP) – a State and local government matching share program via grants based on priorities set in the STIP.

Flexible Congestion Relief (FCR) – A State funded program for regional or local transportation projects to reduce delay and congestion.

Local Transportation Fund (LTF) – Mass transit funds allocated by transportation planning agencies based on population.

State Transit Assistance – Funding for mass transit and transportation planning allocated to regional transportation planning agencies based on population and operator revenues.

Regional Transportation Improvement Program (RTIP) – List of proposed transportation projects submitted by TCAG as a request for State Funding – a four year planning document that is updated every two years.

State Transportation Improvement Program (STIP) – List of transportation projects, proposed in RTIP, which are approved funding by the California Transportation Commission (CTC).

Transportation Development Act (TDA) – The principal source of local funding for mass transportation programs – LTF and STA. The level of funds is subject to State-wide sales and fuel tax receipts.

Federal Funding Sources

Airport Improvement Program (AIP) – Based on allocating aviation-generated tax revenues for specified airport facilities on a local matching share basis.

Community Development Block Grant Program (CDBG) – Monies for this fund are provided through HUD under Title 1 of the National Affordable Housing Act to develop a viable community.

Federal Transit Administration (FTA) – Federal funding requiring local matching funds for:

- 49 U.S.C. 5309 – Funds projects which involve building a new fixed guideway system or extending an existing guideway.
- 49 U.S.C. 5303 – Planning components of transit operations such as short range and long range transit plans.
- 49 U.S.C. 5307 – Transit capital and operating assistance for urbanized areas.

Inter-modal Surface Transportation Efficiency Act (ISTEA) – A Federal program to fund highway, highway safety, and mass transportation projects that improve air quality and reduce congestion. ISTEA consists of a number of programs such as Congestion Mitigation and Air Quality Improvement (CMAQ), Surface Transportation Program, Minimum Allocation, etc.

Transportation Improvement Program (TIP) – Federally required document produced by RTPs listing investment priorities for transit-related improvements, mass transit, general aviation and highways.

The Department of Public Works is responsible for maintaining the City's street surfaces in a smooth and safe condition to the satisfaction of the traveling public, through general fund revenues. The City's comprehensive budget document identifies the following accomplishments for 2000-2001:

- Crack sealed 434,400 lane feet of City streets.
- Repaired 24,084 square feet of deteriorated road surface with Infrared Hot Patcher
- Ground out and repaired 250,437 square feet of deteriorated asphalt on City streets.
- Chip sealed 34 miles of City streets
- Overlay 1.5 miles of residential streets with a 1 ½" AC cap.
- Installed 23 wheel chair ramps.
- Reconstructed ¾ of Avenue 288, east of Avenue 268 that goes to the treatment plant.

The following objectives are also outlined for the 2002/03-2004 budget cycle:

- Install concrete railroad crossing at Tulare Avenue east of Cotta, Center Street west of Ben Maddox Way, and Santa Fe north of K Road.
- Chip seal 10 miles of City streets.
- Grind out and repair 300,000 square feet of deteriorated asphalt.
- Crack seal 400,000 lane feet of City streets.
- Repair 30,000 square feet of deteriorated road surface with Infrared Hot Patcher.
- Overlay 10 miles of residential streets with a 1 ½" AC cap.
- Install 30 wheel chair ramps.

The City also has four capital funds (excluding the general fund) set up for street and road infrastructure improvements: The gas tax fund, transportation impact fee fund, transportation fund, and traffic congestion relief fund. Several major capital street and road infrastructure projects are programmed in the City's capital improvement program (CIP). A partial list of these projects is provided below.

Gas Tax Fund

Construct SR 198 over-crossing on Santa Fe. (FY 2002-2003: \$1,500,000; FY 2003-2004: \$500,000)

Construct Riggins Avenue from Dinuba Boulevard to St. Johns Parkway as a 4-lane divided arterial. (FY 2002-2003: \$120,000; FY 2003-2004: \$600,000)

Upgrade existing railroad crossings with full depth concrete panels. (\$100,000 annually through FY 2006-2007)

Install traffic signal at Walnut and Pinkham. South side of Walnut needs to be improved from Pinkham east prior to installation. (FY 200-2003: \$150,000)

Widen Ben Maddox from Main Street to Houston Avenue from a 4-lane undivided to a 4-lane divided arterial. Controlled left-turn movements would be provided at each intersection. (FY 2004-2005: \$740,000; FY 2005-2006: \$720,000; FY 2006-2007: \$820,000)

Transportation Impact Fee Fund

Widen McAuliff from 2-lanes undivided to 4-lanes divided from Houston to St. Johns River. This project was coordinated with River Run Ranch to develop McAuliff Ave. (FY 2002-2003: \$1,000,000)

Construct Ferguson Avenue from Conyer Street to Dinuba Boulevard. Street classification to be collector with 60 feet of ROW. (FY 2002-2003: \$300,000)

Widen Walnut between Yale and Central to accommodate dual turn lanes on Mooney Boulevard and install medians. This project is to be constructed in conjunction with the Mooney Boulevard widening project and phased with the other three major Mooney intersections. (FY 2003-2004: \$720,000)

Widen Whitendale between Sallee and Central to accommodate dual turn lanes on Mooney Boulevard and install medians. This project is to be constructed in conjunction with the Mooney Boulevard widening project and phased with the other three major Mooney intersections. (FY 2003-2004: \$500,000)

Widen Tulare Avenue between Woodland and Fairway to accommodate dual turn lanes on Mooney Boulevard and install medians. This project is to be constructed in conjunction with the Mooney Boulevard widening project and phased with the other three major Mooney intersections. (FY 2004-2005: \$610,000)

Widen Beech Avenue from Mooney to west 400 feet to accommodate dual left turns on Mooney Boulevard. This project is to be constructed in conjunction with the Mooney Boulevard widening project and phased with the other three major Mooney intersections. (FY 2005-2006: \$610,000)

Install traffic signal and median at Mooney Boulevard and Cameron Avenue. Signal installation is based on development on the east side of Mooney. (FY 2002-2003: \$360,000)

Widen existing bridge over Packwood Creek along Mooney Boulevard. Widening will allow for the installation of the median island. (FY 2002-2003: Widen east portion of bridge - \$300,000; FY 2003-2004: Widen west portion of bridge - \$300,000)

Construct a bridge over Packwood Creek along the County Center alignment. The bridge will connect Cameron Avenue to County Center. (FY 2003-2004: \$575,000)

Install a traffic signal and median island at Mooney Boulevard and Avenue 276. Signal installation is based on development along Mooney Boulevard. (FY 2003-2004: \$360,000)

Transportation Fund

Construct a bike path along the St. John's River from Dinuba Boulevard to Cutler Park. Project is 88% funded by the Federal Transportation Enhancement Grant. (FY 2002-2003: \$200,000; FY 2003-2004: \$334,000)

Construct a pedestrian corridor to connect the new Transit Center to Main Street. This project will include sidewalks, trees, benches, and streetlights. Project is 88% funded by the Federal Transportation Enhancement Grant. (FY 2002-2003: \$256,000)

Construct McAuliff extension from Houston Avenue to Mineral King Avenue. (FY 2002-2003: \$1,200,000)

Construct Caldwell Street improvements from Akers Street to Shady Street. Improvements include widening to 4 lanes, curb, gutter, sidewalk, pave out, median island, & bus bays. Project is 100% STIP funded. (FY 2003-2004: \$426,000; FY 2004-2005: \$205,000; FY 2005-2006: \$5,400,000)

Widen Plaza Drive including SR 198 overcrossing to Goshen; widening to 6 lanes from SR 198 to Hurley and 4 lanes from Hurley to Goshen. Phases include: environmental in 01/02; engineering design in 03/04, and construction in 06/07. Project is 100% STIP funded. (FY 2003-2004: \$615,000; FY 2004-2005: \$615,000; FY 2006-2007: \$8,200,000)

Widen Houston to 4 lanes undivided from Ben Maddox to Lovers Lane. (FY 2004-2005: \$600,000)

Traffic Congestion Relief Fund

Rehabilitate miscellaneous streets with a poured hot, rubber material used to seal cracks on streets to prevent water infiltration. (Total Cost FY 2002-2003 through FY 2005-2006: \$454,000; Project funded by gas tax fund starting FY 2006-2007).

Reclamite various City streets. Reclamite is sealing streets with oil that penetrates and seals the asphalt surface. (Total Cost FY 2002-2003 through FY 2005-2006: \$555,000; Project funded by gas tax fund starting FY 2006-2007).

All Counties and Cities are scheduled to receive congestion relief money through FY 2005-2006. Many of the improvement projects listed above would support, directly or indirectly, growth within the SOI area. Every year, the Citizens Advisory Committee conducts a public opinion survey to establish the public's satisfaction with City services and to obtain feedback on timely issues. The 2003 public opinion survey showed that of the 12 questions that could be compared to previous years, ratings were up on all but two of the questions. Residents of Visalia were more satisfied in 2003 with everything except for traffic and road maintenance. This directly reflects the impacts of having STIP funded transportation projects delayed due to the State budget crisis. Respondents were also asked what they considered the most important service the City provides except for public safety (police and fire protection). The service that received the highest rating was street and road maintenance, with traffic signals and signing close behind. As streets and road maintenance are key issues facing Visalia in the eyes of its residents, the City may need to further focus efforts in this area to satisfy the needs of the public. Further public opinion surveys may assist in gaining more specific input on transportation projects.

The City Council recently adopted a major policy change in the way that the City's arterial and collector streets are funded and constructed. Previously, a developer of adjacent property was responsible to build and pay for the adjacent arterial or collector streets, with the City reimbursing the developer for the cost of oversizing the street to support traffic greater than that generated by the development. This resulted in pieces of streets that were left un-built adjacent to properties that had not yet developed, which degraded the ability of some streets to handle traffic efficiently. Caldwell Avenue is an example of a major street that has pieces of it missing adjacent to undeveloped sites. The City Council and Planning Commission asked that this problem be remedied, and a new policy resulted.

Under the new policy, the City will now have the financial responsibility for all portions of arterial and collector streets. If these streets are built by developers, they will be reimbursed the entire cost of construction. In exchange, the City significantly raised its traffic impact fees for new development. The increased fees will provide a steady funding source that the City can use to fund City-initiated projects to build necessary streets ahead of development when they are needed. One example that will be a priority will be the connection of Visalia Parkway from Demaree Street over Packwood Creek to County Center Drive. The street provides additional access to the Packwood Creek shopping center and will be the primary entry to the new elementary school that will be built at Visalia Parkway/Dan's Street. This arterial street would not have been able to have been built in the immediate future under the old policy due to funding constraints. The City anticipates that the new policy for constructing streets will provide the funding capability to respond to the public's major traffic concerns in a more timely fashion.

1.2.6 Fire and Police Protection Services

Fire

The purpose and responsibility of the City's Fire Department (VFD) is to provide the people of Visalia with fire protection, and other emergency services. The City is currently served by four fire stations strategically located throughout the City. These four fire stations are described below.

Fire Station No. 1 – Station 1, the headquarters station is located in downtown Visalia at 309 S. Johnson St. Station 1 houses fire engine 1, fire truck 1, fire truck 2, battalion 1, and an air support unit. Station 1 is also the administrative headquarters for the fire department.

Fire Station No. 2 – Station 2 is located in southern Visalia at 2224 W. Monte Vista Avenue, near the southwest corner of the Mooney Boulevard/Whitendale Avenue intersection. Station 2 houses fire engine 2, and reserve fire engine 201.

Fire Station No. 3 – Station 3, considered the airport fire station, is located in western Visalia at 9500 W. Airport Drive. Station 3 houses fire engine 3, and two Airport Rescue Fire Fighting Units (ARFF Units).

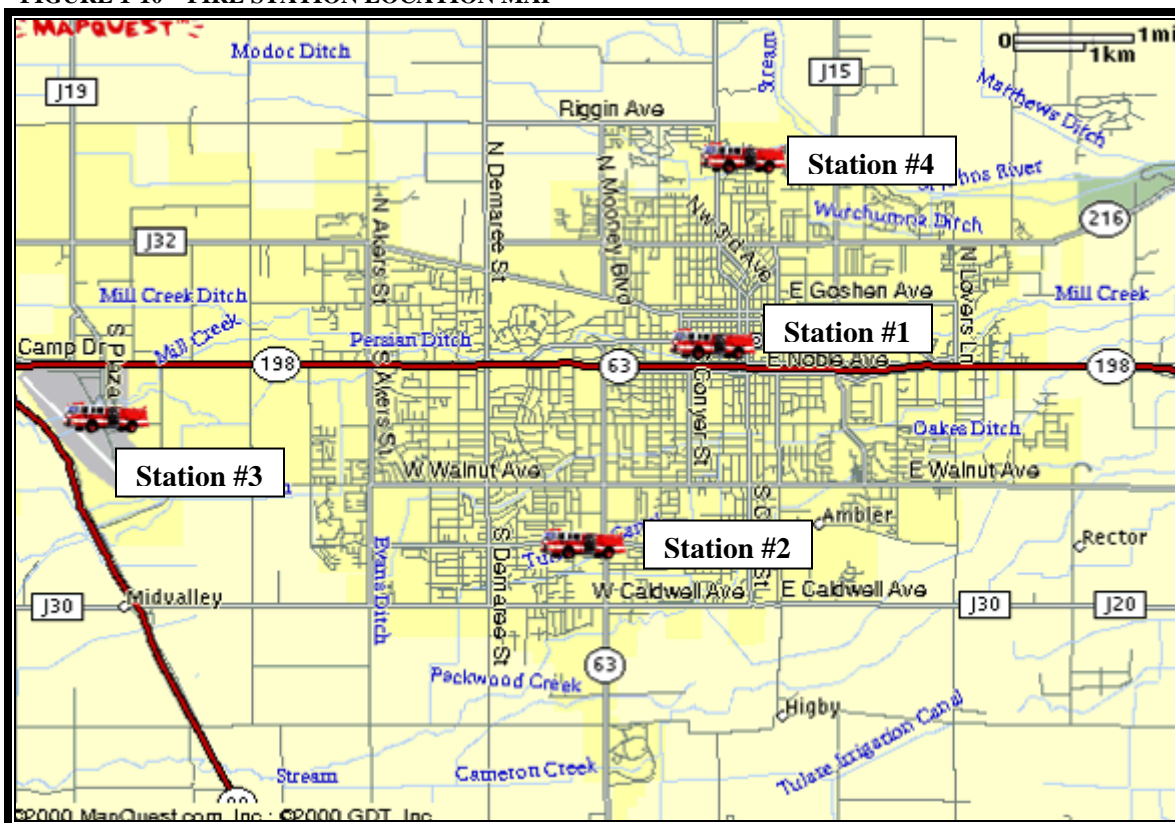
Fire Station No. 4 – Station 4, the newest fire station, is located in northern Visalia at 440 E. Ferguson Avenue, just east of North Dinuba Boulevard. Station 4 houses fire engine 4, and reserve fire engine 401.

Figure 1-10 shows a fire station location map. The above fire stations are staffed 24 hours a day, 365 days a year. Fire suppression efforts are handled by four Pierce fire engines and a 105-foot Pierce aerial truck as the front-line equipment. Each apparatus is staffed with a minimum of three firefighters.

The fire prevention division of the VFD provides engineering, education, and enforcement programs to provide a fire safe environment. The Uniform Fire Code (UFC) is adopted by the City for the purpose of setting regulations governing conditions hazardous to life and property from fire, hazardous materials, or explosions. The City Council has adopted a permit process and fee schedule for certain regulated activities. The revenues generated from this program support the fire prevention division, and the hazardous materials response team.

The hazardous materials division (Haz-Mat 1) of the VFD responds to accidents involving hazardous materials, and ensures the welfare and safety of those in danger. Haz-Mat 1 is housed at fire station 3, where all the personnel are trained as Haz-Mat specialists and Haz-Mat technicians. Past statistics regarding VFD fire and emergency responses are provided in Table 1-7.

FIGURE 1-10 – FIRE STATION LOCATION MAP



Source: <http://www.ci.visalia.ca.us/>

**TABLE 1-7
VFD CALL RESPONSE STATISTICS**

Non-Fire Alarms	2001	2002	2003
EMS/Rescue	3,748	4,415	5,589
Hazardous Condition	250	191	194
Service Calls	198	373	364
Good Intent	940	1083	823
False Call/No Merit	218	219	324
Severe Weather	1	0	0
Other	9	10	10
Undetermined	7	0	1
Total Non-Fire	5,571	6,291	7,308
Fire Alarms			
Structure Fires	240	250	198
Vehicle Fires	138	137	146
Grass/Vegetation Fires	95	107	75
Trash/Dumpster Fires	63	92	104
Rupture/Explosion	20	28	15
Other	5	0	6
Total Fires	561	614	544
Total Calls	6,132	6,905	7,849
Total Fire Loss \$\$	\$1,702,300	\$5,105,383	\$3,306,180

Notes: 1) EMS/Rescue: Medical, vehicle injuries, extrications, etc.
2) Hazardous Condition: Haz-Mat, electrical, gas/oil spills, power lines down, etc.
3) Service Calls: Police assist, leaks, smoke removal, other public service
4) Good Intent: Steam/barbeque mistaken for smoke, odor of smoke, cancelled en route
5) Source: <http://www.ci.visalia.ca.us/>

As indicated in Table 1-7, the total number of fires went down from 2002 to 2003. This could be partially attributed to the department's fire prevention program efforts. While the actual number of fires decreased, the total number of calls increased. It is likely that the increase in call volume is proportional to the amount of growth within the City.

The City passed Measure T (which became effective July 1, 2004), a local ¼ cent sales tax increase that is to be used solely to enhance and expand public safety services and facilities. The Measure T implementation plan would be implemented over a 20-year period, and with regard to fire protection, would add 18 more firefighters, and 2 new fire stations. Forty percent of the funds generated from Measure T would be allocated to fire protection services, while sixty percent would be allocated to police protection services, including a new 911 headquarters. The passage of Measure T helps offset funding capital projects with contributions from the general fund. Measure T is expected to generate \$4.5 million annually.

The City has one capital fund, which includes contributions from the general fund, revenue generated from developer fees, and a portion of funds generated from Measure T, set up for new fire department facilities and equipment (excluding operation and maintenance costs which are derived directly from the general fund). Capital projects funded (fully or partially) by the fire impact fees fund are identified below.

Fire Impact Fund

Install emergency vehicle preemption systems in 34 traffic signals and install transmitters in 12 fire emergency vehicles. This system will allow emergency vehicles to control traffic signals along their route. (Multi-funded with STIP money)

Set aside \$160,000 to purchase 4-acres of land for a future fire station at a site that has yet to be determined.

Set aside \$78,000 to purchase 3 acres of land to construct a fire training facility. The location of the training facility will be dependant on Council's direction. (Multi-funded with General Fund money)

Construct and staff a new 3-bay fire station at a site that has yet to be determined. This fire station is identified in the Public Safety Impact Fee Study.

Based upon input provided by City staff, the City recently purchased 5 acres of land at the southeast corner of Shirk Road and Ferguson Avenue for the purpose of sitting a new fire station and a training facility. The City is actively looking for an appropriate site in the southeast quadrant of the City for another new station. Funding for these new stations comes from the proceeds of the Measure T sales tax (about 30%) and from the Fire Development Impact Fee (about 70%).

Police

The mission of the Visalia Police Department (VPD) is to provide quality police services, in a partnership with the community, through the effective and responsible use of resources. The City's Police Department Headquarters Office is located at 301 S. Johnson Street, near Fire Station No. 1. In addition to the headquarters police station located downtown, the VPD has established three other satellite community service center offices: The Ferguson Street Center (District 1) located at Fire Station No. 4 at N. Dinuba Boulevard; the Visalia Mall Office (District 2) located at Mooney Boulevard and Walnut Avenue; and the Mary's Vineyard Office (District 2) located at Noble Avenue and Ben Maddox Way.

The VPD has two divisions comprised of four bureaus: 1) Administrative Services; 2) Patrol; 3) Traffic Bureau; and 4) Investigations. These divisions are funded through general fund revenues. Found within separate funds are Narcotics Forfeiture, State Citizens Option for Public Safety grant (COPS), and the Federal Local Law Enforcement Block Grant (LLEBG).

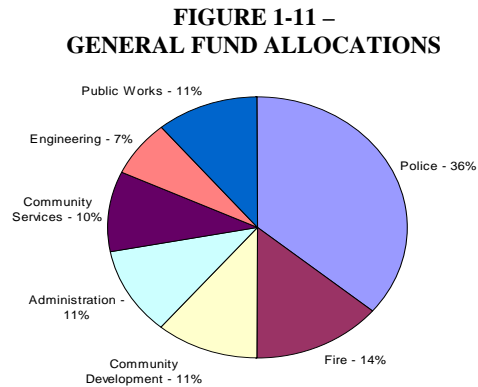
The Administrative Services Bureau provides direct service to the public, support services to the other bureaus within the VPD, and directs the Youth Services unit. Some functions of Support Services include fiscal matters, processing reports, arrest warrants, and evidence; coordination of police fleet vehicles and dispatching services for police and fire.

The Patrol Bureau provides highly visible 24-hour uniformed patrol focusing on the preservation of public peace, crime prevention, protection of life and property, and develops partnerships with the community to provide a safe and comfortable environment within the community.

The Traffic Bureau provides traffic enforcement, accident investigation, and safety education programs to promote safe vehicular and pedestrian traffic in the community, reducing traffic injuries and property damage caused by traffic collisions.

The Investigations Bureau provides thorough follow-up investigation of adult and juvenile crimes committed in the City. The Property Crimes Unit, Narcotics Unit, and the Violent Crimes Unit operate within the Investigations Bureau.

Figure 1-11 shows a chart outlining the adopted general fund percentage expenditures by department.



The City's adopted general fund budget summary for the VPD for FY 2003-2004 is as follows:

Personnel Costs	\$13,014,208
Operational Costs	\$ 1,638,745
Other Expenses	\$ 2,900,578
Total	\$17,553,531

Personnel costs include salaries/wages and employee benefits. Operational expenses include employee related expenses, operating supplies, special departmental supplies, outside services, and utilities/fuels/oils. Other expenses include capital equipment, and internal services. The City has one capital fund, the police impact fund, which includes contributions from the general fund, revenues generated from developer fees, and a portion of the revenue generated from Measure T for capital police protection projects. Revenue is used for new police department facilities and equipment (excluding operation and maintenance costs which are derived directly from the general fund). Capital projects funded (fully or partially) by the police impact fund are identified below.

Police Impact Fund

Remodel existing Juvenile Probation building at NW 3rd to provide offices and administrative space for new North Side Precinct Office for the Police Department. (Multi-funded with Community Development Block Grant Fund FY 2002-2003)

Purchase land, design, and construct a new Police Headquarters building and parking area at the site of the new Civic Center. (Multi-funded with General Fund Money FY 2004-2005: Acquire Property, FY 2006-2007: Begin Construction)

In addition to the above projects, the Police Impact Fund will also support the construction of a new south side precinct office at the corner of County Center Drive and Cameron Avenue. The site is owned by the City and site planning is currently under way.

The VPD staffs 124 full-time sworn officers, and 53 non-sworn positions. The City's police force also includes 11 reserve officers, 52 volunteers, and 8 chaplains. With a current (January 2005) jurisdictional population of 107,550, the VPD has a sworn officer to population ratio of approximately 1:870. Crime statistics for the City are shown in Table 1-8.

**TABLE 1-8
CITY OF VISALIA CRIME STATISTICS**

Year	Total Service Calls	Person Crimes	Property Crimes	Total Crimes	Arson
2002	95,649	843	2,740	3,583	30
2003	97,730	789	2,664	3,453	28
% Change	2.2%	-6.4%	-2.8%	-3.6%	-6.7%

Source: <http://www.ci.visalia.ca.us/>

As indicated in Table 1-8, the total number of service calls increased between 2002 and 2003 while the total number of reported crimes decreased by 3.6%. It is likely that the increase in call volume is proportional to the amount of growth within the City. Person crimes include homicide, rape, robbery, and aggravated assault. Property crimes include burglary, grand theft, and vehicle theft. There was a decrease in all categories of crime except for robbery in 2003 compared to 2002. Overall, there was a 3.6% decrease in reported crime. The VPD responded to a total of 99,820 calls for service in 2004.

1.2.7 Solid Waste Disposal

Solid waste collection service is provided by the City, while disposal services are provided through Tulare County via area landfills. The City's solid waste collection operations are based on a two-can system, one split container for garbage and recyclables and one green waste can. The Visalia City Council recently voted to retain the current two-can system as the standard service, but to meet the needs of more users by offering a second split-container for just \$4.00 a month.

City ordinance requires that all residents must bag their garbage, for rodent control, and must recycle. If the green waste and/or recyclable side of the split container are contaminated with garbage, the container is tagged and will not receive service. The first violation requires that unwanted items be removed to avoid a violation charge on following bills. Once the container is cleaned, the City will provide a free pickup upon request. A second violation results in a penalty of \$7.00, the third, a penalty of \$11.00, and the fourth violation and beyond, \$15.00 per violation.

In 1989, the State of California passed the Integrated Waste Management Act. Assembly Bill 939 (AB 939) required all cities and counties to implement programs to reduce landfill tonnage by 25% by the end of 1995, and 50% by the end of 2000. The eight Tulare County City's (Porterville, Visalia, Tulare, Lindsay, Dinuba, Farmersville, Exeter, and Woodlake), which are involved in the Joint Power Authority are currently at 44% diversion. The JPA has a time extension and plans to return to 50% diversion. The City of Visalia salvages approximately 1,150 ton of recyclables and 2,500 tons of green waste per month in their residential and commercial operations. The City of Visalia disposes approximately 8,500 tons of recyclables and garbage each month. Based upon information obtained from the Tulare County Solid Waste Division website (www.co.tulare.ca.us/solidwaste/swabout.htm), the County buries about 300,000 tons of waste per year, which is equivalent to about 5 lbs. per person per day, or one ton per county resident per year. The budget for this operation is \$12-\$13 million annually.

The County operates three landfills or solid waste disposal sites. These three facilities are the Visalia Landfill, northwest of Visalia; the Woodville Landfill, southeast of Tulare; and the Teapot Dome Landfill, southwest of Porterville. The County also operates seven transfer stations. The transfer stations

are located in rural areas for the convenience of the people who live near them and do not accept large volumes of waste. The seven transfer stations and approximate locations are listed below:

- Badger Transfer Station, east of Badger
- Balance Rock Transfer Station, north of Balance Rock
- Camp Nelson Transfer Station, northeast of Camp Nelson
- Earlimart Transfer Station, north of Earlimart
- Kennedy Meadows Transfer Station, near the Inyo County line in southeast Tulare County
- Pine Flat Transfer Station, north of Pine Flat
- Springville Transfer Station, south of Springville

The City of Visalia has two locations for garbage drop off, Tulare County Recycling (transfer station) on Lovers Lane, and the Visalia Landfill northwest of Visalia. Routes east of Mooney Boulevard are taken to Tulare County Recycling at which point transfer trucks are loaded with the garbage and hauled to the Kettleman City landfill. Routes west of Mooney Boulevard are taken to the Visalia Landfill on Road 80. Tulare County Recycling and the Kettleman Landfill are both owned by Waste Management.

Based upon discussions with the Tulare County Solid Waste Division, the Visalia Landfill is planned to expand in 9-phases, based upon increased demand. Phase 1 expansion has already been implemented. With the nine phased expansions, the total capacity of the Visalia Landfill is estimated at 16,521,501 cubic yards. The Tulare County Solid Waste Division further indicated that the Visalia Landfill has sufficient capacity to accommodate solid waste disposal demands through year 2040.

The City is contracted with Sunset Waste Paper, located on North Cain Street, to process residential and commercial recycling from residential split trucks and commercial recycling routes. Approximately 1,150 tons of recyclables, consisting of 875 tons of residential recyclables, and 275 tons of commercial recyclables, per month is disposed of at Sunset Waste Paper, corresponding to annual tonnage of approximately 13,800 tons.

The City is contracted with Tulare County Compost and Bio-Mass, to process residential and commercial green waste. All green waste is hauled to their facility located 6 miles south of SR 198 on Lovers Lane. Approximately 2,500 tons of green waste is diverted to the facility each month, corresponding to an annual tonnage of approximately 30,000 tons.

The City also holds annual solid waste events to provide a solution for removing large bulky items, green waste, and Christmas trees from homes. The events include three annual “Dump on Us” days, the annual “Trash-A-Thon”, the annual “Fall Drop Off”, and the annual “Christmas Tree Pick Up”. These events are free of charge to all Visalia residents. The City also offers a “Curbside Pickup” program which is free with restrictions to Visalia residents. The “Curbside Pickup” program is available to residents 3 times per year. The special curbside pick up can include up to 10 bags of refuse that weigh 25 lbs or less. The City provides information regarding solid waste events via bill inserts, and website postings.

In June 2003, a *Solid Waste Privatization Study* (R.W. Beck, 2003) was completed, and evaluated the impacts of the potential privatization of the City’s Solid Waste Division. The study concluded that if privatization occurred, \$1.8 million in costs that were previously paid by the division would become the responsibility of other City departments or divisions. These are allocated costs that could not be eliminated even if privatization occurred. The study also concluded that if privatization occurred, the resulting loss of work for fleet maintenance would warrant a study to determine if fleet maintenance should continue as a City operation or be outsourced. The study further concluded if the City continues to operate its solid waste business it will have opportunities to address several issues including the assessment of franchise fees for commercial solid waste service providers operating within the City. In

addition, as an ongoing enterprise, the City will have the opportunity to address any operational efficiency issues as they are identified. Subsequent to the study, the City opted to continue its solid waste operations.

Based upon comments provided by City staff, the City does not allow private haulers to operate within the City limits for residential or commercial pick up, hence there is no need for a franchise fee. This was a deliberate decision because it is believed that private haulers would not have the same level of desire to divert recyclables away from landfills, which would lower the City's diversion rates. The only private haulers allowed in the City are those that provide roll off services to construction sites. The City does charge a fee of \$25 per box, which has resulted in a revenue stream of approximately \$2,500 to \$3,000 per month.

1.2.8 Written Determinations

Water

1. The City of Visalia contracts with California Water Service (Cal Water), a private water service provider, to serve the City with potable water and fire protection use. The Cal Water Visalia District primarily serves the City of Visalia, the community of Goshen to the west, and several unincorporated areas adjacent to the City of Visalia. It should be noted that Cal water is not subject to a SOI determination, and therefore has been identified as being exempt from the municipal service review requirement.
2. Based upon data available from the California Department of Water Resources, Cal Water has not complied with the Urban Water Management Planning Act for the 2000 requirement. Cal Water has until December 2005 to comply with the 2005 requirement. The Cal Water Visalia District Manager indicated that an Urban Water Management Plan was submitted to the California Department of Water Resources, and was adopted in June 2004. It is recommended that Cal Water work to comply with the requirements of the Urban Water Management Planning Act.
3. The Cal Water Visalia District completed a comprehensive Water Supply and Facilities Master Plan (Boyle Engineering) in February 2005. The master plan program is intended to proactively address the service needs of the existing customers in light of potential water quality and quantity issues as well as address expansion to the system to meet projected future growth. The master plan has a study area consistent with the City's UGB.
4. The City is in a watershed where the groundwater supplies (from the Tulare Lake Basin) are over-drafted, which means more water is being withdrawn from the ground for use than is being replenished. The City has been actively involved in seeking and implementing ways to mitigate the impacts of groundwater overdraft.
5. In August 2005, the City adopted a groundwater overdraft mitigation ordinance which assesses impact fees upon new development and a volumetric fee upon existing urban water supplies to fund activities and projects to mitigate the impacts of groundwater overdraft. These efforts demonstrate the City's ability to continue to implement long term water supply solutions even through they are not the direct supplier of domestic water to City residents.
6. The City of Visalia has a capital improvement fund set up for underground water recharge efforts. Funds are used for the acquisition of water, and other activities to improve groundwater levels, and increase the supply of water to the City.

7. The City's Municipal Code contains a *Water Conservation Ordinance* which outlines specific policies pertaining to the conservation of potable water. Employees of California Water Service Company are authorized by the ordinance to issue written notices of violations, but are not authorized by law to issue citations for violations. The City's *Water Conservation Ordinance* is available on the City's website.
8. Despite the fact that the City is not the direct domestic water supplier for its residents the City continues to make significant efforts to ensure that the long term water supply needs of the City continue to be addressed. City officials have indicated that they are studying the feasibility of various alternatives of implementing a City owned domestic water system.

Drainage Infrastructure

1. The City continues to expand and improve its drainage infrastructure as new development occurs within the City. The City accomplishes this through development fees (for new drainage facilities), and a drainage utility fee of \$0.75 per month for all developed properties (for maintaining existing facilities).
2. The City has a Master Planned storm drain system that is anticipated to meet drainage infrastructure needs through the build-out of the General Plan. The *Storm Water Master Plan and Management Program* addresses future facility expansion needs to accommodate growth within the City's UGB.
3. The City of Visalia has two capital funds set up for storm sewer improvements, one for new facilities, and one for correcting existing deficiencies as outlined in the *Storm Water Master Plan and Management Program*.

Wastewater Collection, Treatment and Disposal

1. The City continues the process of upgrading and replacing sewer collection pipelines through the implementation of the *Sewer System Master Plan*. The *Sewer System Master Plan* is a long range plan that identifies trunk lines that would ultimately serve the City's UAB.
2. The City has a comprehensive capital improvement program that appropriates funds to construct sewer infrastructure projects on an annual basis.
3. The *Sewer System Master Plan* indicates that many trunk sewers are nearing capacity, and the maintenance of these lines is essential to provide the designed flow capacities. The Master Plan recommends that the City develop a sanitary sewer maintenance program that includes cleaning pipes on a regular basis.
4. The City continues to upgrade the wastewater treatment plant through the implementation of the *Wastewater Treatment Master Plan Update*. The City has budgeted \$1,000,000 annually to carryout upgrades associated with NPDES discharge regulations. Continual upgrades of the wastewater treatment plant will be necessary to accommodate future growth.
5. Improvements to the VWCP have increased the plant's hydraulic capacity to 22 MGD, the BOD5 capacity to 103,229 lbs/day, and the SS capacity to 148,068 lbs/day. The current permit in which the VWCP is operating under, which prescribes a maximum average daily dry weather flow of 16 MGD, expired on March 1, 2002. The City has submitted a renewal

application for the NPDES permit, which is pending action from the RWQCB. The City has been directed by the RWQCB to continue operating under the expired permit until a new permit is issued by the Board. The City anticipates that the renewed permit will allow for a maximum flow of 22 MGD.

6. As of August 2004, the average dry weather flow into the treatment plant was 12.5 MGD, resulting in a reserve design capacity of approximately 9.5 MGD. The Goshen CSD contracts with the City of Visalia for wastewater treatment services, and has a current (December 2005) contracted capacity of 335,000 GPD. As of November 2005, Goshen was contributing a flow of 315,000 GPD to the VWCP.

Streets and Roads

1. The City continues the process of upgrading and replacing roads and streets through the implementation of its comprehensive capital improvement program that appropriates funds to construct transportation infrastructure projects on an annual basis. Currently, the City has four capital funds which are allocated to annual transportation improvements.
2. The City coordinates closely with the Tulare County Association of Governments (TCAG) and Caltrans to obtain funding for transportation improvement projects.
3. The City's *General Plan Circulation Element* provides a comprehensive policy base for improving the City's transportation system.
4. The Tulare County Regional Transportation Plan provides a link between local (City) and regional (County) transportation needs. The Regional Transportation Improvement Program (RTIP), which qualifies projects for the State Transportation Improvement Program (STIP), is consistent with the RTP, and serves as the implementing document.
5. Due to the State budget crisis, several projects programmed to receive STIP funding have been significantly delayed, and therefore, the City has had to prioritize which transportation projects to construct based on immediate needs, and funding shortages.
6. The 2003 public opinion survey conducted by the Citizens Advisory Committee indicates that residents were generally more satisfied with City services except for street and road maintenance, which residents were less satisfied with compared to previous years. In addition, respondents rated street and road maintenance as the most important City service besides police and fire. These results indicate that the City may need to focus more on these issues in future years.
7. The City Council recently adopted a major policy change in the way that the City's arterial and collector streets are funded and constructed. Under the new policy, the City will now have the financial responsibility for all portions of arterial and collector streets. If these streets are built by developers, they will be reimbursed the entire cost of construction. In exchange, the City significantly raised its traffic impact fees for new development. The City anticipates that the new policy for constructing streets will provide the funding capability to respond to the public's major traffic concerns in a more timely fashion.

Fire and Police Protection Services

1. The City of Visalia operates four fire stations staffed 24 hours a day, 365 days a year, and responded to 7,849 calls in 2003.
2. The City of Visalia currently staffs 124 full-time sworn officers, and 53 non-sworn positions. The City's police force also includes 11 reserve officers, 52 volunteers, and 8 chaplains. With a current (January 2005) jurisdictional population of 107,550, the VPD has a sworn police officer to population ratio of approximately 1:870. The VPD responded to a total of 99,820 calls in 2004.
3. Through capital improvement funds and general fund allocations, the City of Visalia continues to meet the public safety needs of its residents.
4. The residents of Visalia voted to pass Measure T, a local $\frac{1}{4}$ cent sales tax increase effective July 1, 2004, which provides a secure, local revenue stream to the City which is used entirely to provide additional police and fire personnel and services to protect the community.
5. The City requires developers to pay public safety impact fees prior to the issuance of any building permits. The fees vary based upon type of service (police and fire), and proposed land use. The fees collected are allocated to fund capital improvements to police and fire protection facilities.
6. The City has steady revenue streams (Measure T revenues & development impact fees) that can be used to expand public safety services to accommodate future growth.
7. The City recently purchased 5 acres of land at the southeast corner of Shirk Road and Ferguson Avenue for the purpose of sitting a new fire station and a training facility, and is actively looking for an appropriate site in the southeast quadrant of the City for another new station. Funding for these new stations comes from the proceeds of the Measure T sales tax (about 30%) and from the Fire Development Impact Fee (about 70%).
8. The City has purchased land for a new south side police precinct office at the corner of County Center Drive and Cameron Avenue, and site planning is under way.

Solid Waste

1. The City has ordinances in place that require residents to bag garbage, and recycle. This helps reduce the amount of solid waste transported to County landfills.
2. In 1989, the State of California passed the Integrated Waste Management Act. AB 939 required that all Cities and Counties implement programs to reduce landfill tonnage by 25% by the end of 1995, and 50% by the end of 2000. The eight Tulare County City's, which are involved in the Joint Power Authority, are currently at 44% diversion. The JPA has a time extension and plans to return to 50% diversion.
3. The City of Visalia salvages approximately 1,150 tons of recyclables and 2,500 tons of green waste per month, corresponding to 13,800 tons of recyclables and 30,000 tons of green waste annually. The City disposes approximately 8,500 tons of recyclables and garbage each month, corresponding to an annual disposal tonnage of 102,000 tons, or approximately 1,000 tons per capita per year.

4. The City is contracted with Sunset Waste Paper to process residential and commercial recycling from residential split trucks and commercial recycling routes. The City is also contracted with Tulare County Compost and Bio-Mass, to process residential and commercial green waste.
5. The City has in place several programs including “Curbside Pick Up”, “Dump on Us” days, the annual “Trash-A-Thon”, the annual “Fall Drop Off”, and the annual “Christmas Tree Pickup” which are provided free of charge to Visalia residents.
6. The potential privatization of the City’s solid waste operations was studied, and subsequent to the study, it was determined that it would be in the City’s best interest to continue its solid waste operations and not privatize them at this time.

1.3 FINANCING OPPORTUNITIES AND CONSTRAINTS

The purpose of this section is to evaluate a jurisdiction's capability to finance needed improvements and services. The section summarizes the accomplishments of the City's budget preparation process, and summarizes the City's year ending comprehensive annual financial report.

1.3.1 Annual Budget

The City of Visalia was awarded a Certificate of Achievement for Excellence in Financial Reporting by the Governmental Finance Officers Association of the United States and Canada (GFOA) for the seventeenth time for fiscal year ended June 30, 2002. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of local government financial reports. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR), whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

The City has adopted Fiscal Administration Policies built into their charter, which was last revised in November 1974. The City also has adopted budget and fiscal policies that act as a guide in preparing bi-annual budgets. The City's budget and fiscal policies address the following major issues:

- Financial Plan Purpose
- Financial Reporting and Budget Administration
- General Revenue Management
- User Fees (Cost Recovery)
- Debt Management
- Investments
- Appropriations Limitation
- Capital Improvement Plan

In June 2004, the City adopted its second two-year budget. The budget, for operating and capital expenditures, has two mid-year reviews each January and one mid-cycle review in June. This two-year cycle has improved the City's budgeting and short-term planning.

1.3.2 Comprehensive Annual Financial Report (CAFR)

At the end of each fiscal year, the City prepares a Comprehensive Annual Financial Report which includes five major sections: Introduction, Basic Financial Statements, Notes to Financial Statements, Supplemental Statements, and Statistical Information. The following excerpt from the Introduction to the City of Visalia Comprehensive Annual Financial Report outlines some of the major initiatives and accomplishments for the 2002-2003 fiscal year:

"The local economy and the City have had a historically prosperous year. More building permits have been issued this past year than ever before. This past year, over 1 million square feet of commercial development was under construction. At the same time local events were memorable, the State of California was creating infamy by its handling of the largest State budget deficit in the United State's history. These events and others have made for interesting times in Visalia. Some of the major accomplishments were:

- *Kaweah Delta Health Care District Expansion (KDHCD)...*
- *700 Space Downtown Parking Garage...*
- *City Hall's Move to the East...*
- *Waste Water Treatment Plant Expansion...*
- *Transit Center Facility...*
- *Terminus Dam Improvements...*
- *Developed Commercial Space...*
- *Annexation of Over 1,000 Acres into the City...*
- *Almost 1,000 Building Permits Issued...*
- *North-side Community Campus...*
- *Community Park Property Acquisition...*

Collectively, these accomplishments represent a sampling of the many important local events that have been occurring this past year in Visalia, indications of a vibrant community being effectively encouraged to grow in positive manners by actions taken by the City Council."

In contrast to the above local developments, the City will be faced with major challenges since the State of California is facing a massive State Budget deficit. The State's budget deficit becomes the City's problem because local and State revenue sources have progressively become intertwined over the last 25 years with the passage of Proposition 13 in 1978.

Approximately two-thirds of the General Fund's revenues come from three revenue sources: Sales Tax, Property Tax and Vehicle License Fees, all three of which have been compromised by the State. As of the 03/04 budget, over \$3 million annually has been diverted to the State from what once were local revenue sources. As a result, the City has had to take steps to anticipate a yet unknown budget deficit because of a budgetary crisis at another level of government.

The Notes to Basic Financial Statements section of the City's CAFR includes the following major heading notes, organized as follows.

- Note 1: "Summary of Significant Accounting Policies"
- Note 2: "Budgets and Budgetary Accounting"
- Note 3: "Cash and Investments"
- Note 4: "Inter Fund Transactions"
- Note 5: "Notes and Loans Receivable and Deferred Revenue"
- Note 6: "Capital Assets"
- Note 7: "Long Term Debt"
- Note 8: "Debt Without City Commitment"
- Note 9: "Net Assets, Fund Balances and Retained Earnings"
- Note 10: "Employee Benefits"
- Note 11: "Risk Management"
- Note 12: "Contingent Liabilities and Commitments"

The City's budget clearly articulates revenue sources and expenditures, and provides information that is divided into the following sections: Budget Message, Major Revenue Highlights, Major Expenditure Highlights, Major Challenges and Opportunities, Major Events and Accomplishments, Community Profile, Budget Summary, General Fund, Administration, Community Development, Police, Fire & Emergency Services, Public Works, Engineering & Transportation, Community Services, Special

Revenue Funds, Debt Service Funds, Reserves & Investments, Enterprise Funds, Internal Service Funds, Fiduciary Funds, Capital Improvement, and Personnel.

The City's budget includes a section entitled "Debt Service" which summarizes the long term debt owed by the City. The City has long term debt in the form of bond issues, certificates of participation, and capital leases. Bonds and certificates of participation have been issued for various purposes including the following.

- Infrastructure and utility improvements within the Los Rios/Casa Blanca Assessment District
- Various improvements within the East Visalia Redevelopment Area
- Various improvements within the Mooney/Central Redevelopment Areas
- Various improvements within the Downtown Area including a parking structure
- Downtown parking structure at Acequia and Bridge streets
- Construction of additions, extensions, and improvements to the City's wastewater collection system
- Capacity improvements to the City's wastewater treatment plant
- Golf course expansion project

The City's total outstanding debt balance as of June 30, 2003 was \$64,245,119, with \$24,256,389 classified as Governmental Activity Debt, and \$39,988,730 classified as Business Type Activity Debt. Each debt fund is scheduled for payment during each annual budget cycle. A total debt payment allocation of \$4,242,431 was scheduled for fiscal year 2003-2004.

1.3.3 Written Determinations

1. The City prepares an award-winning annual budget that clearly and comprehensively describes the services provided by the City to residents and the funds expended for those services.
2. The City prepares its annual budget on a two year cycle, thereby reducing administrative costs associated with preparing comprehensive budgets on an annual basis. The two year budget includes a mid-cycle review in June, and two midyear reviews each January.
3. The City recognizes the need to offset revenue losses resulting from the State budget crisis, and continues to develop strategies to offset these losses. An example would be the passage of Measure T, a ¼ cent increase in local sales tax, revenue that is to be used for expanding the City's public safety services.

1.4 COST AVOIDANCE OPPORTUNITIES

The purpose of this section is to identify practices or opportunities that may help to eliminate unnecessary costs. This section evaluates the City's fiscal structure and the cost avoidance practices built into the City's budgetary process. The City's purchasing policy is also described to show how the City avoids unnecessary costs through competitive bidding, and other purchasing practices.

1.4.1 Fiscal Structure

The City's cost avoidance practices are built into the budgetary process. The City uses a two-year financial plan, emphasizing effective program management. The benefits identified from using a two-year plan include the following.

- Reinforces the importance of effectively planning and managing the City's fiscal affairs.
- Concentrates on developing and budgeting for the accomplishment of significant objectives.
- Establishes realistic timeframes for achieving objectives.
- Creates a pro-active budget that provides for stable operations and assures the City's long-term fiscal health.
- Promotes more orderly spending patterns.
- Reduces the amount of time and resources allocated to preparing annual budgets.
- Establishes measurable program objectives and allows reasonable time to accomplish those objectives.

The City uses a well defined budget, and competitive bidding process to help them in avoiding unnecessary costs. The City's management team is responsible for establishing and maintaining internal controls to ensure that the City's assets are adequately protected from loss, theft or misuse. The City maintains budgetary controls, the object of which is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body, City Council. The City maintains a traditional line item budget by function. Budget control is accomplished at the functional or division level within each fund. This budget creates a comprehensive management and fiscal system aimed at achieving the objectives of each operating level consistent with those that have been set for the community by the City Council.

The City also avoids unnecessary costs through the implementation of infrastructure Master Plans, which assist in eliminating overlapping or duplicative services. Master planning documents also provide sound funding alternatives for their implementation, and plan for growth within and surrounding the City. The City also has a development impact fee program to help offset the financial responsibility of the City to install and maintain the infrastructure for new developments.

1.4.2 Purchasing Policy

The City has comprehensive purchasing policies that promote the cost-effective procurement of goods and services. These policies identify specific rules and regulations for purchasing services and capital assets for the City. These policies are detailed within the purchasing manual, organized with the following chapters.

- Chapter 1 – Introduction to Purchasing and Contract Procedures
- Chapter 2 – Ethical Considerations
- Chapter 3 – Specifications
- Chapter 4 – Methods of Acquisition

- Chapter 5 – Bid Requirements and Procedures
- Chapter 6 – Contracts for Goods and Services
- Chapter 7 – Contract Administration, Enforcement and Legal Remedies
- Chapter 8 – Vendor Regulations and Vendor Performance
- Chapter 9 – Insurance and Bonds
- Chapter 10 – Inventory Control/Fixed Assets and Surplus Equipment
- Chapter 11 – Cost Control Methods
- Chapter 12 – Receiving Procedures
- Chapter 13 – Payment Procedures
- Chapter 14 – Federal, State and Local Tax Requirements
- Chapter 15 – Guidelines for Retaining Consultants to Provide Architectural, Professional Engineering, Land Surveying, and Design Services
- Chapter 16 – Special Types of Procurement

Healthy competition is at the heart of efficient purchasing. Competition is directly related to the prices the City pays and the quality of the goods and services it obtains. The City's purchasing policy is based upon fair and open competition. The foundation for effective fair and open competition is equal treatment of each vendor, and it is imperative that no vendor is given an advantage over the others.

1.4.3 Written Determinations

Fiscal Structure

1. The City uses conservative budgeting practices to ensure adequate and cost-effective services to current residents.
2. The City's two year budget cycle provides for an excellent short-term fiscal planning tool while reducing the amount of time and resources associated with the preparation of annual budgets.
3. Master planned infrastructure helps the City in avoiding unnecessary costs through effective planning and implementation policies, and help eliminate overlapping and/or duplicative services.
4. The City's developer impact fee program has proven effective in reducing the financial responsibility of the City to install and maintain the infrastructure for new developments.

Purchasing Policy

1. The City has a well defined purchasing policy that promotes healthy competition, and guides the City in obtaining cost effective quality services.

1.5 OPPORTUNITIES FOR RATE RESTRUCTURING

The purpose of this section is to identify opportunities to positively impact rates without decreasing service levels. This section provides a comparison of various utility rates to surrounding jurisdictions to show that the City can provide effective quality service at rates comparable to surrounding agencies.

1.5.1 Fee Structure

The City contracts out utility billing to the private water service provider for the area, California Water Service. California Water Service establishes water rates independent of City operations, and provides the billing for water, sewer, storm drain, and garbage collection. By consolidating these services into one bill, the City shares the cost of administrative fees with California Water Service.

The City's budget process includes an annual review and update of user rates charged for sewer, storm drain, and garbage collection. Current rates are scheduled for annual increases through fiscal year 2006-2007. As indicated in previous sections of this report, utility user fees charged to existing residents are generally allocated to the operation and maintenance of existing facilities, and are not to be used for the construction of new facilities. Development impact fees, connection fees, and building permit fees are used to construct the infrastructure for new developments. Having separate funds set up for the construction of new infrastructure, and for the operation and maintenance of existing infrastructure allows the City to continue to provide cost-effective quality services to current residents.

Tables 1-9A – 1-9C compare the water, sewer, and refuse rates for the cities of Visalia, Porterville, and Tulare. The rates identified are for single family dwellings metered water service (for a standard 5/8 x 3/4-inch meter), flat rate sewer fees, and flat rates for refuse pickup. The sample monthly bill is calculated using 12 units (1200 cubic feet or 8,977 gallons) of water as a base.

**TABLE 1-9A
SINGLE FAMILY WATER RATES**

City	Monthly Service Meter Charge	Water (per 100 cubic feet or 748 gallons)	Other Charges	Sample Monthly Bill
City of Visalia	\$6.70	\$0.51	\$0.00	\$12.82
City of Porterville	\$5.00	\$0.72	6% of Total ¹	\$14.46
City of Tulare	\$9.67	\$0.40	\$0.00	\$9.67

Notes: 1) The City of Porterville assesses a 6% Utility Users Tax within City Limits
2) The City of Tulare's Base Rate of \$9.67 covers water usage to 10,000 gallons.
Usage above 10,000 gallons has additional charges in the amount of \$0.544 per 1,000 gallons (134 cubic feet).

**TABLE 1-9B
SINGLE FAMILY SEWER RATES**

City	Flat Rate	Other Charges
City of Visalia	\$13.81	\$0.00
City of Porterville	\$25.39	\$0.00
City of Tulare	\$22.19	\$0.00

**TABLE 1-9C
SINGLE FAMILY REFUSE RATES**

City	Flat Rate	Other Charges
City of Visalia	\$16.00	\$4.00/Additional Can
City of Porterville	\$15.00	\$0.00
City of Tulare	\$16.00	\$6.80/Additional Can

As indicated in the above tables, the City is able to provide quality service generally at lower rates than other cities within the County. There is no evidence suggesting that the annexation of areas within the SOI and/or UGB would result in unreasonable fees for these services as properties annex and develop within the City. It is anticipated that fees for the SOI/UGB areas would be inline with citywide fees for such services. As previously discussed, the City has programs in place (development impact fees, capital improvement program, etc.) for the construction of new infrastructure, thereby, mitigating the need to increase rates for current residents to support new development within the SOI/UGB areas.

1.5.2 Written Determinations

Fee Structure

1. Rates and fees for services are established and updated using the City's budget process, ordinances and other regulations.
2. The City has a sound fee structure in place which allows the City to continue to provide cost effective services to its residents while continuing to maintain and improve the current infrastructure.
3. There is no evidence suggesting that the City would not be able to provide services to areas within the SOI and UGB for fees consistent with citywide fees for such services.

1.6 OPPORTUNITIES FOR SHARED FACILITIES

The purpose of this section is to evaluate opportunities for a jurisdiction to share facilities and resources, thereby increasing efficiency. This section provides a description of the City's current facilities sharing activities, and identifies future opportunities to collaborate with other agencies on joint use projects and/or practices.

1.6.1 Current Shared Facilities

The City currently shares several services with surrounding jurisdictions (primarily the Goshen Community) to provide efficient and cost effective services. The Visalia City Coach system provides service to the Goshen Community, and links to the Tulare Transit Bus system. Based upon information obtained from an *"Inside City Hall – Beyond the Headlines"* newsletter (October 2004), the Visalia transit system, effective November 6, 2004, implemented program changes approved by City Council including longer hours, Sunday service, and service to Farmersville and Exeter. The expansion also includes more service in southeast Visalia along Ben Maddox Way, Walnut Avenue, McAuliff Road, and Noble Avenue. The service is provided in conjunction with the Tulare County Association of Governments (TCAG) and would help the County and City meet the requirements of the Transportation Development Act.

The City also contracts with the Goshen Community Services District for wastewater treatment services. As previously discussed, the City utilizes the administrative services of the California Water Service Company to provide a single bill for water, sewer, garbage, and storm drain.

Additional examples of the City's desire to work with surrounding agencies in providing quality service to residents in a cost effective manner include relocating City Hall, which would potentially include shared office buildings, and the construction of the Northside Community Campus. The Northside Community Campus comprises over 7 acres and includes an existing community center and an old County juvenile probation facility. The City acting as a developer, has subdivided that property, and will be improving it with a police station, entry plaza with fountain, park, and related infrastructure improvements. The City has conveyed parcels to qualified non-profit organizations, and a public agency, in exchange for their agreement to construct buildings and provide programs that service the community. The project is being financed with CDBG funds. The new City Hall site is located on the southeast corner of Burke Street and Murray Avenue. The City will be looking at the potential for other agencies to locate at this site with the intent of creating a Downtown Civic Center.

The City has worked with Tulare County Association of Governments and Tulare County Resource Management Agency on regional planning issues including transportation, solid waste, and coordinating applications to request State and/or Federal funding for joint projects. Another example of the City's desire to work cooperatively with the County includes the construction of public libraries. The County gained by building libraries for half the cost, while the City's are enriched from having new community assets.

The City also is working with several agencies on the Kaweah Lake Enlargement Project, a project that is going to increase the storage capacity of the reservoir by approximately one third. Federal, State, and local money is paying for the project, which is a combined effort of the Army Corps of Engineers, the State Reclamation Board, and local sponsors including the Kaweah Delta Water Conservation District, Tulare and Kings Counties, the City of Visalia, and Tulare lake Basin Water Storage District and Landowners.

The City is working with the Visalia Unified School District to communicate effectively on issues of shared interest. The City Council and School Board meet jointly four times a year at publicly noticed meetings to discuss items of mutual interest. The City and School District staff (including the City Manager and Superintendent) meet monthly to discuss ways that the two agencies can work together to provide better service to Visalia's citizens. This collaboration has resulted in cost savings to both agencies. One recent example of collaboration is the construction of multipurpose buildings at Divisadero and Green Acres Middle Schools that were funded by the District, the City, and State matching dollars. The buildings are maintained by the District but are available for use by the City. There are other agreements in place to share the use of the Convention Center, the LJ Williams Theater, and the Rotary Theater.

The City has also worked closely with the Kaweah Delta Health Care District to accommodate the medical facility needs of the District. A major collaboration has been under way for a number of years to ensure that the main hospital facility for the District can remain and expand at its downtown location. A master site plan was jointly developed with an agreement for City participation in infrastructure construction. The first building to be built under this agreement is the Support Services Building, which is nearing completion. The next building will be a six story hospital expansion to be located north of the existing hospital and facing Acequia Avenue. Construction is scheduled to begin in mid 2005.

The City also works closely with the various Irrigation and Water Districts that are within the SOI to coordinate issues regarding irrigation ditches and storm drainage. The City has agreements with Districts on the amount of storm water that may be discharged into streams and ditches. This has resulted in a cost savings to the City as these ditches form a major component in the City Storm Water Master Plan.

1.6.2 Future Opportunities

With the State budget crisis impacting both Counties and Cities, the need for intergovernmental cooperation is becoming apparent, as every agency is facing an unprecedented assault on local resources. For this reason, it is important for City(s) and the County to meet this challenge on common ground.

Another opportunity for shared facilities involves the construction of groundwater recharge facilities. As groundwater levels in the County continue to dwindle, the importance of groundwater recharge projects is becoming apparent. As the City has planned for the construction of groundwater recharge basins within the City, ultimately this effort could be expanded to include areas within the SOI through a joint effort between the City, County, the California Water Service Company, and the Kaweah Delta Water Conservation District. Groundwater recharge would benefit both the County as a whole and the City in terms planning for future growth within the SOI boundary.

Other opportunities for shared facilities include the coordination and construction of recreational facilities including parks, hiking/bike trails, scenic trails, etc., particularly east of the current City Limits. The area separating the Cities of Visalia and Farmersville could be considered ideal for the construction of joint recreational facilities, as there are several waterways which enhance the recreational appeal of the area. Planning this area for future recreational facilities could be accomplished as a joint effort between the City of Visalia, the City of Farmersville, and Tulare County. Recreational improvements within this area would not only enhance the overall aesthetics, but would also establish an open boundary, or greenbelt, between Visalia and Farmersville. The recreational aspects of trail connections offer opportunities for Cities and Counties to join recreational resources not only to the benefit of the Cities residents', but for the general public of the County as well. The Visalia Parks and Recreation Department is about to release a public draft of a Community Waterways and Trails Master Plan. This master plan describes how the City can build bike/walking trails along Mill Creek, Packwood Creek, and Cameron Creek.

1.6.3 Written Determinations

Current Facilities Sharing Activities

1. The City continues to look for opportunities to construct joint use projects, and opportunities for shared services. The City has demonstrated this effort with the completion of many projects in cooperation with the County, and by sharing services with local and surrounding jurisdictions.

Future Opportunities

1. The City has several future opportunities to share services and/or facilities in the future, including but not limited to: groundwater recharge efforts, recreational facilities, and the sharing of office buildings.

1.7 GOVERNMENT STRUCTURE OPTIONS

The purpose of this section is to consider the advantages and disadvantages of various government structures to provide public services. This section describes the potential fiscal impacts of development within SOI areas, and the annexation of land. The section also identifies the potential implications of possible boundary conflicts that could affect the governmental structure of the City and surrounding agencies.

1.7.1 Development within SOI Areas

One of the most critical elements of LAFCO's responsibilities is in setting logical service boundaries for communities based on their capability to provide services to affected lands. Similar levels of public participation can be expected for either City or County development projects in the planning and development process for the SOI/UGB territories. It is possible that development in the SOI/UGB areas that occurs under County control may not fully resolve impacts to the City, such as increased traffic on City streets, and new groundwater wells to support County development impacting Visalia groundwater aquifers and other analogous assumptions. It can also be assumed that the reverse is true; that development controlled only by the City may leave impacts in the County unresolved in whole or in part. The challenge of this planning effort is to coordinate shared infrastructure and improvements so as to mitigate impacts on either side of the City/County limit boundary. Since the development of the SOI/UGB territories generally relies on Master Planned infrastructure available from the City, it is logical that the City assume the lead in planning for SOI/UGB properties, consistent with the City of Visalia General Plan.

If the City were to be the lead planning agency for properties within the SOI/UGB, LAFCO could require the City to bring coordinated plans for infrastructure forward to LAFCO at the time specific annexations requests are submitted. This would provide a checks and balance system for incorporating new lands within the City, and would render the remaining County lands a part of an integrated whole.

As previously noted, there are several unincorporated County islands lying within the City Limit Boundary. The City currently has infrastructure constructed and/or planned in most County islands, anticipating ultimate connection to City facilities. Annexation of these County islands into the City would create a more defined City Limit boundary while meeting or exceeding the current levels of service provided by the County. The City is currently working with Tulare County LAFCO to annex the County islands into the City.

The City helps guide infrastructure improvements within SOI/UGB areas through the preparation of Specific Plans, and Master Plans. A Specific Plan usually provides for a more detailed planning process and covers development issues in a more comprehensive manner.

Tulare County LAFCO has adopted specific policies for reviewing proposals for a change in organization, reorganization, incorporations, dissolution and other proposals processed by Tulare County LAFCO. Tulare County LAFCO policy C-1 identifies factors and standards to be considered in review proposals including additional requirements for City annexations, standards for annexation to special districts, standards for the formation of special districts, and standards for City incorporation. Tulare County LAFCO policy C-2 outlines general procedures for changes in boundaries or organization to be processed by LAFCO. Generally, proposals for changes in boundaries, formations, or changes of organization can be submitted for the consideration of LAFCO by petition of the registered voters or affected landowners; however, prior to the circulation of any petition, a "Notice of Intent to Circulate" must be presented to the LAFCO Executive Officer. A proposal may also be initiated by a resolution adopted by the governing body of any related public body (county, city or special district). The proposal must be submitted on

forms available from the LAFCO staff office, or on the LAFCO website, along with the applicable number of maps, legal descriptions, and filing fees to cover the proposal submitted.

Tulare County LAFCO policies C-3 and C-4 outline specific criteria for petitions for change in organization, and protest hearings, respectively. Tulare County LAFCO policy C-5 sets forth specific criteria for establishing, and reviewing amendment proposals to, Spheres of Influence. Policy C-5 contains criteria regarding the following items: Existing boundaries, conflicting boundaries, initial implementation, scheduled updates – Cities, scheduled updates – Special Districts, Exceptions, separation of communities, municipal service reviews, and also contains an MSR exemption policy. SOI amendments shall be processed in accordance with the policies and procedures set forth by Tulare County LAFCO.

1.7.2 Boundary Conflicts

The City of Visalia governmental structure could be affected by the potential overlapping of boundaries with the Goshen Community Services District (which provides sanitary sewer collection service in the Goshen Community). Existing and potential boundary conflicts between the City of Visalia and the Goshen Community Services District are illustrated on Figure 1-12.

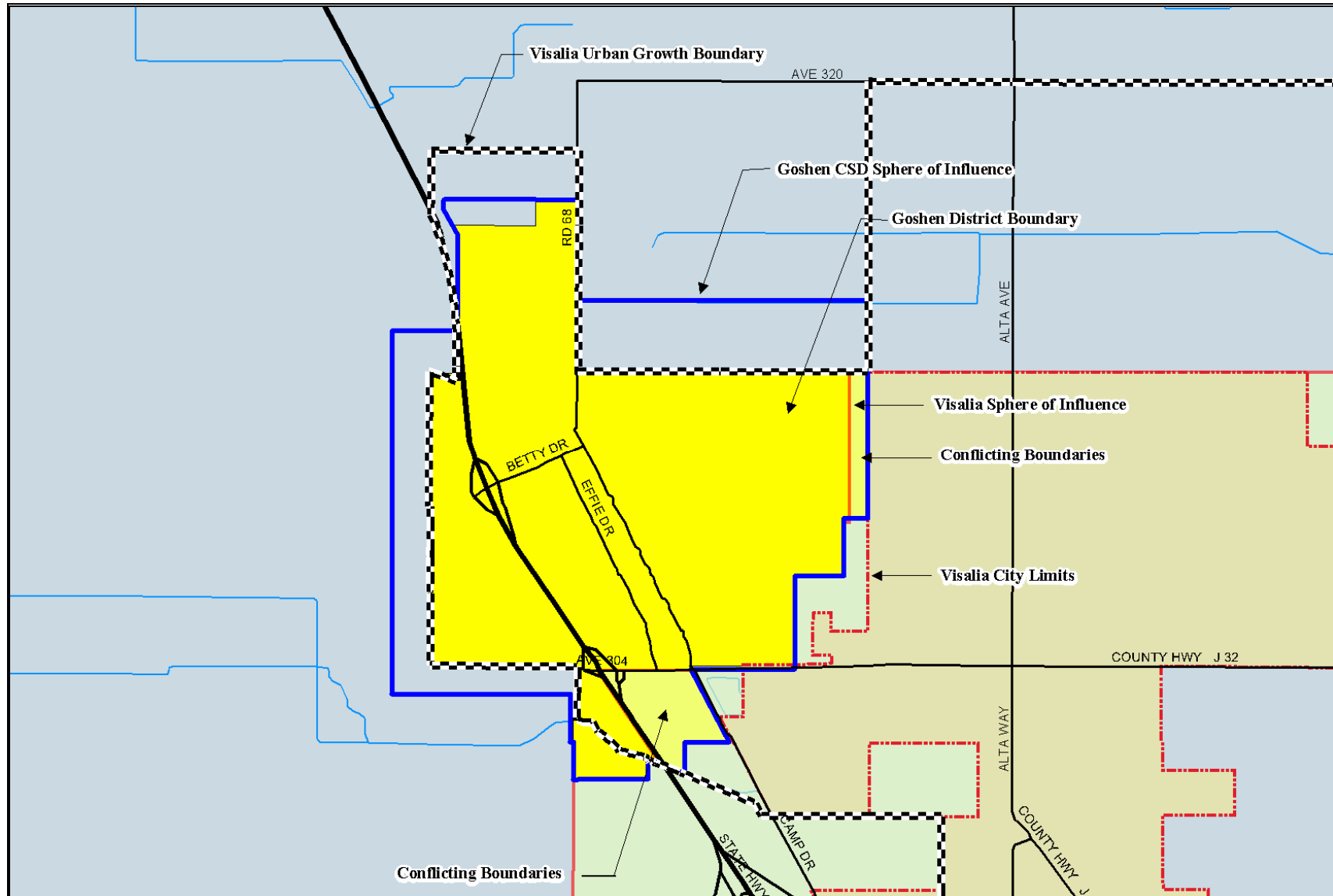
As indicated on Figure 1-12, on the following page, the City’s SOI conflicts with the Goshen CSD SOI in areas south of the SR 99/Goshen Avenue interchange, and along the western Goshen CSD SOI Boundary. In addition, the Visalia UGB generally encompasses the entire area currently serviced by the Goshen CSD. Although the Goshen CSD is not full service District, potential boundary conflicts could cause public confusion with regard to sanitary sewer service in the area. The City of Visalia has a Wastewater Service Agreement with the Goshen CSD, which sets forth specific criteria with regard to wastewater collection and treatment services within the boundary of each agency.

The Wastewater Service Agreement between the Goshen CSD and the City of Visalia, which may only be terminated upon the written consent of all parties, states the following with regard to sanitary sewer service within the Goshen CSD Boundary.

“The City shall not contract, agree or otherwise create wastewater collection, treatment and disposal service with any entity, corporation or individual which resides, does business within or requests service of any parcel, building, street or property within the boundary of the District. The City shall not renew any current contract with any entity, corporation, industry or property for wastewater service within the District at expiration thereof.”

The agreement does not appear to address wastewater collection services within the Goshen CSD SOI, which in some areas overlaps with the City of Visalia SOI (refer to Figure 1-12). Boundary conflicts and service provisions would ultimately be resolved between the City of Visalia, the Goshen CSD, and Tulare County LAFCO.

FIGURE 1-12 – CITY OF VISALIA & GOSHEN CSD BOUNDARY CONFLICTS



Source: Tulare County GIS Database

1.7.3 Written Determinations

Development within SOI Areas

1. Since development of properties within the SOI/UGB generally relies on Master Planned infrastructure available from the City, it is logical for the City to assume the lead in planning for these sites, consistent with the City of Visalia General Plan.
2. The City has a sound governmental structure that provides necessary resources to provide public services and infrastructure improvements within the SOI/UGB areas.
3. Annexation of County islands into the City would create a more defined City Limit boundary while meeting or exceeding the current level of services provided by the County.
4. Coordinated infrastructure plans, for development within the SOI/UGB areas, submitted with specific annexation requests would create a checks and balance system for incorporating lands into the City while promoting improvements to impacted adjacent County land.
5. Tulare County LAFCO has adopted specific policies for reviewing proposals for a change in organization, reorganization, incorporations, dissolution and other proposals processed by Tulare County LAFCO, including annexations, and SOI amendment proposals.

Boundary Conflicts

1. The City of Visalia governmental structure could be affected by the potential overlapping of boundaries with the Goshen Community Services District (which provides sanitary sewer collection service in the Goshen Community).
2. The City of Visalia has a Wastewater Service Agreement with the Goshen CSD, which sets forth specific criteria with regard to wastewater collection and treatment services within the boundary of each agency.
3. The agreement does not appear to address wastewater collection services within the Goshen CSD SOI, which in some areas overlaps with the City of Visalia SOI. Boundary conflicts and service provisions would ultimately be resolved between the City of Visalia, the Goshen CSD, and Tulare County LAFCO.

1.8 EVALUATION OF MANAGEMENT EFFICIENCIES

The purpose of this section is to consider the management structure of the jurisdiction.

1.8.1 Organizational Structure

The following section discusses various operational and service aspects of the City of Visalia. Much of the information was obtained from the City's website at www.ci.visalia.ca.us. The website provides detailed descriptions of the departments serving the residents of the City. Overall, a review of the documentation reveals that the City is well run and organized in an efficient manner. The City's budget document is an excellent example of the efficient management methods used.

The budget for each department by function includes the following:

- Mission statement
- Comprehensive description of the services provided by each department function
- Details of allocated positions by department
- Fiscal summary for each department function including resources, operating expenses, operations and maintenance expenses, and other expenses
- Accomplishments during the previous 2-year budget cycle
- Objectives for the next 2-year budget cycle

This information provides a history of performance and accountability and allows for a clear view of what the City's residents are getting for the fees and taxes they pay. This type of accountability provides for an efficiently and effectively run organization. Corrections to programs can be made when needed and services that are no longer required can be evaluated.

1.8.2 Government Structure

Visalia, a charter City, operates under the council-manager form of government. The City Council appoints a City Manager that is trained and experienced in municipal operations. The City Manager, as chief executive officer of the City, is responsible for various functions assigned by the City's Charter and the City Council. These include overseeing the implementation and administration of Council policy, supervising the activities of all departments, enforcing City ordinances, preparing the operating and capital improvement budgets, and other such duties and responsibilities as may be assigned by City Council. The City Manager's office has the responsibility to ensure the needs and concerns of the community and the City organization are properly addressed to assure Visalia is a good place to live and conduct business. To accomplish this, the City Manager's office is involved in community, County, regional, and State issues, as well as supporting and guiding the City organization. A summary of the City's departments and the various services they provide to residents is provided below.

Administration Department – The City's administration department consists of the following functions: City Council, Management, City Clerk, the Transit, Conservation, Special Projects and Convention Center Divisions. City Council enacts ordinances and resolutions, and approves the budget and City expenditures. In addition to its legislative duties, the Council also appoints citizens to serve on Boards and commissions that operate in an advisory capacity to the Council. The City Council also appoints a City Manager and a City Attorney who serves as legal advisor to the Council and City officials. Primary responsibilities of the City Clerks office include but are not limited to: preparing agendas and maintaining minutes for regular and special City Council

meetings; providing information and researching records for the public and staff; maintaining the City's official records; and conducting municipal elections. . The transit division supervises public transportation and services without the use of local tax dollars. The convention center division provides convention, banquet, meeting, exhibit hall facilities, and theatre space to citizens, organizations, and entrepreneurs in order to promote economic growth and provide entertainment and cultural opportunities to the community. The conservation division is primarily responsible for water conservation efforts and the Household Hazardous Waste collection operation.

Administrative Services – The Administrative Services Department is comprised of Finance, Human Resources, Risk Management, Information Services. the Airport and the Golf Course. Finance is primarily responsible for the City's fiscal operations including the planning, directing, monitoring and improving the City's financial resources. The information services function provides GIS, telephone, and computer/network services for the City. Human resources and risk management manage the City's support for its employee resources including recruitment, employee benefits, employee evaluations and problem resolution. The divisions also manage the City's self-insured property, liability, workers' compensation and health plan. The Airport Division is responsible for all aspects of planning, management and oversight of the day to day operation of the Visalia Municipal Airport. Airport management also is responsible for managing the Valley Oaks Golf Course management contract with CourseCo., Inc. Staff monitors all aspects of the contract (finances, course conditions, customer satisfaction, etc.)

Community Development Department – The City's community development department consists of eight divisions including administration, planning, building safety, code enforcement and revenue enforcement, redevelopment, economic development, business tax and administrative services. The department is managed under the direction of the Assistant City Manager who is charged with the responsibility for development services of the City. The planning division is responsible for processing development proposals, maintaining the General Plan, historic preservation, annexations, and the site plan review process. The administrative services division issues building permits, business tax, transportation and encroachment permits, collects VUSD fees, and provides clerical support to multiple departments and divisions. The building safety division inspects buildings under construction, reviews and approves plans for construction, enforces the Uniform Building, Fire and Housing Codes, and inspects substandard housing violations. The Code Enforcement Division investigates and responds to complaints, code violations and neighborhood revitalization. The Economic Development Division facilitates economic growth by assisting new businesses locating in the City and working with existing employers to maintain and expand their facilities in Visalia. The Redevelopment Agency manages four Redevelopment Districts, the City Housing Program, and CDBG projects.

Parks & Recreation Department – The City's Parks and Recreation Department consists of parks, recreation, park planning, urban forestry, and park and building maintenance.. The recreation division provides a variety of recreation opportunities for all ages with programs for youth, adults, and older adults. The Recreation Division works cooperatively with a number of not for profit agencies providing recreation services to the community. The special projects division is responsible for park and open space planning, development of trails and bike ways, and property acquisition. Staff provides support to the Park and Recreation Commission and the Visalia Parks and Recreation Foundation.

Public Works Department – The City’s public works department has six major divisions including administration, maintenance, street sweeping, wastewater, solid waste, and fleet services. The department is managed by the Public Works Director. The administration division provides clerical and customer service support for the department. The maintenance division provides, street maintenance and special services districts. The wastewater division is responsible for the treatment plant administration and operation, and sanitary sewer maintenance. The solid waste division is responsible for the collection, disposal, and recycling of residential and commercial solid waste. The fleet services division maintains the City’s entire fleet of vehicles and equipment, performing preventative maintenance to over four hundred City vehicles and pieces of equipment. The engineering and transportation services divisions have five major functional areas including administration, engineering services, engineering design, and traffic safety. The engineering services division provides for the processing of the day to day public work requests of the development community including review of final subdivision maps and construction plans, inspecting subdivision improvements, checking parcel maps and commercial development plans, and attending weekly Site Plan Review Committee meetings. The engineering design division is responsible for the designing and inspection of various City-sponsored projects to improve traffic circulation storm sewer collection and disposal, and sanitary sewer collection. The division also keeps a variety of City maps updated to reflect the growth and change occurring in the community. The traffic safety division installs and maintains all traffic control devices such as traffic signs, pavement markings, and City-owned parking lot signs and markings for City streets. The division also coordinates the installation of street lighting and traffic signals.

Police Department – The City’s police department operates under two divisions and four bureaus including administrative services, patrol, traffic, and investigations. The administrative services bureau performs functions including fiscal matters, processing reports, arrest warrants, and evidence; coordination of police fleet vehicles, and dispatching services for police and fire. The patrol bureau provides highly visible 24-hour uniformed patrol focusing on the preservation of public peace, crime prevention, and protection of life and property. The traffic bureau provides traffic enforcement, accident investigation, and safety education programs to promote safe vehicular and pedestrian traffic in the community. The investigations bureau provides competent, thorough follow-up investigation of adult and juvenile crimes committed in the City. The property crimes unit, narcotics unit and the violent crimes unit operate within the investigations bureau.

Fire and Emergency Management Department – The City’s fire and emergency management department consists of six divisions including administrative/support services, emergency services/operations, bureau of fire prevention, training, graffiti, and hazardous materials response. The administrative/support services division performs activities including financial coordination to ensure the effective and efficient use of the department’s resources; productivity measurement; and coordination of the department’s programs. The emergency services/operations division is responsible for protecting life and property in emergency situations by providing effective fire, rescue, and emergency medical protection. The division is also responsible for the City-wide Safety Program and the City-wide Emergency/Disaster Preparedness Program, and overseeing the activities of the Hazardous Materials Response Division. The fire prevention division ensures the safety of life and property within the community by inspecting businesses for potentially hazardous conditions, provides fire and life safety public education by coordinating community relations/public education programs, conducts fire and arson

investigation, and assists with coordination of fire code compliance on State-mandated inspections and new development.

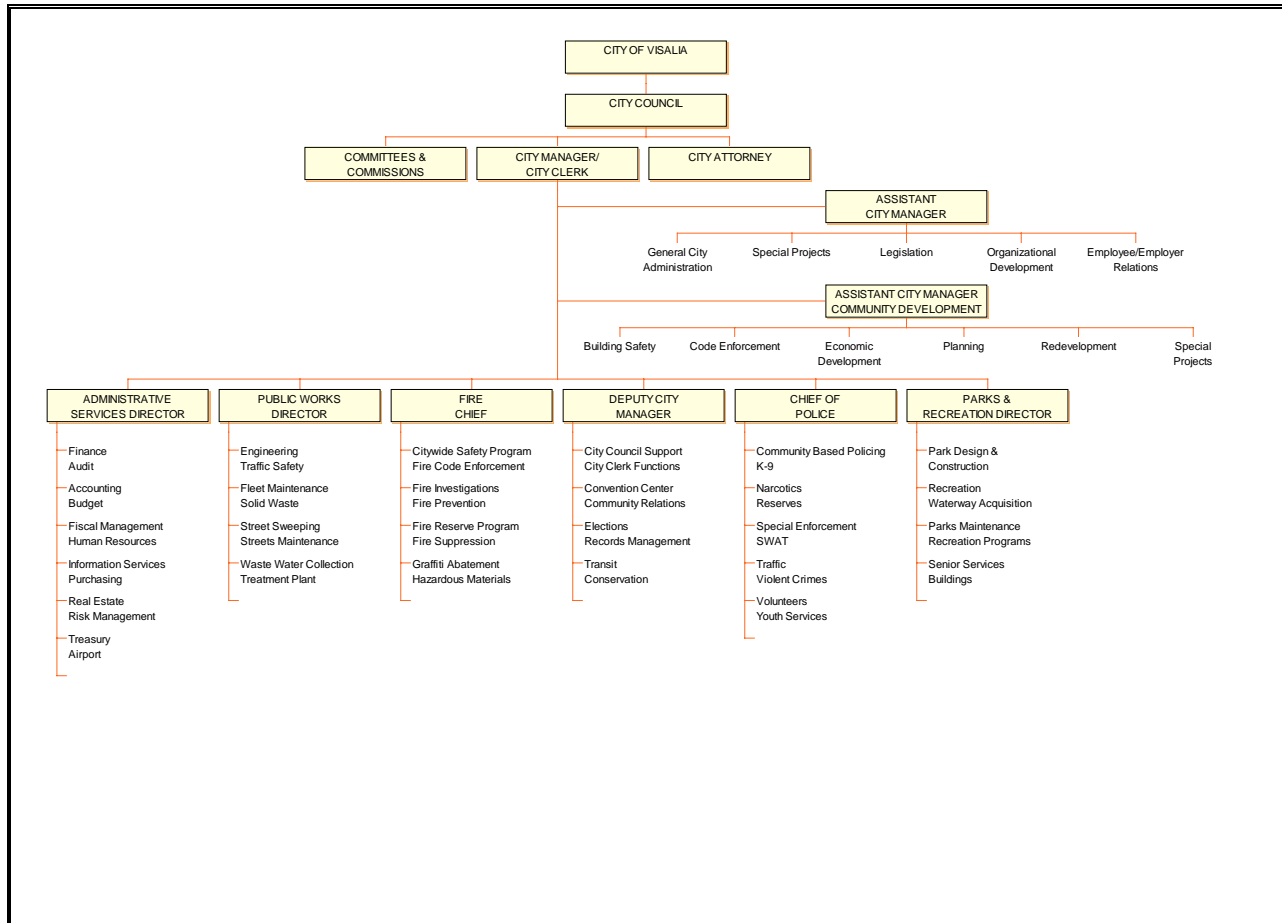
Based upon subsequent information provided by the City, the City recently reorganized some of its departments. The former Community Development Department and Public Works Department has been separated into two separate and distinct departments. Also, the management of the airport has been moved to the Administrative Services Department, and management of the City Buildings and Park Maintenance has been moved to the Community Services Department and management of the Convention Center, Conservation and the Transit Divisions have been moved to Administration.

Figure 1-13 shows the revised organizational chart for the City.

1.8.3 Written Determinations

1. The City has an effective organizational structure that is readily available to respond to the needs of the community.
2. There is no evidence indicating that the City's current management structure would not be able to assume services within the SOI/UGB areas, and/or continue to assist other agencies through mutual aid agreements.
3. The City ensures that services can be efficiently provided in the SOI/UGB areas through the preparation of master service plans that include funding mechanisms for infrastructure that will ultimately serve the SOI/UGB areas.
4. As a part of the budget process, the City evaluates the accomplishments during the previous budget cycle, and also outlines specific objectives for the following budget cycle. This is done for each department at the division and/or bureau level.

FIGURE 1-13 – CITY OF VISALIA ORGANIZATIONAL CHART



1.9 LOCAL ACCOUNTABILITY AND GOVERNANCE

The purpose of this section is to evaluate the accessibility and levels of public participation associated with the agency's decision-making processes.

1.9.1 Public Access and Information Methods

The governing body of Visalia is the City Council, which is elected in compliance with California Election Laws. The City complies with the Brown Act Open-Meeting Law and provides the public with opportunities to get information about City issues, including website and phone access, newsletters, and bill inserts. The City publishes a regular newsletter entitled "Inside City Hall – Beyond the Headlines" which is posted on their website.

Regular City Council meetings are held on the first and third Monday of each month at 7:00 p.m. in City Hall Council Chambers located at 707 West Acequia Avenue, Visalia. The City posts all meeting agendas including City Council Action agendas, City Council agendas, Planning Commission agendas, Historic Preservation Advisory Committee agendas, and Site Plan Review agendas on their website as a courtesy.

The City's budget preparation process gives residents the opportunity to review the services the City is providing, and the cost of those services. The budget includes a description of the accomplishments during the previous budget cycle which clearly define the activities that were completed by each department. This type of accountability helps the City to identify services that are operating efficiently and areas where improvement may be needed within the organization.

The Citizens Advisory Committee (CAC) conducts annual public opinion surveys to establish the public's level of satisfaction with City services and to obtain feedback on timely issues. In 2003, 300 Visalia citizens completed a telephone survey where they were asked a variety of questions ranging from their perception of the quality of life in Visalia, to particular City services, to whether they had contact with a public safety officer. Visalia's overall quality of life was rated above average by 68% of those surveyed. This is the same percentage that gave Visalia's quality of life an above average rating in 2002, although more, 28% gave their life style a very high rating. This is an enviable rating of which the City should be proud. Those surveyed were asked to rate individual services and in 2003, of the 12 questions that could be compared to previous years, ratings were up on all but two of the questions. Residents were more satisfied in 2003 with everything except traffic and road maintenance.

When respondents were asked what City service they considered most essential besides police and fire, road maintenance was again rated most essential with 44% saying it was most important with 43% rating traffic signals and signs most important. As previously indicated ratings were down from previous years on traffic and road maintenance, indicating that the City may need to further concentrate its efforts on traffic and road maintenance to meet the needs/concerns of its residents.

The City also provides public outreach through conducting workshops on land use, County island annexations, City developments, General Plan updates, Specific Plans, rate/fee adjustments, and tax adjustments. An example of the City responding to the needs of the public includes the implementation of Measure T, a recent sales tax increase to improve public safety (police and fire) within the City.

1.9.2 Written Determinations

1. The City continues to make reasonable efforts to maintain public involvement regarding land use and development projects in the community. The City accomplishes this through regular City Council meetings, newsletters, and website postings.
2. The City maintains a comprehensive website, which provides a means to keep the public informed on local events, current City projects, department budgets, recreational activities, and other activities occurring in the City.
3. The City conducts public workshops to keep the public involved with local planning issues including land use, housing, circulation, and other issues key to the development and growth of Visalia.
4. The City's budget preparation process gives residents the opportunity to review the services the City is providing, and the cost of those services. This type of accountability helps the City to identify services that are operating efficiently and areas where improvement may be needed within the organization.

CHAPTER 2 – CITY OF FARMERSVILLE MUNICIPAL SERVICE REVIEW

EXECUTIVE SUMMARY

This section provides an overview of the written determinations findings of the Farmersville Municipal Service Review. As part of its review of municipal services, LAFCO is required to prepare a written statement of its determination with respect to each of the following: 1) Growth and population projections for the affected area; 2) Infrastructure needs and deficiencies; 3) Financing constraints and opportunities; 4) Cost avoidance opportunities; 5) Opportunities for rate restructuring; 6) Opportunities for shared facilities; 7) Government structure options; 8) Evaluation of management efficiencies; and 9) Local accountability and governance. These requirements are established by the AB 2838, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. The Farmersville MSR identifies the following written determinations.

Written Determinations

1) Growth and Population

Historical Data

1. Based upon *Census 2000* data, Farmersville had an incorporated land area of approximately 1.9 square miles, a total population of 8,737, and 2,269 housing units.
2. *Census 2000* data also indicates that the average dwelling unit occupancy rate for the City is approximately 4.1 persons per household, which is significantly higher than the County average of 3.3 persons per household.
3. The *Farmersville General Plan Update* estimates a build-out population of 17,854, corresponding to an annual average growth rate of 2.9%, estimated to occur by year 2025.
4. *California Department of Finance* data indicates that as of January 1, 2005, Farmersville had a population of 10,240, corresponding to an annual average growth rate of approximately 3.3% between 2000 and 2005.

Current Boundaries

1. A City's SOI typically lies between a City's UDB, and UAB, or, in some cases, may be coterminous with a City's UDB. Farmersville's SOI extends beyond the City's UDB, and is within the City's UAB, consistent with current planning boundary definitions. The UAB and UDB lines were adopted by the City in 1999 and by Tulare County in 2000.
2. The Farmersville General Plan Update indicates that, in 2002, there was 1,205 acres of land within the City Limits, 1,726 acres of land within the UDB, and 2,952 acres of land within the UAB. According to the Tulare County GIS database, the Farmersville SOI contains approximately 2,517 acres of land.

Land Use

1. The City's *General Plan Update* provides an excellent tool for guiding future growth in Farmersville. The plan provides a detailed evaluation of current land use, and projected

residential, commercial/office, industrial, parks, and school land demands to accommodate growth through the year 2025.

2. The *General Plan Update* concludes that there is more than enough land within the UDB to accommodate growth to the year 2025. The GPU also notes that City officials consider Farmersville to be grossly under-developed with commercial and industrial development, as compared to other Tulare County Cities. However, City officials have more recently indicated that growth and interest in the City have increased dramatically since the aforementioned information was documented.
3. To meet the provisions of current law, and to maintain consistency with the General Plan Update (which includes updates to the Land Use, Circulation, Conservation, and Open Space Elements), the City adopted a comprehensive update to their General Plan Housing Element in early 2005 consistent with current requirements set forth by State law. Proposition 46 provides funding assistance to address local housing and community development needs.

Annexations

1. Since 1996, Farmersville has successfully annexed approximately 193 acres of land into the City, with two annexations totaling 37 acres annexed in 1999, one annexation totaling 55 acres in 2000, and three annexations totaling 101 acres in 2004. All annexations have occurred within the City's UDB and SOI, with the exception of the most recent annexation, which was outside the boundary of the City's UDB, but within the City's SOI.

Potential SOI Updates

1. The City has expressed interest in expanding its SOI to include areas north of the SR 198/Farmersville Boulevard interchange, as this is an ideal area for a warehousing or similar industrial operation, or highway commercial type uses, due to its prime access to SR 198. The land is currently within the City's UAB, but outside the City's UDB and SOI.

2) Infrastructure Needs and Deficiencies

Planning Documents

1. The Farmersville GPU outlines comprehensive goals, objectives, and action plans related to the infrastructure of the City. As prescribed by GPU policy, new development shall be required to install water, sewer and storm drainage improvements to serve their needs.
2. The GPU recommends that the City's water, sewer, and storm drainage development impact fees be reviewed annually, focusing on the relationship between the amount of fees being collected and the future capital needs of each system based on development trends. Any modifications to the City's development impact fees should be in accordance with Assembly Bill 1600, which requires a clear relationship between fees and their purpose. City officials indicated that new impact fees will be in place by January 2006.
3. The Community Infrastructure Study (December 1998) serves as an interim update to the City of Farmersville Storm Drain Master Plan (1989), the City of Farmersville Sanitary Sewer Master Plan (1983), and the City of Farmersville Water System Master Plan (1993). Information contained in the study was to be incorporated into a City Infrastructure Master

Plan to be considered for adoption by the City Council. The City should continue to pursue the adoption of an Infrastructure Master Plan, if not already in place.

4. City staff indicated that a 5-year capital improvement program (CIP) is being prepared, but is unsure when it will be completed.

Water

1. The City's Water System Master Plan (1993) found the City's water supply system to have inadequate standby capacity, and inadequate firm capacity. As stated in the Community Infrastructure Study, no supply capacity improvements to the City's water supply system have been completed since 1993.
2. Although it is likely that any development within the City's UDB or SOI would likely rely on City infrastructure, a determination of water system adequacy to support any such developments cannot be made at this time.
3. The City should continue to work with developers, and land owners in the area who would be willing to donate land for construction of new wells to improve the City's water supply system.
4. Improvements to the City's water system have been significantly delayed due to limited financial resources. The City should continue to pursue and apply for community development block grants (CDBG) to construct necessary improvements to their water system to help support a growing population. City officials indicated that a CDBG was received to install a new well and generator.

Sanitary Sewer

1. Recent improvements to the City's sanitary sewer system improved the ability of the system to support development west of Virginia Avenue, north of Visalia Road, and north of Avenue 288 (Walnut Avenue).
2. The City's WWTF operates under the provisions of Order No. 86-152, which prescribes a maximum 30-day average daily dry weather discharge flow of 1.25 MGD. The current ADWF into the WWTF is approximately 930,000 GPD.
3. City staff indicated that the WWTF currently has a reserve capacity of approximately 300,000 gallons per day, which could support an estimated 1,280 equivalent single family dwellings, or a population of approximately 14,720.
4. It is likely that the City's WWTF will need to be improved to increase capacity to support growth through year 2025. The City should allocate necessary funding to program improvements to the WWTF. City staff indicated that the City is presently planning to build a new secondary treatment facility.

Storm Drain

1. The City has a Master Planned storm drain system that is anticipated to meet drainage infrastructure needs to accommodate future growth. The City completed several storm

drainage improvements along Linnel Avenue, Ash Street and Petunia Street through CDBG funding. In addition, the storm drain basin along Petunia Street is being expanded.

2. As indicated in the Community Infrastructure Study, Deep Creek has significant capacity available (in the order of 20-30 cfs) to accommodate future storm runoff. The Consolidated People's Ditch Company has no capacity in their ditches to take on additional storm runoff.
3. With the exception of existing deficiencies, it is anticipated that most future storm drainage improvements would be development driven. The City should work with developers to construct on-site drainage facilities when feasible.

Streets and Roads

1. The primary limitation of the City's transportation system is the lack of railroad crossings. Both the GPU and the Community Infrastructure Study identify the need to construct additional railroad crossings to improve the City's transportation system. The railroad company in the area has not been sympathetic to the idea of constructing new crossings. City staff indicated that they are in the process of securing one more crossing between Road 156 and Farmersville Boulevard.
2. The GPU indicates that funds for street improvement projects would come from gas tax and transportation funds. The circulation element also recommends that the City develop a traffic impact fee for new development in Farmersville, consistent with the requirements of AB 1600.
3. The GPU recommends that the City explore the merits of establishing a dial-a-ride service for the elderly, handicapped, and others who may not have access to transportation. The City of Visalia, as of November 2004, expanded its bus system to service to Farmersville, providing needed public transportation in the City.
4. There are currently no established bike lanes in Farmersville however the City has been participating with the Tulare County Association of Governments in the preparation of a bike plan for Tulare County and its Cities. The plan designates bike routes on Visalia Road, Farmersville Boulevard, Walnut Avenue, and Avenue 296. The City's Circulation Element requires the installation of bike lanes on specified roadways as a condition of new development.

Public Safety

1. Farmersville police and fire departments are operated with revenues allocated from the City's general fund.
2. The City of Farmersville has one full time firefighter that operates the only fire station in the City. The remaining fire rescue crew consists of volunteers.
3. The Police Department is staffed with 14 sworn officers and one non-sworn position. One additional position is planned for hire in January 2006.
4. In 2004, Farmersville passed Measure U, a ½ cent sales tax increase, a portion of which revenues will be used to partially ensure essential government functions, including police,

fire and other general fund services will continue in the future, providing a supplement to existing general fund revenues.

5. Measure G, on the November 2005 ballot, would have imposed a 4% utility users tax for the purpose of general government services including animal control, park maintenance, and public safety. Measure G was not passed by the voters. The City should consider preparing a comprehensive plan for expanding public safety services within the City.
6. Fire flow pressure ratings passed the last inspections (with a grading class five). A new well is scheduled for drilling for 2006-07 fiscal year through CDBG funding, which will improve the water supply system to ensure that standard levels of fire flow pressure can be met.
7. The City's sworn police officer to population ratio is approximately 1:735, compared to a desirable ratio of 1:800.
8. The City currently receives \$100,000 per year in State funding for two police officer positions. The City should have a plan in place to fund these positions with local dollars at the conclusion of the grant funding period.
9. Consistent with goals set forth by the City's GPU, the police department implements innovative programs that promote an efficient delivery system including a volunteer program, take-home car program, and K-9 unit program. The City has two volunteer teams with plans for expansion to three teams.

3) Financing Constraints and Opportunities

1. The City's budget clearly describes the services provided by the City to its residents and the funds expended for those services, although in recent years, the City has struggled to reach a balanced budget. The City adopted its fiscal year 2004-05 budget on October 25, 2004.
2. The City's budget for fiscal year 2004-05 was adopted with the anticipation of the passage of two local measures, U and V, a ½ cent sales tax increase, and a 4% utility user's tax, respectively. Since only Measure U passed, the City was forced to adjust its services to balance its budget in light of funding constraints. In the November 2005 election, Measure G, which would have imposed a 4% utility user tax, was unsuccessful.
3. Following the November 2004 elections, the City Manager of Farmersville announced his resignation. The City indicated that in the meantime, they will have to get by with current staff, and have no immediate plans to fill the City Manager position. Rene Miller, the finance director of the City has been named acting City Manager.
4. The City's current financial constraints stem from the leakage of local sales tax dollars to the nearby Cities of Visalia and Exeter. The City should attempt to reverse the leakage of sales tax dollars to surrounding Cities by working to attract new retail establishments to the City, retaining existing businesses, and maintaining high standards that create an attractive business climate which is inviting to prospective new businesses.
5. The City has opportunities to enhance tax increment revenues by encouraging development in the redevelopment district. The City should consider the reduction of development impact

fees, and higher residential densities in the redevelopment district in order to encourage infill development.

6. The City should continue to actively pursue State and Federal grants to expand and improve its current infrastructure and attract new businesses. The redevelopment agency should, on behalf of existing companies or companies interested in locating in Farmersville, apply for State or Federal grants that assist companies with off-site improvements, purchase of land or equipment or training of employees.
7. Likely fiscal benefits to the City from development within the SOI could include modest levels of property tax collections from residential land development (upon annexation of the land), potential transient occupancy tax revenues from new recreational land uses, and sales tax revenues where retail/commercial uses are developed. Likely fiscal costs to the City would typically include public maintenance of infrastructure completed for new projects in the SOI, and the provision of public safety services.
8. Farmersville's development impact fees should be updated to ensure that new uses pay their fair share of the costs of providing infrastructure and services, while remaining competitive with other Cities and surrounding communities. City staff indicated that new impact fees will be in place by January 2006. The City is also having a capital improvement program prepared, but is unsure when it will be completed.
9. The City recognizes the need to overcome significant financial constraints, and continues to develop strategies to enhance current revenue streams. An example would be the passage of Measure U in 2004, a ½ cent increase in local sales tax, revenue that is to be used to partially ensure essential government functions, including police, fire, and other general fund service will continue in the future. The City should continue efforts to pass a utility users tax to supplement general fund revenues.
10. Farmersville is currently only one of two City's in Tulare County that does not have a utility user tax, the other being Visalia, which has the largest sales tax base in the County. For all other City's in Tulare County, the utility user tax has become a stable source of revenue to fund general government services.

4) Cost Avoidance Opportunities

1. Master planned infrastructure helps the City in avoiding unnecessary costs through effective planning and implementation policies, and help eliminate overlapping and/or duplicative services.
2. The City can avoid unnecessary up front costs of extending infrastructure to undeveloped areas by promoting effective growth management practices. The City should first promote development within infill areas, and areas where infrastructure is already in place.
3. The City has opportunities to avoid unnecessary costs through the construction of joint use projects including recreational facilities, parks, or a museum (in coordination with Tulare County).
4. The City could avoid unnecessary costs associated with maintaining infrastructure through the formation of homeowners associations within residential developments for larger scale

residential developments or condominiums where shared (community) facilities such as playgrounds, parks, gyms, or swimming pools are present.

5. The City should review its investment practices to avoid unnecessary costs associated with losses (or shortfalls) on investment earnings. The City's investment policy only allows for Local Agency Investment Fund (LAIF) or Treasury Bills (T-Bills) investments.

5) Opportunities for Rate Restructuring

1. The City has in-place development impact fees, connection fees, reconnection fees, and monthly user fees which are utilized to expand and maintain the City's infrastructure systems.
2. City staff indicated that new impact fees will be in place by January 2006. The City is also preparing a capital improvement program, but is not sure when it will be completed. Capital improvement programs prioritize capital infrastructure needs in line with development demands, and within available funding.
3. The City should annually review utility user fees to ensure that rates are keeping pace with inflation, construction costs, and cost of living indexes. Utility user fees are to be used for operation and maintenance of existing facilities, and not for the construction of new infrastructure.
4. Monthly rates for sanitary sewer service in Farmersville are slightly above average compared to other Cities in Tulare County, while the City's fee for a new sanitary sewer connection is among the lowest.
5. The City of Farmersville should work to implement goals and policies outlined in the general plan, as it establishes effective goals and policies with regard to the City's financial structure.
6. The City of Farmersville should work to comply with the requirements of GASB 34 to improve the financial reporting of the City.

6) Opportunities for Shared Facilities

1. Based upon previous research, the City of Visalia voted to expand its public transportation to service Farmersville.
2. Farmersville also has mutual aid agreements with surrounding jurisdictions to provide fire and emergency support services. City officials indicated that the City's public safety force responds to areas outside of the City more often than others respond to the City for assistance, and that Farmersville Fire responds out into the County to assist on an almost 2 to 1 basis.
3. The City's general plan prescribes several opportunities for the City to share facilities and resources in the future.
4. As prescribed by the Farmersville General Plan, the City has opportunities to work with the Cities of Visalia and Exeter, and Tulare County to establish greenbelts to prevent the Cities from physically growing together. This would also help to preserve prime agricultural land within the County.

5. The City should work with Tulare County to resolve mutual planning issues associated with the Linnel Farm Labor Center, and the Cameron Creek Colony. The Linnel Farm Labor Center, the Cameron Creek Colony, and the City could potentially share a single wastewater treatment facility.
6. The City should continue to look for opportunities to work with surrounding jurisdictions and agency's, and cooperatively address mutual planning issues.

7) Government Structure Options

1. Since development of properties within the SOI generally relies on Master Planned infrastructure available from the City, it is logical for the City to assume the lead in planning for these sites.
2. Coordinated infrastructure plans, for development within the SOI area, submitted with specific annexation requests would create a checks and balance system for incorporating lands into the City while promoting improvements to impacted adjacent County land.
3. The City's ability to effectively provide services to SOI areas appear to be limited primarily by financial resources. For this reason, it is likely that developers would be responsible for construction the infrastructure to accommodate such development. Requiring the preparation of Specific Plans for development within the City's SOI could help identify funding mechanisms, and infrastructure needs to better serve such development.
4. City officials have indicated that the financial picture has and continues to change. Additional growth would also aid in expansion of services through impact fees and additional sales tax revenue.
5. There are no foreseeable boundary conflicts with surrounding Cities or special districts that would affect the current governmental structure of Farmersville.

8) Evaluation of Management Efficiencies

1. The City of Farmersville operates under the council-manager form of government. The Farmersville City Manager resigned on November 3, 2004 due to the City's financial hardships. Rene Miller, Farmersville's finance director, was named acting City Manager. The City has no immediate plans to fill the City Manager position.
2. It is likely that the City's management efficiencies would improve through increased City revenue streams. Increased revenue streams could be accomplished through promoting economic development in the City, and seeking State and Federal grant/loan money that can be used for government operations.

9) Local Accountability and Governance

1. The City complies with the Brown Act, holding regular City Council meetings on the second and fourth Monday of each month at 7:00 p.m. in City Hall Council Chambers.
2. Farmersville is the only City within Tulare County that does not have an established website. The development of a website could help the City attract new businesses, enhance public

access to information, and improve community involvement in City activities. City officials have indicated that there are plans to implement a website in the near future.

3. The preparation and distribution of a regular newsletter would also help keep the community informed on the current events of the City.
4. The City could gain a better understanding of the needs of the community by conducting an annual (or bi-annual) public opinion survey.

2.0 CITY OF FARMERSVILLE

2.0.1 Background

In July 2003, the Tulare County Local Agency Formation Commission (LAFCO) Board adopted a Municipal Service Review (MSR) exemption policy, which identifies the agencies that would be subject to a review and the extent of that review. The agencies in Tulare County were divided into three (3) categories: agencies subject to a full comprehensive study; agencies subject to a questionnaire study; and agencies exempt from a MSR study. The MSR exemption policy further identifies that the services subject to review shall be:

- Police protection
- Fire protection
- Water and wastewater
- Solid waste collection and disposal
- Streets and traffic circulation
- Power generation and distribution
- Health Care

It should be noted that due to the unique nature of healthcare, review of this service has been specifically excluded from this report. Power generation and distribution is provided by privately owned utility companies. The Southern California Edison (SCE) Company serves most of the Cities within Tulare County, including Farmersville. The City is contracted with Allied Disposal for solid waste collection and disposal services, including recycling services. Review of the services provided by privately owned and operated utility companies is outside the scope of this MSR.

The City of Farmersville operates under the Council-Manager form and government, and provides the following services that are subject to a municipal service review: public safety (police and fire protection), highways and streets, wastewater collection, treatment, and disposal, domestic water, and storm drainage.

The City of Farmersville, incorporated in 1960, is located in Tulare County in the central southern portion of the San Joaquin Valley. It is located on the south side of SR 198, a major east-west highway that serves the central valley region. Farmersville is five miles east of Visalia, two and a half miles west of Exeter, and ten miles northwest of Lindsay.

The San Joaquin Valley is considered by the American Farmland Trust as the most threatened agricultural region in the County. Against a backdrop of high unemployment, low incomes, and distrust between various segments of the community, the Farmersville City Council undertook its *General Plan Update* through the year 2025. After two and a half years of public involvement, the City adopted policies that will maximize the efficient use of land and ensure that Farmersville remains separate from neighboring communities. The *Farmersville General Plan Update* (Collins & Schoettler Planning Consultants, September 2002) uses innovative features and smart growth planning techniques that addresses the City's high unemployment rate. The plan also calls for establishing a farmland impact fee that will be assessed against new development. Funds will be used to purchase agricultural easements on prime farmland outside the City's borders.

The following discussions address the nine legislative factors required by the Cortese-Knox-Hertzberg Act; 1) Growth and population, 2) Infrastructure needs and deficiencies, 3) Financial constraints and opportunities, 4) Cost avoidance opportunities, 5) Opportunities for rate restructuring, 6) Opportunities for shared facilities, 7) Government structure options, 8) Evaluation of management efficiencies, and 9) Local accountability and governance.

2.1 GROWTH AND POPULATION

The purpose of this section is to present historical and projected growth patterns and population projections to establish a baseline for the evaluation of service needs. This section provides a summary and analysis of historical data, current planning boundaries, current and projected land use needs, land annexations and potential SOI updates.

2.1.1 Historical Data

Based upon *Census 2000* data, the City of Farmersville had an incorporated land area of approximately 1.9 square miles, a total population of 8,737, and 2,269 housing units. Historical Census data indicates that the City of Farmersville had a 1990 population of 6,233 which grew to a population of 8,737 by the year 2000, corresponding to an average annual population growth rate of approximately 3.4%, the highest of all City's within Tulare County. The *Farmersville General Plan Update* (Collins & Schoettler Planning Consultants, September 2002) estimates a build-out population between 17,854 and 20,155, estimated to occur by year 2025. The plan's "low" population projection is based on Farmersville's average annual growth rate from 1980 to 2000 (2.9%), while its "high" population projection is based on the average annual growth rate from 1990 to 2000 (3.4%). The *General Plan Update* provides a land needs evaluation for a projected year 2025 build-out population of 17,854. To remain consistent with the *General Plan Update*, for analysis purposes a population of 17,854 will be used as the year 2025 service population for the City. Based upon data obtained from the *California Department of Finance*, as of January 1, 2005, Farmersville had a population of approximately 10,240, corresponding to an annual average growth rate of approximately 3.3% between 2000 and 2005.

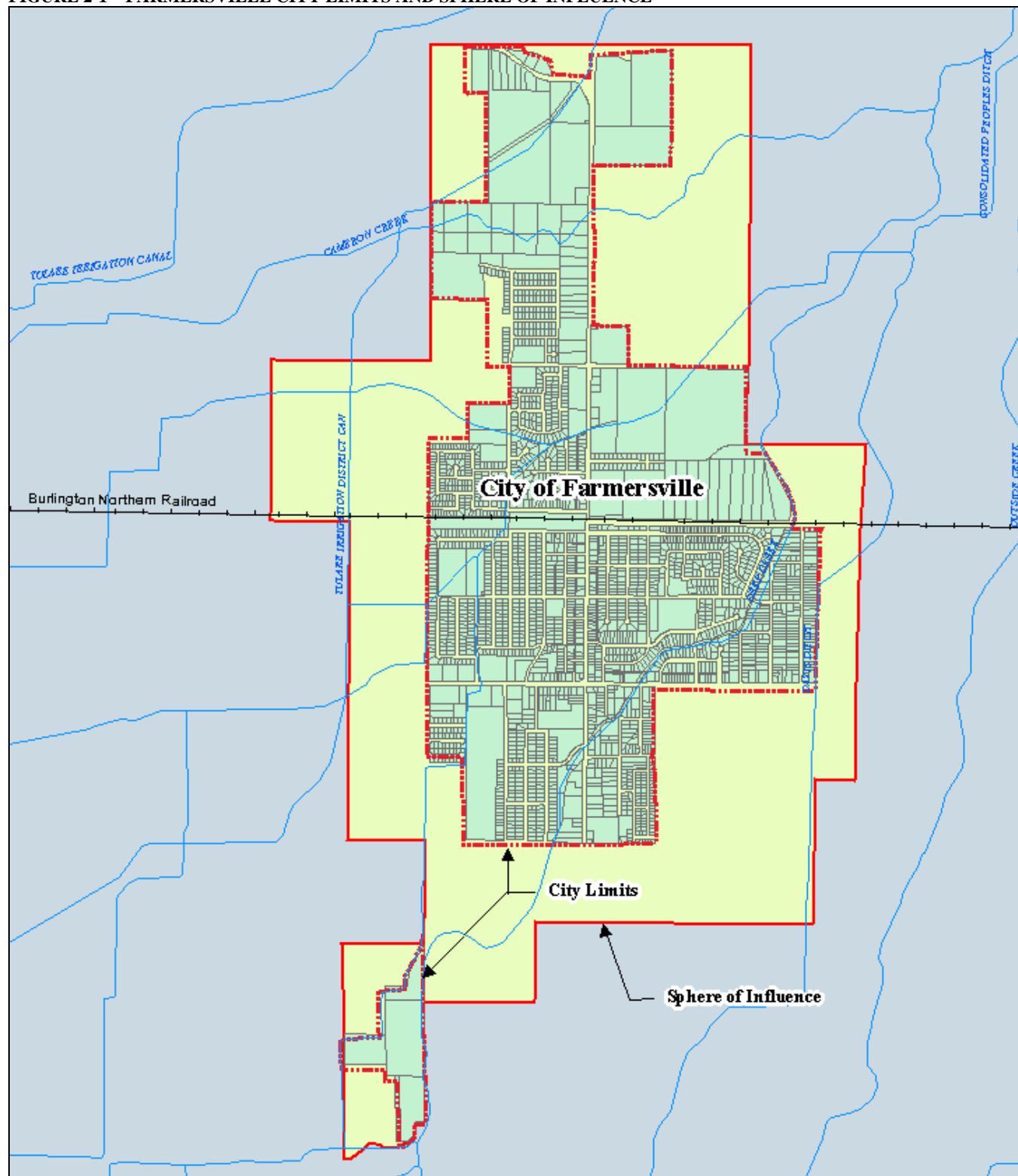
Census 2000 data also indicates that the average dwelling unit occupancy rate for the City is approximately 4.1 persons per household, which is significantly higher than the County average of 3.3 persons per household. Over 70% of the Farmersville population is of Hispanic decent.

2.1.2 Current Boundaries

The current City Limit Boundary and the currently adopted SOI for the City of Farmersville are illustrated on Figure 2-1. The following excerpt from the Tulare County LAFCO website (www.co.tulare.ca.us/lafco/info.asp) defines a SOI and the purpose it serves.

A "Sphere of Influence" is the physical boundary and service area that a local governmental agency is expected to serve. Establishment of this boundary is necessary to determine which governmental agencies can provide services in the most efficient way to the people and property in any given area. The Sphere of Influence requirement also works to discourage urban sprawl by preventing overlapping of jurisdictions and duplication of services.

FIGURE 2-1 – FARMERSVILLE CITY LIMITS AND SPHERE OF INFLUENCE



Source: Tulare County GIS Database (July 2004)

In addition to City Limits, and a City's SOI, additional boundaries are typically adopted to guide the planning process, including an Urban Area Boundary (UAB), and Urban Development Boundary (UDB). The *General Plan Update* identifies the following planning boundary definitions, as defined by Tulare County's Urban Boundaries Element:

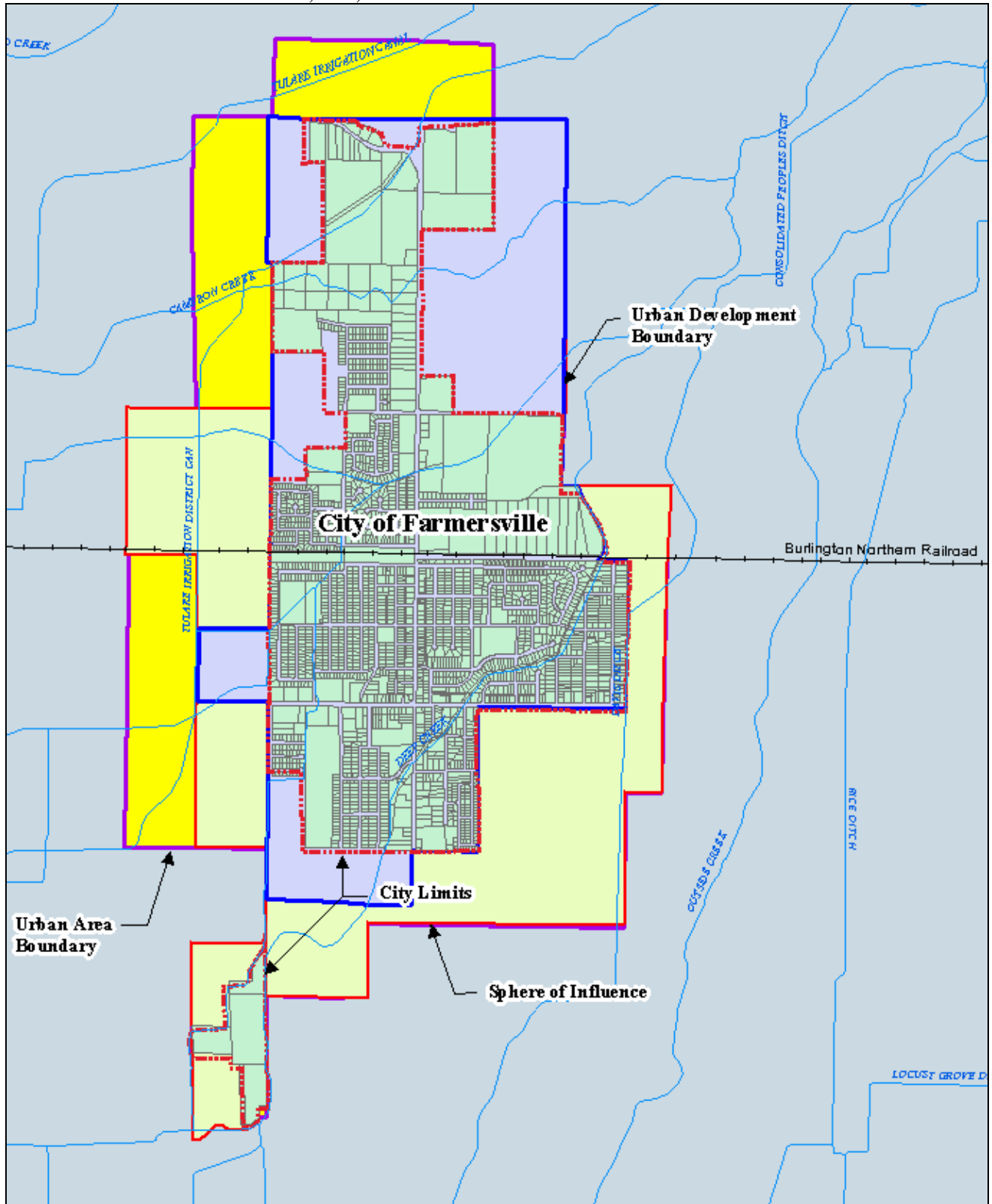
UAB – “... the areas where land uses are presumed to have an impact on the adjacent incorporated City, and within which the Cities' concerns are to be given serious consideration as part of the land use review process. The urban area is considered to be the next logical area in which urban development may occur and the area within which Urban Development Boundaries may ultimately be expanded.”

UDB – “... a 20-year planning boundary within which urban development is expected to occur over the plan period.”

The UAB and UDB lines were adopted by the City in 1999 and by Tulare County in 2000. The Farmersville planning area is located within Farmersville's UAB. A City's SOI typically lies between a City's UDB, and UAB, or, in some cases, may be coterminous with a City's UDB. Farmersville's SOI extends beyond the City's UDB, and is within the City's UAB, consistent with current planning boundary definitions.

Based upon information contained in the *Farmersville General Plan Update*, in 2002, there was 1,205 acres of land within the City Limits, 1,726 acres of land within the UDB, and 2,952 acres of land within the UAB. According to the Tulare County GIS database, Farmersville's SOI contains approximately 2,517 acres of land. Figure 2-2 illustrates the City of Farmersville UDB and UAB (consistent with the City's General Plan GIS database) in comparison to the City Limits and SOI (consistent with the County's GIS database).

FIGURE 2-2 – FARMERSVILLE UDB, UAB, SOI & CITY LIMITS



Source: Tulare County GIS Database (July 2004) & City of Farmersville GIS Database (2002)

2.1.3 Land Use

Farmersville's urban area is generally centered along Farmersville Boulevard, the City's major north/south roadway. The City's downtown commercial area is situated along Farmersville Boulevard generally between Visalia Road and Front Street. Additional commercial areas are located on Visalia Road, east and west of Farmersville Boulevard and on Farmersville Boulevard, north of Front Street and south of Visalia Road.

Residential neighborhoods are located throughout the City, with the oldest neighborhoods located around the intersection of Farmersville Boulevard and Visalia Road. Newer residential development is occurring in the northwest portion of the City, north and south of Walnut Avenue. The City has experienced a very limited amount of industrial development; current uses include a nut/fruit drying plant, and a cement mixing plant. The City's only industrial park is located along Terry Avenue, west of Farmersville Boulevard.

Major facilities owned by the City of Farmersville include six neighborhood parks, the Farmersville Civic Center, a public works yard, two City-operated child care facilities, and the City's wastewater treatment plant located southwest of the City.

The City's *General Plan Update* provides an excellent tool for guiding future growth in Farmersville. The plan provides a detailed evaluation of current land use, and projected residential, commercial/office, industrial, parks, and school land demands to accommodate growth through the year 2025. The *General Plan Update* concludes that there is more than enough land within the UDB to accommodate growth to the year 2025. The *General Plan Update* (GPU) also notes that City officials consider Farmersville to be grossly under-developed with commercial and industrial development, as compared to other Tulare County Cities. As such, the land demand projections should be tempered by that realization. City officials have more recently indicated that growth and interest in the City have increased dramatically since the aforementioned information was documented.

According to *The California Planners 2005 Book of Lists*, Farmersville last updated its *General Plan Housing Element* in 2004. State law SB 491 requires that housing elements be updated according to a schedule set by the Department of Housing and Community Development. All Cities within Tulare County were required to submit a third revision to their housing element by December 31, 2003. The fourth revision of the *General Plan Housing Element* is scheduled for June 30, 2009. To meet the provisions of current law, and to maintain consistency with the *General Plan Update* (which includes updates to the Land Use, Circulation, Conservation, and Open Space Elements), the City adopted a comprehensive update to their *General Plan Housing Element* in early 2005 consistent with current requirements set forth by State law. Proposition 46 provides funding assistance to address local housing and community development needs.

2.1.4 Annexations

Since 1996, Farmersville has annexed approximately 193 acres of land into the City, with two annexations totaling 37 acres annexed in 1999, one annexation totaling 55 acres in 2000, and three annexations totaling 101 acres in 2004. The 37 acres annexed in 2000 included three parcels located at the southeast quadrant of the SR 198/Farmersville Boulevard interchange. The 55 acres annexed in 1999 included a 9 acre parcel located at the northeast corner of Farmersville Boulevard and Avenue 288, and 28-acres of land located northwest of the Avenue 288/Ventura Avenue intersection. The 101 acres annexed in 2004 included 23 additional acres of land located near the northwest quadrant of the Avenue 288/Ventura Avenue intersection, 40 acres of land located north of Visalia Road just west of the previous City Limit Boundary, and 38 acres just west of the previous City Limit Boundary, south of the railroad

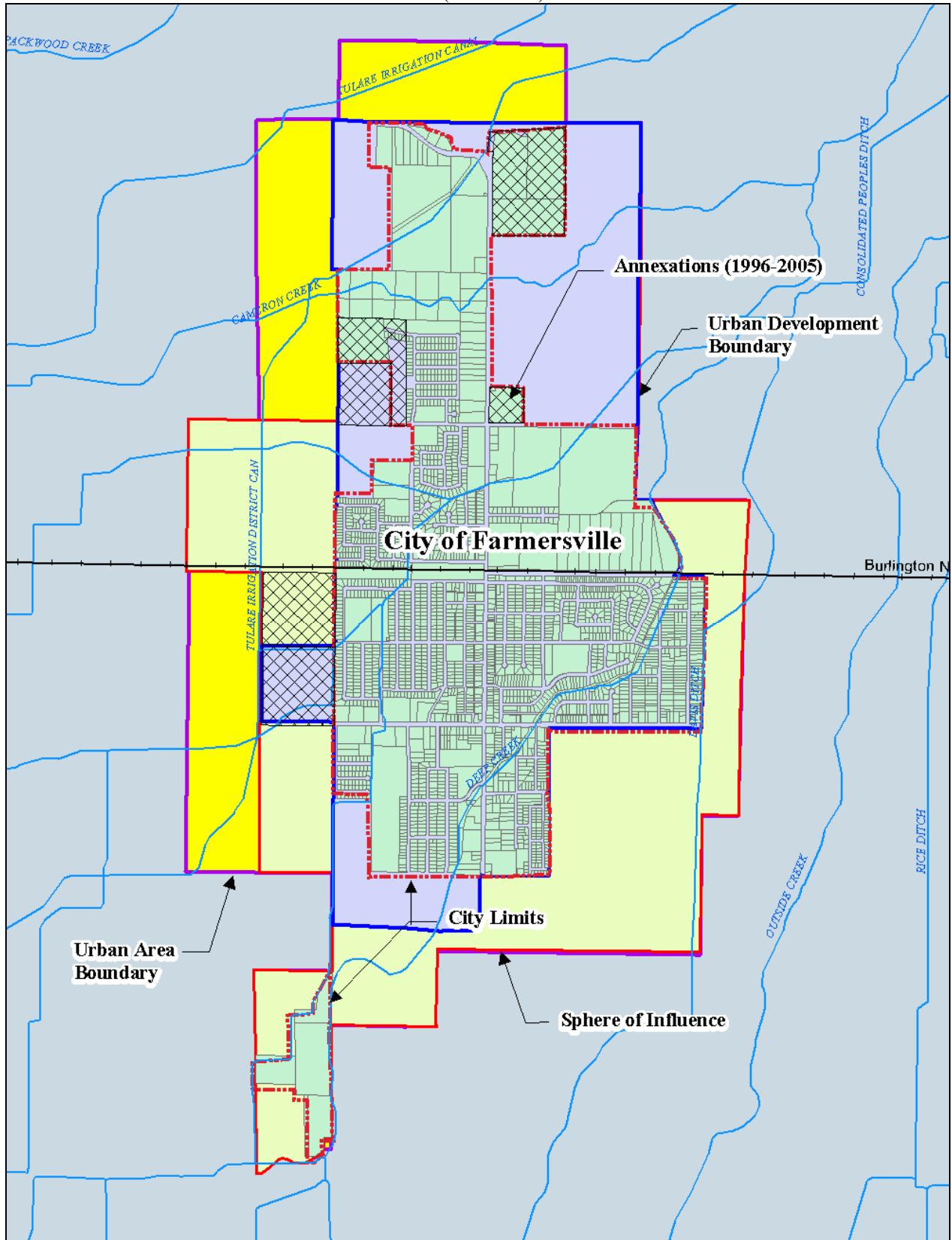
tracks. Figure 2-3 illustrates the areas that Farmersville has annexed into the City since 1999 (no annexations occurred between 1996 and 1998). As indicated on Figure 2-3, on the following page, all annexations have occurred within the City's UDB and SOI with the exception of the most recent annexation, which was outside the boundary of the City's UDB, but within the City's SOI.

2.1.5 Potential Sphere of Influence Updates

As previously noted, a LAFCO SOI represents the physical boundary and service area that a local governmental agency is expected to serve, while a UDB generally represents the area around a City designed to contain enough land to accommodate 20-years of growth. A City's SOI should generally extend beyond, or, in some cases, be coterminous with a City's UDB, while remaining within a City's UAB, which is the case for the City of Farmersville.

The City has expressed interest in expanding its SOI to include areas north of the SR 198/Farmersville Boulevard interchange, as this is an ideal area for a warehousing or similar industrial operation, or highway commercial type uses due to its prime access to SR 198. The land is currently within the City's UAB, but outside the City's UDB.

FIGURE 2-3 – LOCATION OF PAST ANNEXATIONS (1999 – 2005)



Source: Tulare County GIS Database & City of Farmersville GIS Database (2002)

2.1.6 Written Determinations

Historical Data

1. Based upon *Census 2000* data, Farmersville had an incorporated land area of approximately 1.9 square miles, a total population of 8,737, and 2,269 housing units.
2. *Census 2000* data also indicates that the average dwelling unit occupancy rate for the City is approximately 4.1 persons per household, which is significantly higher than the County average of 3.3 persons per household.
3. The *Farmersville General Plan Update* estimates a build-out population of 17,854, corresponding to an annual average growth rate of 2.9%, estimated to occur by year 2025.
4. *California Department of Finance* data indicates that as of January 1, 2005, Farmersville had a population of 10,240, corresponding to an annual average growth rate of approximately 3.3% between 2000 and 2005.

Current Boundaries

1. A City's SOI typically lies between a City's UDB, and UAB, or, in some cases, may be coterminous with a City's UDB. Farmersville's SOI extends beyond the City's UDB, and is within the City's UAB, consistent with current planning boundary definitions. The UAB and UDB lines were adopted by the City in 1999 and by Tulare County in 2000.
2. The Farmersville General Plan Update indicates that, in 2002, there was 1,205 acres of land within the City Limits, 1,726 acres of land within the UDB, and 2,952 acres of land within the UAB. According to the Tulare County GIS database, the Farmersville SOI contains approximately 2,517 acres of land.

Land Use

1. The City's *General Plan Update* provides an excellent tool for guiding future growth in Farmersville. The plan provides a detailed evaluation of current land use, and projected residential, commercial/office, industrial, parks, and school land demands to accommodate growth through the year 2025.
2. The *General Plan Update* concludes that there is more than enough land within the UDB to accommodate growth to the year 2025. The GPU also notes that City officials consider Farmersville to be grossly under-developed with commercial and industrial development, as compared to other Tulare County Cities. However, City officials have more recently indicated that growth and interest in the City have increased dramatically since the aforementioned information was documented.
3. To meet the provisions of current law, and to maintain consistency with the General Plan Update (which includes updates to the Land Use, Circulation, Conservation, and Open Space Elements), the City adopted a comprehensive update to their General Plan Housing Element in early 2005 consistent with current requirements set forth by State law. Proposition 46 provides funding assistance to address local housing and community development needs.

Annexations

1. Since 1996, Farmersville has successfully annexed approximately 193 acres of land into the City, with two annexations totaling 37 acres annexed in 1999, one annexation totaling 55 acres in 2000, and three annexations totaling 101 acres in 2004. All annexations have occurred within the City's UDB and SOI, with the exception of the most recent annexation, which was outside the boundary of the City's UDB, but within the City's SOI.

Potential SOI Updates

1. The City has expressed interest in expanding its SOI to include areas north of the SR 198/Farmersville Boulevard interchange, as this is an ideal area for a warehousing or similar industrial operation, or highway commercial type uses, due to its prime access to SR 198. The land is currently within the City's UAB, but outside the City's UDB and SOI.

2.2 INFRASTRUCTURE NEEDS AND DEFICIENCIES

The purpose of this section is to evaluate the infrastructure needs and deficiencies of the City of Farmersville in terms of availability of resources, capacity to deliver services, condition of facilities, service quality, and levels of service. This section provides a summary of the policies and recommendations with relation to infrastructure, as contained in the GPU. This section also includes a summary of current infrastructure plans relating to water, sewer, storm drain, streets and roads, and public safety, including discussions regarding budgetary aspects of improving and expanding such infrastructure.

LAFCO is responsible for determining that an agency requesting an SOI amendment is reasonably capable of providing needed resources and basic infrastructure to serve areas within the City and its SOI. It is important that these findings of infrastructure and resource availability are made when revisions to the SOI and annexations occur. LAFCO accomplishes this by evaluating the resources and services to be expanded inline with increasing demands. The City of Farmersville currently has no formal proposals to expand its SOI.

2.2.1 Planning Documents

The Farmersville GPU outlines comprehensive goals, objectives, and action plans related to the infrastructure of the City. As prescribed by GPU policy, new development shall be required to install water, sewer and storm drainage improvements to serve their needs. The City's GPU identifies where development will occur through year 2025, and is shaped so that it is generally in concert with existing sanitary sewer, water, and storm drainage Master Plans. Although the plan was shaped around current Master Planning, it recommends that the current Master Plans be reviewed in order to ensure that they can properly and efficiently serve future development prescribed by the land use element.

The GPU recommends that the City's water, sewer, and storm drainage development impact fees be reviewed annually, focusing on the relationship between the amount of fees being collected for each of the accounts and the future capital needs of each system based on development trends. Any modifications to the City's development impact fees should be in accordance with Assembly Bill 1600, which requires a clear relationship between fees and their purpose. City officials indicated that new impact fees will be in place by January 2006. Development impact fees are generally used to implement a City's capital improvement program. City staff indicated that a 5-year capital improvement program (CIP) is being prepared, but is unsure when it will be completed.

The GPU recommends that the Redevelopment Agency prepare a 5-year CIP, and associated developer impact fees, to assist in the maintenance, rebuilding and upgrading of Farmersville's infrastructure systems within the redevelopment project area.

In addition to the GPU, the City has provided a Community Infrastructure Study (Quad Knopf, December 1998), a Sanitary Sewer Master Plan (Quad Knopf, January 1983), and a Water System Study (Quad Knopf, July 2000). The Community Infrastructure Study (December 1998) serves as an interim update to the City of Farmersville Storm Drain Master Plan (1989), the City of Farmersville Sanitary Sewer Master Plan (1983), and the City of Farmersville Water System Master Plan (1993). Information contained in the study was to be incorporated into a City Infrastructure Master Plan to be considered for adoption by the City Council. The City should continue to pursue the adoption of an infrastructure master plan, if not already in place. The contents of these Plans/Studies are summarized in the following sections.

2.2.2 Water

The City's water distribution system consists of a grid network of about 25 miles of asbestos cement (AC) and polyvinyl chloride (PVC) pipeline with sizes ranging from 4-inches to 12-inches. The distribution system has numerous valves and fire hydrants throughout. The supply needs of the system are met by six deep well turbine pumps; individual pump output varies from a low of 413 gallons per minute to a high of 1,104 gallons per minute. The wells are fairly uniformly disbursed throughout the City and are controlled by pressure switches and hydro-pneumatic tanks. Pressure switches are set to turn pumps on when the pressure drops to 32 psi and off when it rises to 80 psi. Two of the wells have 10,000 gallon hydro-pneumatic tanks, and four have 5,000 gallon hydro-pneumatic tanks, resulting in a total storage capacity of 40,000 gallons. The depth of the wells ranges from approximately 280 to 410 feet, with a static groundwater level between 50 and 65 feet below ground surface. Three of the six wells have standby emergency generators to operate the pumps when power outages occur. The system was initially constructed in 1955, and has been operated, maintained and expanded by the City of Farmersville since 1960. In addition to the six operational wells, the City also has one well, near the southwest corner of Front Street and Magnolia Avenue, which has been abandoned and is no longer in service.

In May of 1993, the City of Farmersville adopted a *Water System Master Plan* (May 1993) to serve as the guiding document for the City's water system expansion and maintenance. In December 1998, the City had a Community Infrastructure Study prepared for the purposes of establishing the conditions of and planning for improvements to the existing storm drainage system, sewage collection and treatment system, water supply and distribution system, and the street system. Both the Master Plan and the Community Infrastructure Study recommend the addition of wells and pipelines at various City locations, in order to improve the distribution patterns and pressures of the existing water supply system.

The *1993 Water System Master Plan* evaluated the adequacy and reliability of the City water supply system by determining if the system had reliable standby capacity and adequate firm capacity. The Master Plan considered the City of Farmersville water supply system to have inadequate standby capacity because the system could not supply the average daily flow rate with only two of the three wells that have standby power generators. Similarly, the system was considered to have inadequate firm capacity because it was not capable of supplying the peak hour flow rate or the peak daily flow rate plus fire flow rate with only four of the six wells in operation. Based on the above system deficiencies, the Master Plan estimated that by the year 2000 the City would require three additional wells for its water supply system.

In July 1999, the City requested funds from the *Department of Housing and Community Development (CDBG Application, 7/99)* – *Community Development Block Grant* to accomplish the planning, technical analysis, and preliminary engineering design of new wells and pipelines for the water supply system. A Water System Study was prepared for the City of Farmersville by Quad Knopf, Inc. once funding was secured. The study was undertaken to determine the need for, and location of a new well for the City of Farmersville water system. In addition, the study evaluates what other improvements, if any, are required to improve the system adequacy and reliability. The following excerpt is from the Water System Study (Quad Knopf, July 2000),

“Since 1993 the supply of water to Farmersville has not been augmented. In fact, it appears that each of the existing wells supply less water than before because they have developed deeper drawdowns as a result of a deeper regional water table. However, the City water demand has increased due to population growth, and expansion of the water distribution grid.”

The Water System Study found the current system adequacy and reliability to be “marginal”; and that low pressures result in the north portion of the City under extreme or critical operating conditions. The study made further determinations with regard to the City’s water system as follows,

- A new well is required.
- The tentative location of the new well (at Walnut Avenue and Ventura Avenue, on site to be donated by a developer) is satisfactory.
- Emergency standby power should be furnished at another, existing well.
- Additional pipeline connections (three) should be made between the northern and southern portions of the water system, under the railroad tracks bisecting the City.

Based upon discussions with the City of Farmersville Public Works Department, installation of the above improvements is still in planning and design stages, and has been delayed due to financial constraints. The total estimated cost for a new well, installation of an emergency power unit at existing well, and new pipeline connections was estimated at \$440,000 in July 2000. City officials have indicated that a Community Development Block Grant was received for the installation of a new well and generator.

The City has two funds set up for maintaining and expanding its water system infrastructure; the Water Utility Fund, which includes funds generated from user fees, reconnection fees, and investment earnings which are used for the operation and maintenance of the current water system; and the Water Development Fund, which includes funds generated from developer fees and interest income which are used for the construction of capital improvements.

2.2.3 Sanitary Sewer

Based upon information contained in the Community Infrastructure Study (Quad Knopf, December 1998), the City’s sanitary sewer infrastructure consists of over 16 miles of collection lines with sizes ranging from 6-inches to 18-inches. Three pump stations are located in the system; one located at Oakview Avenue/Ash Avenue, one at Yew Street/Susan Avenue, and one at Ventura Avenue/ Petunia Street. The sewage collection system generally consists of two main systems: one system lying east of Deep Creek, and the other situated west of Deep Creek. Connection of the two systems is at the intersection of Tulare Avenue and Shasta Street. The majority of the collection system was installed in 1969. The balance was installed by land developers to serve new subdivisions.

As outlined in the Community Infrastructure Study, the primary limitation of the existing system was the lack of capacity for future development (a) west of Virginia Avenue and north of Visalia Road, and (b) north of Avenue 288 (Walnut Avenue). This need has been partially addressed by the recently installed 18” trunk line along the Virginia Avenue alignment, from Visalia Road to the treatment plant. However to fully utilize this line, a major force main/trunk line project was needed. Without the major project, new development of housing, industrial and commercial in these areas would have been severely limited. The Community Infrastructure Study recommended the following sanitary sewer collection system improvements be constructed as a part of the major force main/trunk line project:

- Phase I – Install 15-inch gravity line along Walnut Avenue, from Farmersville Boulevard westerly to a new pump station to be located approximately ¼ mile west Ventura Avenue. From the pump station, a force main would be extended southerly to Visalia Road and discharged into the trunk line installed along Virginia Avenue.
- Phase II – Install a trunk line northerly along Farmersville Boulevard, from Walnut to Terry Avenue.

- Phase III – Install a trunk line northerly along Farmersville Boulevard, from Terry Avenue to SR 198.
- Phase IV – Install a trunk line ½ mile easterly from Farmersville Boulevard along Walnut Avenue.

Based upon discussions with the City of Farmersville Public Works Department, the improvements outlined above have been constructed, and are currently operating. Phase I provided the backbone system for all future development in the area, phase II allows for sewer service to the existing industrial area, as well as to existing housing, and for future development in the area, phase III allows for new industrial and commercial development at the northerly end of Farmersville Boulevard, including the SR 198 intersection, and phase IV allows for future development in the area near the high school site.

The City's current wastewater treatment facility (WWTF) – a primary treatment facility – occupies approximately 40 acres located about a mile south of Visalia Road. The WWTF consists of headworks, metering station, pumps, three mechanically aerated treatment ponds, and ten evaporation/percolation ponds with a total surface area of approximately 27 acres. Although the City owns 4 acres of land, adjacent to the treatment facility, which is available for irrigation (use of reclaimed water), it has not been necessary in recent years to discharge any effluent from the evaporation/percolation ponds for irrigation. The entire treatment/disposal system is relatively well maintained; the evaporation /percolation ponds are periodically, in rotation, drained and bottom-ripped to maintain disposal capacity.

Based upon information contained in the *Wastewater User Charge Survey Report FY 2004-05* (Cal EPA – State Water Resources Control Board, May 2005), the average dry weather flow at the WWTF is approximately 930,000 gallons per day (GPD). The City's WWTF currently operates under the provisions of Order No. 86-152, issued by the Regional Water Quality Control Board (RWQCB). The Order prescribes a maximum 30-day average daily dry weather discharge flow of 1.25 MGD. City staff indicated that the WWTF has reserve capacity for approximately 300,000 GPD, and that there is sufficient capacity at the WWTF to accommodate an additional 1,280 equivalent single family dwellings (ESD's), or an estimated population of approximately 14,720. Based upon these estimates, it is reasonable to assume that the City will need to construct additional improvements to its WWTF to increase capacity to accommodate growth through year 2025. City staff indicated that the City is presently planning to build a new secondary treatment facility.

Based upon information contained in the Community Infrastructure Study, during the early 1980s, the plant's disposal facilities could not handle all of the effluent. Several factors contributed to the problem; the pond bottoms were not regularly dried and ripped; there were fewer ponds available for disposal; the groundwater level in the area approached or exceeded the level of the pond bottoms. Emergency, pumped, discharge to Deep Creek was required, despite the objections and concerns of the irrigation district and regulatory agencies. It is anticipated that, should high groundwater again occur because of prolonged flow in the adjacent ditches and wet-year rainfall, disposal difficulties may again occur.

In 1994, the City Engineer prepared an analysis of alternatives for long-term treatment and disposal of the City of Farmersville's wastewater. The analysis took into account not only the existing capacity of the City's facilities but the potential disposal difficulties inherent in the plant location with respect to a possible recurrence of the high groundwater experienced in the 1980s. Several alternatives were evaluated including relocation of the WWTF, facility modifications to cope with high groundwater, and connection to the City of Visalia's WWTF. Relocation was deemed infeasible, and connection to the City of Visalia's system was informally determined by the City Council to be not desirable at that time. As long as low groundwater conditions prevail, the City may expand the treatment and disposal capacity

relatively cheaply by building additional, lined, aeration ponds and additional unlined evaporation/percolation ponds, despite the likelihood of concern by the RWQCB about potential groundwater contamination from pond leakage long-term. It is evident from past experience that the City's plant location mandates the construction and operation of expanded treatment and disposal facilities, and the modification of existing facilities, which can operate satisfactorily during periods of normal and above-normal rainfall.

Modifying existing facilities to enable wet cycle compliance with State requirements would require the following improvements, with an estimated cost of approximately \$5,000,000.

- Lining of the existing 27-acres of evaporation/percolation ponds.
- Acquisition of 160 acres of land for crop irrigation, replacing percolation disposal capacity.

It is likely that additional improvements to the City's WWTF will be necessary to accommodate growth to year 2025. As stated in the Community Infrastructure Study, with the existing flow to permitted flow ratio (925,000 GPD/1,250,000 GPD, 74%), and no recent history of permit violations due to high groundwater, it is unlikely that the City will receive funding for the long-range treatment/disposal facilities necessary to cope with high groundwater related disposal problems.

The Community Infrastructure Study classifies priorities for the recommended infrastructure projects as urgent, high, medium, or low. Based upon available information, and discussions with City officials, it has been determined that the City has constructed all sewer improvement projects classified as either urgent or high priority. Medium priority projects will be needed when future development demands, or as remedial work for existing deficiencies or problems. Low priority projects include remedial or other minor work which is not currently creating serious problems or new construction that is developer driven or subject to other constraints, railroads for example.

The City has two funds set up for maintaining and expanding its sanitary sewer infrastructure; the Sewer Utility Fund, which includes funds generated from user fees, reconnection fees, and investment earnings which are used for the operation and maintenance of the current sewer system; and the Sewer Development Fund, which includes funds generated from developer fees and interest income which are used for the construction of capital improvements.

2.2.4 Storm Drainage

A comprehensive analysis of the City of Farmersville storm drain system is contained in the Community Infrastructure Study. The Community Infrastructure Study references the City of Farmersville Storm Drain Master Plan from 1989. Since the Community Infrastructure Study is more recent, it will be used as the basis for the discussion and evaluation presented in this section.

The Farmersville storm drain system is similar to that of other Tulare County communities; a combination of surface drainage facilities and underground gravity flow pipelines. The two primary points of discharge are the Consolidated Peoples' Ditch Company's Extension Ditch and Deep Creek. The City's storm drain infrastructure is categorized by twenty six sub-areas, A through Z.

Watercourses within the study area are Cameron Creek, Deep Creek, Extension Ditch, Blain Ditch, Lower Extension Ditch, Hart-Sweeney Ditch and Sims-Davis Ditch. Except for Cameron Creek, which is operated by the Tulare Irrigation District, all of the channels are operated by Consolidated People's Ditch Company. The Community Infrastructure Study states that CPD and its ditches are currently at or near capacity and no further discharges could be accepted by the District. Deep Creek is capable of taking significant discharge increases (in the order of 20-30 cubic feet per second). Discharges to Consolidated

People's Ditch Company facilities are governed by an agreement between the Company and the City of Farmersville.

The Storm Drain Master Plan (1989) identifies remedial work necessary to bring the system up to current design standards, and additional systems to accommodate future development. The Community Infrastructure Study identifies the more serious problem areas, and suggests solutions. With regard to storm drainage improvements, the Community Infrastructure Study identifies one "urgent priority" improvement, one "high priority" improvement, and several medium and low priority projects. With the exception of existing deficiencies, it is anticipated that most future storm drainage improvements would be development driven.

The City's Storm Drain Master Plan was adopted in 1989 therefore the City should periodically review its current Master Plan in line with projected growth, and determine an appropriate schedule for updating it. The City should continue to implement storm drainage improvements as outlined in the Storm Drain Master Plan and the Community Infrastructure Study, as these documents provide for an excellent guide in the improvement and expansion of the City's current system.

The City completed several storm drainage improvements along Linnel Avenue, Ash Street, and Petunia Street with CDBG funding. In addition, the storm drainage basin along Petunia Street is being expanded.

The City has one fund set up for maintaining and expanding its storm drain infrastructure; the Storm Drain Fund, which includes funds generated from user fees, and investment earnings which are used for the operation, maintenance, and expansion of the current storm drain system. The Storm Drain Fund is anticipated to have an ending fund balance of \$67,336 at the end of fiscal year 2004-05. There was no funding allocated for storm drain infrastructure improvements for fiscal year 2003-04 or fiscal year 2004-05. The City should consider implementing a storm drain developer impact fee to fund expansions to the City's storm drain system.

2.2.5 Streets and Roads

The City street system is fairly simple, with Farmersville Boulevard acting as the only north-south major arterial. It extends through the entire town, and to the SR 198 interchange. Visalia Road has been the primary east-west arterial for some time. Due to recent developments along and/or near Walnut Avenue, it is developing into a major east-west collector facility. There are currently two signalized intersections in Farmersville, Farmersville Boulevard/Visalia Road and Farmersville Boulevard/Walnut Avenue. No improvements to the above intersections are anticipated to maintain acceptable levels of service through the current planning period to year 2025. Major roadways in the City of Farmersville include SR 198, Farmersville Boulevard, Visalia Road, and Walnut Avenue. As identified in the GPU, it will be necessary to install traffic signals at the following intersections sometime during the planning period.

- Intersections at SR 198/Farmersville Boulevard interchange
- Farmersville Boulevard/Ash Avenue
- Farmersville Boulevard/Terry Avenue

Both the Community Infrastructure Study and the GPU identify the need for additional north-south railroad crossings, as currently Farmersville Boulevard is the only roadway that crosses the railroad tracks to connect the northern and southern portions of the City. This forces residents of neighborhoods on both sides of the tracks to "funnel out" onto Farmersville Boulevard to gain access to the other side of the City. Additional connections across the railroad tracks would strengthen the circulation system in several ways including reducing traffic on over burdened streets, reducing trip lengths, reducing air pollution and fuel consumption, and enhancing emergency vehicle access in the City. The Community Infrastructure Study

identifies three roadways, Ventura Avenue, Rose Avenue, and Brundage Avenue as being logical crossing points, however, the railroad is not currently sympathetic to additional crossings. As indicated in the Community Infrastructure Study, future railroad crossings at Rose Avenue and Brundage Avenue could be developer driven, and funded, and that a future railroad crossing at Ventura Avenue would most likely be a City funded project. City staff indicated that they are currently in the process of securing one more crossing between Road 156 and Farmersville Boulevard. There are no urgent, high, or medium priority transportation projects identified in the Community Infrastructure Study.

The Farmersville GPU identifies several issues for which goals and policies are established. Issues relating to the City's circulation system, for which goals, objectives and action plans have been established include the following.

- Traffic
- Arterials
- Collectors
- Local streets and alleys
- Intersections
- Green streets program
- Street connectivity
- Truck traffic
- Parking
- Transit
- Bike paths and pedestrian pathways
- School routes

The GPU states that the City will program street improvements into its 5-year capital budget to ensure the specified level of service (LOS) is not exceeded in the City limits. Funds for street improvement projects would come from gas tax and transportation funds. The GPU also recommends that the City develop a traffic impact fee for new development in Farmersville, consistent with the requirements of AB 1600.

Farmersville is the only City in Tulare County without a public transit service. There is a bus service provided by Orange Belt stages that provides access to other California Cities. In addition, the City of Visalia recently (as of November 2004) expanded its bus system to service Farmersville. The GPU recommends that the City explore the merits of establishing a dial-a-ride service for the elderly, youth, handicapped, and others who may not have access to transportation.

There are currently no established bike lanes in Farmersville however the City has been participating with the Tulare County Association of Governments (TCAG) in the preparation of a bike plan for Tulare County and its Cities. The plan designates bike routes on Visalia Road, Farmersville Boulevard, Walnut Avenue and Avenue 296. The City's Circulation Element requires the installation of bike lanes on specified roadways as a condition of new development.

The City has the following funds set up for transportation improvements:

- Surface Transportation Fund
- Gas Tax Fund
- Transportation Fund (LTF)
- Traffic Congestion Relief Fund (AB 2928)

2.2.6 Public Safety (Fire & Police)

The GPU identifies goals, objectives, and action plans related to the City's public safety services. To promote a safe community that is free of crime and fire hazards, new developments should be designed such that crime and fire safety are considered during the City's site plan review process. Members of the Farmersville Police and Fire Departments are active participants in the City's site plan committee that reviews every new site plan submitted. In order to maintain adequate levels of fire protection safety, a City's water system needs to have adequate water supply and pressure to meet fire flow requirements. As stipulated in the GPU, buildings over 5,000 square feet in size shall be required to have a fire sprinkler system installed. As previously discussed, the City will need to upgrade its water system with an additional well in the near future in order to meet increased demand, and pressure regulations. City staff indicated that a new well is scheduled for drilling in fiscal year 2006-07 through CDBG funding.

The City of Farmersville currently has one full time firefighter that operates the only fire station in the City. The remaining fire rescue crew consists of volunteers. Fire flow pressure ratings passed the last inspections (with a grading class five). The GPU recommends that the City amend its development impact fee schedule to provide funds for the replacement of old water lines, and to provide funds for future water facilities. A new well is scheduled for drilling for 2006-07 fiscal year through CDBG funding, which will improve the water supply system to ensure that standard levels of fire flow pressure can be met.

The Farmersville Police Department is staffed with 14 sworn officers and one non-sworn position. One additional position is planned for hire in January 2006. The City's sworn police officer to population ratio is approximately 1:735, compared to a desirable ratio of 1:800. The City currently receives \$100,000 per year in State funding for two police officer positions. The City should have a plan in place to continue to fund these positions with local dollars at the conclusion of the grant funding period.

In 2004, Farmersville passed Measure U, a ½ cent sales tax increase, a portion of which revenues will be used to partially ensure essential government functions, including police, fire and other general fund services will continue in the future, providing a supplement to existing general fund revenues.

Measure G, on the November 2005 ballot, would have imposed a 4% utility users tax for the purpose of general government services including animal control, park maintenance, and public safety. Measure G was not passed by the voters. The City should consider preparing a comprehensive plan for expanding public safety services within the City. Consistent with goals set forth by the City's GPU, the police department implements innovative programs that promote an efficient delivery system including a volunteer program, take home car program, and K-9 unit program. The City has two volunteer teams with plans for expansion to three teams.

2.2.7 Written Determinations

Planning Documents

1. The Farmersville GPU outlines comprehensive goals, objectives, and action plans related to the infrastructure of the City. As prescribed by GPU policy, new development shall be required to install water, sewer and storm drainage improvements to serve their needs.
2. The GPU recommends that the City's water, sewer, and storm drainage development impact fees be reviewed annually, focusing on the relationship between the amount of fees being collected and the future capital needs of each system based on development trends. Any modifications to the City's development impact fees should be in accordance with Assembly

Bill 1600, which requires a clear relationship between fees and their purpose. City officials indicated that new impact fees will be in place by January 2006.

3. The Community Infrastructure Study (December 1998) serves as an interim update to the City of Farmersville Storm Drain Master Plan (1989), the City of Farmersville Sanitary Sewer Master Plan (1983), and the City of Farmersville Water System Master Plan (1993). Information contained in the study was to be incorporated into a City Infrastructure Master Plan to be considered for adoption by the City Council. The City should continue to pursue the adoption of an Infrastructure Master Plan, if not already in place.
4. City staff indicated that a 5-year capital improvement program (CIP) is being prepared, but is unsure when it will be completed.

Water

1. The City's Water System Master Plan (1993) found the City's water supply system to have inadequate standby capacity, and inadequate firm capacity. As stated in the Community Infrastructure Study, no supply capacity improvements to the City's water supply system have been completed since 1993.
2. Although it is likely that any development within the City's UDB or SOI would likely rely on City infrastructure, a determination of water system adequacy to support any such developments cannot be made at this time.
3. The City should continue to work with developers, and land owners in the area who would be willing to donate land for construction of new wells to improve the City's water supply system.
4. Improvements to the City's water system have been significantly delayed due to limited financial resources. The City should continue to pursue and apply for community development block grants to construct necessary improvements to their water system to help support a growing population. City officials indicated that a CDBG was received to install a new well and generator.

Sanitary Sewer

1. Recent improvements to the City's sanitary sewer system improved the ability of the system to support development west of Virginia Avenue, north of Visalia Road, and north of Avenue 288 (Walnut Avenue).
2. The City's WWTF operates under the provisions of Order No. 86-152, which prescribes a maximum 30-day average daily dry weather discharge flow of 1.25 MGD. The current ADWF into the WWTF is approximately 930,000 GPD.
3. City staff indicated that the WWTF currently has a reserve capacity of approximately 300,000 gallons per day, which could support an estimated 1,280 equivalent single family dwellings, or a population of approximately 14,720.
4. It is likely that the City's WWTF will need to be improved to increase capacity to support growth through year 2025. The City should allocate necessary funding to program

improvements to the WWTF. City staff indicated that the City is presently planning to build a new secondary treatment facility.

Storm Drain

1. The City has a Master Planned storm drain system that is anticipated to meet drainage infrastructure needs to accommodate future growth. The City completed several storm drainage improvements along Linnel Avenue, Ash Street, and Petunia Street through CDBG funding. In addition, the storm drain basin along Petunia Street is being expanded.
2. As indicated in the Community Infrastructure Study, Deep Creek has significant capacity available (in the order of 20-30 cfs) to accommodate future storm runoff. The Consolidated People's Ditch Company has no capacity in their ditches to take on additional storm runoff.
3. With the exception of existing deficiencies, it is anticipated that most future storm drainage improvements would be development driven. The City should work with developers to construct on-site drainage facilities when feasible.

Streets and Roads

1. The primary limitation of the City's transportation system is the lack of railroad crossings. Both the GPU and the Community Infrastructure Study identify the need to construct additional railroad crossings to improve the City's transportation system. The railroad company in the area has not been sympathetic to the idea of constructing new crossings. City staff indicated that they are in the process of securing one more crossing between Road 156 and Farmersville Boulevard.
2. The GPU indicates that funds for street improvement projects would come from gas tax and transportation funds. The circulation element also recommends that the City develop a traffic impact fee for new development in Farmersville, consistent with the requirements of AB 1600.
3. The GPU recommends that the City explore the merits of establishing a dial-a-ride service for the elderly, handicapped, and others who may not have access to transportation. The City of Visalia, as of November 2004, expanded its bus system to service to Farmersville, providing needed public transportation in the City.
4. There are currently no established bike lanes in Farmersville however the City has been participating with the Tulare County Association of Governments in the preparation of a bike plan for Tulare County and its Cities. The plan designates bike routes on Visalia Road, Farmersville Boulevard, Walnut Avenue, and Avenue 296. The City's Circulation Element requires the installation of bike lanes on specified roadways as a condition of new development.

Public Safety

1. Farmersville police and fire departments are operated with revenues allocated from the City's general fund.
2. The City of Farmersville has one full time firefighter that operates the only fire station in the City. The remaining fire rescue crew consists of volunteers.

3. The Police Department is staffed with 14 sworn officers and one non-sworn position. One additional position is planned for hire in January 2006.
4. In 2004, Farmersville passed Measure U, a ½ cent sales tax increase, a portion of which revenues will be used to partially ensure essential government functions, including police, fire and other general fund services will continue in the future, providing a supplement to existing general fund revenues.
5. Measure G, on the November 2005 ballot, would have imposed a 4% utility users tax for the purpose of general government services including animal control, park maintenance, and public safety. Measure G was not passed by the voters. The City should consider preparing a comprehensive plan for expanding public safety services within the City.
6. Fire flow pressure ratings passed the last inspections (with a grading class five). A new well is scheduled for drilling for 2006-07 fiscal year through CDBG funding, which will improve the water supply system to ensure that standard levels of fire flow pressure can be met.
7. The City's sworn police officer to population ratio is approximately 1:735, compared to a desirable ratio of 1:800.
8. The City currently receives \$100,000 per year in State funding for two police officer positions. The City should have a plan in place to fund these positions with local dollars at the conclusion of the grant funding period.
9. Consistent with goals set forth by the City's GPU, the police department implements innovative programs that promote an efficient delivery system including a volunteer program, take-home car program, and K-9 unit program. The City has two volunteer teams with plans for expansion to three teams.

2.3 FINANCING OPPORTUNITIES AND CONSTRAINTS

The purpose of this section is to evaluate a jurisdiction's capability to finance needed improvements and services.

2.3.1 Annual Budget

In recent years, it has been challenging for the City of Farmersville to reach a balanced budget. The City adopted its fiscal year 2004-05 budget on October 25, 2004. The budget was passed with the anticipation of the passage of two local measures, U and V, which would have increased City revenues. Measure U involved a ½ cent sales tax increase with independent annual audits, and Measure V involved a 4% utility user's tax with independent annual audits. Each measure was to partially ensure essential government functions, including police, fire, and other general fund service will continue in the future, providing a supplement to existing general fund revenues. Combined, the measures were expected to generate additional annual general fund revenues of approximately \$145,350. Only Measure U passed, increasing annual general fund revenues an estimated \$40,000. Since only Measure U passed, the City was forced to adjust its services to balance its budget in light of revenue shortfalls. In the November 2005 election, Measure G, which would have imposed a 4% utility user tax, was unsuccessful. A summary of revenues and costs for general fund services is provided in Table 2-1 below. The table includes actual resources and expenditures for fiscal year 2003-04, and resources and expenditures adopted for the fiscal year 2004-05 budget (prior to adjustments due to the failure of Measure V).

**TABLE 2-1
CITY OF FARMERSVILLE FISCAL YEAR 2004-05 BUDGET
SUMMARY OF GENERAL FUND REVENUES AND EXPENSES**

Service	Actual 2003-04 Fiscal Year		2004-05 Proposed Budget		Support Needed (Resources Available)
	Resources	Expenditures	Resources	Expenditures	
General (City Council)	\$878,850	\$34,437	\$1,294,120	\$40,600	(\$1,163,520)
Administration	\$164,609	\$333,886	\$201,909	\$303,997	\$102,088
Recreation	\$4,786	\$8,402	\$0	\$4,000	\$4,000
Loss Control	\$49,223	\$239	\$40,000	\$5,000	(\$35,000)
Library	\$3,083	\$7,075	\$4,000	\$3,000	(\$1,000)
Police Department	\$123,081	\$813,810	\$78,200	\$1,177,591	\$1,099,391
Community Development/ Code Enforcement	\$214,111	\$76,028	\$100,000	\$71,550	(\$28,450)
Fire Department	\$19,137	\$101,515	\$8,000	\$130,396	\$122,396
Public Works	\$249	\$54,334	\$0	\$50,762	\$50,762
Animal Control	\$1,098	\$23,915	\$420	\$3,500	\$3,080
Sub-Totals	\$1,458,227	\$1,453,641	\$1,726,649	\$1,790,396	\$63,747
Beginning GF Balance					(\$240,000)
Ending GF Balance					(\$176,253)

Notes: 1) Source: City of Farmersville 2004-05 Proposed Budget (Adopted October 25, 2004)

2) GF = General Fund

As indicated in Table 2-1, the proposed 2004-05 general fund budget expenditures exceed the estimated general fund revenue resources by approximately \$63,750. The budget gap increased to approximately \$169,000 as a result of the failure of Measure V, which forced the City to adjust services to balance its budget in light of revenue shortfalls.

Following the failure of Measure V, the Farmersville City Manager announced his resignation, a decision that saved the City about \$70,000 annually until a new City Manager can be brought in. The Mayor of Farmersville was quoted in a Visalia Times Delta article (November 05, 2004) explaining “We’re going to have to make things work with the staff we’ve got right now, although I don’t think we can go on indefinitely without a City Manager.” Rene Miller, Farmersville’s financial director, was named the acting City Manager.

In addition to the general fund, the City’s budget is set up for several other funds which are to be used for specific purposes. These funds are listed below.

- Water Utility Fund
- Water Development Fund
- Sewer Utility Fund
- Sewer Development Fund
- Refuse Fund
- Police Grants
- Drug Enforcement Fund
- Federal Grant Fund
- Surface Transportation Fund
- Gas Tax Fund
- Transportation Fund (LTF)
- Storm Drain Fund
- Traffic Congestion Fund
- Park Development Fund
- Park Improvement Fund
- Maintenance District (Landscape and Lighting)
- Program Income Fund
- Childcare Fund

City staff indicated that a capital improvement program is being prepared, but is unsure when it will be completed. Capital improvement programs are typically updated annually, and implemented on a continuous annual basis. Some of the above listed funds allocate funding toward capital improvements. Based upon an overall general review of the funds that provide for capital improvements, the allocations alone are not sufficient to construct new infrastructure necessary to accommodate future growth within the City. There appears to be sufficient funding from user fees to maintain the existing infrastructure to the satisfaction of the service users. Based upon information contained in the City’s budget, no capital water improvements (above and beyond general maintenance and repair of existing infrastructure) were constructed during fiscal year 2003-04. Similarly, no capital sewer or storm drain improvements (excluding general operation and maintenance of existing facilities) were budgeted for during the 2004-05 fiscal year.

The City has significant financial constraints making it very challenging to provide efficient and quality services to its residents while maintaining a balanced budget. The primary reason for the current fiscal instability of the City stems from the leakage of local sales tax dollars to the nearby Cities of Visalia and Exeter, and the high level of unemployment within the City. The City should attempt to reverse the leakage of sales tax dollars to surrounding communities by working to attract new retail establishments to the community, retaining existing businesses, and maintaining high standards that create an attractive business climate which is inviting to prospective new businesses. The City should seek to attract moderate-sized retail stores that sell the kinds of goods presently not found in Farmersville, including appliances, furniture, electronics, and home improvement supplies. The City and chamber of commerce

should work to attract high sales tax generating dealerships including automobile, boats, trailers, and farm equipment that could be located in Farmersville.

The City has opportunities to enhance tax increment revenues by encouraging development in the redevelopment district. As prescribed in the GPU, the City could consider the reduction of development impact fees, and higher residential densities in the redevelopment district in order to encourage infill development. Due to the City's constrained financial resources, the City should continue to actively pursue State and Federal grants to expand and improve its current infrastructure and attract new businesses. Consistent with goals outlined in the City's GPU, the redevelopment agency should, on behalf of existing companies or companies interested in locating in Farmersville, apply for State or Federal grants that assist the company with off-site improvements, purchase of land or equipment or training of employees.

Revenue generated from development impact fees is allocated to specific funds, and is used for the construction of new infrastructure. Costs associated with the operation and maintenance of existing facilities is generally derived from user fees, reconnection fees, and various intergovernmental revenues for transportation facilities. As prescribed by the GPU, the City should ensure that development impact fees pay for public improvements required by the infrastructure Master Plans. The GPU recommends that a new fee schedule be prepared for Farmersville's development impact fees to ensure that new uses pay their fair share of the costs of providing infrastructure and services, while remaining competitive with other Cities and surrounding communities. City staff indicated that new impact fees will be in place by January 2006.

2.3.2 Written Determinations

1. The City's budget clearly describes the services provided by the City to its residents and the funds expended for those services, although in recent years, the City has struggled to reach a balanced budget. The City adopted its fiscal year 2004-05 budget on October 25, 2004.
2. The City's budget for fiscal year 2004-05 was adopted with the anticipation of the passage of two local measures, U and V, a ½ cent sales tax increase, and a 4% utility user's tax, respectively. Since only Measure U passed, the City was forced to adjust its services to balance its budget in light of funding constraints. In the November 2005 election, Measure G, which would have imposed a 4% utility user tax, was unsuccessful.
3. Following the November 2004 elections, the City Manager of Farmersville announced his resignation. The City has indicated that in the meantime, they will have to get by with current staff, and have no immediate plans to fill the City Manager position. Rene Miller, the finance director of the City has been named acting City Manager.
4. The City's current financial constraints stem from the leakage of local sales tax dollars to the nearby Cities of Visalia and Exeter. The City should attempt to reverse the leakage of sales tax dollars to surrounding Cities by working to attract new retail establishments to the City, retaining existing businesses, and maintaining high standards that create an attractive business climate which is inviting to prospective new businesses.
5. The City has opportunities to enhance tax increment revenues by encouraging development in the redevelopment district. The City should consider the reduction of development impact fees, and higher residential densities in the redevelopment district in order to encourage infill development.

6. The City should continue to actively pursue State and Federal grants to expand and improve its current infrastructure and attract new businesses. The redevelopment agency should, on behalf of existing companies or companies interested in locating in Farmersville, apply for State or Federal grants that assist companies with off-site improvements, purchase of land or equipment or training of employees.
7. Likely fiscal benefits to the City from development within the SOI could include modest levels of property tax collections from residential land development (upon annexation of the land), potential transient occupancy tax revenues from new recreational land uses, and sales tax revenues where retail/commercial uses are developed. Likely fiscal costs to the City would typically include public maintenance of infrastructure completed for new projects in the SOI, and the provision of public safety services.
8. Farmersville's development impact fees should be updated to ensure that new uses pay their fair share of the costs of providing infrastructure and services, while remaining competitive with other Cities and surrounding communities. City staff indicated that new impact fees will be in place by January 2006. The City is also having a capital improvement program prepared, but is unsure when it will be completed.
9. The City recognizes the need to overcome significant financial constraints, and continues to develop strategies to enhance current revenue streams. An example would be the passage of Measure U in 2004, a ½ cent increase in local sales tax, revenue that is to be used to partially ensure essential government functions, including police, fire, and other general fund service will continue in the future.
10. The City should continue efforts to pass a utility users tax to supplement general fund revenues. Farmersville is currently only one of two City's in Tulare County that does not have a utility user tax, the other being Visalia, which has the largest sales tax base in the County. For all other City's in Tulare County, the utility user tax has become a stable source of revenue to fund general government services.

2.4 COST AVOIDANCE OPPORTUNITIES

The purpose of this section is to identify practices or opportunities that may help to eliminate unnecessary costs.

2.4.1 Budget Preparation

Avoiding unnecessary costs is generally associated with the proper planning and preparation of a comprehensive budget. This is accomplished by allocating monetary resources to specific uses with a primary goal of providing and maintaining high service levels to the public it serves.

2.4.2 Purchasing Policy

A comprehensive purchasing policy also helps an agency avoid unnecessary costs. A City's purchasing policy should promote the cost effective procurement of goods and services. The policies should establish specific rules and regulations for purchasing services and capital assets for the City. A comprehensive purchasing policy addresses issues including bid requirements and procedures, contracts for goods and services, contract administration, insurance and bonds, inventory control, and cost control methods, and guidelines for retaining consultant services.

2.4.3 Other Opportunities

The City can avoid unnecessary costs by implementing growth management practices, consistent with GPU policies. By promoting development in infill areas and outlying areas where infrastructure is already in place (and has excess capacity) the City would avoid unnecessary up front costs associated with extending infrastructure to outlying undeveloped areas. Through the preparation, implementation, and updating of infrastructure Master Plans, the City can avoid unnecessary costs by incrementally expanding its infrastructure to areas zoned for General Plan development. Master Plans and Specific Plans also help to ensure that duplication of services does not occur.

In addition to falling short of a balanced general fund budget, many of the City's enterprise funds also have expenditures which exceed resources. The City should explore the feasibility of outsourcing services currently provided by the City including administration, and water service. Outsourcing could help the City avoid unnecessary overhead costs. The City should also explore the feasibility of outsourcing domestic water service through a private urban water supplier such as California Water Service Company. The City could charge a franchise fee for operating within the City. The cost savings, and revenue losses associated with such actions should be comprehensively evaluated prior to any decisions being made.

The City could also avoid unnecessary costs through the construction of joint use facilities, including but not limited to recreational sports fields, parks, or a museum (in cooperation with the County). Additional practices which have the potential of eliminating unnecessary costs include the formation of homeowners associations for larger scale residential developments where shared (community) facilities are present. Associations could maintain facilities such as streets, play grounds, swimming pools, parks, and gyms, thereby relieving the financial obligations of the City.

Comparing the City's budget for fiscal year 2003-04 with actual year end results indicates that revenues generated from investment earnings fell significantly short of what was anticipated. For example, the City budgeted \$17,000 in revenue generated from investment earnings on the general fund, and, at year end, had only generated \$571 from general fund investment earnings. The water utility fund was budgeted for \$3,000 in investment earnings, and only earned \$68; the water development fund was

budgeted for \$3,100 in investment earnings, and only earned \$49. Other funds experienced similar shortfalls in investment earnings. The City should review its investment practices to avoid unnecessary costs associated with losses (or shortfalls) on investment earnings.

2.4.4 Written Determinations

1. Master planned infrastructure helps the City in avoiding unnecessary costs through effective planning and implementation policies, and help eliminate overlapping and/or duplicative services.
2. The City can avoid unnecessary up front costs of extending infrastructure to undeveloped areas by promoting effective growth management practices. The City should first promote development within infill areas, and areas where infrastructure is already in place.
3. The City has opportunities to avoid unnecessary costs through the construction of joint use projects including recreational facilities, parks, or a museum (in coordination with Tulare County).
4. The City could avoid unnecessary costs associated with maintaining infrastructure through the formation of homeowners associations within residential developments for larger scale residential developments or condominiums where shared (community) facilities such as playgrounds, parks, gyms, or swimming pools are present.
5. The City should review its investment practices to avoid unnecessary costs associated with losses (or shortfalls) on investment earnings. The City's investment policy only allows for Local Agency Investment Fund (LAIF) or Treasury Bills (T-Bills) investments.

2.5 OPPORTUNITIES FOR RATE RESTRUCTURING

The purpose of this section is to identify opportunities to positively impact rates without decreasing service levels.

2.5.1 Fee Structure

The City has in-place development impact fees, connection fees, reconnection fees, and monthly user fees which are utilized to expand and maintain the City's infrastructure systems. After several requests, the City has not provided their adopted development impact fee schedule, or user fee schedule, making it difficult to compare and evaluate the current rate structure for the City.

Utility user fees should be reviewed annually to ensure that rates are keeping pace with inflation, construction costs, and cost of living indexes. As indicated in the City's fiscal year 2004-05 budget, excluding beginning working capital, the financial resources of the water utility, and sewer utility funds are outweighed by the operating and maintenance expenses for each of the respective utilities.

Based upon information contained in the Wastewater User Charge Survey Report FY 2004-05 (CalEPA – State Water Resources Control Board), Farmersville residents pay a monthly rate of \$21.25 for sewer service. The City also has a fee of \$550 for new connections. Table 2-2 shows a comparison of the sewer rates (and connection fees) charged by each City within Tulare County. The table also shows the average household income within each City as reported by the Census 2000.

**TABLE 2-2
SEWER RATE COMPARISON**

City	Monthly Sewer Rate	Connection Fee	Avg. Household Income	Rate/Income Ratio
Dinuba	\$16.12	\$3,500	\$2,779/mo.	0.58%
Exeter	\$16.00	\$1,900	\$2,812/mo.	0.57%
<i>Farmersville</i>	<i>\$21.25</i>	<i>\$550</i>	<i>\$2,307/mo.</i>	<i>0.92%</i>
Lindsay	\$27.11	\$700	\$2,025/mo.	1.34%
Porterville	\$25.39	\$3,375	\$2,670/mo.	0.95%
Tulare	\$22.19	\$342	\$2,803/mo.	0.79%
Visalia	\$13.81	\$2,325	\$3,446/mo.	0.40%
Woodlake	\$13.00	\$960	\$1,971/mo.	0.66%
Average	\$19.36	\$1,707	\$2,602	0.78%

Notes: 1) Source: Wastewater User Charge Survey Report F.Y. 2004-05 (CalEPA – SWRCB)
2) Average household incomes based upon Census 2000 data
3) Rate/Income Ratio calculated by dividing monthly rate by Avg. Household Income

As indicated in Table 2-2, the City of Farmersville charges a slightly higher than average monthly rate for sewer service in comparison to the other Cities within Tulare County. Farmersville's fee for a new connection to the system is among the lowest of surrounding Cities. On average, the cost of sanitary sewer service within Farmersville equates to approximately 0.92% of the average household income within the community.

2.5.2 General Plan

The City's general plan establishes several goals and policies with regard to the City's financial structure. Some of the goals and policies relating to the financial structure of the City, as prescribed by the general plan are identified below.

- The City's water, sewer and storm drainage development impact fees shall be reviewed on an annual basis. The review should focus on the relationship between the amount of fees being collected for each of the accounts and the future capital needs of each system based on development trends in Farmersville.
- The City should work with the private sector to participate in the upgrading of the infrastructure system when it is developing in the City. The City may wish to work with developers to upgrade a part of the infrastructure or street system that is not part of the project being developed.
- The Farmersville Redevelopment Agency should develop an Existing Company Expansion Program where funds would be provided by the Agency to a company if they hired additional employees. The Redevelopment Agency could use redevelopment or CDBG funds to finance an Existing Company Expansion Program.
- The City should explore the creation of a downtown maintenance district to pay for the cost of maintaining improvements in the downtown, such as landscaping, street furniture, parking lots and lighting.
- The City should consider the reduction of development impact fees in the redevelopment district in order to encourage infill development.
- A new fee schedule shall be developed for Farmersville's development impact fees.
- The fees for Farmersville's planning, subdivision and zoning applications should be reviewed and amended every two years, as necessary. The fees should be developed consistent with Assembly Bill 1600, which requires a clear demonstration between the need for fees and their use.

The City's GPU provides an excellent planning tool, and establishes effective goals and policies with regard to the financial structure of the City. The City should work to implement goals and policies outlined in the GPU.

2.5.3 GASB 34

GASB 34 requires local governments with long lived capital assets to report the value of their infrastructure assets. Infrastructure reporting is required in order to determine whether current-year revenues were sufficient to cover the cost of current-year services; assess the service efforts and costs of programs; determine whether the government's financial position improved or deteriorated as a result of the year's operations; assess the government's financial position and condition; and to assess the service potential of physical resources having useful lives that extend beyond the current period.

The implementation of infrastructure reporting is divided into three phases based on a government's annual revenue. For governments having total annual revenues of less than \$10 million, initial

prospective reporting was required to be completed by the end of fiscal year 2003, and retroactive reporting is optional, and is required to be completed by fiscal year 2007. Prospective reporting includes all assets acquired, renovated, restored or improved after 6/15/1999. Retroactive reporting includes all assets acquired, renovated, restored or improved after 6/30/1980. Infrastructure reporting is required to be updated annually.

The City of Farmersville should work to comply with the requirements of GASB 34 to improve the financial reporting of the City.

2.5.4 Written Determinations

1. The City has in-place development impact fees, connection fees, reconnection fees, and monthly user fees which are utilized to expand and maintain the City's infrastructure systems.
2. City staff indicated that new impact fees will be in place by January 2006. The City is also preparing a capital improvement program, but is not sure when it will be completed. Capital improvement programs prioritize capital infrastructure needs in line with development demands, and within available funding.
3. The City should annually review utility user fees to ensure that rates are keeping pace with inflation, construction costs, and cost of living indexes. Utility user fees are to be used for operation and maintenance of existing facilities, and not for the construction of new infrastructure.
4. Monthly rates for sanitary sewer service in Farmersville are slightly above average compared to other Cities in Tulare County, while the City's fee for a new sanitary sewer connection is among the lowest.
5. The City of Farmersville should work to implement goals and policies outlined in the general plan, as it establishes effective goals and policies with regard to the City's financial structure.
6. The City of Farmersville should work to comply with the requirements of GASB 34 to improve the financial reporting of the City.

2.6 OPPORTUNITIES FOR SHARED FACILITIES AND RESOURCES

The purpose of this section is to evaluate opportunities for a jurisdiction to share facilities and resources, thereby increasing efficiency.

2.6.1 Current Shared Facilities

The City of Farmersville has provided limited information with respect to current facilities sharing activities. Based upon information compiled for the Visalia Municipal Service Review, the Visalia City Coach system was expanded to serve the City of Farmersville. Prior to voting to expand the Visalia City Coach system to service the City, Farmersville was the only City in the County without some sort of public transportation.

The City also has mutual aid agreements with surrounding jurisdictions to provide fire and emergency support services. City officials indicated that the City's public safety force responds to areas outside of the City more often than others respond to the City for assistance. City officials also indicated that Farmersville Fire responds out into the County to assist on an almost 2 to 1 basis.

2.6.2 Future Opportunities

With the State budget crisis impacting both Counties and Cities, the need for intergovernmental cooperation is becoming apparent, as every agency is facing an unprecedented assault on local resources. For this reason, it is important for City'(s) and the County to meet this challenge on common ground.

To maintain acceptable levels of public safety services, the City should work with the County to establish volunteer programs, and continue to improve the mutual aid response arrangements with County Law Enforcement and Fire Divisions.

Other future opportunities for shared facilities include the coordination and construction of recreational facilities including parks, hiking/bike trails, scenic trails, etc., particularly west of the current City limits. The area separating the Cities of Visalia and Farmersville could be considered ideal for the construction of joint recreational facilities, as there are several waterways which enhance the recreational appeal of the area. Planning this area for future recreational facilities could be accomplished as a joint effort between the City of Visalia, the City of Farmersville, and Tulare County. Recreational improvements within this area would not only enhance the overall aesthetics, but would also establish an open boundary, or greenbelt, between the Cities of Visalia and Farmersville. The recreational aspects of trail connections offer opportunities for Cities and Counties to join recreational resources not only to the benefit of the Cities residents', but for the general public of the County as well.

The City's general plan establishes several goals and policies that promote intergovernmental and agency coordination to effectively enhance the community's image as a whole. Some of these goals and policies, as prescribed by the general plan are outlined below.

- The City should establish partnerships with local organizations such as the Boy Scouts, C-SET, and other youth organizations to assist with community "clean up" efforts.
- The City should contact the Urban Tree Foundation to seek their assistance in the development of a tree planting program in the downtown and on major streets, such as Farmersville Boulevard and Visalia Road.

- The City should convene an annual study session with the Farmersville Unified School District (F.U.S.D.) to discuss planning matters that are of mutual interest. Schools should be designed to accommodate some of the City's recreational needs such as playing fields, hard courts and running tracks.
- The City should meet with officials from Visalia and Exeter to explore the concept of forming a greenbelt to keep the Cities from growing together.
- The City should work with a farmland conservation organization such as American Farmland Trust, to establish agricultural conservation easements on lands that surround Farmersville.
- The City should consider hiring an economic development specialist/grant writer, to pursue industry leads and grant funds. The City may wish to consider sharing this position with other neighboring communities, in order to reduce expenses.

The City's general plan also addresses special issues with regard to the Linnel Farm Labor Center, and the Cameron Creek Colony which are unique to Farmersville. The Linnel Farm Labor Center is a farm labor housing development operated by the Tulare County Housing Authority on land west of Farmersville. Development in Farmersville is continuing to expand towards Linnel, with recent developments located approximately ¼ mile east of Linnel. Linnel has its own wastewater treatment plant, situated on fourteen acres on the east side of the site. Farmersville is down-wind from Linnel and on occasion, odors from the plant are noticeable in the community. The presence of Linnel (in particular the WWTF) could negatively affect Farmersville's future growth in this area. The City should explore the possibility of closing Linnel's WWTF, and connecting into Farmersville's WWTF. The City and County should work together to identify funding to extend lines from Farmersville's sewer system to serve Linnel, and expand Farmersville's WWTF.

Cameron Creek Colony is a rural residential subdivision situated northeast of Farmersville, on the east side of Farmersville Boulevard, midway between Walnut Avenue and SR 198. Many of the dwellings are poorly maintained and appear to be substandard in terms of building and zoning codes. All of the dwellings are hooked to individual on-site septic systems and water wells. Roads are poorly maintained and were constructed without curbs, gutters, sidewalks or street lights, and without storm drainage facilities. Although presently under the jurisdiction of Tulare County, the Cameron Creek Colony is ultimately in Farmersville's future growth area. As prescribed by the general plan, the City should work with Tulare County to establish a redevelopment district to generate funding to bring public and private development up to code in Cameron Creek, including streets, utilities, and dwellings. In addition, the City and County should negotiate a special tax-sharing agreement that places the City in a better position to assume public services requirements for Cameron Creek.

2.6.3 Written Determinations

1. Based upon previous research, the City of Visalia voted to expand its public transportation to service Farmersville.
2. Farmersville also has mutual aid agreements with surrounding jurisdictions to provide fire and emergency support services. City officials indicated that the City's public safety force responds to areas outside of the City more often than others respond to the City for assistance, and that Farmersville Fire responds out into the County to assist on an almost 2 to 1 basis.

3. The City's general plan prescribes several opportunities for the City to share facilities and resources in the future.
4. As prescribed by the Farmersville General Plan, the City has opportunities to work with the Cities of Visalia and Exeter, and Tulare County to establish greenbelts to prevent the Cities from physically growing together. This would also help to preserve prime agricultural land within the County.
5. The City should work with Tulare County to resolve mutual planning issues associated with the Linnel Farm Labor Center, and the Cameron Creek Colony. The Linnel Farm Labor Center, the Cameron Creek Colony, and the City could potentially share a single wastewater treatment facility.
6. The City should continue to look for opportunities to work with surrounding jurisdictions and agency's, and cooperatively address mutual planning issues.

2.7 GOVERNMENT STRUCTURE OPTIONS

The purpose of this section is to consider the advantages and disadvantages of various government structures to provide public services.

2.7.1 Development within SOI Areas

One of the most critical elements of LAFCO's responsibilities is in setting logical service boundaries for communities based on their capability to provide services to affected lands. Similar levels of public participation can be expected for either City or County development projects in the planning and development process for the SOI territories. It is possible that development in the SOI areas that occurs under County control may not fully resolve impacts to the City, such as increased traffic on City streets, and new groundwater wells to support County development impacting Farmersville groundwater aquifers and other analogous assumptions. It can also be assumed that the reverse is true; that development controlled only by the City may leave impacts in the County unresolved in whole or in part. The challenge of this planning effort is to coordinate shared infrastructure and improvements so as to mitigate impacts on either side of the City/County limit boundary. Since the development of the SOI territories generally relies on master planned infrastructure available from the City, it is logical that the City assume the lead in planning for SOI properties.

If the City were to be the lead planning agency for properties within the SOI, LAFCO could require the City to bring coordinated plans for infrastructure forward to LAFCO at the time specific annexations requests are submitted. This would provide a checks and balance system for incorporating new lands within the City, and would render the remaining County lands a part of an integrated whole.

The City of Farmersville currently has logical service boundaries in place including an urban development boundary, a sphere of influence, and an urban area boundary, to help guide development in Farmersville. There are no County islands, or areas in which there is a potential for duplication of services. It would be logical for the City of Farmersville to ultimately assume service provisions within the Linnel Farm Labor Center, and the Cameron Creek Colony, both of which are currently under the jurisdiction of the County.

The City's ability to effectively provide services to SOI areas appear to be limited primarily by financial resources. For this reason, it is likely that developers would be responsible for constructing the infrastructure to accommodate their development. Requiring the preparation of Specific Plans for development within the City's SOI could help identify funding mechanisms, infrastructure needs, and planning area boundaries to better meet the needs of the public. The City should evaluate the cost-benefits of restructuring overhead, including staff, capital outlays, allocation of reserves or savings, loaded administrative charges for grant administration, accounting, and other contracted services.

City officials have indicated that the financial picture has and continues to change. Additional growth would also aid in expansion of services through impact fee revenues, and additional sales tax revenue.

2.7.2 Boundary Conflicts

There are no foreseeable boundary conflicts with surrounding Cities or special districts that would affect the current governmental structure of Farmersville.

2.7.3 Written Determinations

1. Since development of properties within the SOI generally relies on Master Planned infrastructure available from the City, it is logical for the City to assume the lead in planning for these sites.
2. Coordinated infrastructure plans, for development within the SOI area, submitted with specific annexation requests would create a checks and balance system for incorporating lands into the City while promoting improvements to impacted adjacent County land.
3. The City's ability to effectively provide services to SOI areas appear to be limited primarily by financial resources. For this reason, it is likely that developers would be responsible for construction the infrastructure to accommodate such development. Requiring the preparation of Specific Plans for development within the City's SOI could help identify funding mechanisms, and infrastructure needs to better serve such development.
4. City officials have indicated that the financial picture has and continues to change. Additional growth would also aid in expansion of services through impact fee revenues, and additional sales tax revenue.
5. There are no foreseeable boundary conflicts with surrounding Cities or special districts that would affect the current governmental structure of Farmersville.

2.8 EVALUATION OF MANAGEMENT EFFICIENCIES

The purpose of this section is to consider the management structure of the jurisdiction.

2.8.1 Government Structure

The City of Farmersville operates under the council-manager form of government. The City council appoints a City Manager that is trained and experienced in municipal operations. The Farmersville City Manager resigned on November 3, 2004 due to the City's financial hardships. Rene Miller, Farmersville's finance director, was named acting City Manager. Police Chief Mario Krstic will assist Miller. The City has no immediate plans to fill the City Manager position.

The City Manager, as chief executive officer of the City, is responsible for various functions assigned by the City Council. These include overseeing the implementation and administration of Council policy, supervising the activities of all departments, enforcing City ordinances, preparing the operating and capital improvement budgets, and other such duties and responsibilities as may be assigned by City Council. The City Manager's office has the responsibility to ensure the needs and concerns of the community and the City organization are properly addressed to assure Farmersville is a good place to live and conduct business. To accomplish this, the senior staff of the City Manager's office is involved in community, County, regional, and State issues, as well as supporting and guiding the City organization.

2.8.2 Written Determinations

1. The City of Farmersville operates under the council-manager form of government. The Farmersville City Manager resigned on November 3, 2004 due to the City's financial hardships. Rene Miller, Farmersville's finance director, was named acting City Manager. The City has no immediate plans to fill the City Manager position.
2. It is likely that the City's management efficiencies would improve through increased City revenue streams. Increased revenue streams could be accomplished through promoting economic development in the City, and continuing to apply for State and Federal grant/loan money that can be used for government operations.

2.9 LOCAL ACCOUNTABILITY AND GOVERNANCE

The purpose of this section is to evaluate the accessibility and levels of public participation associated with the agency's decision-making processes.

2.9.1 Public Access and Information Methods

The governing body of Farmersville is the City Council, which is elected in compliance with California Election Laws. Current members of the Farmersville City Council and their terms of office are identified below.

- Paul Boyer (12/1/04 – 12/3/08)
- Don Rowlett (12/1/04 – 12/3/08)
- Leonel Benavides (12/6/02 – 12/3/06)
- Mike Santana (12/6/02 – 12/3/06)
- Myron Wiley (12/6/04 – 12/3/06)

The City complies with the Brown Act, which requires meetings of public bodies to be “open and public”. Regular City Council meetings are held on the second and fourth Monday of each month at 7:00 p.m. in City Hall Council Chambers located at 909 W. Visalia Road Farmersville, CA.

Farmersville is the only City within Tulare County that does not have an established website. The development of a website could help the City attract new businesses, enhance public access to information, and improve community involvement in City activities. City officials have indicated that there are plans to implement a website in the near future.

The City could also get a better understanding of the needs of the community by conducting an annual (or bi-annual) public opinion survey, which would help identify services which need improvement, and those with which the public is satisfied. The preparation of a regular newsletter would also help keep the community informed on the current events of the City.

2.9.2 Written Determinations

1. The City complies with the Brown Act, holding regular City Council meetings on the second and fourth Monday of each month at 7:00 p.m. in City Hall Council Chambers.
2. Farmersville is the only City within Tulare County that does not have an established website. The development of a website could help the City attract new businesses, enhance public access to information, and improve community involvement in City activities. City officials have indicated that there are plans to implement a website in the near future.
3. The preparation and distribution of a regular newsletter would also help keep members of the community informed on the current events of the City.
4. The City could gain a better understanding of the needs of the community by conducting an annual (or bi-annual) public opinion survey.

CHAPTER 3 – CITY OF TULARE MUNICIPAL SERVICE REVIEW

EXECUTIVE SUMMARY

This section provides an overview of the written determinations findings of the City of Tulare Municipal Service Review. As part of its review of municipal services, LAFCO is required to prepare a written statement of its determination with respect to each of the following: 1) Growth and population projections for the affected area; 2) Infrastructure needs and deficiencies; 3) Financing constraints and opportunities; 4) Cost avoidance opportunities; 5) Opportunities for rate restructuring; 6) Opportunities for shared facilities; 7) Government structure options; 8) Evaluation of management efficiencies; and 9) Local accountability and governance. These requirements are established by AB 2838, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. The City of Tulare MSR identifies the following written determinations.

Written Determinations

1) Growth and Population

Population Trends & Projections

1. Based upon Census 2000 data, the City of Tulare had an incorporated land area of approximately 17 square miles, approximately 14,250 housing units, and a total population of 43,994.
2. Based upon population projections available from the California Department of Finance, the City had a population of approximately 49,500 as of January 2005.
3. Available data indicates that the City experienced an average annual population growth rate of approximately 2.8% between 1990 and 2000, and 2.4% between 2000 and 2005. Assuming the City's population will continue to grow at an average annual population growth rate between 2½% and 3%, the City can expect a year 2025 population between 84,500 and 93,000.

Growth Planning

1. The City uses multiple tools to plan for future growth, including but not limited to, General Plan Elements, Specific Plans, and Master Plans.
2. The City is undergoing comprehensive updates to the Land Use and Circulation Elements of their General Plan and adopted a comprehensive update to the Housing Element of their General Plan in December of 2003.
3. The General Plan Housing Element identifies potential constraints that could limit residential growth within the City, including staff resources to meet such substantial, high demand projected for issuing residential building permits. Planning and building department staff would have to be substantially augmented to meet the projected demands.
4. The City has an Urban Development Line (UDL), adopted as a part of the General Plan Land Use Element, which has been established to accommodate growth through 2015. The comprehensive update of the General Plan Land Use Element, which will evaluate and

modify, as necessary, to accommodate 20 years of growth, the City's UDL. As the City's UDL expands, it will also be necessary to expand the SOI as the UDL approaches the limits of the SOI Boundary.

5. Tulare has adopted the South Tulare Master Plan to expand the industrial base of the City. Ultimate development of the recommended land use concept would require expansion of the existing UDL, the existing SOI, and the existing City Limits.

Annexations/County Islands

1. Between 1996 and September 2005, Tulare has successfully annexed over 1,000 acres of land into the City, with approximately 780 acres of annexations occurring in 2004 and 2005.
2. It is recommended that the City of Tulare continue to pursue opportunities to incorporate existing "County Islands" that meet criteria outlined in AB 1555, and SB 1266. Incorporation of "County Islands" could help eliminate public confusion (regarding County/City jurisdictions), and increase service efficiencies within these areas. It is a goal of the City Council to continue the process of annexation of "County Islands" and appropriate residential by December 31, 2006, in accordance with state legislation, to be completed in mid-2007.

2) Infrastructure Needs & Deficiencies

Water

1. The City has a Water System Master Plan that was last updated in May 1994, and indicated that a comprehensive update will be completed following the adoption of the General Plan Update, which is scheduled for completion in the fall of 2006. The current Master Plan has a planning area coterminous with the City's Urban Reserve Line, which lies within the City's UDL and SOI. When the City updates the Master Plan, it is recommended that the planning boundary be extended, at a minimum, to encompass the City's SOI, to ensure that adequate water supply can be provided to accommodate future growth consistent with General Plan Build-out.
2. The City's water supply source consists of a series of domestic wells that are scattered throughout the City, extracting water from the City's underground aquifer. There is one elevated storage tank with a capacity of 150,000 gallons connected to the system, and several hydro-pneumatic pressure tanks that are used for storage as well.
3. The City has an enterprise fund set up for the operation and maintenance of its water system, and a seven year capital improvement program (CIP) for water, to implement capital water system improvements.
4. The Public Works Department indicated that water production for the month of June 2005 was approximately 660,500,000 gallons, with an estimated water production for July 2005 of over 700,000,000 gallons. The City estimates that the current system operates at approximately 90%-95% of its capacity during summer (maximum demand) months.
5. The City is improving its water system capacity by replacing/refurbishing one well every other year, and in off years, adding a new well to the system. City officials indicated that the City has been on a faster track recently, which is evident by the recently awarded contract to

drill two new wells, Nos. 37 and 38. Well No. 37 would replace Well No. 16. The City anticipates that once water meters are installed, they should drop back to the every other year scenario.

6. The City is engaged in an agreement with the Tulare Irrigation District (TID), in which the City compensates the District since the City's system benefits from the recharge of the aquifer as a result of the District's operations. The agreement was renewed in 2005 and extends through year 2035.
7. Beginning fiscal year 2005-06, the City will begin converting all connections to the water system to metered connections. The conversion is expected to take seven years and will have significant conservation benefits.
8. Based upon information obtained from the Department of Water Resources, the City of Tulare has not complied with the Urban Water Management Planning Act, which requires urban water suppliers to submit Urban Water Management Plans to the Department every five years, on years ending in zero and five. The City has not complied with the 2000 requirement and has until December 2005 to comply with the 2005 requirement. Non-compliant urban water suppliers are ineligible to receive funding pursuant to Division 24 (commencing with section 78500) or Division 26 (commencing with section 79000), or receive drought assistance from the State until the UWMP is submitted pursuant to the Urban Water Management Planning Act. City officials have indicated that the preparation of their 2005 UWMP has been funded in the City's budget for fiscal year 2005-06.
9. The City has a sound management structure in place that will continue to provide efficient water service to existing and future residents of Tulare. The City maintains a balance in their enterprise water fund, which can be used to fund unforeseen major repairs and/or improvements to the water system.
10. When evaluating any proposed SOI updates, LAFCO should consider which agency can most efficiently provide water service to the subject area and ensure that adequate planning has taken place for the provision of public services.

Wastewater Collection, Treatment and Disposal

1. The City has a Sewer System Master Plan that was updated in 1991. When the City updates the Sewer System Master Plan, it is recommended that the planning Boundary be extended to encompass the City's SOI in order to ensure that adequate sanitary sewer infrastructure can be provide to accommodate future growth consistent with General Plan Build-out.
2. The City has an enterprise fund set up for the operation and maintenance of its sewer/wastewater systems, and a seven year CIP for sewer/wastewater, to implement capital sewer/wastewater system improvements.
3. The City owns and operates a wastewater treatment facility (WWTF) located at the intersection of Levin Avenue and Gemini Street in southwest Tulare. The WWTF is operated under the provisions of *Waste Discharge Requirements (WDR) Order No. R5-2002-0186*, issued by the California Regional Water Quality Control Board Central Valley Region. The City's WWTF has two separate wastewater treatment trains (WWTT), a domestic WWTT, and an industrial WWTT.

4. *WDR Order No. R5-2002-0186* outlines varying levels of prescribed flow limits, depending on certain criteria being met, including obtaining written approval from the Executive Officer documenting technical justification of treatment capacity. City staff has indicated that current improvements at the WWTF allow for a domestic flow of 6.0 MGD, and an industrial flow of 6.7 MGD.
5. The WDR Order specifies several actions that are necessary to comply with current regulations with regard to effluent water quality, and capacity. The permit provides seven years to eliminate the impact of nitrates and other pollutants. Continuous efforts by the City will be necessary to meet the deadline.
6. Based upon information contained in a Self Monitoring Report for September 2005, an average monthly influent flow of 4.83 MGD was recorded for the domestic WWTT, and an average monthly influent flow of 6.28 MGD was recorded for the industrial WWTT.
7. The City's budget reflects continued efforts to anticipate and avoid any problems with the sewer/wastewater utilities, with many capital improvements included. Several million dollars in projects are proposed, and bonding and rate increases will continue to be needed. A previously approved 10% rate increase took effect in July 2005.
8. Based upon a review of the City's budget for sewer/wastewater, it appears that the service is being managed in a cost effective and efficient manner. The City's effort to keep sanitary sewer rates in check is evident by the City's issuance of sewer bonds to construct capital improvements to the WWTF. The City is meeting the long term debt obligations of bond issuances.
9. There is no evidence suggesting that the City does not have the capabilities to provide current and future residents, including service to SOI areas, with sewer/wastewater service.

Drainage Infrastructure

1. The City has a Storm Drain Master Plan which was last updated in 1974, and is far outdated according to City staff. City officials have indicated that several "mini-updates" have been done in areas where the drainage master plan is no longer applicable. The City plans to update infrastructure master plans (including drainage) following the completion of the City's General Plan Update.
2. The City has a Storm Drainage Division that is funded through general fund appropriations, and, where appropriate, gasoline tax expenditures where storm drainage installations are in connection with major street projects.
3. Under an agreement with the TID, the City pumps storm water into the TID canal system. Disposal of storm water is also handled by means of storm drainage retarding basins and storm drainage retention basins.
4. For fiscal year 2005-06, \$458,490 was budgeted for the operation of the Storm Drainage Division, which includes only one maintenance position.
5. The City assesses development impact fees for storm drain consistent with City Resolution Number 03-4988. The City has established sixteen benefit areas for assessment of storm drain impact fees which range from \$614 to \$1,355 per single family dwelling.

6. The City has a seven year CIP for storm drainage, to implement capital storm drainage system improvements. Capital storm drainage improvements planned for fiscal year 2005-06 include oversized participation, pipeline construction, and pond construction.
7. The City will need to continually expand and improve its storm drain system to keep pace with development demands. As the City's storm drain system continues to expand, the City will likely need to add additional staff to operate and maintain the system, as there is currently one maintenance technician for the entire system.
8. The City would be the most logical agency to provide storm drain infrastructure for development within the City's SOI. Past improvements to the City's storm drain system have significantly reduced flooding problems in the area.

Streets and Roads

1. The City plans for roadway transportation improvements through the implementation of General Plan Circulation Element Goals and Policies, and Specific Planning. The City is undertaking a comprehensive update to their General Plan Circulation Element, which is expected to be completed in 2006. The Circulation Element of the General Plan provides a foundation for evaluating the transportation issues facing the City.
2. The Tulare County Regional Transportation Plan (RTP) provides a link between local (City) and regional (County) transportation needs. The Regional Transportation Improvement Program (RTIP), which qualifies projects for the State Transportation Improvement Program (STIP), programs RTP projects, and serves as the implementing document.
3. For fiscal year 2005-06, \$2,449,940 was budgeted for the operation of the Streets Division, which includes eight full time staff positions.
4. The City assesses development impact fees for streets, interchanges, and traffic signals consistent with City Resolution Number 03-4988. For single family dwellings, the transportation impact fee has been established at \$1,021 per dwelling.
5. The City has a seven year CIP for streets, which includes various revenue sources including gas tax STIP funding, grant funding, development impact fees, and transfers from the general fund. Capital street improvements planned for fiscal year 2005-06 include various street projects, traffic signals, oversized participation, the AG Center Interchange, and UPRR crossing upgrades.
6. The City continues to make steady progress towards upgrading and expanding its roadway infrastructure. The City's approach and plan for completing capital improvements is excellent, and in line with the needs of the community.

Fire and Police Protection Services

1. The City completed the construction of its third fire station in fiscal year 2004-05 and is funding the last three positions for that station during fiscal year 2005-06. The new station was locally funded through impact fees on new development and is the City's first new fire station in over two decades. The new fire station represents a 50% increase in department capabilities to respond rapidly to emergency needs.

2. The City's fire department operates three stations staffed with a total of 38 sworn fire fighters.
3. The City continues to upgrade fire facilities and increase fire staff as needed to serve the residents of Tulare through capital improvement funds and general fund allocations.
4. It is goal of the City to develop a comprehensive Fire Department Master Plan by the fall of calendar year 2007. A fire department master plan will assist the City in planning future fire stations, staffing requirements, as well as address response time management needs, in line with increasing demand for public safety efforts.
5. The City's police department operates out of one main station, and three community policing sub-stations staffed with a total of 64 sworn police officers.
6. The City's strong commitment to a safer community is reflected in the first full year funding of 13 new police positions, a 17% increase over the prior year.
7. As Tulare continues to grow, the City will need to plan for future police staffing, and additional sub-stations in line with increasing public safety demands. The preparation of a police department master plan could assist the City in preparing for and implementing such improvements.

Solid Waste

1. Solid waste collection service is provided by the City while disposal services are provided through Tulare County via area landfills. The City's solid waste collection operations are also integrated with the City's street sweeping activities.
2. The City's solid waste division continues to be very active in providing quality services. An eighth residential route was added in fiscal year 2001-02 due to new housing growth since the last route that was added in 1995.
3. In 1989, the State of California passed the Integrated Waste Management Act. Assembly Bill 939 (AB 939) required all cities and counties implement programs to reduce landfill tonnage by 25% by the end of 1995, and 50% by the end of 2000. The eight Tulare County City's (Porterville, Visalia, Tulare, Lindsay, Dinuba, Farmersville, Exeter, and Woodlake) are involved in a Joint Power Authority (JPA) and are currently at 44% diversion. The JPA has a time extension and plans to return to 50% diversion.
4. For fiscal year 2004-05, the solid waste/street sweeping division's expenditures exceeded revenues, resulting in an annual loss of approximately \$433,700. For fiscal year 2005-06, anticipated revenues of \$5,382,830 are projected to cover estimated expenditures totaling \$5,051,190.
5. As employee (salaries/benefits), fuel costs, and landfill fees continue to rise, to keep pace with increasing demands and to keep the solid waste/street sweeping fund from incurring losses, refuse collection rate increases of 5% have been approved for 2005, 2006 and 2007.

6. The City's street sweeping/solid waste division should be able to continue to provide solid waste collection/street sweeping services to existing and future residents, including SOI areas.

3) Financing Constraints and Opportunities

1. The City of Tulare has sound financing/funding practices in place in order to fund City provided services. The financing functions guide the City on how revenue can be best spent by considering the impact on the community, public perception/acceptance, difficulty of implementing, and impact on employees.
2. Though reduced due to an imbalanced general fund (by approximately \$1.6 million), the anticipated general fund balance at the end of fiscal year 2005-06 is estimated at \$8 million, which represents 8½% of operating revenues, and over one month of expenses. The Government of Finance Officers Association recommends a reserve balance of no less than 5-15% of operating revenues in the general fund, or between one and two months of regular general fund expenditures.
3. The City assesses development impact fees to mitigate impacts on infrastructure resulting from new development projects. The City uses these fees to construct capital infrastructure improvements.
4. The City is making steps to reverse its unusual deficit spending for fiscal year 2005-06. A sales tax ballot initiative, which increased the local sales tax by ½ cent in order to maintain and improve the City's public safety services, was passed in the November 2005 election.
5. The City actively pursues outside funding sources including state and federal grant and loan programs to improve the community. The City is currently pursuing over \$6 million of state funds for the construction of a new library. The redevelopment agency received over \$2 million in grants in fiscal year 2005-06.
6. In the past few years, the City has been selling bonds to finance expensive capital improvements to its WWTF, and to refinance higher interest, existing borrowings. The new bonds, which will save the City over \$1.5 million in interest, have an interest rate averaging 4.48% annually.
7. The City identifies the biggest threat to City services over the past twenty years as the California state government. The constitutional protection passed in November 2004 reduces the unfortunate threat to the financial future of the City.
8. The City will need to continue to seek ways to offset revenue losses resulting from the state fiscal conditions. Additional revenue streams could be generated by continuing to aggressively seek state and federal grant funding, local tax initiatives, working with the private sector to fund certain activities, and promoting economic development that will generate tax revenue.

4) Cost Avoidance Opportunities

1. The City of Tulare uses conservative budgeting practices to ensure adequate and cost-effective services to current residents. It can be expected that the City will avoid unnecessary costs that may be caused by the annexation of the proposed SOI areas through comprehensive analysis of the costs and benefits of a proposed development in those areas.

2. The City has a thorough and well-established budget process that it can continue to improve upon as a way of avoiding unnecessary costs.
3. Master planned infrastructure helps the City in avoiding unnecessary costs through effective planning and implementation policies, and eliminating overlapping and/or duplicative services.
4. The City's developer impact fee program has proven effective in reducing the financial responsibility of the City to install and maintain infrastructure to serve new developments. The primary financial responsibility for the installation and maintenance of infrastructure to serve the SOI areas would be offset by impact fees and expenses paid for by the developer.
5. The City has a well-defined purchasing policy that promotes healthy competition and guides the City in obtaining cost effective and quality services.
6. The City's use of landscaping and lighting districts, along with impact fees is an important aspect of avoiding future financial liability. The formation of homeowners associations for larger scale residential developments could also help reduce the financial liabilities of the City.

5) Opportunities for Rate Restructuring

1. Rates and fees for services are established and updated using the City's budget process, ordinances and other regulations.
2. The City has a sound fee structure in place that allows the City to continue to provide cost effective services to its residents while continuing to maintain and improve the current infrastructure.
3. There is no evidence that the City would not be able to provide services to the SOI areas for fees consistent with City-wide fees for such services.

6) Opportunities for Shared Facilities

Current Shared Facilities

1. The City has worked with TCAG and Tulare County RMA on regional planning issues including transportation, solid waste, and coordinating applications to request State and/or Federal funding for joint projects.
2. The City has mutual aid agreements with surrounding jurisdictions to provide and/or receive emergency and fire support services.
3. The City actively works with the TID and the Kaweah Delta Water Conservation District on groundwater recharge, and water resource management issues.
4. The City coordinated with Caltrans on a new landscape project along SR 99 through Tulare and explored funding possibilities and set a timetable for wall construction along freeway abutting residential areas.

Future Opportunities

1. The City has several future opportunities to share services and/or facilities in the future, including but not limited to: groundwater recharge efforts, recreational facilities within mutual benefit areas, sharing facilities with the school district, and agricultural land preservation.

7) Government Structure Options

1. Since development of properties within the SOI generally relies on Master Planned infrastructure available from the City, it is logical for the City to assume the lead in planning for these sites.
2. The City has a sound governmental structure that provides necessary resources to provide public services and infrastructure improvements within the SOI area.
3. Coordinated infrastructure plans for development within the SOI area that are submitted with specific annexation requests would create a checks and balance system for incorporating lands into the City while promoting improvements to impacted adjacent County land.
4. Tulare County LAFCO has adopted specific policies for reviewing proposals for a change in organization, reorganization, incorporations, dissolution and other proposals processed by Tulare County LAFCO, including annexations, and SOI amendment proposals.
5. There are no foreseeable boundary conflicts with surrounding Cities or special districts that would affect the current governmental structure of Tulare.

8) Evaluation of Management Efficiencies

1. The City has an effective organizational structure that is readily available to respond to the needs of the community.
2. The numerous awards and recognitions the City has received are indicators of the City's excellent management strategies to respond to the needs of the community and its citizens.
3. There is no evidence indicating that the City's current management structure would not be able to assume services within the SOI area, and/or continue to assist other agencies through mutual aid agreements.
4. As a part of the budget process, the City evaluates the accomplishments during the previous budget cycle, and also outlines specific objectives for the following budget cycle. This is done for each department at the division level.

9) Local Accountability and Governance

1. The City complies with the Brown Act Open-Meeting Law and provides the public with opportunities to get information about City issues, including website and phone access, and bill inserts. The City also posts a calendar of events, and on a quarterly basis, a discussion of "Current City Issues", on their website (www.ci.tulare.ca.us).

2. The City maintains a comprehensive website, which provides a means to keep the public informed on local events, current City projects, department budgets, recreational activities, and other activities occurring in the City.
3. The City conducts public workshops to keep the public involved with local planning issues including land use, housing, circulation, and other issues key to the development and growth of Tulare.
4. Every few years, the City gathers additional input from citizens of the community by way of a public opinion survey. The 2003 public opinion survey quality of service ratings significantly increased from the 2000 survey. In areas where the quality of service ratings did not change significantly, the City has significantly increased its efforts to improve those areas, which included public safety, senior services, and the library.
5. The City continues to demonstrate acceptable local accountability and governance by responding, in a timely fashion, to the needs of the community and its citizens.

3.0 CITY OF TULARE

3.0.1 Background

In July 2003, the Tulare County Local Agency Formation Commission (LAFCO) Board adopted a Municipal Service Review (MSR) exemption policy, which identifies the agencies that would be subject to a review and the extent of that review. The agencies in Tulare County were divided into three (3) categories: agencies subject to a full comprehensive study; agencies subject to a questionnaire study; and agencies exempt from a MSR study. Each of the Cities in Tulare County shall be subject to full review. The policy further identifies that the services subject to review shall be:

- Police protection
- Fire protection
- Water and wastewater
- Solid waste collection and disposal
- Streets and traffic circulation
- Power generation and distribution
- Health Care

The City of Tulare founded in 1872 and incorporated in 1888, is located within western Tulare County in the heart of the San Joaquin Valley. Location is one of Tulare's best assets, as it is situated in the Central San Joaquin Valley along SR 99, 45 miles south of Fresno and 60 miles north of Bakersfield. Its mid-State location benefits businesses needing same-day access to key California markets as well as residents seeking recreational opportunities in the Sierra Nevada Mountains to the east and the California coastline to the west.

The City operates under the Council-Manager form of government, and provides the following services that are subject to a municipal service review: public safety (police and fire protection), domestic water, wastewater collection, treatment and disposal, solid waste collection, and streets and roads. Although the City provides solid waste collection services, the solid waste landfills are owned and operated by Tulare County.

Power generation and distribution is provided by privately owned utility companies. The Southern California Edison (SCE) Company serves most of the Cities within Tulare County, including Tulare. Review of the services provided by privately owned and operated utility companies is outside the scope of this MSR. It should also be noted that due to the unique nature of healthcare, review of this service is specifically excluded from this report.

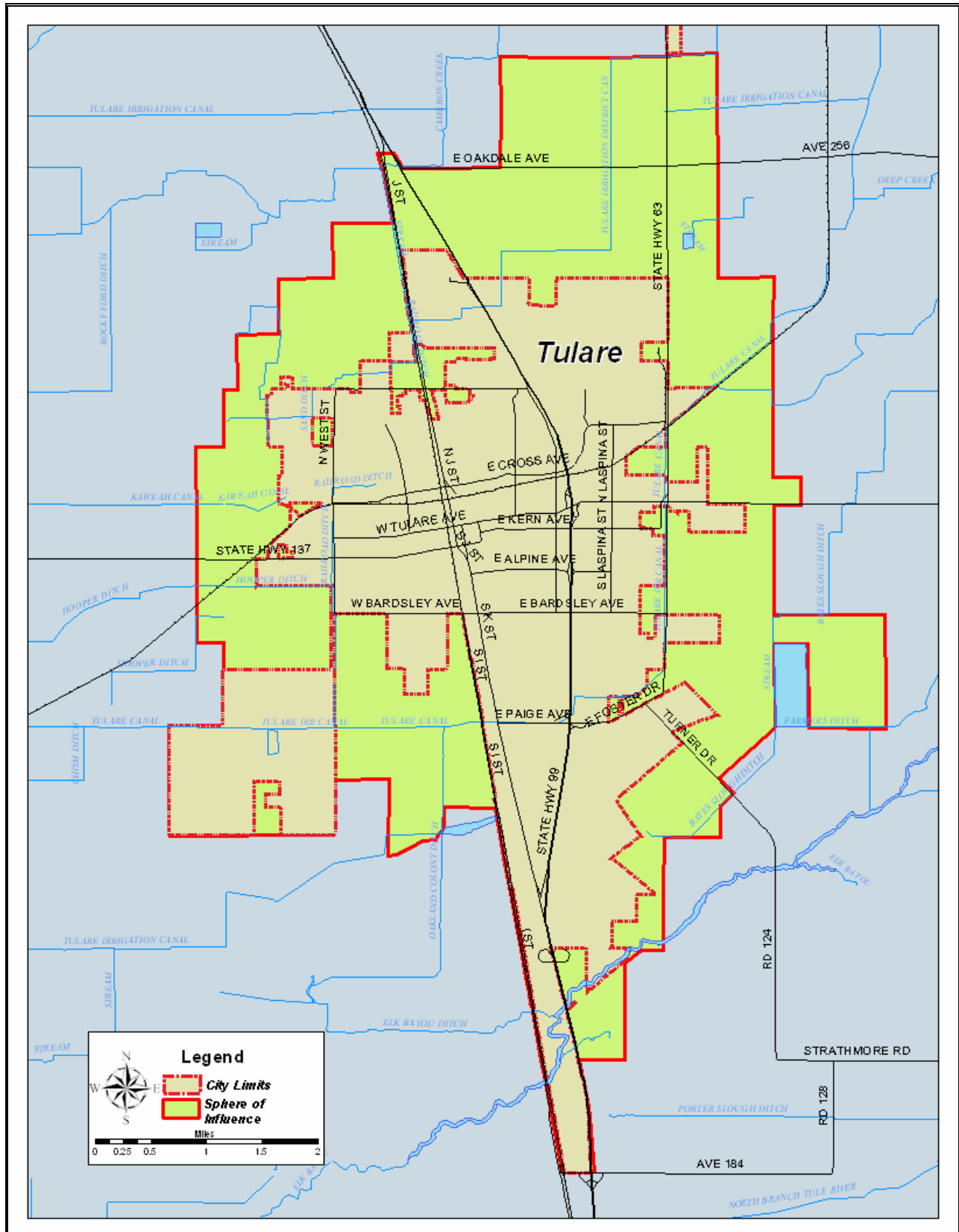
Tulare is a City with a strong agricultural vitality, seeking to diversify its industrial and retail base. A growing City of approximately 49,000 people, Tulare's number one priority is economic development. Its central location and six SR 99 interchanges are helping it become a regional attraction. Tulare has a historical downtown, first class historical museums, the Horizon Outlet Center, and is home to the largest farm equipment show in the world – the World Ag Expo. Tulare combines the best of both worlds; small town personalized service and big-City self-sufficiency as well as access to a wide range of goods, services and shopping centers.

Incorporated cities surrounding Tulare include Visalia to the north and Farmersville to the northeast. Smaller size communities surrounding Tulare include Tagus to the northwest, Tipton to the south and Woodville to the southeast. The current City Limit Boundary and the currently adopted SOI for the City of Tulare are illustrated on Figure 3-1. The following excerpt from the Tulare County LAFCO website (www.co.tulare.ca.us/lafco/info.asp) defines a SOI and the purpose it serves.

A “Sphere of Influence” is the physical boundary and service area that a local governmental agency is expected to serve. Establishment of this boundary is necessary to determine which governmental agencies can provide services in the most efficient way to the people and property in any given area. The Sphere of Influence requirement also works to discourage urban sprawl by preventing overlapping of jurisdictions and duplication of services.

The following discussions address the nine legislative factors required by the Cortese-Knox-Hertzberg Act: 1) Growth and population, 2) Infrastructure needs and deficiencies, 3) Financial constraints and opportunities, 4) Cost avoidance opportunities, 5) Opportunities for rate restructuring, 6) Opportunities for shared facilities, 7) Government structure options, 8) Evaluation of management efficiencies, and 9) Local accountability and governance.

FIGURE 3-1 – TULARE CITY LIMITS AND SPHERE OF INFLUENCE



Source: Tulare County GIS Database (July 2004)

3.1 GROWTH AND POPULATION

The purpose of this section is to present historical and projected growth patterns and population projections to establish a baseline for the evaluation of service needs.

3.1.1 Population Trends & Projections

Based upon *Census 2000* data, the City of Tulare had an incorporated land area of approximately 17 square miles (10,880 acres), approximately 14,250 housing units, and a total population of 43,994. The same data indicates that Tulare County had a year 2000 population of 368,021. Based upon population projections available from the California Department of Finance, the City of Tulare had a population of approximately 49,500 as of January 2005 and approximately 15,500 housing units. The same data estimates a January 2005 population of approximately 409,900 for Tulare County. *Census 1990* data indicates that Tulare had a population of 33,249 corresponding to an average annual growth rate between 1990 and 2000 of approximately 2.8%. Tulare experienced an average annual growth rate of 2.4% between 2000 and 2005.

It should also be noted that the City is in the process of annexing County islands, which would increase the City's population by an estimated 2,000 plus residents. These pending County island annexations are underway, and are expected to be completed by the end of 2006. For this reason, an additional population of 2,000 residents has been added to the base (2005) population to estimate the long range population projections. Assuming the City's population will continue to grow at an average annual population growth rate between 2.5% and 3%, the City of Tulare can expect a year 2025 population between 84,500 and 93,000.

Based upon information provided by City staff, the City's population has historically been approximately 12% to 13% of the total County population. Information contained in the Tulare County General Plan Update estimates a year 2025 total County population of 630,629, which at 12% to 13% would correspond to a City of Tulare population between 75,700 and 82,000. By year 2025, Tulare will likely make up higher percentage of the overall County population since growth within Cities generally occurs at higher rates than growth within unincorporated areas. With a year 2025 population between 81,500 and 92,000, Tulare would make up between 13% and 14½% of the total County population.

3.1.2 Growth Planning

General Plan

The City of Tulare manages and plans for growth through the preparation and implementation of planning documents including but not limited to General Plan Elements, Specific Plans, and Master Plans. According to the California Planners Information Network (CALPIN), the City of Tulare last updated its General Plan Elements as follows.

- Housing Element – 2003
- Land Use Element – 1993
- Circulation Element – 1993
- Public Safety Element – 1990
- Noise Element – 1987
- Conservation Element – 1975
- Open Space Element – 1975

The City of Tulare is currently undergoing comprehensive updates to the Land Use, and Circulation Elements of their General Plan. The City of Tulare Housing Element identifies the following action plan with regard to a comprehensive update of the land use element.

“During this 5-year Housing Element cycle, the Land Use Element will be amended to ensure that there is sufficient land within the Urban Development Line to meet future residential needs for twenty years. The land area designated for residential uses will exceed 200 percent of the amount needed by 2008. This will allow for sufficient land choice and preclude inflated land values due to a limited stock of residentially designated land.”

The following excerpts from the City of Tulare Housing Element identify the following possible constraints with regard to the provision of sufficient residential land to accommodate future growth.

“Annexations are seen as a constraint to the amount of residential land available for development because of the lengthy new service review requirement, which now is much more thorough review than the previous. LAFCo does not have an adopted policy in regard to allowing annexations of land to meet Residential Housing Needs Assessment (RHNA) numbers. In addition, LAFCo has an informal policy of allowing a 10-year supply of zoned land (based on historical actual developments) in a City. Based on average growth over the last thirteen years, LAFCo policies will permit land adequate for 2,650 dwelling units, an amount that would be inadequate to meet the RHNA of 3,927. LAFCo policies, unless modified to recognize TCAG’s RHNA allocation, may provide a constraint to providing new housing.”

“Additionally, the City’s historic building permit approval rate may provide a significant constraint to meeting RHNA needs. In order to meet RHNA allocation, the City would have to issue 561 residential permits each years, more the twice the average over the past 13 years and 50 percent higher than the highest years. Notwithstanding, the fact that the residential market has never experienced such growth, the Planning and Building Department staff would have to be substantially augmented to meet such substantial, high demand.”

Specific/Master Planning

In addition to General Plan Elements, the City also guides future growth through the preparation of Specific Plans and Master Plans. The City has adopted the following Specific/Master Plans and Environmental Impact Reports (EIR) to guide growth in the City:

- Del Lago Specific Plan Second Amendment (Quad Knopf, March 2003)
- Master Plan for South Tulare (Quad Knopf, December 2000)
- Lagomarsino Annexation Project Final EIR (McClelland Consultants, August 1990)
- City of Tulare Wastewater Treatment Facility Expansion Final EIR (Quad Knopf, August 2001)
- City of Tulare Sewer System Master Plan (Boyle Engineering, June 1991)
- City of Tulare Water System Master Plan (Montgomery Watson, May 1994)

Infrastructure Master Plans are discussed in a subsequent section of this report. The Del Lago Specific Plan Area is bounded by Cartmill Road to the north, Prosperity Avenue to the south, Hillman Street to the

east, and Mooney Boulevard to the west. The Specific Plan area addressed aspects of land use, and infrastructure for the Specific Plan Area, land which has been annexed into the City.

The South Tulare Master Plan Area is located in the southern portion of the community. The Master Plan Area is bounded generally by “I” Street to the west and a line running roughly north and south from Turner Drive and Paige Avenue to the north to Avenue 184 to the south. The area includes land within the current City Limits, and land outside of the current City Limits, and land outside of the current Urban Development Line and SOI. Ultimate development of the recommended land use concept would require expansion of the existing Urban Development Line, the existing SOI, and the existing City Limits.

Planning Boundaries

The City of Tulare General Plan Land Use Element has established urban boundaries to guide future development within the City and surrounding areas. In addition to City Limits, these boundaries include an SOI, an urban development line, and an urban reserve line. Based upon the City of Tulare General Plan Land Use Map (February 2005), obtained from the City’s website, it appears that the Urban Reserve Line lies within the Urban Development Line and SOI. The current City of Tulare Urban Development Line has been established to accommodate growth through 2015. Urban Development Lines should generally lie within a City’s SOI, which is the area that a local government agency is expected to serve. The City of Tulare SOI is shown on Figure 3-2 in relation to the City Limits, and Urban Development Line.

As indicated on Figure 3-2, the City’s Urban Development Line generally lies within the City’s overall SOI. The City is in the process of completing a comprehensive update to their General Plan Land Use Element, which will evaluate and modify as necessary, to accommodate 20-years of growth, the City’s Urban Development Line. As the City’s UDL expands, it will also be necessary to expand the SOI as the UDL approaches the limits of City’s SOI Boundary.

It is Omni-Means understanding that the City of Tulare is currently seeking a SOI amendment through Tulare County LAFCO. The details of the proposed SOI amendment are unknown at this time.

3.1.3 Annexations/County Islands

Annexations (1996 – Oct 2005)

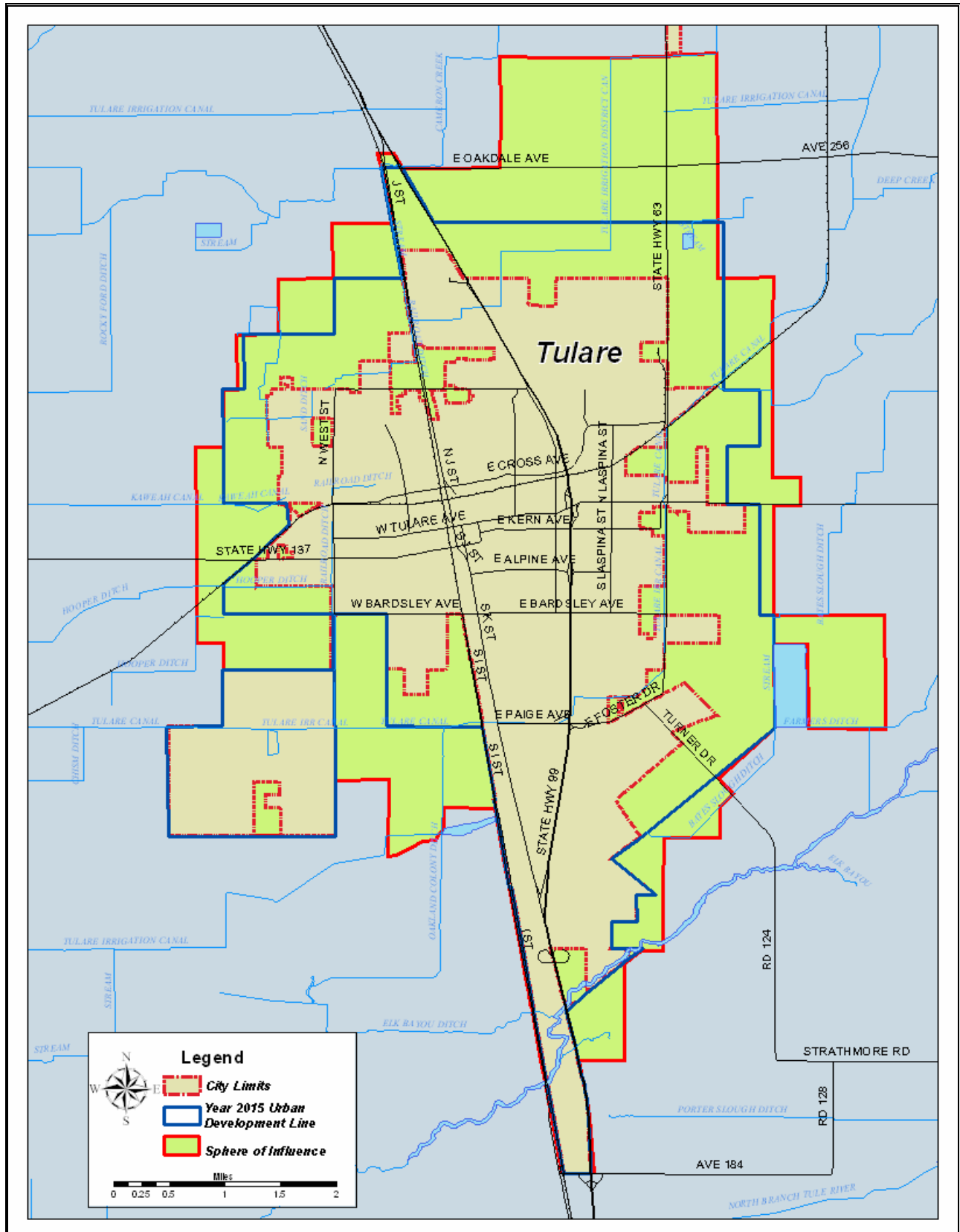
Since 1996, Tulare has successfully annexed over 1,000 acres of land into the City. Table 3-1 below provides an annual breakdown of the amount of land that has been annexed into the City between 1996 and September 2005. The table includes all recorded and approved annexations as of September 2005. Annexation applications not approved as of September 2005 are not shown. Annexations have occurred along the northern, eastern, and western City Limits.

TABLE 3-1
HISTORICAL ANNEXATIONS (1996 – OCT 2005)

Year	Acres Annexed
1996	6
1997	9
1998	80
1999	115
2000	0
2001	0
2002	6
2003	12
2004	377
2005	407
Total	1,012

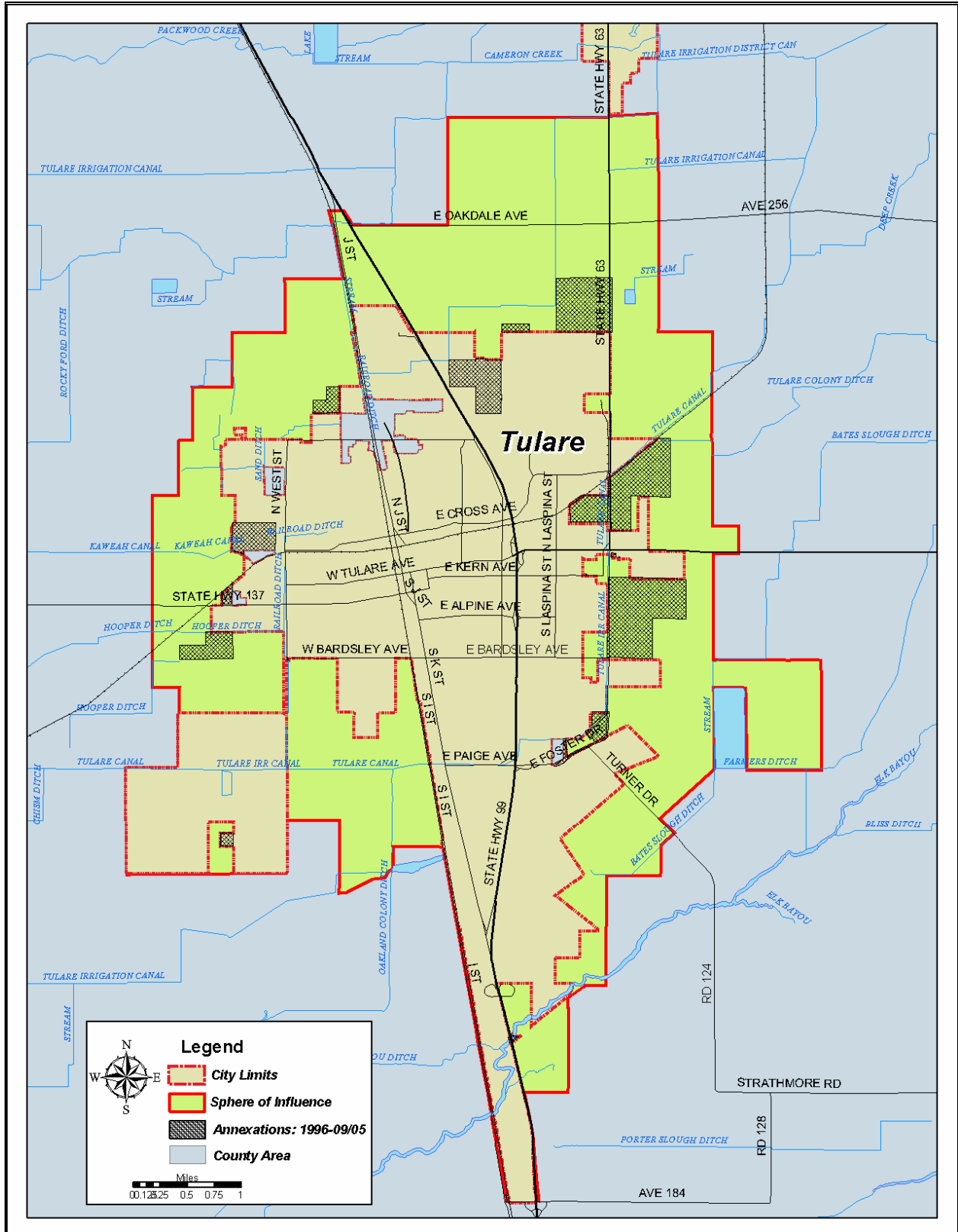
As indicated in Table 3-1, the majority of annexations have occurred in the past two years, totaling approximately 780 acres in 2004 and 2005. Figure 3-3 shows the locations of annexations from 1996 through September 2005. All annexations have been within the boundary of the City's Urban Development Line and SOI. It should also be noted that the City is in the process of annexing County islands, which would increase the City's population by an estimated 2,000 plus residents. These pending County island annexations are not shown on Figure 3-3.

FIGURE 3-2 – CITY OF TULARE SOI IN RELATION TO UDL AND CITY LIMITS



Source: Tulare County GIS Database (July 2004)

FIGURE 3-3 – ANNEXATION AREAS/COUNTY ISLANDS



Source: Tulare County GIS Database

County Islands

As indicated on Figure 3-3, there are some unincorporated “County Islands” lying within the overall City Limits of Tulare. Prior to 2000, annexation law allowed residents and/or landowners within the annexation area to protest the annexation. A protest level of 50% or more terminated the annexation, and a protest level between 25% and 50% required that an election be held in which a majority vote was required for the annexation to pass.

In 2000, the State Legislature, recognizing the inherent inefficiencies of urban unincorporated islands, and in an effort to encourage their annexation, allowed for a simplified annexation process for the islands. Assembly Bill (AB) 1555 allowed annexations of urban unincorporated islands that were 75 acres or less and that meet certain criteria to be approved without protest or election. Senate Bill (SB) 1266 (Torlakson), effective January 1, 2005, amended AB 1555 by expanding the maximum area for island annexations from 75 to 150 acres, with all other provisions of AB 1555 remaining unchanged.

Island annexations may be approved without protest or elections if all of the following criteria are met:

- Annexation is proposed by resolution of the annexing City.
- The island is 150 acres or less.
- The island is surrounded or substantially surrounded by the annexing City or by the annexing City and adjacent Cities.
- The island is not a gated community where services are currently provided by a Community Service District.
- The island is substantially developed or developing based on the availability of public utility services, presence of public improvements or the presence of physical improvements on the parcels within the area.
- The island is not prime agricultural land as defined in Government Code Section 56064.
- The island is receiving benefits from the annexing City or will benefit from the City.
- The island was not created after January 1, 2000.

This streamlined process without protest and election requirement is available only for a limited time period – between January 1, 2000 and January 1, 2007. However, after January 1, 2007, not all provisions under this section expire. After January 1, 2007, protest proceedings will be required for these annexations but elections will not be needed. That is, if a majority protest is not received to defeat the annexation proposal, the annexation is approved without an election.

It is recommended that the City of Tulare continue to pursue opportunities to incorporate existing “County Islands” that meet the above criteria. Incorporation of “County Islands” could help eliminate public confusion, and increase service efficiencies within these areas. It is a goal of the City Council to continue the process of annexation of “County Islands” and appropriate residential by December 31, 2006, in accordance with state legislation, with completion in mid-2007.

3.1.4 Written Determinations

Population Trends & Projections

1. Based upon Census 2000 data, the City of Tulare had an incorporated land area of approximately 17 square miles, approximately 14,250 housing units, and a total population of 43,994.
2. Based upon population projections available from the California Department of Finance, the City had a population of approximately 49,500 as of January 2005.
3. Available data indicates that the City experienced an average annual population growth rate of approximately 2.8% between 1990 and 2000, and 2.4% between 2000 and 2005. Assuming the City's population will continue to grow at an average annual population growth rate between 2½% and 3%, the City can expect a year 2025 population between 84,500 and 93,000.

Growth Planning

1. The City uses multiple tools to plan for future growth, including but not limited to, General Plan Elements, Specific Plans, and Master Plans.
2. The City is undergoing comprehensive updates to the Land Use and Circulation Elements of their General Plan and adopted a comprehensive update to the Housing Element of their General Plan in December of 2003.
3. The General Plan Housing Element identifies potential constraints that could limit residential growth within the City, including staff resources to meet such substantial, high demand projected for issuing residential building permits. Planning and building department staff would have to be substantially augmented to meet the projected demands.
4. The City has an Urban Development Line (UDL), adopted as a part of the General Plan Land Use Element, which has been established to accommodate growth through 2015. The comprehensive update of the General Plan Land Use Element, which will evaluate and modify, as necessary, to accommodate 20 years of growth, the City's UDL. As the City's UDL expands, it will also be necessary to expand the SOI as the UDL approaches the limits of the SOI Boundary.
5. Tulare has adopted the South Tulare Master Plan to expand the industrial base of the City. Ultimate development of the recommended land use concept would require expansion of the existing UDL, the existing SOI, and the existing City Limits.

Annexations/County Islands

1. Between 1996 and September 2005, Tulare has successfully annexed over 1,000 acres of land into the City, with approximately 780 acres of annexations occurring in 2004 and 2005.
2. It is recommended that the City of Tulare continue to pursue opportunities to incorporate existing "County Islands" that meet criteria outlined in AB 1555, and SB 1266. Incorporation of "County Islands" could help eliminate public confusion (regarding County/City jurisdictions), and increase service efficiencies within these areas. It is a goal of the City Council to continue the process of annexation of "County Islands" and appropriate residential by December 31, 2006, in accordance with state legislation, to be completed in mid-2007.

3.2 INFRASTRUCTURE NEEDS AND DEFICIENCIES

The purpose of this section is to evaluate the infrastructure needs and deficiencies of the City of Tulare in terms of availability of resources, capacity to deliver services, condition of facilities, service quality, and levels of service. An overview of services including water, storm drainage, wastewater collection and treatment, streets and roads, fire and police protection, and solid waste is provided focusing on past improvements and planned future improvements.

LAFCO is responsible for determining that an agency requesting an SOI amendment is reasonably capable of providing needed resources and basic infrastructure to serve areas within the City and its SOI. It is important that these findings of infrastructure and resource availability are made when revisions to the SOI and annexations occur. LAFCO accomplishes this by evaluating the resources and services to be expanded in line with increasing demands.

3.2.1 Domestic Water

The City of Tulare plans for water system improvements through the implementation of a comprehensive Master Plan. The City of Tulare Water System Master Plan was last updated in May 1994 by Montgomery Watson. The City indicated that a comprehensive update to their Water System Master Plan will be prepared following the adoption of the City's General Plan Update. The current Water System Master Plan has a planning area coterminous with the City's Urban Reserve Line, which lies within the City's UDL and SOI. When the City updates the Water System Master Plan, it is recommended that the planning boundary be extended, to encompass at a minimum, the City's SOI, to ensure that adequate water supply can be provided to accommodate future growth consistent with General Plan build-out. In addition to Master Planning, Specific Planning for large development areas also addresses infrastructure needs in more detail for specific planning areas.

Tulare's water supply source consists of a series of domestic wells that are scattered throughout the City, extracting water from the City's underground aquifer. Newer wells drilled by the City over the past thirty-five years are gravel packed and have been drilled to approximately 700 feet. The older wells, and wells purchased by the City with the acquisition of private water companies are generally around 350 feet deep. The City has one elevated water storage tank with a capacity of 150,000 gallons, and several hydro-pneumatic pressure tanks that are used for storage.

Based upon discussions with the City of Tulare Public Works Department, water production for the month June 2005 was approximately 660,500,000 gallons, with an estimated water production for July 2005 of over 700,000,000 gallons. The City estimates that the current system operates at approximately 90%-95% of its capacity during summer (maximum demand) months.

The City is working to add additional wells to the system, and replace/refurbish old wells connected to the water system. The City is accomplishing this by replacing/refurbishing one well every other year, and on off years, adding a new well to the system. Each year, an old well is refurbished, or a new well is brought online. City officials indicated that the City has been on faster track recently, which is evident by the recently awarded contract to drill two new wells, Nos. 37 and 38. Based upon information contained in the City of Tulare Board of Public Utilities Meeting Minutes for October 6, 2005, Well No. 37 would serve as a replacement for Well No. 16. The City anticipates that once water meters are installed, they should drop back to the every other year scenario.

The City of Tulare has a Water Division which is responsible for providing water that is of safe and sanitary quality for the citizens of Tulare and an adequate water supply for fire protection. The maintenance of all wells, water mains and service connections is also a responsibility of this division.

The quality of water is maintained through monitoring and proper maintenance of the system. State regulations require the City to test the entire system, from wells to service connections, and that data is then reported to the State. The water service operates under the direction of the Board of Public Utilities.

A major cost to the water operation is contained in Code 2061, which includes a payment to the TID. The City's system benefits from the recharge of the aquifer as a result of the Tulare Irrigation District's operations. The City has an agreement to compensate the TID for such operations; the agreement was renewed in 2005 and extends through year 2035.

The City's budget reflects continued efforts to anticipate and avoid any problems with the water utility, with many capital improvements included. Rehabilitation of an existing well and addition of a new well are intended to keep up with growing demand. Refurbishment of the water tower and the west side water main upgrade are expected to be underway in fiscal year 2005-06.

Per direction from the Board of Public Utilities, conversion of all connections to metered connections will begin this fiscal year (2005-06). It is expected that this conversion will take seven years, and will have significant conservation benefits.

The City of Tulare has an enterprise water fund set up to estimate revenues and expenditures for the domestic water utility. The City's water fund generates revenue from the following major sources, including but not limited to:

- Interest Income
- Water Receipts
- Connection Fees
- Main Footage Fees
- Development Impact Fees

Table 3-2 summarizes the City's water fund projected revenues and expenditures for fiscal year 2005-06.

TABLE 3-2 PROJECTED REVENUES AND EXPENDITURES CITY OF TULARE WATER FUND BUDGET (F.Y. 2005-06)	
PROJECTED REVENUES	
Beginning Fund Balance (July 1, 2005)	\$9,470,040
Use of Money and Property	\$177,020
Current Service Charges	\$4,260,400
Miscellaneous Revenues	\$37, 700
Total Available Resources	\$13,945,160
ESTIMATED EXPENDITURES	
Salaries and Employee Benefits	\$936,000
Maintenance and Operation	\$2,692,180
Capital Improvements	\$486,300
Capital Outlay	\$47,960
Debt Service	\$682,030
Fund Transfer to Water CIP	\$1,907,000
Total Estimated Expenditures	\$6,751,470
Anticipated Water Fund Balance (June 30, 2006)	\$7,193,690

Source: City of Tulare 2005-06 Adopted Budget

As indicated in Table 3-2, for fiscal year 2005-06 the City's water fund expenditures exceed the projected revenues by over \$2,000,000. The City accounted for this imbalance by spending carryover funds from previous years. In addition to allocating funds towards capital improvements to occur out of the enterprise fund, a transfer of nearly \$2,000,000 was allocated to the City's capital improvement program for water.

The following capital improvements are listed as enterprise water fund expenditures:

- Miscellaneous Studies
- Meter Boxes and Lids
- Meter Repairs/Replacements
- Voluntary Metering Program
- Fire Hydrants
- Service Pipe and Fittings
- Main Valve Repairs/Replacements
- SCADA System Repairs
- Well Site/Equipment Upgrade
- Upgrade Electrical Panels
- Water Meter Install (1,000)
- Water Box Install (1,000)

In addition to the above improvements, approximately \$2,000,000 was allocated towards the City's capital improvement program for water, which for fiscal year 2005-06, identifies the following water system improvements:

- Oversize participation
- Pipeline Replacement
- New Pipeline Construction
- New Well Construction
- Meter Replacement/Repairs
- Fire Hydrants
- Meter Boxes/Lids
- Service Pipes/Fittings
- Voluntary Metering
- Full City Metering – Radio Meters
- Well Upgrade

Based upon a review of the City's budget for domestic water, it appears that the service is being managed in a cost effective and efficient manner. Although the City's water system is not yet fully metered, it is expected to be fully metered within seven years. A fully metered water system will help with water conservation, and minimize over usage and/or wasting of water.

The Urban Water Management Planning Act requires the Department of Water Resources to evaluate Urban Water Management Plans adopted by urban water suppliers pursuant to Section 10610.4 (c) and submitted to the Department no later than 30 days after adoption and updating once every five years, on or before December 31 in years ending in five and zero. Based upon information obtained from the Department of Water Resources, Tulare has not complied with the Urban Water Management Planning Act, which requires urban water suppliers to submit Urban Water Management Plans (UWMP) to the Department every five years, on years ending in zero and five. The City has not complied with the 2000 requirement, and has until December 2005 to comply with the 2005 requirement. Non-compliant urban

water suppliers are ineligible to receive funding pursuant to Division 24 (commencing with section 78500) or Division 26 (commencing with section 79000), or receive drought assistance from the State until the UWMP is submitted pursuant to the Urban Water Management Planning Act. State funding for urban water improvements are often necessary to aid agencies in providing quality water service, especially during drought periods. City officials have indicated that the preparation of their 2005 UWMP has been funded in the City's budget for fiscal year 2005-06.

SB 610 and SB 220 amended state law, effective January 1, 2002, to improve the link between information on water supply availability and certain land use decisions made by Cities and Counties. SB 610 and SB 220 are companion measures which seek to promote more collaborative planning between local water suppliers and Cities and Counties. Both statutes require detailed information regarding water availability to be provided to the City and County decision-makers prior to approval of specified large development projects. Both statutes also require this detailed information be included in the administrative record that serves as the evidentiary basis for an approval action by the City or County on such projects. Under SB 610, water assessments must be furnished to local governments for inclusion in any environmental documentation for certain projects (as defined in Water Code 10912) subject to the California Environmental Quality Act (CEQA). Under SB 220, approval by a City or County of certain residential subdivisions requires and affirmative written verification of sufficient water supply.

There is no evidence suggesting that the City cannot continue to provide efficient water service to existing and future residents of Tulare. The City maintains a balance in their enterprise water fund, which can be used to fund unforeseen immediate/emergency repairs and/or improvements to the water system. Minor repairs can generally be accomplished through funding already allocated towards maintenance and operation of the water system.

3.2.2 Wastewater Collection, Treatment, and Disposal

The City of Tulare plans for sanitary sewer system improvements through the implementation of a comprehensive Master Plan. The City of Tulare Sewer System Master Plan was last updated in June 1991 by Boyle Engineering Corporation. The current Sewer System Master Plan has a planning area which generally extends beyond the City's current SOI, except for areas in the southeastern and eastern areas within the City's SOI. When the City updates the Sewer System Master Plan, it is recommended that the planning boundary be extended, at a minimum, to encompass the City's SOI, to ensure that adequate sanitary sewer infrastructure can be provided to accommodate future growth consistent with General Plan build-out. The Sewer System Master Plan is framed to accommodate a population of 115,000 by the year 2020.

The City of Tulare wastewater collection system consists of a series of pipes and lift stations that transport raw sewage to the City's wastewater treatment facility (WWTF) located at the intersection of Levin Avenue and Gemini Street in southwest Tulare. The City's WWTF includes two separate wastewater treatment trains (WWTTs), one for domestic wastes, and the other for primarily industrial wastes, described as follows.

The expanded domestic WWTT is a 6.0 MGD capacity activated sludge plant that includes headworks with mechanical screens and an aerated grit chamber, primary and secondary sedimentation, biofiltration, activated sludge units, sludge thickening and digestion, and sludge drying.

The industrial WWTT influent arrives via two separate pipelines that terminate into one headworks that feature a bar screen and grease and grit removal. After preliminary treatment, flows combine for grit and grease removal then enter a 30.1 million gallon capacity anaerobic "bulk volume fermenter" (BVF). In 2006, the City will begin the design of a new 8.0 MGD industrial WWTT.

The City operates the WWTF under the provisions specified in *Waste Discharge Requirements (WDR) Order No. R5-2002-0186* issued by the California Regional Water Quality Control Board Central Valley Region. City staff has indicated that current improvements at the WWTF allow for a domestic flow of 6.0 MGD, and an industrial flow of 6.7 MGD. Domestic and industrial discharges are combined in an aerated mixing box and discharged to approximately 200 acres of ponds for disposal by evaporation and percolation. A portion of the effluent discharged to ponds is recycled on 2,700 acres of nearby farmland, 800 acres of which is owned by the City. Water in the Tulare Lake Basin is in short supply, requiring importation of surface waters from other parts of the State. The Basin Plan encourages reclamation on irrigated crops wherever feasible and indicates that discharges to surface water and evaporation of reclaimable wastewater will not be acceptable permanent disposal methods where the opportunity exists to replace an existing use or proposed use of fresh water with recycled water. Where appropriate, the Basin Plan allows a timetable for implementing reclamation. The City's discharge constitutes a significant source of agricultural supply water and groundwater recharge.

Self monitoring reports are required to be submitted by the Discharger to the RWQCB on a monthly basis, and contain information pertaining to flow records, construction activity, permit compliance, etc. Self monitoring reports from March 1998 through January 2002 indicate that winter flows to the domestic WWTT are not significantly higher than summer flows, indicating that inflow and infiltration in general are not a serious problem for the domestic WWTT.

Based upon information contained in the Self Monitoring Report for September 2005, submitted by the City of Tulare Water Pollution Control Facility to the State Regional Water Quality Control Board Central Valley Region, an average monthly influent flow of 4.83 MGD was recorded for the domestic WWTT, and an average monthly influent flow of 6.28 MGD was recorded for the industrial WWTT. Based upon information contained in the *Wastewater User Charge Survey Report FY 2004-05* (Cal EPA – State Water Resources Control Board, May 2005), the average dry weather flow at the WWTF (combined flow for both treatment trains) is approximately 10.3 MGD. Recorded flows indicate that the WWTF is currently operating near 80% of its permitted capacity for the domestic WWTT and near permitted capacity for the industrial WWTT. However, ongoing efforts to improve the plant's capacity and efficiency are expected to increase available capacity to serve future growth. Beyond the expansion project currently under construction at the plant, it is likely that additional capacity improvements will need to occur to meet the 20-year growth needs of the City.

The following excerpt from the City's budget for fiscal year 2005-06 expresses the City's commitment to continue to improve its sewer infrastructure.

“Continued funding of our industrial wastewater treatment plant expansion is recommended. This expansion is in response to our industries’ growth, and the City’s long term commitment to provide sewage treatment capacity for job creating food processing industries. Additional improvements are planned for future years, as we endeavor to avoid a loss of job creating opportunities due to inadequate sewer capacity, and provide better environmental controls.”

The City of Tulare Sewer Division is responsible for operating, maintaining, expanding, cleaning, and repairing the sanitary sewer trunk line system, lift stations and pumps. The Sewer Division is also responsible for inspection of all sewer services to insure conformance with City standards and specifications. The Wastewater Division is responsible for operating and maintaining the City's WWTF including physical maintenance on and improvements to several expensive treatment structures such as lift stations, sedimentation tanks, digesters, filters, pumps and control buildings, and performing numerous lab analyses. The following excerpt from the budget for fiscal year 2005-06 outlines some of the City Manager's comments with regard to the WWTF.

“The Sewer and Wastewater Divisions continue to demand much attention and improvement dollars. The combined effect of new State requirements and fast expanding industrial volumes are causing continuing large investments in our plant. The long awaited wastewater permit renewal, received in 2002, provides seven years to eliminate the impact of nitrates and other pollutants, but continuous efforts must be made to meet that deadline. Several million dollars in projects are proposed, and bonding and rate increases will continue to be needed to fund those. A new bond issue may be needed in 2006. A previously approved 10% rate increase takes effect in July 2005. On the positive side, the plant will continue to serve job-producing and creating companies, and negative impacts on the environment will be mitigated.”

The City’s budget reflects continued efforts to anticipate and avoid any problems with the sewer/wastewater utilities, with many capital improvements included. The City of Tulare has an enterprise fund for sewer/wastewater set up to estimate revenues and expenditures for the sewer/wastewater utilities. The City’s sewer/wastewater fund generates revenue from the following major sources, including but not limited to:

- Interest Income
- Rents and Concessions
- Connection Fees
- Sewer Receipts
- Septic Tank Discharge Fees
- Main Footage Fees
- Development Impact Fees
- Loan Proceeds (2006 Bonds)

Table 3-3 summarizes the City’s sewer/wastewater fund projected revenues and expenditures for fiscal year 2005-06.

TABLE 3-3 PROJECTED REVENUES AND EXPENDITURES CITY OF TULARE SEWER/WASTEWATER FUND BUDGET (F.Y. 2005-06)	
PROJECTED REVENUES	
Beginning Fund Balance (July 1, 2005)	\$19,073,660
Use of Money and Property	\$310,000
Current Service Charges	\$11,003,930
Miscellaneous Revenues	\$4,000
2003/2006 Sewer Bond Proceeds	\$6,000,000
Total Available Resources	\$36,391,590
ESTIMATED EXPENDITURES	
Salaries and Employee Benefits	\$1,306,420
Maintenance and Operation	\$5,770,320
Capital Improvements	\$55,000
Capital Outlay	\$68,560
Debt Service	\$4,284,990
Fund Transfer to Sewer/Wastewater CIP	\$7,416,000
Total Estimated Expenditures	\$18,901,290
Anticipated Wastewater Fund Balance (June 30, 2006)	\$17,490,300

Source: City of Tulare 2005-06 Adopted Budget

As indicated in Table 3-3, for fiscal year 2005-06 the City's sewer/wastewater fund expenditures exceed the projected revenues (excluding carryover balance and bond proceeds). The City accounted for this imbalance by spending carryover funds from previous years, and issuing sewer bonds. In addition to allocating funds towards capital improvements to occur out of the enterprise fund, a transfer of nearly \$7,500,000 was allocated to the City's capital improvement program for sewer/wastewater. The following capital improvements are listed as enterprise sewer/wastewater funds expenditures.

- Manholes/Rehabilitation (\$50,000)
- Miscellaneous Lift Station Improvements (\$5,000)

In addition to the above improvements, approximately \$7,500,000 was allocated towards the City's capital improvement program for sewer/wastewater, which for fiscal year 2005-06, identifies the following sewer system and wastewater treatment system improvements.

- Oversize participation
- Pipeline Replacement
- Main Extensions
- Lift Station Upgrades
- Manhole Rehabilitation
- SCADA
- Miscellaneous
- Domestic Plant NdN
- Industrial Plant Secondary/NdN
- Land Acquisition
- Piping to new land
- Westside Trunk Line
- Various Equipment Replacement
- Storm/Sewer Installation

Based upon a review of the City's budget for sewer/wastewater, the service is being managed in a cost effective and efficient manner. The City's effort to keep sanitary sewer rates in check is evident by the City's issuance of sewer bonds to construct capital improvements to the WWTF. The City is meeting the long term debt obligations of bond issuances. As more connections to the City's sewer system are installed, additional revenue will be generated to assist with the repayment of long term debt.

3.2.3 Drainage Infrastructure

The City has a Storm Drain Master Plan which was last updated in 1974, and is far outdated according to City staff. City officials have indicated that several "mini-updates" have been done in areas where the drainage master plan is no longer applicable. The City plans to update infrastructure master plans (including drainage) following the completion of the City's General Plan Update. The primary reason for the master plan updates will be to ensure that the City's development impact fees are adequate to fund implementation of the master plans, and to justify the level of those fees to the development community.

The primary objective of the Storm Drainage Division is to provide maintenance, operation and expansion of the storm drainage system. All budgeted funds come from general fund appropriations and, where appropriate, gas tax expenditures where storm drainage installations are in connection with major street projects. The majority of the storm water in the City is collected and flows to central points where it is pumped into the TID canal system under provisions of an agreement entered into and renewed in

2005. Disposal of storm water is also handled by means of storm drainage retarding basins and storm drainage retention basins.

The Storm Drainage Division funds only one maintenance position; its source of revenue is the general fund. Past improvements to the City's storm drain system have significantly reduced flooding problems. Many capital improvement needs go unfunded as the City seeks grant funding, including the need to complete separation of the City system with other systems. Oversize payments are required as a result of a ten year analysis of obligations, and large payments are due for fiscal year 2005-06.

For fiscal year 2005-06, \$458,490 was allocated to the Storm Drainage Division from the general fund. Estimated expenditures totaling \$458,490 includes salaries and employee benefits totaling \$76,200, maintenance and operation totaling \$181,590, capital improvements totaling \$40,700, debt service totaling \$150,000, and a \$10,000 operating transfer to the storm drain CIP. Capital improvements funded through general fund appropriations include miscellaneous inlets, grate modifications, lift pumps, control panels, and dry wells. Debt service includes principal and interest payments for oversize liability.

The City assesses development impact fees for storm drain consistent with City Resolution Number 03-4988. The City has established sixteen benefit areas for assessment of storm drain impact fees. For single family dwellings, the storm drain impact fees vary (depending on the area of benefit) from \$614 per dwelling to \$1,355 per dwelling.

The City has a storm drain fund set up within the seven-year CIP document. The City completes capital storm drain improvements through revenue generated from development impact fees, and transfers from the general fund. The City has \$240,000 worth of capital storm drainage improvements planned for fiscal year 2005-06, \$100,000 for oversize participation, \$70,000 for storm drain pipelines, and \$70,000 for pond construction.

The City will need to continually expand and improve its storm drain system to keep pace with development demands. It is recommended that the City continue to expand and improve the storm drain system through revenues generated from development impact fees and general fund appropriations. As the City's storm drain system continues to expand, the City will likely need to add additional staff to operate and maintain the system, as there is currently one maintenance technician for the entire system.

3.2.4 Streets and Roads

The City plans for roadway transportation improvements through the implementation of General Plan Circulation Element Goals and Policies and Specific Planning. The streets, roads, and circulation patterns in the City of Tulare were studied as a part of the General Plan Circulation Element, which was adopted by the City Council in December 1992. This information base provides an excellent foundation for evaluating the transportation issues in the City. For fiscal year 2005-06, the City is undertaking a comprehensive update to their General Plan Circulation Element.

Every three years TCAG prepares a Regional Transportation Plan (RTP), which includes coordination efforts with all eight incorporated cities within Tulare County. The RTP involves inter-jurisdictional coordination to help resolve inter-related transportation issues that affect multiple agencies. Routes of regional significance that serve the City include State Route (SR) 99, SR 63, and SR 137. The City is served by six major interchanges on SR 99 located at Avenue 200, Paige Avenue, Bardsley Avenue, Tulare Avenue, Prosperity Avenue, and Cartmill Avenue.

The City has a Streets Division which is responsible for the maintenance and repair of all City streets, alleys, storm water inlets, City parking lots, street lights and signs. The primary tasks of the Street

Division include maintenance and repair of traffic signals, installation of pavement markings, pavement repairs, and maintenance of storm drain ponding basins. The Streets Division budget includes energy charges for the operation of street lighting and traffic signals. The following excerpt from the fiscal year 2005-06 budget outlines the City Manager's comments with regard to the Streets Division.

"Improving the condition of our streets continues as a high priority of the City Council. An additional one percent utility users tax (UUT) went into effect on July 1, 2002, for ten years and is paying, through bonds, for substantial improvements for three years. The last of the UUT funds will be spent for projects in the fall of 2005."

"A study of the cost effectiveness of purchasing a grinder/paver for City use indicates the purchase is appropriate, and funds for the first of a five year lease purchase of a \$315,000 asphalt milling machine are shown in Code 9004."

For the fiscal year 2005-06 budget cycle \$2,449,940 was allocated to the Streets Division from the general fund. Estimated expenditures totaling \$2,449,940 includes salaries and employee benefits totaling \$585,740, maintenance and operation totaling \$1,143,180, capital improvements/outlay totaling \$28,200, debt service totaling \$50,000, a \$63,820 operating transfer to the fleet maintenance internal service fund, and an operating transfer of \$579,000 to the streets CIP. Capital improvements/outlay funded through general fund appropriations (\$28,200) includes allocations for defective concrete program, miscellaneous right of way, miscellaneous street light, alley repairs/maintenance, LED "Don't Walk", traffic loops, walk behind saw, arrow board, and airless paint pump. Debt service includes principal and interest payments for oversize liability.

The City assesses development impact fees for streets, interchanges, and traffic signals consistent with City Resolution Number 03-4988. For single family dwellings, the transportation impact fee has been established at \$1,021 per dwelling unit. Development impact fees are allocated to the City's seven year (2005-2012) CIP. The City's streets CIP fund generates revenue from a variety of sources including gas tax STIP funding, grant funding, development impact fees, and transfers from the general fund. The City has \$1,980,000 worth of street improvements planned for fiscal year 2005-06 including \$922,000 for various street projects, \$200,000 for traffic signals, \$750,000 for the Agri-Center Interchange, \$100,000 for oversize participation, and \$8,000 for UPRR upgrades.

The City continues to make steady progress towards upgrading and expanding its roadway infrastructure. The City continues to work towards improving the infrastructure that serves its citizens and has a detailed plan for constructing the needed improvements. The City's approach and plan for completing capital improvements is excellent, and in line with the needs of the community.

3.2.5 Fire and Police Protection Services

Fire

The primary objective of the Fire Department is to protect the lives and property of the citizens of and visitors to Tulare from the ravages of fire, exposure to hazardous materials and other perils, including disaster preparedness. The department is responsible for enforcing local fire ordinances, state and federal laws, apprehending violators and assisting in their prosecution.

The City of Tulare Fire Department is divided into two divisions, suppression and prevention. The Fire Suppression Division includes all uniformed personnel who respond to emergency incidents with appropriate apparatus and perform activities required to mitigate the emergency nature of the incident. Duties of the Fire Suppression Division include extinguishing of fires, identification and containment of

hazardous materials, paramedic advanced life support non-transport first responder emergency medical service, performance of special rescue operations, and engine company fire prevention inspections. The Fire Prevention Division provides safety inspections of existing buildings open to the public, performs plan review for safety compliance of all new commercial, industrial and multi-occupancy structures, investigates fires for origin and cause determination, and assists with the prosecution of arson caused fires.

Special activities of the fire department include the conduct of safety education programs for all ages with a Fire Safety House Prop, Fire Station tours, smoke detector installation, abandoned vehicle removal, annual weed abatement program, and bicycle licensing. The following excerpt from the fiscal year 2005-06 budget outlines the City Manager's comments with regard to the Fire Division.

"The Fire Department budget provides for the last three new positions for Fire Station Three, at "M" Street near Cartmill Avenue. Funding for the new station and a new fire engine was accomplished in 2003-04, and the first six new positions were funded in fiscal year 2004-05.

As of May 3, 2005, paramedic services are now being provided in Tulare, a first for our County.

The reorganization effective July 1, 2003 transferred all code enforcement related divisions to this department, including graffiti, animal control, and code enforcement. To improve our capabilities, in response to City Council direction, graffiti and code enforcement will each add a new employee, funded by the federal Community Development Block Grant Program."

The City assesses development impact fees for fire facilities, equipment, and training consistent with City Resolution Number 03-4988. For single family dwellings, the fire impact fee has been established at \$134 per dwelling.

Locally funded by impact fees on new development, the City, in July 2004, opened its third fire station, on North M Street. It is the City's first new station in more than two decades, and represents a 50% increase in department capabilities to respond rapidly to emergencies.

The Fire Department operates out of three stations staffed with a total of 38 sworn fire fighters, with three more positions being added during fiscal year 2005-06. The City's fire department is funded through general fund appropriations. Approximately 16% of the City's general fund expenditures go towards the operation of the fire department. For the fiscal year 2005-06 budget cycle \$4,439,440 was allocated to the Fire Division from the general fund. Estimated expenditures totaling \$4,439,440 includes salaries and employee benefits totaling \$3,750,120, maintenance and operation totaling \$634,850, capital outlay totaling \$30,600, and a \$23,870 operating transfer to the fleet maintenance internal service fund.

The City's budget (F.Y. 2005-06) identifies goal statements which reflect desired initiatives for the next one to three years. It is a goal of the City to develop a comprehensive Fire Department Master Plan by the fall of calendar year 2007. A fire department master plan will assist the City in planning future fire stations, staffing requirements, as well as address response time management needs, in line with the increasing demand for public safety efforts.

Police

The primary objective of the Police Department is to protect the lives and property of the citizens of Tulare and those who frequent the community in transit or engage in business or professional activities. The department is responsible for enforcing all local ordinance and state laws, apprehending violators and assisting in their prosecution.

The City of Tulare Police Department is divided into four functioning divisions including police administration, patrol, investigations, and traffic safety. The Police Administration Division provides support service through records management, dispatch and other generalized administrative services, and is responsible for the transcribing, storing and retrieving of police data, maintaining public safety communications, support services for the Patrol and Investigative Divisions and providing general police service for the walk-in public. The Patrol Division includes all uniformed personnel, and is responsible for the prevention of crime and accident prevention. The Investigations Division is responsible for investigative work on part one crimes including all felonies, i.e. homicides, rape, armed robbery, burglary, etc. The following excerpt from the fiscal year 2005-06 budget outlines the City Manager's comments with regard to all divisions of the Police Department.

"The great success in receiving grant funds in the past has relieved the strain on our budget, and allowed us to implement community based policing to improve our intersections and relations with the public. Active prevention programs are continuing.

The department continues to reach out to the community via a variety of efforts, including trading card and citizens' academy programs.

Community policing in conjunction with our Problem Oriented Policing programs has significantly contributed to the improvement of the quality of life in the area targeted. The concept of partnership between the police and the community serves has also paid dividends in terms of mutual trust and respect. This has resulted in an increase of vital intelligence identifying areas of criminal activity. Our Cops on Campus program has had an impact on the reduction of school related juvenile crime issues, and funding continues to be split 50/50 with the High School District.

The City's rapid recent growth has helped cause a rise in calls for service, which in turn has reduced our patrol officers' preventative patrol time. To reverse this trend, the City Council authorized twelve new police positions in 2004-05. A tax ballot measure is under consideration to maintain this higher level of effort as our City grows, assuring the safety of our citizens and visitors."

The City assesses development impact fees for law enforcement facilities, equipment and training consistent with City Resolution Number 03-4988. For single family dwellings, the police impact fee has been established at \$37 per dwelling.

The Police Department operates out of one main station, and three community policing sub-stations staffed with a total of 64 sworn police officers. The City's police department is funded through general fund appropriations. Approximately 33% of the City's general fund expenditures go towards the operation of the police department. For the fiscal year 2005-06 budget cycle \$9,111,640 was allocated to the Police Division from the general fund. Estimated expenditures totaling \$9,111,640 includes salaries and employee benefits totaling \$7,738,270, maintenance and operation totaling \$1,366,570, and capital outlay totaling \$6,800.

The City's strong commitment to a safer community is reflected in the first full year funding of 13 new police positions, a 17% increase over the prior year. More staff for police patrol and investigations along with a new fire station and new paramedic service represent a significant increase in the City's ability to provide public safety services. At current staffing levels, the City has approximately 1.3 sworn police officers per 1,000 people.

The Tulare Police Department continues to actively support proven crime prevention programs and to explore new and innovative methods to reduce crime in Tulare. Neighborhood watch crime prevention programs are proven and effective means to substantially reduce not only the incidence of residential burglaries in a specified geographic area, but the incidence of other crimes.

The City of Tulare will need to plan for future police staffing, and additional sub-stations as the City continues to grow, in line with increasing public safety demand. To meet future public safety needs, it is recommended that the City consider the preparation of a police department master plan to assist the City in planning future police stations, staffing requirements, as well as address response time management needs, in line with the increasing demand for public safety efforts. To reduce costs, incorporation of both a police and fire master plan into one document should be considered.

3.2.6 Solid Waste Disposal

Solid waste collection service is provided by the City, while disposal services are provided through Tulare County via area landfills. The City's solid waste collection operations are also integrated with the City's street sweeping activities. These divisions perform a bi-weekly service to residential accounts and as required for commercial accounts. In addition to the regularly scheduled services to residential accounts, a special haul service is provided, on request, for hard to handle materials. Licensed private contractors collect salvageable cardboard materials regularly throughout the commercial areas for recycling purposes. Residential refuse is taken to a recycling center located northeast of Tulare for removal of recyclables from the waste stream. Also taken to various processing facilities is a "dry route" from the commercial pickups that has been identified as having a large amount of recyclable in the waste. Other commercial routes continue to dispose of collected materials at the County owned landfill nine miles southeast of Tulare. The Solid Waste service operates under the direction of the Board of Public Utilities. This division is also responsible for street sweeping operations which like solid waste collection, contributes to the overall cleanliness and sanitary condition of the City.

In 1989, the State of California passed the Integrated Waste Management Act. Assembly Bill 939 (AB 939) required all cities and counties implement programs to reduce landfill tonnage by 25% by the end of 1995, and 50% by the end of 2000. The eight Tulare County City's (Porterville, Visalia, Tulare, Lindsay, Dinuba, Farmersville, Exeter, and Woodlake), which are involved in the Joint Power Authority are currently at 44% diversion. The JPA has a time extension and plans to return to 50% diversion. Based upon information obtained from the Tulare County Solid Waste Division website (www.co.tulare.ca.us/solidwaste/swabout.htm), the County buries about 300,000 tons of waste per year, which is equivalent to about 5 lbs. per person per day, or one ton per County resident per year. The budget for this operation is \$12-\$13 million annually.

The County operates three landfills or solid waste disposal sites. These three facilities are the Tulare Landfill, northwest of Tulare; the Woodville Landfill, southeast of Tulare; and the Teapot Dome Landfill, southwest of Porterville. The County also operates seven transfer stations. The transfer stations are located in rural areas for the convenience of the people who live near them and do not accept large volumes of waste. The seven transfer stations and approximate locations are listed below:

- Badger Transfer Station, east of Badger
- Balance Rock Transfer Station, north of Balance Rock
- Camp Nelson Transfer Station, northeast of Camp Nelson
- Earlimart Transfer Station, north of Earlimart
- Kennedy Meadows Transfer Station, near the Inyo County line in southeast Tulare County
- Pine Flat Transfer Station, north of Pine Flat
- Springville Transfer Station, south of Springville

Based upon discussions with the Tulare County Solid Waste Division, the Tulare Landfill is planned to expand in 9-phases, based upon increased demand. Phase 1 expansion has already been implemented. With the nine phased expansions, the total capacity of the Tulare Landfill is estimated at 16,521,501 cubic yards. The Tulare County Solid Waste Division further indicated that the Tulare Landfill has sufficient capacity to accommodate solid waste disposal demands through year 2040.

The Solid Waste Division continues to be very active in providing quality services. An eighth residential route was added in fiscal year 2001-02 due to new housing growth since the last route that was added in 1995. While another new route will be needed soon, the division has made changes to make better use of the existing routes. As employee, fuel costs, and landfill fees continue to rise, to keep pace with increasing demands and to keep the fund from incurring losses, refuse collection rate increases are planned. For the first time, during fiscal year 2005-06, the Solid Waste Division is funding efforts to divert waste materials to a “waste to energy” facility. The recycling of collected refuse at a material recovery facility (MRF) continues to be funded. Two new positions within the solid waste/street sweeping division are recommended to replace previous outside labor. The positions maintain access to the City’s alleys.

For fiscal year 2004-05, the solid waste/street sweeping divisions expenditures exceeded revenues, resulting in an annual loss of approximately \$433,700. For fiscal year 2005-06, anticipated revenues of \$5,382,830 are projected to cover estimated expenditures totaling \$5,051,190. It appears that the solid waste/street sweeping division is operated in an effective and efficient manner, and meets the needs of current residents, with the ability to serve additional customers.

3.2.8 Written Determinations

Water

1. The City has a Water System Master Plan that was last updated in May 1994, and indicated that a comprehensive update will be completed following the adoption of the General Plan Update, which is scheduled for completion in the fall of 2006. The current Master Plan has a planning area coterminous with the City’s Urban Reserve Line, which lies within the City’s UDL and SOI. When the City updates the Master Plan, it is recommended that the planning boundary be extended, at a minimum, to encompass the City’s SOI, to ensure that adequate water supply can be provided to accommodate future growth consistent with General Plan Build-out.
2. The City’s water supply source consists of a series of domestic wells that are scattered throughout the City, extracting water from the City’s underground aquifer. There is one elevated storage tank with a capacity of 150,000 gallons connected to the system, and several hydro-pneumatic pressure tanks that are used for storage as well.

3. The City has an enterprise fund set up for the operation and maintenance of its water system, and a seven year capital improvement program (CIP) for water, to implement capital water system improvements.
4. The Public Works Department indicated that water production for the month of June 2005 was approximately 660,500,000 gallons, with an estimated water production for July 2005 of over 700,000,000 gallons. The City estimates that the current system operates at approximately 90%-95% of its capacity during summer (maximum demand) months.
5. The City is improving its water system capacity by replacing/refurbishing one well every other year, and in off years, adding a new well to the system. City officials indicated that the City has been on a faster track recently, which is evident by the recently awarded contract to drill two new wells, Nos. 37 and 38. Well No. 37 would replace Well No. 16. The City anticipates that once water meters are installed, they should drop back to the every other year scenario.
6. The City is engaged in an agreement with the Tulare Irrigation District (TID), in which the City compensates the District since the City's system benefits from the recharge of the aquifer as a result of the District's operations. The agreement was renewed in 2005 and extends through year 2035.
7. Beginning fiscal year 2005-06, the City will begin converting all connections to the water system to metered connections. The conversion is expected to take seven years and will have significant conservation benefits.
8. Based upon information obtained from the Department of Water Resources, the City of Tulare has not complied with the Urban Water Management Planning Act, which requires urban water suppliers to submit Urban Water Management Plans to the Department every five years, on years ending in zero and five. The City has not complied with the 2000 requirement and has until December 2005 to comply with the 2005 requirement. Non-compliant urban water suppliers are ineligible to receive funding pursuant to Division 24 (commencing with section 78500) or Division 26 (commencing with section 79000), or receive drought assistance from the State until the UWMP is submitted pursuant to the Urban Water Management Planning Act. City officials have indicated that the preparation of their 2005 UWMP has been funded in the City's budget for fiscal year 2005-06.
9. The City has a sound management structure in place that will continue to provide efficient water service to existing and future residents of Tulare. The City maintains a balance in their enterprise water fund, which can be used to fund unforeseen major repairs and/or improvements to the water system.
10. When evaluating any proposed SOI updates, LAFCO should consider which agency can most efficiently provide water service to the subject area and ensure that adequate planning has taken place for the provision of public services.

Wastewater Collection, Treatment and Disposal

1. The City has a Sewer System Master Plan that was updated in 1991. When the City updates the Sewer System Master Plan, it is recommended that the planning Boundary be extended to encompass the City's SOI in order to ensure that adequate sanitary sewer infrastructure can be provided to accommodate future growth consistent with General Plan Build-out.

2. The City has an enterprise fund set up for the operation and maintenance of its sewer/wastewater systems, and a seven year CIP for sewer/wastewater, to implement capital sewer/wastewater system improvements.
3. The City owns and operates a wastewater treatment facility (WWTF) located at the intersection of Levin Avenue and Gemini Street in southwest Tulare. The WWTF is operated under the provisions of *Waste Discharge Requirements (WDR) Order No. R5-2002-0186*, issued by the California Regional Water Quality Control Board Central Valley Region. The City's WWTF has two separate wastewater treatment trains (WWTT), a domestic WWTT, and an industrial WWTT.
4. *WDR Order No. R5-2002-0186* outlines varying levels of prescribed flow limits, depending on certain criteria being met, including obtaining written approval from the Executive Officer documenting technical justification of treatment capacity. City staff has indicated that current improvements at the WWTF allow for a domestic flow of 6.0 MGD, and an industrial flow of 6.7 MGD.
5. The WDR Order specifies several actions that are necessary to comply with current regulations with regard to effluent water quality, and capacity. The permit provides seven years to eliminate the impact of nitrates and other pollutants. Continuous efforts by the City will be necessary to meet the deadline.
6. Based upon information contained in a Self Monitoring Report for September 2005, an average monthly influent flow of 4.83 MGD was recorded for the domestic WWTT, and an average monthly influent flow of 6.28 MGD was recorded for the industrial WWTT.
7. The City's budget reflects continued efforts to anticipate and avoid any problems with the sewer/wastewater utilities, with many capital improvements included. Several million dollars in projects are proposed, and bonding and rate increases will continue to be needed. A previously approved 10% rate increase took effect in July 2005.
8. Based upon a review of the City's budget for sewer/wastewater, it appears that the service is being managed in a cost effective and efficient manner. The City's effort to keep sanitary sewer rates in check is evident by the City's issuance of sewer bonds to construct capital improvements to the WWTF. The City is meeting the long term debt obligations of bond issuances.
9. There is no evidence suggesting that the City does not have the capabilities to provide current and future residents, including service to SOI areas, with sewer/wastewater service.

Drainage Infrastructure

1. The City has a Storm Drain Master Plan which was last updated in 1974, and is far outdated according to City staff. City officials have indicated that several "min-updates" have been done in areas where the drainage master plan is no longer applicable. The City plans to update infrastructure master plans (including drainage) following the completion of the City's General Plan Update.

2. The City has a Storm Drainage Division that is funded through general fund appropriations, and, where appropriate, gasoline tax expenditures where storm drainage installations are in connection with major street projects.
3. Under an agreement with the TID, the City pumps storm water into the TID canal system. Disposal of storm water is also handled by means of storm drainage retarding basins and storm drainage retention basins.
4. For fiscal year 2005-06, \$458,490 was budgeted for the operation of the Storm Drainage Division, which includes only one maintenance position.
5. The City assesses development impact fees for storm drain consistent with City Resolution Number 03-4988. The City has established sixteen benefit areas for assessment of storm drain impact fees which range from \$614 to \$1,355 per single family dwelling.
6. The City has a seven year CIP for storm drainage, to implement capital storm drainage system improvements. Capital storm drainage improvements planned for fiscal year 2005-06 include oversize participation, pipeline construction, and pond construction.
7. The City will need to continually expand and improve its storm drain system to keep pace with development demands. As the City's storm drain system continues to expand, the City will likely need to add additional staff to operate and maintain the system, as there is currently one maintenance technician for the entire system.
8. The City would be the most logical agency to provide storm drain infrastructure for development within the City's SOI. Past improvements to the City's storm drain system have significantly reduced flooding problems in the area.

Streets and Roads

1. The City plans for roadway transportation improvements through the implementation of General Plan Circulation Element Goals and Policies, and Specific Planning. The City is undertaking a comprehensive update to their General Plan Circulation Element, which is expected to be completed in 2006. The Circulation Element of the General Plan provides a foundation for evaluating the transportation issues facing the City.
2. The Tulare County Regional Transportation Plan (RTP) provides a link between local (City) and regional (County) transportation needs. The Regional Transportation Improvement Program (RTIP), which qualifies projects for the State Transportation Improvement Program (STIP), programs RTP projects, and serves as the implementing document.
3. For fiscal year 2005-06, \$2,449,940 was budgeted for the operation of the Streets Division, which includes eight full time staff positions.
4. The City assesses development impact fees for streets, interchanges, and traffic signals consistent with City Resolution Number 03-4988. For single family dwellings, the transportation impact fee has been established at \$1,021 per dwelling.
5. The City has a seven year CIP for streets, which includes various revenue sources including gas tax STIP funding, grant funding, development impact fees, and transfers from the general fund. Capital street improvements planned for fiscal year 2005-06 include various street

projects, traffic signals, oversize participation, the AG Center Interchange, and UPRR crossing upgrades.

6. The City continues to make steady progress towards upgrading and expanding its roadway infrastructure. The City's approach and plan for completing capital improvements is excellent, and in line with the needs of the community.

Fire and Police Protection Services

1. The City completed the construction of its third fire station in fiscal year 2004-05 and is funding the last three positions for that station during fiscal year 2005-06. The new station was locally funded through impact fees on new development and is the City's first new fire station in over two decades. The new fire station represents a 50% increase in department capabilities to respond rapidly to emergency needs.
2. The City's fire department operates three stations staffed with a total of 38 sworn fire fighters.
3. The City continues to upgrade fire facilities and increase fire staff as needed to serve the residents of Tulare through capital improvement funds and general fund allocations.
4. It is goal of the City to develop a comprehensive Fire Department Master Plan by the fall of calendar year 2007. A fire department master plan will assist the City in planning future fire stations, staffing requirements, as well as address response time management needs, in line with increasing demand for public safety efforts.
5. The City's police department operates out of one main station, and three community policing sub-stations staffed with a total of 64 sworn police officers.
6. The City's strong commitment to a safer community is reflected in the first full year funding of 13 new police positions, a 17% increase over the prior year.
7. As Tulare continues to grow, the City will need to plan for future police staffing, and additional sub-stations in line with increasing public safety demands. The preparation of a police department master plan could assist the City in preparing for and implementing such improvements.

Solid Waste

1. Solid waste collection service is provided by the City while disposal services are provided through Tulare County via area landfills. The City's solid waste collection operations are also integrated with the City's street sweeping activities.
2. The City's solid waste division continues to be very active in providing quality services. An eighth residential route was added in fiscal year 2001-02 due to new housing growth since the last route that was added in 1995.
3. In 1989, the State of California passed the Integrated Waste Management Act. Assembly Bill 939 (AB 939) required all cities and counties implement programs to reduce landfill tonnage by 25% by the end of 1995, and 50% by the end of 2000. The eight Tulare County City's (Porterville, Visalia, Tulare, Lindsay, Dinuba, Farmersville, Exeter, and Woodlake) are

involved in a Joint Power Authority (JPA) and are currently at 44% diversion. The JPA has a time extension and plans to return to 50% diversion.

4. For fiscal year 2004-05, the solid waste/street sweeping division's expenditures exceeded revenues, resulting in an annual loss of approximately \$433,700. For fiscal year 2005-06, anticipated revenues of \$5,382,830 are projected to cover estimated expenditures totaling \$5,051,190.
5. As employee (salaries/benefits), fuel costs, and landfill fees continue to rise, to keep pace with increasing demands and to keep the solid waste/street sweeping fund from incurring losses, refuse collection rate increases of 5% have been approved for 2005, 2006 and 2007.
6. The City's street sweeping/solid waste division should be able to continue to provide solid waste collection/street sweeping services to existing and future residents, including SOI areas.

3.3 FINANCING OPPORTUNITIES AND CONSTRAINTS

The purpose of this section is to evaluate a jurisdiction's capability to finance needed improvements and services. The section summarizes the accomplishments of the City's budget preparation process.

3.3.1 Annual Budget

The City of Tulare has sound financing/funding practices established as a part of their budget preparation process. The City's budget includes several funds (identified below) for which revenue sources and expenditures are clearly articulated.

- General fund
- Special revenue funds
- Trust funds & debt service funds
- Enterprise funds
- Redevelopment funds
- Internal service funds

The City's budget identifies detailed revenue projections by fund, along with line item expenditure recommendations. It also shows prior year expenditures and projections for comparison. The budget contains a variety of schedules that may be used by City staff, board members, and citizens as a resource document. It is designed to contain both fiscal data and departmental information. For the past ten years, Tulare has received an "Outstanding Financial Reporting Award", from the California Society of Municipal Finance Officers.

The City's estimated general fund cash balance for the end of fiscal year 2005-06 is just under \$8 million, a decrease of 35%. The Government of Finance Officers Association recommends a reserve balance of no less than 5-15% of operating revenues in the general fund, or between one and two months of regular general fund expenditures. Though reduced, the City's anticipated general fund balance at the end of fiscal year 2005-06 represents nearly 8½% of operating revenues, and over one month of expenditures.

3.3.2 Local Funding

The City-wide operating budget for fiscal year 2005-06 totals \$51,292,170, an increase of 9.7% over 2004-05. The grand total operating budget for the City is over \$75,000,000, which includes the CIP funds, and Redevelopment Agency funds. The CIP is funded through development impact fees, and as appropriate, transfers from other City funds. Following are a few examples of projects that the City has completed (or is in the process of completing) fully or partially funded through revenue generated from development impact fees.

- New water mains and sewer trunks
- New park facility (Del Lago)
- Develop new water sources
- Airport improvement plans
- AG Center interchange
- WWTF improvements
- New fire station

The community has also supported improved City efforts by supporting an increase in the utility user's tax to the statutory maximum of 7%, an increase of 1%, passed in 2002. The money is designated to be used 75% for streets, and 25% for the local match for a library grant.

3.3.3 Outside Funding

The City also actively seeks outside funding through state and federal grant and loan programs. The City's redevelopment activities encompass use of Community Development Block Grant (CDBG) Funds, HOME funds, and tax increment funds from the redevelopment agency project areas to accomplish its broad mission. The redevelopment budget is significantly higher for fiscal year 2005-06 due to success in obtaining a \$500,000 Cal Home Grant, and a \$1.65 million HELP loan grant to acquire property around the old "County triangle" for low to moderate housing.

The City's commitment to aggressively seeking outside grant funding has resulted in Zumwalt Park improvements and construction of the Silvercrest senior housing project. In addition, the City continues to pursue more than \$6 million of state funds for the construction of a new library, which would also require local matching for the grant money.

City staff continues to strive to meet the Council's goals to bring jobs and at least the City's fair share of sales, taxes, and grants to the community.

3.3.4 Bond Ratings

During the past few years, the City has sold bonds to finance expensive capital improvements to its WWTF, and to refinance higher interest, existing borrowings. While going into debt is seldom positive, the City selling over \$42 million in bonds in 2003 was seen as a success. The sewer bonds keep customer rates lower by spreading out required improvement costs over time, and will save over \$1.5 million in interest, as most of the bond was to refinance high interest borrowings. The new bond interest rate averages 4.48% annually.

It is a goal of the City Council to pursue a general obligation bond while rates are low and other funding opportunities for grade separation crossings of the Union Pacific Railroad at Bardsley Avenue and Cartmill Avenue.

3.3.5 State Fiscal Impacts

Due to continuing losses of revenue due to the state's fiscal crisis, and the Council's funding of new police personnel, the general fund budget is not currently balanced. A new revenue source is needed to maintain and improve the City's public safety services in the years ahead. A sales tax ballot initiative, which increased the local sales tax by ½ cent in order to maintain and improve the City's public safety services, was passed in the November 2005 election.

The City identifies the biggest threat to City services over the past twenty years as the state government. Major losses of traditional local revenues occurred in 1978, 1993, and 2003. The constitutional protection passed in November 2004, reduces the unfortunate threat to the financial future of the City, but does not repay over \$9 million lost since 1992.

The City will need to continue to seek ways to offset revenue losses resulting from the state fiscal conditions. Additional revenue streams could be generated by continuing to aggressively seek state and federal grant funding, local tax initiatives, working with the private sector to fund certain activities, and promoting economic development that will generate tax revenue.

3.3.6 Written Determinations

1. The City of Tulare has sound financing/funding practices in place in order to fund City provided services. The financing functions guide the City on how revenue can be best spent by considering the impact on the community, public perception/acceptance, difficulty of implementing, and impact on employees.
2. Though reduced due to an imbalanced general fund (by approximately \$1.6 million), the anticipated general fund balance at the end of fiscal year 2005-06 is estimated at \$8 million, which represents 8½% of operating revenues, and over one month of expenses. The Government of Finance Officers Association recommends a reserve balance of no less than 5-15% of operating revenues in the general fund, or between one and two months of regular general fund expenditures.
3. The City assesses development impact fees to mitigate impacts on infrastructure resulting from new development projects. The City uses these fees to construct capital infrastructure improvements.
4. The City is making steps to reverse its unusual deficit spending for fiscal year 2005-06. A sales tax ballot initiative, which increased the local sales tax by ½ cent in order to maintain and improve the City's public safety services, was passed in the November 2005 election.
5. The City actively pursues outside funding sources including state and federal grant and loan programs to improve the community. The City is currently pursuing over \$6 million of state funds for the construction of a new library. The redevelopment agency received over \$2 million in grants in fiscal year 2005-06.
6. In the past few years, the City has been selling bonds to finance expensive capital improvements to its WWTF, and to refinance higher interest, existing borrowings. The new bonds, which will save the City over \$1.5 million in interest, have an interest rate averaging 4.48% annually.
7. The City identifies the biggest threat to City services over the past twenty years as the California state government. The constitutional protection passed in November 2004 reduces the unfortunate threat to the financial future of the City.
8. The City will need to continue to seek ways to offset revenue losses resulting from the state fiscal conditions. Additional revenue streams could be generated by continuing to aggressively seek state and federal grant funding, local tax initiatives, working with the private sector to fund certain activities, and promoting economic develop that will generate tax revenue.

3.4 COST AVOIDANCE OPPORTUNITIES

The purpose of this section is to identify practices or opportunities that may help to eliminate unnecessary costs. This section evaluates the City's cost avoidance practices built into the City's budgetary process. The City's purchasing policy is also described to show how the City avoids unnecessary costs through competitive bidding, and other purchasing practices. The City's goals with regard to cost avoidance opportunities are also discussed.

3.4.1 Budgetary Process

The City's budgetary process is designed to screen out unnecessary costs. The budget development process involves extensive work by the City Council, City Manager, budget staff, and managers of all departments. In addition to meetings beginning at the departmental level with the first line supervisors, the City Manager, department heads, and the Finance Director meet to go over each budget. For fiscal year 2005-06, 34 budget balancing ideas and follow-up items were generated from these discussions. Workshops are then held with the management team to confirm priorities, develop a list of budget balancing measures, prioritize them, and reach consensus on recommendations.

For fiscal year 2005-06, the general fund budget as originally submitted exceeded projected revenues by approximately \$2.6 million, which was reduced to approximately \$2.18 million during the department head budget meetings with the City Manager. The top managers' second budget workshop and meetings with the Council budget committee then reduced the general deficit to \$1.62 million. The management team used the Council's goals prior to deciding on their recommendations. In evaluating budget balancing ideas, the following criteria were considered; impact on the community, public perception/acceptance, difficulty of implementing, and impact on employees.

On or before the second regular meeting in May of each year, the City Manager shall submit to the Council an estimate of revenue and expenditures for the ensuing year which contains an estimate of the probable revenue from all sources, the amount necessary to meet the interest and principal of the bonded indebtedness of the City, and the following information, arranged in parallel columns:

- Detailed estimate of the expenses of conducting each Department
- Expenditures for the corresponding items for the past two fiscal years
- Expenditures of corresponding items for the current fiscal year
- Supplies and materials on hand
- Such other information as the Council may require
- Recommendations of the City Manager

Typically, proposed expenditures which exceed previous years for corresponding items need justification, and need to be in line with the goals of the City Council. These goals and priorities help City staff focus on the areas that will be receiving financial resources in the next fiscal year. This process avoids unnecessary costs by helping to refine the specific priorities to be considered in the next fiscal year. Consistent with the Council's prioritized goals, several funding recommendations serve the goals of highest priority; funding for public safety has increased, and major economic development efforts continue.

3.4.2 Purchasing (Procurement) Policy

The City has comprehensive purchasing policies that promote the cost-effective procurement of goods and services. These policies identify specific rules and regulations for purchasing services and capital

assets for the City. These policies are detailed within a comprehensive Procurement Policy Manual, organized as follows.

- **Section 1 – General Provisions:** Contains guidelines to address ethical considerations, delegations to other City officials, source of selection policies, award policies, value and price policies, supplier policies, bid requirements, exceptions to bidding requirements, rejection of bids, award of contracts, and equipment purchases.
- **Section 2 – Procurement by Formal Advertising:** Contains guidelines addressing general policy with regard to competitive bidding, formal bidding procedures, and supplemental procedures.
- **Section 3 – Procurement by Open Market Procedure:** Contains guidelines addressing general policy for procurement by open market procedure, source selection procedures, and award of purchases.
- **Section 4 – Sole Source Procurement:** Contains guidelines addressing general policy for sole source procurement, justification for requesting sole source procurement, cost and price analysis, and award of purchases.
- **Section 5 – Procurement Process:** Contains guidelines addressing supplier/department relations policies (relations with other departments, relations with suppliers representatives'), purchase requisitions, request for quotation of bids, purchase orders, issuance of purchasing orders, purchase order acknowledgement, follow-up procedures, receiving procedures, emergency purchases, coordination of purchases, and return of unauthorized purchases.
- **Section 6 – Miscellaneous:** Contains guidelines addressing warranty or guarantee policies, signature requirements, theft of or damage to City property, and claim deadlines.
- **Section 7 – Charter and Other Requirements for Purchasing:** This section identifies amendments to the City's charter (by resolution) that have an affect on the purchasing activities of the City.

Healthy competition is at the heart of efficient purchasing. Competition is directly related to the prices the City pays and the quality of the goods and services it obtains. The City's procurement policy is based upon fair and open competition. The foundation for effective fair and open competition is equal treatment of each vendor, and it is imperative that no vendor is given an advantage over the others.

3.4.3 Goals/Policies Related to Cost Avoidance

The City avoids unnecessary costs through the implementation of infrastructure Master Plans, which assist in eliminating overlapping or duplicative services. Master planning documents also provide sound funding alternatives for their implementation, and plan for growth within and surrounding the City. The City also has a development impact fee program to help offset the financial responsibility of the City to install and maintain the infrastructure necessary to serve new developments.

The following City Goal Statements (fiscal year 2005-06) reflect the City's efforts to avoid unnecessary costs by seeking alternative funding sources.

“Continue to improve the City's cost effectiveness and revenue raising (enhancement) efforts, including use of assessment districts, track and show savings, maintain a

balanced budget, including maintaining a general fund budget reserve that grows each year, and emphasize performance measurement.”

“Pursue general obligation bond while rates are low and other funding for grade separation crossings of the Union Pacific Railroad at Bardsley Avenue and Cartmill Avenue...”

“Commit to improving streets to an acceptable level by implementing an ongoing street maintenance program, while actively seeking new funding sources.”

“...Research funding options for improving and increasing street lighting, as it relates to Proposition 218 limitations, and establish and maintain uniform lighting standards through the entire City (including alleys) by 2006.”

The City can avoid unnecessary costs by implementing smart growth practices by promoting development in infill areas and areas where infrastructure is already in place (and has excess capacity). Through the preparation, implementation, and updating of infrastructure Master Plans, the City can avoid unnecessary costs by incrementally expanding its infrastructure to areas zoned for General Plan development. Master Plans and Specific Plans also help to ensure that duplication of services does not occur.

The City could also avoid unnecessary costs through the construction of joint use facilities, including but not limited to recreational sports fields, parks, or a museum (in cooperation with the County). The City’s use of landscaping and lighting districts, along with impact fees is an important aspect of avoiding future financial liability. Additional practices which have the potential of eliminating unnecessary costs include the formation of homeowners associations for larger scale residential developments where shared (community) facilities are present. Associations could maintain facilities such as streets, play grounds, swimming pools, parks, and gyms, thereby relieving the financial obligations of the City.

3.4.4 Written Determinations

1. The City of Tulare uses conservative budgeting practices to ensure adequate and cost-effective services to current residents. It can be expected that the City will avoid unnecessary costs that may be caused by the annexation of the proposed SOI areas through comprehensive analysis of the costs and benefits of a proposed development in those areas.
2. The City has a thorough and well-established budget process that it can continue to improve upon as a way of avoiding unnecessary costs.
3. Master planned infrastructure helps the City in avoiding unnecessary costs through effective planning and implementation policies, and eliminating overlapping and/or duplicative services.
4. The City’s developer impact fee program has proven effective in reducing the financial responsibility of the City to install and maintain infrastructure to serve new developments. The primary financial responsibility for the installation and maintenance of infrastructure to serve the SOI areas would be offset by impact fees and expenses paid for by the developer.
5. The City has a well-defined purchasing policy that promotes healthy competition and guides the City in obtaining cost effective and quality services.

6. The City's use of landscaping and lighting districts, along with impact fees is an important aspect of avoiding future financial liability. The formation of homeowners associations for larger scale residential development could also help reduce the financial liabilities of the City.

3.5 OPPORTUNITIES FOR RATE RESTRUCTURING

The purpose of this section is to identify opportunities to positively impact rates without decreasing service levels. This section provides a comparison of various utility rates to surrounding jurisdictions to show that the City can provide effective quality service at rates comparable to surrounding agencies.

3.5.1 Fee Structure

The City has in-place development impact fees, connection fees, reconnection fees, and monthly user fees which are utilized to expand and maintain the City's infrastructure systems.

The Board of Public Utilities Commissioners, by adoption of Resolution 03-611, increased water rates charged to current users in July 2002, and again in July 2003. In July 2002, an across the board 8% rate increase was adopted for all metered and un-metered water users. In July 2003, the Board adopted a rate increase of 5% for metered customers and a 9.5% rate increase for flat rate customers. As an alternative to an across the board rate increase, the Board opted to increase flat rates more than metered rates to provide an incentive for flat rate customers to switch to meters. The additional revenue is to be used for improvements to the water system to increase pressure by adding wells and replacing under-sized pipelines. The City continues to offer a free meter installation program as they have in the past and tie the publicity to A.B. 306 which requires that all water customers in California be metered.

As of July 2003, the cost per month for a non-metered single family residence is \$15.72 plus an additional cost of \$0.07 per month for each additional 100 square feet of parcels greater than 7,500 square feet in area. For a standard 1" single family residential metered service, a monthly service charge of \$9.67 covers a base usage of 10,000 gallons. For all water in excess of the "baseline" allowance, a monthly rate of \$0.544 for each 1,000 gallons used is charged. The City requires that a minimum size 1" metered service be installed to multi-family, commercial or industrial lots and to any single-family residence constructed after January 1, 1992. The installation of ¾" meters will only be considered for use as landscape irrigation sub-meters to determine appropriate sewer bills to business establishments as defined in the sewer rate resolution.

To finance improvements needed to comply with the WWTF permit, issued by the California Regional Water Quality Control Board Central Valley Region, sewer revenue bonds were sold by the City. Sewer revenues from adopted rates must pay for operating costs including labor, materials and supplies, depreciation of the plant and debt service, including the 2003 sewer revenue bond. The City has incrementally increased sewer rates for single family connections from \$17.69 per month effective August 2003 to \$20.17 per month effective July 2004, and \$22.19 per month effective July 2005.

Tables 3-4A – 3-4C compare the water, sewer, and refuse rates for the cities of Tulare, Porterville, and Visalia. The rates identified are for single-family dwellings metered water service (for a standard 5/8 x 3/4-inch meter), flat rate sewer fees, and flat rates for refuse pickup. The sample monthly bill is calculated using 12 units (1,200 cubic feet or 8,977 gallons) of water as a base.

**TABLE 3-4A
SINGLE FAMILY WATER RATES**

City	Monthly Service Meter Charge	Water (per 100 cubic feet or 748 gallons)	Other Charges	Sample Monthly Bill
City of Tulare	\$9.67	\$0.40	\$0.00	\$9.67
City of Visalia	\$6.70	\$0.51	\$0.00	\$12.82
City of Porterville	\$5.00	\$0.72	6% of Total ¹	\$14.46

*Notes: 1) The City of Porterville assesses a 6% Utility Users Tax within City Limits
2) The City of Tulare's Base Rate of \$9.67 covers water usage to 10,000 gallons. Usage above 10,000 gallons has additional charges in the amount of \$0.544 per 1,000 gallons (134 cubic feet).*

**TABLE 3-4B
SINGLE FAMILY SEWER RATES**

City	Flat Rate	Other Charges
City of Tulare	\$22.19	\$0.00
City of Visalia	\$13.81	\$0.00
City of Porterville	\$25.39	\$0.00

**TABLE 3-4C
SINGLE FAMILY REFUSE RATES**

City	Flat Rate	Other Charges
City of Tulare	\$16.00	\$6.80/Additional Can
City of Visalia	\$16.00	\$4.00/Additional Can
City of Porterville	\$15.00	\$0.00

As indicated in the above tables, the City is able to provide quality service generally at comparable rates to other Cities within the County. There is no evidence suggesting that the annexation of areas within the SOI would result in unreasonable fees for these services as properties annex and develop within the City. It is anticipated that fees for the SOI areas would be inline with citywide fees for such services. As previously discussed, the City has programs in place (development impact fees, capital improvement program, etc.) for the construction of new infrastructure, thereby, mitigating the need to increase rates for current residents to support new development within the SOI areas.

3.5.2 Written Determinations

1. Rates and fees for services are established and updated using the City's budget process, ordinances and other regulations.
2. The City has a sound fee structure in place that allows the City to continue to provide cost effective services to its residents while continuing to maintain and improve the current infrastructure.
3. There is no evidence that the City would not be able to provide services to the SOI areas for fees consistent with City-wide fees for such services.

3.6 OPPORTUNITIES FOR SHARED FACILITIES

The purpose of this section is to evaluate opportunities for a jurisdiction to share facilities and resources, thereby increasing efficiency. This section provides a description of the City's current facilities sharing activities, and identifies future opportunities to collaborate with other agencies on joint use projects and/or practices.

3.6.1 Current Shared Facilities

The City has worked with TCAG and Tulare County RMA on regional planning issues including transportation, solid waste, and coordinating applications to request State and/or Federal funding for joint projects. In 1989, the State of California passed the Integrated Waste Management Act. Assembly Bill 939 (AB 939) required all cities and counties implement programs to reduce landfill tonnage by 25% by the end of 1995, and 50% by the end of 2000. The eight Tulare County City's (Porterville, Visalia, Tulare, Lindsay, Dinuba, Farmersville, Exeter, and Woodlake), established a Joint Power Authority to comply with the requirements of AB 939.

The City of Tulare has mutual aid agreements with surrounding jurisdictions to provide and/or receive emergency and fire support services. The City also works with the Tulare Irrigation District and the Kaweah Delta Water Conservation District on groundwater recharge, and water resource management issues.

The City coordinated with Caltrans on a new landscape project along SR 99 through Tulare, and explored funding possibilities and set a timetable for wall construction along freeway abutting residential areas.

3.6.2 Future Opportunities

With the State budget crisis impacting both Counties and Cities, the need for intergovernmental cooperation is becoming apparent, as every agency is facing an unprecedented assault on local resources. For this reason, it is important for City's and the County to meet this challenge on common ground.

The City has several future opportunities for shared facilities and/or the construction of joint use projects. One opportunity for shared facilities involves the construction of groundwater recharge facilities. As groundwater levels in the County continue to dwindle, the importance of groundwater recharge projects is becoming apparent. Groundwater recharge efforts would benefit both the County as a whole and the City in terms planning for future growth within the SOI boundary.

Other opportunities for shared facilities include the coordination and construction of recreational facilities including parks, hiking/bike trails, scenic trails, etc. The area separating the Cities of Tulare and Visalia could be considered ideal for the construction of joint recreational facilities, as there are several waterways that enhance the recreational appeal of the area. Planning this area for future recreational facilities could be accomplished as a joint effort between the City of Tulare, the City of Visalia, and Tulare County. The recreational aspects of trail connections offer opportunities for Cities and Counties to join recreational resources not only to the benefit of the Cities residents', but for the general public of the County as well.

The City should explore opportunities to work with the local school district to share recreational facilities including gymnasiums, ball fields, track and field facilities, hard courts, and other facilities as such activities could benefit both the school district, and City residents.

The City should continue to work with the County on efforts to preserve prime agricultural land, and discourage development that would result in the loss of such lands. The City can accomplish this through smart growth planning, and promoting higher density developments.

3.6.3 Written Determinations

Current Shared Facilities

1. The City has worked with TCAG and Tulare County RMA on regional planning issues including transportation, solid waste, and coordinating applications to request State and/or Federal funding for joint projects.
2. The City has mutual aid agreements with surrounding jurisdictions to provide and/or receive emergency and fire support services.
3. The City actively works with the TID and the Kaweah Delta Water Conservation District on groundwater recharge, and water resource management issues.
4. The City coordinated with Caltrans on a new landscape project along SR 99 through Tulare and explored funding possibilities and set a timetable for wall construction along freeway abutting residential areas.

Future Opportunities

1. The City has several future opportunities to share services and/or facilities in the future, including but not limited to: groundwater recharge efforts, recreational facilities within mutual benefit areas, sharing facilities with the school district, and agricultural land preservation.

3.7 GOVERNMENT STRUCTURE OPTIONS

The purpose of this section is to consider the advantages and disadvantages of various government structures to provide public services. This section describes the potential fiscal impacts of development within SOI areas, and the annexation of land. The section also identifies the potential implications of possible boundary conflicts that could affect the governmental structure of the City and surrounding agencies.

3.7.1 Development within SOI Areas

One of the most critical elements of LAFCO's responsibilities is in setting logical service boundaries for communities based on their capability to provide services to affected lands. Similar levels of public participation can be expected for either City or County development projects in the planning and development process for the SOI territories. It is possible that development in the SOI areas that occurs under County control may not fully resolve impacts to the City, such as increased traffic on City streets and new groundwater wells to support County development impacting Tulare groundwater aquifers and other analogous assumptions. It can also be assumed that the reverse is true: that development controlled only by the City may leave impacts in the County unresolved in whole or in part. The challenge of this planning effort is to coordinate shared infrastructure and improvements so as to mitigate impacts on either side of the City/County limit boundary. Since the development of the SOI territories generally relies on Master Planned infrastructure available from the City, it is logical that the City assume the lead in planning for SOI properties.

If the City were to be the lead planning agency for properties within the SOI, LAFCO could require the City to bring coordinated plans for infrastructure forward to LAFCO at the time specific annexations requests are submitted. This would provide a checks and balance system for incorporating new lands within the City, and would render the remaining County lands a part of an integrated whole.

As previously noted, there are some unincorporated "County Islands" lying within the City Limit Boundary. Annexation of these "County Islands" into the City would create a more defined City Limit Boundary while meeting or exceeding the current levels of service provided by the County. The City is currently working with Tulare County LAFCO to annex the "County Islands" into the City.

The City helps guide infrastructure improvements within SOI areas through the preparation of Specific Plans, and Master Plans. A Specific Plan usually provides for a more detailed planning process and covers development issues in a more comprehensive manner.

The City Limits can be established in a manner that maximizes open space and agricultural land preservation. The City and County are both undertaking comprehensive updates to their General Plans, which will enhance management of the development of the land within SOI areas. The General Plan represents a policy base that provides for high-quality orderly and sensible growth. It also promotes the provision of adequate and efficient public services for logical and appropriate municipal expansion into the area while preserving agricultural lands for priority agricultural use, consistent with County land use policies. The plan also draws the line at urban growth limits for the City, identifying lands that will remain in the County. The City and County will need to work collaboratively on their General Plan Updates to ensure consistency, and avoid costs associated with general plan amendment proposals. The City should be actively involved in the County General Plan Update process to ensure that their needs regarding zoning within municipal fringe areas, and SOI areas, are addressed with regard to land use planning, and development potential.

Tulare County LAFCO has adopted specific policies for reviewing proposals for a change in organization, reorganization, incorporations, dissolution and other proposals processed by Tulare County LAFCO. Tulare County LAFCO policy C-1 identifies factors and standards to be considered in review proposals including additional requirements for City annexations, standards for annexation to special districts, standards for the formation of special districts, and standards for City incorporation. Tulare County LAFCO policy C-2 outlines general procedures for changes in boundaries or organization to be processed by LAFCO. Generally, proposals for changes in boundaries, formations, or changes of organization can be submitted for the consideration of LAFCO by petition of the registered voters or affected landowners; however, prior to the circulation of any petition, a “Notice of Intent to Circulate” must be presented to the LAFCO Executive Officer. A proposal may also be initiated by a resolution adopted by the governing body of any related public body (county, city or special district). The proposal must be submitted on forms available from the LAFCO staff office, or on the LAFCO website, along with the applicable number of maps, legal descriptions, and filing fees to cover the proposal submitted.

Tulare County LAFCO policies C-3 and C-4 outline specific criteria for petitions for change in organization, and protest hearings, respectively. Tulare County LAFCO policy C-5 sets forth specific criteria for establishing, and reviewing amendment proposals to, Spheres of Influence. Policy C-5 contains criteria regarding the following items: Existing boundaries, conflicting boundaries, initial implementation, scheduled updates – Cities, scheduled updates – Special Districts, Exceptions, separation of communities, municipal service reviews, and also contains an MSR exemption policy. SOI amendments shall be processed in accordance with the policies and procedures set forth by Tulare County LAFCO.

3.7.2 Boundary Conflicts

There are no foreseeable boundary conflicts with surrounding Cities or special districts that would affect the current governmental structure of Tulare.

3.7.3 Written Determinations

1. Since development of properties within the SOI generally relies on Master Planned infrastructure available from the City, it is logical for the City to assume the lead in planning for these sites.
2. The City has a sound governmental structure that provides necessary resources to provide public services and infrastructure improvements within the SOI area.
3. Coordinated infrastructure plans for development within the SOI area that are submitted with specific annexation requests would create a checks and balance system for incorporating lands into the City while promoting improvements to impacted adjacent County land.
4. Tulare County LAFCO has adopted specific policies for reviewing proposals for a change in organization, reorganization, incorporations, dissolution and other proposals processed by Tulare County LAFCO, including annexations, and SOI amendment proposals.
5. There are no foreseeable boundary conflicts with surrounding Cities or special districts that would affect the current governmental structure of Tulare.

3.8 EVALUATION OF MANAGEMENT EFFICIENCIES

The purpose of this section is to consider the management structure of the jurisdiction.

3.8.1 Organizational Structure

The following section discusses various operational and service aspects of the City of Tulare. Much of the information was obtained from the City's website at www.ci.tulare.ca.us. The website provides detailed descriptions of the departments serving the residents of the City. Overall, a review of the documentation reveals that the City is well run and organized in an efficient manner. The City's budget document is an excellent example of the efficient management methods used. The budget provides a history of performance and accountability and allows for a clear view of what the City's residents are getting for the fees and taxes they pay. This type of accountability provides for an efficiently and effectively run organization. Corrections to programs can be made when needed and services that are no longer required can be evaluated.

It is a goal of the City Council to adopt a customer service manual and implement program training of all current employees, with greater emphasis on visible and behavioral changes. In addition, develop and implement an employee orientation program that integrates the customer service program and an employee handbook; strive to ensure management and staff is sufficient and well trained in all areas to meet the demands of a growing community; and conduct ongoing yearly refresher training and conduct leadership training classes to give managers a better, broad sense of the organization.

3.8.2 Awards & Recognitions

Adding to a list of prior recognitions, the City, in late November 2003, was selected as a "Champion of Small City Management" by the National Pat Summerall Production Company. This organization for several years has coordinated a "Champions of Industry" recognition program for outstanding national firms. Tulare's award was one of no more than eight that was presented to California local governments. Among the many activities reviewed, the selection committee noted the following accomplishments – support for world agriculture and the City's food processing plants, strong support for arts and parks programs, and commitment to the redevelopment of the downtown area.

More recently, the City's Santa Fe Trail received the Outstanding Facilities Award in January 2004, from the California Parks and Recreation Society's Valley Division. In addition to the recent awards, following is a list of recognitions that the City has received in the past several years.

- 1997 Best Practices given by the Department of Housing and Urban Development
- 1998 Award of Excellence given by the California Redevelopment Association
- 1999 Focused Issue Planning Award given by the American Planning Association
- 2001 Outstanding Facility Award for Prosperity Sports Park given by the California Park and Recreation Society District VII
- 2002 Clean Air Award given by American Lung Association of Central California
- 2003 Outstanding Facility Award for Elk Bayou Soccer Complex given by the California Park and Recreation Society District VII
- Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States for the last nine years
- Outstanding Financial Reporting from the California Society of Municipal Finance Office for the last 13 years

The numerous awards and recognitions the City has received are indicators of the City's excellent management strategies to respond to the needs of the community and its citizens.

3.8.3 Government Structure

Tulare, a charter City, operates under the council-manager form of government. The City council appoints a City Manager that is trained and experienced in municipal operations. The City Manager, as chief executive officer of the City, is responsible for various functions assigned by the City's Charter and the City Council. These include overseeing the implementation and administration of Council policy, supervising the activities of all departments, enforcing City ordinances, preparing the operating and capital improvement budgets, and other such duties and responsibilities as may be assigned by City Council. The City Manager's office has the responsibility to ensure the needs and concerns of the community and the City organization are properly addressed to assure Tulare is a good place to live and conduct business. A summary of the City's departments and the various services they provide to residents is provided below.

Administrative Services Department – The City's administrative services department consists of the following functions: City Council, City Manager, City Clerk, Finance, Purchasing, Human Resources and Transit. City Council enacts ordinances and resolutions, and approves the budget and City expenditures. In addition to its legislative duties, the Council also appoints citizens to serve on Boards and commissions that operate in an advisory capacity to the Council. The City Council also appoints a City Manager, City Clerk, and City Attorney who serves as legal advisor to the Council and City officials. The City Manager is responsible for planning, directing, coordinating, and reviewing the activities and operations of all City departments. A major roll for the City Manager is recommending the budget to the Council on an annual basis. The current City Manager also serves as the City Clerk and General Manager of the Board of Public Utilities. Duties of the City Clerk involve maintenance of the City Seal and the official records, ordinances and resolutions of the City. Finance is primarily responsible for the fiscal operations of the City including the planning, directing, monitoring and improving the City's financial resources. The primary objective of the purchasing division is to establish efficient and cost effective procedures for securing supplies and equipment used by all departments of the City. The human resources division is responsible for all matters relating to the efficient operation of the personnel system and risk management, including recruitment, testing and certifying of applicants for initial employment; promotional examinations; maintenance of the classification and compensation plans; employee orientation and training; coordination of the employee safety program; administration of matters regarding employer/employee relations; administration of the City's affirmative action plan; maintenance of the central personnel records; administration of the employee health benefit plan, workers compensation, liability claims and special projects as assigned. The transit division is responsible for the operation of the Tulare Transit Express.

Development Services Department – The City's development services department consists of four divisions including planning, building inspection, engineering, and redevelopment. The planning division is responsible for providing professional advice and service to the Planning Commission, City Council, City Manager and other staff members regarding all matters pertaining to planning and zoning in accordance with the scope of City Ordinances and state planning laws. The building inspection division issues required permits, checks building plans for compliance with code requirements; validates contractors licenses and workers compensation insurance; performs inspections

during the course of construction and maintains records of all activities of the division. The engineering division provides project design, surveying, inspection, and construction management for capital improvement projects; reviews plans and inspects construction of new developments to ensure compliance with applicable laws and ordinances, City standards, specifications, master plans, and sound engineering design methods; provides traffic engineering planning and design to assure the safe and efficient movement of people and products; and provides long range planning for the City's streets, utilities, and drainage infrastructure. The purpose of the redevelopment division is to eliminate blighting conditions in certain redevelopment project areas. Redevelopment activities in Tulare are governed by a seven-member redevelopment agency. The Tulare redevelopment agency is comprised of appointed members that make policy and program decisions affecting Tulare's redevelopment projects.

Recreation, Library & Parks Department – The City's Recreation, Library & Parks Department consists of five divisions/commissions/boards including parks and recreation (commission), the library advisory board, senior services, facilities maintenance, and airport. The purpose of the Parks and Recreation Commission is to act on matters of recreational importance to all segments of the community, including recreation programs, facilities and park development. The library advisory board advises the library director and the City Council on all matters pertaining to library services. The Commission on Aging advises the Recreation, Parks and Library Department on community matters of senior citizen interest such as recreation, social and nutritional services. The facilities maintenance division provides for maintenance and custodial services required for proper upkeep and operation of the City Hall, Police Department, Civic Affairs Building, Senior Community Center, Sports Park Clubhouse, and the Women's Clubhouse. The Tulare Aviation Commission is responsible for providing recommendations to the City Council regarding all areas related to airport use, improvements and development.

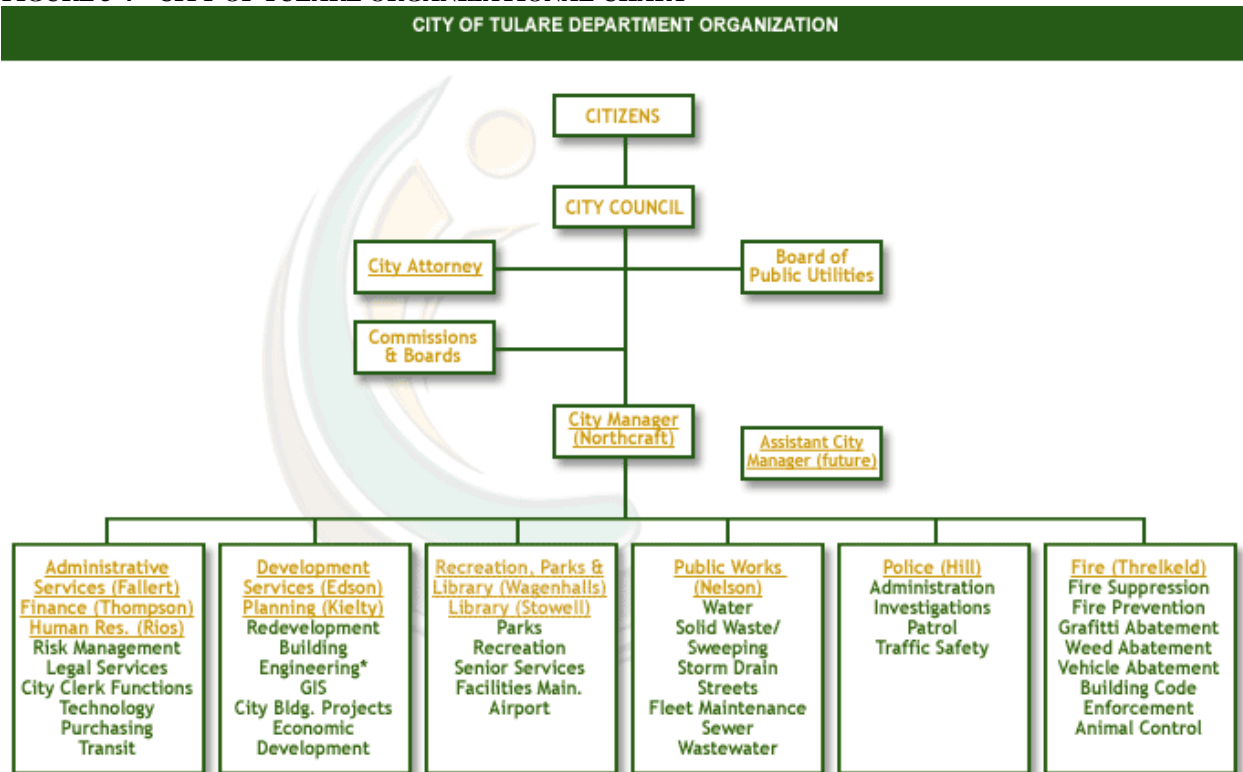
Public Works Department – The City's public works department has five divisions including water, solid waste, streets, fleet maintenance, and wastewater/sewer. The primary objective of the water division, which operates under the direction of the board of public utilities, is to provide water that is of safe and sanitary quality for the citizens of Tulare and an adequate water supply for fire protection. The solid waste/street sweeping division, which operates under the direction of the board of public utilities, is responsible for the collection and disposal of commercial and domestic refuse, green waste and recyclables generated within the boundaries of the City. The streets division is responsible for maintaining and repairing all City streets, alleys, storm water inlets, City parking lots, streetlights and signs. The fleet maintenance division provides maintenance service and replacement of all City owned equipment. The wastewater/sewer division, which operates under the direction of the board of public utilities, is responsible for operating and maintaining, expanding, cleaning and repairing the sanitary sewer trunk line system, lift stations, pumps, and the City's wastewater treatment facility.

Police Department – The City's police department has four divisions including police administration, patrol, investigation, and traffic safety. The police administration division is responsible for the department's communications, records keeping, DARE program, and crime prevention efforts. The primary function of the patrol division is to provide visible presence within the community, suppressing criminal activity, preventing crime, and apprehending offenders. The investigations division is responsible for investigating all felony crimes and a good portion of the misdemeanors that may occur in the City.

Fire Department – The City’s fire department consists of four divisions including fire administration, suppression, prevention, and animal control. The fire administration division is responsible for the department’s communications, records keeping, education, and code enforcement. The fire suppression division includes all uniformed personnel who respond to emergency incidents with appropriate apparatus and perform activities required to mitigate the emergency nature of the incident. The fire prevention division provides safety inspections of existing buildings open to the public, performs plan review for safety compliance of all new commercial, industrial and multi-occupancy structures, investigates fires for origin and cause determination, and assists with the prosecution of arson caused fires. The animal control division is solely responsible for animal control services, with a focus on increasing adoptions, vaccinations, and neutering/spaying, while reducing the number of loose animals.

Figure 3-4 shows the City of Tulare organizational chart.

FIGURE 3-4 – CITY OF TULARE ORGANIZATIONAL CHART



Source: www.ci.tulare.ca.us

3.8.4 Written Determinations

1. The City has an effective organizational structure that is readily available to respond to the needs of the community.
2. The numerous awards and recognitions the City has received are indicators of the City's excellent management strategies to respond to the needs of the community and its citizens.
3. There is no evidence indicating that the City's current management structure would not be able to assume services within the SOI area, and/or continue to assist other agencies through mutual aid agreements.
4. As a part of the budget process, the City evaluates the accomplishments during the previous budget cycle, and also outlines specific objectives for the following budget cycle. This is done for each department at the division level.

3.9 LOCAL ACCOUNTABILITY AND GOVERNANCE

The purpose of this section is to evaluate the accessibility and levels of public participation associated with the agency's decision-making processes.

3.9.1 Public Access and Information Methods

The governing body of Tulare is the City Council, which is elected in compliance with California Election Laws. The City complies with the Brown Act Open-Meeting Law and provides the public with opportunities to get information about City issues, including website and phone access, and bill inserts. The City also posts a calendar of events, and on a quarterly basis, a discussion of "Current City Issues", on their website. The City does not however, prepare and distribute a regular newsletter.

Regular City Council meetings are held on the first and third Tuesday of each month at 7:00 p.m. in the Council Chambers of the Civic Affairs Building located at 125 South "M" Street, Tulare. The City posts, on their website, as a courtesy, all meeting agendas including City Council agendas, Board of Public Utilities agendas, Planning Commission agendas, Parks and Recreation Commission Agendas, Aviation Commission agendas, Redevelopment Board agendas, and Environmental Impact Review Committee agendas, among others.

Every few years, the City gathers additional input from citizens of the community by way of a public opinion survey. The City uses statistically valid means of acquiring the information, using volunteer telephone callers, but does not go to the expense of having a certified firm validate the results. The survey does, however, provide some indications of the public's view of the City's services, and priorities. Listed below are some of the highlights of the 2003 Public Opinion Survey.

- Top quality of life ratings up 5% from 2000 survey
- Informed public ratings up 10% from 2000 survey
- 76% agreed with economic development as No. 1 priority
- Internet access in the home was up 9%, to 49%, since 2000

Quality of service ratings also increased from the 2000 survey; streets were up 15%, street sweeping was up 21%, traffic signals were up 22%, street lights up 17%, youth recreation up 19%, adult recreation up 13%, park maintenance up 6%, solid waste up 11%, animal control up 32%, and graffiti control/prevention efforts up 20%. Categories that did not reflect significant changes in satisfaction levels included transit, public safety, adult sports, senior services, and the library. Since the 2003 survey, the City has significantly increased public safety facilities and staff, improved senior services, and pursued the construction of a new library.

The City also provides public outreach through conducting workshops on land use, County island annexations, City developments, General Plan updates, Specific Plans, rate/fee adjustments, and tax initiatives.

3.9.2 Written Determinations

1. The City complies with the Brown Act Open-Meeting Law and provides the public with opportunities to get information about City issues, including website and phone access, and bill inserts. The City also posts a calendar of events, and on a quarterly basis, a discussion of "Current City Issues", on their website (www.ci.tulare.ca.us).

2. The City maintains a comprehensive website, which provides a means to keep the public informed on local events, current City projects, department budgets, recreational activities, and other activities occurring in the City.
3. The City conducts public workshops to keep the public involved with local planning issues including land use, housing, circulation, and other issues key to the development and growth of Tulare.
4. Every few years, the City gathers additional input from citizens of the community by way of a public opinion survey. The 2003 public opinion survey quality of service ratings significantly increased from the 2000 survey. In areas where the quality of service ratings did not change significantly, the City has significantly increased its efforts to improve those areas, which included public safety, senior services, and the library.
5. The City continues to demonstrate acceptable local accountability and governance by responding, in a timely fashion, to the needs of the community and its citizens.

CHAPTER 4 – GOSHEN CSD MUNICIPAL SERVICE REVIEW

EXECUTIVE SUMMARY

This section provides an overview of the written determinations of the Goshen Community Services District Municipal Service Review (MSR). As part of its review of municipal services, the Tulare County Local Agency Formation Commission (LAFCO) is required to prepare a written statement of its determination with respect to each of the following: 1) Growth and population projections for the affected area; 2) Infrastructure needs and deficiencies; 3) Financing constraints and opportunities; 4) Cost avoidance opportunities; 5) Opportunities for rate restructuring; 6) Opportunities for shared facilities; 7) Government structure options; 8) Evaluation of management efficiencies; and 9) Local accountability and governance. These requirements are established by AB 2838, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. The Goshen CSD MSR identifies the following written determinations:

Written Determinations

1) Growth and Population

1. The Census Designated Place (CDP) Boundary for Goshen is generally (with minor exceptions) coterminous with the current District Boundary.
2. *Census 2000* data indicates that Goshen had a population of 2,394 as of January 2000, while the *Goshen Community Plan*, adopted in 1978, projected a year 2000 population between 3,625, and 3,840, which was based upon an annual growth rate of 5%.
3. Between 1990 and 2000, Goshen experienced an average annual population growth rate of approximately 1.4%, compared to 0.6% for the unincorporated areas of Tulare County.
4. It is anticipated that over the next twenty years (approximately year 2025) Goshen will experience a higher growth rate than as indicated by historical trends. This is a result of development within the nearby City of Visalia as it continues to expand towards Goshen thereby increasing development pressures in Goshen.
5. With an annual growth rate between 2% and 3%, the Goshen CSD could expect a year 2025 District population between 3,900 and 5,000.
6. The Tulare County RMA is having a comprehensive update to the *Goshen Community Plan* prepared to address the future needs of the community relating to growth, land use, housing, and public services. The update of the *Goshen Community Plan* should be coordinated and consistent with the *Tulare County General Plan Update*, and any *Sewer Master Planning* being completed by the District.

2) Infrastructure Needs and Deficiencies

1. The main sewer system for the Goshen community is comprised of a collection system which was constructed in the mid to late 1990s. The construction of the District's sewer system was funded through a United States Department of Agriculture, Rural Economic and Community Development Grant, and Small Community Grant.

2. Pursuant to obtaining funding for the Goshen Sewer Project, the Goshen CSD entered into a Wastewater Service Agreement with the City of Visalia for treatment of the District's wastewater.
3. The District's wastewater collection system dumps into a lift station (owned and operated by the District) near the intersection of Avenue 305 and Effie Drive, which in turn, pumps the wastewater into a 24-inch line in Camp Drive (that is owned and maintained by the City of Visalia). The sewer lift station operates with two pumps, and has a design capacity of 500,000 GPD.
4. The Wastewater Service Agreement between City of Visalia and the Goshen CSD allows for a current contracted average daily discharge to the City's treatment plant of 335,000 GPD. The Wastewater Service Agreement does provide for the purchase of additional capacity which would be charged on a percentage increase basis.
5. As of November 2005, the District was contributing an average daily flow of approximately 315,000 GPD of raw sewage to the City's WWTF. Assuming the District can accommodate up to 500,000 GPD based upon the limitations of the lift station, it can be concluded that the District's sewer system is operating at approximately 65% of its capacity.
6. The District is currently working towards the adoption of a Sewer System Master Plan, which will assist the District in expanding its collection system in line with development trends and the needs of the community. The Sewer System Master Plan should be consistent with and coordinated with the *Tulare County General Plan Update* and the *Goshen Community Plan* update to provide for a sound connection between land zoned for development and the sanitary sewer infrastructure that will serve such development. The Master Plan should also identify funding sources to construct future capital improvements.

3) Financing Opportunities and Constraints

1. The District prepares a comprehensive and thorough annual budget that clearly describes the services provided to residents and the funds expended for those services.
2. The District generally requires new development projects to construct the necessary sewer infrastructure to serve their development. A program of developer-obligated infrastructure improvements will provide for installation of physical infrastructure to serve development sites and therefore will not become an obligation of the District.
3. The District's budget for fiscal year 2003-04 included contingency funds of \$27,008. As of July 1, 2003 the District had a cash balance of \$167,000, of which \$100,000 was allocated towards capacity purchases and \$67,000 was allocated towards system replacement.
4. The District has two long term debts; one that includes principal and interest bond payments totaling \$162,328 during the FY 2003-04 budget cycle and a separate loan in which the District paid \$10,000 during the FY 2003-04 budget cycle.

4) Cost Avoidance Opportunities

1. The District avoids excessive overhead costs by operating with a part-time staff, which provides adequate levels of service to the small community. The District also avoids

unnecessary costs by contracting out professional services including engineering, legal services, and other consulting services.

2. The District should continue to work with the development community to fund the construction of capital infrastructure improvements that would serve new development sites.

5) Opportunities for Rate Restructuring

1. In July 2004, the Goshen CSD increased rates charged for sewer service to \$38 per EDU for commercial uses, and to \$32 per EDU for residential service.
2. The Goshen CSD charges one of the highest monthly rates for sewer service compared to other sewer service providers throughout the County. The cost of sanitary sewer service within Goshen equates to approximately 1.36% of the average household income within the community.
3. The Goshen CSD monthly rates are currently among the highest compared to other service providers throughout the County making it difficult to justify further rate increases. The District's connection fee is below average compared to other sanitary sewer service providers in the County.
4. The District should periodically review its monthly user and connection fees to ensure that quality service will continually be provided to existing and future residents.

6) Opportunities for Shared Facilities

1. Currently, the Goshen CSD contracts with the City of Visalia for wastewater treatment services, as the Goshen CSD does not own or operate an independent WWTF.
2. At present, there is a clear distinction between the sewer infrastructure of the District, and the sewer infrastructure of the City. To eliminate the potential for duplication of services, a clear distinction between District and City infrastructure and associated service areas should remain in tact.
3. The Wastewater Service Agreement between the District and the City outlines specific cases in which interagency coordination is to occur.
4. Since the Goshen sewer system is generally located in roads owned and maintained by Tulare County, the District should work closely with the County on proposed sewer improvements that would impact County roadways.
5. The District currently takes advantage of sharing staff and equipment with other service providers on an as needed basis.

7) Government Structure Options

Development within SOI Areas

1. The Goshen CSD is currently working toward the adoption of a Sewer System Master Plan which will help guide expansions of and improvements to the District's sewer system. The

Master Plan will plan infrastructure improvements to accommodate the build-out of the Goshen CSD SOI.

2. Other than potential boundary conflicts with the City of Visalia, there are no foreseeable conditions that would indicate that development within the District's SOI would result in a change in government structure.
3. Tulare County LAFCO has adopted specific policies for reviewing proposals for a change in organization, reorganization, incorporations, dissolution and other proposals processed by Tulare County LAFCO. Any changes in organization should be in accordance with the Policies and Procedures of Tulare County LAFCO.

Boundary Conflicts

1. The governmental structure of the Goshen CSD could be affected by the potential overlapping of boundaries with the City of Visalia. In addition to overlapping SOI's, the Visalia UGB generally encompasses the entire area currently serviced by the Goshen CSD.
2. The Goshen CSD has a Wastewater Service Agreement with the City of Visalia, which sets forth specific criteria with regard to wastewater collection and treatment services within the boundary of each agency.
3. Boundary conflicts and service provisions should ultimately be resolved between the City of Visalia, the Goshen CSD, and Tulare County LAFCO.

8) Evaluation of Management Efficiencies

1. Based upon information made available, it appears that the provision of sanitary sewer collection is managed in an efficient manner and meets the needs of the community and ratepayers.
2. The Goshen CSD is governed by a five member Board of Directors elected at large from within its boundaries and is responsible for setting policy and general administrative procedures.
3. The District currently operates with a part-time staff and contracts out for other services, including engineering, legal counsel, accounting, and other consulting services.
4. The District's part time personnel provides many functions of the District, which will likely continue in the future since funding for full-time staff is neither needed nor cost effective for a small CSD.
5. The District's answering message does not provide contact information in case of emergencies. To more promptly and efficiently respond to emergency situations, it is recommended that the District provide an emergency contact number on its answering message.

9) Local Accountability and Governance

1. The District complies with the Brown Act open meeting law by holding regularly scheduled meetings in which the public is invited. Regularly scheduled meetings are held on the fourth

Thursday of each month at 6:00 p.m. at the District office, except for November. Agendas for Board meetings are posted on-site at the District office.

2. The District adopts budgets and rate changes at hearings where the public is notified and invited.
3. The District should work with the Tulare County Resource Management Agency (RMA) and/or Tulare County LAFCO to have information regarding District affairs posted on the Tulare County RMA and/or LAFCO website. The District could provide information such as meeting times and locations, budgets, rates, ordinances, agendas, completed/upcoming projects, and other District affairs to Tulare County for posting on the County's (RMA and/or LAFCO) website.

4.0 GOSHEN COMMUNITY SERVICE DISTRICT

4.0.1 Background

The requirement for LAFCO to conduct reviews of local municipal services was established with the passage of AB 2838 known as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. The bill passed the legislature, and was signed by Governor Davis on September 26, 2000. MSRs provide LAFCOs with an additional tool to fulfill their statutory responsibilities of promoting orderly growth and development, preserving the States finite open space and agricultural land resources, and working to ensure that high quality public services are provided to all Californians in the most efficient and effective manner. MSRs are a requirement of State annexation law and are required to be completed before the consideration of a Sphere of Influence (SOI) amendment or once every five years when a SOI amendment is not being considered.

In July 2003 Tulare County LAFCO adopted a MSR exemption policy that identifies the agencies that would be subject to a review and the extent of that review. The agencies in Tulare County were divided into three (3) categories: agencies subject to a full comprehensive study; agencies subject to a questionnaire study; and agencies exempt from a MSR study. The Goshen Community Services District (CSD) is subject to a full comprehensive study. The policy further identifies that the services subject to review shall be:

- Police protection
- Fire protection
- Water and wastewater
- Solid waste collection and disposal
- Streets and traffic circulation
- Power generation and distribution
- Health Care

Goshen, an unincorporated community in Tulare County, is located in the northwest portion of the County and northwest of the City of Visalia. The Goshen CSD which was formed in January 1958 has the authority to provide the following services: recreation and park services, street lighting, and collect, treat or dispose of sewerage and wastewater. Sanitary sewer collection is the primary service provided by the Goshen CSD that is subject to a MSR. In the November 2004 elections voters within the Goshen District voted to expand the powers of the Goshen CSD to include recreation including but not limited to aquatic parks and recreational harbors, equestrian trails, playgrounds, golf courses, and swimming pools, and for street lighting. These services are not subject to a MSR.

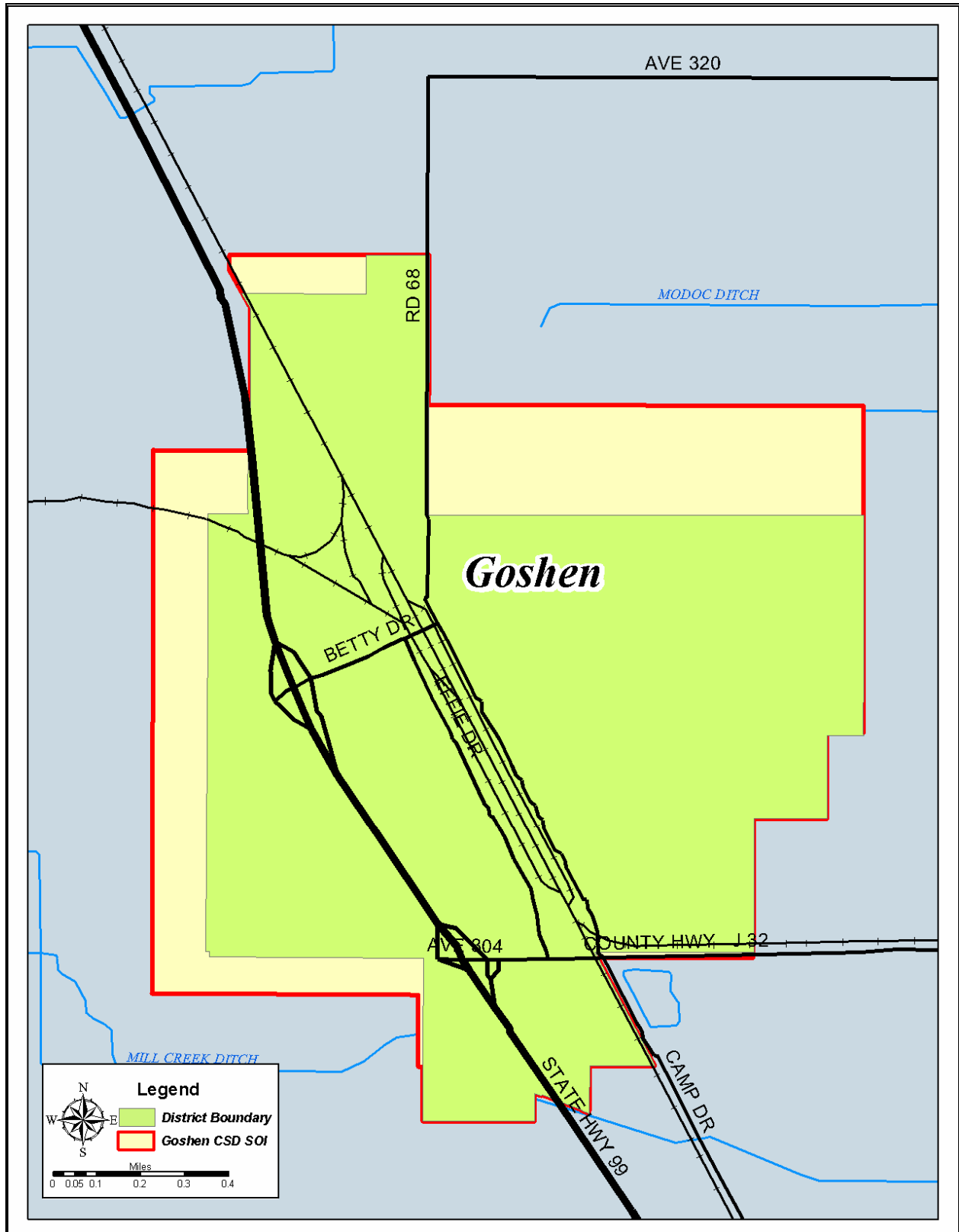
Goshen is located approximately 1 ½ miles north of the Visalia Municipal Airport, portions of which are situated within the approach and departure area of the airport. It lies one tenth of a mile northwest of the City Limits of Visalia, 6 ½ miles from the downtown shopping area of Visalia, and immediately west of the Visalia Industrial Park. The community is square in shape, and is bisected in a northwest-southeasterly direction by State Route (SR) 99 and the Southern Pacific Railroad tracks, which divides the community into three approximately equal sized areas. Goshen is an agriculturally oriented service community surrounded on the north, west and south by lands in agricultural production and on the east by scattered residential, light industrial, agricultural and vacant land. Although primarily an agriculturally related service center, Goshen's industrial base is rapidly increasing, providing new employment opportunities for residents of the community.

Cities and communities surrounding Goshen include Visalia to the east; Tulare to the south; the communities of London and Traver to the north and northwest, respectively; and the community of Tagus to the southeast (along SR 99 north of Tulare). The Tulare County/Kings County Line is located approximately 5 miles west of Goshen. The current District Boundary and the currently adopted SOI for Goshen are illustrated on Figure 4-1. The following excerpt from the Tulare County LAFCO website (www.co.tulare.ca.us/lafco/info.asp) defines a SOI and the purpose it serves.

A “Sphere of Influence” is the physical boundary and service area that a local governmental agency is expected to serve. Establishment of this boundary is necessary to determine which governmental agencies can provide services in the most efficient way to the people and property in any given area. The Sphere of Influence requirement also works to discourage urban sprawl by preventing overlapping of jurisdictions and duplication of services.

The following discussions address the nine legislative factors required by the Cortese-Knox-Hertzberg Act; 1) Growth and population, 2) Infrastructure needs and deficiencies, 3) Financial constraints and opportunities, 4) Cost avoidance opportunities, 5) Opportunities for rate restructuring, 6) Opportunities for shared facilities, 7) Government structure options, 8) Evaluation of management efficiencies, and 9) Local accountability and governance.

FIGURE 4-1 – GOSHEN CSD BOUNDARY AND SOI



Source: Tulare County GIS Database (July 2004)

4.1 GROWTH AND POPULATION

The purpose of this section is to present historical and projected growth patterns and population projections to establish a baseline for the evaluation of the service needs of Goshen.

4.1.1 Historical Data

The Census Bureau, on a decennial basis, identifies and provides detailed information on all incorporated Cities along with several smaller unincorporated communities (termed Census Designated Places – CDPs). In each Census, community profiles are developed and provide a wide range of information pertaining to population, demographics, housing information, household data, education and employment, income and poverty, and historical trends. The CDP Boundary for Goshen is generally (with minor exceptions) coterminous with the current District Boundary. *Census 2000* data indicates that Goshen had a population of 2,394 as of January 2000. The *Goshen Community Plan* (Tulare County Planning Department, 1978) projected a population between 3,625 and 3,840 for the year 2000, which was based upon an annual growth rate of 5%. However *Census 2000* data indicates that the projections contained in the *Goshen Community Plan* were significantly higher than the actual growth which has occurred in the community.

Census 1990 data indicates that Goshen had a population of 2,095 corresponding to an average annual growth rate between 1990 and 2000 of approximately 1.4%. The unincorporated areas of Tulare County grew from a population of 133,222 in 1990 to a population of 141,150 in 2000, corresponding to an average annual growth rate of approximately 0.6%. It is anticipated that over the next twenty years (approximately year 2025) Goshen will experience a higher growth rate than as indicated by historical trends. This is a result of development within the nearby City of Visalia as it continues to expand towards Goshen thereby increasing development pressures in Goshen. Using an estimated annual growth rate between 2% and 3%, the Goshen CSD could expect a year 2025 District population between 3,900 and 5,000. The Tulare County Resource Management Agency (RMA) is having a comprehensive update to the *Goshen Community Plan* (initially adopted in 1978) prepared to address the future needs of the community relating to growth, land use, housing, and public services.

4.1.2 Written Determinations

1. The Census Designated Place (CDP) Boundary for Goshen is generally (with minor exceptions) coterminous with the current District Boundary.
2. *Census 2000* data indicates that Goshen had a population of 2,394 as of January 2000, while the *Goshen Community Plan*, adopted in 1978, projected a year 2000 population between 3,625, and 3,840, which was based upon an annual growth rate of 5%.
3. Between 1990 and 2000, Goshen experienced an average annual population growth rate of approximately 1.4%, compared to 0.6% for the unincorporated areas of Tulare County.
4. It is anticipated that over the next twenty years (approximately year 2025) Goshen will experience a higher growth rate than as indicated by historical trends. This is a result of development within the nearby City of Visalia as it continues to expand towards Goshen thereby increasing development pressures in Goshen.
5. With an annual growth rate between 2% and 3%, the Goshen CSD could expect a year 2025 District population between 3,900 and 5,000.

6. The Tulare County RMA is having a comprehensive update to the *Goshen Community Plan* prepared to address the future needs of the community relating to growth, land use, housing, and public services. The update of the *Goshen Community Plan* should be coordinated and consistent with the *Tulare County General Plan Update*, and any *Sewer Master Planning* being completed by the District.

4.2 INFRASTRUCTURE NEEDS AND DEFICIENCIES

The purpose of this section is to evaluate the infrastructure needs and deficiencies of a jurisdiction in terms of availability of resources, capacity to deliver services, condition of facilities, service quality, and levels of service.

4.2.0 Sanitary Sewer Collection

The Goshen CSD is responsible for the planning and construction of a sewage collection system. The main sewer system for the Goshen community is comprised of a collection system that was constructed in the mid to late 1990s. The construction of the District's sewer system was funded through a United States Department of Agriculture Rural Economic and Community Development Grant and a Small Community Grant. Pursuant to obtaining funding for the Goshen Sewer Project, the Goshen CSD entered into a Wastewater Service Agreement with the City of Visalia for treatment of the District's wastewater.

Connection from the District's sewer system to the City of Visalia's sewer system is through a 24-inch gravity sewer under Camp Drive. The 24-inch line connects to the existing City SR198-Airport lift station. The District constructed the 24-inch line as a part of the Goshen Sewer Project, although the line is part of the City's Master Planned Sewer System. After the line was placed in operation, the City assumed responsibility for maintenance of the line as a part of the City conveyance system. The City is responsible for improvements to its lift station and conveyance facilities downstream of the point of connection. The 24-inch line is planned to provide full capacity for the ultimate build-out of the Goshen CSD SOI. The District is responsible for the costs of construction and installation of any and all sewer line(s) from the District's collection system, and for any flow meters, automated sampling, or odor control devices. Other key issues identified in the Wastewater Service Agreement, between the Goshen CSD and the City of Visalia, are identified below.

- The District agrees to make a good faith effort to notify the City of any potential increases in effluent flow, biochemical oxygen demand, suspended solids and other potential pollutant levels indicated by any commercial and/or industrial development inquiries that would significantly affect the quantity and/or quality of the District's discharge to the City system as soon as such potential impacts are made known to the District.
- The City shall not contract, agree or otherwise create wastewater collection treatment and disposal service with any entity, corporation or individual which resides, does business within or requests service for any parcel, building, street or property within the boundary of the District.
- The Goshen Sewer Project included several 18-inch lines and the 24-inch line that are part of the City's Master Planned Sewer System. The City credited the District with the estimated cost of the lines as set forth in the City Master Plan.
- The City has identified areas of the City that sewer services may be provided by connection to the District facilities. The District agrees to consider such connections on a case by case basis. Such requests by the City shall be submitted in writing and shall indicate the point of proposed connection and the anticipated flows and pollutant loadings. Approval of such connections shall be at the sole discretion and decision of the District. The City shall make no connections to the District facilities without the prior written approval of the District.
- The District shall have the right to an amount of reclaimed water not to exceed the yearly total flow the District conveys to the City for treatment and disposal. The District shall be

entitled to the reclaimed water without payment to the City other than the pro-rata share of the expense of transmission facilities and related operation and maintenance costs of the City facilities used to convey the reclaimed water. The District shall be responsible for the cost of the connection to the City reclaimed water system and conveyance facilities from the City system to the District point of use.

The District's wastewater collection system dumps into a lift station (owned and operated by the District) near the intersection of Avenue 305 and Effie Drive, which in turn pumps the wastewater into the 24-inch line in Camp Drive. The sewer lift station operates with two pumps, and has a design capacity of 500,000 gallons per day (GPD). The Wastewater Service Agreement between City of Visalia and the Goshen Community Services District allows for a current contracted average daily discharge to the City's treatment plant of 335,000 GPD. The Wastewater Service Agreement does provide for the purchase of additional capacity to be charged on a percentage increase basis. Table 4-1 below outlines the District's flow contributions to the City's WWTF in 2003 (CA Yearly Report, Goshen 2003).

**TABLE 4-1
GOSHEN COMMUNITY SERVICES DISTRICT
DISTRICT FLOW CONTRIBUTIONS FOR YEAR 2003**

Month	Flow Totals (Million Gallons, MG)
January	8.1
February	7.5
March	8.2
April	7.8
May	7.8
June	7.9
July	7.9
August	8.3
September	7.9
October	8.3
November	8.4
December	8.1
Total Annual Flow	96.2 MG

Source: CA Yearly Report, Goshen CSD, 2003

Based upon the above information, the District contributed an average daily flow of approximately 264,000 gallons per day of raw sewage to the wastewater treatment plant maintained and operated by the City of Visalia in 2003. Service data provided by the Goshen CSD included the following information:

- Current (2004) Demands: 270,000 gallons per day
- 2025 Demands: Study in Progress
- Current Facility Capacity: Estimated 500,000 gallons per day
- Maximum Service without Expansion: 500,000 gallons per day
- Maximum Facility Capacity at Master Plan Build-out: Study in Progress

As of November 2005, the District was contributing an average daily flow of approximately 315,000 GPD of raw sewage to the City's WWTF. Assuming the District can accommodate up to 500,000 GPD based upon the limitations of the lift station, it can be concluded that the District's sewer system is operating at approximately 65% of its capacity.

The District is working towards the adoption of a Sewer System Master Plan, which will assist the District in expanding its collection system in line with development trends, and the needs of the community. The Sewer System Master Plan should be consistent with and coordinated with the *Tulare County General Plan Update* and the *Goshen Community Plan* update, to provide a sound connection between land zoned for development and the infrastructure (sanitary sewer in the case of Goshen CSD) that will serve such development. The Sewer System Master Plan should identify funding sources for the construction of capital sewer improvements including an evaluation of the feasibility of implementing a developer impact fee program consistent with the requirements of AB 1600. The Master Plan should also consider whether current connection fees are adequate to support the construction of future capital improvements.

4.2.1 Written Determinations

1. The main sewer system for the Goshen community is comprised of a collection system which was constructed in the mid to late 1990s. The construction of the District's sewer system was funded through a United States Department of Agriculture, Rural Economic and Community Development Grant, and Small Community Grant.
2. Pursuant to obtaining funding for the Goshen Sewer Project, the Goshen CSD entered into a Wastewater Service Agreement with the City of Visalia for treatment of the District's wastewater.
3. The District's wastewater collection system dumps into a lift station (owned and operated by the District) near the intersection of Avenue 305 and Effie Drive, which in turn, pumps the wastewater into a 24-inch line in Camp Drive (that is owned and maintained by the City of Visalia). The sewer lift station operates with two pumps, and has a design capacity of 500,000 GPD.
4. The Wastewater Service Agreement between City of Visalia and the Goshen CSD allows for a current contracted average daily discharge to the City's treatment plant of 335,000 GPD. The Wastewater Service Agreement does provide for the purchase of additional capacity which would be charged on a percentage increase basis.
5. As of November 2005, the District was contributing an average daily flow of approximately 315,000 GPD of raw sewage to the City's WWTF. Assuming the District can accommodate up to 500,000 GPD based upon the limitations of the lift station, it can be concluded that the District's sewer system is operating at approximately 65% of its capacity.
6. The District is currently working towards the adoption of a Sewer System Master Plan, which will assist the District in expanding its collection system in line with development trends and the needs of the community. The Sewer System Master Plan should be consistent with and coordinated with the *Tulare County General Plan Update* and the *Goshen Community Plan* update to provide for a sound connection between land zoned for development and the sanitary sewer infrastructure that will serve such development. The Master Plan should also identify funding sources to construct future capital improvements.

4.3 FINANCING OPPORTUNITIES AND CONSTRAINTS

The purpose of this section is to evaluate the jurisdictions capability to finance needed improvements and services.

4.3.1 Annual Budget

LAFCO should consider the ability of the District to pay for improvements or services associated with annexed sites. This planning could begin at the SOI stage by determining what opportunities there are to identify infrastructure and maintenance needs associated with future annexation and development and by identifying limitations on financing such improvements and opportunities that exist to construct and maintain those improvements.

Based upon a review of the Goshen CSD budget for FY 2003-04 the District appears to be in sound financial condition. The fiscal year 2003-04 budget is well organized, thorough, and clearly articulates the District's financial plans for the upcoming year. The District prepares a typical line item budget that is divided into the following categories:

- Available Resources
- Estimated Revenues
- Estimated Expenditures
 - Salaries and Employee Benefits
 - Services and Supplies
 - Appropriations

The District adopts the budget each year and it is used as the spending plan for the District. The budget provides a framework for the District to address the following issues: reserves, revenues, expenditures, investments, and rates and fees. Using the fiscal year 2003-04 budget as a basis for this discussion, the District has an operating budget of \$508,888, which covers salaries and employee benefits for part time staff totaling \$40,367, outside services and supplies totaling \$123,586, other charges totaling \$317,928, and a contingency fund of \$27,008. "Other charges" include bond agent fees, repayment of long term debts (bonds and other) including interest and principal, and treatment fees paid to the City of Visalia. As of July 1, 2003, the District had a cash balance of \$167,000, of which \$100,000 was allocated towards capacity purchases, and \$67,000 was allocated towards system replacement.

The District generally requires new development projects to construct the necessary sewer infrastructure to serve their development. A program of developer-obligated infrastructure improvements will provide for installation of physical infrastructure to serve development sites and therefore will not become an obligation of the District. In some situations, developers could also work out reimbursement agreements with the District whereby a developer is reimbursed for a portion of the infrastructure costs when intermediate development occurs.

Since new development pays the cost of additional infrastructure and the District infrastructure is in very good condition, the District does not have a management system in place to replace deteriorated sewer lines on a scheduled basis. Instead, infrastructure is replaced on an as needed basis.

The District's financial constraints involve the governmental structure and the desires of the people in the community to fund certain activities by establishing assessment districts or fees. The laws under which a Community Service District is governed provide the structure for funding activities. Key revenue sources for the Goshen CSD include property taxes, sewer service/connection fees, interest on reserves, annual

contributions from the Tulare County Redevelopment Agency, and pass through monies. One-time revenues or pass-through funds, account for the increases and decreases in revenue from year to year.

On the expenditures side, the District budgets for the services paid for by residents and provides for other expenses using property tax, and if appropriate, restricted reserve accounts. Key expenditures include personnel, services and supplies, pass through revenues for projects, and principal and interest payments for long term debt. As indicated in the 2003-04 budget, the District has two long term debts; one that includes principal and interest bond payments totaling \$162,328; and one that included a payment of \$10,000 on a separate loan.

4.3.2 Written Determinations

1. The District prepares a comprehensive and thorough annual budget that clearly describes the services provided to residents and the funds expended for those services.
2. The District generally requires new development projects to construct the necessary sewer infrastructure to serve their development. A program of developer-obligated infrastructure improvements will provide for installation of physical infrastructure to serve development sites and therefore will not become an obligation of the District.
3. The District's budget for fiscal year 2003-04 included contingency funds of \$27,008. As of July 1, 2003 the District had a cash balance of \$167,000, of which \$100,000 was allocated towards capacity purchases and \$67,000 was allocated towards system replacement.
4. The District has two long term debts; one that includes principal and interest bond payments totaling \$162,328 during the FY 2003-04 budget cycle and a separate loan in which the District paid \$10,000 during the FY 2003-04 budget cycle.

4.4 COST AVOIDANCE OPPORTUNITIES

The purpose of this section is to identify practices or opportunities that may help to eliminate unnecessary costs.

4.4.1 Fiscal Structure

The Districts budget process is designed to screen out unnecessary costs. A base budget is completed by the General Manager for review and discussion by the Board of Directors.

The District has adequate staff resources and administrative capabilities to provide the needed level of services to the residents within its boundaries. The District avoids excessive overhead costs by operating with a part-time administration, which provides adequate levels of service to the small community of less than 3,000 people. The District also avoids unnecessary costs by contracting out professional services including engineering, legal services, and other consulting services.

The District should continue to work with the development community to fund the construction of capital infrastructure improvements that would serve new development sites. The District requires development projects to pay administrative and connection fees, currently set at \$125, and \$975 per equivalent dwelling unit (EDU).

If the SOI were expanded in the future, the District would assume fiscal responsibilities to construct or maintain the sewer infrastructure associated with the SOI and any territories that were annexed. LAFCO should consider the relative burden of new annexations to the District when it comes to its ability to provide sewer service, as well as capital maintenance and replacements required as a result of expanding the District Boundary.

Opportunities exist at the time of annexation and development to introduce alternative methods of construction and maintenance of public or semi-public infrastructure to serve the future SOI/annexation areas.

4.4.2 Written Determinations

1. The District avoids excessive overhead costs by operating with a part-time staff, which provides adequate levels of service to the small community. The District also avoids unnecessary costs by contracting out professional services including engineering, legal services, and other consulting services.
2. The District should continue to work with the development community to fund the construction of capital infrastructure improvements that would serve new development sites.

4.5 OPPORTUNITIES FOR RATE RESTRUCTURING

The purpose of this section is to identify opportunities to positively impact rates without decreasing service levels.

4.5.1 Fee Structure

The Goshen CSD recently (July 2004) increased rates charged for sewer service to \$38 per equivalent dwelling unit (EDU) for commercial uses, and to \$32 per EDU for residential service. Table 4-2 shows a comparison of sewer rates, and connection fees for surrounding sewer service providers. The table also shows the relationship between monthly service charges and the average household income within the Goshen community.

**TABLE 4-2
COMPARISON OF SEWER RATES**

Service Provider	Monthly Sewer User Fee (1 EDU) ¹	Connection Fee ¹	Average Household Income ²	Rate/Income Ratio ³
Goshen CSD	\$32.00	\$975	\$2,359/mo.	1.36%
Earlismart PUD	\$7.50	\$1,000	\$1,775/mo.	0.42%
Ivanhoe PUD	\$9.50	\$1,890	\$2,171/mo.	0.44%
Pixley PUD	\$15.00	\$1,800	\$1,942/mo.	0.77%
Tipton CSD	\$8.00	\$1,050	\$2,198/mo.	0.36%
Cutler PUD	\$22.00	\$3,520	\$2,028/mo.	1.08%
Orosi PUD	\$22.97	\$1,745	\$2,533/mo.	0.91%
Lemon Cove SD	\$4.50	\$500	\$2,361/mo.	0.19%
London CSD	\$21.00	\$1,990	\$1,807/mo.	1.16%
Poplar CSD	\$25.00	\$1,300	\$2,043/mo.	1.22%
Richgrove CSD	\$18.00	\$750	\$1,907/mo.	0.94%
Springville PUD	\$35.06	\$3,900	\$2,023/mo.	1.73%
Strathmore PUD	\$14.70	\$500	\$2,096/mo.	0.70%
Terra Bella SMD	\$21.00	\$500	\$2,109/mo.	1.00%
Woodville PUD	\$17.25	\$700	\$2,123/mo.	0.81%
Average	\$18.23	\$1,475	\$2,098/mo.	0.87%

1) Source: Wastewater User Charge Survey Report FY 2004-05 (CalEPA – SWRCB, May 2005)

2) Source: Census 2000 data

3) Ratio is calculated by dividing the monthly sewer user fee by the corresponding average household income.

As indicated in Table 4-2, the Goshen CSD charges one of the highest monthly rate for sewer service compared to other sewer service providers throughout the County. The cost of sanitary sewer service within Goshen equates to approximately 1.36% of the average household income within the community. The Goshen CSD connection fee is below average compared to other sanitary sewer service providers throughout the County. User fees are used for the operation and maintenance costs of the Goshen CSD sewer system. Existing customers should not be responsible for costs associated with installing and/or upgrading infrastructure to serve new development.

The District should periodically review its monthly user and connection fees to ensure that quality service will continually be provided to existing and future residents. The Goshen CSD rates are currently the highest among surrounding service providers making it difficult to justify further rate increases. The District should review its connection fees to determine if they are adequate to support infrastructure required for new development, including future capacity purchases from the Visalia WWTP. Connection fees should generally be used for constructing new infrastructure and not for the operation and maintenance of existing infrastructure.

4.5.2 Written Determinations

1. In July 2004, the Goshen CSD increased rates charged for sewer service to \$38 per EDU for commercial uses, and to \$32 per EDU for residential service.
2. The Goshen CSD charges one of the highest monthly rates for sewer service compared to other sewer service providers throughout the County. The cost of sanitary sewer service within Goshen equates to approximately 1.36% of the average household income within the community.
3. The Goshen CSD monthly rates are currently among the highest compared to other service providers throughout the County making it difficult to justify further rate increases. The District's connection fee is below average compared to other sanitary sewer service providers in the County.
4. The District should periodically review its monthly user and connection fees to ensure that quality service will continually be provided to existing and future residents.

4.6 OPPORTUNITIES FOR SHARED FACILITIES

The purpose of this section is to evaluate opportunities for a jurisdiction to share facilities and resources, thereby increasing efficiency.

4.6.1 Shared Facilities

Since the location of the Goshen District Boundary is immediately adjacent to the existing City Limits of Visalia, opportunities for shared facilities and/or resources exist. Currently, the Goshen CSD contracts with the City of Visalia for wastewater treatment services, as the Goshen CSD does not own or operate an independent WWTF.

At present, there is a clear distinction between the sewer infrastructure of the District, and the sewer infrastructure of the City. As prescribed by the Wastewater Service Agreement between the City of Visalia and the Goshen CSD,

“The City shall not contract, agree or otherwise create wastewater collection, treatment and disposal service with any entity, corporation or individual which resides, does business within or requests service for any parcel, building, street or property within the boundary of the District.”

It is recommended that the District continue to coordinate with the City of Visalia with regard to sewer planning and related issues. To eliminate the potential for duplication of services, a clear distinction between District and City infrastructure and associated service areas should remain in tact. The Wastewater Service Agreement between the District and the City outlines specific cases in which interagency coordination is necessary.

Since the Goshen sewer system is generally located in roads owned and maintained by Tulare County, it is recommended that the District work closely with the County on proposed sewer improvements that would impact County roadways.

The District currently takes advantage of sharing staff and equipment with other service providers on an as needed basis.

4.6.2 Written Determinations

1. Currently, the Goshen CSD contracts with the City of Visalia for wastewater treatment services, as the Goshen CSD does not own or operate an independent WWTF.
2. At present, there is a clear distinction between the sewer infrastructure of the District, and the sewer infrastructure of the City. To eliminate the potential for duplication of services, a clear distinction between District and City infrastructure and associated service areas should remain in tact.
3. The Wastewater Service Agreement between the District and the City outlines specific cases in which interagency coordination is to occur.
4. Since the Goshen sewer system is generally located in roads owned and maintained by Tulare County, the District should work closely with the County on proposed sewer improvements that would impact County roadways.
5. The District currently takes advantage of sharing staff and equipment with other service providers on an as needed basis.

4.7 GOVERNMENT STRUCTURE OPTIONS

The purpose of this section is to consider the advantages and disadvantages of various government structures to provide public services.

4.7.1 Development within SOI Areas

One of the most critical elements of LAFCO's responsibilities is in setting logical service boundaries for communities based upon their capability to provide services to affected lands. The Goshen CSD is currently working toward the adoption of a Sewer System Master Plan that will help guide expansions of and improvements to the District's sewer system. The Master Plan will outline infrastructure improvements to accommodate the build-out of the Goshen CSD SOI. There are no foreseeable conditions that would indicate that development within the District's SOI would result in a change in government structure. There are, however, potential boundary conflicts with the City of Visalia that could affect the governmental structure of the Goshen CSD. The implications of potential boundary conflicts are discussed in the following section.

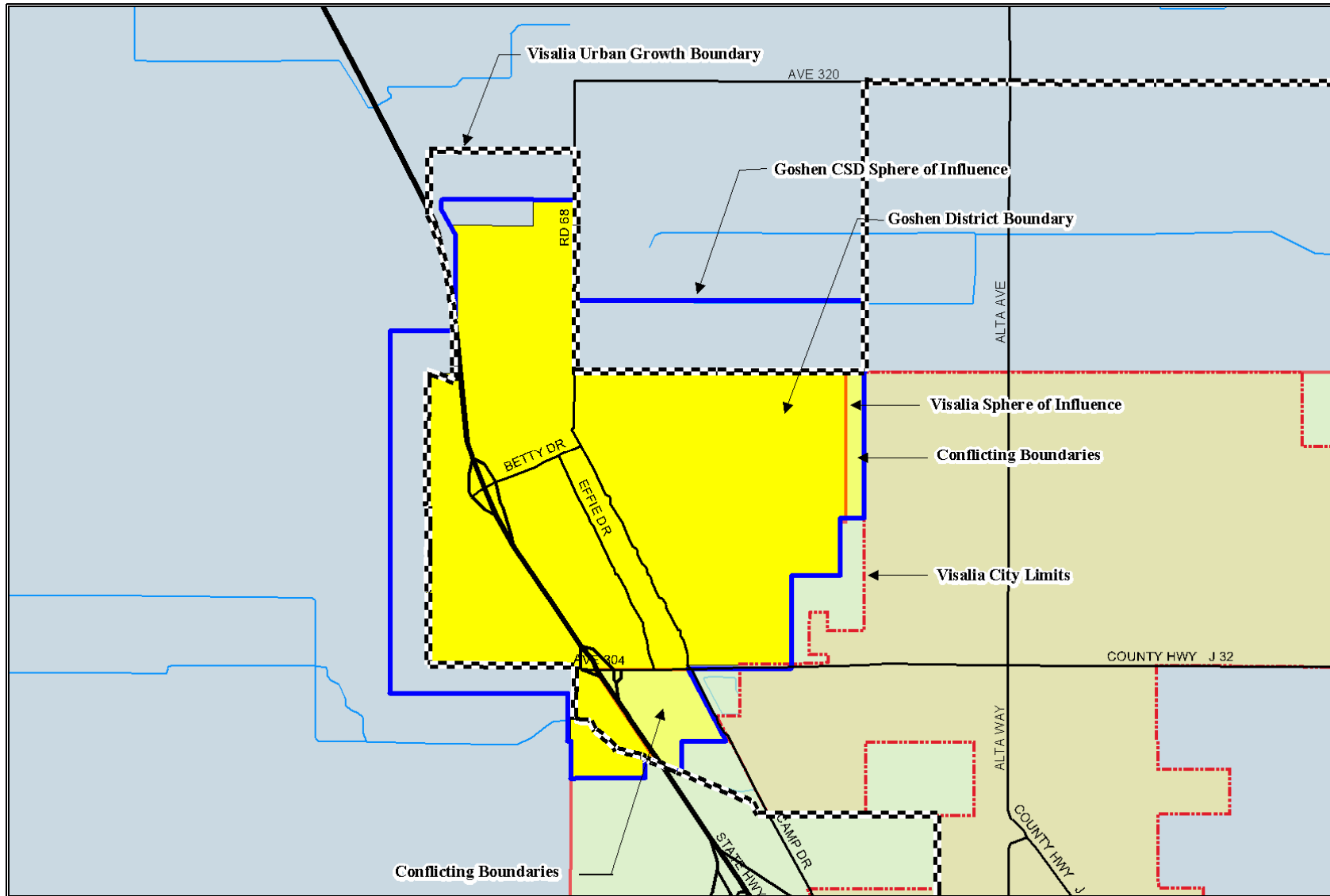
Tulare County LAFCO has adopted specific policies for reviewing proposals for a change in organization, reorganization, incorporations, dissolution and other proposals processed by Tulare County LAFCO. Tulare County LAFCO policy C-1 identifies factors and standards to be considered in review proposals including additional requirements for City annexations, standards for annexation to special districts, standards for the formation of special districts, and standards for City incorporation. Tulare County LAFCO policy C-2 outlines general procedures for changes in boundaries or organization to be processed by LAFCO. Generally, proposals for changes in boundaries, formations, or changes of organization can be submitted for the consideration of LAFCO by petition of the registered voters or affected landowners; however, prior to the circulation of any petition, a "Notice of Intent to Circulate" must be presented to the LAFCO Executive Officer. A proposal may also be initiated by a resolution adopted by the governing body of any related public body (county, city or special district). The proposal must be submitted on forms available from the LAFCO staff office, or on the LAFCO website, along with the applicable number of maps, legal descriptions, and filing fees to cover the proposal submitted.

Tulare County LAFCO policies C-3 and C-4 outline specific criteria for petitions for change in organization, and protest hearings, respectively. Tulare County LAFCO policy C-5 sets forth specific criteria for establishing, and reviewing amendment proposals to, Spheres of Influence. Policy C-5 contains criteria regarding the following items: Existing boundaries, conflicting boundaries, initial implementation, scheduled updates – Cities, scheduled updates – Special Districts, Exceptions, separation of communities, municipal service reviews, and also contains an MSR exemption policy. SOI amendments shall be processed in accordance with the policies and procedures set forth by Tulare County LAFCO.

4.7.2 Boundary Conflicts

The Goshen CSD governmental structure could be affected by the potential overlapping of boundaries with the City of Visalia. Existing boundary conflicts between the Goshen CSD and the City of Visalia are illustrated on Figure 4-2. The Goshen CSD has a Wastewater Service Agreement with the City of Visalia, which sets forth specific criteria with regard to wastewater collection and treatment services within the boundary of each agency.

FIGURE 4-2 – CITY OF VISALIA & GOSHEN CSD BOUNDARY CONFLICTS



Source: Tulare County GIS Database

The Wastewater Service Agreement between the Goshen CSD and the City of Visalia, which may only be terminated upon the written consent of all parties, states the following with regard to sanitary sewer service within the Goshen CSD Boundary.

“The City shall not contract, agree or otherwise create wastewater collection, treatment and disposal service with any entity, corporation or individual which resides, does business within or requests service of any parcel, building, street or property within the boundary of the District. The City shall not renew any current contract with any entity, corporation, industry or property for wastewater service within the District at expiration thereof.”

The agreement does not appear to address wastewater collection services within the Goshen CSD SOI, which in some areas overlaps with the City of Visalia SOI (refer to Figure 4-2). Boundary conflicts and service provisions would ultimately be resolved between the City of Visalia, the Goshen CSD, and Tulare County LAFCO.

4.7.3 Written Determinations

Development within SOI Areas

1. The Goshen CSD is currently working toward the adoption of a Sewer System Master Plan which will help guide expansions of and improvements to the District’s sewer system. The Master Plan will plan infrastructure improvements to accommodate the build-out of the Goshen CSD SOI.
2. Other than potential boundary conflicts with the City of Visalia, there are no foreseeable conditions that would indicate that development within the District’s SOI would result in a change in government structure.
3. Tulare County LAFCO has adopted specific policies for reviewing proposals for a change in organization, reorganization, incorporations, dissolution and other proposals processed by Tulare County LAFCO. Any changes in organization should be in accordance with the Policies and Procedures of Tulare County LAFCO.

Boundary Conflicts

1. The governmental structure of the Goshen CSD could be affected by the potential overlapping of boundaries with the City of Visalia. In addition to overlapping SOI’s, the Visalia UGB generally encompasses the entire area currently serviced by the Goshen CSD.
2. The Goshen CSD has a Wastewater Service Agreement with the City of Visalia, which sets forth specific criteria with regard to wastewater collection and treatment services within the boundary of each agency.
3. Boundary conflicts and service provisions should ultimately be resolved between the City of Visalia, the Goshen CSD, and Tulare County LAFCO.

4.8 EVALUATION OF MANAGEMENT EFFICIENCIES

The purpose of this section is to consider the management structure of the jurisdiction.

4.8.1 Organizational Structure

Based upon a review of information provided by the Goshen CSD, it appears that the provision of wastewater collection is managed in an efficient manner, meeting the needs of the community and ratepayers. The Goshen CSD has accounting and finance functions, current personnel regulations and resolutions. The District undergoes annual audits in compliance with auditing standards.

The Goshen CSD is governed by a five-member Board of Directors elected at large from within its boundaries that is responsible for setting policy and general administrative procedures. The District currently operates with a part-time staff and contracts out for other services, including engineering, legal counsel, accounting, and other consulting services. The District has the following hours of operation:

- Monday – Tuesday: 2:00 p.m. – 6:30 p.m.
- Wednesday – Thursday: 8:00 a.m. – 12:00 Noon
- Friday: 6:00 p.m. – 8:00 p.m.

The District's part time personnel provides many functions of the District, which will likely continue in the future because funding for full-time staff is neither needed nor cost effective for a small CSD. The District's answering message provides the public with the operational hours of the District; however it does not provide contact information in case of emergencies. To make District personnel available to the public in case of emergencies, it is recommended that the District provide an emergency contact number on its answering message to more promptly and efficiently respond to emergency situations. It is recommended that the District be available to respond to emergency situations during non office hours.

Based upon the District's 2003-04 budget approximately \$27,000 was appropriated for contingencies. Contingency funds can be used for emergency improvements and/or unforeseen replacement or rehabilitation costs.

4.8.2 Written Determinations

1. Based upon information made available, it appears that the provision of sanitary sewer collection is managed in an efficient manner and meets the needs of the community and ratepayers.
2. The Goshen CSD is governed by a five member Board of Directors elected at large from within its boundaries and is responsible for setting policy and general administrative procedures.
3. The District currently operates with a part-time staff and contracts out for other services, including engineering, legal counsel, accounting, and other consulting services.
4. The District's part time personnel provides many functions of the District, which will likely continue in the future since funding for full-time staff is neither needed nor cost effective for a small CSD.

5. The District's answering message does not provide contact information in case of emergencies. To more promptly and efficiently respond to emergency situations, it is recommended that the District provide an emergency contact number on its answering message.

4.9 LOCAL ACCOUNTABILITY AND GOVERNANCE

The purpose of this section is to evaluate the accessibility and levels of public participation associated with the Goshen CSD's decision-making processes.

4.9.1 Public Access and Information Methods

LAFCO may consider the agency's record of local accountability in its management of community affairs as a measure against the ability to provide adequate services to the SOI and annexation areas.

The Goshen CSD has a five member Board of Directors elected by voters residing within the Districts Boundary. Regularly scheduled Board meetings, which are open to the public, are held on the fourth Thursday of each month (except in November) at 6:00 p.m. at the District office located at 6678 Avenue 308 in Goshen. Agendas for Board meetings are posted and notices provided consistent with public meeting requirements (i.e., the Brown Act) including posting on-site. The District adopts budgets and rate changes at hearings where the public is notified and invited.

The District should work with the Tulare County Resource Management Agency (RMA) and/or Tulare County LAFCO to have information regarding District affairs posted on the Tulare County RMA and/or LAFCO website. The District could provide information such as meeting times and locations, budgets, rates, ordinances, agendas, completed/upcoming projects, and other District affairs to Tulare County for posting on the County's (RMA and/or LAFCO) website. It would make sense to post information regarding District affairs on the County websites, since Goshen is an unincorporated community within Tulare County, and there is a mutual interest in the community.

The internet is a relatively low-cost yet powerful method of involving the general public/customers/ratepayers in District affairs. Greater dissemination of information can lead to greater interest in attending Board meetings and participating in elections. It also allows the public, some of whom are not physically able to attend Board meetings, to follow District activities remotely from their home or business.

4.9.2 Written Determinations

1. The District complies with the Brown Act open meeting law by holding regularly scheduled meetings in which the public is invited. Regularly scheduled meetings are held on the fourth Thursday of each month at 6:00 p.m. at the District office, except for November. Agendas for Board meetings are posted on-site at the District office.
2. The District adopts budgets and rate changes at hearings where the public is notified and invited.
3. The District should work with the Tulare County Resource Management Agency (RMA) and/or Tulare County LAFCO to have information regarding District affairs posted on the Tulare County RMA and/or LAFCO website. The District could provide information such as meeting times and locations, budgets, rates, ordinances, agendas, completed/upcoming projects, and other District affairs to Tulare County for posting on the County's (RMA and/or LAFCO) website.

CHAPTER 5 – EARLIMART PUD MUNICIPAL SERVICE REVIEW

EXECUTIVE SUMMARY

This section provides an overview of the written determinations of the Earlimart Public Utility District (PUD) Municipal Service Review (MSR). As part of its review of municipal services, the Tulare County Local Agency Formation Commission (LAFCO) is required to prepare a written statement of its determination with respect to each of the following: 1) Growth and population projections for the affected area; 2) Infrastructure needs and deficiencies; 3) Financing constraints and opportunities; 4) Cost avoidance opportunities; 5) Opportunities for rate restructuring; 6) Opportunities for shared facilities; 7) Government structure options; 8) Evaluation of management efficiencies; and 9) Local accountability and governance. These requirements are established by AB 2838, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. The Earlimart PUD MSR identifies the following written determinations:

Written Determinations

1) Growth and Population

1. The Earlimart CDP Boundary, as depicted in the 2003 Tulare County Data Book (Census 2000), is not consistent with the current District Boundary, indicating that the CDP population may not be representative of the District population.
2. *Census 2000* data indicates that Earlimart had a population of 6,583 as of January 2000. According to PUD staff, the population varies between 6,000 and 8,000 persons as grape workers are attracted to the area during summer months.
3. Between 1990 and 2000, according to U.S. Census Bureau data, the Earlimart community grew in population from 5,881 to 6,583, corresponding to an average annual growth rate of 1.1%
4. It is likely that the Earlimart community will continue to grow at an average annual rate between 1% and 2% depending upon land use zoning established by the Tulare County General Plan Update and other factors. Using an average annual growth rate between 1% and 2%, the Earlimart community would reach an estimated year 2025 population between 8,450 and 10,800.

2) Infrastructure Needs and Deficiencies

Domestic Water

1. The District's water system supports 1,485 total service connections including 57 commercial connections, 1,424 residential connections, and 4 school connections.
2. In 2000 the District began requiring water meters for all new development but very little development has occurred since then indicating that the majority of the District's water connections are currently un-metered. Water meters will also be installed on existing properties when they change ownership.

3. Assuming 1,500 equivalent dwelling units (EDUs), in order to meet Tulare County Improvement Standards the Earlimart PUD water system would need to be capable of delivering a combined flow rate (from all source and storage facilities) of 3,100 GPM (1,500 GPM fire flow, and 1,600 GPM domestic demand) for a period of two hours while maintaining a minimum pressure of 25 PSI to each lot served. The District's water system is capable of delivering a source flow of 3,300 GPM, and includes pneumatic pressure tanks for storage, indicating that the system currently meets the requirements of the Tulare County Improvement Standards.
4. Based upon a calculation performed in accordance with General Order 103, published by the California Public Utilities Commission, it is estimated that the District's current water system could support approximately 200 additional EDUs.
5. It is likely that the District will need to continue to repair and/or replace older pipelines in the water system. Additionally, it is likely that the District will need to supplement its water supply to support additional development within its SOI (i.e. the addition of wells to the system).
6. It is recommended that LAFCO complete a comprehensive review of any water system planning reports prior to any SOI updates to ensure that proper facilities planning has taken place for any proposed SOI expansion area.

Sanitary Sewer

1. The Districts sewer system currently supports 1,485 total service connections including 57 commercial connections, 1,424 residential connections, and 4 school connections.
2. The District has applied for \$750,000 grant to install a new sewer line. The District will need to match the grant with \$250,000. An additional 15" trunk line will be added under Washington Street to Road 128 towards the plant, to the west of Earlimart. The District indicated that no additional development is to be approved prior to the installation of the new trunk line.
3. The Districts WWTF is operated under the provisions of Order No. 98-140 issued by the California RWQCB. The District currently complies with the provisions of the Order.
4. As prescribed by Order No. 98-140, when a California registered civil engineer has certified that the WWTF can reliably treat 1.24 MGD, the monthly average discharge shall not exceed 1.24 MGD; otherwise the monthly average discharge shall not exceed 0.80 MGD. District staff has indicated that the average dry weather flow is approximately 0.88 MGD.
5. The District's collection system is in adequate operating condition as there is no significant inflow and infiltration during winter months.
6. Upon an engineers certification to reliably treat 1.24 MGD the WWTF would have additional capacity to treat approximately 360,000 GPD. Based upon an available capacity of 360,000 GPD, it is estimated that approximately 600 additional connections (EDUs) to the system could be supported.

7. Although there is remaining capacity, the District indicated that the WWTF was constructed in 1956 and needs upgrading including electrical upgrades. Intermediate upgrades to the plant occurred in 1973 and 1986.
8. It is recommended that LAFCO complete a comprehensive review of any sanitary sewer system and/or WWTF planning reports prior to any SOI updates to ensure that proper facilities planning has taken place for any proposed SOI expansion area including funding mechanisms for infrastructure improvements.

3) Financing Constraints and Opportunities

1. The District prepares a comprehensive and thorough annual budget that clearly describes the services provided to residents and the funds expended for those services.
2. The District generally requires new development projects to construct the necessary infrastructure to serve their development. A program of developer obligated infrastructure improvements provides for the installation of physical infrastructure to serve development sites and therefore relieves the financial obligation of the District.
3. Developers are also required to pay fees for rights to water and sewer capacity, which are ultimately used by the District for capital capacity improvements. These fees are set by the Board of Directors by resolution, and are allocated to a restricted reserve account.
4. The District's budget for fiscal year 2004-05 included contingency funds of \$90,070. As of July 1, 2004, the District had a cash balance of \$1,000,000, of which \$300,000 is reserved for a new water well, and \$500,000 is reserved for sewer line expansions.
5. The District also generates revenue by investing its cash reserves in interest bearing accounts. Interest earnings are not projected for the upcoming F.Y. budget, but instead are reported in the beginning cash balance for the next F.Y. budget.

4) Cost Avoidance Opportunities

1. Each year, the District's budget is reviewed with the District Board, District Engineer, and General Manager to ensure that the District continues to operate within the limits of its financial resources.
2. The District avoids unnecessary costs by contracting out professional services as needed including engineering, legal services, and other consulting services.
3. The District should continue to work with the development community to fund the construction of water and sewer infrastructure improvements that would serve new development sites. The District requires development projects to pay fees for water and sewer capacity rights, which are currently set at \$1,500 and \$1,000 per EDU for water and sewer connections, respectively.

5) Opportunities for Rate Restructuring

1. The Earlimart PUD charges monthly user fees and new connection fees for water and sewer. The fiscal year 2004-05 budget estimates revenues of \$435,000 to be generated from current water and sewer user fees.

2. The Earlimart PUD rates are currently among the lowest compared to other service providers throughout the County, which is indicative of the District's ability to provide efficient and affordable utility services to residents in the community. The District has not increased its flat rate fees since 1995. The District indicated that the fees will be re-evaluated in the near future as a result of the need to expand the wastewater capacity and upgrade the wastewater treatment plant.
3. The District's budget is structured to segregate costs associated with the construction of infrastructure to accommodate new development. Fees paid by developers are placed into a restricted reserve account, funds which are ultimately used by the District to construct capital capacity improvements to the District's water and sewer systems. User fees are used for the operations of the District and the operation and maintenance of the District's infrastructure.

6) Opportunities for Shared Facilities

1. Since the location of the Earlimart District Boundary is immediately adjacent to existing rural lands, the opportunity for sharing infrastructure does not readily exist.

7) Government Structure Options

1. There are no other service providers immediately adjacent to Earlimart's SOI indicating that the potential for duplication of services is not present. For this reason, it is logical that the Earlimart PUD adequately plan for and assume water and sewer service within its SOI Boundary.
2. There are no foreseeable conditions that would indicate that development within the District's SOI would result in a change in government structure.
3. Prior to development within its SOI area the District should complete master planning to address the infrastructure needs of affected areas and funding mechanisms to meet those needs. The District and/or County could also require developers to prepare specific plans prior to approving development within the District's SOI.
4. The District will need to continually expand and improve its water and sewer infrastructure to accommodate development within its current District Boundary and SOI areas.

8) Evaluation of Management Efficiencies

1. Based upon information made available, it appears that the provisions of domestic water and sanitary sewer are managed in a cost effective, efficient manner that meets the needs of the community and ratepayers.
2. The Earlimart PUD is governed by a three member Board of Directors elected at large from within its boundaries. The Board is responsible for setting policy and general administrative procedures.
3. The District currently operates with a full time staff including a District Manager, an assistant, and two maintenance technicians. The staff is readily available to respond to the needs of customers.

4. The District contracts out for other services, including engineering, legal counsel, accounting, and other consulting services.
5. It is recommended that the District be available to respond to emergency situations during non- business hours as well.

9) Local Accountability and Governance

1. The District complies with the Brown Act open meeting law by holding regularly scheduled meetings in which the public is invited. Regularly scheduled meetings are held on the 10th of each month at 3:00 p.m. at the District office. Agendas for Board meetings are posted on-site at the District office.
2. The District adopts budgets and rate changes at hearings where the public is notified and invited.
3. The District should work with the Tulare County Resource Management Agency (RMA) and/or Tulare County LAFCO to have information regarding District affairs posted on the Tulare County RMA and/or LAFCO website. The District could provide information such as meeting times and locations, budgets, rates, ordinances, agendas, completed/upcoming projects, and other District affairs to Tulare County for posting on the County's (RMA and/or LAFCO) website.

5.0 EARLIMART PUBLIC UTILITY DISTRICT

5.0.1 Background

The requirement for Local Agency Formation Commissions (LAFCO) to conduct reviews of local municipal services was established with the passage of AB 2838, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. The bill passed the legislature, and was signed into law by Governor Davis on September 26, 2000. Municipal Service Reviews (MSRs) provide LAFCOs with an additional tool to fulfill their statutory responsibilities of promoting orderly growth and development, preserving the State's finite open space and agricultural land resources, and working to ensure that high quality public services are provided to all Californians in the most efficient and effective manner. MSRs are a requirement of State annexation law and are required to be completed before the consideration of a Sphere of Influence (SOI) amendment or once every five years when a SOI amendment is not being considered.

In July 2003, the Tulare County LAFCO Board adopted an MSR exemption policy, which identifies the agencies that would be subject to a review and the extent of that review. The agencies in Tulare County were divided into three (3) categories: agencies subject to a full comprehensive study; agencies subject to a questionnaire study; and agencies exempt from a MSR study. The Earlimart PUD is subject to a full comprehensive study. The policy further identifies that the services subject to review shall be:

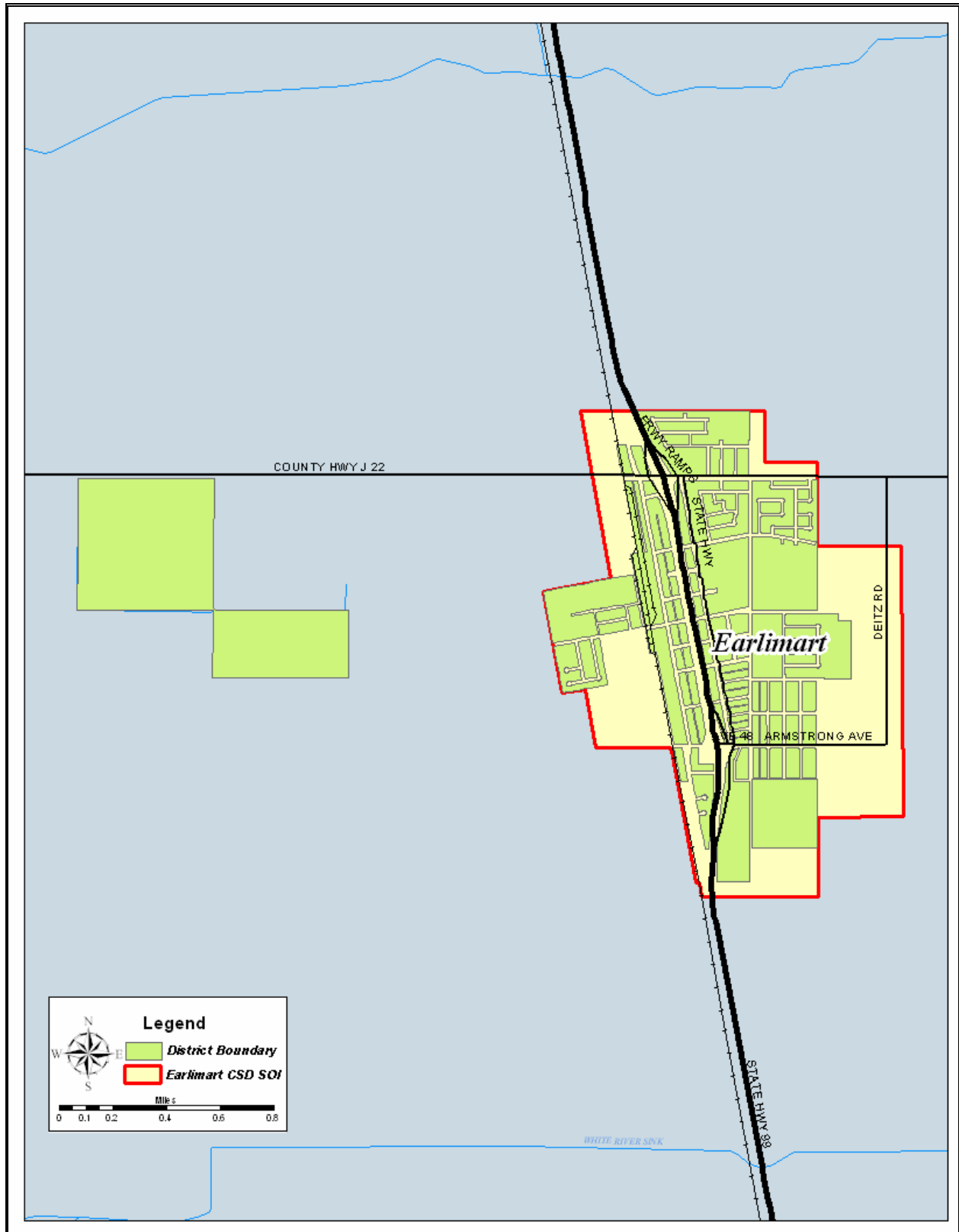
- Police protection
- Fire protection
- Water and wastewater
- Solid waste collection and disposal
- Streets and traffic circulation
- Power generation and distribution
- Health Care

Earlimart, an unincorporated community in Tulare County, is located in the southwest portion of the County, southwest of Visalia. The Earlimart PUD, formed in December 1954, has a primary function of providing domestic water and sanitary sewer service to residents within the community. Domestic water and sanitary sewer collection, treatment, and disposal are the primary services provided by the Earlimart PUD that are subject to a municipal service review.

Earlimart is located approximately 40 miles north of the City of Bakersfield. It lies 7 miles northeast of the City Limits of Delano. The community is long and linear in shape, and is bisected in an east-west direction by State Route (SR) 99 and the Union Pacific Railroad tracks. Earlimart is an agriculturally oriented service community surrounded on all sides by lands in agricultural production and vacant land.

Cities and communities surrounding Earlimart include Delano to the south, Pixley to the north, and the communities of Ducor and Terra Bella to the east and northeast respectively, and the community of Richgrove to the southeast. Earlimart is approximately 13 miles east of the Tulare County/Kings County Line, and approximately 8 miles north of the Tulare County/Kern County Line. The current District Boundary and the currently adopted SOI for Earlimart are illustrated on Figure 5-1.

FIGURE 5-1 – EARLIMART PUD BOUNDARY AND SOI



Source: Tulare County GIS Database (July 2004)

The following excerpt from the Tulare County LAFCO website (www.co.tulare.ca.us/lafco/info.asp) defines a SOI and the purpose it serves.

A “Sphere of Influence” is the physical boundary and service area that a local governmental agency is expected to serve. Establishment of this boundary is necessary to determine which governmental agencies can provide services in the most efficient way to the people and property in any given area. The Sphere of Influence requirement also works to discourage urban sprawl by preventing overlapping of jurisdictions and duplication of services.

The following discussions address the nine legislative factors required by the Cortese-Knox-Hertzberg Act; 1) Growth and population, 2) Infrastructure needs and deficiencies, 3) Financial constraints and opportunities, 4) Cost avoidance opportunities, 5) Opportunities for rate restructuring, 6) Opportunities for shared facilities, 7) Government structure options, 8) Evaluation of management efficiencies, and 9) Local accountability and governance.

5.1 GROWTH AND POPULATION

The purpose of this section is to present historical and projected growth patterns and population projections to establish a baseline for the evaluation of the service needs of Earlimart.

5.1.1 Historical Data

The Census Bureau, on a decennial basis, identifies and provides detailed information on all incorporated Cities along with several smaller unincorporated communities (termed Census Designated Places – CDPs). Each census, community profiles are developed and provide a wide range of information pertaining to population, demographics, housing information, household data, education and employment, income and poverty, and historical trends. The Earlimart CDP Boundary, as depicted in the 2003 Tulare County Data Book (Census 2000), is not consistent with the current District Boundary, indicating that the CDP population may not be representative of the District population. *Census 2000* data indicates that Earlimart had a population of 6,583 as of January 2000. According to PUD staff, the population varies between 6,000 and 8,000 persons as grape workers are attracted to the area during summer months.

Census 1990 data indicates that Earlimart had a population of 5,881 corresponding to an annual average growth rate between 1990 and 2000 of approximately 1.1%. The unincorporated areas of Tulare County grew from a population of 133,222 in 1990 to a population of 141,150 in 2000 corresponding to an average annual growth rate of approximately 0.6%. It is likely that the Earlimart community will continue to grow at an average annual rate between 1% and 2%, depending upon land use zoning established by the Tulare County General Plan Update and other factors. Using an average annual growth rate between 1% and 2%, the Earlimart community would reach an estimated year 2025 population between 8,450 and 10,800.

5.1.2 Written Determinations

1. The Earlimart CDP Boundary, as depicted in the 2003 Tulare County Data Book (Census 2000), is not consistent with the current District Boundary, indicating that the CDP population may not be representative of the District population.
2. *Census 2000* data indicates that Earlimart had a population of 6,583 as of January 2000. According to PUD staff, the population varies between 6,000 and 8,000 persons as grape workers are attracted to the area during summer months.

3. Between 1990 and 2000, according to U.S. Census Bureau data, the Earlimart community grew in population from 5,881 to 6,583, corresponding to an average annual growth rate of 1.1%
4. It is likely that the Earlimart community will continue to grow at an average annual rate between 1% and 2% depending upon land use zoning established by the Tulare County General Plan Update and other factors. Using an average annual growth rate between 1% and 2%, the Earlimart community would reach an estimated year 2025 population between 8,450 and 10,800.

5.2 INFRASTRUCTURE NEEDS AND DEFICIENCIES

The purpose of this section is to evaluate the infrastructure needs and deficiencies of Earlimart in terms of availability of resources, capacity to deliver services, condition of facilities, service quality, and levels of service.

5.2.1 Domestic Water

Earlimart's water supply is derived from four 600 feet deep underground wells, which pump at a consistent water level of approximately 250 feet. The four wells provide high quality water requiring no chlorination or treatment. The four wells have a total maximum production efficiency of 3,300 GPM, or 4.75 MGD. Wells are located throughout the community at the following locations: one in the southern portion of the community between Valente Road and SR 99; one located on property at the southeast corner of Tulare Street and Elm Street; one located on property at the southwest corner of Clay Street and Church Street; and one located on property at the corner of Mary Ann Avenue and Lane Road.

The community water system supports 1,485 total service connections including 57 commercial connections, 1,424 residential connections, and 4 school connections. In 2000, Earlimart PUD started requiring water meters for all new development; however, very little development has occurred since then indicating that the majority of the Districts water system is un-metered. Water meters are also to be installed when properties change ownership. The total water production for each well by month (for year 2003) is contained in Table 5-1 below.

TABLE 5-1
EARLIMART PUD GROUNDWATER WELL PRODUCTIONS

Month	Front Street Well	Tulare Street Well	Clay Street Well	Mary Ann Ave Well
January	2.195 mg	0	0	30.677 mg
February	2.245 mg	0	0	29.317 mg
March	4.739 mg	0.010 mg	0	30.051 mg
April	4.852 mg	0.204 mg	0	30.322 mg
May	9.370 mg	3.360 mg	4.068 mg	31.370 mg
June	13.121 mg	2.258 mg	5.229 mg	34.488 mg
July	13.690 mg	3.611 mg	14.826 mg	34.046 mg
August	12.566 mg	3.042 mg	13.419 mg	35.303 mg
September	8.521 mg	2.361 mg	11.596 mg	37.064 mg
October	4.102 mg	0.092 mg	9.980 mg	34.841 mg
November	2.629 mg	0.003 mg	0.593 mg	32.417 mg
December	2.023 mg	0	0	28.622 mg
Total Annual Production	80.053 mg	14.941 mg	59.711 mg	388.518 mg

Notes: 1) mg = million gallons

2) Source: Earlimart PUD

As indicated in Table 5-1, only two of the four wells were in production year round. The maximum production occurred in the month of July and totaled 66.173 million gallons, or approximately 203 acre-feet. The District indicated that engineering reports and evaluations of the water system are prepared and updated by Keller-Wegley Engineering, Inc. After several requests, these documents have not been provided making it difficult to make specific determinations with regard to the water infrastructure (capacity, condition, financing, planned improvements, etc.) of the District. It is likely that the District will need to continue to repair and/or replace older pipelines in the water system. Additionally, it is likely

that the District will need to supplement its water supply to support additional development within its SOI. It is recommended that LAFCO complete a comprehensive review of any water system planning reports prior to any SOI updates to ensure that proper facilities planning has taken place for any proposed SOI expansion area.

Tulare County Improvement Standards require that the construction of water source facilities shall comply with the requirements of Bulletin No. 74, "Water Well Standards" prepared by the State of California Department of Water Resources. The Tulare County Improvement Standards also establish specific requirements for quantity and quality of water to be delivered to a system. Some of these requirements are summarized below.

- The quantity of water delivered to the distribution system within a subdivision from all source and storage facilities for a period of two hours shall be the maximum domestic demand plus a fire flow quantity of not less than 500 GPM for single family residential, 1,500 GPM for multi-family residential, commercial, and light manufacturing, and 2,500 GPM for heavy manufacturing.
- For systems up to 625 customer units (equivalent dwelling units) the domestic quantity shall not be less than $Q = 100 + 25 * \sqrt{N}$, and $Q = 100 + N$ for more than 625 customer units at sufficient pressure to provide a minimum pressure of 25 PSI to each lot served; where Q equals the rate of flow in GPM delivered from the combined source facilities to the distribution system, and N equals the total number of customer units where each customer unit is equivalent to one for a single family dwelling on a normal subdivision lot. Other types of development shall be assigned appropriate customer unit values by the Engineer as experience with the distribution system or locality indicates.
- The minimum source and domestic demand storage design requirements shall be in accordance with Plate No. WS-11 of Section IV of the Tulare County Improvement Standards.
- The quality of water supplied for human consumption shall conform to Sections 3, 4 and 5 of the latest United States Public Health Service Drinking Water Standards. Samples will be taken and tests made by the County Department of Health Services for bacteriological determination of potability.
- Chemical and physical tests for potability shall be performed by a commercial laboratory certified by the State Department of Health Services for performance of chemical and physical analysis and the costs thereof shall be borne by the sub-divider.

Assuming 1,500 equivalent dwelling units (EDUs), in order to meet Tulare County Improvement Standards the Earlimart PUD water system would need to be capable of delivering a combined flow rate (from all source and storage facilities) of 3,100 GPM (1,500 GPM fire flow, and 1,600 GPM domestic demand) for a period of two hours while maintaining a minimum pressure of 25 PSI to each lot served. The District's water system is capable of delivering a source flow of 3,300 GPM, and includes pneumatic pressure tanks for storage.

An estimate of water system capacity can be calculated by using General Order 103, published by the California Public Utilities Commission. For the estimated water system capacity, the total supply source available is compared to a calculated total supply source required. Other factors that may affect the capacity of water systems, including but not limited to, water quality, low pressures, required storage, age

of system, and pipeline restrictions, are not considered. The estimated supply source required is calculated using the following equation,

$Q_{\text{Required}} = (N) * (C) * (F)$ where,

N = Number of customers served

C = Gallon per minute constant: 5 to 9 for flat rate systems, 2 to 5 for metered systems

F = Factor to reflect diversity (inversely proportional to the number of customers)

Using an N value of 1,485, a C factor of 6.5, and an F factor of 0.30, the estimated total supply source required is calculated to be 2,896 GPM. With a total supply source available of 3,300 GPM, it is estimated that the current system could support approximately 200 additional equivalent dwelling units. These calculations indicate that the District's water system is operating at approximately 88% of its capacity, indicating that an additional well will be required in the near future to support additional development.

5.2.2 Sanitary Sewer

In addition to domestic water service, the Earlimart PUD provides sanitary sewer collection and treatment services to residents within the District. According to District staff, there are currently 1,485 connections to the Districts sewer system including 1,424 residential connections, 57 commercial connections, and 4 school connections. Raw sewage is collected in a series of collection pipes ranging in size from 6 to 15 inches and then transported to a WWTF that is owned and operated by the Earlimart PUD. There are three sewer lift stations in the system. The District has applied for \$750,000 grant to install a new sewer line in which the District will match the grant with \$250,000 in funding. An additional 15" trunk line will be added under Washington Street to Road 128 towards the plant, to the west of Earlimart. The District indicated that no additional development is to be approved until the new sewer line is in place.

The District operates a WWTF located west of the community near the southeast quadrant of Avenue 56 and Road 120. The WWTF is operated under the provisions of Order No. 98-140 issued by the California Regional Water Quality Control Board. The WWTF consists of bar screen, an aerated grit chamber, two comminutors in parallel, a clarigester, and oxidation ponds. Effluent from the oxidation ponds is stored in three retention ponds that have a total surface area of 20 acres. Order No. 98-140 prescribes that the monthly average discharge shall not exceed 0.8 MGD. The District indicated that recent improvements to the plant including the construction of additional oxidation ponds have brought the plants capacity up to 1.24 MGD. As prescribed by Order No. 98-140, when a California registered civil engineer has certified that the WWTF can reliably treat 1.24 MGD, the monthly average discharge shall not exceed 1.24 MGD. The District currently complies with the requirements specified in Order No. 98-140.

The District has indicated that the daily flow during summer months is approximately 880,000 GPD and about 600,000 to 700,000 GPD during winter months indicating that there is no significant inflow and infiltration into the collection system during the winter months. This is an indication that the collection system is in adequate operating condition. Upon an engineer's certification to reliably treat 1.24 MGD, the WWTF would have additional capacity to treat approximately 360,000 GPD. Based upon the available capacity at the WWTF, it is estimated that approximately 600 additional connections (EDUs) to the system could be supported. Although there is remaining capacity in the system, the District indicated that the plant was constructed in 1956 and needs upgrading including electrical upgrades. Intermediate upgrades to the plant occurred in 1973 and 1986 according to the Districts Engineer.

Several requests have been made to obtain the District's sewer planning documents but these documents were not made available for review at the time of this publication. It is recommended that LAFCO

complete a comprehensive review of any sanitary sewer system and/or WWTF planning reports prior to any SOI updates to ensure that proper facilities planning has taken place for any proposed SOI expansion area including funding mechanisms for infrastructure improvements.

5.2.3 Written Determinations

Domestic Water

1. The District's water system supports 1,485 total service connections including 57 commercial connections, 1,424 residential connections, and 4 school connections.
2. In 2000 the District began requiring water meters for all new development but very little development has occurred since then indicating that the majority of the District's water connections are currently un-metered. Water meters will also be installed on existing properties when they change ownership.
3. Assuming 1,500 equivalent dwelling units (EDUs), in order to meet Tulare County Improvement Standards the Earlimart PUD water system would need to be capable of delivering a combined flow rate (from all source and storage facilities) of 3,100 GPM (1,500 GPM fire flow, and 1,600 GPM domestic demand) for a period of two hours while maintaining a minimum pressure of 25 PSI to each lot served. The District's water system is capable of delivering a source flow of 3,300 GPM, and includes pneumatic pressure tanks for storage, indicating that the system currently meets the requirements of the Tulare County Improvement Standards.
4. Based upon a calculation performed in accordance with General Order 103, published by the California Public Utilities Commission, it is estimated that the District's current water system could support approximately 200 additional EDUs.
5. It is likely that the District will need to continue to repair and/or replace older pipelines in the water system. Additionally, it is likely that the District will need to supplement its water supply to support additional development within its SOI (i.e. the addition of wells to the system).
6. It is recommended that LAFCO complete a comprehensive review of any water system planning reports prior to any SOI updates to ensure that proper facilities planning has taken place for any proposed SOI expansion area.

Sanitary Sewer

1. The Districts sewer system currently supports 1,485 total service connections including 57 commercial connections, 1,424 residential connections, and 4 school connections.
2. The District has applied for \$750,000 grant to install a new sewer line. The District will need to match the grant with \$250,000. An additional 15" trunk line will be added under Washington Street to Road 128 towards the plant, to the west of Earlimart. The District indicated that no additional development is to be approved prior to the installation of the new trunk line.
3. The Districts WWTF is operated under the provisions of Order No. 98-140 issued by the California RWQCB. The District currently complies with the provisions of the Order.

4. As prescribed by Order No. 98-140, when a California registered civil engineer has certified that the WWTF can reliably treat 1.24 MGD, the monthly average discharge shall not exceed 1.24 MGD; otherwise the monthly average discharge shall not exceed 0.80 MGD. District staff has indicated that the average dry weather flow is approximately 0.88 MGD.
5. The District's collection system is in adequate operating condition as there is no significant inflow and infiltration during winter months.
6. Upon an engineers certification to reliably treat 1.24 MGD the WWTF would have additional capacity to treat approximately 360,000 GPD. Based upon an available capacity of 360,000 GPD, it is estimated that approximately 600 additional connections (EDUs) to the system could be supported.
7. Although there is remaining capacity, the District indicated that the WWTF was constructed in 1956 and needs upgrading including electrical upgrades. Intermediate upgrades to the plant occurred in 1973 and 1986.
8. It is recommended that LAFCO complete a comprehensive review of any sanitary sewer system and/or WWTF planning reports prior to any SOI updates to ensure that proper facilities planning has taken place for any proposed SOI expansion area including funding mechanisms for infrastructure improvements.

5.3 FINANCING OPPORTUNITIES AND CONSTRAINTS

The purpose of this section is to evaluate the capability of Earlimart PUD to finance needed improvements and services.

5.3.1 Annual Budget

LAFCO should consider the ability of the District to pay for improvements or services associated with annexed sites. This planning can begin at the SOI stage by identifying what opportunities there are to identify infrastructure and maintenance needs associated with future annexation and development, and identifying limitations on financing such improvements, as well as the opportunities that exist to construct and maintain those improvements.

Based upon a review of the District's fiscal year 2004-05 budget the District is in sound financial condition. The fiscal year 2004-05 budget is well organized, thorough, and clearly articulates the District's future financial performance plans. The District prepares a traditional line item budget document that is divided into the following categories:

- Available Resources
- Estimated Revenues
- Estimated Expenditures
 - Salaries and Employee Benefits
 - Services and Supplies
 - Appropriations

The District adopts the budget each year and it is used as the spending plan for the District. The budget provides a framework for the District to address the following issues: reserves, revenues, expenditures, investments, and rates and fees. Using the fiscal year 2004-05 budget as basis for this discussion, the District has an operating budget of \$652,570 that covers salaries and employee benefits totaling \$157,000; outside services and supplies totaling \$315,500; other charges totaling \$90,000; and a contingency appropriation of \$90,070. "Other charges" include \$60,000 allocated towards building and improvements and \$30,000 allocated towards equipment purchases. In addition, the District has \$800,000 reserved for infrastructure improvements.

The District generally requires new development projects to construct the necessary infrastructure to serve their development. A program of developer obligated infrastructure improvements provides for the installation of physical infrastructure to serve development sites and therefore relieves the financial obligation of the District. Developers are also required to pay fees for rights to water and sewer capacity, which are ultimately used by the District for capital capacity improvements including, but not limited to, additional wells, storage facilities, or capital WWTF improvements. These fees are set by the Board of Directors by resolution, and are allocated to a restricted reserve account.

The District's financial constraints involve the governmental structure and the desires of the people in the community to fund certain activities by establishing assessment districts or fees. The laws under which a PUD is governed provide the structure for funding activities. Key revenue sources for the Earlimart PUD include user fees, new connection fees, and property tax increments. The District also generates revenue by investing its cash reserves in interest bearing accounts. Interest earnings are not projected for the upcoming F.Y. budget, but instead are reported in the beginning cash balance for the next F.Y. budget. The District had a beginning (July 2004) cash balance of \$1,000,000 of which \$300,000 is reserved for the construction of a new water well, and \$500,000 is reserved for sewer line expansions.

On the expenditures side, the District budgets for the services paid for by residents and provides for other expenses using property tax and, if appropriate, restricted reserve accounts. Key expenditures include personnel, services and supplies, and pass through revenues for projects. Based upon a review of the District's budget for FY 2004-05, it was concluded that the District has no long term debt obligations.

5.3.2 Written Determinations

1. The District prepares a comprehensive and thorough annual budget that clearly describes the services provided to residents and the funds expended for those services.
2. The District generally requires new development projects to construct the necessary infrastructure to serve their development. A program of developer obligated infrastructure improvements provides for the installation of physical infrastructure to serve development sites and therefore relieves the financial obligation of the District.
3. Developers are also required to pay fees for rights to water and sewer capacity, which are ultimately used by the District for capital capacity improvements. These fees are set by the Board of Directors by resolution, and are allocated to a restricted reserve account.
4. The District's budget for fiscal year 2004-05 included contingency funds of \$90,070. As of July 1, 2004, the District had a cash balance of \$1,000,000, of which \$300,000 is reserved for a new water well, and \$500,000 is reserved for sewer line expansions.
5. The District also generates revenue by investing its cash reserves in interest bearing accounts. Interest earnings are not projected for the upcoming F.Y. budget, but instead are reported in the beginning cash balance for the next F.Y. budget.

5.4 COST AVOIDANCE OPPORTUNITIES

The purpose of this section is to identify practices or opportunities that may help to eliminate unnecessary costs.

5.4.1 Fiscal Structure

The Districts budget process is designed to screen out unnecessary costs. A base budget is completed by the General Manager for review and discussion by the Board of Directors. Each year, the District's budget is reviewed with the District Board, District Engineer, and General Manager to ensure that the District continues to operate within the limits of its financial resources.

The District has adequate staff resources and administrative capabilities to provide the needed level of services to the residents within its boundaries. The District also avoids unnecessary costs by contracting out professional services including engineering, legal services, and other consulting services.

The District should continue to work with the development community to fund the construction of water and sewer infrastructure improvements that would serve new development sites. The District requires development projects to pay fees for water and sewer capacity rights, which are currently set at \$1,500 and \$1,000 per equivalent dwelling unit (EDU) for water and sewer connections, respectively.

If the SOI were expanded in the future, the District would assume fiscal responsibilities to construct and maintain the water and sewer infrastructure associated with the SOI and any territories that were annexed. LAFCO should consider the relative burden of new annexations to the District when it comes to its ability to provide water and sewer service, as well as capital maintenance and replacements required as a result of expanding the District Boundary.

Opportunities exist at the time of annexation and development to introduce alternative methods of construction and maintenance of public or semi-public infrastructure to serve the future SOI/annexation areas.

5.4.2 Written Determinations

1. Each year, the District's budget is reviewed with the District Board, District Engineer, and General Manager to ensure that the District continues to operate within the limits of its financial resources.
2. The District avoids unnecessary costs by contracting out professional services as needed including engineering, legal services, and other consulting services.
3. The District should continue to work with the development community to fund the construction of water and sewer infrastructure improvements that would serve new development sites. The District requires development projects to pay fees for water and sewer capacity rights, which are currently set at \$1,500 and \$1,000 per EDU for water and sewer connections, respectively.

5.5 OPPORTUNITIES FOR RATE RESTRUCTURING

The purpose of this section is to identify opportunities to positively impact rates without decreasing service levels.

5.5.1 Fee Structure

The Earlimart PUD charges monthly user fees and new connection fees for water and sewer. The fiscal year 2004-05 budget estimates revenues of \$435,000 to be generated from current water and sewer fees. Tables 5-2 and 5-3 show a comparison of water and sewer rates and connection fees, respectively, for surrounding service providers. The tables also show the relationship between monthly service charges and average household incomes for the respective communities. Since some of the service providers charge a metered rate for water, it is necessary to calculate an average monthly bill based upon a specific amount of usage taken as 2,005 cubic feet, or approximately 15,000 gallons, per month for this analysis.

**TABLE 5-2
COMPARISON OF WATER RATES**

Service Provider	Sample Monthly Bill	Connection Fee	Average Household Income	Rate/Income Ratio
Earlimart PUD	\$12.50	\$1,500	\$1,775/mo.	0.70%
Ivanhoe PUD	\$9.50	\$1,700	\$2,171/mo.	0.44%
Pixley PUD	\$20.00	\$2,000	\$1,942/mo.	1.03%
Teviston CSD	\$30.00	\$800	\$2,014/mo.	1.49%
Tipton CSD	\$24.00	\$2,800	\$2,198/mo.	1.09%
Alpaugh JPA	\$55.00	\$1,500	\$1,974/mo.	2.79%
Cutler PUD	\$18.00	\$1,500	\$2,028/mo.	0.89%
Orosi PUD	\$19.08	\$2,400	\$2,533/mo.	0.75%
Lemon Cove SD	\$10.01	\$500	\$2,361/mo.	0.42%
London CSD	\$18.00	\$1,400	\$1,807/mo.	1.00%
Lindsay-Strathmore ID	\$14.18 ⁷	T&M	\$2,096/mo.	0.68%
Poplar CSD	\$25.00	\$1,750	\$2,043/mo.	1.22%
Richgrove CSD	NA	NA	\$1,907/mo.	NA
Springville PUD	\$23.42	\$2,800	\$2,023/mo.	1.16%
Strathmore PUD	\$43.30	\$1,150	\$2,096/mo.	2.06%
Terra Bella ID	\$12.43 ⁸	\$2,908	\$2,109/mo.	0.59%
Woodville PUD	\$27.28	\$2,000	\$2,123/mo.	1.28%
Average	\$23.17	\$1,780	\$2,080/mo.	1.11%

Notes: 1) Fee information obtained from service providers

2) Average household income based upon Census 2000 data

3) Rate/Income ratio calculated by dividing sample monthly bill by average household income

4) Sample monthly bill is calculated for a typical single family dwelling

5) NA=Not Available

6) T&M=Time and Material basis

7) Based on an average of four separate rates charged by the Lindsay-Strathmore Irrigation District

8) Based on potable water service provided by the Terra Bella Irrigation District

9) Richgrove CSD and Lindsay-Strathmore ID were omitted from the average calculations

As indicated in Table 5-2, the Earlimart PUD charges among the lowest monthly rates for domestic water service compared to other service providers throughout the County. The cost of domestic water service within Earlimart equates to approximately 0.70% of the average household income within the community. The Earlimart PUD water connection fee is also below average compared to other domestic water service providers throughout the County.

**TABLE 5-3
COMPARISON OF SEWER RATES**

Service Provider	Monthly Sewer User Fee (1 EDU)¹	Connection Fee¹	Average Household Income²	Rate/Income Ratio³
Goshen CSD	\$32.00	\$975	\$2,359/mo.	1.36%
Earlimart PUD	\$7.50	\$1,000	\$1,775/mo.	0.42%
Ivanhoe PUD	\$9.50	\$1,890	\$2,171/mo.	0.44%
Pixley PUD	\$15.00	\$1,800	\$1,942/mo.	0.77%
Tipton CSD	\$8.00	\$1,050	\$2,198/mo.	0.36%
Cutler PUD	\$22.00	\$3,520	\$2,028/mo.	1.08%
Orosi PUD	\$22.97	\$1,745	\$2,533/mo.	0.91%
Lemon Cove SD	\$4.50	\$500	\$2,361/mo.	0.19%
London CSD	\$21.00	\$1,990	\$1,807/mo.	1.16%
Poplar CSD	\$25.00	\$1,300	\$2,043/mo.	1.22%
Richgrove CSD	\$18.00	\$750	\$1,907/mo.	0.94%
Springville PUD	\$35.06	\$3,900	\$2,023/mo.	1.73%
Strathmore PUD	\$14.70	\$500	\$2,096/mo.	0.70%
Terra Bella SMD	\$21.00	\$500	\$2,109/mo.	1.00%
Woodville PUD	\$17.25	\$700	\$2,123/mo.	0.81%
Average	\$18.23	\$1,475	\$2,098/mo.	0.87%

1) Source: Wastewater User Charge Survey Report FY 2004-05 (Cal EPA – SWRCB, May 2005)

2) Source: Census 2000

As indicated in Table 5-3, the Earlimart PUD charges among the lowest monthly rates for sewer service compared to other sewer service providers throughout the County. The cost of sanitary sewer service within Earlimart equates to approximately 0.42% of the average household income within the community. The Earlimart PUD sanitary sewer connection fee is also below average compared to other service providers throughout the County.

The District should periodically review its monthly user fees and connection fees to ensure that quality service will continually be provided to existing and future residents. The Earlimart PUD rates are currently among the lowest compared to surrounding service providers, which is indicative of the District's ability to provide efficient and affordable utility services to residents in the community. The District has not increased its flat rate fees since 1995. The District indicated that the fees will be re-evaluated in the near future as a result of the need to expand the wastewater capacity and upgrade the wastewater treatment plant.

The District's budget is structured to segregate costs associated with the construction of infrastructure to accommodate new development. Fees paid by developers are placed into a restricted reserve account, funds which are ultimately used by the District to construct capital capacity improvements to the

District's water and sewer systems. User fees are used for the operations of the District and the operation and maintenance of the District's infrastructure.

5.5.2 Written Determinations

1. The Earlimart PUD charges monthly user fees and new connection fees for water and sewer. The fiscal year 2004-05 budget estimates revenues of \$435,000 to be generated from current water and sewer user fees.
2. The Earlimart PUD rates are currently among the lowest compared to other service providers throughout the County, which is indicative of the District's ability to provide efficient and affordable utility services to residents in the community. The District has not increased its flat rate fees since 1995. The District indicated that the fees will be re-evaluated in the near future as a result of the need to expand the wastewater capacity and upgrade the wastewater treatment plant.
3. The District's budget is structured to segregate costs associated with the construction of infrastructure to accommodate new development. Fees paid by developers are placed into a restricted reserve account, funds which are ultimately used by the District to construct capital capacity improvements to the District's water and sewer systems. User fees are used for the operations of the District and the operation and maintenance of the District's infrastructure.

5.6 OPPORTUNITIES FOR SHARED FACILITIES

The purpose of this section is to evaluate opportunities for a jurisdiction to share facilities and resources, thereby increasing efficiency.

5.6.1 Shared Facilities

Since the location of the Earlimart District Boundary is immediately adjacent to existing rural lands, the opportunity for sharing infrastructure does not readily exist.

5.6.2 Written Determinations

1. Since the location of the Earlimart District Boundary is immediately adjacent to existing rural lands, the opportunity for sharing infrastructure does not readily exist.

5.7 GOVERNMENT STRUCTURE OPTIONS

The purpose of this section is to consider the advantages and disadvantages of various government structures to provide public services.

5.7.1 Development within SOI Areas

One of the most critical elements of LAFCO's responsibilities is in setting logical service boundaries for communities based on their capability to provide services to affected lands. There are no other service providers immediately adjacent to Earlimart's SOI indicating that the potential for duplication of services is not present. For this reason, it is logical that the Earlimart PUD adequately plan for and assume water and sewer service within its SOI Boundary. There are no foreseeable conditions that would indicate that development within the District's SOI would result in a change in government structure.

Prior to development within its SOI area, the District should complete infrastructure planning - including master plans - to address the infrastructure needs of affected areas and funding mechanisms to meet those needs. The District and/or County could also require developers to prepare specific plans prior to approving development within the District's SOI. The District will need to continually expand and improve its water and sewer infrastructure to accommodate development within its current District Boundary and SOI expansion areas.

5.7.2 Written Determinations

1. There are no other service providers immediately adjacent to Earlimart's SOI indicating that the potential for duplication of services is not present. For this reason, it is logical that the Earlimart PUD adequately plan for and assume water and sewer service within its SOI Boundary.
2. There are no foreseeable conditions that would indicate that development within the District's SOI would result in a change in government structure.
3. Prior to development within its SOI area the District should complete master planning to address the infrastructure needs of affected areas and funding mechanisms to meet those needs. The District and/or County could also require developers to prepare specific plans prior to approving development within the District's SOI.
4. The District will need to continually expand and improve its water and sewer infrastructure to accommodate development within its current District Boundary and SOI areas.

5.8 EVALUATION OF MANAGEMENT EFFICIENCIES

The purpose of this section is to consider the management structure of the jurisdiction.

5.8.1 Organizational Structure

Based upon a review of information provided by the Earlimart PUD, it appears that the provisions of domestic water and sanitary sewer are managed in a cost effective, efficient manner, meeting the needs of the community and ratepayers. The Earlimart PUD has accounting and finance functions, current personnel regulations and resolutions. The Earlimart PUD undergoes annual audits in compliance with auditing standards.

The Earlimart PUD is governed by a three-member Board of Directors elected at large from within its boundaries. The Board is responsible for setting policy and general administrative procedures. The District currently operates with a full time staff that includes a District Manager, an assistant, and two maintenance technicians. The staff is readily available to respond to the needs of customers. The District contracts out for other service's including engineering, legal counsel, accounting, and other consulting services.

Based upon the District's 2004-05 budget approximately \$90,070 was appropriated for contingencies. Contingency funds can be used for emergency improvements and/or unforeseen replacement or rehabilitation costs.

5.8.2 Written Determinations

1. Based upon information made available, it appears that the provisions of domestic water and sanitary sewer are managed in a cost effective, efficient manner that meets the needs of the community and ratepayers.
2. The Earlimart PUD is governed by a three member Board of Directors elected at large from within its boundaries. The Board is responsible for setting policy and general administrative procedures.
3. The District currently operates with a full time staff including a District Manager, an assistant, and two maintenance technicians. The staff is readily available to respond to the needs of customers.
4. The District contracts out for other services, including engineering, legal counsel, accounting, and other consulting services.
5. It is recommended that the District be available to respond to emergency situations during non- business hours as well.

5.9 LOCAL ACCOUNTABILITY AND GOVERNANCE

The purpose of this section is to evaluate the accessibility and levels of public participation associated with the Earlimart PUD's decision-making processes.

5.9.1 Public Access and Information Methods

LAFCO may consider the agency's record of local accountability in its management of community affairs as a measure against the ability to provide adequate services to the SOI and annexation areas.

The Earlimart PUD has a five member Board of Directors that is elected by voters residing within the District's Boundary. Regularly scheduled Board meetings, which are open to the public, are held on the 10th of each month at 3:00 p.m. at the District office located at 168 North Front Road in Earlimart. Agendas for Board meetings are posted and notices provided consistent with public meeting requirements (i.e., the Brown Act) including posting on-site. The District adopts budgets and rate changes at hearings where the public is notified and invited.

The District should work with the Tulare County Resource Management Agency (RMA) and/or Tulare County LAFCO to have information regarding District affairs posted on the Tulare County RMA and/or LAFCO website. The District could provide information such as meeting times and locations, budgets, rates, ordinances, agendas, completed/upcoming projects, and other District affairs to Tulare County for posting on the County's (RMA and/or LAFCO) website. It would make sense to post information regarding District affairs on County websites, since Earlimart is an unincorporated community within Tulare County, and there is a mutual interest in the community.

The internet is a relatively low-cost yet powerful method of involving the general public/customers/ratepayers in District affairs. Greater dissemination of information can lead to greater interest in attending Board meetings and participating in elections. It also allows the public, some of whom are not physically able to attend Board meetings, to follow District activities remotely from their home or business.

5.9.2 Written Determinations

1. The District complies with the Brown Act open meeting law by holding regularly scheduled meetings in which the public is invited. Regularly scheduled meetings are held on the 10th of each month at 3:00 p.m. at the District office. Agendas for Board meetings are posted on-site at the District office.
2. The District adopts budgets and rate changes at hearings where the public is notified and invited.
3. The District should work with the Tulare County Resource Management Agency (RMA) and/or Tulare County LAFCO to have information regarding District affairs posted on the Tulare County RMA and/or LAFCO website. The District could provide information such as meeting times and locations, budgets, rates, ordinances, agendas, completed/upcoming projects, and other District affairs to Tulare County for posting on the County's (RMA and/or LAFCO) website.

CHAPTER 6 – IVANHOE PUD MUNICIPAL SERVICE REVIEW

EXECUTIVE SUMMARY

This section provides an overview of the written determinations of the Ivanhoe Public Utility District (PUD) Municipal Service Review (MSR). As part of its review of municipal services, the Tulare County Local Agency Formation Commission (LAFCO) is required to prepare a written statement of its determination with respect to each of the following: 1) Growth and population projections for the affected area; 2) Infrastructure needs and deficiencies; 3) Financing constraints and opportunities; 4) Cost avoidance opportunities; 5) Opportunities for rate restructuring; 6) Opportunities for shared facilities; 7) Government structure options; 8) Evaluation of management efficiencies; and 9) Local accountability and governance. These requirements are established by AB 2838, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. The Ivanhoe PUD MSR identifies the following written determinations:

Written Determinations

1) Growth and Population

1. The Ivanhoe CDP Boundary generally covers a larger area than the current District Boundary and SOI. The additional land covered by the CDP Boundary is considered to be sparsely populated at this time.
2. *Census 2000* data indicates that Ivanhoe had a population of 4,474 as of January 2000. According to District staff, approximately 1,000 residents work as transient agricultural workers and leave Ivanhoe during the summer for northern California to pick fruit, etc.
3. Between 1990 and 2000, Ivanhoe experienced an average annual population growth rate of approximately 3.1%, compared to 0.6% for the unincorporated areas of Tulare County.
4. It is likely that the Ivanhoe community will continue to grow at an average annual rate between 2% and 3% depending upon land use zoning and other policies established by the Tulare County General Plan and other factors. Using an average annual growth rate between 2% and 3%, the Ivanhoe community would reach an estimated year 2025 population between 7,350 and 9,350.
5. The District's approach to growth has been slow as they have historically turned down service requests that require annexation of additional territory. The District has no plans to expand its SOI at this time.
6. A development proposal submitted to the District in November 2003 resulted in the Board approving the issuance of a letter of intent to serve approximately 75 new affordable housing units. The proposed development is within the District Boundary and will not require the annexation of additional land into the District.

2) Infrastructure Needs and Deficiencies

Domestic Water

1. Ivanhoe's water supply is derived from six existing deep underground wells that provide an ample, excellent water supply requiring no chlorination or treatment. The six wells have a total maximum production efficiency of approximately 3,600 GPM.
2. In 1990, the District lost one of its seven wells due to DBCP contamination, which resulted in an \$800,000 settlement being awarded to the District.
3. The Ivanhoe PUD water system supports 1,114 single and multi family connections. The District was unable to provide a breakdown of commercial and industrial connections, but estimated that there are approximately 1,200 total connections to the system.
4. Water consumption data indicated that there was an immediate decrease in domestic water usage as a result of metering, which began in 1991. Since then, the District has billed customers based upon a metered usage.
5. Well production data indicates that three of the six wells had comparably lower productions indicating that they are used as needed to meet fire flow and/or peak flow demands. The District's wells produced 287.611 million gallons in 2003, with a maximum monthly production of 38.181 million gallons occurring in June, corresponding to a maximum day demand of 1.28 MGD.
6. Assuming 1,200 equivalent dwelling units (EDUs), in order to meet Tulare County Improvement Standards the Ivanhoe PUD water system would need to be capable of delivering a combined flow rate (from all source and storage facilities) of 2,800 GPM (1,500 GPM fire flow, and 1,600 GPM domestic demand) for a period of two hours while maintaining a minimum pressure of 25 PSI to each lot served. The District's water system is capable of delivering a source flow of 3,600 GPM, and includes pneumatic pressure tanks for storage, indicating the system currently meets the requirements of the Tulare County Improvement Standards.
7. Based upon a calculation performed in accordance with General Order 103, published by the California Public Utilities Commission, it is estimated that the District's current water system could support approximately 1,200 additional EDUs.
1. In 2004, the District received a \$2 million State Revolving Fund (SRF) loan, a portion of which was used to replace old water lines with new water lines and relocate the lines from alleys to streets. Approximately \$1.4 million in water line replacements has been completed. The remaining \$600,000 was to be used to bring one new well online. Since the District's water system has sufficient capacity, the Board voted not to drill a new well at this time. It is anticipated that the \$600,000 that was to be used for a new well will be returned to the State.

Sanitary Sewer

1. The sanitary sewer system for the Ivanhoe community currently supports 1,114 single and multi-family residential connections. District staff was unable to provide a breakdown of commercial and industrial connections but estimated that there are approximately 1,200 total connections to the system.

2. The District operates a WWTF that provides secondary treatment of wastewater and is located southwest of the community. The WWTF is operated under the provisions of Order No. 98-090 issued by the California RWQCB, which prescribes that the monthly average daily discharge shall not exceed 0.56 MGD.
3. Treated effluent from the WWTF is recycled on 61.2 acres of pasture land south of the plant, which is leased by the District for grazing of non-milking cattle.
4. The average dry weather flow at the WWTF is approximately 0.36 MGD resulting in an excess capacity of approximately 200,000 GPD. Based upon the available capacity at the WWTF (200,000 GPD), it is estimated that approximately 650 additional connections (EDUs) to the system could be supported.
5. Based upon a review of monthly monitoring reports submitted to the RWQCB, the District's wastewater inflows are typically higher during summer months than during winter months indicating that there is no significant inflow and infiltration into the collection system during the winter months. This is an indication that the collection system is in adequate operating condition.
6. The District will need to increase the capacity of its WWTF to support projected growth through year 2025. It is recommended that the District research State and Federal grants and/or loans that may be available to help finance improvements to the District's WWTF. Clean Water Grants, State Revolving Fund Loans, and Small Community Grants are examples.

3) Financing Constraints & Opportunities

1. The District prepares a comprehensive and thorough annual budget that clearly describes the services provided to residents and the funds expended for those services.
2. The District's operating budgets (excluding reserve funds) for fiscal year 2004-05 totaled \$370,472 for sanitary sewer and \$2,529,609 for water service. The District's budget included contingency funds of \$25,000 and \$50,000 for sanitary sewer and domestic water service, respectively.
3. A review of the District's budget indicates that the District is in stable financial condition. The District's annual revenues cover the annual operating expenses of the District including reserve allocations and contingency appropriations.
4. It is likely that development within the District's SOI will rely on infrastructure available from the District. To increase its preparedness when such development is proposed, it is recommended that the District prepare and implement water and sewer system master plans.
5. The District generally requires new development projects to construct the necessary infrastructure to serve their development. A program of developer obligated infrastructure improvements provides for the installation of physical infrastructure to serve development sites and therefore relieves the financial obligation of the District.

6. Developers are also required to pay fees for rights to water and sewer capacity, which are ultimately used by the District for capital capacity improvements. These fees are set by the Board of Directors by resolution, and are allocated to a restricted reserve account.
7. The District also generates revenue by investing its cash reserves in interest bearing accounts. Interest earnings are not projected for the upcoming F.Y. budget, but instead are reported in the beginning cash balance for the next F.Y. budget.
8. A major capacity expansion of the WWTF would increase the operation and maintenance costs to current residents and Board does not consider this a desirable alternative. For this reason operation and maintenance costs associated with increasing the capacity of the WWTF is considered a significant financial constraint of the District.

4) Cost Avoidance Opportunities

1. Each year, the District's budget is reviewed with the district Board, District Engineer, and General Manager to ensure that the District continues to operate within the limits of its financial resources.
2. The District avoids unnecessary costs by contracting out professional services including engineering, legal services, and other consulting services.
3. The District should continue to work with the development community to fund the construction of water and sewer infrastructure improvements that would serve new development sites. The District requires development projects to pay fees for water and sewer capacity rights, which are currently set at \$1700 and \$1890 per EDU, respectively.

5) Opportunities for Rate Restructuring

1. The Ivanhoe PUD charges monthly user fees and new connection fees for water and sewer. The District's fiscal year 2004-05 budget estimates revenues of \$234,000 and \$152,000 to be generated from water and sewer customer sales, respectively.
2. The Ivanhoe PUD rates are currently among the lowest compared to other service providers throughout the County, which is indicative of the District's ability to provide efficient and affordable utility services to residents in the community.
3. The District's budget is structured to segregate costs associated with the construction of infrastructure to accommodate new development. Fees paid by developers are placed into a restructured reserve account, funds which are ultimately used by the District to construct capital capacity improvements to the District's water and sewer systems. User fees are used for the operations of the District and the operation and maintenance of the District's infrastructure.

6) Opportunities for Shared Facilities

1. Since the location of the Ivanhoe District Boundary is immediately adjacent to existing rural lands, the opportunity for sharing infrastructure does not readily exist.
2. Opportunities for sharing resources include splitting insurance premiums with nearby Districts requiring related insurance coverage. Also the employment of a grant writer by two

or more Districts could potentially benefit the District without incurring the cost of a full time employee.

7) Government Structure Options

1. There are no other service providers immediately adjacent to Ivanhoe's SOI indicating that the potential for duplication of services is not present. For this reason, it is logical that the Ivanhoe PUD adequately plan for and assume water and sewer service within its SOI Boundary.
2. There are no foreseeable conditions that would indicate that development within the District's SOI would result in a change in government structure.
3. Prior to development within its SOI area the District should complete master planning to address the infrastructure needs of affected areas and funding mechanisms to meet those needs. The District and/or County could also require developers to prepare specific plans prior to approving development within the District's SOI.
4. The District will need to continually expand and improve its water and sewer infrastructure to accommodate development within its current District Boundary and SOI expansion areas.
5. The City of Visalia Urban Area Boundary encompasses an area that is currently part of the Ivanhoe District Boundary southwest of the community that includes the application area for reclaimed water from the Ivanhoe PUD WWTF. The Ivanhoe PUD governmental structure would not likely be affected by this realization, as a City's UAB is used only as a preliminary planning mechanism and has little to no implications with regard to State or Federal Law.

8) Evaluation of Management Efficiencies

1. Based upon information made available, it appears as if the provisions of sanitary sewer and domestic water service are managed in a cost effective, efficient manner, meeting the needs of the community and ratepayers.
2. The Ivanhoe PUD is governed by a five member Board of Directors elected at large from within its boundaries and is responsible for setting policy and general administrative procedures.
3. The District currently operates with a full time staff, and contracts out for other services, including engineering, legal counsel, accounting, and other consulting services.
4. The District's 2004-05 budgets appropriated approximately \$75,000 for contingencies that could be used for emergency improvements and/or unforeseen replacement or rehabilitation costs.

9) Local Accountability and Governance

1. The District complies with the Brown Act open meeting law by holding regularly scheduled meetings in which the public is invited. Regularly scheduled meetings are held on the first Monday of each month at 7:00 p.m. at the District office. Agendas for Board meetings are posted on-site at the District office.

2. The District adopts budgets and rate changes at hearings where the public is notified and invited.
3. The District should work with the Tulare County Resource Management Agency (RMA) and/or Tulare County LAFCO to have information regarding District affairs posted on the Tulare County RMA and/or LAFCO website. The District could provide information such as meeting times and locations, budgets, rates, ordinances, agendas, completed/upcoming projects, and other District affairs to Tulare County for posting on the County's (RMA and/or LAFCO) website.

6.0 IVANHOE PUBLIC UTILITY DISTRICT

6.0.1 Background

The requirement for Local Agency Formation Commissions (LAFCO) to conduct reviews of local municipal services was established with the passage of AB 2838, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. The bill passed the legislature and was signed into law by Governor Davis on September 26, 2000. Municipal Service Reviews (MSR) provide LAFCOs with an additional tool to fulfill their statutory responsibilities of promoting orderly growth and development, preserving the States finite open space and agricultural land resources, and working to ensure that high quality public services are provided to all Californians in the most efficient and effective manner. MSRs are a requirement of State annexation law and are required to be completed before the consideration of a Sphere of Influence (SOI) amendment or once every five years when a SOI amendment is not being considered.

In July 2003 the Tulare County Local Agency Formation Commission (LAFCO) Board adopted a MSR exemption policy, which identifies the agencies that would be subject to a review and the extent of that review. The agencies in Tulare County were divided into three (3) categories: agencies subject to a full comprehensive study; agencies subject to a questionnaire study; and agencies exempt from a MSR study. The Ivanhoe Public Utility District (PUD) is subject to a full comprehensive study. The policy further identifies that the services subject to review shall be:

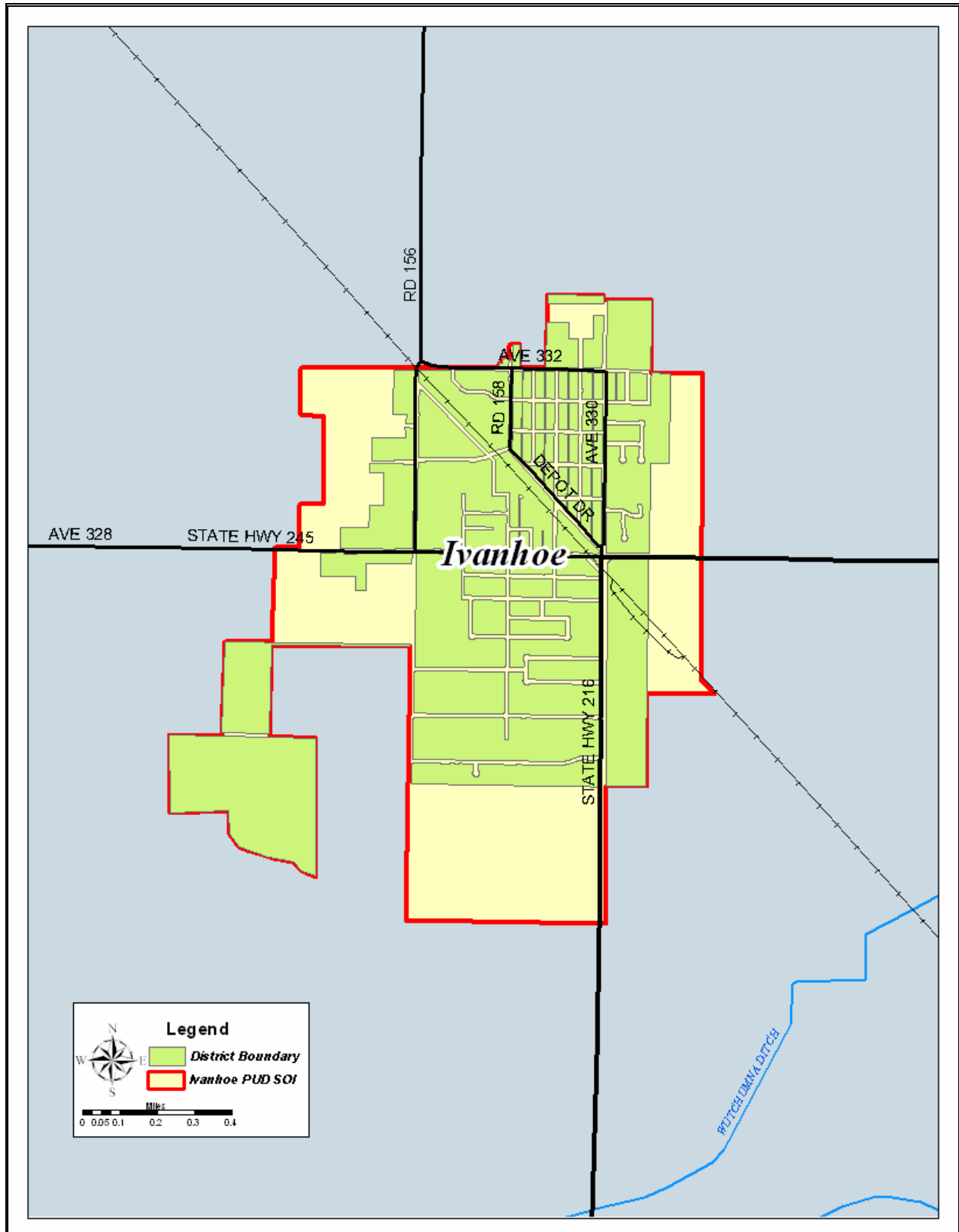
- Police protection
- Fire protection
- Water and wastewater
- Solid waste collection and disposal
- Streets and traffic circulation
- Power generation and distribution
- Health Care

Ivanhoe, an unincorporated community in Tulare County, is located in the northwest portion of the County, northeast of Visalia. The Ivanhoe PUD, formed in October 1951, has a primary function of providing domestic water and sanitary sewer service to residents within the community. Domestic water and sanitary sewer collection, treatment, and disposal are the primary services provided by the Ivanhoe PUD that are subject to a MSR.

Ivanhoe is located along State Route (SR) 216 approximately 7 ½ miles northeast of downtown Visalia. The community is rectangular in shape and is bisected in a northwest-southeasterly direction by the San Joaquin Valley railroad tracks. North-south railroad crossings exist along Road 156, Road 159, and Road 160 (Depot Drive). East-west railroad crossing exist along Avenue 332, Avenue 330, and SR 216. Ivanhoe is an agriculturally oriented service community surrounded on all sides by lands in agricultural production, scattered rural residential uses and vacant land.

Cities and communities surrounding Ivanhoe include Visalia to the southwest, Woodlake to the northeast, and the communities of Yettam and Seville to the north. The current District Boundary and the currently adopted SOI for the Ivanhoe PUD are illustrated on Figure 6-1.

FIGURE 6-1 – IVANHOE PUD BOUNDARY AND SOI



Source: Tulare County GIS Database (July 2004)

The following excerpt from the Tulare County LAFCO website (www.co.tulare.ca.us/lafco/info.asp) defines a SOI and the purpose it serves.

A “Sphere of Influence” is the physical boundary and service area that a local governmental agency is expected to serve. Establishment of this boundary is necessary to determine which governmental agencies can provide services in the most efficient way to the people and property in any given area. The Sphere of Influence requirement also works to discourage urban sprawl by preventing overlapping of jurisdictions and duplication of services.

The following discussions address the nine legislative factors required by the Cortese-Knox-Hertzberg Act; 1) Growth and population, 2) Infrastructure needs and deficiencies, 3) Financial constraints and opportunities, 4) Cost avoidance opportunities, 5) Opportunities for rate restructuring, 6) Opportunities for shared facilities, 7) Government structure options, 8) Evaluation of management efficiencies, and 9) Local accountability and governance.

6.1 GROWTH AND POPULATION

The purpose of this section is to present historical and projected growth patterns and population projections to establish a baseline for the evaluation of the service needs of Ivanhoe.

6.1.1 Historical Data

The Census Bureau, on a decennial basis, identifies and provides detailed information on all incorporated Cities along with several smaller unincorporated communities (termed Census Designated Places – CDPs). Each census, community profiles are developed and provide a wide range of information pertaining to population, demographics, housing information, household data, education and employment, income and poverty, and historical trends. The Ivanhoe CDP Boundary, as established by the Census Bureau, generally covers a larger area than the current District Boundary and SOI as depicted on Figure 6-1 obtained from the Tulare County GIS Database (July 2004). The additional area covered by the CDP generally consists of undeveloped land or land in agricultural production (areas which are considered to be sparsely populated at this time). *Census 2000* data indicates that Ivanhoe had a population of 4,474 as of January 2000. District staff estimates that approximately 1,000 residents work as transient agricultural workers and leave Ivanhoe during the summer for northern California to pick fruit, etc.

Census 1990 data indicates that Ivanhoe had a population of 3,293 in 1990, corresponding to an annual average growth rate between 1990 and 2000 of approximately 3.1%. The unincorporated areas of Tulare County grew from a population of 133,222 in 1990 to a population of 141,150 in 2000, corresponding to an average annual growth rate of approximately 0.6%. It is likely that the Ivanhoe community will continue to grow at an average annual rate between 2% and 3% depending upon land use zoning, and other policies established by the Tulare County General Plan and other factors. Using an average annual growth rate between 2% and 3%, the Ivanhoe community would reach an estimated year 2025 population between 7,350 and 9,350.

The District's approach to growth has been slow as they have historically turned down service requests that require annexation of additional territory. The Board supports infill development on existing vacant lots within the District Boundary first. There are no plans to expand the SOI at this time, as the wastewater treatment facility capacity is limited.

A development proposal submitted to the District in November 2003 resulted in the Board approving the issuance of a letter of intent to serve approximately 75 new affordable housing units. The proposed development is within the District Boundary and will not require the annexation of additional land into the District.

6.1.2 Written Determinations

1. The Ivanhoe CDP Boundary generally covers a larger area than the current District Boundary and SOI. The additional land covered by the CDP Boundary is considered to be sparsely populated at this time.
2. *Census 2000* data indicates that Ivanhoe had a population of 4,474 as of January 2000. According to District staff, approximately 1,000 residents work as transient agricultural workers and leave Ivanhoe during the summer for northern California to pick fruit, etc.
3. Between 1990 and 2000, Ivanhoe experienced an average annual population growth rate of approximately 3.1%, compared to 0.6% for the unincorporated areas of Tulare County.

4. It is likely that the Ivanhoe community will continue to grow at an average annual rate between 2% and 3% depending upon land use zoning and other policies established by the Tulare County General Plan and other factors. Using an average annual growth rate between 2% and 3%, the Ivanhoe community would reach an estimated year 2025 population between 7,350 and 9,350.
5. The District's approach to growth has been slow as they have historically turned down service requests that require annexation of additional territory. The District has no plans to expand its SOI at this time.
6. A development proposal submitted to the District in November 2003 resulted in the Board approving the issuance of a letter of intent to serve approximately 75 new affordable housing units. The proposed development is within the District Boundary and will not require the annexation of additional land into the District.

6.2 INFRASTRUCTURE NEEDS AND DEFICIENCIES

The purpose of this section is to evaluate the infrastructure needs and deficiencies of the Ivanhoe PUD in terms of availability of resources, capacity to deliver services, condition of facilities, service quality, and levels of service.

6.2.1 Domestic Water

The Ivanhoe PUD is responsible for providing domestic water service within the District's Boundary. Ivanhoe's water supply is derived from six deep underground wells that pump at a consistent water level between 250 and 350 feet. According to District staff, the six wells provide an ample excellent water supply requiring no chlorination or treatment. District staff indicated that the production efficiency of the wells ranges between 500 and 1,000 gallons per minute (GPM) and that the six wells have a total maximum production efficiency of approximately 3,600 GPM, or 5.18 MGD. Wells are located throughout the community at locations identified below.

- Well No. 1 – Southeast corner of the Azalea Avenue and Manzanita Road intersection
- Well No. 2 – Southeast corner of the Fuchsia Avenue and Manzanita Road intersection
- Well No. 3 – Northwest corner of the Avenue 332 and Road 160 intersection (closed)
- Well No. 4 – Northwest corner of the Jasmine Avenue and Road 158 intersection
- Well No. 5 – East of the Aspen Avenue and Manzanita Road intersection
- Well No. 6 – Northeast corner of the Road 156 and Avenue 330 intersection
- Well No. 7 – East of the Lantana Avenue and Road 160 intersection

As previously indicated, only six of the seven wells are in operation, as Well No. 3 was lost in 1990 after DBCP contamination (from grape chemicals) was found. The loss of the well resulted in an \$800,000 settlement being awarded to the District. The District indicated that the community water system (as of August 2004) supports 1,114 single and multi-family residential connections. The District was unsure exactly how many commercial connections were on the system, but estimated that there is approximately 1,200 total connections to the system. The Ivanhoe PUD water system has been fully metered since 1991. Since then the District has billed customers based upon a metered usage. Water consumption data indicated that there was an immediate decrease in domestic water usage as a result of metering. The total water production for each groundwater well by month (for year 2003) is contained in Table 6-1 below.

TABLE 6-1
IVANHOE PUD GROUNDWATER WELL PRODUCTIONS

Month	Well No. 1	Well No. 2	Well No. 4	Well No. 5	Well No. 6	Well No. 7	Monthly Production
January	8.103 mg	0.004 mg	4.767 mg	0.006 mg	0.011 mg	1.428 mg	14.319 mg
February	12.184 mg	0.017 mg	1.739 mg	0.013 mg	0.025 mg	0.091 mg	14.069 mg
March	10.285 mg	0.008 mg	6.800 mg	0.004 mg	0.141 mg	0.523 mg	17.761 mg
April	8.960 mg	0.008 mg	3.534 mg	4.835 mg	0.036 mg	0.350 mg	17.723 mg
May	12.669 mg	0.006 mg	8.227 mg	4.767 mg	0.098 mg	1.802 mg	27.569 mg
June	13.759 mg	0.025 mg	16.757 mg	1.720 mg	0.101 mg	5.819 mg	38.181 mg
July	4.088 mg	0.167 mg	18.542 mg	4.693 mg	0.022 mg	10.516 mg	38.028 mg
August	6.045 mg	0.012 mg	18.326 mg	0.740 mg	0.084 mg	9.718 mg	34.925 mg
September	2.036 mg	0.080 mg	10.712 mg	6.680 mg	0.013 mg	11.340 mg	30.861 mg
October	3.969 mg	0.009 mg	15.886 mg	0.008 mg	0.157 mg	4.634 mg	24.663 mg
November	4.689 mg	0.015 mg	3.799 mg	0.007 mg	0.007 mg	6.175 mg	14.692 mg
December	8.039 mg	0.004 mg	0.010 mg	0.005 mg	0.006 mg	6.756 mg	14.820 mg
Annual Production	95.826 mg	2.355 mg	113.099 mg	28.478 mg	6.701 mg	66.152 mg	287.611 mg

Notes: 1) mg = million gallons

2) Source: Ivanhoe PUD

As indicated in Table 6-1, each of the six wells in operation produced water during each month of the year; however, well nos. 2, 5, and 6 had comparably lower productions indicating that they are used as needed to meet fire flow and/or peak flow demands. District staff indicated that typically only three wells are on line in the summer and maintain a tank pressure of 40 lbs./inch² (PSI); the pressure system triggers additional wells to come on line as needed.

Tulare County Improvement Standards require that the construction of water source facilities shall comply with the requirements of Bulletin No. 74, “Water Well Standards” prepared by the State of California Department of Water Resources. The Tulare County Improvement Standards also establish specific requirements for quantity and quality of water to be delivered to a system. Some of these requirements are summarized below.

- The quantity of water delivered to the distribution system within a subdivision from all source and storage facilities for a period of two hours shall be the maximum domestic demand plus a fire flow quantity of not less than 500 GPM for single family residential, 1,500 GPM for multi-family residential, commercial, and light manufacturing, and 2,500 GPM for heavy manufacturing.
- For systems up to 625 customer units (equivalent dwelling units) the domestic quantity shall not be less than $Q = 100 + 25 * \sqrt{N}$, and $Q = 100 + N$ for more than 625 customer units at sufficient pressure to provide a minimum pressure of 25 PSI to each lot served; where Q equals the rate of flow in GPM delivered from the combined source facilities to the distribution system, and N equals the total number of customer units where each customer unit is equivalent to one for a single family dwelling on a normal subdivision lot. Other types of development shall be assigned appropriate customer unit values by the Engineer as experience with the distribution system or locality indicates.
- The minimum source and domestic demand storage design requirements shall be in accordance with Plate No. WS-11 of Section IV of the Tulare County Improvement Standards.
- The quality of water supplied for human consumption shall conform to Sections 3, 4 and 5 of the latest United States Public Health Service Drinking Water Standards. Samples will be taken and tests made by the County Department of Health Services for bacteriological determination of potability.
- Chemical and physical tests for potability shall be performed by a commercial laboratory certified by the State Department of Health Services for performance of chemical and physical analysis and the costs thereof shall be borne by the sub-divider.

Assuming 1,200 equivalent dwelling units (EDUs), in order to meet Tulare County Improvement Standards the Ivanhoe PUD water system would need to be capable of delivering a combined flow rate (from all source and storage facilities) of 2,800 GPM (1,500 GPM fire flow, and 1,300 GPM domestic demand) for a period of two hours while maintaining a minimum pressure of 25 PSI to each lot served. The District’s water system is capable of delivering a source flow of 3,600 GPM, and includes pneumatic pressure tanks for storage. Wells are set to come online when the pneumatic tank pressures fall to 40 PSI.

An estimate of water system capacity can be calculated by using General Order 103, published by the California Public Utilities Commission. For the estimated water system capacity, the total supply source available is compared to a calculated total supply source required. Other factors that may affect the capacity of water systems, including but not limited to, water quality, low pressures, required storage, age

of system, and pipeline restrictions, are not considered. The estimated supply source required is calculated using the following equation,

$Q_{\text{Required}} = (N) * (C) * (F)$ where,

N = Number of customers served

C = Gallon per minute constant: 5 to 9 for flat rate systems, 2 to 5 for metered systems

F = Factor to reflect diversity (inversely proportional to the number of customers)

Using an N value of 1,200, a C factor of 5.0, and an F factor of 0.30, the estimated total supply source required is calculated to be 1,800 GPM. With a total supply source available of 3,600 GPM, it is estimated that the water system could support approximately 1,200 additional equivalent dwelling units. These calculations indicate that the District's water system is operating at approximately 50% of its capacity.

District staff indicated that leaks in the system are minimal and almost simultaneously detected by comparing the flows from the well pumps with flows into the District's Wastewater Treatment Facility (WWTF). Another safeguard against leaks is when customers come into the District with unusually high bills. Staff will go to the customer's residence and help them to find the leak.

In 2004, the District received a \$2 million State Revolving Fund (SRF) loan, a portion of which was used to replace old water lines with new water lines and relocate the lines from alleys to streets. Approximately \$1.4 million in water line replacements has been completed. The remaining \$600,000 was to be used to bring one new well online. Since the District's water system has sufficient capacity, the Board voted not to drill a new well at this time. It is anticipated that the \$600,000 that was to be used for a new well will be returned to the State.

6.2.2 Sanitary Sewer

The Ivanhoe PUD is also responsible for providing sanitary sewer collection, treatment, and disposal services to residents within its Boundary. The District indicated that as of August 2004 there were 1,114 single and multi-family residential connections to the sewer system managed by the Ivanhoe PUD. District staff estimated that there are approximately 1,200 total connections to the system. Raw sewage is collected in a series of collection pipes ranging in size from 4 to 15 inches (including Vitrified Clay Pipe and Polyvinyl Chloride Pipe) and then transported to a WWTF that is owned and operated by the Ivanhoe PUD.

The District operates a WWTF located southwest of the community west of the Avenue 324/Road 156 intersection. The WWTF is operated under the provisions of Order No. 98-090 issued by the California Regional Water Quality Control Board (RWQCB). The District's WWTF provides secondary treatment of wastewater via a clarigester, three stabilization ponds, and a sludge drying bed. Treated effluent from the third stabilization pond is recycled on 61.2 acres of pasture land south of the WWTF, which is leased by the District for grazing of non-milking cattle. Industrial developments discharging to the WWTF are primarily citrus packing plants. Order No. 98-090 prescribes that the monthly average daily discharge shall not exceed 0.56 MGD.

Based upon information contained in the *Wastewater User Charge Survey Report FY 2004-05* (Cal EPA – State Water Resources Control Board, May 2005), the average dry weather flow at the WWTF is approximately 0.36 MGD. Based upon the available capacity at the WWTF (200,000 GPD), it is estimated that approximately 650 additional connections (EDUs) to the system could be supported.

Based upon a review of monthly monitoring reports submitted to the RWQCB, the District's wastewater inflows are typically higher during summer months than during winter months indicating that there is no significant inflow and infiltration into the collection system during the winter months. This is an indication that the collection system is in adequate operating condition.

The above evaluations indicate that the District will need to increase the capacity of its WWTF to support projected growth through year 2025. Based upon information contained in the Wastewater User Charge Survey Report FY 2004-05 (Cal EPA – State Water Resources Control Board, May 2005), the District has not received any grants for the construction of wastewater facility improvements for at least the past thirty years. It is recommended that the District research State and Federal grants and/or loans that may be available to help finance improvements to the District's WWTF. Potential grants and loans include US-EPA Clean Water Construction Grants (CWG), State Revolving Fund Loans (SRF), and State Small Community Grants (SCG).

6.2.3 Written Determinations

Domestic Water

1. Ivanhoe's water supply is derived from six existing deep underground wells that provide an ample, excellent water supply requiring no chlorination or treatment. The six wells have a total maximum production efficiency of approximately 3,600 GPM.
2. In 1990, the District lost one of its seven wells due to DBCP contamination, which resulted in an \$800,000 settlement being awarded to the District.
3. The Ivanhoe PUD water system supports 1,114 single and multi family connections. The District was unable to provide a breakdown of commercial and industrial connections, but estimated that there are approximately 1,200 total connections to the system.
4. Water consumption data indicated that there was an immediate decrease in domestic water usage as a result of metering, which began in 1991. Since then, the District has billed customers based upon a metered usage.
5. Well production data indicates that three of the six wells had comparably lower productions indicating that they are used as needed to meet fire flow and/or peak flow demands. The District's wells produced 287.611 million gallons in 2003, with a maximum monthly production of 38.181 million gallons occurring in June, corresponding to a maximum day demand of 1.28 MGD.
6. Assuming 1,200 equivalent dwelling units (EDUs), in order to meet Tulare County Improvement Standards the Ivanhoe PUD water system would need to be capable of delivering a combined flow rate (from all source and storage facilities) of 2,800 GPM (1,500 GPM fire flow, and 1,600 GPM domestic demand) for a period of two hours while maintaining a minimum pressure of 25 PSI to each lot served. The District's water system is capable of delivering a source flow of 3,600 GPM, and includes pneumatic pressure tanks for storage, indicating the system currently meets the requirements of the Tulare County Improvement Standards.
7. Based upon a calculation performed in accordance with General Order 103, published by the California Public Utilities Commission, it is estimated that the District's current water system could support approximately 1,200 additional EDUs.

8. In 2004, the District received a \$2 million State Revolving Fund (SRF) loan, a portion of which was used to replace old water lines with new water lines and relocate the lines from alleys to streets. Approximately \$1.4 million in water line replacements has been completed. The remaining \$600,000 was to be used to bring one new well online. Since the District's water system has sufficient capacity, the Board voted not to drill a new well at this time. It is anticipated that the \$600,000 that was to be used for a new well will be returned to the State.

Sanitary Sewer

1. The sanitary sewer system for the Ivanhoe community currently supports 1,114 single and multi-family residential connections. District staff was unable to provide a breakdown of commercial and industrial connections but estimated that there are approximately 1,200 total connections to the system.
2. The District operates a WWTF that provides secondary treatment of wastewater and is located southwest of the community. The WWTF is operated under the provisions of Order No. 98-090 issued by the California RWQCB, which prescribes that the monthly average daily discharge shall not exceed 0.56 MGD.
3. Treated effluent from the WWTF is recycled on 61.2 acres of pasture land south of the plant, which is leased by the District for grazing of non-milking cattle.
4. The average dry weather flow at the WWTF is approximately 0.36 MGD resulting in an excess capacity of approximately 200,000 GPD. Based upon the available capacity at the WWTF (200,000 GPD), it is estimated that approximately 650 additional connections (EDUs) to the system could be supported.
5. Based upon a review of monthly monitoring reports submitted to the RWQCB, the District's wastewater inflows are typically higher during summer months than during winter months indicating that there is no significant inflow and infiltration into the collection system during the winter months. This is an indication that the collection system is in adequate operating condition.
6. The District will need to increase the capacity of its WWTF to support projected growth through year 2025. It is recommended that the District research State and Federal grants and/or loans that may be available to help finance improvements to the District's WWTF. Clean Water Grants, State Revolving Fund Loans, and Small Community Grants are examples.

6.3 FINANCING OPPORTUNITIES AND CONSTRAINTS

The purpose of this section is to evaluate the capability of the Ivanhoe PUD to finance needed improvements and services.

6.3.1 Annual Budget

LAFCO should consider the ability of the District to pay for improvements or services associated with annexed sites. This planning can begin at the SOI stage by identifying what opportunities there are to identify infrastructure and maintenance needs associated with future annexation and development, and identifying limitations on financing such improvements, as well as the opportunities that exist to construct and maintain those improvements.

The fiscal year 2004-05 budget for the Ivanhoe PUD is organized into two separate funds: one for sanitary sewer and the other for domestic water. Based upon a review of the District's fiscal year 2004-05 budget the District is in sound financial condition. The District's budget is well organized, thorough, and clearly articulates the District's future financial performance plans. The District prepares a traditional line item budget for each fund (sewer and water) that is divided into the following categories.

- Fund Balances
- Revenues
- Reserve Funds
- Expenses
 - Salaries and Employee Benefits
 - Services and Supplies
 - Other
 - Fixed Assets
 - Contingencies

The District adopts the budget each year and it is used as the spending plan for the District. The budget provides a framework for the District to address the following issues: reserves, revenues, expenditures, investments, and rates and fees.

The District's sanitary sewer budget for fiscal year 2004-05 identifies a beginning cash balance of \$898,005 and anticipated revenues of \$152,000 to be generated from customer sales, resulting in a total beginning balance of \$1,050,005. Of the total resources available, \$679,533 is in restricted reserves leaving an operating budget of \$370,472. Restricted reserves are established by depreciation of equipment and facilities owned and operated by the District. Restricted reserves are not necessarily used annually, but instead they are used when specific equipment has depreciated to the point of needing replacement. The specific items for which restricted reserves are allocated are identified below.

- Treatment Plant
- Backhoe
- Dump Truck
- Miscellaneous Equipment
- 4 Pick-up Trucks
- Air Compressor
- Grinder
- Jetting Machine
- 3 Pond Site Fences

- Line Replacement
- Standby Generator
- Manhole Replacement

After accounting for restricted reserves from the District's budget, the remaining operating budget of \$370,472 covers salaries and employee benefits totaling \$115,200; services and supplies totaling \$117,050; fixed assets totaling \$69,222; and a contingency appropriation of \$25,000.

The District's water budget for fiscal year 2004-05 identifies a beginning cash balance of \$2,989,083 and anticipated revenues of \$2,234,000 [\$234,000 generated from customer sales and a \$2,000,000 State Revolving Fund (SRF) loan resulting in a total beginning balance of \$5,223,083]. Of the total resources available \$2,693,474 is in restricted reserves leaving an operating budget of \$2,529,609. Restricted reserves include SRF reserve, specified reserves (established by depreciation of equipment and facilities owned and operated by the District), and general reserves. Specified restricted reserves are not necessarily used annually, but instead they are used when specific equipment has depreciated to the point of needing replacement. The specific items for which specified restricted reserves are allocated are identified below.

- Seven Wells
- Backhoe
- Dump Truck
- Miscellaneous Equipment
- 4 Pick-up Trucks
- Air Compressor
- Eight Well Site Fences
- Line Replacement

After accounting for restricted reserves from the District's budget, the remaining operating budget of \$2,529,609 covers salaries and employee benefits totaling \$115,200; services and supplies totaling \$156,900; fixed assets totaling \$2,131,509; and a contingency appropriation of \$50,000.

In addition to customer sales, the District also generates revenue from property tax increments, interest on reserves, late charges and hand delivered fees, rental of a ranch house, and connection fees. Although the District does not specifically include these additional revenue sources as a part of their proposed budget, revenues generated from these sources are reported at the end of the fiscal year.

Reviewing the District's budget for the current and previous fiscal years indicates that the District is financially stable with regard to its sewer and water funds. The District's annual revenues cover the annual operating expenses of the District including reserve allocations and contingency appropriations. It is likely that development within the SOI will rely on infrastructure available from the District. For this reason the District should be prepared to accommodate such growth. The preparation of water and sewer master plans would increase the District's preparedness when development within its SOI is proposed.

The District generally requires new development projects to construct the necessary infrastructure to serve their development. A program of developer obligated infrastructure improvements provides for the installation of physical infrastructure to serve development sites and therefore relieves the financial obligation of the District. Developers are also required to pay fees for rights to water and sewer capacity, which are ultimately used by the District for capital capacity improvements including, but not limited to, additional wells, storage facilities, or capital WWTF improvements. These fees are set by the Board of Directors by resolution, and are allocated to a restricted reserve account.

Based upon discussions with the District Engineer, the District will not expand capacity of current WWTF even though developers have offered to pay the costs associated with a major capacity expansion. A major capacity expansion of the WWTF would increase the operation and maintenance costs to current residents and Board does not consider this a desirable alternative. For this reason operation and maintenance costs associated with increasing the capacity of the WWTF is considered a significant financial constraint of the District. Growth within the Ivanhoe community would result in additional utility customers, and could ultimately help offset unreasonable operation and maintenance cost increases to existing customers associated with expanding the capacity of the existing WWTF.

The District's financial constraints involve the governmental structure and the desires of the people in the community to fund certain activities by establishing assessment districts or fees. The laws under which a Public Utility District is governed provide the structure for funding activities. Key revenue sources for the Ivanhoe PUD include property taxes, monthly sewer and water fees, connection fees, interest on reserves, and pass through monies. One-time revenues, that are pass-through funds, account for the increases and decreases in revenue from year to year.

On the expenditures side, the District budgets for the services paid for by residents and provides for other expenses using property tax, and if appropriate, restricted reserve accounts. Key expenditures include personnel, services and supplies, pass through revenues for projects, and principal and interest payments for long term debt.

6.3.2 Written Determinations

1. The District prepares a comprehensive and thorough annual budget that clearly describes the services provided to residents and the funds expended for those services.
2. The District's operating budgets (excluding reserve funds) for fiscal year 2004-05 totaled \$370,472 for sanitary sewer and \$2,529,609 for water service. The District's budget included contingency funds of \$25,000 and \$50,000 for sanitary sewer and domestic water service, respectively.
3. A review of the District's budget indicates that the District is in stable financial condition. The District's annual revenues cover the annual operating expenses of the District including reserve allocations and contingency appropriations.
4. It is likely that development within the District's SOI will rely on infrastructure available from the District. To increase its preparedness when such development is proposed, it is recommended that the District prepare and implement water and sewer system master plans.
5. The District generally requires new development projects to construct the necessary infrastructure to serve their development. A program of developer obligated infrastructure improvements provides for the installation of physical infrastructure to serve development sites and therefore relieves the financial obligation of the District.
6. Developers are also required to pay fees for rights to water and sewer capacity, which are ultimately used by the District for capital capacity improvements. These fees are set by the Board of Directors by resolution, and are allocated to a restricted reserve account.
7. The District also generates revenue by investing its cash reserves in interest bearing accounts. Interest earnings are not projected for the upcoming F.Y. budget, but instead are reported in the beginning cash balance for the next F.Y. budget.

8. A major capacity expansion of the WWTF would increase the operation and maintenance costs to current residents and Board does not consider this a desirable alternative. For this reason operation and maintenance costs associated with increasing the capacity of the WWTF is considered a significant financial constraint of the District.

6.4 COST AVOIDANCE OPPORTUNITIES

The purpose of this section is to identify practices or opportunities that may help to eliminate unnecessary costs.

6.4.1 Fiscal Structure

The Districts budget process is designed to screen out unnecessary costs. A base budget is completed by the General Manager for review and discussion by the Board of Directors. Each year, the District's budget is reviewed with the District Board, District Engineer, and General Manager to ensure that the District continues to operate within the limits of its financial resources.

The District has adequate staff resources and administrative capabilities to provide the needed level of services to the residents within its boundaries. The District avoids unnecessary costs by contracting out professional services including engineering, legal services, and other consulting services.

The District should continue to work with the development community to fund the construction of water and sewer infrastructure improvements that would serve new development sites. The District requires development projects to pay fees for water and sewer capacity rights, which are currently set at \$1700 and \$1890 per EDU, respectively.

The preparation of water and sewer system master plans could help the District avoid unnecessary costs associated with the construction of emergency system improvements to meet demands. Master plans identify infrastructure improvements that will be needed in the future, including an improvement timeline that would allow the District adequate time to set aside and/or obtain funding for those future improvements before the absence of such improvements begins to delay or halt proposed development. Master plans also identify funding sources for their implementation.

If the SOI were expanded in the future, the District would assume fiscal responsibilities to construct or maintain the water and sewer infrastructure associated with the SOI and any territories that were annexed. LAFCO should consider the relative burden of new annexations to the District when it comes to its ability to provide water and sewer service, as well as capital maintenance and replacements required as a result of expanding the District Boundary. The District indicated that it currently has no plans to expand its SOI.

Opportunities exist at the time of annexation and development to introduce alternative methods of construction and maintenance of public or semi-public infrastructure to serve the future SOI/annexation areas.

6.4.2 Written Determinations

1. Each year, the District's budget is reviewed with the district Board, District Engineer, and General Manager to ensure that the District continues to operate within the limits of its financial resources.
2. The District avoids unnecessary costs by contracting out professional services including engineering, legal services, and other consulting services.
3. The District should continue to work with the development community to fund the construction of water and sewer infrastructure improvements that would serve new development sites. The District requires development projects to pay fees for water and sewer capacity rights, which are currently set at \$1700 and \$1890 per EDU, respectively.

6.5 OPPORTUNITIES FOR RATE RESTRUCTURING

The purpose of this section is to identify opportunities to positively impact rates without decreasing service levels.

6.5.1 Fee Structure

The Ivanhoe PUD installed and started billing under a metered water system in 1991. Water consumption data shows that there was an immediate decrease in water usage as a result of metering; therefore it also serves as a water conservation measure. The Ivanhoe PUD charges a monthly flat rate for sewer service. The District's fiscal year 2004-05 budget estimates revenues of \$234,000 and \$152,000 to be generated from water and sewer customer sales, respectively. Tables 6-2 and 6-3 show a comparison of water and sewer rates and connection fees, respectively, for surrounding service providers. The tables also show the relationship between monthly service charges and average household incomes within the respective communities. Since some of the service providers charge a metered rate for water, it is necessary to calculate an average monthly bill based upon a specific amount of usage taken as 2,005 cubic feet, or approximately 15,000 gallons, per month for this analysis.

**TABLE 6-2
COMPARISON OF WATER RATES**

Service Provider	Sample Monthly Bill	Connection Fee	Average Household Income	Rate/Income Ratio
Earlimart PUD	\$12.50	\$1,500	\$1,775/mo.	0.70%
Ivanhoe PUD	\$9.50	\$1,700	\$2,171/mo.	0.44%
Pixley PUD	\$20.00	\$2,000	\$1,942/mo.	1.03%
Teviston CSD	\$30.00	\$800	\$2,014/mo.	1.49%
Tipton CSD	\$24.00	\$2,800	\$2,198/mo.	1.09%
Alpaugh JPA	\$55.00	\$1,500	\$1,974/mo.	2.79%
Cutler PUD	\$18.00	\$1,500	\$2,028/mo.	0.89%
Orosi PUD	\$19.08	\$2,400	\$2,533/mo.	0.75%
Lemon Cove SD	\$10.01	\$500	\$2,361/mo.	0.42%
London CSD	\$18.00	\$1,400	\$1,807/mo.	1.00%
Lindsay-Strathmore ID	\$14.18 ⁷	T&M	\$2,096/mo.	0.68%
Poplar CSD	\$25.00	\$1,750	\$2,043/mo.	1.22%
Richgrove CSD	NA	NA	\$1,907/mo.	NA
Springville PUD	\$23.42	\$2,800	\$2,023/mo.	1.16%
Strathmore PUD	\$43.30	\$1,150	\$2,096/mo.	2.06%
Terra Bella ID	\$12.43 ⁸	\$2,908	\$2,109/mo.	0.59%
Woodville PUD	\$27.28	\$2,000	\$2,123/mo.	1.28%
Average	\$23.17	\$1,780	\$2,080/mo.	1.11%

Notes: 1) Fee information obtained from service providers

2) Average household income based upon Census 2000 data

3) Rate/Income ratio calculated by dividing sample monthly bill by average household income

4) Sample monthly bill is calculated for a typical single family dwelling

5) NA=Not Available

6) T&M=Time and Material basis

7) Based on an average of four separate rates charged by the Lindsay-Strathmore Irrigation District

8) Based on potable water service provided by the Terra Bella Irrigation District

9) Richgrove CSD and Lindsay-Strathmore ID were omitted from the average calculations

As indicated in Table 6-2, the Ivanhoe PUD charges among the lowest monthly rates for domestic water service compared to other service providers throughout the County. The cost of domestic water service with Ivanhoe equates to approximately 0.44% of the average household income within the community. The Ivanhoe PUD water connection fee is also below average compared to other domestic water service providers throughout the County.

**TABLE 6-3
COMPARISON OF SEWER RATES**

Service Provider	Monthly Sewer User Fee (1 EDU)¹	Connection Fee¹	Average Household Income²	Rate/Income Ratio³
Goshen CSD	\$32.00	\$975	\$2,359/mo.	1.36%
Earlimart PUD	\$7.50	\$1,000	\$1,775/mo.	0.42%
Ivanhoe PUD	\$9.50	\$1,890	\$2,171/mo.	0.44%
Pixley PUD	\$15.00	\$1,800	\$1,942/mo.	0.77%
Tipton CSD	\$8.00	\$1,050	\$2,198/mo.	0.36%
Cutler PUD	\$22.00	\$3,520	\$2,028/mo.	1.08%
Orosi PUD	\$22.97	\$1,745	\$2,533/mo.	0.91%
Lemon Cove SD	\$4.50	\$500	\$2,361/mo.	0.19%
London CSD	\$21.00	\$1,990	\$1,807/mo.	1.16%
Poplar CSD	\$25.00	\$1,300	\$2,043/mo.	1.22%
Richgrove CSD	\$18.00	\$750	\$1,907/mo.	0.94%
Springville PUD	\$35.06	\$3,900	\$2,023/mo.	1.73%
Strathmore PUD	\$14.70	\$500	\$2,096/mo.	0.70%
Terra Bella SMD	\$21.00	\$500	\$2,109/mo.	1.00%
Woodville PUD	\$17.25	\$700	\$2,123/mo.	0.81%
Average	\$18.23	\$1,475	\$2,098/mo.	0.87%

1) Source: Wastewater User Charge Survey Report FY 2004-05 (CalEPA – SWRCB, May 2005)

2) Source: Census 2000

As indicated in Table 6-3, the Ivanhoe PUD charges among the lowest monthly rates for sewer service compared to other sewer service providers throughout the County. The cost of sanitary sewer service within Ivanhoe equates to approximately 0.44% of the average household income within the community. The Ivanhoe PUD sanitary sewer connection fee is above average compared to other service providers throughout the County.

The District should periodically review its monthly user fees and connection fees to ensure that quality service will continually be provided to existing and future residents. The Ivanhoe PUD rates are currently among the lowest compared to surrounding service providers, which is indicative of the District's ability to provide efficient and affordable utility services to residents in the community.

The District's budget is structured to segregate costs associated with the construction of infrastructure to accommodate new development. Fees paid by developers are placed into a restructured reserve account, funds which are ultimately used by the District to construct capital capacity improvements to the District's water and sewer systems. User fees are used for the operations of the District and the operation and maintenance of the District's infrastructure.

6.5.2 Written Determinations

1. The Ivanhoe PUD charges monthly user fees and new connection fees for water and sewer. The District's fiscal year 2004-05 budget estimates revenues of \$234,000 and \$152,000 to be generated from water and sewer customer sales, respectively.
2. The Ivanhoe PUD rates are currently among the lowest compared to other service providers throughout the County, which is indicative of the District's ability to provide efficient and affordable utility services to residents in the community.
3. The District's budget is structured to segregate costs associated with the construction of infrastructure to accommodate new development. Fees paid by developers are placed into a restructured reserve account, funds which are ultimately used by the District to construct capital capacity improvements to the District's water and sewer systems. User fees are used for the operations of the District and the operation and maintenance of the District's infrastructure.

6.6 OPPORTUNITIES FOR SHARED FACILITIES

The purpose of this section is to evaluate opportunities for the Ivanhoe PUD to share facilities and resources, thereby increasing efficiency.

6.6.1 Shared Facilities

Since the location of the Ivanhoe District Boundary is immediately adjacent to existing rural lands, the opportunity for sharing infrastructure does not readily exist. Currently the Ivanhoe PUD is the only water and sewer service provider in the immediate area.

Opportunities for sharing resources include splitting insurance premiums with nearby districts requiring related insurance coverage. Also the employment of a grant writer by two or more districts could potentially benefit the District without incurring the cost of a full time employee.

6.6.2 Written Determinations

1. Since the location of the Ivanhoe District Boundary is immediately adjacent to existing rural lands, the opportunity for sharing infrastructure does not readily exist.
2. Opportunities for sharing resources include splitting insurance premiums with nearby Districts requiring related insurance coverage. Also the employment of a grant writer by two or more Districts could potentially benefit the District without incurring the cost of a full time employee.

6.7 GOVERNMENT STRUCTURE OPTIONS

The purpose of this section is to consider the advantages and disadvantages of various government structures to provide public services.

6.7.1 Development within SOI Area

One of the most critical elements of LAFCO's responsibilities is in setting logical service boundaries for communities based on their capability to provide services to affected lands. According to the LAFCO Municipal Service Review Guidelines, elimination of overlapping boundaries that confuse the public and cause service inefficiencies should be considered to avoid unnecessary increases in the cost of infrastructure. Currently there are no foreseeable conditions that would indicate that development within the District's SOI would result in a change in government structure.

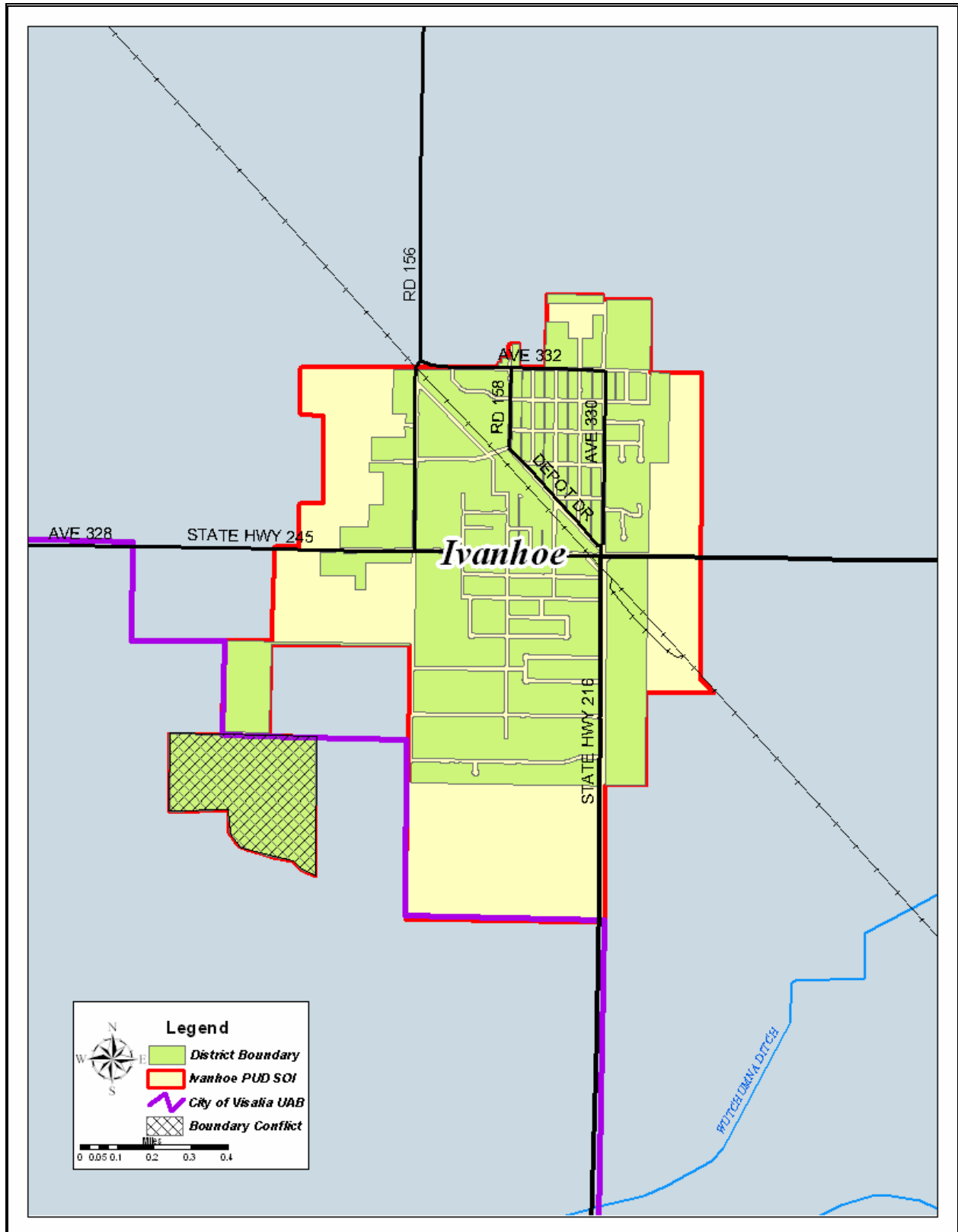
Prior to development within its SOI area, the District should complete infrastructure planning – including master plans – to address the infrastructure needs of affected areas and funding mechanisms to meet those needs. The District and/or County could also require developers to prepare specific plans prior to approving development within the District's SOI. The District will need to continually expand and improve its water and sewer infrastructure to accommodate development within its current District Boundary and SOI expansion areas.

6.7.2 Boundary Conflicts

The City of Visalia Urban Area Boundary (UAB) encompasses an area that is currently part of the Ivanhoe District Boundary southwest of the community that includes the application area for reclaimed water from the Ivanhoe PUD WWTF. The Ivanhoe PUD governmental structure would not likely be affected by this realization, as a City's UAB is used only as a preliminary planning mechanism and has little to no implications with regard to State or Federal Law. The existing boundary conflict between the Ivanhoe PUD District Boundary and the City of Visalia UAB is illustrated on Figure 6-2.

As indicated on Figure 6-2 on the following page, the City's UAB conflicts with the Ivanhoe PUD District Boundary in areas south of State Route 245, southwest of the community. More precisely, the Visalia UAB encompasses the entire wastewater application area currently used by the Ivanhoe PUD for wastewater reclamation.

FIGURE 6-2 – POTENTIAL BOUNDARY CONFLICT



6.7.3 Written Determinations

1. There are no other service providers immediately adjacent to Ivanhoe's SOI indicating that the potential for duplication of services is not present. For this reason, it is logical that the Ivanhoe PUD adequately plan for and assume water and sewer service within its SOI Boundary.
2. There are no foreseeable conditions that would indicate that development within the District's SOI would result in a change in government structure.
3. Prior to development within its SOI area the District should complete master planning to address the infrastructure needs of affected areas and funding mechanisms to meet those needs. The District and/or County could also require developers to prepare specific plans prior to approving development within the District's SOI.
4. The District will need to continually expand and improve its water and sewer infrastructure to accommodate development within its current District Boundary and SOI expansion areas.
5. The City of Visalia Urban Area Boundary encompasses an area that is currently part of the Ivanhoe District Boundary southwest of the community that includes the application area for reclaimed water from the Ivanhoe PUD WWTF. The Ivanhoe PUD governmental structure would not likely be affected by this realization, as a City's UAB is used only as a preliminary planning mechanism and has little to no implications with regard to State or Federal Law.

6.8 EVALUATION OF MANAGEMENT EFFICIENCIES

The purpose of this section is to consider the management structure of the Ivanhoe PUD.

6.8.1 Organizational Structure

Based upon a review of information provided by the Ivanhoe PUD, it appears as if the provisions of sanitary sewer service and domestic water service are managed in a cost effective, efficient manner, meeting the needs of the community and ratepayers. The Ivanhoe PUD has accounting and finance functions, current personnel regulations and resolutions. The District undergoes annual audits in compliance with auditing standards.

The Ivanhoe PUD is governed by a five-member Board of Directors elected at large from within its boundaries that is responsible for setting policy and general administrative procedures. The District currently operates with a full time staff and contracts out for other services, including engineering, legal counsel, accounting, and other consulting services. The District office operates between the hours of 7 A.M. and 5 P.M. Monday through Friday, with full time personnel providing various functions of the District. Also, the District's answering message provides the public with the operational hours of the District and contact information in case of emergencies.

Based upon the District's 2004-05 budget, approximately \$75,000 was appropriated for contingencies. Contingency funds can be used for emergency improvements and/or unforeseen replacement or rehabilitation costs.

6.8.2 Written Determinations

1. Based upon information made available, it appears as if the provisions of sanitary sewer and domestic water service are managed in a cost effective, efficient manner, meeting the needs of the community and ratepayers.
2. The Ivanhoe PUD is governed by a five member Board of Directors elected at large from within its boundaries and is responsible for setting policy and general administrative procedures.
3. The District currently operates with a full time staff, and contracts out for other services, including engineering, legal counsel, accounting, and other consulting services.
4. The District's 2004-05 budgets appropriated approximately \$75,000 for contingencies that could be used for emergency improvements and/or unforeseen replacement or rehabilitation costs.

6.9 LOCAL ACCOUNTABILITY AND GOVERNANCE

The purpose of this section is to evaluate the accessibility and levels of public participation associated with the agency's decision-making processes.

6.9.1 Public Access and Information Methods

LAFCO may consider the agency's record of local accountability in its management of community affairs as a measure against the ability to provide adequate services to the SOI and annexation areas.

The Ivanhoe PUD has a five member Board of Directors elected by voters residing within the District Boundary. Regularly scheduled Board meetings, which are open to the public, are held on the first Monday of each month at 7:00 p.m. at the District office located at 15859 Azalea in Ivanhoe. Agendas for Board meetings are posted and notices provided consistent with public meeting requirements (i.e., the Brown Act) including posting on-site. The District adopts budgets and rate changes at hearings where the public is notified and invited.

The District should work with the Tulare County Resource Management Agency (RMA) and/or Tulare County LAFCO to have information regarding District affairs posted on the Tulare County RMA and/or LAFCO website. The District could provide information such as meeting times and locations, budgets, rates, ordinances, agendas, completed/upcoming projects, and other District affairs to Tulare County for posting on the County's (RMA and/or LAFCO) website. It would make sense to post information regarding District affairs on the County websites, since Ivanhoe is an unincorporated community within Tulare County, and there is a mutual interest in the community.

The internet is a relatively low-cost yet powerful method of involving the general public/customers/ratepayers in District affairs. Greater dissemination of information can lead to greater interest in attending Board meetings and participating in elections. It also allows the public, some of whom are not physically able to attend Board meetings, to follow District activities remotely from their home or business.

6.9.2 Written Determinations

1. The District complies with the Brown Act open meeting law by holding regularly scheduled meetings in which the public is invited. Regularly scheduled meetings are held on the first Monday of each month at 7:00 p.m. at the District office. Agendas for Board meetings are posted on-site at the District office.
2. The District adopts budgets and rate changes at hearings where the public is notified and invited.
3. The District should work with the Tulare County Resource Management Agency (RMA) and/or Tulare County LAFCO to have information regarding District affairs posted on the Tulare County RMA and/or LAFCO website. The District could provide information such as meeting times and locations, budgets, rates, ordinances, agendas, completed/upcoming projects, and other District affairs to Tulare County for posting on the County's (RMA and/or LAFCO) website.

CHAPTER 7 – PIXLEY PUD MUNICIPAL SERVICE REVIEW

EXECUTIVE SUMMARY

This section provides an overview of the written determinations of the Pixley Public Utility District (PUD) Municipal Service Review (MSR). As part of its review of municipal services, the Tulare County Local Agency Formation Commission (LAFCO) is required to prepare a written statement of its determination with respect to each of the following: 1) Growth and population projections for the affected area; 2) Infrastructure needs and deficiencies; 3) Financing constraints and opportunities; 4) Cost avoidance opportunities; 5) Opportunities for rate restructuring; 6) Opportunities for shared facilities; 7) Government structure options; 8) Evaluation of management efficiencies; and 9) Local accountability and governance. These requirements are established by AB 2838, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. The Pixley PUD MSR identifies the following written determinations:

Written Determinations

1) Growth and Population

1. The CDP Boundary for Pixley is not coterminous with the current District Boundary; however, both boundaries generally cover the densely populated area of the community. For this reason, *Census 2000* population data is taken as being representative of the population of the District at that time.
2. *Census 2000* data indicates that Pixley had a population of 2,586 as of January 2000. Between 1990 and 2000, Pixley experienced an annual population growth rate of approximately 0.5%, compared to 0.6% for the unincorporated areas of Tulare County. Information provided by the District indicates a population of 2,745 as of March 2004. Between 2000 and 2004, the District experienced an average annual growth rate of approximately 1.5%.
3. It is likely that the Pixley community will continue to grow at an average annual rate between 1% and 2% depending upon land use zoning and other policies established by the Tulare County General Plan and other factors. Using these rates, the Pixley community would reach an estimated year 2025 population between 3,300 and 4,250.

2) Infrastructure Needs and Deficiencies

Domestic Water

1. Pixley's water supply is derived from four existing deep underground wells. The four wells have a maximum production efficiency of approximately 2,700 GPM.
2. As indicated by the District's Engineer, three of the existing four wells exceed the acceptable arsenic level for drinking water that became effective January 2006, and the water supply system will require treatment or replacement of wells to meet current water quality standards.
3. District staff indicated that there are slightly more than 800 hookups to the water system including 25 commercial connections. Approximately 320 of the residential connections are metered. Metered water rates promote water conservation. It is recommended that the

District continue to install water meters as feasible (i.e. for all new development and when a transfer of ownership occurs).

4. Assuming 800 equivalent dwelling units (EDUs), in order to meet Tulare County Improvement Standards the Pixley PUD water system would need to be capable of delivering a combined flow rate (from all source and storage facilities) of 2,400 GPM (1,500 GPM fire flow, and 900 GPM domestic demand) for a period of two hours while maintaining a minimum pressure of 25 PSI to each lot served. The District's water system is capable of delivering a source flow of 2,700 GPM, and includes pneumatic pressure tanks for storage, indicating that the system currently meets the requirements of the Tulare County Improvement Standards.
5. According to the District Engineer, there is only sufficient capacity in the water system to meet existing domestic demands without considering fire flow requirements. The District Engineer indicated that no additional connections could be supported by the water system when considering fire flows and the possibility of the maximum producing well being out of service.
6. As indicated by the District Engineer, a water master plan that includes a capital facilities plan needs to be developed to address current and future needs. The District Engineer noted that the existing water system includes many 4-inch and 6-inch diameter lines, which may not be suitable for peak and fire flows. Since land within the District's SOI that is zoned for development (by the Tulare County General Plan) will rely on domestic water service from the Pixley PUD, the master planning boundary should be consistent with the District's SOI.

Sanitary Sewer

1. District staff indicated that there are approximately 800 connections to the sewer system, which includes 25 commercial connections.
2. The District operates a WWTF located southwest of the community, just west of the Pixley airport. The WWTF is operated under the provisions of Order No. 5-00-096 issued by the Central Valley Regional Water Quality Control Board (RWQCB).
3. The District indicated that the WWTF is currently operating at or near its capacity, and is operating under a Cease and Desist Order. The permitted capacity is 0.29 MGD, and the current flow is approximately 0.284 MGD.
4. The *Wastewater Treatment Facility Upgrade and Expansion Project – Project Feasibility Report* (Provost & Pritchard, February 2005) outlines a major reconstruction proposal for the District's WWTF. The improved WWTF would be capable of treating 0.5 MGD.
5. A 0.5 MGD WWTF may provide sufficient capacity for a 20-year planning period with reserve capacity for industrial/commercial growth.
6. As indicated by the District Engineer, a sewer master plan that includes a capital facilities plan needs to be developed to address current and future needs. The District Engineer noted that the adequacy of the existing sewer system to accept additional flows is not known. Since land within the District's SOI that is zoned for development (by the Tulare County General Plan) will rely on sanitary sewer service from the Pixley PUD, the master planning boundary should be consistent with the District's SOI.

3) Financing Constraints and Opportunities

1. The District prepares a line item budget that lumps together the anticipated expenditures for the upcoming fiscal year. The District had a fiscal year 2003-04 operating budget of \$306,130, and a 2004-05 operating budget of \$339,880. The District's budget does not indicate cash reserves or contingency appropriations.
2. The District's budget is unclear with relation to revenues and expenditures. It is recommended that the District refine its budget to show beginning cash balance, cash reserves, interest on reserves, projected revenues, anticipated expenditures, and contingency appropriations.
3. It is recommended that the District separate its budget into two separate funds in order to gauge the performance of each utility. This would assist the District in determining whether user fees and connection fees are adequate to maintain and improve each utility individually.
4. The District currently has no debt requiring repayment. Should the District receive the USDA grant and loan for improvements to its WWTF, the District would have a 30 to 40-year long term debt obligation.
5. Based upon the budget provided by the District, a determination of financial stability cannot be made. In general, existing customers should not be responsible (financially) through existing user fees for improvements that become necessary as a result of new development. Existing users would be required to help finance existing deficiencies including improvements to mitigate high arsenic levels and capital infrastructure replacement costs (i.e. wells, WWTF).
6. The District should work with local developers to help finance infrastructure improvements needed as a result of new development.
7. It is recommended that the District prepare water and sewer system master plans prior to any SOI amendment proposal. Master planned infrastructure would help identify funding mechanisms, and improvement schedules. The District could potentially obtain State and/or Federal funding assistance to complete master plans.

4) Cost Avoidance Opportunities

1. The District avoids unnecessary costs by contracting out professional services including engineering, legal services, and other consulting services.
2. The preparation of water and sewer master plans could help the District avoid unnecessary costs associated with the construction of emergency system improvements to meet demands. Master plans also identify funding sources for their implementation.
3. The District could avoid unnecessary costs associated with the construction of capital improvements by promoting development in infill areas and in areas where infrastructure is already in place.
4. Since the Pixley PUD is the only water and sewer purveyor in the area, the potential for duplication of services is not present.

5) Opportunities for Rate Restructuring

1. The Pixley PUD charges monthly user fees and new connection fees for water and sewer. The District's monthly base water rate of \$20.00 covers a base usage up to 30,000 gallons. The District's monthly flat rate for sanitary sewer is currently set at \$15.00.
2. The District indicated that rate increases are likely in the near future as a result of the need to expand the wastewater capacity and upgrade the WWTF.
3. Water and sewer rates charged by the Pixley PUD are comparable (slightly below average) to other service providers in the County.
4. Substantial rate increases may not be feasible as Pixley is a low income area, and utility rates should remain affordable with respect to average household incomes.
5. Master plans/capital facilities plans are helpful in justifying rate increases necessary to maintain and expand the District's infrastructure systems. Capital facilities planning would identify improvements for which existing users should be responsible for, and those for which the development community should be responsible for including appropriate user and connection fees to meet the existing and future capital facilities needs.

5) Opportunities for Shared Facilities

1. Since the location of the Pixley District Boundary is immediately adjacent to existing rural lands, the opportunity for sharing infrastructure does not readily exist.
2. An opportunity for sharing resources includes splitting insurance premiums with nearby Districts that require related insurance coverage. Also the employment of a grant writer by two or more Districts could potentially benefit the District without incurring the sole cost of a full time employee.

7) Government Structure Options

1. There are no other service providers immediately adjacent to Pixley's SOI indicating that the potential for duplication of services is not present. For this reason, it is logical that the Pixley PUD assume water and sewer service provisions within its SOI.
2. Currently there are no foreseeable conditions that would indicate that development within the District's SOI would result in a change in government structure.
3. Prior to development within its SOI area, the District should complete infrastructure planning – including master plans – to address the infrastructure needs of affected areas and funding mechanisms to meet those needs.
4. District staff indicated that they provide residential contract service outside of the current District Boundary. To create a more defined service area, where feasible, the District should consider expanding its District Boundary to include such property in which services are provided. The District Boundary should be expanded to include such properties in which services are provided (that are not currently within the District Boundary) only when such action would not create an "island" (or where the property is immediately adjacent to the current District Boundary).

5. It is recommended that the District keep service provisions outside of the current District Boundary to a minimum (specifically for property that cannot feasibly be annexed into the District Boundary at the time of service connection).

8) Evaluation of Management Efficiencies

1. Based upon a review of information provided by the Pixley PUD, it appears as if the provisions of sanitary sewer service and domestic water service are currently meeting the needs of the community and ratepayers.
2. The District undergoes annual audits in compliance with auditing standards.
3. The District should consider restructuring its budget document so the general public can review and understand how District revenues are being spent.
4. The District currently operates with three full time staff members, one part time staff member, and contracts out for other services, including engineering, legal counsel, and other consulting services.
5. The District has one staff member on call during non-office hours to respond to emergency situations.
6. The District's budget does not indicate a contingency appropriation. Contingency appropriations are necessary to fund emergency system improvements and/or unforeseen replacement or rehabilitation needs.

9) Local Accountability and Governance

1. The District complies with the Brown Act open meeting law by holding regularly scheduled meetings in which the public is invited. Regularly scheduled meetings are held on the first Monday of each month at 7:00 p.m. at the District office. Agendas for Board meetings are posted on-site at the District office.
2. The District should work with the Tulare County Resource Management Agency (RMA) and/or Tulare County LAFCO to have information regarding District affairs posted on the Tulare County RMA and/or LAFCO website. The District could provide information such as meeting times and locations, budgets, rates, ordinances, agendas, completed/upcoming projects, and other District affairs to Tulare County for posting on the County's (RMA and/or LAFCO) website.

7.0 PIXLEY PUBLIC UTILITY DISTRICT

7.0.1 Background

The requirement for Local Agency Formation Commissions (LAFCO) to conduct reviews of local municipal services was established with the passage of AB 2838, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. The bill passed the legislature, and was signed into law by Governor Davis on September 26, 2000. Municipal Service Reviews (MSRs) provide LAFCOs with an additional tool to fulfill their statutory responsibilities of promoting orderly growth and development, preserving the States finite open space and agricultural land resources, and working to ensure that high quality public services are provided to all Californians in the most efficient and effective manner. MSRs are a requirement of State annexation law and are required to be completed before the consideration of a Sphere of Influence (SOI) amendment or once every five years when a SOI amendment is not being considered.

In July 2003, the Tulare County Local Agency Formation Commission (LAFCO) Board adopted a Municipal Service Review (MSR) exemption policy, which identifies the agencies that would be subject to a review and the extent of that review. The agencies in Tulare County were divided into three (3) categories: agencies subject to a full comprehensive study; agencies subject to a questionnaire study; and agencies exempt from a MSR study. The Pixley Public Utility District (PUD) is subject to a full comprehensive study. The policy further identifies that the services subject to review shall be:

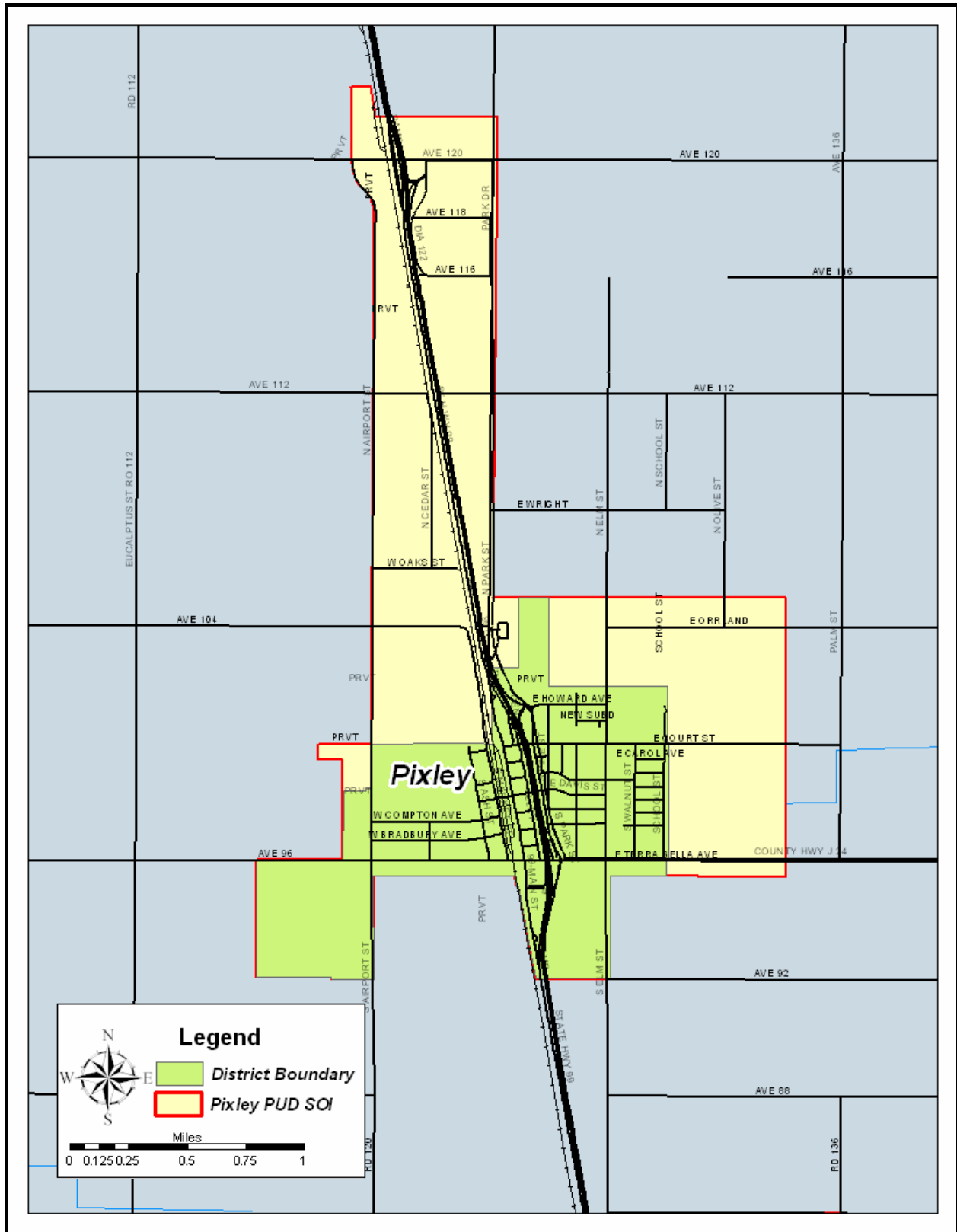
- Police protection
- Fire protection
- Water and wastewater
- Solid waste collection and disposal
- Streets and traffic circulation
- Power generation and distribution
- Health Care

Pixley, an unincorporated community in Tulare County, is located in the southwest portion of the County between the communities of Tipton and Earlimart along State Route (SR) 99. The Pixley PUD, formed in December 1946, has a primary function of providing domestic water and sanitary sewer service to residents within the community. Domestic water and sanitary sewer collection, treatment, and disposal are the primary services provided by the Pixley PUD that are subject to a MSR.

Pixley is square in shape and is bisected in a north-south direction by SR 99, which runs east of and parallel to the Southern Pacific Railroad (S.P.R.R.) tracks. Local roads that provide access across SR 99 include East Court Avenue, Davis Avenue, and Terra Bella Avenue (interchange). Local railroad crossings are located at Davis Avenue and Terra Bella Avenue. Pixley is an agriculturally oriented service community surrounded on all sides by lands in agricultural production, scattered rural residential uses, and vacant land. There is also a public airport southwest of the community. Industrial development is present north and south of the community. Most of the commercial development within Pixley is located between the S.P.R.R. tracks and SR 99.

Cities and communities surrounding Pixley include Porterville and Poplar to the northeast, Tulare and Tipton to the north, and Earlimart to the south. The current District Boundary and the currently adopted SOI for the Pixley PUD are illustrated on Figure 7-1.

FIGURE 7-1 – PIXLEY PUD BOUNDARY AND SOI



Source: Tulare County GIS Database (July 2004)

The following excerpt from the Tulare County LAFCO website (www.co.tulare.ca.us/lafco/info.asp) defines a SOI and the purpose it serves.

A “Sphere of Influence” is the physical boundary and service area that a local governmental agency is expected to serve. Establishment of this boundary is necessary to determine which governmental agencies can provide services in the most efficient way to the people and property in any given area. The Sphere of Influence requirement also works to discourage urban sprawl by preventing overlapping of jurisdictions and duplication of services.

The following discussions address the nine legislative factors required by the Cortese-Knox-Hertzberg Act; 1) Growth and population, 2) Infrastructure needs and deficiencies, 3) Financial constraints and opportunities, 4) Cost avoidance opportunities, 5) Opportunities for rate restructuring, 6) Opportunities for shared facilities, 7) Government structure options, 8) Evaluation of management efficiencies, and 9) Local accountability and governance.

7.1 GROWTH AND POPULATION

The purpose of this section is to present historical and projected growth patterns and population projections to establish a baseline for the evaluation of the service needs of Pixley.

7.1.1 Historical Data

The Census Bureau, on a decennial basis, identifies and provides detailed information on all incorporated Cities along with several smaller unincorporated communities (termed Census Designated Places – CDPs). Each census, community profiles are developed and provide a wide range of information pertaining to population, demographics, housing information, household data, education and employment, income and poverty, and historical trends. The CDP Boundary for Pixley is not coterminous with the current District Boundary as depicted on Figure 7-1 obtained from the Tulare County GIS database (July 2004). Both boundaries, however, generally cover the densely populated area of the community. *Census 2000* data indicates that Pixley had a population of 2,586 as of January 2000. Information provided by the District indicates a District population of 2,745 as of March 2004.

Census 1990 data indicates that Pixley had a population of 2,457 in 1990, corresponding to an average annual growth rate between 1990 and 2000 of approximately 0.5%. The unincorporated areas of Tulare County grew from a population of 133,222 in 1990 to a population of 141,150 in 2000, corresponding to an average annual growth rate of approximately 0.6%. Comparing *Census 2000* data to information provided by the District indicates an annual average growth rate of approximately 1.5% between 2000 and 2004. It is likely that the Pixley community will continue to grow at an average annual rate between 1% and 2% depending upon land use zoning and other policies established by the Tulare County General Plan and other factors. Using an average annual growth rate between 1% and 2%, the Pixley community would reach an estimated year 2025 population between 3,300 and 4,250. Information provided by the District indicates that there are two current development proposals within the community including a 61 unit subdivision and a middle school.

7.1.2 Written Determinations

1. The CDP Boundary for Pixley is not coterminous with the current District Boundary; however, both boundaries generally cover the densely populated area of the community. For this reason, *Census 2000* population data is taken as being representative of the population of the District at that time.
2. *Census 2000* data indicates that Pixley had a population of 2,586 as of January 2000. Between 1990 and 2000, Pixley experienced an annual population growth rate of approximately 0.5%, compared to 0.6% for the unincorporated areas of Tulare County. Information provided by the District indicates a population of 2,745 as of March 2004. Between 2000 and 2004, the District experienced an average annual growth rate of approximately 1.5%.
3. It is likely that the Pixley community will continue to grow at an average annual rate between 1% and 2% depending upon land use zoning and other policies established by the Tulare County General Plan and other factors. Using these rates, the Pixley community would reach an estimated year 2025 population between 3,300 and 4,250.

7.2 INFRASTRUCTURE NEEDS AND DEFICIENCIES

The purpose of this section is to evaluate the infrastructure needs and deficiencies of a jurisdiction in terms of availability of resources, capacity to deliver services, condition of facilities, service quality, and levels of service.

7.2.1 Domestic Water

The Pixley PUD is responsible for providing domestic water service to customers within its District Boundary. Pixley's water supply is derived from four deep underground wells. According to District staff, these four wells provide an ample excellent water supply requiring no chlorination or treatment. Based upon discussions with District staff, a well was abandoned some years ago due to a faulty seal and replaced with two other wells near the same area. The four wells in operation have a total maximum production efficiency of approximately 2,700 gallons per minute (GPM), or 3.88 million gallons per day (MGD). The District was unable to provide actual well production (water usage) data.

As indicated by the District's Engineer, three of the existing four wells exceed the acceptable arsenic level for drinking water that became effective January 2006, and the water supply system will require treatment or replacement of wells to meet current water quality standards.

District staff indicated that there are slightly more than 800 hookups to the water system including 25 commercial connections. Approximately 320 of the residential connections are metered. Metered water rates promote water conservation. It is recommended that the District continue to install water meters as feasible (for instance for all new development and when a transfer of ownership occurs). The District also indicated that they currently provide water service to customers outside the current District Boundary, but within the SOI.

Tulare County Improvement Standards require that the construction of water source facilities shall comply with the requirements of Bulletin No. 74, "Water Well Standards" prepared by the State of California Department of Water Resources. The Tulare County Improvement Standards also establish specific requirements for quantity and quality of water to be delivered to a system. Some of these requirements are summarized below.

- The quantity of water delivered to the distribution system within a subdivision from all source and storage facilities for a period of two hours shall be the maximum domestic demand plus a fire flow quantity of not less than 500 GPM for single family residential, 1,500 GPM for multi-family residential, commercial, and light manufacturing, and 2,500 GPM for heavy manufacturing.
- For systems up to 625 customer units (equivalent dwelling units) the domestic quantity shall not be less than $Q = 100 + 25 * \sqrt{N}$, and $Q = 100 + N$ for more than 625 customer units at sufficient pressure to provide a minimum pressure of 25 PSI to each lot served; where Q equals the rate of flow in GPM delivered from the combined source facilities to the distribution system, and N equals the total number of customer units where each customer unit is equivalent to one for a single family dwelling on a normal subdivision lot. Other types of development shall be assigned appropriate customer unit values by the Engineer as experience with the distribution system or locality indicates.
- The minimum source and domestic demand storage design requirements shall be in accordance with Plate No. WS-11 of Section IV of the Tulare County Improvement Standards.

- The quality of water supplied for human consumption shall conform to Sections 3, 4 and 5 of the latest United States Public Health Service Drinking Water Standards. Samples will be taken and tests made by the County Department of Health Services for bacteriological determination of potability.
- Chemical and physical tests for potability shall be performed by a commercial laboratory certified by the State Department of Health Services for performance of chemical and physical analysis and the costs thereof shall be borne by the sub-divider.

Assuming 800 equivalent dwelling units (EDUs), in order to meet Tulare County Improvement Standards, the Pixley PUD water system would need to be capable of delivering a combined flow rate (from all source and storage facilities) of 2,400 GPM (1,500 GPM fire flow, and 900 GPM domestic demand) for a period of two hours while maintaining a minimum pressure of 25 PSI to each lot served. The District's water system is capable of delivering a source flow of 2,700 GPM, and includes pneumatic pressure tanks for storage.

According to the District Engineer, there is only sufficient water supply to meet existing domestic demands without considering fire flow requirements. The District Engineer indicated that no additional connections could be supported by the water system when considering fire flows and the possibility of the maximum producing well being out of service. For this reason, the District Engineer concluded that additional wells will be required in order to increase capacity, and that fire flows requirements could be met with storage tanks.

The District does not currently have a water system master plan. As indicated by the District Engineer, a water master plan that includes a capital facilities plan needs to be developed to address current and future needs. The District Engineer noted that the existing water system includes many 4-inch and 6-inch diameter lines, which may not be suitable for peak and fire flows. Since land within the District's SOI that is zoned for development (by the Tulare County General Plan) will rely on domestic water service from the Pixley PUD, the master planning boundary should be consistent with the District's SOI. A water master plan will increase the District's preparedness when development within its SOI is proposed.

7.2.2 Sanitary Sewer

The Pixley PUD is also responsible for providing sanitary sewer collection, treatment, and disposal services to residents within its Boundary. District staff indicated that there are approximately 800 connections to the sewer system which includes 25 commercial connections. Raw sewage is transported to a wastewater treatment facility (WWTF) owned and operated by the District.

The District operates a WWTF located southwest of the community, just west of the Pixley airport. The WWTF is operated under the provisions of Order No. 5-00-096 issued by the Central Valley Regional Water Quality Control Board (RWQCB). The District's WWTF provides secondary treatment of wastewater via a clarigester and two aerated lagoons. Treated wastewater is then stored in evaporation/percolation ponds and/or applied on 43 acres of pastureland that is owned and operated by the District. Non-milking cattle graze on the pastureland. Order No. 5-00-096 prescribes that the monthly average daily discharge shall not exceed 0.29 MGD.

Based upon information contained in the Wastewater User Charge Survey Report FY 2004-05 (CalEPA – State Water Resources Control Board, May 2005), the average dry weather flow (ADWF) at the WWTF is approximately 0.284 MGD. The District indicated that the WWTF is currently operating at or near its capacity, and is operating under a Cease and Desist Order.

The *Wastewater Treatment Facility Upgrade and Expansion Project – Project Feasibility Report* (Provost & Pritchard, February 2005) outlines a major reconstruction proposal for the District's WWTF. The improved WWTF would be capable of treating 0.5 MGD. The District has applied for USDA grant and loan funding to implement the improvement plan. A 0.5 MGD WWTF may provide sufficient capacity for a 20-year planning period at the expected average population growth rate, and a small reserve capacity may be available for industrial/commercial growth.

The District does not currently have a sewer system (for collection) master plan. As indicated by the District Engineer, a sewer master plan that includes a capital facilities plan needs to be developed to address current and future needs. The District Engineer noted that the adequacy of the existing sewer system to accept additional flows is not known. Since land within the District's SOI that is zoned for development (by the Tulare County General Plan) will rely on sanitary sewer service from the Pixley PUD, the master planning boundary should be consistent with the District's SOI. A sewer master plan will increase the District's preparedness when development within its SOI is proposed.

7.2.3 Written Determinations

Domestic Water

1. Pixley's water supply is derived from four existing deep underground wells. The four wells have a maximum production efficiency of approximately 2,700 GPM.
2. As indicated by the District's Engineer, three of the existing four wells exceed the acceptable arsenic level for drinking water that became effective January 2006, and the water supply system will require treatment or replacement of wells to meet current water quality standards.
3. District staff indicated that there are slightly more than 800 hookups to the water system including 25 commercial connections. Approximately 320 of the residential connections are metered. Metered water rates promote water conservation. It is recommended that the District continue to install water meters as feasible (i.e. for all new development and when a transfer of ownership occurs).
4. Assuming 800 equivalent dwelling units (EDUs), in order to meet Tulare County Improvement Standards the Pixley PUD water system would need to be capable of delivering a combined flow rate (from all source and storage facilities) of 2,400 GPM (1,500 GPM fire flow, and 900 GPM domestic demand) for a period of two hours while maintaining a minimum pressure of 25 PSI to each lot served. The District's water system is capable of delivering a source flow of 2,700 GPM, and includes pneumatic pressure tanks for storage, indicating that the system currently meets the requirements of the Tulare County Improvement Standards.
5. According to the District Engineer, there is only sufficient capacity in the water system to meet existing domestic demands without considering fire flow requirements. The District Engineer indicated that no additional connections could be supported by the water system when considering fire flows and the possibility of the maximum producing well being out of service.
6. As indicated by the District Engineer, a water master plan that includes a capital facilities plan needs to be developed to address current and future needs. The District Engineer noted that the existing water system includes many 4-inch and 6-inch diameter lines, which may not

be suitable for peak and fire flows. Since land within the District's SOI that is zoned for development (by the Tulare County General Plan) will rely on domestic water service from the Pixley PUD, the master planning boundary should be consistent with the District's SOI.

Sanitary Sewer

1. District staff indicated that there are approximately 800 connections to the sewer system, which includes 25 commercial connections.
2. The District operates a WWTF located southwest of the community, just west of the Pixley airport. The WWTF is operated under the provisions of Order No. 5-00-096 issued by the Central Valley Regional Water Quality Control Board (RWQCB).
3. The District indicated that the WWTF is currently operating at or near its capacity, and is operating under a Cease and Desist Order. The permitted capacity is 0.29 MGD, and the current flow is approximately 0.284 MGD.
4. The *Wastewater Treatment Facility Upgrade and Expansion Project – Project Feasibility Report* (Provost & Pritchard, February 2005) outlines a major reconstruction proposal for the District's WWTF. The improved WWTF would be capable of treating 0.5 MGD.
5. A 0.5 MGD WWTF may provide sufficient capacity for a 20-year planning period with reserve capacity for industrial/commercial growth.
6. As indicated by the District Engineer, a sewer master plan that includes a capital facilities plan needs to be developed to address current and future needs. The District Engineer noted that the adequacy of the existing sewer system to accept additional flows is not known. Since land within the District's SOI that is zoned for development (by the Tulare County General Plan) will rely on sanitary sewer service from the Pixley PUD, the master planning boundary should be consistent with the District's SOI.

7.3 FINANCING OPPORTUNITIES AND CONSTRAINTS

The purpose of this section is to evaluate the jurisdictions capability to finance needed improvements and services.

7.3.1 Annual Budget

LAFCO should consider the ability of the District to pay for improvements or services associated with annexed sites. This planning can begin at the SOI stage by identifying what opportunities there are to identify infrastructure and maintenance needs associated with future annexation and development, and identifying limitations on financing such improvements, as well as the opportunities that exist to construct and maintain those improvements.

The District prepares a line item budget that lumps together anticipated expenditures for the upcoming fiscal year. The District had a fiscal year 2003-04 operating budget of \$306,130, and has a 2004-05 operating budget of \$339,880. The District's budget does not indicate cash reserves or contingency appropriations. The District's budget is unclear with relation to revenues and expenditures. It is recommended that the District refine its budget to show beginning cash balance, cash reserves, interest on reserves, projected revenues, anticipated expenditures, and contingency appropriations. District financial personnel indicated that costs are typically divided equally between water and sewer except for special cases. It is recommended that the District separate its budget into two individual funds in order to gauge the performance of each utility. This would help the District determine whether user fees and connection fees are adequate to maintain and improve each utility individually. The District currently has no debt requiring repayment. Should the District receive the USDA grant and loan for improvements to its WWTF, the District would have a 30 to 40-year long term debt obligation.

Based upon the budget provided by the District, a determination of financial stability cannot be made. In general, existing customers should not be responsible (financially) through existing user fees for improvements that become necessary as a result of new development. Existing user fees should only be utilized for the operation and maintenance of existing infrastructure. Existing users, however, would be required to help finance existing deficiencies for example, improvements to reduce arsenic levels to acceptable standards, WWTF deficiencies or replacement requirements, and infrastructure deficiencies including the possibility of replacement costs of wells and WWTF. The District should work with local developers to help finance infrastructure improvements needed as a result of new development.

Master planned infrastructure would help identify funding mechanisms to build the infrastructure necessary to support new development. Master plans would also identify appropriate pipe sizing to accommodate the ultimate build-out of the plan, eliminating the need to make replacement improvements associated with capacity constraints. It is recommended that the District prepare water and sewer system master plans prior to any SOI amendment proposals.

7.3.2 Written Determinations

1. The District prepares a line item budget that lumps together the anticipated expenditures for the upcoming fiscal year. The District had a fiscal year 2003-04 operating budget of \$306,130, and a 2004-05 operating budget of \$339,880. The District's budget does not indicate cash reserves or contingency appropriations.
2. The District's budget is unclear with relation to revenues and expenditures. It is recommended that the District refine its budget to show beginning cash balance, cash

reserves, interest on reserves, projected revenues, anticipated expenditures, and contingency appropriations.

3. It is recommended that the District separate its budget into two separate funds in order to gauge the performance of each utility. This would assist the District in determining whether user fees and connection fees are adequate to maintain and improve each utility individually.
4. The District currently has no debt requiring repayment. Should the District receive the USDA grant and loan for improvements to its WWTF, the District would have a 30 to 40-year long term debt obligation.
5. Based upon the budget provided by the District, a determination of financial stability cannot be made. In general, existing customers should not be responsible (financially) through existing user fees for improvements that become necessary as a result of new development. Existing users would be required to help finance existing deficiencies including improvements to mitigate high arsenic levels and capital infrastructure replacement costs (i.e. wells, WWTF).
6. The District should work with local developers to help finance infrastructure improvements needed as a result of new development.
7. It is recommended that the District prepare water and sewer system master plans prior to any SOI amendment proposal. Master planned infrastructure would help identify funding mechanisms, and improvement schedules. The District could potentially obtain State and/or Federal funding assistance to complete master plans.

7.4 COST AVOIDANCE OPPORTUNITIES

The purpose of this section is to identify practices or opportunities that may help to eliminate unnecessary costs.

7.4.1 Fiscal Structure

The District has adequate staff resources and administrative capabilities to provide the needed level of services to the residents within its boundaries. The District avoids unnecessary costs by contracting out professional services including engineering, legal services, and other consulting services.

The District requires development projects to pay connection fees for domestic water and sanitary sewer service, which are currently set at \$2,000 and \$1,800, respectively. The preparation of water and sewer master plans could help the District avoid unnecessary costs associated with the construction of emergency system improvements to meet demands. Master plans identify infrastructure improvements that will be needed in the future, including an improvements timeline that would allow the District adequate time to set aside and/or obtain funding for those future improvements before the absence of such improvements begins to delay or halt proposed development. Master plans also identify funding sources for their implementation. The District could also avoid unnecessary costs associated with the construction of capital improvements by promoting development in infill areas and in areas where infrastructure is already in place.

If the SOI were expanded in the future, the District would assume fiscal responsibilities to construct or maintain the infrastructure associated with the SOI and any territories that were annexed. LAFCO should consider the relative burden of new annexations to the District when it comes to its ability to provide water and sewer service, as well as capital maintenance and replacements required as a result of expanding the District Boundary. The District's SOI incorporates large areas north and east of the current District Boundary and it is not likely that the District will need to expand its SOI within the 20-year planning period.

Opportunities exist at the time of annexation and development to introduce alternative methods of construction and maintenance of public or semi-public infrastructure to serve the future SOI/annexation areas. Since the Pixley PUD is the only water and sewer purveyor in the area, the potential for duplication of services is not present.

7.4.2 Written Determinations

1. The District avoids unnecessary costs by contracting out professional services including engineering, legal services, and other consulting services.
2. The preparation of water and sewer master plans could help the District avoid unnecessary costs associated with the construction of emergency system improvements to meet demands. Master plans also identify funding sources for their implementation.
3. The District could avoid unnecessary costs associated with the construction of capital improvements by promoting development in infill areas and in areas where infrastructure is already in place.
4. Since the Pixley PUD is the only water and sewer purveyor in the area, the potential for duplication of services is not present.

7.5 OPPORTUNITIES FOR RATE RESTRUCTURING

The purpose of this section is to identify opportunities to positively impact rates without decreasing service levels.

7.5.1 Fee Structure

The Pixley PUD adopted a revised rate schedule beginning October 1, 2001. The Pixley PUD water system is partially metered. A minimum size ¾" metered service is to be installed to multi-family, commercial or industrial lots and any single family residence constructed after July 1, 2001, or when property changes ownership. A base water rate of \$20.00 per month covers a base usage up to 30,000 gallons. The Pixley PUD charges a monthly flat rate for sewer service. It is recommended that the District restructure its budget to show anticipated revenues generated from user fees and connection fees.

Tables 7-1 and 7-2 show a comparison of water and sewer rates and connection fees, respectively, for other service providers throughout the County. The tables also show the relationship between monthly service charges and average household incomes within the respective communities. Since some of the service providers charge a metered rate for water, it is necessary to calculate an average monthly bill based upon a specific amount of usage taken as 2,005 cubic feet, or approximately 15,000 gallons, per month for this analysis.

**TABLE 7-1
COMPARISON OF WATER RATES**

Service Provider	Sample Monthly Bill	Connection Fee	Average Household Income	Rate/Income Ratio
Earlimart PUD	\$12.50	\$1,500	\$1,775/mo.	0.70%
Ivanhoe PUD	\$9.50	\$1,700	\$2,171/mo.	0.44%
Pixley PUD	\$20.00	\$2,000	\$1,942/mo.	1.03%
Teviston CSD	\$30.00	\$800	\$2,014/mo.	1.49%
Tipton CSD	\$24.00	\$2,800	\$2,198/mo.	1.09%
Alpaugh JPA	\$55.00	\$1,500	\$1,974/mo.	2.79%
Cutler PUD	\$18.00	\$1,500	\$2,028/mo.	0.89%
Orosi PUD	\$19.08	\$2,400	\$2,533/mo.	0.75%
Lemon Cove SD	\$10.01	\$500	\$2,361/mo.	0.42%
London CSD	\$18.00	\$1,400	\$1,807/mo.	1.00%
Lindsay-Strathmore ID	\$14.18 ⁷	T&M	\$2,096/mo.	0.68%
Poplar CSD	\$25.00	\$1,750	\$2,043/mo.	1.22%
Richgrove CSD	NA	NA	\$1,907/mo.	NA
Springville PUD	\$23.42	\$2,800	\$2,023/mo.	1.16%
Strathmore PUD	\$43.30	\$1,150	\$2,096/mo.	2.06%
Terra Bella ID	\$12.43 ⁸	\$2,908	\$2,109/mo.	0.59%
Woodville PUD	\$27.28	\$2,000	\$2,123/mo.	1.28%
Average	\$23.17	\$1,780	\$2,080/mo.	1.11%

Notes: 1) Fee information obtained from service providers

2) Average household income based upon Census 2000 data

3) Rate/Income ratio calculated by dividing sample monthly bill by average household income

4) Sample monthly bill is calculated for a typical single family dwelling

5) NA=Not Available

6) T&M=Time and Material basis

7) Based on an average of four separate rates charged by the Lindsay-Strathmore Irrigation District

8) Based on potable water service provided by the Terra Bella Irrigation District

9) Richgrove CSD and Lindsay-Strathmore ID were omitted from the average calculations

As indicated in Table 7-1, the Pixley PUD water rates are comparable (slightly below average) to the rates charged by other domestic water service providers throughout the County. The cost of domestic water service within Pixley equates to approximately 1.03% of the average household income within the community. The Pixley PUD water connection fee is slightly above average compared to that of other service providers in the County.

**TABLE 7-2
COMPARISON OF SEWER RATES**

Service Provider	Monthly Sewer User Fee (1 EDU)¹	Connection Fee¹	Average Household Income²	Rate/Income Ratio³
Goshen CSD	\$32.00	\$975	\$2,359/mo.	1.36%
Earlimart PUD	\$7.50	\$1,000	\$1,775/mo.	0.42%
Ivanhoe PUD	\$9.50	\$1,890	\$2,171/mo.	0.44%
Pixley PUD	\$15.00	\$1,800	\$1,942/mo.	0.77%
Tipton CSD	\$8.00	\$1,050	\$2,198/mo.	0.36%
Cutler PUD	\$22.00	\$3,520	\$2,028/mo.	1.08%
Orosi PUD	\$22.97	\$1,745	\$2,533/mo.	0.91%
Lemon Cove SD	\$4.50	\$500	\$2,361/mo.	0.19%
London CSD	\$21.00	\$1,990	\$1,807/mo.	1.16%
Poplar CSD	\$25.00	\$1,300	\$2,043/mo.	1.22%
Richgrove CSD	\$18.00	\$750	\$1,907/mo.	0.94%
Springville PUD	\$35.06	\$3,900	\$2,023/mo.	1.73%
Strathmore PUD	\$14.70	\$500	\$2,096/mo.	0.70%
Terra Bella SMD	\$21.00	\$500	\$2,109/mo.	1.00%
Woodville PUD	\$17.25	\$700	\$2,123/mo.	0.81%
Average	\$18.23	\$1,475	\$2,098/mo.	0.87%

1) Source: Wastewater User Charge Survey Report FY 2004-05 (CalEPA – SWRCB, May 2005)

2) Source: Census 2000

As indicated in Table 7-2, the Pixley PUD sewer rates are comparable (slightly below average) to the rates charged by other sanitary sewer service providers throughout the County. The cost of sanitary sewer service within Pixley equates to approximately 0.77% of the average household income within the community. The Pixley PUD sanitary sewer connection fee is above average compared to that of other service providers in the County.

The District should periodically review its monthly user and connection fees to ensure that quality service will continually be provided to existing and future residents. Master plans/capital facilities plans are helpful in justifying rate increases necessary to maintain and expand the District's infrastructure systems. Capital facilities planning would identify improvements for which existing users should be responsible for, and those for which the development community should be responsible for including appropriate user and connection fees to meet the existing and future capital facilities needs. The District indicated that rate increases are likely in the near future as a result of the need to expand the wastewater capacity and upgrade the WWTF.

The following excerpt from the *Revised Preliminary Engineering Report Wastewater Treatment Facilities for Pixley Public Utility District* (Quad Knopf, May 2004) indicates the need to increase sewer rates for the construction of a new WWTF.

“...If USDA were willing to consider a 55 to 75 percent grant for project funding, the monthly sewer service rates would be about \$22.50 and \$19.00 respectively. Considering 2000 Census figures for the poverty (43.2%), the high percentage of unemployment (14.7%) and the low annual median household income (\$23,304) in Pixley, this community needs special assistance to make utility rates affordable.”

If USDA does not provide grant funding for the project, residents of Pixley would need to pay as much as \$30.00 per month for sewer service, which would not be considered feasible for the low income community.

7.5.2 Written Determinations

1. The Pixley PUD charges monthly user fees and new connection fees for water and sewer. The District’s monthly base water rate of \$20.00 covers a base usage up to 30,000 gallons. The District’s monthly flat rate for sanitary sewer is currently set at \$15.00.
2. The District indicated that rate increases are likely in the near future as a result of the need to expand the wastewater capacity and upgrade the WWTF.
3. Water and sewer rates charged by the Pixley PUD are comparable (slightly below average) to other service providers in the County.
4. Substantial rate increases may not be feasible as Pixley is a low income area, and utility rates should remain affordable with respect to average household incomes.
5. Master plans/capital facilities plans are helpful in justifying rate increases necessary to maintain and expand the District’s infrastructure systems. Capital facilities planning would identify improvements for which existing users should be responsible for, and those for which the development community should be responsible for including appropriate user and connection fees to meet the existing and future capital facilities needs.

7.6 OPPORTUNITIES FOR SHARED FACILITIES

The purpose of this section is to evaluate opportunities for a jurisdiction to share facilities and resources, thereby increasing efficiency.

7.6.1 Shared Facilities

Since the location of the Pixley District Boundary is immediately adjacent to existing rural lands, the opportunity for sharing infrastructure does not readily exist. Currently the Pixley PUD is the only water and sewer service provider in the immediate area.

Opportunities for sharing resources include splitting insurance premiums with nearby districts requiring related insurance coverage. Also the employment of a grant writer by two or more districts could potentially benefit the District without incurring the sole cost of a full time employee.

7.6.2 Written Determinations

1. Since the location of the Pixley District Boundary is immediately adjacent to existing rural lands, the opportunity for sharing infrastructure does not readily exist.
2. An opportunity for sharing resources includes splitting insurance premiums with nearby Districts that require related insurance coverage. Also the employment of a grant writer by two or more Districts could potentially benefit the District without incurring the sole cost of a full time employee.

7.7 GOVERNMENT STRUCTURE OPTIONS

The purpose of this section is to consider the advantages and disadvantages of various government structures to provide public services.

7.7.1 Development within SOI Areas

One of the most critical elements of LAFCO's responsibilities is in setting logical service boundaries for communities based on their capability to provide services to affected lands. According to the LAFCO Municipal Service Review Guidelines, elimination of overlapping boundaries that confuse the public and cause service inefficiencies should be considered to avoid unnecessary increases in the cost of infrastructure. Currently there are no foreseeable conditions that would indicate that development within the District's SOI would result in a change in government structure.

Prior to development within its SOI area, the District should complete infrastructure planning – including master plans – to address the infrastructure needs of affected areas and funding mechanisms to meet those needs. The District and/or County could also require developers to prepare specific plans prior to approving development within the District's SOI. The District will need to continually expand and improve its water and sewer infrastructure to accommodate development within its current District Boundary and SOI areas.

District staff indicated that they provide residential contract service outside of the current District Boundary. All water services outside the Pixley PUD Boundary are subject to Board approval and customers shall pay the established monthly rate for the type of services provided; the rate being two and one half (2.5) times the regular rate. Any increase for the District is figured at the rate. To create a more defined service area, where feasible, the District should consider expanding its District Boundary to include such property in which services are provided. The District Boundary should be expanded to include such properties in which services are provided (that are not currently within the District Boundary) only when such action would not create an "island" (or where the property is immediately adjacent to the current District Boundary). It is recommended that the District keep service provisions outside of the current District Boundary to a minimum (specifically for property that cannot feasibly be annexed into the District Boundary at the time of service connection).

There are no Boundary conflicts with surrounding service providers that would potentially result in a change in government structure. It is logical that the Pixley PUD adequately plan for and assume water and sewer service within its SOI Boundary.

7.7.2 Written Determinations

1. There are no other service providers immediately adjacent to Pixley's SOI indicating that the potential for duplication of services is not present. For this reason, it is logical that the Pixley PUD assume water and sewer service provisions within its SOI.
2. Currently there are no foreseeable conditions that would indicate that development within the District's SOI would result in a change in government structure.
3. Prior to development within its SOI area, the District should complete infrastructure planning – including master plans – to address the infrastructure needs of affected areas and funding mechanisms to meet those needs.

4. District staff indicated that they provide residential contract service outside of the current District Boundary. To create a more defined service area, where feasible, the District should consider expanding its District Boundary to include such property in which services are provided. The District Boundary should be expanded to include such properties in which services are provided (that are not currently within the District Boundary) only when such action would not create an “island” (or where the property is immediately adjacent to the current District Boundary).
5. It is recommended that the District keep service provisions outside of the current District Boundary to a minimum (specifically for property that cannot feasibly be annexed into the District Boundary at the time of service connection).

7.8 EVALUATION OF MANAGEMENT EFFICIENCIES

The purpose of this section is to consider the management structure of the jurisdiction.

7.8.1 Organizational Structure

Based upon a review of information provided by the Pixley PUD, it appears as if the provisions of sanitary sewer service and domestic water service are currently meeting the needs of the community. The Pixley PUD has accounting and finance functions, current personnel regulations and resolutions. The District undergoes annual audits in compliance with auditing standards. The District should consider restructuring its budget document so the general public can review and understand how District revenues are being spent. Restructuring the budget document consistent with recommendations in the previous sections of this report could increase the efficiency of District staff and improve monetary management.

The Pixley PUD is governed by a five-member Board of Directors who are elected at large from within its boundaries. The Board is responsible for setting policy and general administrative procedures. The District currently operates with three full time staff members, one part time staff member, and contracts out for other services, including engineering, legal counsel, and other consulting services. The District office operates between the hours of 7:30 A.M. and 4:30 P.M. Monday through Friday (excluding 11:30 A.M. to 1:00 P.M.) with full time personnel providing various functions of the District. The District has one staff member on call during non-office hours to respond to emergency situations.

The District's budget does not indicate a contingency appropriation. Contingency appropriations are necessary to fund emergency system improvements and/or unforeseen replacement or rehabilitation needs. As previously mentioned, restructuring the budget document could improve monetary management.

7.8.2 Written Determinations

1. Based upon a review of information provided by the Pixley PUD, it appears as if the provisions of sanitary sewer service and domestic water service are currently meeting the needs of the community and ratepayers.
2. The District undergoes annual audits in compliance with auditing standards.
3. The District should consider restructuring its budget document so the general public can review and understand how District revenues are being spent.
4. The District currently operates with three full time staff members, one part time staff member, and contracts out for other services, including engineering, legal counsel, and other consulting services.
5. The District has one staff member on call during non-office hours to respond to emergency situations.
6. The District's budget does not indicate a contingency appropriation. Contingency appropriations are necessary to fund emergency system improvements and/or unforeseen replacement or rehabilitation needs.

7.9 LOCAL ACCOUNTABILITY AND GOVERNANCE

The purpose of this section is to evaluate the accessibility and levels of public participation associated with the agency's decision-making processes.

7.9.1 Public Access and Information Methods

LAFCO may consider the agency's record of local accountability in its management of community affairs as a measure against the ability to provide adequate services to the SOI and annexation areas.

The Pixley PUD has a five member Board of Directors who are elected by voters residing within the District Boundary. Regularly scheduled Board meetings, which are open to the public, are held on the first Monday of each month at 7:00 p.m. at the District office located at 232 East Davis Avenue in Pixley. Agendas for Board meetings are posted and notices provided consistent with public meeting requirements (i.e., the Brown Act) including posting on-site.

The District should work with the Tulare County Resource Management Agency (RMA) and/or Tulare County LAFCO to have information regarding District affairs posted on the Tulare County RMA and/or LAFCO website. The District could provide information such as meeting times and locations, budgets, rates, ordinances, agendas, completed/upcoming projects, and other District affairs to Tulare County for posting on the County's (RMA and/or LAFCO) website. It would make sense to post information regarding District affairs on the County websites, since Pixley is an unincorporated community within Tulare County, and there is a mutual interest in the community.

The internet is a relatively low-cost yet powerful method of involving the general public/customers/ratepayers in District affairs. Greater dissemination of information can lead to greater interest in attending Board meetings and participating in elections. It also allows the public, some of whom are not physically able to attend Board meetings, to follow District activities remotely from their home or business.

7.9.2 Written Determinations

1. The District complies with the Brown Act open meeting law by holding regularly scheduled meetings in which the public is invited. Regularly scheduled meetings are held on the first Monday of each month at 7:00 p.m. at the District office. Agendas for Board meetings are posted on-site at the District office.
2. The District should work with the Tulare County Resource Management Agency (RMA) and/or Tulare County LAFCO to have information regarding District affairs posted on the Tulare County RMA and/or LAFCO website. The District could provide information such as meeting times and locations, budgets, rates, ordinances, agendas, completed/upcoming projects, and other District affairs to Tulare County for posting on the County's (RMA and/or LAFCO) website.

CHAPTER 8 – TEVISTON CSD MUNICIPAL SERVICE REVIEW

EXECUTIVE SUMMARY

This section provides an overview of the written determinations of the Teviston Community Service District (CSD) Municipal Service Review (MSR). As part of its review of municipal services, the Tulare County Local Agency Formation Commission (LAFCO) is required to prepare a written statement of its determination with respect to each of the following: 1) Growth and population projections for the affected area; 2) Infrastructure needs and deficiencies; 3) Financing constraints and opportunities; 4) Cost avoidance opportunities; 5) Opportunities for rate restructuring; 6) Opportunities for shared facilities; 7) Government structure options; 8) Evaluation of management efficiencies; and 9) Local accountability and governance. These requirements are established by AB 2838, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. The Teviston CSD MSR identifies the following written determinations:

Written Determinations

1) Growth and Population

1. Available data indicates that Teviston had a January 2005 population of approximately 363 residents.
2. It is likely that the Teviston community will continue to grow at an average annual rate between 1% and 2% depending upon land use zoning, and other policies established by the Tulare County General Plan and other factors. At these rates, the Teviston CSD could expect a year 2025 District population between 450 and 550.
3. Based upon discussions with District staff, Teviston has not experienced any significant growth in the last 5 years however a 14-unit subdivision is currently under review by the District.

2) Infrastructure Needs and Deficiencies

1. Teviston's water supply is derived from two existing deep underground wells that provide an ample clean water supply requiring no chlorination or treatment. The two wells have a total maximum production efficiency of approximately 900 GPM.
2. The Teviston CSD water system supports 105 total connections including 99 residential connections, 4 church connections, 1 school connection, and 1 connection to the community center.
3. In 1998, the District completed several improvements to its water system including replacing old deteriorating water lines, construction of new water lines, installation of fire hydrants throughout the system, installation of meters for all connections, and improvements to the north well site.
4. The *Preliminary Engineering Report Water System Rehabilitation Project* (Roberts Engineering, November 1995) estimates that the two wells have adequate water supply to support a population of approximately 460 residents, or approximately 125 EDUs at a dwelling unit occupancy rate of 3.7 persons per household.

5. It is recommended that the District plan for future water system improvements as the current system reaches its capacity, perhaps through a master plan, or updated water system study. Potential funding sources should also be identified during the planning process.
6. Assuming 105 equivalent dwelling units (EDUs), in order to meet Tulare County Improvement Standards the Teviston CSD water system would need to be capable of delivering a combined flow rate (from all source and storage facilities) of 857 GPM (500 GPM fire flow and 357 GPM domestic demand) for a period of two hours while maintaining a minimum pressure of 25 PSI to each lot served. The District's water system is capable of delivering a source flow of 900 GPM, and includes pneumatic pressure tanks for storage, indicating that the system currently meets the requirements of the Tulare County Improvement Standards.

3) Cost Avoidance Opportunities

1. During fiscal year 2003-04, the District had expenditures totaling \$52,808, which covers salaries and employee benefits for part time staff totaling \$9,785, outside services and supplies totaling \$33,138, and other charges totaling \$9,885.
2. The District generally requires new development projects to construct the necessary domestic water infrastructure to serve proposed developments.
3. The District's financial resources are limited, as their primary sources of income are through connection and user fees, which are generally not sufficient to cover any major repairs or improvements to the District's water system. Recovering such costs through the ratepayers of the community is not feasible since the average household incomes within the community are well below the current poverty level.
4. Due to the District's limited financial resources, the District is forced to seek alternative sources of financing major improvements or repairs to its water system, as they did in the late 1990s. Obtaining outside funds (including partial grant/loan programs) for local projects often requires the District to enter into long-term debt obligations (agreements).

4) Cost Avoidance Opportunities

1. The District avoids excessive overhead costs by operating with a part-time staff, which provides adequate levels of service to the small community. The District also avoids unnecessary costs by contracting out professional services including engineering, legal services, and other consulting services.
2. It would not be fiscally feasible for the District to expand its SOI in the foreseeable future, as there is currently undeveloped land within the current District Boundary that, when developed, will rely on domestic water service available from the District. The District currently has no plans to expand its SOI.
3. The preparation of a water master plan could help the District avoid unnecessary costs associated with the construction of emergency system improvements to meet demands. Master planning also emphasizes "smart growth" practices by making infrastructure available where development is likely to occur.

4. Infrastructure priority should be given to development proposals within the current District Boundary. As land within the District Boundary becomes “built-out”, the District can consider annexing additional land currently within its SOI.

5) Opportunities for Rate Restructuring

1. The Teviston CSD charges monthly user fees and new connection fees for domestic water service. The District’s monthly base water rate of \$30.00 covers a base usage up to 15,000 gallons. Users are charged a metered rate of \$1.00 per 1,000 gallons for usage exceeding 15,000 gallons.
2. The District’s base rates were increased from \$25.00 to \$30.00 in 1998 to help pay off debt incurred by the District to complete a major water system replacement/rehabilitation project in the late 1990s. The project corrected several deficiencies in the water system, indicating that it is in good operating condition. For this reason, further rate increases in the near future are unlikely.
3. While the monthly user fees are among the highest, the new connection fees charged by the Teviston CSD are among the lowest compared to other service providers throughout the County. It is recommended that the District complete a water master plan to address the capital facilities needs associated with additional development within the District and its SOI. Master planning is an excellent tool to substantiate fees to be charged to the development community for necessary capital infrastructure system improvements.
4. Generally, user fees should be used for the operation and maintenance of existing infrastructure (including capital replacement costs), while connection fees should be used for capital capacity improvements necessary to serve new development.

6) Opportunities for Shared Facilities

1. Since the location of the Teviston District Boundary is immediately adjacent to existing rural lands, the opportunity for sharing infrastructure does not readily exist.
2. Opportunities for sharing resources include splitting insurance premiums with nearby Districts requiring related insurance coverage. Also the employment of a grant writer by two or more Districts could potentially benefit the District without incurring the cost of a full time employee.

7) Government Structure Options

1. There are no other service providers immediately adjacent to the Teviston CSD SOI indicating that the potential for duplication of services is not present. For this reason, it is logical that the Teviston CSD adequately plan for and assume domestic water service within its SOI Boundary.
2. There are no foreseeable conditions that would indicate that development within the District’s SOI would result in a change in government structure.
3. Prior to development within its SOI area the District should complete master planning to address the infrastructure needs of affected areas and funding mechanisms to meet those needs.

4. The District will need to continually expand and improve its domestic water infrastructure to accommodate development within its current District Boundary and SOI areas zoned for development.

8) Evaluation of Management Efficiencies

1. Based upon information made available, it appears as if the provisions of domestic water service are managed efficiently, meeting the needs of the community and ratepayers.
2. The Teviston CSD is governed by a five member Board of Directors elected at large from within its boundaries that is responsible for setting policy and general administrative procedures.
3. The District currently operates with two part-time staff members, which are available to respond to emergency situations during non business hours.

9) Local Accountability and Governance

1. The District complies with the Brown Act open meeting law by holding regularly scheduled meetings in which the public is invited. Regularly scheduled meetings are held on the second Thursday of each month at 6:00 p.m. at the District office. Agendas for Board meetings are posted on-site at the District office.
2. The District adopts budgets and rate changes at hearings where the public is notified and invited.
3. The District should work with the Tulare County Resource Management Agency (RMA) and/or Tulare County LAFCO to have information regarding District affairs posted on the Tulare County RMA and/or LAFCO website. The District could provide information such as meeting times and locations, budgets, rates, ordinances, agendas, completed/upcoming projects, and other District affairs to Tulare County for posting on the County (RMA and/or LAFCO) websites.

8.0 TEVISTON COMMUNITY SERVICE DISTRICT

8.0.1 Background

The requirement for Local Agency Formation Commissions (LAFCO) to conduct reviews of local municipal services was established with the passage of AB 2838, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. The bill passed the legislature, and was signed into law by Governor Davis on September 26, 2000. Municipal Service Reviews (MSRs) provide LAFCOs with an additional tool to fulfill their statutory responsibilities of promoting orderly growth and development, preserving the States finite open space and agricultural land resources, and working to ensure that high quality public services are provided to all Californians in the most efficient and effective manner. MSRs are a requirement of State annexation law and are required to be completed before the consideration of a Sphere of Influence (SOI) amendment or once every five years when a SOI amendment is not being considered.

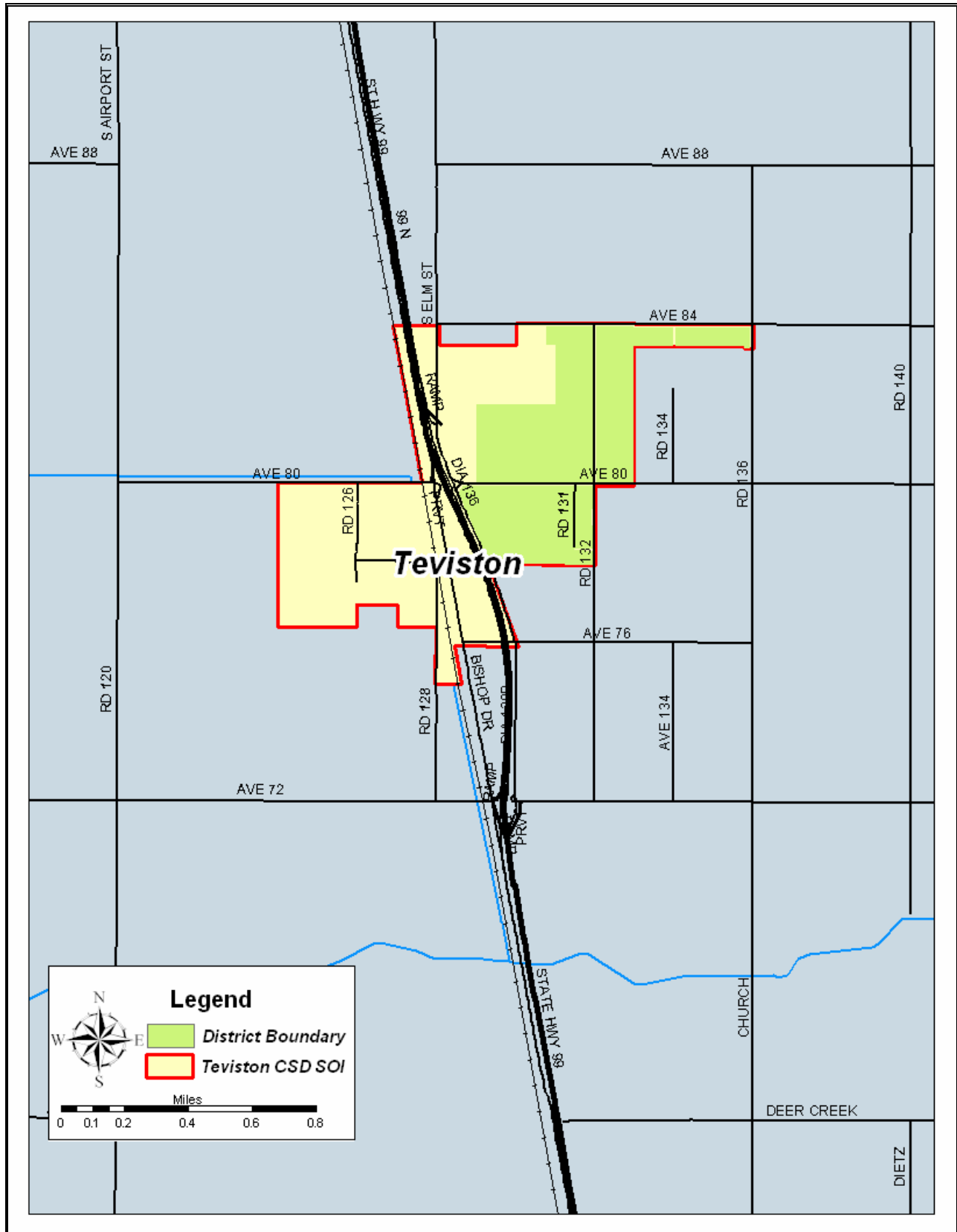
In July 2003, the Tulare County Local Agency Formation Commission (LAFCO) Board adopted a Municipal Service Review (MSR) exemption policy, which identifies the agencies that would be subject to a review and the extent of that review. The agencies in Tulare County were divided into three (3) categories: agencies subject to a full comprehensive study; agencies subject to a questionnaire study; and agencies exempt from a MSR study. The Teviston Community Service District (CSD) is subject to a full comprehensive study. The policy further identifies that the services subject to review shall be:

- Police protection
- Fire protection
- Water and wastewater
- Solid waste collection and disposal
- Streets and traffic circulation
- Power generation and distribution
- Health Care

Teviston, an unincorporated community in Tulare County, is located in the southwest portion of the County, southwest of Porterville. Teviston is an agriculturally oriented service community surrounded on the north, west and south by lands in agricultural production and on the east by scattered rural residential, agricultural, and vacant land. The Teviston CSD, formed in November 1956, has a primary function of planning, constructing, and maintaining the domestic water system for the community. Domestic water service is the only service provided by the Teviston CSD that is subject to a MSR.

Teviston is located along State Route (SR) 99 between the communities of Earlimart and Pixley. The Tulare County/Kern County Line is located approximately 10 miles south of Teviston. The current District Boundary and the currently adopted SOI for the Teviston CSD are illustrated on Figure 8-1.

FIGURE 8-1 – TEVISTON CSD BOUNDARY AND SOI



Source: Tulare County GIS Database (July 2004)

The following excerpt from the Tulare County LAFCO website (www.co.tulare.ca.us/lafco/info.asp) defines a SOI and the purpose it serves.

A “Sphere of Influence” is the physical boundary and service area that a local governmental agency is expected to serve. Establishment of this boundary is necessary to determine which governmental agencies can provide services in the most efficient way to the people and property in any given area. The Sphere of Influence requirement also works to discourage urban sprawl by preventing overlapping of jurisdictions and duplication of services.

The following discussions address the nine legislative factors required by the Cortese-Knox-Hertzberg Act; 1) Growth and population, 2) Infrastructure needs and deficiencies, 3) Financial constraints and opportunities, 4) Cost avoidance opportunities, 5) Opportunities for rate restructuring, 6) Opportunities for shared facilities, 7) Government structure options, 8) Evaluation of management efficiencies, and 9) Local accountability and governance.

8.1 GROWTH AND POPULATION

The purpose of this section is to present historical and projected growth patterns and population projections to establish a baseline for the evaluation of the service needs of Teviston.

8.1.1 Historical Data

The Census Bureau, on a decennial basis, identifies and provides detailed information on all incorporated Cities along with several smaller unincorporated communities (termed Census Designated Places – CDPs). Teviston is neither classified as a City or a CDP by the Census 2000, but is instead classified as a *Small Place*. *Census 2000* data provides *Small Place Profiles* that provide limited information for small residential settlements within the County. The following information was obtained from the *Small Place Profile* for the Teviston community:

- January 2000 Population = 757
- Total Households as of January 2000 = 195
- Average Household Occupancy = 3.9 persons/household

Since the District currently serves only 99 dwelling units with domestic water, the Census 2000 Small Place Profile likely covers a significantly larger area than the current District Boundary. It is likely that residents outside of the current District Boundary obtain water from private wells. According to a *Preliminary Engineering Report* prepared for the Teviston CSD (Roberts Engineering, November 1995), in 1995, the District served 86 dwelling units, 1 school, 1 community center, and 4 churches. Currently, the District serves 99 dwelling units, 1 school, 1 community center, and 4 churches. An increase of 13 dwelling units (served by the District) between 1995 and 2004 can be used to approximate an increase in population over the same period of approximately 50 residents. The *Preliminary Engineering Report* referenced previously indicates a year 1995 District population of 313 residents, indicating a current population of approximately 363 residents. Based upon this information, an annual average growth rate for the Teviston community is estimated at 1.5%. The unincorporated areas of Tulare County grew from a population of 133,222 in 1990 to a population of 141,150 in 2000, corresponding to an average annual growth rate of approximately 0.6%. It is likely that the Teviston community will continue to grow at an average annual rate between 1% and 2% depending upon land use zoning, and other policies established by the Tulare County General Plan and other factors. Using an average annual growth rate between 1% and 2% the Teviston CSD could expect a year 2025 District population between 450 and 550.

Based upon discussions with District staff, the community has not experienced any significant growth in the last 5 years; however, a new 14-unit subdivision is currently under review by the District.

8.1.2 Written Determinations

1. Available data indicates that Teviston had a January 2005 population of approximately 363 residents.
2. It is likely that the Teviston community will continue to grow at an average annual rate between 1% and 2% depending upon land use zoning, and other policies established by the Tulare County General Plan and other factors. At these rates, the Teviston CSD could expect a year 2025 District population between 450 and 550.
3. Based upon discussions with District staff, Teviston has not experienced any significant growth in the last 5 years however a 14-unit subdivision is currently under review by the District.

8.2 INFRASTRUCTURE NEEDS AND DEFICIENCIES

The purpose of this section is to evaluate the infrastructure needs and deficiencies of the Teviston CSD in terms of availability of resources, capacity to deliver services, condition of facilities, service quality, and levels of service.

8.2.1 Domestic Water Service

The Teviston CSD is responsible for providing domestic water service within the District's Boundary. Teviston's water system includes a distribution system consisting of 2, 4, and 6-inch pipelines, 2 wells, and two 5,000-gallon pneumatic pressure tanks. The wells are capable of delivering a combined source flow of approximately 900 gallons per minute (GPM). The two wells provide an ample clean water supply requiring no chlorination or treatment. The locations of the two wells (identified as north and south wells) are identified below.

- North Well – West side of Road 132 between Avenue 80 and Avenue 84
- South Well – North side of Avenue 80 between Drive 130 (Frontage Road) and Road 132

The north well is the primary well, and the south well comes online as necessary to meet peak summer demands or to fight the rare fire in Teviston. The south well was drilled in 1959, and the north well was added in 1978. The District's water supply has not been supplemented since 1978. The District indicated that the community water system currently supports 105 connections including 99 residential connections, 1 school connection, 4 church connections, and 1 connection to the community center.

In the early to mid 1990s, the District's water system was suffering multiple leaks and breakages costing the District valuable resources to repair. In some cases, leaks and breakages remained un-repaired causing potential health hazards to the residents in the community. The *Preliminary Engineering Report Water Rehabilitation Project* (Roberts Engineering, November 1995) was prepared for the Teviston CSD to address the problems with the District's water system, and recommend improvements including the identification of funding sources. In 1998, the District completed the following improvements as outlined in the *Preliminary Engineering Report Water Rehabilitation Project*:

- Construction of new 6-inch PVC water lines, including new lines to loop system, and replacement of old deteriorating pipelines.
- Installation of fire hydrants throughout system.
- Installation of water meters for all connections to the system.
- Installation of meters at each well site.
- Rehabilitation of the north well pump including new bowls, suction pipe and strainer, and new line and line shaft bearings to improve the overall pump efficiency.

The Teviston CSD has billed under a metered water system since 1998, which encourages water conservation. Prior to improvements to the District's water system (in 1994), as indicated in the *Preliminary Engineering Report*, the average per capita water usage for the District was calculated to be 297 gallons per capita day (GPCD), approximately 98% more than that of the normal average of 150 GPCD for similar small communities. The *Preliminary Engineering Report* concluded that the excess usage was most likely due to a combination of leakage and customer over usage. It is likely that the

improvements to the District's water system (pipeline repairs and metering) significantly reduced the average per capita usage.

Present water usage data has been requested from the District; however, this data was not provided for this review. Due to the absence of this data, the degree to which the water system improvements have reduced the average per capita consumption cannot be quantified. Furthermore, it is difficult to draw conclusions regarding the additional capacity that the improved water system can handle without present water usage data. The *Preliminary Engineering Report* estimates that the two wells have adequate water supply to support a population of approximately 460 residents, or approximately 125 EDUs at a dwelling unit occupancy rate of 3.7 persons per household. It is recommended that the District plan for future water system improvements as the current system reaches its capacity, perhaps through a master plan, or updated water system study. Potential funding sources should also be identified during the planning process.

Tulare County Improvement Standards require that the construction of water source facilities shall comply with the requirements of Bulletin No. 74, "Water Well Standards" prepared by the State of California Department of Water Resources. The Tulare County Improvement Standards also establish specific requirements for quantity and quality of water to be delivered to a system. Some of these requirements are summarized below.

- The quantity of water delivered to the distribution system within a subdivision from all source and storage facilities for a period of two hours shall be the maximum domestic demand plus a fire flow quantity of not less than 500 GPM for single family residential, 1,500 GPM for multi-family residential, commercial, and light manufacturing, and 2,500 GPM for heavy manufacturing.
- For systems up to 625 customer units (equivalent dwelling units) the domestic quantity shall not be less than $Q = 100 + 25 * \sqrt{N}$, and $Q = 100 + N$ for more than 625 customer units at sufficient pressure to provide a minimum pressure of 25 PSI to each lot served; where Q equals the rate of flow in GPM delivered from the combined source facilities to the distribution system, and N equals the total number of customer units where each customer unit is equivalent to one for a single family dwelling on a normal subdivision lot. Other types of development shall be assigned appropriate customer unit values by the Engineer as experience with the distribution system or locality indicates.
- The minimum source and domestic demand storage design requirements shall be in accordance with Plate No. WS-11 of Section IV of the Tulare County Improvement Standards.
- The quality of water supplied for human consumption shall conform to Sections 3, 4 and 5 of the latest United States Public Health Service Drinking Water Standards. Samples will be taken and tests made by the County Department of Health Services for bacteriological determination of potability.
- Chemical and physical tests for potability shall be performed by a commercial laboratory certified by the State Department of Health Services for performance of chemical and physical analysis and the costs thereof shall be borne by the sub-divider.

Assuming 105 equivalent dwelling units (EDUs), in order to meet Tulare County Improvement Standards the Teviston CSD water system would need to be capable of delivering a combined flow rate (from all source and storage facilities) of 857 GPM (500 GPM fire flow and 357 GPM domestic demand) for a

period of two hours while maintaining a minimum pressure of 25 PSI to each lot served. The District's water system is capable of delivering a source flow of 900 GPM, and includes pneumatic pressure tanks for storage.

8.2.2 Written Determinations

1. Teviston's water supply is derived from two existing deep underground wells that provide an ample clean water supply requiring no chlorination or treatment. The two wells have a total maximum production efficiency of approximately 900 GPM.
2. The Teviston CSD water system supports 105 total connections including 99 residential connections, 4 church connections, 1 school connection, and 1 connection to the community center.
3. In 1998, the District completed several improvements to its water system including replacing old deteriorating water lines, construction of new water lines, installation of fire hydrants throughout the system, installation of meters for all connections, and improvements to the north well site.
4. The *Preliminary Engineering Report Water System Rehabilitation Project* (Roberts Engineering, November 1995) estimates that the two wells have adequate water supply to support a population of approximately 460 residents, or approximately 125 EDUs at a dwelling unit occupancy rate of 3.7 persons per household.
5. It is recommended that the District plan for future water system improvements as the current system reaches its capacity, perhaps through a master plan, or updated water system study. Potential funding sources should also be identified during the planning process.
6. Assuming 105 equivalent dwelling units (EDUs), in order to meet Tulare County Improvement Standards the Teviston CSD water system would need to be capable of delivering a combined flow rate (from all source and storage facilities) of 857 GPM (500 GPM fire flow and 357 GPM domestic demand) for a period of two hours while maintaining a minimum pressure of 25 PSI to each lot served. The District's water system is capable of delivering a source flow of 900 GPM, and includes pneumatic pressure tanks for storage, indicating that the system currently meets the requirements of the Tulare County Improvement Standards.

8.3 FINANCING OPPORTUNITIES AND CONSTRAINTS

The purpose of this section is to evaluate the capability of the Teviston CSD to finance needed improvements and services.

8.3.1 Annual Budget

LAFCO should consider the ability of the District to pay for improvements or services associated with annexed sites. This planning can begin at the SOI stage by identifying what opportunities there are to identify infrastructure and maintenance needs associated with future annexation and development, and identifying limitations on financing such improvements, as well as the opportunities that exist to construct and maintain those improvements.

The Teviston CSD provided data regarding estimated expenditures for fiscal year 2003-04. However, no data was provided related to available resources or estimated revenues. Therefore a comprehensive evaluation of the District's financial state cannot be made at this time. During fiscal year 2003-04, the District had expenditures totaling \$52,808, which covers salaries and employee benefits for part time staff totaling \$9,785, outside services and supplies totaling \$33,138, and other charges totaling \$9,885. Other charges include bond agent fees and repayment of long term debts (bonds and other) including interest and principal.

The District generally requires new development projects to construct the necessary domestic water infrastructure to serve proposed developments. The District's financial resources are limited, as their primary sources of income are through connection and user fees, which are generally not sufficient to cover any major repairs or improvements to the District's water system. Recovering such costs through the ratepayers of the community is not feasible since the average household incomes within the community are well below the current poverty level. For this reason, the District is forced to seek alternative sources of financing major improvements or repairs to its water system, as they did in the late 1990s. Obtaining outside funds (including partial grant/loan programs) for local projects often requires the District to enter into long-term debt obligations (agreements).

8.3.2 Written Determinations

1. During fiscal year 2003-04, the District had expenditures totaling \$52,808, which covers salaries and employee benefits for part time staff totaling \$9,785, outside services and supplies totaling \$33,138, and other charges totaling \$9,885.
2. The District generally requires new development projects to construct the necessary domestic water infrastructure to serve proposed developments.
3. The District's financial resources are limited, as their primary sources of income are through connection and user fees, which are generally not sufficient to cover any major repairs or improvements to the District's water system. Recovering such costs through the ratepayers of the community is not feasible since the average household incomes within the community are well below the current poverty level.
4. Due to the District's limited financial resources, the District is forced to seek alternative sources of financing major improvements or repairs to its water system, as they did in the late 1990s. Obtaining outside funds (including partial grant/loan programs) for local projects often requires the District to enter into long-term debt obligations (agreements).

8.4 COST AVOIDANCE OPPORTUNITIES

The purpose of this section is to identify practices or opportunities that may help to eliminate unnecessary costs.

8.4.1 Fiscal Structure

The District has adequate staff resources and administrative capabilities to provide the needed level of services to the residents within its Boundary. The District avoids excessive overhead costs by operating with a part-time administration, which provides adequate levels of service to the small community of less than 500 people. The District also avoids unnecessary costs by contracting out professional services including engineering, legal services, and other consulting services.

If the SOI were expanded in the future, the District would assume fiscal responsibilities to construct or maintain the domestic water infrastructure associated with the SOI and any territories that were annexed. LAFCO should consider the relative burden of new annexations to the District when it comes to its ability to provide domestic water service, as well as capital maintenance and replacements required as a result of expanding the District Boundary. It would not be fiscally feasible for the District to expand its SOI in the foreseeable future, as there is currently undeveloped land within the current District Boundary that, when developed, will rely on domestic water service available from the District. The District currently has no plans to expand its SOI.

Opportunities exist at the time of annexation and development to introduce alternative methods of construction and maintenance of public or semi-public infrastructure to serve the future SOI/annexation areas. The preparation of a water master plan could help the District avoid unnecessary costs associated with the construction of emergency system improvements to meet demands. Master plans identify infrastructure improvements that will be needed in the future, including an improvement timeline that would allow the District adequate time to set aside and/or obtain funding for those future improvements before the absence of such improvements begins to delay or halt proposed development. Master plans also identify funding sources for their implementation. Master planning also emphasizes “smart growth” practices by making infrastructure available where development is likely to occur. Infrastructure priority should be given to development proposals within the current District Boundary. As land within the District Boundary becomes “built-out”, the District can consider annexing additional land currently within its SOI.

8.4.2 Written Determinations

1. The District avoids excessive overhead costs by operating with a part-time staff, which provides adequate levels of service to the small community. The District also avoids unnecessary costs by contracting out professional services including engineering, legal services, and other consulting services.
2. It would not be fiscally feasible for the District to expand its SOI in the foreseeable future, as there is currently undeveloped land within the current District Boundary that, when developed, will rely on domestic water service available from the District. The District currently has no plans to expand its SOI.
3. The preparation of a water master plan could help the District avoid unnecessary costs associated with the construction of emergency system improvements to meet demands. Master planning also emphasizes “smart growth” practices by making infrastructure available where development is likely to occur.

4. Infrastructure priority should be given to development proposals within the current District Boundary. As land within the District Boundary becomes “built-out”, the District can consider annexing additional land currently within its SOI.

8.5 OPPORTUNITIES FOR RATE RESTRUCTURING

The purpose of this section is to identify opportunities to positively impact rates without decreasing service levels.

8.5.1 Fee Structure

The Teviston CSD installed meters and started billing under a metered water system in 1998. The last rate increase passed by the District was also in 1998, when residential base rates were increased from \$25.00 to \$30.00. The District currently charges a monthly base rate for domestic water service depending on connection type. For residential connections the base monthly rate is \$30.00 for the first 15,000 gallons; for business connections the base monthly rate is \$55.00 for the first 25,000 gallons; and for church connections the base monthly rate is \$20.00 for the first 10,000 gallons. After the base usage, the District charges \$1.00 for each additional 1,000 gallons regardless of the connection type. Table 8-1 shows a comparison of water rates and connection fees for other domestic water service providers throughout the County. The table also shows the relationship between monthly service charges and average household incomes for the respective communities. Since some of the service providers charge a metered rate for water, it is necessary to calculate an average monthly bill based upon a specific amount of usage taken as 2,005 cubic feet, or approximately 15,000 gallons, per month for this analysis.

**TABLE 8-1
COMPARISON OF WATER RATES**

Service Provider	Sample Monthly Bill	Connection Fee	Average Household Income	Rate/Income Ratio
Earlimart PUD	\$12.50	\$1,500	\$1,775/mo.	0.70%
Ivanhoe PUD	\$9.50	\$1,700	\$2,171/mo.	0.44%
Pixley PUD	\$20.00	\$2,000	\$1,942/mo.	1.03%
Teviston CSD	\$30.00	\$800	\$2,014/mo.	1.49%
Tipton CSD	\$24.00	\$2,800	\$2,198/mo.	1.09%
Alpaugh JPA	\$55.00	\$1,500	\$1,974/mo.	2.79%
Cutler PUD	\$18.00	\$1,500	\$2,028/mo.	0.89%
Orosi PUD	\$19.08	\$2,400	\$2,533/mo.	0.75%
Lemon Cove SD	\$10.01	\$500	\$2,361/mo.	0.42%
London CSD	\$18.00	\$1,400	\$1,807/mo.	1.00%
Lindsay-Strathmore ID	\$14.18 ⁷	T&M	\$2,096/mo.	0.68%
Poplar CSD	\$25.00	\$1,750	\$2,043/mo.	1.22%
Richgrove CSD	NA	NA	\$1,907/mo.	NA
Springville PUD	\$23.42	\$2,800	\$2,023/mo.	1.16%
Strathmore PUD	\$43.30	\$1,150	\$2,096/mo.	2.06%
Terra Bella ID	\$12.43 ⁸	\$2,908	\$2,109/mo.	0.59%
Woodville PUD	\$27.28	\$2,000	\$2,123/mo.	1.28%
Average	\$23.17	\$1,780	\$2,080/mo.	1.11%

Notes: 1) Fee information obtained from service providers

2) Average household income based upon Census 2000 data

3) Rate/Income ratio calculated by dividing sample monthly bill by average household income

4) Sample monthly bill is calculated for a typical single family dwelling

5) NA=Not Available

6) T&M=Time and Material basis

7) Based on an average of four separate rates charged by the Lindsay-Strathmore Irrigation District

8) Based on potable water service provided by the Terra Bella Irrigation District

9) Richgrove CSD and Lindsay-Strathmore ID were omitted from the average calculations

As indicated in Table 8-1, the monthly water rates charged by the Teviston CSD are among the highest compared to other domestic water service providers throughout the County. The base rates were increased from \$25.00 to \$30.00 in 1998, to help pay off debt incurred by the District to complete a major water system replacement/rehabilitation project in the late 1990s. Since the project corrected several of the deficiencies in the water system, it is in good operating condition. For this reason, further rate increases in the near future are unlikely. The cost of domestic water service within Teviston equates to approximately 1.49% of the average household income within the community.

While the monthly user fees are among the highest, the new connection fees charged by the Teviston CSD are among the lowest compared to other service providers throughout the County. It is recommended that the District complete a water master plan to address the capital facilities needs associated with additional development within the District and its SOI. Master planning is an excellent tool to substantiate fees to be charged to the development community for necessary capital infrastructure system improvements.

Generally, user fees should be used for the operation and maintenance of existing infrastructure (including capital replacement costs), while connection fees should be used for capital capacity improvements necessary to serve new development. The District has historically relied upon grant/loan programs to implement major repairs or improvements to its water system.

8.5.2 Written Determinations

1. The Teviston CSD charges monthly user fees and new connection fees for domestic water service. The District's monthly base water rate of \$30.00 covers a base usage up to 15,000 gallons. Users are charged a metered rate of \$1.00 per 1,000 gallons for usage exceeding 15,000 gallons.
2. The District's base rates were increased from \$25.00 to \$30.00 in 1998 to help pay off debt incurred by the District to complete a major water system replacement/rehabilitation project in the late 1990s. The project corrected several deficiencies in the water system, indicating that it is in good operating condition. For this reason, further rate increases in the near future are unlikely.
3. While the monthly user fees are among the highest, the new connection fees charged by the Teviston CSD are among the lowest compared to other service providers throughout the County. It is recommended that the District complete a water master plan to address the capital facilities needs associated with additional development within the District and its SOI. Master planning is an excellent tool to substantiate fees to be charged to the development community for necessary capital infrastructure system improvements.
4. Generally, user fees should be used for the operation and maintenance of existing infrastructure (including capital replacement costs), while connection fees should be used for capital capacity improvements necessary to serve new development.

8.6 OPPORTUNITIES FOR SHARED FACILITIES

The purpose of this section is to evaluate opportunities for the Teviston CSD to share facilities and resources, thereby increasing efficiency.

8.6.1 Shared Facilities

Since the location of the Teviston District Boundary is immediately adjacent to existing rural lands, the opportunity for sharing infrastructure does not readily exist. Currently the Teviston CSD is the only water service provider in the immediate area.

Opportunities for sharing resources include splitting insurance premiums with nearby districts requiring related insurance coverage. Also the employment of a grant writer by two or more districts could help District's obtain grant/loan funding for major repair/improvement projects, without incurring the cost of a full-time employee. Special District's often employ engineers to write loan/grant proposals for major projects, which can be cost prohibitive for the District.

8.6.2 Written Determinations

1. Since the location of the Teviston District Boundary is immediately adjacent to existing rural lands, the opportunity for sharing infrastructure does not readily exist.
2. Opportunities for sharing resources include splitting insurance premiums with nearby Districts requiring related insurance coverage. Also the employment of a grant writer by two or more Districts could potentially benefit the District without incurring the cost of a full time employee.

8.7 GOVERNMENT STRUCTURE OPTIONS

The purpose of this section is to consider the advantages and disadvantages of various government structures to provide public services.

8.7.1 Development within SOI Areas

One of the most critical elements of LAFCO's responsibilities is in setting logical service boundaries for communities based on their capability to provide services to affected lands. According to the LAFCO Municipal Service Review Guidelines, elimination of overlapping boundaries that confuse the public and cause service inefficiencies should be considered to avoid unnecessary increases in the cost of infrastructure. Currently there are no foreseeable conditions that would indicate that development within the District's SOI would result in a change in government structure.

Prior to development within its SOI area, the District should complete infrastructure planning – including master plans – to address the infrastructure needs of affected areas and funding mechanisms to meet those needs. The District will need to continually expand and improve its domestic water infrastructure to accommodate development within its current District Boundary and SOI areas zoned for development.

8.7.2 Written Determinations

1. There are no other service providers immediately adjacent to the Teviston CSD SOI indicating that the potential for duplication of services is not present. For this reason, it is logical that the Teviston CSD adequately plan for and assume domestic water service within its SOI Boundary.
2. There are no foreseeable conditions that would indicate that development within the District's SOI would result in a change in government structure.
3. Prior to development within its SOI area the District should complete master planning to address the infrastructure needs of affected areas and funding mechanisms to meet those needs.
4. The District will need to continually expand and improve its domestic water infrastructure to accommodate development within its current District Boundary and SOI areas zoned for development.

8.8 EVALUATION OF MANAGEMENT EFFICIENCIES

The purpose of this section is to consider the management structure of the Teviston CSD.

8.8.1 Organizational Structure

Based upon a review of information provided by the Teviston CSD, it appears as if the provision of domestic water service is managed efficiently, meeting the needs of the small community and ratepayers. The Teviston CSD has accounting and finance functions, current personnel regulations and resolutions. The District undergoes annual audits in compliance with auditing standards.

The Teviston CSD is governed by a five-member Board of Directors elected at large from within its boundaries that is responsible for setting policy and general administrative procedures. The District currently operates with two part-time staff members and contracts out for other services, including engineering, legal counsel, accounting, and other consulting services. The District office operates between the hours of 8 A.M. and 11:00 A.M. Tuesday through Thursday, with part-time personnel providing various functions of the District. Also, the District's answering message provides the public with the operational hours of the District and contact information in case of emergencies.

8.8.2 Written Determinations

1. Based upon information made available, it appears as if the provisions of domestic water service are managed efficiently, meeting the needs of the community and ratepayers.
2. The Teviston CSD is governed by a five member Board of Directors elected at large from within its boundaries that is responsible for setting policy and general administrative procedures.
3. The District currently operates with two part-time staff members, which are available to respond to emergency situations during non business hours.

8.9 LOCAL ACCOUNTABILITY AND GOVERNANCE

The purpose of this section is to evaluate the accessibility and levels of public participation associated with the agency's decision-making processes.

8.9.1 Public Access and Information Methods

LAFCO may consider the agency's record of local accountability in its management of community affairs as a measure against the ability to provide adequate services to the SOI and annexation areas.

The Teviston CSD has a five member Board of Directors elected by voters residing within the District Boundary. Regularly scheduled Board meetings, which are open to the public, are held on the second Thursday of each month at 6:00 p.m. at the District office located at 12934 Avenue 80 in Teviston. Agendas for Board meetings are posted and notices provided consistent with public meeting requirements (i.e., the Brown Act) including posting on-site. The District adopts budgets and rate changes at hearings where the public is notified and invited.

The District should work with the Tulare County Resource Management Agency (RMA) and/or Tulare County LAFCO to have information regarding District affairs posted on the Tulare County RMA and/or LAFCO website. The District could provide information such as meeting times and locations, budgets, rates, ordinances, agendas, completed/upcoming projects, and other District affairs to Tulare County for posting on the County's (RMA and/or LAFCO) website. It would make sense to post information regarding District affairs on County websites, since Teviston is an unincorporated community within Tulare County, and there is a mutual interest in the community.

The internet is a relatively low-cost yet powerful method of involving the general public/customers/ratepayers in District affairs. Greater dissemination of information can lead to greater interest in attending Board meetings and participating in elections. It also allows the public, some of whom are not physically able to attend Board meetings, to follow District activities remotely from their home or business.

8.9.2 Written Determinations

1. The District complies with the Brown Act open meeting law by holding regularly scheduled meetings in which the public is invited. Regularly scheduled meetings are held on the second Thursday of each month at 6:00 p.m. at the District office. Agendas for Board meetings are posted on-site at the District office.
2. The District adopts budgets and rate changes at hearings where the public is notified and invited.
3. The District should work with the Tulare County Resource Management Agency (RMA) and/or Tulare County LAFCO to have information regarding District affairs posted on the Tulare County RMA and/or LAFCO website. The District could provide information such as meeting times and locations, budgets, rates, ordinances, agendas, completed/upcoming projects, and other District affairs to Tulare County for posting on the County's (RMA and/or LAFCO) website.

CHAPTER 9 – TIPTON CSD MUNICIPAL SERVICE REVIEW

EXECUTIVE SUMMARY

This section provides an overview of the written determinations of the Tipton Community Service District (CSD) Municipal Service Review (MSR). As part of its review of municipal services, the Tulare County Local Agency Formation Commission (LAFCO) is required to prepare a written statement of its determination with respect to each of the following: 1) Growth and population projections for the affected area; 2) Infrastructure needs and deficiencies; 3) Financing constraints and opportunities; 4) Cost avoidance opportunities; 5) Opportunities for rate restructuring; 6) Opportunities for shared facilities; 7) Government structure options; 8) Evaluation of management efficiencies; and 9) Local accountability and governance. These requirements are established by AB 2838, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. The Tipton CSD MSR identifies the following written determinations:

Written Determinations

1) Growth and Population

1. The CDP Boundary for Tipton is generally coterminous with the current District Boundary.
2. *Census 2000* data indicates that Tipton had a population of 1,790 as of January 2000, while the *Tipton Community Plan*, adopted in 1978, projected a year 2000 population between 3,625 and 3,840, which was based upon an average annual growth rate of 5%.
3. Between 1990 and 2000, Tipton experienced an average annual population growth rate of approximately 2.6%, compared to 0.6% for the unincorporated areas of Tulare County.
4. It is likely that the Tipton community will continue to grow at an average annual rate between 2% and 3% depending upon land use zoning established by the Tulare County General Plan and other factors. Using an average annual growth rate between 2% and 3%, the Tipton community would reach an estimated year 2025 population between 2,900 and 3,750.

2) Infrastructure Needs and Deficiencies

Domestic Water

1. Tipton's water supply is derived from two operational underground wells that provide an ample, excellent water supply requiring no chlorination or treatment. The two wells have a total maximum production efficiency of approximately 1,500 GPM.
2. The Tipton CSD also has two wells that are currently inactive; one is currently non-operational due to oil contamination and the other has been abandoned as a result of nitrate contamination.
3. The Tipton CSD water system supports 554 total service connections (58 commercial connections and 496 residential connections).
4. The Tipton CSD recently started requiring water meters to be installed for all new development projects although the District currently continues to charge a flat rate for water

service. Billing on a flat rate schedule for water service does not promote water conservation, which is becoming a critical issue within Tulare County, as the water table in the region is overdrawn due to extended drought periods and increased pumping for domestic use.

5. The District's wells produced 188.727 million gallons in 2003, with a maximum monthly production of 28.855 million gallons occurring in August, corresponding to a maximum day demand of 0.931 MGD.
6. It is recommended that LAFCO complete a comprehensive review of any water system planning reports prior to any SOI updates to ensure that proper facilities planning has taken place for any proposed SOI expansion area.
7. Assuming 560 equivalent dwelling units (EDUs) in order to meet Tulare County Improvement Standards, the Tipton CSD water system would need to be capable of delivering a combined flow rate (from all source and storage facilities) of 2,200 GPM (1,500 GPM fire flow and 700 GPM domestic demand) for a period of two hours while maintaining a minimum pressure of 25 PSI to each lot served. The District's water system is capable of delivering a source flow 1,500 GPM, indicating that the system falls short of meeting the Tulare County Improvement Standards. The District Engineer indicated that a new well is going out for bid, and will be online in the near future. An additional well will likely bring the water system into compliance with the Tulare County Improvement Standards.
8. A capacity calculation performed in accordance with General Order 103, published by the California Public Utilities Commission, indicates that the District's water system is operating at or near its capacity.
9. The District's budget for fiscal year 2004-05 indicates that the District received a grant/loan in the amount of \$1,833,865. The District's 2004-05 budget allocates funds for several water system improvements including well drilling, water line replacement, a pipeline replacement program, and maintenance and improvements to existing well sites.
10. The District does not currently have a water system master plan. The District Engineer indicated that there is no need for a water master plan.

Sanitary Sewer

1. The sanitary sewer system for the Tipton community currently supports 554 total connections (58 commercial connections and 496 residential connections).
2. The District operates a WWTF that provides secondary treatment of wastewater and is located west of the community. The WWTF is operated under the provisions of Order No. 85-170 issued by the California RWQCB, which prescribes that the monthly average daily discharge shall not exceed 0.40 MGD.
3. Treated effluent from two one-acre evaporation/percolation ponds is used to flood irrigate 40 acres of land owned and controlled by the District.
4. Based upon information contained in the Wastewater User Charge Survey Report FY 2004-05 (CalEPA – State Water Resources Control Board, May 2005), the average dry weather flow at the WWTF is approximately 0.190 MGD resulting in an excess capacity of

approximately 210,000 GPD, which could support an estimated additional 600 equivalent dwelling units.

5. It is anticipated that the District's WWTF will be operating at or near its permitted capacity within a 20-year planning period (approximately year 2025). The District has not received any grants for the construction of wastewater facility improvements. It is recommended that the District research State and Federal grants and/or loans that may be available to help finance improvements to the District's WWTF, including the installation of a flow meter. Clean Water Grants, State Revolving Fund Loans, and Small Community Grants are examples.
6. The District does not currently have a sewer system master plan. The District Engineer indicated that there is no need for a sewer master plan.

3) Financing Constraints and Opportunities

1. The District prepares a comprehensive and thorough annual budget that clearly describes the services provided to residents and the funds expended for those services.
2. The District's operating budgets (excluding reserve funds) for fiscal year 2004-05 totaled \$206,670 for sanitary sewer and \$2,469,320 for water service. The District's budget included contingency funds of \$10,000 for sanitary sewer and domestic water service, respectively.
3. A review of the District's budget indicates that the District is in stable financial condition. The District's available resources cover the annual operating expenses of the District including reserve allocations and contingency appropriations.
4. It is likely that development within the District's SOI will rely on infrastructure available from the District. Preparation and implementation of master plans would increase the District's preparedness when development within its SOI is proposed.
5. During fiscal year 2004-05, the District received a grant/loan totaling \$1,833,865 to construct improvements to its water system, including the implementation of a pipeline replacement program.
6. There are no apparent financial constraints limiting the ability of the District to serve existing and future residents.

4) Cost Avoidance Opportunities

1. Each year, the District's budget is reviewed with the District Board, District Engineer, and General Manager to ensure that the District continues to operate within the limits of its financial resources.
2. The District has adequate staff resources to provide the needed level of services to the residents within its boundaries. The District also avoids unnecessary costs by contracting out professional services including engineering, legal services, and other consulting services.
3. The District should continue to work with the development community to fund the construction of water and sewer infrastructure improvements that would serve new development sites. The District requires development projects to pay connection fees for

domestic water and sanitary sewer service, which are currently set at \$2800 and \$1050 per EDU, respectively.

5) Opportunities for Rate Restructuring

1. The Tipton CSD charges monthly user fees and new connection fees for water and sewer. The District's fiscal year 2004-05 budget estimates revenues of \$181,000 and \$134,000 to be generated from water and sewer customer sales, respectively.
2. The District has opportunities to restructure its water rates to be billed under a metered usage system. Metering would also serve as a water conservation measure.
3. The District should periodically review its monthly user fees and connection fees to ensure that quality service will continually be provided to existing and future residents. The District Engineer indicated that water and sewer rates will be increased in the near future.

6) Opportunities for Shared Facilities

1. Since the location of the Tipton District Boundary is immediately adjacent to existing rural lands, the opportunity for sharing infrastructure does not readily exist.
2. Opportunities for sharing resources include splitting insurance premiums with nearby Districts requiring related insurance coverage. Also the employment of a grant writer by two or more Districts could potentially benefit the District without incurring the sole cost of a full time employee.

7) Government Structure Options

1. There are no other service providers immediately adjacent to Tipton's SOI indicating that the potential for duplication of services is not present. For this reason, it is logical that the Tipton CSD adequately plan for and assume water and sewer service within its SOI Boundary.
2. There are no foreseeable conditions that would indicate that development within the District's SOI would result in a change in government structure.
3. Prior to development within its SOI area the District should complete master planning to address the infrastructure needs of affected areas and funding mechanisms to meet those needs. The District and/or County could also require developers to prepare specific plans prior to approving development within the District's SOI.
4. The District should continually expand and improve its water and sewer infrastructure to accommodate new development within its current District Boundary and SOI areas zoned for development with developer assistance.

8) Evaluation of Management Efficiencies

1. Based upon information made available, it appears as if the provisions of sanitary sewer service and domestic water service are managed in a cost effective, efficient manner, meeting the needs of the community and ratepayers.

2. The Tipton CSD is governed by a five member Board of Directors elected at large from within its boundaries, which is responsible for setting policy and general administrative procedures.
3. The District currently operates with two full-time staff members and contracts out for other services, including engineering, legal counsel, and other consulting services.
4. The District's answering message provides contact information in case of emergencies. District staff is available to respond to emergency situations during non-office hours.

9) Local Accountability and Governance

1. The District complies with the Brown Act open meeting law by holding regularly scheduled meetings in which the public is invited. Regularly scheduled meetings are held on the first Tuesday of each month at 7:00 p.m. at the District office.
2. The District adopts budgets and rate changes at hearings where the public is notified and invited.
3. The District should work with the Tulare County Resource Management Agency (RMA) and/or Tulare County LAFCO to have information regarding District affairs posted on the Tulare County RMA and/or LAFCO website. The District could provide information such as meeting times and locations, budgets, rates, ordinances, agendas, completed/upcoming projects, and other District affairs to Tulare County for posting on the County's (RMA and/or LAFCO) website.

9.0 TIPTON COMMUNITY SERVICE DISTRICT

9.0.1 Background

The requirement for Local Agency Formation Commissions (LAFCO) to conduct reviews of local municipal services was established with the passage of AB 2838, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. The bill passed the legislature, and was signed into law by Governor Davis on September 26, 2000. Municipal Service Reviews (MSRs) provide LAFCOs with an additional tool to fulfill their statutory responsibilities of promoting orderly growth and development, preserving the States finite open space and agricultural land resources, and working to ensure that high quality public services are provided to all Californians in the most efficient and effective manner. MSRs are a requirement of State annexation law and are required to be completed before the consideration of a Sphere of Influence (SOI) amendment or once every five years when a SOI amendment is not being considered.

In July 2003, the Tulare County Local Agency Formation Commission (LAFCO) Board adopted a Municipal Service Review (MSR) exemption policy, which identifies the agencies that would be subject to a review and the extent of that review. The agencies in Tulare County were divided into three (3) categories: agencies subject to a full comprehensive study; agencies subject to a questionnaire study; and agencies exempt from a MSR study. The Tipton Community Service District is subject to a full comprehensive study. The policy further identifies that the services subject to review shall be:

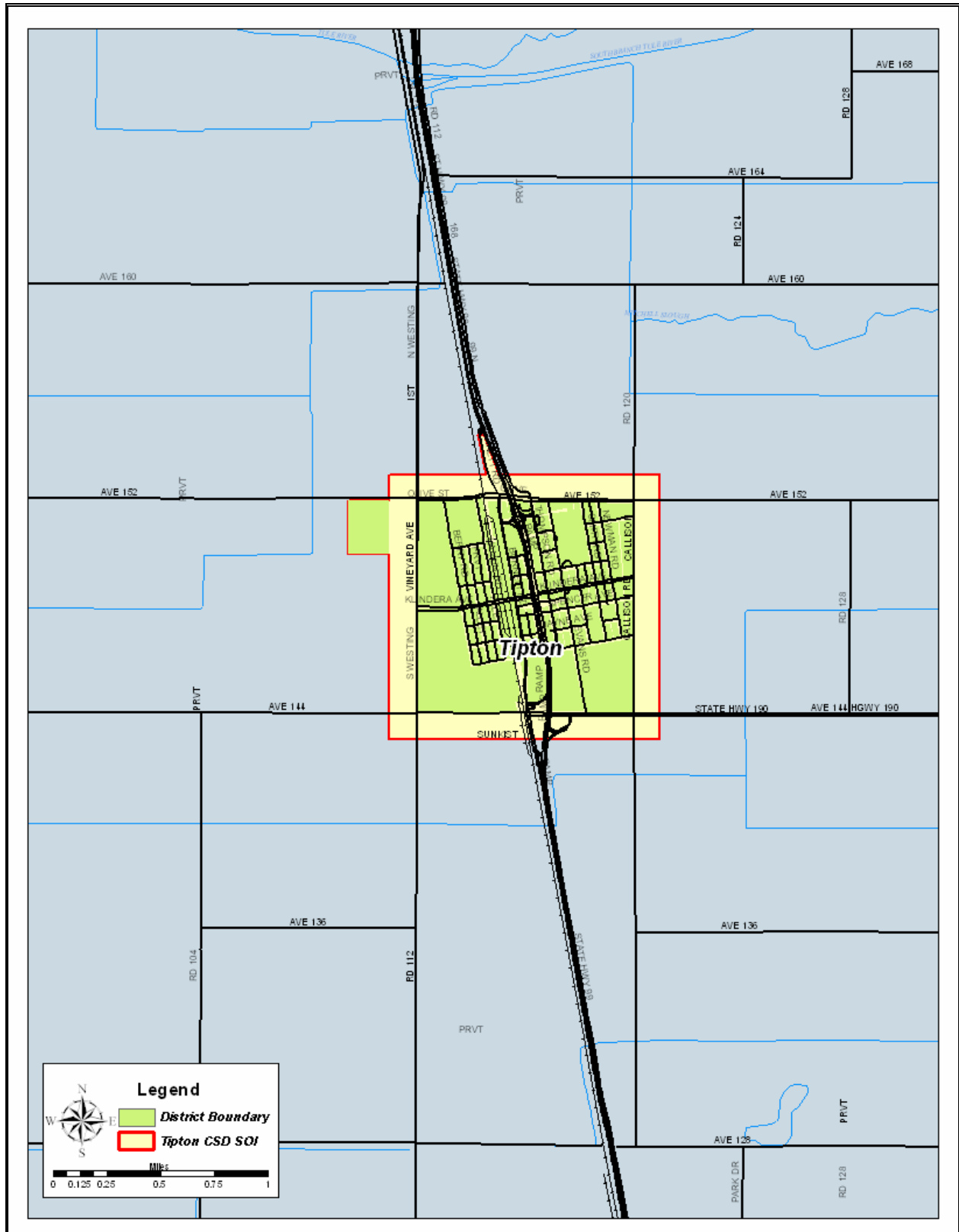
- Police protection
- Fire protection
- Water and wastewater
- Solid waste collection and disposal
- Streets and traffic circulation
- Power generation and distribution
- Health Care

Tipton, an unincorporated community in Tulare County, is located in the southwest portion of the County, south of Tulare along State Route (SR) 99. The Tipton Community Service District (CSD), formed in 1959, has a primary function of providing domestic water and sanitary sewer service to residents within the community. Domestic water and sanitary sewer collection, treatment, and disposal are the primary services provided by the Tipton CSD that are subject to a MSR.

Tipton is located approximately 8 miles south of Tulare. The community is square in shape, and is bisected in a north-south direction by SR 99 and the Union Pacific Railroad tracks, which divides the community into two approximately equal sized areas. Tipton is an agriculturally oriented service community surrounded on all sides by lands in agricultural production, scattered rural residential uses, and vacant land.

Cities and communities surrounding Tipton include Tulare to the north, Pixley to the south, and the communities of Woodville and Poplar to the east. The current District Boundary and the currently adopted SOI for the Tipton CSD are illustrated on Figure 9-1.

FIGURE 9-1 – TIPTON CSD BOUNDARY AND SOI



Source: Tulare County GIS Database (July 2004)

The following excerpt from the Tulare County LAFCO website (www.co.tulare.ca.us/lafco/info.asp) defines a SOI and the purpose it serves.

A “Sphere of Influence” is the physical boundary and service area that a local governmental agency is expected to serve. Establishment of this boundary is necessary to determine which governmental agencies can provide services in the most efficient way to the people and property in any given area. The Sphere of Influence requirement also works to discourage urban sprawl by preventing overlapping of jurisdictions and duplication of services.

The following discussions address the nine legislative factors required by the Cortese-Knox-Hertzberg Act; 1) Growth and population, 2) Infrastructure needs and deficiencies, 3) Financial constraints and opportunities, 4) Cost avoidance opportunities, 5) Opportunities for rate restructuring, 6) Opportunities for shared facilities, 7) Government structure options, 8) Evaluation of management efficiencies, and 9) Local accountability and governance.

9.1 GROWTH AND POPULATION

The purpose of this section is to present historical and projected growth patterns and population projections to establish a baseline for the evaluation of the service needs of Tipton.

9.1.1 Historical Data

The Census Bureau, on a decennial basis, identifies and provides detailed information on all incorporated Cities along with several smaller unincorporated communities (termed Census Designated Places – CDPs). Each census, community profiles are developed and provide a wide range of information pertaining to population, demographics, housing information, household data, education and employment, income and poverty, and historical trends. The CDP Boundary for Tipton is generally coterminous with the current District Boundary. *Census 2000* data indicates that Tipton had a population of 1,790 as of January 2000. The *Tipton Community Plan* (Tulare County Planning Department, 1978) projected a population between 3,625 and 3,840 for the year 2000, which was based upon an average annual growth rate of 5%. *Census 2000* data indicates that the projections contained in the *Tipton Community Plan* were significantly higher than the actual growth that has occurred in the community. The Tulare County Resource Management Agency is having a comprehensive update to the *Tipton Community Plan* (which was initially adopted in 1978) prepared to address the future needs of the community relating to growth, land use, housing, and public services.

Census 1990 data indicates that Tipton had a population of 1,383 in 1990 corresponding to an average annual growth rate, between 1990 and 2000, of approximately 2.6%. The unincorporated areas of Tulare County grew from a population of 133,222 in 1990 to a population of 141,150 in 2000, corresponding to an average annual growth rate of approximately 0.6%. It is anticipated that Tipton will continue to grow at an average annual rate between 2% and 3% depending upon land use zoning and other policies established by the Tulare County General Plan and/or the *Tipton Community Plan*. Using an average annual population growth rate between 2% and 3%, the Tipton community would reach an estimated year 2025 population between 2,900 and 3,750.

9.1.2 Written Determinations

1. The CDP Boundary for Tipton is generally coterminous with the current District Boundary.
2. *Census 2000* data indicates that Tipton had a population of 1,790 as of January 2000, while the *Tipton Community Plan*, adopted in 1978, projected a year 2000 population between 3,625 and 3,840, which was based upon an average annual growth rate of 5%.
3. Between 1990 and 2000, Tipton experienced an average annual population growth rate of approximately 2.6%, compared to 0.6% for the unincorporated areas of Tulare County.
4. It is likely that the Tipton community will continue to grow at an average annual rate between 2% and 3% depending upon land use zoning established by the Tulare County General Plan and other factors. Using an average annual growth rate between 2% and 3%, the Tipton community would reach an estimated year 2025 population between 2,900 and 3,750.

9.2 INFRASTRUCTURE NEEDS AND DEFICIENCIES

The purpose of this section is to evaluate the infrastructure needs and deficiencies of the Tipton CSD in terms of availability of resources, capacity to deliver services, condition of facilities, service quality, and levels of service.

9.2.1 Domestic Water

Tipton's water supply is derived from two active underground wells. The District has two additional wells which are currently inactive; one is currently non-operational due to oil contamination, and the other has been abandoned as a result of nitrate contamination. The two wells currently in use (referred to as well #2 and well #4) provide high quality water requiring no chlorination or treatment. Well #2 can produce water at a rate of 700 gallons per minute (GPM), and well #4 can produce water at a rate of 800 GPM. Together the wells have a total maximum production efficiency of 1,500 GPM, or 2.16 million gallons per day (MGD). Wells are located throughout the community at locations identified below.

- Well No. 1A – Northeast corner of the Jayne Avenue and Smith Road intersection (closed).
- Well No. 2 – Northeast corner of the Spencer Avenue and Adams Road intersection.
- Well No. 3 – Southwest corner of the Olive Avenue and Newman Road intersection (closed).
- Well No. 4 – Northeast corner of the Lerda Avenue and Berry Road intersection.

The community water system currently supports 554 total service connections including 58 commercial connections and 496 residential connections. The Tipton CSD recently started requiring water meters to be installed for all new development projects although the District currently continues to charge a flat rate for water service. Billing on a flat rate schedule for water service does not promote water conservation, which is becoming a critical issue within Tulare County; the water table in the region is overdrawn due to extended drought periods, and increased pumping for domestic use. Based upon results other District's have experienced by going to a metered water rate schedule, it is likely that metering will cause the usage to decrease. The total water production for each well by month for year 2003 is shown in Table 9-1 below.

TABLE 9-1
TIPTON CSD GROUNDWATER WELL PRODUCTIONS (YEAR 2003)

Month	Well #2	Well #4
January	7.139 mg	0.031 mg
February	7.293 mg	0.055 mg
March	8.925 mg	0.720 mg
April	9.131 mg	1.067 mg
May	11.569 mg	9.121 mg
June	13.423 mg	13.031 mg
July	9.373 mg	13.895 mg
August	11.814 mg	17.041 mg
September	8.265 mg	10.376 mg
October	13.159 mg	5.826 mg
November	8.288 mg	0.091 mg
December	9.045 mg	0.049 mg
Total Annual Production	117.424 mg	71.303 mg

Notes: 1) mg = million gallons

2) Source: Tipton CSD

As indicated in Table 9-1, in 2003 well #2 produced high volumes of water throughout the year (indicating that it functions as the primary well), while well #4 produced high volumes of water for six months of the year (May – October indicating that it functions as the secondary well, and comes online as needed to meet fire flow and/or peak flow demands). The maximum production occurred in the month of August and totaled 28.855 million gallons, or approximately 88.6 acre-feet. The District indicated that engineering reports and evaluations of the water system are prepared and updated by Keller-Wegley Engineering, Inc. It is recommended that LAFCO complete a comprehensive review of any water system planning reports prior to any SOI updates to ensure that proper facilities planning has taken place for any proposed SOI expansion area.

Tulare County Improvement Standards require that the construction of water source facilities comply with the requirements of Bulletin No. 74, “Water Well Standards” prepared by the State of California Department of Water Resources. The Tulare County Improvement Standards also establish specific requirements for quantity and quality of water to be delivered to a system. Some of these requirements are summarized below.

- The quantity of water delivered to the distribution system within a subdivision from all source and storage facilities for a period of two hours shall be the maximum domestic demand plus a fire flow quantity of not less than 500 GPM for single family residential, 1,500 GPM for multi-family residential, commercial, and light manufacturing, and 2,500 GPM for heavy manufacturing.
- For systems up to 625 customer units (equivalent dwelling units) the domestic quantity shall not be less than $Q = 100 + 25 * \sqrt{N}$, and $Q = 100 + N$ for more than 625 customer units at sufficient pressure to provide a minimum pressure of 25 PSI to each lot served; where Q equals the rate of flow in GPM delivered from the combined source facilities to the distribution system, and N equals the total number of customer units where each customer unit is equivalent to one for a single family dwelling on a normal subdivision lot. Other types of development shall be assigned appropriate customer unit values by the Engineer as experience with the distribution system or locality indicates.
- The minimum source and domestic demand storage design requirements shall be in accordance with Plate No. WS-11 of Section IV of the Tulare County Improvement Standards.
- The quality of water supplied for human consumption shall conform to Sections 3, 4 and 5 of the latest United States Public Health Service Drinking Water Standards. Samples will be taken and tests made by the County Department of Health Services for bacteriological determination of potability.
- Chemical and physical tests for potability shall be performed by a commercial laboratory certified by the State Department of Health Services for performance of chemical and physical analysis and the costs thereof shall be borne by the sub-divider.

Assuming 560 equivalent dwelling units (EDUs) in order to meet Tulare County Improvement Standards, the Tipton CSD water system would need to be capable of delivering a combined flow rate (from all source and storage facilities) of 2,200 GPM (1,500 GPM fire flow and 700 GPM domestic demand) for a period of two hours while maintaining a minimum pressure of 25 PSI to each lot served. The District's water system is capable of delivering a source flow 1,500 GPM, indicating that the system falls short of meeting the Tulare County Improvement Standards. The District Engineer indicated that a new well is

going out for bid, and will be online in the near future. An additional well will likely bring the water system into compliance with the Tulare County Improvement Standards.

An estimate of water system capacity can be calculated by using General Order 103, published by the California Public Utilities Commission. For the estimated water system capacity, the total supply source available is compared to a calculated total supply source required. Other factors that may affect the capacity of water systems, including but not limited to, water quality, low pressures, required storage, age of system, and pipeline restrictions, are not considered. The estimated supply source required is calculated using the following equation,

$Q_{\text{Required}} = (N) * (C) * (F)$ where,

N = Number of customers served

C = Gallon per minute constant: 5 to 9 for flat rate systems, 2 to 5 for metered systems

F = Factor to reflect diversity (inversely proportional to the number of customers)

Using an N value of 554, a C factor of 8.0, and an F factor of 0.33, the estimated total supply source required is calculated to be 1,470 GPM. A total supply source available of 1,500 GPM indicates that the District's water system is operating at or near its capacity.

The District's budget for fiscal year 2004-05 indicates that the District received a grant/loan in the amount of \$1,833,865. The District's 2004-05 budget allocates funds for several water system improvements including well drilling, water line replacement, a pipeline replacement program, and maintenance and improvements to existing well sites.

The District does not currently have a water system master plan. The District Engineer indicated that there is no need for a water master plan.

9.2.2 Sanitary Sewer

The Tipton CSD is also responsible for providing sanitary sewer collection, treatment, and disposal services to residents within its Boundary. According to District staff, there are currently 554 connections to the District's sewer system including 496 residential connections and 58 commercial connections. Raw sewage is collected in a series of collection pipes ranging in size from 4 to 12 inches and then transported to a WWTF that is owned and operated by the Tipton PUD.

The District operates a WWTF located west of the community near the southwest quadrant of the Avenue 152/N. Wesling Road intersection. The WWTF is operated under the provisions of Order No. 85-170 issued by the California Regional Water Quality Control Board (RWQCB). The District's WWTF provides secondary treatment of wastewater via a clarigester and gravity feed trickling filter. Treated effluent from the trickling filter flows into two one-acre evaporation/percolation ponds. Pond effluent is used to flood irrigate 40 acres of land owned and controlled by the District. Order No. 85-170 states that the estimated design capacity of the plant is 0.48 MGD, but prescribes that the monthly average daily discharge shall not exceed 0.40 MGD.

Based upon information contained in the *Wastewater User Charge Survey Report FY 2004-05* (Cal EPA – State Water Resources Control Board, May 2005), the average dry weather flow at the WWTF is approximately 0.190 MGD. The District indicated that there is no flow meter installed at the WWTF, so flows are only estimated. Available data indicates that the District's WWTF has an excess capacity of approximately 210,000 GPD, which could support an estimated additional 600 equivalent dwelling units.

The District will likely need to increase the hydraulic and/or loading capacity of its WWTF to accommodate any significant industrial and/or manufacturing operations.

The above evaluations indicate that the WWTF will be operating at or near its capacity within a 20-year planning period (approximately year 2025), using assumed population growth rates as outlined in section 9.1. Based upon information contained in the Wastewater User Charge Survey Report FY 2004-05 (Cal EPA – State Water Resources Control Board, May 2005), the District has not received any grants for the construction of wastewater facility improvements. It is recommended that the District research State and Federal grants and/or loans that may be available to help finance improvements to the District's WWTF, including the installation of a flow meter. Potential grants and loans include US-EPA Clean Water Construction Grants (CWG), State Revolving Fund Loans (SRF), and State Small Community Grants (SCG).

The District does not currently have a sewer system master plan. The District Engineer indicated that there is no need for a sewer system master plan.

9.2.3 Written Determinations

Domestic Water

1. Tipton's water supply is derived from two operational underground wells that provide an ample, excellent water supply requiring no chlorination or treatment. The two wells have a total maximum production efficiency of approximately 1,500 GPM.
2. The Tipton CSD also has two wells that are currently inactive; one is currently non-operational due to oil contamination and the other has been abandoned as a result of nitrate contamination.
3. The Tipton CSD water system supports 554 total service connections (58 commercial connections and 496 residential connections).
4. The Tipton CSD recently started requiring water meters to be installed for all new development projects although the District currently continues to charge a flat rate for water service. Billing on a flat rate schedule for water service does not promote water conservation, which is becoming a critical issue within Tulare County, as the water table in the region is overdrawn due to extended drought periods and increased pumping for domestic use.
5. The District's wells produced 188.727 million gallons in 2003, with a maximum monthly production of 28.855 million gallons occurring in August, corresponding to a maximum day demand of 0.931 MGD.
6. It is recommended that LAFCO complete a comprehensive review of any water system planning reports prior to any SOI updates to ensure that proper facilities planning has taken place for any proposed SOI expansion area.
7. Assuming 560 equivalent dwelling units (EDUs) in order to meet Tulare County Improvement Standards, the Tipton CSD water system would need to be capable of delivering a combined flow rate (from all source and storage facilities) of 2,200 GPM (1,500 GPM fire flow and 700 GPM domestic demand) for a period of two hours while maintaining a minimum pressure of 25 PSI to each lot served. The District's water system is capable of delivering a source flow 1,500 GPM, indicating that the system falls short of meeting the

Tulare County Improvement Standards. The District Engineer indicated that a new well is going out for bid, and will be online in the near future. An additional well will likely bring the water system into compliance with the Tulare County Improvement Standards.

8. A capacity calculation performed in accordance with General Order 103, published by the California Public Utilities Commission, indicates that the District's water system is operating at or near its capacity.
9. The District's budget for fiscal year 2004-05 indicates that the District received a grant/loan in the amount of \$1,833,865. The District's 2004-05 budget allocates funds for several water system improvements including well drilling, water line replacement, a pipeline replacement program, and maintenance and improvements to existing well sites.
10. The District does not currently have a water system master plan. The District Engineer indicated that there is no need for a water master plan.

Sanitary Sewer

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3. Treated effluent from two one-acre evaporation/percolation ponds is used to flood irrigate 40 acres of land owned and controlled by the District.
4. Based upon information contained in the Wastewater User Charge Survey Report FY 2004-05 (CalEPA – State Water Resources Control Board, May 2005), the average dry weather flow at the WWTF is approximately 0.190 MGD resulting in an excess capacity of approximately 210,000 GPD, which could support an estimated additional 600 equivalent dwelling units.
5. It is anticipated that the District's WWTF will be operating at or near its permitted capacity within a 20-year planning period (approximately year 2025). The District has not received any grants for the construction of wastewater facility improvements. It is recommended that the District research State and Federal grants and/or loans that may be available to help finance improvements to the District's WWTF, including the installation of a flow meter. Clean Water Grants, State Revolving Fund Loans, and Small Community Grants are examples.
6. The District does not currently have a sewer system master plan. The District Engineer indicated that there is no need for a sewer master plan.

9.3 FINANCING OPPORTUNITIES AND CONSTRAINTS

The purpose of this section is to evaluate the capability of the Tipton CSD to finance needed improvements and services.

9.3.1 Annual Budget

LAFCO should consider the ability of the District to pay for improvements or services associated with annexed sites. This planning can begin at the SOI stage by identifying which opportunities there are to identify infrastructure and maintenance needs associated with future annexation and development, and identifying limitations on financing such improvements, as well as the opportunities that exist to construct and maintain those improvements.

The fiscal year 2004-05 budget for the Tipton CSD is organized into two separate funds: one for sanitary sewer and the other for domestic water. Based upon a review of the District's fiscal year 2004-05 budget, the District is in sound financial condition. The District's budget is well organized, thorough, and clearly articulates the District's future financial performance plans. The District prepares a traditional line item budget for each fund (sewer and water) that is divided into the following categories.

- Fund Balances
- Revenues
- Reserve Funds
- Expenses
 - Salaries and Employee Benefits
 - Services and Supplies
 - Other
 - Fixed Assets
 - Contingencies

The District adopts the budget each year and it is used as the spending plan for the District. The budget provides a framework for the District to address the following issues: reserves, revenues, expenditures, investments, and rates and fees.

The District's sanitary sewer budget for fiscal year 2004-05 identifies a beginning cash balance of \$316,910 and anticipated revenues of \$134,000 to be generated from customer sales, resulting in available resources of \$450,910. Of the total resources available, \$244,240 is allocated towards restricted reserves leaving an operating budget of \$206,670. Restricted reserves include funds established by depreciation of equipment and facilities owned and operated by the District, a wastewater capital reserve fund, and equipment replacement costs.

After accounting for restricted reserves from the District's budget, the remaining operating budget of \$206,670 covers salaries and employee benefits totaling \$49,950; services and supplies totaling \$72,220; other expenditures including taxes and depreciation totaling \$7,500; fixed assets totaling \$67,000; and a contingency appropriation of \$10,000. With regard to its sewer fund, the District currently has no long-term debt requiring repayment.

The District's water budget for fiscal year 2004-05 identifies a beginning cash balance of \$1,243,542 and anticipated revenues of \$2,014,865 (\$181,000 generated from customer sales and \$1,833,865 in grants/loans). Of the total resources available \$789,087 is in restricted reserves, leaving an operating budget of \$2,469,320. Restricted reserves include funds reserved for well drilling, water line replacement, and pickup replacement.

After accounting for restricted reserves from the District's budget, the remaining operating budget of \$2,469,320 covers salaries and employee benefits totaling \$49,950; services and supplies totaling \$126,770; fixed assets totaling \$2,282,600; and a contingency appropriation of \$10,000. In addition to customer sales, the District also generates revenue from property tax increments, interest on reserves, late charges and hand delivered fees, and connection fees. Although the District does not specifically include these additional revenue sources as a part of their proposed budget, revenues generated from these sources are reported at the end of the fiscal year.

Reviewing the District's budget for fiscal year 2004-05 indicates that the District is financially stable in regard to its water and sewer funds. The District's available resources cover the annual operating expenses of the District including reserve allocations and contingency appropriations. In addition to customer sales, the District also generates revenue from property tax increments, interest on reserves, late charges, and connection fees. Although the District does not specifically include these additional revenue sources as a part of their proposed budget, revenues generated from these sources are reported at the end of the fiscal year.

It is likely that development within the SOI will rely upon infrastructure available from the District. For this reason the District should be prepared to accommodate such growth. Preparation and implementation of master plans would increase the District's preparedness when development within its SOI is proposed. The District could potentially obtain funding assistance for master planning by applying for available State and/or Federal grants.

The District's financial constraints involve the governmental structure and the desires of the people in the community to fund certain activities by establishing assessment districts or fees. The laws under which a Community Service District is governed provide the structure for funding activities. Key revenue sources for the Tipton CSD include property taxes, sewer and water service, connection fees, interest on reserves, and pass through monies. One-time revenues, that are pass-through funds, account for the increases and decreases in revenue from year to year. On the expenditures side, the District budgets for the services paid for by residents and provides for other expenses using property tax, and if appropriate, restricted reserve accounts. Key expenditures include personnel, services and supplies, and pass through revenues for projects.

9.3.2 Written Determinations

1. The District prepares a comprehensive and thorough annual budget that clearly describes the services provided to residents and the funds expended for those services.
2. The District's operating budgets (excluding reserve funds) for fiscal year 2004-05 totaled \$206,670 for sanitary sewer and \$2,469,320 for water service. The District's budget included contingency funds of \$10,000 for sanitary sewer and domestic water service, respectively.
3. A review of the District's budget indicates that the District is in stable financial condition. The District's available resources cover the annual operating expenses of the District including reserve allocations and contingency appropriations.
4. It is likely that development within the District's SOI will rely on infrastructure available from the District. Preparation and implementation of master plans would increase the District's preparedness when development within its SOI is proposed.

5. During fiscal year 2004-05, the District received a grant/loan totaling \$1,833,865 to construct improvements to its water system, including the implementation of a pipeline replacement program.
6. There are no apparent financial constraints limiting the ability of the District to serve existing and future residents.

9.4 COST AVOIDANCE OPPORTUNITIES

The purpose of this section is to identify practices or opportunities that may help to eliminate unnecessary costs.

9.4.1 Fiscal Structure

The Districts budget process is designed to screen out unnecessary costs. A base budget is completed by the General Manager for review and discussion by the Board of Directors. Each year, the District's budget is reviewed with the District Board, District Engineer, and General Manager to ensure that the District continues to operate within the limits of its financial resources.

The District has adequate staff resources and administrative capabilities to provide the needed level of services to the residents within its boundaries. The District avoids unnecessary costs by contracting out professional services including engineering, legal services, and other consulting services.

The District should continue to work with the development community to fund the construction of water and sewer infrastructure improvement that would serve new development sites. The District requires development projects to pay connection fees for domestic water and sanitary sewer service, which are currently set at \$2800 and \$1050 per EDU, respectively.

If the SOI were expanded in the future, the District would assume the fiscal responsibilities to construct and maintain the water and sewer infrastructure associated with the SOI and any territories that were annexed. LAFCO should consider the relative burden of new annexations to the District when it comes to its ability to provide water and sewer service, as well as capital maintenance and replacements required as a result of expanding the District Boundary. The District indicated that it currently has no plans to expand its SOI.

Opportunities exist at the time of annexation and development to introduce alternative methods of construction and maintenance of public or semi-public infrastructure to serve the future SOI/annexation areas.

9.4.2 Written Determinations

1. Each year, the District's budget is reviewed with the District Board, District Engineer, and General Manager to ensure that the District continues to operate within the limits of its financial resources.
2. The District has adequate staff resources to provide the needed level of services to the residents within its boundaries. The District also avoids unnecessary costs by contracting out professional services including engineering, legal services, and other consulting services.
3. The District should continue to work with the development community to fund the construction of water and sewer infrastructure improvements that would serve new development sites. The District requires development projects to pay connection fees for domestic water and sanitary sewer service, which are currently set at \$2800 and \$1050 per EDU, respectively.

9.5 OPPORTUNITIES FOR RATE RESTRUCTURING

The purpose of this section is to identify opportunities to positively impact rates without decreasing service levels.

9.5.1 Fee Structure

The Tipton CSD recently started requiring water meters to be installed for all new development projects although the District currently continues to charge a flat rate for water service, which does not promote water conservation. The Tipton CSD charges a monthly flat rate for sewer service. The District's fiscal year 2004-05 budget estimates revenues of \$181,000 and \$134,000 to be generated from water and sewer customer sales, respectively. Tables 9-2 and 9-3 show a comparison of water and sewer rates and connection fees, respectively, for surrounding service providers. The tables also show the relationship between monthly service charges and average household incomes within the respective communities. Since some of the service providers charge a metered rate for water, it is necessary to calculate an average monthly bill based upon a specific amount of usage taken as 2,005 cubic feet, or approximately 15,000 gallons, per month for this analysis.

**TABLE 9-2
COMPARISON OF WATER RATES**

Service Provider	Sample Monthly Bill	Connection Fee	Average Household Income	Rate/Income Ratio
Earlismart PUD	\$12.50	\$1,500	\$1,775/mo.	0.70%
Ivanhoe PUD	\$9.50	\$1,700	\$2,171/mo.	0.44%
Pixley PUD	\$20.00	\$2,000	\$1,942/mo.	1.03%
Teviston CSD	\$30.00	\$800	\$2,014/mo.	1.49%
Tipton CSD	\$24.00	\$2,800	\$2,198/mo.	1.09%
Alpaugh JPA	\$55.00	\$1,500	\$1,974/mo.	2.79%
Cutler PUD	\$18.00	\$1,500	\$2,028/mo.	0.89%
Orosi PUD	\$19.08	\$2,400	\$2,533/mo.	0.75%
Lemon Cove SD	\$10.01	\$500	\$2,361/mo.	0.42%
London CSD	\$18.00	\$1,400	\$1,807/mo.	1.00%
Lindsay-Strathmore ID	\$14.18 ⁷	T&M	\$2,096/mo.	0.68%
Poplar CSD	\$25.00	\$1,750	\$2,043/mo.	1.22%
Richgrove CSD	NA	NA	\$1,907/mo.	NA
Springville PUD	\$23.42	\$2,800	\$2,023/mo.	1.16%
Strathmore PUD	\$43.30	\$1,150	\$2,096/mo.	2.06%
Terra Bella ID	\$12.43 ⁸	\$2,908	\$2,109/mo.	0.59%
Woodville PUD	\$27.28	\$2,000	\$2,123/mo.	1.28%
Average	\$23.17	\$1,780	\$2,080/mo.	1.11%

Notes: 1) Fee information obtained from service providers

2) Average household income based upon Census 2000 data

3) Rate/Income ratio calculated by dividing sample monthly bill by average household income

4) Sample monthly bill is calculated for a typical single family dwelling

5) NA=Not Available

6) T&M=Time and Material basis

7) Based on an average of four separate rates charged by the Lindsay-Strathmore Irrigation District

8) Based on potable water service provided by the Terra Bella Irrigation District

9) Richgrove CSD and Lindsay-Strathmore ID were omitted from the average calculations

As indicated in Table 9-2, the Tipton CSD water rates are comparable to other service providers throughout the County. The cost of domestic water service within Tipton equate to approximately 1.09% of the average household income within the community. The Tipton CSD connection fee is among the highest of other domestic water providers in the County.

**TABLE 9-3
COMPARISON OF SEWER RATES**

Service Provider	Monthly Sewer User Fee (1 EDU)¹	Connection Fee¹	Average Household Income²	Rate/Income Ratio³
Goshen CSD	\$32.00	\$975	\$2,359/mo.	1.36%
Earlimart PUD	\$7.50	\$1,000	\$1,775/mo.	0.42%
Ivanhoe PUD	\$9.50	\$1,890	\$2,171/mo.	0.44%
Pixley PUD	\$15.00	\$1,800	\$1,942/mo.	0.77%
Tipton CSD	\$8.00	\$1,050	\$2,198/mo.	0.36%
Cutler PUD	\$22.00	\$3,520	\$2,028/mo.	1.08%
Orosi PUD	\$22.97	\$1,745	\$2,533/mo.	0.91%
Lemon Cove SD	\$4.50	\$500	\$2,361/mo.	0.19%
London CSD	\$21.00	\$1,990	\$1,807/mo.	1.16%
Poplar CSD	\$25.00	\$1,300	\$2,043/mo.	1.22%
Richgrove CSD	\$18.00	\$750	\$1,907/mo.	0.94%
Springville PUD	\$35.06	\$3,900	\$2,023/mo.	1.73%
Strathmore PUD	\$14.70	\$500	\$2,096/mo.	0.70%
Terra Bella SMD	\$21.00	\$500	\$2,109/mo.	1.00%
Woodville PUD	\$17.25	\$700	\$2,123/mo.	0.81%
Average	\$18.23	\$1,475	\$2,098/mo.	0.87%

1) Source: Wastewater User Charge Survey Report FY 2004-05 (CalEPA – SWRCB, May 2005)

2) Source: Census 2000

As indicated in Table 9-3, the Tipton CSD sewer rates are among the lowest compared to other service providers throughout the County. The cost of sanitary sewer service within Tipton equates to approximately 0.36% of the average household income within the community. The new connection fees for sanitary sewer charged by the Tipton CSD are also below average compared to other sewer service providers in the County. The District Engineer indicated that water and sewer rates will be increased in the near future.

The District should periodically review its monthly user and connection fees to ensure that quality service will continually be provided to existing and future residents. The District Engineer indicated that water and sewer rates will be increased in the near future.

9.5.2 Written Determinations

1. The Tipton CSD charges monthly user fees and new connection fees for water and sewer. The District's fiscal year 2004-05 budget estimates revenues of \$181,000 and \$134,000 to be generated from water and sewer customer sales, respectively.

2. The District has opportunities to restructure its water rates to be billed under a metered usage system. Metering would also serve as a water conservation measure.
3. The District should periodically review its monthly user fees and connection fees to ensure that quality service will continually be provided to existing and future residents. The District Engineer indicated that water and sewer rates will be increased in the near future.

9.6 OPPORTUNITIES FOR SHARED FACILITIES

The purpose of this section is to evaluate opportunities for the Tipton CSD to share facilities and resources, thereby increasing efficiency.

9.6.1 Shared Facilities

Since the location of the Tipton District Boundary is immediately adjacent to existing rural lands, the opportunity for sharing infrastructure does not readily exist. Currently the Tipton CSD is the only water and sewer service provider in the immediate area.

Opportunities for sharing resources include splitting insurance premiums with nearby districts requiring related insurance coverage. Also the employment of a grant writer by two or more districts could potentially benefit the District without incurring the sole cost of a full time employee.

9.6.2 Written Determinations

1. Since the location of the Tipton District Boundary is immediately adjacent to existing rural lands, the opportunity for sharing infrastructure does not readily exist.
2. Opportunities for sharing resources include splitting insurance premiums with nearby Districts requiring related insurance coverage. Also the employment of a grant writer by two or more Districts could potentially benefit the District without incurring the sole cost of a full time employee.

9.7 GOVERNMENT STRUCTURE OPTIONS

The purpose of this section is to consider the advantages and disadvantages of various government structures to provide public services.

9.7.1 Development within SOI Areas

One of the most critical elements of LAFCO's responsibilities is in setting logical service boundaries for communities based on their capability to provide services to affected lands. Currently, there are no Boundary conflicts with the Tipton CSD and there are no anticipated conflicts in the future that could affect the District's SOI. Currently there are no foreseeable conditions that would indicate that development within the District's SOI would result in a change in government structure.

Prior to development within its SOI area, the District should complete infrastructure planning – including master plans – to address the infrastructure needs of affected areas and funding mechanisms to meet those needs. The District and/or County could also require developers to prepare specific plans prior to approving development within the District's SOI. The District should continually expand and improve its water and sewer infrastructure to accommodate development within its current District Boundary and SOI areas zoned for development with developer assistance.

9.7.2 Written Determinations

1. There are no other service providers immediately adjacent to Tipton's SOI indicating that the potential for duplication of services is not present. For this reason, it is logical that the Tipton CSD adequately plan for and assume water and sewer service within its SOI Boundary.
2. There are no foreseeable conditions that would indicate that development within the District's SOI would result in a change in government structure.
3. Prior to development within its SOI area the District should complete master planning to address the infrastructure needs of affected areas and funding mechanisms to meet those needs. The District and/or County could also require developers to prepare specific plans prior to approving development within the District's SOI.
4. The District should continually expand and improve its water and sewer infrastructure to accommodate new development within its current District Boundary and SOI areas zoned for development with developer assistance.

9.8 EVALUATION OF MANAGEMENT EFFICIENCIES

The purpose of this section is to consider the management structure of the Tipton CSD.

9.8.1 Organizational Structure

Based upon a review of information provided by the Tipton CSD, it appears as if the provisions of sanitary sewer service and domestic water service are managed in a cost effective, efficient manner, meeting the needs of the community and ratepayers. Although the Tipton CSD water rates are among the highest of surrounding service providers, sewer rates are among the lowest. Implementing a metered billing system for water could increase the efficiency of the domestic water service provision by reducing the cost of water to low volume users.

The Tipton CSD has accounting and finance functions, current personnel regulations and resolutions. The District undergoes annual audits in compliance with auditing standards. The Tipton CSD is governed by a five-member Board of Directors elected at large from within its boundaries that is responsible for setting policy and general administrative procedures. The District currently operates with two employees; one full time clerk and one full time maintenance technician. Typically, the District contracts out for other services which include engineering, legal counsel, and other consulting services the District is not equipped to provide independently. The Tipton CSD has the following hours of operation:

- Monday – Thursday: 8:00 a.m. – 3:30 p.m.
- Friday: Closed

The District's answering message provides the public with the operational hours of the District and with contact information in case of emergencies. Emergency contact information is also posted on the District's office door. District staff is available to respond to emergency situations during non office hours.

Based upon the District's 2004-05 water and sewer budget, \$20,000 is appropriated for contingencies. Contingency funds can be used for emergency improvements and/or unforeseen replacement or rehabilitation costs.

9.8.2 Written Determinations

1. Based upon information made available, it appears as if the provisions of sanitary sewer service and domestic water service are managed in a cost effective, efficient manner, meeting the needs of the community and ratepayers.
2. The Tipton CSD is governed by a five member Board of Directors elected at large from within its boundaries, which is responsible for setting policy and general administrative procedures.
3. The District currently operates with two full-time staff members and contracts out for other services, including engineering, legal counsel, and other consulting services.
4. The District's answering message provides contact information in case of emergencies. District staff is available to respond to emergency situations during non-office hours.

9.9 LOCAL ACCOUNTABILITY AND GOVERNANCE

The purpose of this section is to evaluate the accessibility and levels of public participation associated with the agency's decision-making processes.

9.9.1 Public Access and Information Methods

LAFCO may consider the agency's record of local accountability in its management of community affairs as a measure against the ability to provide adequate services to the SOI and annexation areas.

The Tipton CSD has a five member Board of Directors elected by voters residing within the Districts Boundary. Regularly scheduled Board meetings, which are open to the public, are held on the first Tuesday of each month at 7:00 p.m. at the District office located at 263 South Graham Road in Tipton. Special meetings may be called by giving 24 hour notice at the request of the District's President with the concurrence of at least one other member of the board, or at the request of any three members of the board.

The District should work with the Tulare County Resource Management Agency (RMA) and/or Tulare County LAFCO to have information regarding District affairs posted on the Tulare County RMA and/or LAFCO website. The District could provide information such as meeting times and locations, budgets, rates, ordinances, agendas, completed/upcoming projects, and other District affairs to Tulare County for posting on the County's (RMA and/or LAFCO) website. It would make sense to post information regarding District affairs on County websites, since Tipton is an unincorporated community within Tulare County, and there is a mutual interest in the community.

The internet is a relatively low-cost yet powerful method of involving the general public/customers/ratepayers in District affairs. Greater dissemination of information can lead to greater interest in attending Board meetings and participating in elections. It also allows the public, some of whom are not physically able to attend Board meetings, to follow District activities remotely from their home or business.

9.9.2 Written Determinations

1. The District complies with the Brown Act open meeting law by holding regularly scheduled meetings in which the public is invited. Regularly scheduled meetings are held on the first Tuesday of each month at 7:00 p.m. at the District office.
2. The District adopts budgets and rate changes at hearings where the public is notified and invited.
3. The District should work with the Tulare County Resource Management Agency (RMA) and/or Tulare County LAFCO to have information regarding District affairs posted on the Tulare County RMA and/or LAFCO website. The District could provide information such as meeting times and locations, budgets, rates, ordinances, agendas, completed/upcoming projects, and other District affairs to Tulare County for posting on the County's (RMA and/or LAFCO) website.

CHAPTER 10 – ALPAUGH JOINT POWERS AUTHORITY

EXECUTIVE SUMMARY

This section provides an overview of the written determinations of the Alpaugh Joint Powers Authority (AJPA) Municipal Service Review (MSR). As part of its review of municipal services, the Tulare County Local Agency Formation Commission (LAFCO) is required to prepare a written statement of its determination with respect to each of the following: 1) Growth and population projections for the affected area; 2) Infrastructure needs and deficiencies; 3) Financing constraints and opportunities; 4) Cost avoidance opportunities; 5) Opportunities for rate restructuring; 6) Opportunities for shared facilities; 7) Government structure options; 8) Evaluation of management efficiencies; and 9) Local accountability and governance. These requirements are established by AB 2838, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. The AJPA MSR identifies the following written determinations:

Written Determinations

1) Growth and Population

1. In March 2003, the TCWWD and the AID formed the Alpaugh Joint Powers Authority (AJPA), which is now a separate governing agency responsible for all operations and maintenance to the domestic water system in the rural community.
2. Census data indicates that Alpaugh had a 1990 population of 633, and a 2000 population of 761, corresponding to average annual growth rate of approximately 1.9%
3. It is likely that the Alpaugh community will continue to grow at an average annual rate between 1% and 2% depending upon land use zoning and other policies established by the Tulare County General Plan and other factors. Using these rates, the AJPA could expect a year 2025 service population between 975 and 1,250 assuming no development limitations.
4. In recent years, domestic water service providers for Alpaugh have been unable to support any new connections to their water system due to severe water quality problems (including arsenic contamination), inadequate system pressures, and deterioration of water pipelines resulting in breaks and leaks. Water system problems have halted any new development from occurring in the community.

2) Infrastructure Needs and Deficiencies

1. Alpaugh's water problems have long been documented, however, since its formation, the AJPA has received over \$4 million in grants and loans to improve the community's water supply and distribution system.
2. Alpaugh's water supply is currently derived from a single well (Well #10), and uses Well #9, owned and operated by the AID, as a backup in case Well #10 fails to function. The AJPA expects to have an additional well drilled in the future, at which time Well #10 would function as the Authority's backup well.
3. While Alpaugh water District's have struggled over recent years to supply customers with safe, affordable drinking water, the AJPA appears to be making steps in the right direction by

obtaining funding necessary for a complete overhaul of its water system. While the Authority is unable to support additional connections at this time, ongoing system improvements will improve the system capacity and level of service and allow for additional service connections in the future.

4. Assuming 290 equivalent dwelling units (EDUs) in order to meet Tulare County Improvement Standards, the AJPA water system would need to be capable of delivering a combined flow rate (from all source and storage facilities) of 1,030 GPM (500 GPM fire flow and 530 GPM domestic demand) for a period of two hours while maintaining a minimum pressure of 25 PSI to each lot served. The pumping efficiency of the AJPA water system is unknown, and therefore it can not be determined at this time if the water system meets the requirements of the Tulare County Improvement Standards.

3) Financing Constraints and Opportunities

1. Overall, the AJPA is in semi-stable financial condition. The AJPA adopted its first budget in fiscal year 2003-2004 which determined the spending plan for the Authority. The fiscal year 2003-04 budget is organized and clearly articulates the District's future financial performance plans.
2. The AJPA's water budget for fiscal year 2003-04 identifies a zero beginning cash balance and anticipated revenues of \$177,596, generated solely from customer sales, and connection fees. Total budget expenditures of \$164,330 cover salaries and employee benefits totaling \$55,924 and services and supplies totaling \$107,406. Net revenues in the amount of \$13,266 would be used for capital system improvements and reserves.
3. A water system master plan and/or capital facilities plan could help the Authority identify opportunities to finance needed system improvements and set forth timelines for such improvements based upon available revenues.
4. Additional development in the community could help the Authority establish a more stable balance between the revenues being generated, and the required resources to maintain and improve the community water system.
5. The Authority should continue to pursue available State and Federal grant/loan assistance to continue to improve and repair its water system, including but not limited to, the installation of water meters. Although the Authority should continue to pursue funding through grant and loan assistance programs, the Authority should not rely solely on such funding, as it is often a long and tedious process, and are generally not approved solely for capacity improvements.
6. Without grant money, the Authority relies upon fees paid by developers for rights to water capacity to construct capacity improvements to the water system.

4) Cost Avoidance Opportunities

1. It appears the AJPA has completed significant budget planning to obtain an operational permit from the California Department of Health Services Drinking Water Field Operations Branch. The TMF Capacity Assessment has helped the AJPA avoid unnecessary costs by evaluating the current state of the water system, and determining future spending plans, thereby eliminating unexpected costs arising from unforeseen expenses.

2. The Authority avoids excessive overhead costs by operating with a part-time staff, which provides adequate levels of service to the small community. The Authority also avoids unnecessary costs by contracting out professional services including engineering, legal services, and other consulting services.
3. Since the current AJPA Boundary and SOI contain large areas of undeveloped land, it is unlikely that the Authority will need to expand its SOI in the foreseeable future. The Authority can avoid unnecessary costs associated with the construction of long stretches of water main by participating in the Tulare County General Plan Update process and indicating where development can most efficiently be served by supporting infrastructure.

5) Opportunities for Rate Restructuring

1. The AJPA currently charges a monthly flat rate for domestic water service; currently set at \$55.00 per month.
2. While the District's monthly rates are among the highest compared to other domestic water service providers throughout the County, the connection fees charged by the District are below average.
3. When the District's water system ultimately becomes metered, rates would need to be restructured to bill customers based upon the amount of water used.
4. With a significant reduction in water usage, the District would save on power costs to operate the well pumps. The savings could potentially be passed on to customers, as it would become cheaper for the District to operate the system. A rate reduction resulting from the installation of meters could help the District provide water service to its customers on a more affordable level.
5. In the near future, it will be necessary for the AJPA to address capital system improvements, and identify funding sources for such improvements.
6. The District should consider revising its fee structure to segregate operation and maintenance costs and the costs of constructing new infrastructure. This would help the District determine whether current fees charged to the development community are adequate to expand its water capacity to serve future development. The District has historically relied upon grant/loan programs to implement major repairs or improvements to its water system.

6) Opportunities for Shared Facilities

1. The AJPA currently takes advantage of sharing equipment with the Alpaugh Irrigation District on an as needed basis through a *Joint Exercise of Powers Agreement*.
2. The AJPA also has mutual aid agreements with the Alpaugh Irrigation District for use of a backup well should the AJPA's new well fail to operate. When the second well for the AJPA becomes operational, the Authority will no longer need to rely on the Alpaugh Irrigation District's well for a backup.

3. Other opportunities to reduce expenditures by sharing resources include the following: splitting insurance premiums with nearby District's requiring related insurance coverage; and/or the employment of a grant writer by two or more District's.

7) Government Structure Options

1. There are no foreseeable conditions that would indicate that development within the Authority's SOI would result in a change in government structure.
2. Since the formation of the AJPA, there are no potential boundary conflicts with any communities that could affect the governmental structure of the Authority.

8) Evaluation of Management Efficiencies

1. It appears that since the formation of the AJPA, the management of the water system has become more efficient. The AJPA has worked with State agencies to secure funding necessary to improve the community's water system to acceptable standards.
2. Although the AJPA has managed to bring the community's water system back to operational standards, the affordability of supplying domestic water to customers remains questionable. Implementing a metered billing system for water could increase the efficiency of the domestic water service provision by reducing the cost of water to low volume users. A reduction in water usage would likely reduce the costs of operating the system by reducing power costs associated with operating the well pumps.
3. The AJPA is governed by a five member Board of Directors elected at large from within its boundaries, which is responsible for setting policy and general administrative procedures.
4. The AJPA currently operates with a part-time staff, including a secretary, manager, and two distribution operators. The Authority contracts out for other services, including engineering, legal counsel, and other consulting services.
5. The AJPA's answering message provides contact information in case of emergencies. Staff is available to respond to emergency situations during non-office hours. The AJPA also has an Emergency/Disaster Response Plan in place.

9) Local Accountability and Governance

1. Regularly scheduled meetings are held on the second Monday of each month at 6:00 p.m. at the AJPA office.
2. The AJPA adopts budgets and rate changes at hearings where the public is notified and invited.
3. The AJPA should work with the Tulare County Resource Management Agency (RMA) and/or Tulare County LAFCO to have information regarding District affairs posted on the Tulare County RMA and/or LAFCO website. The District could provide information such as meeting times and locations, budgets, rates, ordinances, agendas, completed/upcoming projects, and other District affairs to Tulare County for posting on the County's (RMA and/or LAFCO) website.

10.0 ALPAUGH JOINT POWERS AUTHORITY

10.0.1 Background

The requirement for Local Agency Formation Commissions (LAFCO) to conduct reviews of local municipal services was established with the passage of AB 2838, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. The bill passed the legislature, and was signed into law by Governor Davis on September 26, 2000. Municipal Service Reviews (MSRs) provide LAFCOs with an additional tool to fulfill their statutory responsibilities of promoting orderly growth and development, preserving the State's finite open space and agricultural land resources, and working to ensure that high quality public services are provided to all Californians in the most efficient and effective manner. MSRs are a requirement of State annexation law and are required to be completed before the consideration of a Sphere of Influence (SOI) amendment or once every five years when a SOI amendment is not being considered.

In July 2003, the Tulare County Local Agency Formation Commission (LAFCO) Board adopted a Municipal Service Review (MSR) exemption policy, which identifies the agencies that would be subject to a review and the extent of that review. The agencies in Tulare County were divided into three (3) categories: agencies subject to a full comprehensive study; agencies subject to a questionnaire study; and agencies exempt from a MSR study. The policy further identifies that the services subject to review shall be:

- Police protection
- Fire protection
- Water and wastewater
- Solid waste collection and disposal
- Streets and traffic circulation
- Power generation and distribution
- Health Care

The Alpaugh Joint Powers Authority (AJPA) provides domestic water service to residents in the unincorporated community of Alpaugh. The Alpaugh Irrigation District (AID) and the Tulare County Water Works District #1 (TCWWD) were formerly the domestic water suppliers to residents of Alpaugh; however, neither agency currently provides domestic water service and are exempt from review. In March 2003 the two districts formed the AJPA, which is now a separate governing agency responsible for all operations and maintenance to the domestic water system in the rural community. The AJPA incorporates the Boundaries of both the TCWWD and the AID. Currently, the AJPA is the only domestic water service provider in the area and therefore is the only agency within the community subject to a full comprehensive study.

Formerly, the TCWWD was the domestic water supplier within the town of Alpaugh, and has a District Boundary bounded by Avenue 56 to the north, Knox Road to the west, McNeely Road to the east, and the Atchison Topeka – Santa Fe railroad tracks to the south. The SOI for the TCWWD was coterminous with the District Boundary. The AID formerly provided domestic water service to residents in the surrounding rural areas outside of the Boundary of the TCWWD. The SOI for the AID includes areas north, east and south of the District Boundary. The AJPA operates within a Boundary that incorporates the Boundaries of the TCWWD and the AID, and has an SOI coterminous with the AID SOI.

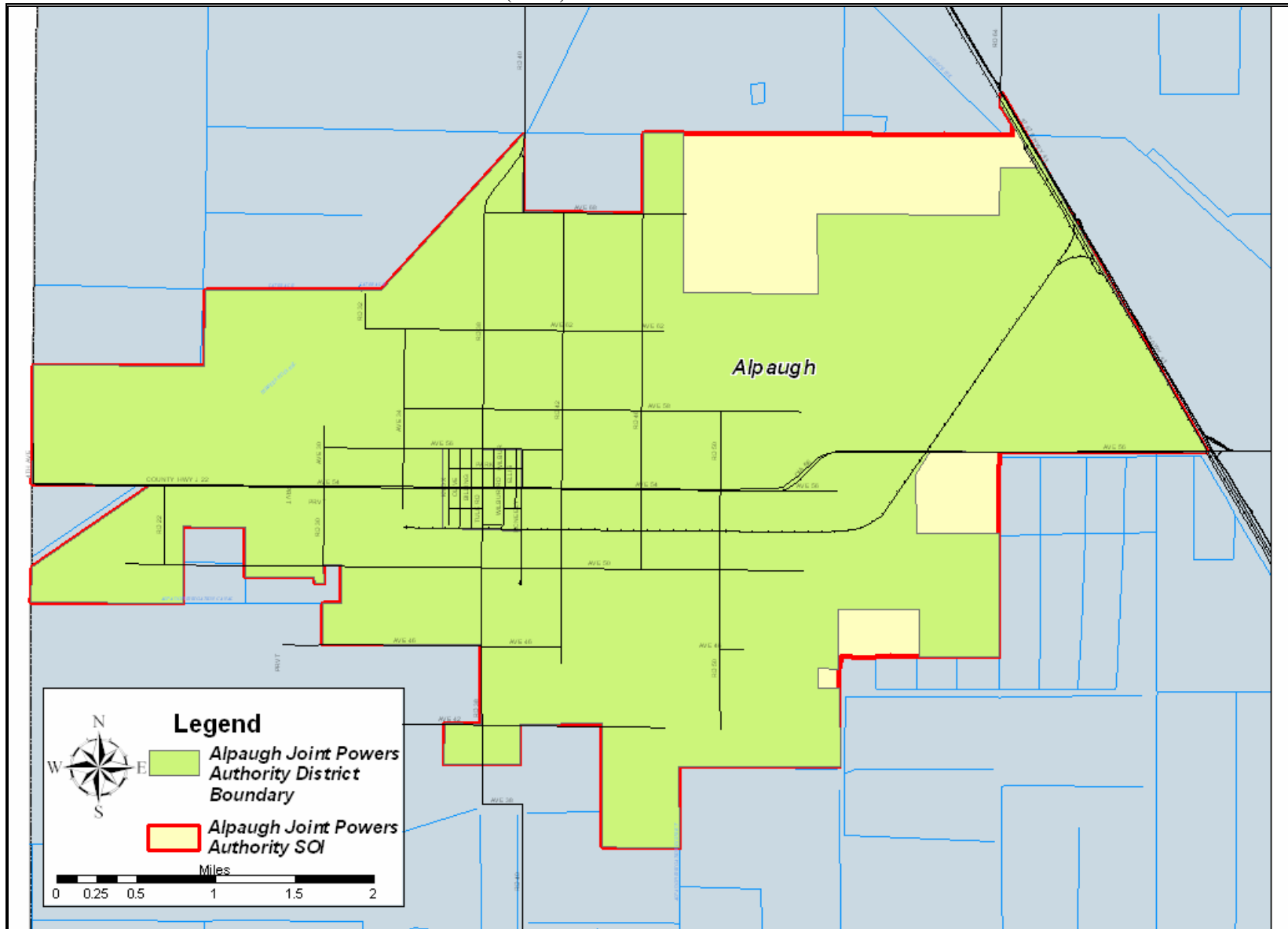
Alpaugh is located in southwestern Tulare County, west of State Route (SR) 43 along Avenue 56. Alpaugh is an agriculturally oriented service community surrounded on all sides by lands in

agricultural production, scattered rural residential uses and vacant land. Communities surrounding Alpaugh include Allensworth and Earlimart to the east, Pixley to the northeast, Delano to the southeast, and Corcoran to the northwest. The Tulare County/Kings County Line is located approximately two miles west of Alpaugh, and the Tulare County/Kern County Line is located approximately seven miles south of Alpaugh. The current Boundary and the currently adopted SOI for the AJPA are illustrated on Figure 10-1. The following excerpt from the Tulare County LAFCO website (www.co.tulare.ca.us/lafco/info.asp) defines a SOI and the purpose it serves.

A “Sphere of Influence” is the physical boundary and service area that a local governmental agency is expected to serve. Establishment of this boundary is necessary to determine which governmental agencies can provide services in the most efficient way to the people and property in any given area. The Sphere of Influence requirement also works to discourage urban sprawl by preventing overlapping of jurisdictions and duplication of services.

The following discussions address the nine legislative factors required by the Cortese-Knox-Hertzberg Act; 1) Growth and population, 2) Infrastructure needs and deficiencies, 3) Financial constraints and opportunities, 4) Cost avoidance opportunities, 5) Opportunities for rate restructuring, 6) Opportunities for shared facilities, 7) Government structure options, 8) Evaluation of management efficiencies, and 9) Local accountability and governance.

FIGURE 10-1 – ALPAUGH JOINT POWERS AUTHORITY (AJPA) BOUNDARY AND SOI



Source: Tulare County GIS Database (July 2004)

10.1 GROWTH AND POPULATION

The purpose of this section is to present historical and projected growth patterns and population projections to establish a baseline for the evaluation of the service needs of Alpaugh.

10.1.1 Historical Data

The Census Bureau, on a decennial basis, identifies and provides detailed information on all incorporated Cities along with several smaller unincorporated communities (termed Census Designated Places – CDPs). Each census, community profiles are developed and provide a wide range of information pertaining to population, demographics, housing information, household data, education and employment, income and poverty, and historical trends. *Census 2000* data indicates that Alpaugh had a population of 761 as of January 2000.

Census 1990 data indicates that Alpaugh had a population of 633 in 1990, corresponding to an annual growth rate, between 1990 and 2000, of approximately 1.9%. The unincorporated areas of Tulare County grew from a population of 133,222 in 1990 to a population of 141,150 in 2000, corresponding to an annual growth rate of approximately 0.6%. It is likely that the Alpaugh and the surrounding service area of the AJPA will continue to grow at an average annual rate between 1% and 2% depending upon land use zoning, and other policies established by the Tulare County General Plan and other factors. Using an average annual growth rate between 1% and 2% the AJPA could expect a year 2025 service population between 975 and 1,250.

In recent years, the domestic water service providers for Alpaugh have been unable to support any new connections to their water system due to severe water quality problems (including arsenic contamination), inadequate system pressures, and deterioration of water pipelines resulting in breakages and leakages. Water system related problems have halted any new development from occurring within the community. The population projections do not assume any development limitations within the community.

10.1.2 Written Determinations

1. In March 2003, the TCWWD and the AID formed the Alpaugh Joint Powers Authority (AJPA), which is now a separate governing agency responsible for all operations and maintenance to the domestic water system in the rural community.
2. Census data indicates that Alpaugh had a 1990 population of 633, and a 2000 population of 761, corresponding to average annual growth rate of approximately 1.9%
3. It is likely that the Alpaugh community will continue to grow at an average annual rate between 1% and 2% depending upon land use zoning and other policies established by the Tulare County General Plan and other factors. Using these rates, the AJPA could expect a year 2025 service population between 975 and 1,250 assuming no development limitations.
4. In recent years, domestic water service providers for Alpaugh have been unable to support any new connections to their water system due to severe water quality problems (including arsenic contamination), inadequate system pressures, and deterioration of water pipelines resulting in breaks and leaks. Water system problems have halted any new development from occurring in the community.

10.2 INFRASTRUCTURE NEEDS AND DEFICIENCIES

The purpose of this section is to evaluate the infrastructure needs and deficiencies of the AJPA in terms of availability of resources, capacity to deliver services, condition of facilities, service quality, and levels of service.

10.2.1 Domestic Water

Alpaugh's problems with water have long been documented. Residents were paying a flat rate of \$55 per month for water that contained high levels of arsenic and was deemed unsafe for cooking and drinking. Until a temporary 5,000 gallon storage tank was installed in late 2003, residents were traveling to Delano or Corcoran to buy bottled water. Residents of Alpaugh were required to manually fill water bottles via four spigots available on site, as drinkable water still could not be delivered to customer's taps. The AJPA has since addressed many of the health issues in regard to unsafe drinking water and the Department of Health Services rescinded a boil water order as of January 10, 2005.

The current infrastructure for domestic water service is the result of two former systems, previously owned and operated by the AID and TCWWD. When the two Districts formed the AJPA, rights to the domestic water infrastructure were relinquished to the Authority, which is now a separate governing body. During the first year of operation, the AJPA purchased water through the AID from Well #9. This well was the source of water utilized by the AJPA distribution system. Recently, a new well, referred to as Well #10, was added to the AJPA system through funding obtained from a U.S. Department of Agriculture (USDA) grant and loan, and Well #9 is only to be used as a backup should the new well fail. The AJPA expects to have an additional well drilled in the near future, at which time Well #10 would function as the Authority's backup well. Well #9 is the property of the AID, and is primarily used to supply water for irrigation purposes.

Much of the AJPA water distribution system was constructed over 70 years ago. The pipeline system consists of steel, transite, and plastic pipe varying in size from 2 to 8 inches in diameter. Most of the AJPA water system is un-metered; only the Alpaugh School and Western Farms have water meters, although they are currently being charged flat rates. Metering the AJPA water system would help promote water conservation. Although the water system is currently un-metered, AJPA staff has indicated that system will be metered in the future. The AJPA water system currently supports 295 connections including one industrial connection, a school connection, and 293 residential connections.

In 2002, the TCWWD applied for and received a Proposition 13 Urban Water Conservation Grant in the amount of \$70,200, in order to install new water meters for all the served connections, in order to better manage the amount of water use in the community. It is unknown whether the funds were transferred to the AJPA upon relinquishment of the domestic water infrastructure. The District's Engineer (Boyle Engineering) should be contacted regarding the status of the grant and related system improvements. The TCWWD conservatively estimated a 15% reduction in water use resulting from the installation of meters and charging customers a metered rate.

Since its formation, the AJPA has received over \$4 million in grants and loans from the USDA, and the Department of Water Resources (DWR), to improve the community's water system. The funds are being used to construct several improvements to the community's water system including drilling a new well, replacing several miles of water mains and constructing a new water tank.

The new well on the edge of town, Well #10, produces water that is safe to drink by government standards as indicated by State health officials. The arsenic maximum standard became more stringent as of January 2006 (10 PPB, previously 50 PPB).

While the Alpaugh water District's have struggled over recent years to supply customers with safe, affordable drinking water, the AJPA seems to be making steps in the right direction by applying for State and Federal Grants to restore its deteriorating water system. While the Authority is unable to support additional connections at this time, ongoing system improvements will improve the system capacity and allow for additional service connections in the future.

Tulare County Improvement Standards require that the construction of water source facilities comply with the requirements of Bulletin No. 74, "Water Well Standards" prepared by the State of California Department of Water Resources. The Tulare County Improvement Standards also establish specific requirements for quantity and quality of water to be delivered to a system. Some of these requirements are summarized below.

- The quantity of water delivered to the distribution system within a subdivision from all source and storage facilities for a period of two hours shall be the maximum domestic demand plus a fire flow quantity of not less than 500 GPM for single family residential, 1,500 GPM for multi-family residential, commercial, and light manufacturing, and 2,500 GPM for heavy manufacturing.
- For systems up to 625 customer units (equivalent dwelling units) the domestic quantity shall not be less than $Q = 100 + 25 * \sqrt{N}$, and $Q = 100 + N$ for more than 625 customer units at sufficient pressure to provide a minimum pressure of 25 PSI to each lot served; where Q equals the rate of flow in GPM delivered from the combined source facilities to the distribution system, and N equals the total number of customer units where each customer unit is equivalent to one for a single family dwelling on a normal subdivision lot. Other types of development shall be assigned appropriate customer unit values by the Engineer as experience with the distribution system or locality indicates.
- The minimum source and domestic demand storage design requirements shall be in accordance with Plate No. WS-11 of Section IV of the Tulare County Improvement Standards.
- The quality of water supplied for human consumption shall conform to Sections 3, 4 and 5 of the latest United States Public Health Service Drinking Water Standards. Samples will be taken and tests made by the County Department of Health Services for bacteriological determination of potability.
- Chemical and physical tests for potability shall be performed by a commercial laboratory certified by the State Department of Health Services for performance of chemical and physical analysis and the costs thereof shall be borne by the sub-divider.

Assuming 290 equivalent dwelling units (EDUs) in order to meet Tulare County Improvement Standards, the AJPA water system would need to be capable of delivering a combined flow rate (from all source and storage facilities) of 1,030 GPM (500 GPM fire flow and 530 GPM domestic demand) for a period of two hours while maintaining a minimum pressure of 25 PSI to each lot served. The pumping efficiency of the AJPA water system is unknown, and therefore it can not be determined at this time if the water system meets the requirements of the Tulare County Improvement Standards.

10.2.2 Written Determinations

1. Alpaugh's water problems have long been documented, however, since its formation, the AJPA has received over \$4 million in grants and loans to improve the community's water supply and distribution system.
2. Alpaugh's water supply is currently derived from a single well (Well #10), and uses Well #9, owned and operated by the AID, as a backup in case Well #10 fails to function. The AJPA expects to have an additional well drilled in the future, at which time Well #10 would function as the Authority's backup well.
3. While Alpaugh water District's have struggled over recent years to supply customers with safe, affordable drinking water, the AJPA appears to be making steps in the right direction by obtaining funding necessary for a complete overhaul of its water system. While the Authority is unable to support additional connections at this time, ongoing system improvements will improve the system capacity and level of service and allow for additional service connections in the future.
4. Assuming 290 equivalent dwelling units (EDUs) in order to meet Tulare County Improvement Standards, the AJPA water system would need to be capable of delivering a combined flow rate (from all source and storage facilities) of 1,030 GPM (500 GPM fire flow and 530 GPM domestic demand) for a period of two hours while maintaining a minimum pressure of 25 PSI to each lot served. The pumping efficiency of the AJPA water system is unknown, and therefore it can not be determined at this time if the water system meets the requirements of the Tulare County Improvement Standards.

10.3 FINANCING OPPORTUNITIES AND CONSTRAINTS

The purpose of this section is to evaluate the capability of the AJPA to finance needed improvements and services.

10.3.1 Annual Budget

LAFCO should consider the ability of the service provider (AJPA) to pay for improvements or services associated with annexed sites. This planning can begin at the SOI stage by identifying what opportunities there are to meet infrastructure and maintenance needs associated with future annexation and development, and identifying limitations on financing such improvements, as well as the opportunities that exist to construct and maintain those improvements.

Overall, the AJPA is in semi-stable financial condition. The AJPA adopted its first budget in fiscal year 2003-2004 which determined the spending plan for the Authority. The budget provides a framework for the AJPA to address the following issues: reserves, revenues, expenditures, investments, and rates and fees. The AJPA combined past budget records from the TCWWD and the AID to estimate revenues and expenditures for its 1st fiscal year budget. The fiscal year 2003-04 budget is organized and clearly articulates the District's future financial performance plans. The document provides information that is divided into the following categories:

- Total Available Funds
 - Fund Balances
 - Revenues
 - Reserve Fund
- Total Budget Expenditures
 - Expenses
 - Salaries and Employee Benefits
 - Services and Supplies
 - Fixed Assets
 - Contingencies

The AJPA's water budget for fiscal year 2003-04 identifies a zero beginning cash balance and anticipated revenues of \$177,596, generated solely from customer sales, and connection fees. Total budget expenditures of \$164,330 cover salaries and employee benefits totaling \$55,924 and services and supplies totaling \$107,406. Net revenues in the amount of \$13,266 would be used for capital system improvements and reserves.

10.3.2 Financing Opportunities

The AJPA could benefit from the preparation and implementation of a water system master plan and/or five year capital improvement plan, to assess the Authority's current capacity and determine the most cost-effective means of meeting the needs of the AJPA and the residents it serves. A water system master plan and/or capital facilities plan could help the District identify opportunities to finance needed system improvements.

The AJPA Boundary covers a large land area (refer to Figure 10-1), which is for the most part, with the exception of the township, undeveloped or developed with scattered rural residential uses, and agricultural uses. Additional development in the community could help the Authority establish a more stable balance between the revenues being generated, and the required resources to maintain and improve

the community water system. Volunteers from the community recently formed a town council to help promote growth. The AJPA and the town council should work together to identify opportunities for growth, and to understand how the community and the Authority could benefit from such growth. Based upon the *Technical, Managerial, and Financial (TMF) Capacity Assessment Form for Change of Ownership of Community Public Water Systems* (California Department of Health Services Drinking Water Field Operations Branch, November 2002), there seems to be little pressure for growth in Alpaugh.

The Authority should continue to pursue available State and Federal grant/loan assistance to continue to improve and repair its water system, including but not limited to, the installation of water meters. Although the Authority should continue to pursue funding through grant and loan assistance programs, the Authority should not rely solely on such funding, as it is often a long and tedious process, and are generally not approved solely for capacity improvements. Without grant money, the Authority relies upon fees paid by developers for rights to water capacity to construct capacity improvements to the water system.

10.3.3 Written Determinations

1. Overall, the AJPA is in semi-stable financial condition. The AJPA adopted its first budget in fiscal year 2003-2004 which determined the spending plan for the Authority. The fiscal year 2003-04 budget is organized and clearly articulates the District's future financial performance plans.
2. The AJPA's water budget for fiscal year 2003-04 identifies a zero beginning cash balance and anticipated revenues of \$177,596, generated solely from customer sales, and connection fees. Total budget expenditures of \$164,330 cover salaries and employee benefits totaling \$55,924 and services and supplies totaling \$107,406. Net revenues in the amount of \$13,266 would be used for capital system improvements and reserves.
3. A water system master plan and/or capital facilities plan could help the Authority identify opportunities to finance needed system improvements and set forth timelines for such improvements based upon available revenues.
4. Additional development in the community could help the Authority establish a more stable balance between the revenues being generated, and the required resources to maintain and improve the community water system.
5. The Authority should continue to pursue available State and Federal grant/loan assistance to continue to improve and repair its water system, including but not limited to, the installation of water meters. Although the Authority should continue to pursue funding through grant and loan assistance programs, the Authority should not rely solely on such funding, as it is often a long and tedious process, and are generally not approved solely for capacity improvements.
6. Without grant money, the Authority relies upon fees paid by developers for rights to water capacity to construct capacity improvements to the water system.

10.4 COST AVOIDANCE OPPORTUNITIES

The purpose of this section is to identify practices or opportunities that may help to eliminate unnecessary costs.

10.4.1 Fiscal Structure

As a result of the 1996 Federal Safe Drinking Water Act, the California legislature passed Senate Bill 1307 which added Section 116540 to the California Health and Safety Code (CHSC). Section 116540 requires that *“No public water system that was not in existence on January 1, 1998, shall be granted a permit unless the system demonstrates to the department that the water supplier possesses adequate financial, managerial, and technical capacity to assure the delivery of pure, wholesome, and potable drinking water. This section shall also apply to any change of ownership of a public water system that occurs after January 1, 1998.”*

To meet the requirements of Section 116540, the AJPA was required to submit a five-year projection of anticipated revenues and expenditures for the system. The following elements of the budget projection are required:

- Maintenance of an equipment replacement reserve
- The projected expenses to be incurred as a result of implementing the water system’s CIP and its equipment replacement schedule
- The water system’s consolidated financial statement from the previous two fiscal years (from prior owners)
- A copy of the proposed rate structure and the estimated annual cost of water per customer, based on water usage over the last calendar year

It appears the AJPA has completed significant budget planning to obtain an operational permit from the California Department of Health Services Drinking Water Field Operations Branch. The TMF Capacity Assessment has helped the AJPA avoid unnecessary costs by evaluating the current state of the water system, and determining future spending plans, thereby eliminating unexpected costs arising from unforeseen expenses.

The AJPA has adequate staff resources and administrative capabilities to provide the needed level of services to the residents within its boundaries. The AJPA avoids excessive overhead costs by operating with three part-time staff members, which provide adequate levels of service to the community. The Authority also avoids unnecessary costs by contracting out professional services including engineering, legal services, and other consulting services. The formation of the AJPA has consolidated staff resources by reducing the amount of staff required to operate a single water system under two separate governing bodies.

If the SOI were expanded in the future, the Authority would assume fiscal responsibilities to construct or maintain the water infrastructure associated with the SOI and any territories that were annexed. LAFCO should consider the relative burden of new annexations to the Authority when it comes to its ability to provide domestic water service, as well as capital maintenance and replacements required as a result of expanding the Authority’s boundary. Since the current AJPA Boundary and SOI contain large areas of undeveloped land, it is unlikely that the Authority will need to expand its SOI in the foreseeable future.

The Authority can avoid unnecessary costs associated with the construction of long stretches of water main by participating in the Tulare County General Plan Update process and indicating where development can most efficiently be served by supporting infrastructure.

Opportunities exist at the time of annexation and development to introduce alternative methods of construction and maintenance of public or semi-public infrastructure to serve future SOI/annexation areas.

10.4.2 Written Determinations

1. It appears the AJPA has completed significant budget planning to obtain an operational permit from the California Department of Health Services Drinking Water Field Operations Branch. The TMF Capacity Assessment has helped the AJPA avoid unnecessary costs by evaluating the current state of the water system, and determining future spending plans, thereby eliminating unexpected costs arising from unforeseen expenses.
2. The Authority avoids excessive overhead costs by operating with a part-time staff, which provides adequate levels of service to the small community. The Authority also avoids unnecessary costs by contracting out professional services including engineering, legal services, and other consulting services.
3. Since the current AJPA Boundary and SOI contain large areas of undeveloped land, it is unlikely that the Authority will need to expand its SOI in the foreseeable future. The Authority can avoid unnecessary costs associated with the construction of long stretches of water main by participating in the Tulare County General Plan Update process and indicating where development can most efficiently be served by supporting infrastructure.

10.5 OPPORTUNITIES FOR RATE RESTRUCTURING

The purpose of this section is to identify opportunities to positively impact rates without decreasing service levels.

10.5.1 Fee Structure

The AJPA water system is currently un-metered, and all customers are charged a flat rate for water service. According to the *Prop. 13 Urban Water Conservation Grant*, the installation of water meters along with the reading of these meters would drastically cut down on the flat rate use fee that currently exists and would also promote water conservation. These meters will also provide a control measure to detect any leaks in the current system. The installation of these meters could reduce the amount of water used by 15%.

The AJPA currently charges a monthly flat rate for domestic water service; currently set at \$55.00 per month. Table 10-1 shows a comparison of water rates and connection fees, respectively, for surrounding service providers. The table also shows the relationship between monthly service charges and average household incomes for the respective communities. Since some of the service providers charge a metered rate for water, it is necessary to calculate an average monthly bill based upon a specific amount of usage taken as 1,200 cubic feet, or approximately 8,977 gallons, per month for this analysis.

**TABLE 10-1
COMPARISON OF WATER RATES**

Service Provider	Sample Monthly Bill	Connection Fee	Average Household Income	Rate/Income Ratio
Earlimart PUD	\$12.50	\$1,500	\$1,775/mo.	0.70%
Ivanhoe PUD	\$9.50	\$1,700	\$2,171/mo.	0.44%
Pixley PUD	\$20.00	\$2,000	\$1,942/mo.	1.03%
Teviston CSD	\$30.00	\$800	\$2,014/mo.	1.49%
Tipton CSD	\$24.00	\$2,800	\$2,198/mo.	1.09%
Alpaugh JPA	\$55.00	\$1,500	\$1,974/mo.	2.79%
Cutler PUD	\$18.00	\$1,500	\$2,028/mo.	0.89%
Orosi PUD	\$19.08	\$2,400	\$2,533/mo.	0.75%
Lemon Cove SD	\$10.01	\$500	\$2,361/mo.	0.42%
London CSD	\$18.00	\$1,400	\$1,807/mo.	1.00%
Lindsay-Strathmore ID	\$14.18 ⁷	T&M	\$2,096/mo.	0.68%
Poplar CSD	\$25.00	\$1,750	\$2,043/mo.	1.22%
Richgrove CSD	NA	NA	\$1,907/mo.	NA
Springville PUD	\$23.42	\$2,800	\$2,023/mo.	1.16%
Strathmore PUD	\$43.30	\$1,150	\$2,096/mo.	2.06%
Terra Bella ID	\$12.43 ⁸	\$2,908	\$2,109/mo.	0.59%
Woodville PUD	\$27.28	\$2,000	\$2,123/mo.	1.28%
Average	\$23.17	\$1,780	\$2,080/mo.	1.11%

Notes: 1) Fee information obtained from service providers

2) Average household income based upon Census 2000 data

3) Rate/Income ratio calculated by dividing sample monthly bill by average household income

4) Sample monthly bill is calculated for a typical single family dwelling

5) NA=Not Available

6) T&M=Time and Material basis

7) Based on an average of four separate rates charged by the Lindsay-Strathmore Irrigation District

8) Based on potable water service provided by the Terra Bella Irrigation District

9) Richgrove CSD and Lindsay-Strathmore ID were omitted from the average calculations

As indicated in Table 10-1, the AJPA charges the highest monthly rate for water service compared to other domestic water service providers throughout the County. The cost of domestic water service within Alpaugh equates to approximately 2.79% of the average household income within the community. The new connection fee charged by the AJPA is below average compared to other service providers in the County.

When the District's water system ultimately becomes metered, rates would need to be restructured to bill customers based upon the amount of water used. With a significant reduction in water usage, the District would save on power costs to operate the well pumps. The savings could potentially be passed on to customers, as it would become cheaper for the District to operate the system. A rate reduction resulting from the installation of meters could help the District provide water service to its customers on a more affordable level.

As indicated in the TMF Capacity Assessment, there are not any plans or anticipated funds at this time for capital improvements or equipment replacement (above and beyond the improvements being constructed

from USDA and DWR grant/loans). In the near future, it will be necessary for the Alpaugh JPA to address capital system improvements, and identify funding sources for such improvements.

The District should consider revising its fee structure to segregate operation and maintenance costs and the costs of constructing new infrastructure. This would help the District determine whether current fees charged to the development community are adequate to expand its water capacity to serve future development. The District has historically relied upon grant/loan programs to implement major repairs or improvements to its water system.

10.5.2 Written Determinations

1. The AJPA currently charges a monthly flat rate for domestic water service; currently set at \$55.00 per month.
2. While the District's monthly rates are among the highest compared to other domestic water service providers throughout the County, the connection fees charged by the District are below average.
3. When the District's water system ultimately becomes metered, rates would need to be restructured to bill customers based upon the amount of water used.
4. With a significant reduction in water usage, the District would save on power costs to operate the well pumps. The savings could potentially be passed on to customers, as it would become cheaper for the District to operate the system. A rate reduction resulting from the installation of meters could help the District provide water service to its customers on a more affordable level.
5. In the near future, it will be necessary for the AJPA to address capital system improvements, and identify funding sources for such improvements.
6. The District should consider revising its fee structure to segregate operation and maintenance costs and the costs of constructing new infrastructure. This would help the District determine whether current fees charged to the development community are adequate to expand its water capacity to serve future development. The District has historically relied upon grant/loan programs to implement major repairs or improvements to its water system.

10.6 OPPORTUNITIES FOR SHARED FACILITIES

The purpose of this section is to evaluate opportunities for a jurisdiction to share facilities and resources, thereby increasing efficiency.

10.6.1 Shared Facilities

The AJPA currently takes advantage of sharing equipment with other service providers on an as needed basis. The following excerpt from Section 5.04 of the *Joint Exercise of Powers Agreement* outlines the agreement between the AJPA and the Alpaugh Irrigation District to share equipment.

“(Alpaugh) Irrigation district shall contribute equipment, as necessary, to the Authority including but not limited to, one pick-up truck, water chlorination testing system, bacteria sample testing kits, miscellaneous tools like shovels, picks, rakes, etc., and other miscellaneous equipment. The backhoe shall remain the property of the Irrigation District, but shall be made available to the Authority on an as need basis, pursuant to the terms of the Agreement between the Authority and the Irrigation District.”

The AJPA also has mutual aid agreements with the Alpaugh Irrigation District for use of a backup well should the AJPA’s new well fail to operate. When the second well for the AJPA becomes operational, the Authority will no longer need to rely on the Alpaugh Irrigation District’s well for a backup.

Other opportunities for sharing resources also include splitting insurance premiums with nearby Districts requiring related insurance coverage. Also, the employment of a grant writer by two or more districts could potentially benefit the AJPA without incurring the sole cost of a full time employee.

10.6.2 Written Determinations

1. The AJPA currently takes advantage of sharing equipment with the Alpaugh Irrigation District on an as needed basis through a *Joint Exercise of Powers Agreement*.
2. The AJPA also has mutual aid agreements with the Alpaugh Irrigation District for use of a backup well should the AJPA’s new well fail to operate. When the second well for the AJPA becomes operational, the Authority will no longer need to rely on the Alpaugh Irrigation District’s well for a backup.
3. Other opportunities to reduce expenditures by sharing resources include the following: splitting insurance premiums with nearby District’s requiring related insurance coverage; and/or the employment of a grant writer by two or more District’s.

10.7 GOVERNMENT STRUCTURE OPTIONS

The purpose of this section is to consider the advantages and disadvantages of various government structures to provide public services.

10.7.1 Development within SOI Areas

One of the most critical elements of LAFCO's responsibilities is in setting logical service Boundaries for communities based on their capability to provide services to affected lands. There are no foreseeable conditions that would indicate that development within the District's SOI would result in a change in government structure. Since the formation of the AJPA, there are no potential boundary conflicts with any communities that could affect the governmental structure of the Authority.

10.7.2 Written Determinations

1. There are no foreseeable conditions that would indicate that development within the Authority's SOI would result in a change in government structure.
2. Since the formation of the AJPA, there are no potential boundary conflicts with any communities that could affect the governmental structure of the Authority.

10.8 EVALUATION OF MANAGEMENT EFFICIENCIES

The purpose of this section is to consider the management structure of the AJPA.

10.8.1 Organizational Structure

Prior to the formation of the AJPA domestic water within the area was being managed by two separate governing bodies. The management efficiencies of the prior service providers were questionable, as neither District was able to provide affordable, clean, safe drinking water to the residents of Alpaugh. Individually, District revenues were not adequate to keep pace with maintenance and repairs to the water systems.

It appears that since the formation of the AJPA, the management of the water system has become more efficient. The AJPA has worked with State and Federal agencies to secure funding necessary to improve the community's water system to acceptable standards. Although the AJPA has managed to bring the community's water system back to operational standards, the affordability of supplying domestic water to customers remains questionable. Implementing a metered billing system for water could increase the efficiency of the domestic water service provision by reducing the cost of water to low volume users. A reduction in water usage would likely reduce the costs of operating the system by reducing power costs associated with operating the well pumps.

The AJPA has accounting and finance functions, current personnel regulations and resolutions. The Authority undergoes annual audits in compliance with auditing standards. The AJPA is governed by a five member Board of Directors that is elected at large from within the AJPA Boundary that is responsible for setting policy and general administrative procedures. The Board of Directors of the AJPA meet monthly on the second Monday of each month. The AJPA employs two licensed distribution operators. Both entities of the AJPA have longstanding relationships with engineering, legal, and other professional entities. For the time being, all of these professional services are provided by outside consultants as needed on a contract basis.

The AJPA's answering message provides the public with the operational hours of the Authority and with contact information in case of emergencies. Emergency contact information is also posted on the District's office door. Staff is available to respond to emergency situations during non-office hours. The AJPA also has an Emergency/Disaster Response Plan in place that outlines who to contact in case of specific emergencies.

The AJPA has began to set aside funding for contingencies, as identified in previous sections of this report. Contingency funds can be used for emergency improvements and/or unforeseen replacement or rehabilitation costs.

10.8.2 Written Determinations

1. It appears that since the formation of the AJPA, the management of the water system has become more efficient. The AJPA has worked with State agencies to secure funding necessary to improve the community's water system to acceptable standards.
2. Although the AJPA has managed to bring the community's water system back to operational standards, the affordability of supplying domestic water to customers remains questionable. Implementing a metered billing system for water could increase the efficiency of the domestic water service provision by reducing the cost of water to low volume users. A

reduction in water usage would likely reduce the costs of operating the system by reducing power costs associated with operating the well pumps.

3. The AJPA is governed by a five member Board of Directors elected at large from within its boundaries, which is responsible for setting policy and general administrative procedures.
4. The AJPA currently operates with a part-time staff, including a secretary, manager, and two distribution operators. The Authority contracts out for other services, including engineering, legal counsel, and other consulting services.
5. The AJPA's answering message provides contact information in case of emergencies. Staff is available to respond to emergency situations during non-office hours. The AJPA also has an Emergency/Disaster Response Plan in place.

10.9 LOCAL ACCOUNTABILITY AND GOVERNANCE

The purpose of this section is to evaluate the accessibility and levels of public participation associated with the agency's decision-making processes.

10.9.1 Public Access and Information Methods

LAFCO may consider the agency's record of local accountability in its management of community affairs as a measure against the ability to provide adequate services to the SOI and annexation areas.

The AJPA has a five member Board of Directors elected by voters residing within the Districts Boundary. Regularly scheduled Board meetings, which are open to the public, are held on the second Monday of each month at 6:00 p.m. at the District office located at 5446 Tule Road in Alpaugh. Special meetings may be called by giving 24-hour notice at the request of the District's President with the concurrence of at least one other member of the board, or at the request of any three members of the board.

The AJPA should work with the Tulare County Resource Management Agency (RMA) and/or Tulare County LAFCO to have information regarding AJPA affairs posted on the Tulare County RMA and/or LAFCO website. The AJPA could provide information such as meeting times and locations, budgets, rates, ordinances, agendas, completed/upcoming projects, and other affairs to Tulare County for posting on the County's (RMA and/or LAFCO) website. It would make sense to post information regarding AJPA affairs on Tulare County websites, since Alpaugh is an unincorporated community within Tulare County, and there is a mutual interest in the community.

The internet is a relatively low-cost yet powerful method of involving the general public/customers/ratepayers in governmental affairs. Greater dissemination of information can lead to greater interest in attending Board meetings and participating in elections. It also allows the public, some of whom are not physically able to attend Board meetings, to follow AJPA activities remotely from their home or business.

Prior to the formation of the AJPA, the Alpaugh Irrigation District was sued over a proposed increase in water rates. The lawsuit was ultimately settled, and resulted in a smaller increase than was originally proposed. Since the formation of the AJPA, the Authority has not been subject to any litigation. Any proposed rate changes should be discussed at hearings where the public is notified and invited.

10.9.2 Written Determinations

1. Regularly scheduled meetings are held on the second Monday of each month at 6:00 p.m. at the AJPA office.
2. The AJPA adopts budgets and rate changes at hearings where the public is notified and invited.
3. The AJPA should work with the Tulare County Resource Management Agency (RMA) and/or Tulare County LAFCO to have information regarding District affairs posted on the Tulare County RMA and/or LAFCO website. The District could provide information such as meeting times and locations, budgets, rates, ordinances, agendas, completed/upcoming projects, and other District affairs to Tulare County for posting on the County's (RMA and/or LAFCO) website.

APPENDIX A

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REFERENCES

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