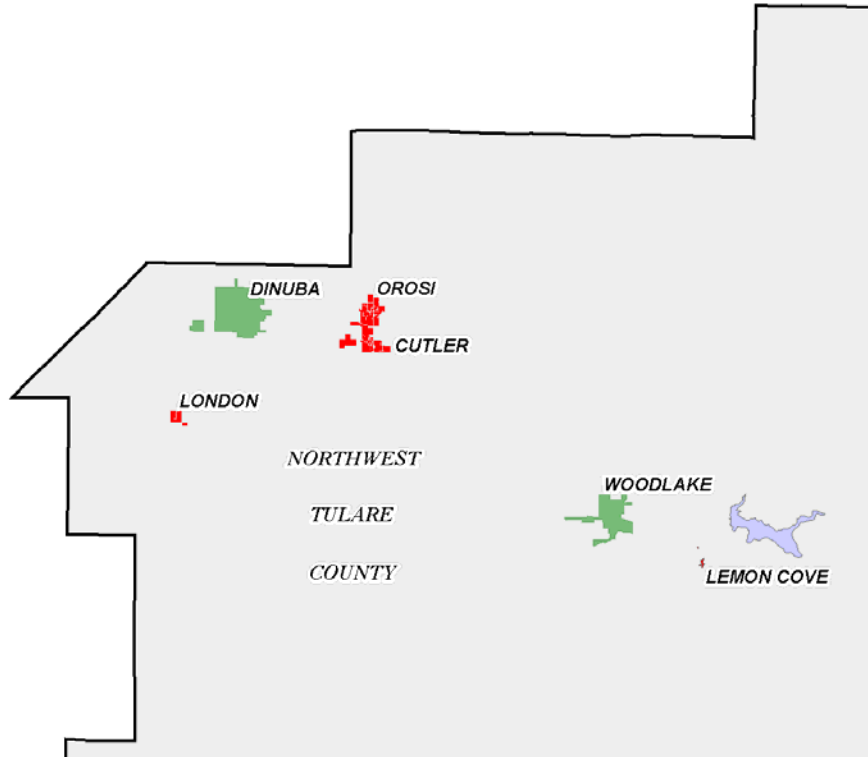




# Tulare County LAFCO

## Tulare County LAFCO



Includes Cities of:

Dinuba  
Woodlake

And Communities of:

Cutler  
Orosi  
Lemon Cove  
London

## Group 2

# Municipal Service Reviews

FINAL REPORT  
(MAY 2006)



**MUNICIPAL SERVICE REVIEWS  
GROUP 2 CITIES AND SPECIAL DISTRICTS**

**FINAL REPORT**

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

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May 3, 2006  
LAFCO Resolution 06-021**



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# **CHAPTER 1 – CITY OF DINUBA MUNICIPAL SERVICE REVIEW**

## **EXECUTIVE SUMMARY**

This section provides an overview of the written determinations findings of the City of Dinuba 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 Dinuba MSR identifies the following written determinations.

### **Written Determinations**

#### **1) Growth and Population**

##### *Historical Data & Population Projections*

1. Historical Census data indicates that Dinuba had a 1990 population of 12,743, and a 2000 population of 16,844. California Department of Finance projections indicated a January 2005 population of 19,297. These trends indicate that Dinuba's population is growing at an average annual rate of approximately 2.8%.
2. Based upon historical population trends, at an average annual growth rate of 2.8%, Dinuba's 2025 and 2030 population are projected to be 33,524 and 38,487, respectively. These projections are higher than those contained in the City of Dinuba General Plan Update, which are 30,297, and 33,516 for 2025 and 2030, respectively.

##### *Planning Documents*

1. The City plans for future growth through the implementation of policies and standards set forth in General Plan Elements. Dinuba's General Plan is a long-range guide for attaining the City's goals within its ultimate service area and accommodating its population growth to the year 2020. The City's General Plan provides an excellent foundation and policy base to guide future growth within the City.
2. The City also plans for future growth through the preparation and implementation of specific plans and master plans. The City adopted the Southwest Dinuba Specific Plan in 1992, and is in the process of preparing a specific plan for the northeast area of the City. The City also master plans public infrastructure systems including water, sewer, and storm drain systems.

##### *Planning Boundaries*

1. The Tulare County General Plan contains an Urban Boundaries Element which sets forth policy regarding development within municipal fringe areas surrounding incorporated cities.
2. According to adopted plans, urban development is to occur only within the incorporated City Limits, with certain exceptions. Within the 20-year UDB, development proposals are



referred to the City for annexation. If the City cannot, or will not, annex, Tulare County considers the proposal on its merits.

3. The City adopted a 10-year UDB as part of its GPU, based upon the capabilities of the City to accommodate new growth. It is anticipated that the City will open up its 20-year UDB for development sometime around the year 2010, although the time frame could vary significantly based upon development demand. The adoption of tiered UDB's promotes orderly development by discouraging "leap frog" development from occurring.
4. Consistent with City and County General Plan policies, and boundary definitions, a City's SOI should, at a minimum, be coterminous with, or extend beyond the established 20-year UDB, which is not currently the case for the City of Dinuba.
5. It is recommended that the City review its SOI to determine if all land within the City's established 20-year UDB is included within its SOI, and explore opportunities to expand its SOI to encompass such land that may not currently be within the City's SOI.

#### *Land Use*

1. As prescribed by General Plan Policy, the City should undertake a review of the land use demand and supply no less than once every five years. It is recommended that the City coordinate this process with the scheduled SOI updates to determine any modifications that may be necessary.
2. The City's General Plan Map for Land Use can be viewed on the City's website at [www.dinuba.org](http://www.dinuba.org) or purchased for \$5.00 at City Hall.

#### *Annexations*

1. Dinuba has been very active in annexing additional land into the City. In 2002, the City annexed over 800 acres of land into the City, and more recently annexed approximately 255 acres into the City. All pending and approved annexations are within the City's SOI.

## **2) Infrastructure Needs & Deficiencies**

#### *Capital Investment Program*

1. The City's CIP is an excellent foundation and planning tool to assist the community in its orderly development in the acquisition of municipal facilities and to assure that service needs for the future are met.
2. The CIP ties the City's physical development to goals and decisions expressed through hearings, citizen advisory groups, City staff, and documents including the City's General Plan.
3. The CIP identifies over twenty revenue sources from which CIP projects are funded, and provides a comprehensive description of each revenue source, and how the resources are allocated.

### *Domestic Water*

1. The City's water supply is derived from seven active groundwater wells, which have a total maximum production efficiency of approximately 7,600 GPM.
2. Information provided by City staff indicates that the average demand on the water system is about 4.2 MGD, and the maximum daily demand is about 7.3 MGD. The maximum capacity of water system is 11.0 MGD, indicating that the City's water system is operating at approximately 65% of its capacity.
3. The City's water system supports 4,575 total connections including 4,137 residential connections, 434 commercial connections, and 4 industrial connections. All connections to the City's water system are metered, which promotes water conservation.
4. City staff has indicated that the City has an adopted water conservation ordinance but it has not been necessary recently to impose restrictions. It is recommended that the City consider posting the water conservation ordinance on its website as a way of continuing to promote water conservation in the City and potentially increase the level of public participation.
5. The City's water supply and distribution system was last studied in a *Water System Evaluation/Water Quality Evaluation* report prepared by Boyle Engineering in 1993. City staff indicated that Boyle Engineering is in the process of updating the City's Water System Master Plan. It is recommended that the Water Master Plan Update include a study area that, at a minimum, encompasses all areas within the City's 20-year UDB and SOI. Any foreseen areas that the City anticipates including in its 20-year UDB or SOI should also be included within the master planning area.
6. The City's CIP ensures that Dinuba can continue to provide adequate water supply to the growing community for the next decade. The City's approach to planning for and implementing water system improvements is excellent, and is demonstrated by the City's dedication to aggressively seeking outside grant/loan funding, and making sure adequate funding is allocated towards the City's CIP.
7. Based upon information obtained from the Department of Water Resources, Dinuba has complied with the Urban Water Management Planning Act (for 2000), as their UWMP has been found by the Department of Water Resources to be complete. The City has until December 2005 to comply with the 2005 requirement. UWMPs are required to be updated every five years in years ending in five and zero.

### *Drainage Infrastructure*

1. The City's storm drainage infrastructure was evaluated as part of the *Storm Drainage Master Plan* (Quad Engineering, 1989), and the City's GPU in 1997.
2. Most of the storm runoff collected in the City's drainage system is discharged to irrigation ditches operated by the Alta Irrigation District. Discharge limitations are established through an agreement between the City and District.
3. The City's CIP ensures that Dinuba can continue to provide storm drainage infrastructure to the growing community in future years. The City's approach to planning for and implementing storm drain system improvements is excellent, and is demonstrated by the

City's dedication to aggressively seeking outside grant/loan funding, and making sure adequate funding is allocated towards the City's CIP.

#### *Wastewater Collection, Treatment and Disposal*

1. Several studies of the City's sewer collection system have been conducted in the past. Studies were completed in 1967, 1971, 1973, 1989, and 2004. Although several of the previous studies are over 25 years old, a significant portion of the conclusions and recommendations are still valid according to the City's GPU adopted in 1997. The City continues to upgrade its sewer collection system consistent with recommendations in the previous studies.
2. As the improvements identified in previous studies near build-out, it will be necessary for the City to undertake a comprehensive "Sewer System Master Plan Update" to address the City's sewer collection system needs to accommodate general plan build-out. The comprehensive "Sewer System Master Plan Update" should, at a minimum, incorporate areas within the City's 20-year UDB and SOI.
3. The City's Wastewater Reclamation Facility was most recently studied as a part of the "City of Dinuba Maser Plan 2003/04", RTW Engineering, 2003/04. The master plan recommended exploring the feasibility of the Reclamation, Conservation, and Recreation Project, which would provide for additional wastewater effluent and sludge disposal through the construction of wetlands, ponds, and irrigation of a new 18-hole golf course.
4. The Wastewater Reclamation Facility operates under provisions outlined in Waste Discharge Requirements Order No. 95-200, issued by the RWQCB. The order prescribes that the monthly average dry weather discharge flow shall not exceed 3.0 MGD however a registered civil engineer has certified the plant for a total treatment capacity of 3.14 MGD average daily maximum month flow (ADMMF). According to the Wastewater User Charge Survey Report F.Y. 2004-05, issued by the State Water Resources Control Board in May 2005, Dinuba reported an average dry weather flow of 2.2 MGD, indicating that the plant is operating at approximately 70% of its capacity.
5. The City's CIP ensures that Dinuba can continue to provide sanitary sewer collection, treatment, and disposal services to the growing community in future years. The City's approach to planning for and implementing sewer system improvements is excellent, and is demonstrated by the City's dedication to aggressively seeking outside grant/loan funding, and making sure adequate funding is allocated towards the City' CIP.

#### *Streets and Roads*

1. The City constructs transportation improvements through the implementation of goals and policies set forth in the City's General Plan Circulation Element, and other plans, including the Tulare County Regional Transportation Plan, which is updated every three years.
2. The City's General Plan indicates that all City streets would operate at LOS "C" or better conditions through year 2015.
3. The Dinuba City Council has established the following goals related to transportation: repair streets citywide; widen Ave. 416 and Road 80 to four lanes; upgrade public transit system to include trolley; continue sidewalk, curb & gutter program.

4. The City's CIP ensures that Dinuba can continue to provide transportation related infrastructure for the efficient movement of people and goods. The continuous implementation of General Plan Circulation Element goals and policies also guides the City in meeting the future transportation needs of the community.
5. It is recommended that the City take the lead in planning for transportation and circulation improvements within the boundary of its 20 year UDB and SOI. Streets within this area should be constructed to City standards, since it is likely that the area will ultimately be incorporated into and become a part of the City of Dinuba.

#### *Fire and Police Protection Services*

1. The Dinuba Fire Department operates out of one fire station equipped and staffed 24-hours a day. The fire station is located at the intersection of E. Tulare Street and N. "H" Street.
2. The insurance services office (ISO) rates fire departments on a scale of one (best) to ten (unprotected). The Dinuba Fire Department current ISO rating is four (4).
3. The City of Dinuba contracts with various agencies to provide the community with the best possible emergency services through mutual aid agreements, including the Tulare County Fire Department, the Tulare County Sheriff's Department, and the City of Visalia Hazardous Response Team.
4. Consistent with the 2003-2005 goals set forth by the Dinuba City Council, a Fire Master Plan was adopted by the City. The Fire Master Plan provides an excellent tool to plan for future staffing and facility requirements to accommodate future growth within the City's SOI.
5. The City of Dinuba voters passed Measure F, which increased the local sales tax by  $\frac{3}{4}$  cent to raise revenue for increased police and fire protection. The Measure F 10-year expenditure plan includes funding of several projects including a new fire station and joint training facility, and additional equipment and staffing for the department. The passage of Measure F is indicative of the community's desire to maintain the highest levels of public safety.
6. The Dinuba Police Department operates out of one police station and one sub-station equipped and staffed 24-hours a day, 365 days per year. The City completed the construction of a new Police State and Justice Court Facility in 2000.
7. Based upon current staffing levels, the Police Department has a sworn police officer to population ratio of approximately 1:715, which is excellent compared to other City's within the County.
8. The Police Department offers various programs for citizens to get involved with public safety efforts in the community. The programs generally consist of community volunteers who are dedicated to a safer community.
9. The City Council has established several goals relating to the public safety within the community including the following; pass sales tax initiative to increase Police Department staffing; decrease gang/drug activity and violence; add 8-10 new police officers assuming sales tax initiative passes; purchase new safety equipment for Police Department; develop

early age prevention program; improve public safety employee retention program; find/develop graffiti proof paint.

#### *Solid Waste*

1. The City of Dinuba has contracted with a private carrier to provide pickup of solid waste within the City limits.
2. The City has a disposal/recycling program which operates on a split container system. Recyclables are taken to the Tulare County Recycling facility in Visalia where they are sorted and then bailed for sale to recycled material users.
3. Independent (private contractors) service providers are not subject to SOI determinations, and are therefore exempt from the MSR requirement.

### **3) Financing Constraints and Opportunities**

1. In March 2004, the City received a Certificate of Award for their “Excellence in Operational Budgeting 2003-04” from the California Society of Municipal Finance Officers. The certificate recognizes meritorious achievement in operational budgeting and reflects a highly professional budget document and the underlying budgeting process through which the budget is implemented. The receipt of this award is an indication of the City’s implementation of appropriate financing/funding practices.
2. The City’s budgetary funds are segregated into enterprise and non-enterprise financing functions. Three of the City’s five Enterprise Funds fell short of meeting their required operating reserves at the end of F.Y. 2004-05. For these reasons, City staff continues to monitor these funds closely to bring them to within their required operating reserve limits.
3. The City’s ability to obtain financing in addition to typical General Fund and Proprietary Fund revenues is demonstrated by numerous grants the City has been successful in obtaining to implement capital projects. Recent grants the City has successfully applied for include a Federal EDA grant for WWTF improvements, a CDBG for the Fire Department remodel, and a FEMA grant for a vehicle exhaust extraction system.
4. The City’s budget contains a section describing the status of long term debt owed by the City, and the long-term obligation policy. City funds had a total outstanding debt of \$16,796,380 as of July 1, 2005, and the Redevelopment Agency had a total outstanding obligation of \$28,111,293 as of July 1, 2005. The City’s long term debt payment amounted to \$1,484,011, and the Redevelopment Agency’s debt payment amounted to \$2,120,173 in F.Y. 2004-05.
5. Major sources of the City’s long term debt include Certificates of Participation issued in 1998 for expansion of the WWTF amounting to over \$5 million of the total debt balance, and Lease Revenue Bonds issued in 2002 for the construction of the Vocational Facility and new Public Works Facility amounting to over \$7 million of the total debt balance.
6. It is recommended that the City explore opportunities to establish assessment districts for the public maintenance and operation of various public facilities, for example, landscaping and lighting.

#### **4) Cost Avoidance Opportunities**

1. The City's budget process is designed to screen out unnecessary costs through the implementation of a program performance budget format. The program performance budgeting system encourages creativity, effectiveness, broad participation in decision making, and accountability.
2. The City also avoids unnecessary spending through the establishment of an Appropriations Limit (Gann Limit), consistent with the requirements imposed by Propositions 4 and 111. The budget year 2004-05 appropriations limit was \$9,364,023.
3. The City avoids unnecessary costs by sharing insurance premiums within all departments of the City. With increasing insurance, workers compensation, and other liability, keeping insurance premiums reasonable has become more and more challenging. The City should continue to explore opportunities to implement methods to keep such costs within reason, including shared insurance coverage for joint agency practices.
4. The City avoids unnecessary costs through the implementation of infrastructure Master Plans and the General Plan, which assist in eliminating overlapping or duplicative services.
5. The City has opportunities to increase its cost effectiveness and revenue raising efforts by including the use of assessment districts, tracking savings and interest on reserves, maintaining a balanced budget including maintaining a General Fund budget that grows each year, and emphasizing performance measurement practices.
6. The City can avoid unnecessary costs associated with the operation and maintenance of the street lighting system by researching and implementing funding options as it relates to Proposition 218 limitations.
7. 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). It can be expected that the City will avoid unnecessary costs that may be caused by the annexation of proposed SOI areas through comprehensive analysis of the costs and benefits of a proposed development in those areas.
8. The City could also avoid unnecessary costs through the construction of joint use facilities, including but not limited to recreational sports fields, parks, or other facilities that could be used by multiple agencies. It is a goal of the City Council to continue partnerships with the local School District and the Chamber of Commerce, an indication of the City's ongoing efforts to work with outside agencies to promote joint use projects.

#### **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 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 the SOI areas for fees consistent with citywide fees for such services.

## **6) Opportunities for Shared Facilities**

### *Current Facilities Sharing Activities*

1. Some examples of the City's interagency cooperation efforts include the establishment of automatic mutual aid agreements with the Tulare County Sheriff's Department, the Tulare County Fire Department, and the City of Visalia Hazardous Response Team, to collaborate public safety efforts.
2. 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.
3. The City is also working with the Alta Irrigation District on a joint project that would construct a groundwater recharge basin. The project would dedicate approximately 50 acres to drainage and recharge facilities.
4. The City has an ongoing partnership with the Alta Irrigation District to coordinate storm water runoff related issues with the City. The City has agreements with the Alta Irrigation District 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.
5. The City continues to work with the Dinuba Unified School District to communicate effectively on issues of shared interest. The City should continue its partnership with the school district to collaborate recreational resources and efforts for the betterment of the community.

### *Future Opportunities*

1. The City should continue groundwater recharge efforts by continuing its partnership with the Alta Irrigation District. As groundwater levels in the County continue to dwindle, the importance of groundwater recharge projects is becoming apparent.
2. 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. The Sultana Community Service District has expressed interest in connecting to the City of Dinuba's wastewater treatment facility. If the Sultana CSD were to connect to the City's WWTF, this would not only allow for additional connections within the Sultana community, but would also free up capacity at the Cutler-Orosi WWTF. The feasibility of interconnecting the Sultana CSD sewer system to the Dinuba sewer system and treatment facility should be explored as a joint effort between the City of Dinuba and the Sultana CSD.
4. According to City staff, connecting the Sultana CSD sewer system to the City's WWTF would create some serious challenges and opportunities. On the positive side, such action may facilitate the funding of the eastside trunk sewer, while on the challenging side, the City would have very little jurisdiction to regulate what is coming into the plant from that line.

## **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 Dinuba.

## **8) Evaluation of Management Efficiencies**

1. The City of Dinuba's mission statement is indicative of the City's efforts to involve the citizens of the community in its decision making processes.
2. The City's budget process 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 that is readily available to respond to the needs of the community.
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. The City ensures that services can be efficiently provided in the SOI areas through the preparation of master service plans to provide infrastructure that will ultimately serve the SOI/UDB areas.
5. The City has a sound organizational structure that should be able to continue to provide quality service to current residents, and accommodate future growth within the City and surrounding urban development areas.

## **9) Local Accountability and Governance**

1. The governing body of Dinuba 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. Regular City Council meetings are held on the second Tuesday at 5:30 p.m. and the fourth Tuesday at 6:30 p.m. in City Hall Council Chambers located at 405 E. El Monte Way, Dinuba.



2. 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, website postings, and community feedback surveys.
3. The City maintains a comprehensive website, which provides a means to keep the public informed on local events, current City projects, recreational activities, and other activities occurring in the City.
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 operating efficiently and areas where improvement may be needed within the organization.

## **1.0 CITY OF DINUBA**

### **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

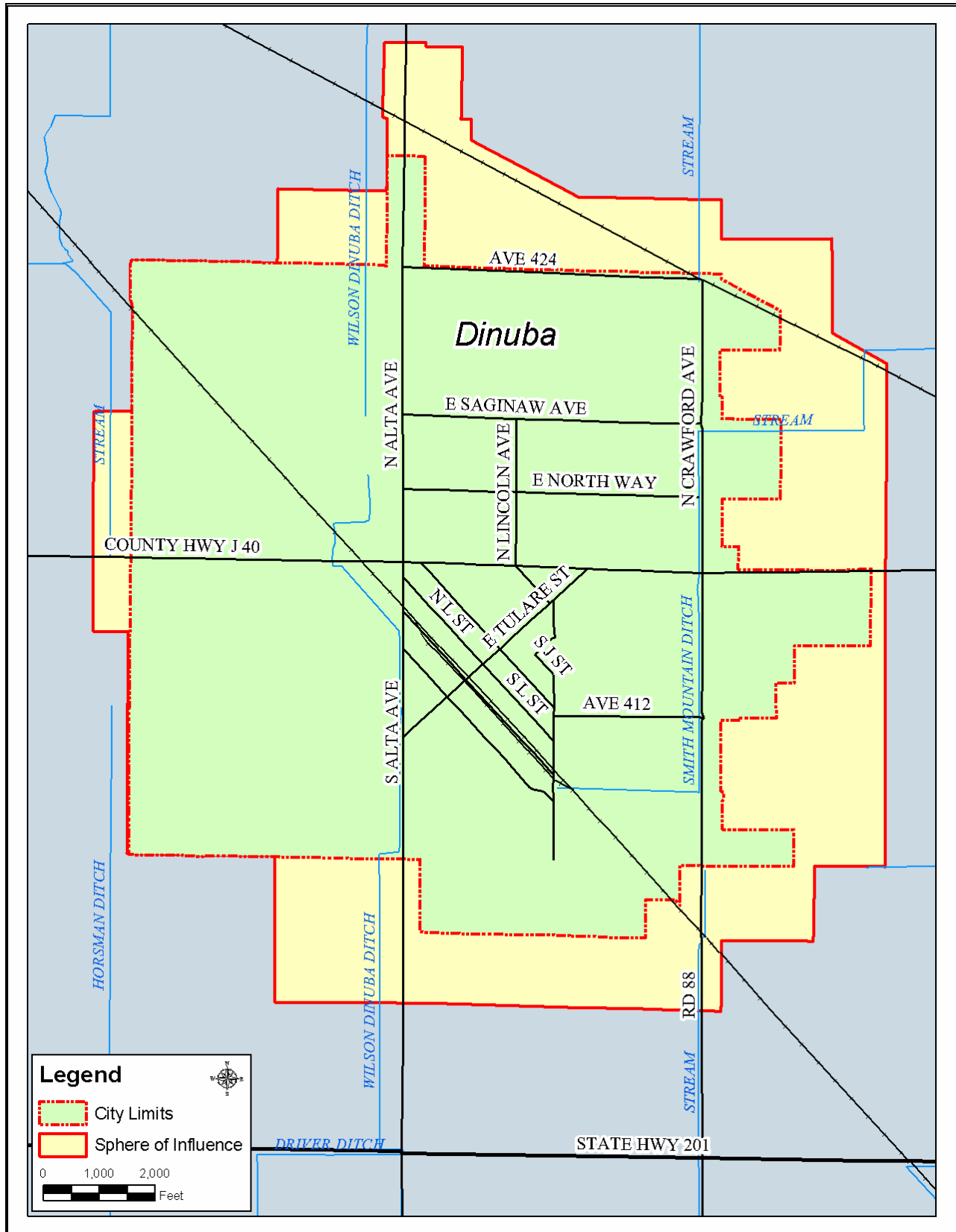
The City of Dinuba, founded in 1888 and incorporated in 1906, is located in the northwest corner of Tulare County in the heart of the agriculturally rich San Joaquin Valley. The City of Dinuba operates under the Council-Manager form of government, and became a “charter” City in June 1994. The City provides the following services that are subject to a municipal service review: public safety (police and fire protection), domestic water, sanitary sewer collection, treatment and disposal, and transportation. The City of Dinuba contracts with a private carrier to provide pickup of solid waste within the City limits.

Power generation and distribution is provided by privately owned utility companies. Power generation and distribution within the City of Dinuba is provided by Pacific Gas & Electric (PG&E). Review of the services provided by privately owned and operated utility companies are excluded from 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.

Dinuba takes pride in maintaining small town traditions and values, while continuing to promote economic development for the betterment of the community. Dinuba is located near the center of the southern San Joaquin Valley with easy access to the entire valley, the rest of the state, and the 11-state Pacific Coast/Intermountain west market area. Freight can be delivered overnight to San Francisco and the south bay communities, Los Angeles, and Sacramento. Fresno to the north and Visalia to the south are rapidly growing metropolitan areas that provide a market for a wide range of products. The City is dedicated to the growth and prosperity of the community, which is achieved by commitment to growth and community development and providing incentives for local business and entrepreneurs. The City provides the following incentives to promote economic activity in the City: immediate access to sites, fast tracking commercial and industrial permits, on site plan review for change orders, relocation assistance, and applications for state/federal grants for offsite improvements, among others.

Incorporated cities surrounding Dinuba include Visalia to the south, Woodlake to the southeast, Reedley to the northwest, Kingsburg to the west, and Orange Cove to the northeast. Smaller size communities surrounding Dinuba include Culter, Orosi, and East Orosi to the east, and Delft Colony and London to the southwest. The current City Limit Boundary and the currently adopted Sphere of Influence (SOI) for the City of Dinuba are illustrated on Figure 1-1.

**FIGURE 1-1 – DINUBA CITY LIMITS AND SPHERE OF INFLUENCE**



Source: Tulare County GIS Database (July 2004)

The following excerpt from the Tulare County LAFCO website ([www.co.tulare.ca.us/lafco/info.asp](http://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.

### 1.1.1 Historical Data & Population Projections

Historical population data and future projections have been obtained from the U.S. Census Bureau, and the California Department of Finance, respectively. For analysis purposes, this data is compared to other source data relating to growth and population including the City's General Plan. Historical census data indicates that the City of Dinuba had a population of 12,743 in 1990 and a population of 16,844 in 2000, which corresponds to an average annual growth rate of approximately 2.8%. The California Department of Finance estimated a January 2005 population of 19,297, which equates to an average annual growth rate of approximately 2.8% between 2000 and 2005. Table 1-1 compares the City of Dinuba's population to the overall population of Tulare County for years 1990, 2000, 2005, and projected for years 2025 and 2030.

**TABLE 1-1  
CITY OF DINUBA HISTORICAL AND PROJECTED POPULATION**

Year	Tulare County	Dinuba	% of Total County Population
1990	311,921	12,743	4.1%
2000	368,021	16,844	4.6%
2005	409,871	19,297	4.7%
2025	594,719	33,524	5.6%
2030	650,466	38,487	5.9%

*Notes: 1) 1990 & 2000 Population Data Based Upon U.S. Census Data*

*2) 2005 Population Estimated by California Department of Finance (DOF)*

*3) 2025 & 2030 Projections for Tulare County Estimated by California DOF*

*4) 2025 & 2030 Projections for Dinuba estimated using annual growth rate of 2.8%*

As indicated in Table 1-1, it is estimated that Dinuba's population will reach approximately 33,500 by year 2025, by applying an average annual growth rate of 2.8% (consistent with historical trends). Since incorporated City's typically experience higher growth rates than the unincorporated areas of Tulare County, it is anticipated that Dinuba will make up approximately 5.6% of the overall County population by year 2025, compared to 4.7% in 2005.

Based upon information obtained from the Tulare County GIS database, the City Limits of Dinuba incorporate approximately 3,118 acres of land, while the City's SOI incorporates approximately 4,418 acres of land (both which include the WWTF area). Recent annexation approvals by LAFCO have incorporated an additional 255 acres of land within the City's SOI into the City Limits.

The *City of Dinuba General Plan Update* (GPU) provides population projections in ten year increments, between 2000 and 2040, as follows.

- Year 2000 Population: 17,735
- Year 2010 Population: 22,151
- Year 2020 Population: 27,387
- Year 2030 Population: 33,516
- Year 2040 Population: 40,464

Interpolating the above data yields a year 2005 population of 19,822, and a year 2025 population of 30,297. Comparing the GPU population estimates to historical census data indicates that the projections for years 2010 and beyond contained in the GPU may be slightly low. Although historical trends indicate an average annual growth rate around 3%, the City acknowledges that the average annual growth rate through 2040 could be as high as 4% to 5%.

### **1.1.2 Planning Documents**

The City of Dinuba plans for future growth through the implementation of policies and standards set forth in General Plan Elements. The General Plan is a long-term, comprehensive framework to guide physical, social and economic development within a community's planning area. Dinuba's General Plan is a long-range guide for attaining the City's goals within its ultimate service area and accommodating its population growth to the year 2020. The *City of Dinuba General Plan Update*, Adopted October 1997, coordinates all components of the City's physical development and sets objectives, policies and standards which guide future growth within the City's planning area.

The City's comprehensive GPU included updates of the following General Plan Elements; land use, circulation, conservation and open space, recreation, urban boundary, and noise. The GPU also incorporated two new elements which included community design and public services and utilities. The remaining mandatory elements which include public safety and housing, were identified by the City as being sufficiently current, and were incorporated into the GPU with minor reformatting only. The City's Housing Element was last updated in 2004, and the Tulare County General Plan Safety Element, which was adopted by the City of Dinuba, was last updated in 1975. The City's General Plan provides an excellent foundation and policy base to guide future growth within the City.

The City also plans for future growth through the preparation and implementation of specific plans and master plans. In March 1992, the City adopted the Southwest Dinuba Specific Plan that established land use, circulation and public facilities planning for approximately 626 acres of land in the southwest Dinuba Area. A master plan for the northeast area of the City is also being developed. The City also master plans public infrastructure systems including, but not limited to, water, sewer, and storm drainage systems. These infrastructure master plans are discussed further in a subsequent section of this report.

### **1.1.3 Planning Boundaries**

In addition to an SOI, which is defined by LAFCO as the "...physical boundary and service area that a local government agency is expected to serve..." the City's GPU identifies ten year and twenty year urban development boundaries (UDB) based upon the capabilities of the City to accommodate new growth.

The Tulare County General Plan contains an Urban Boundaries Element which sets forth policy regarding development within municipal fringe areas surrounding incorporated cities. The following are excerpts from the County of Tulare General Plan Policy Summary Section 1 – Land Use and Urban Boundaries.

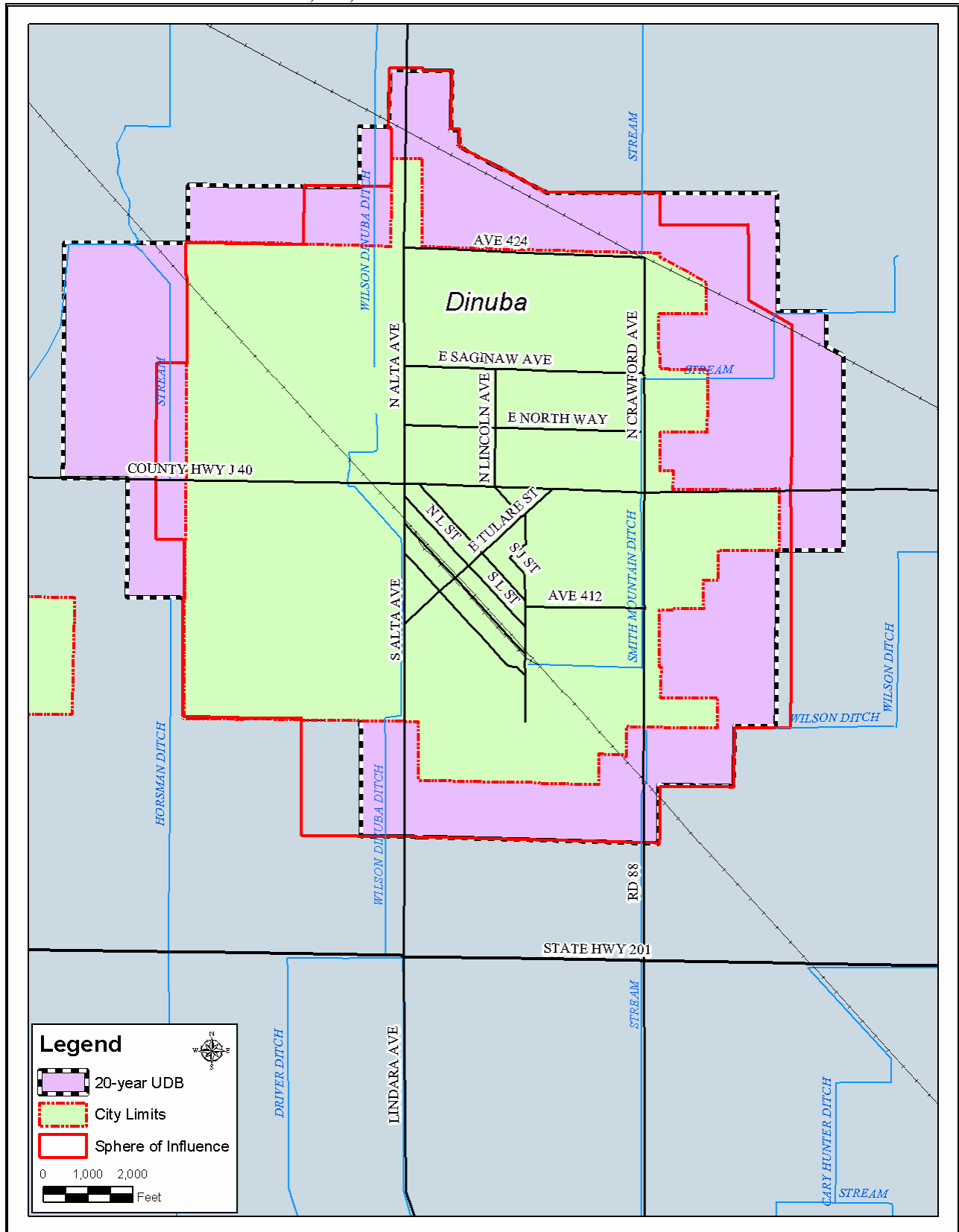
*"This plan element establishes Urban Development Boundaries which define twenty-year planning areas around incorporated cities in which the County and cities will coordinate plans, policies, and standards relating to building construction, subdivision development, land use and zoning regulations, street and highway construction, public utility systems, environmental studies, and other closely related matters affecting the orderly development of urban fringe areas. Within these boundaries, the cities and the County may also establish planning areas representative of shorter time periods in order to assist in more precise implementation of community plans and policies. It is recognized*

*that these boundaries provide an official definition of the interface between future urban and agricultural land uses.”*

*“This plan element establishes Urban Area Boundaries, which define the area where land uses are presumed to have an impact upon 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. Modification of Urban Development Boundaries will be considered at such time as the land use plan for a community is revised to reflect changing needs and circumstances or an extended time frame. Preservation of productive agricultural lands shall be of the highest priority when considering such modifications, and expansion of Urban Development Boundaries to include additional agricultural land shall only occur as a last resort.”*

Urban development is to occur only within the incorporated City Limits, with certain exceptions. Within the 20-year UDB, development proposals are referred to the City for annexation according to adopted plans. If the City cannot, or will not, annex, Tulare County considers the proposal on its merits. Figure 1-2 shows the City Limits and SOI in comparison to the City’s 20-year UDB.

**FIGURE 1-2 – DINUBA CITY LIMITS, SOL, AND 20-YEAR UDB**



Source: Tulare County GIS Database (July 2004)



The City of Dinuba adopted a 10-year urban development boundary as part of its GPU, based upon the capabilities of the City to accommodate new growth. It is anticipated that the City will open up its 20-year UDB for development sometime around the year 2010, although the time frame could vary significantly based upon development demand. The adoption of tiered UDB's also promotes orderly development by discouraging "leap frog" development from occurring.

As indicated on Figure 1-2, the City's adopted SOI generally lies within the City's 20-year UDB except for an area surrounding the southwest area of the City, and a small strip of land surrounding the east area of the City, in which the SOI extends beyond the 20-year UDB. Land outside of the City's 20-year UDB, but within the SOI, as depicted on Figure 1-2, is classified as "Urban Reserve" by the City's General Plan Land Use Map. Consistent with City and County General Plan policies, development proposals within the 20-year UDB are generally referred to the City for annexation. Therefore, it can be reasonably concluded that the City would be expected to provide public services for developments proposed within its 20-year UDB. For this reason, a City's SOI should, at a minimum be coterminous with, or extend beyond the established 20-year UDB. As illustrated on Figure 1-2, this is not currently the case for the City of Dinuba.

It is recommended that the City of Dinuba review its SOI to determine if all land within the City's established 20-year UDB is included within its SOI, and explore opportunities to expand its SOI to encompass such land that may not currently be within the City's SOI. The City's General Plan study area boundary incorporates all land within the City's SOI, and 20-year UDB, including a buffer area containing land outside of the City's SOI, and 20-year UDB. The City's GPU designates greenbelts along the eastern, northern, and northwestern boundaries of the General Plan study area (outside of the established 20-year UDB), more specifically, east of Road 96, north of Avenue 430, and west of Road 72 north of Nebraska Avenue.

### **1.1.3 Land Use**

Major City industries within Dinuba are concentrated in food processing and agriculture production. Key economic growth opportunities identified in the City's GPU include a combination of large scale and small scale industrial developments. Large scale, heavy industry development could occur in agricultural chemicals and fertilizers, and in some of the food processing and packaging material production industries. Wholesale and distribution centers may also be a large scale development opportunity. Other growing business sectors represent smaller scale light industrial opportunities.

Dinuba's Land Use Element designates the general distribution of land for residential, commercial, industrial, agricultural and governmental development. The plan includes land outside the City's boundaries, providing a comprehensive growth and development plan.

The City's website contains extensive information with regard to economic development within Dinuba. The economic development section on the City's website includes information regarding available industrial sites (including a map of the Industrial Area), business incentives, a one-stop permit center, and redevelopment. Dinuba's industrial park, which totals approximately 690 acres, is located in the southwest portion of the City, and is generally bounded by El Monte Way to the north, Kamm Avenue to the south, Alta Avenue to the east, and Road 72 to the west. As indicated on the City's website, there is over 400 acres of M-1 or C-4 zoned land available for development.

The City commits itself to the growth and prosperity of the community by proving the following incentives to local businesses and entrepreneurs.

- Immediate access to sites
- Fast tracking industrial and commercial permits
- On-site plan review for change orders
- Dedication of Tulare County Economic Development Corporation staff to assist with business loans
- Assistance with relocation through local realtors
- Application for State/Federal Grants and Loans for off-site improvements
- Enterprise zone benefits

The City's one stop permit center was established to fast track commercial and industrial projects through the permit process.

As identified in the City's GPU, Dinuba has established a redevelopment agency and adopted the Downtown Urban Design Plan. The purpose of the plan is to reverse the declining economic of the downtown and to maintain the area as a commercial, cultural, and aesthetic center of activity. The redevelopment process will continue to be an important development tool not only in the downtown but in other blighted areas of the City.

The City's General Plan Land Use Element outlines several policies relating to land management, and development within and surrounding the City. Some of these policies, which could be seen as applicable to the MSR process, are reiterated below.

*Policy 8: "The City should undertake a review of the General Plan's demographic, financial, land use demand and supply, and infrastructure assumptions no less frequently than once every five years to provide an opportunity for necessary mid-term modifications to the General Plan. This review should include public participation."*

*Policy 9: "Prior to annexation, specific plans and master plans should be utilized, where appropriate, to implement the General Plan."*

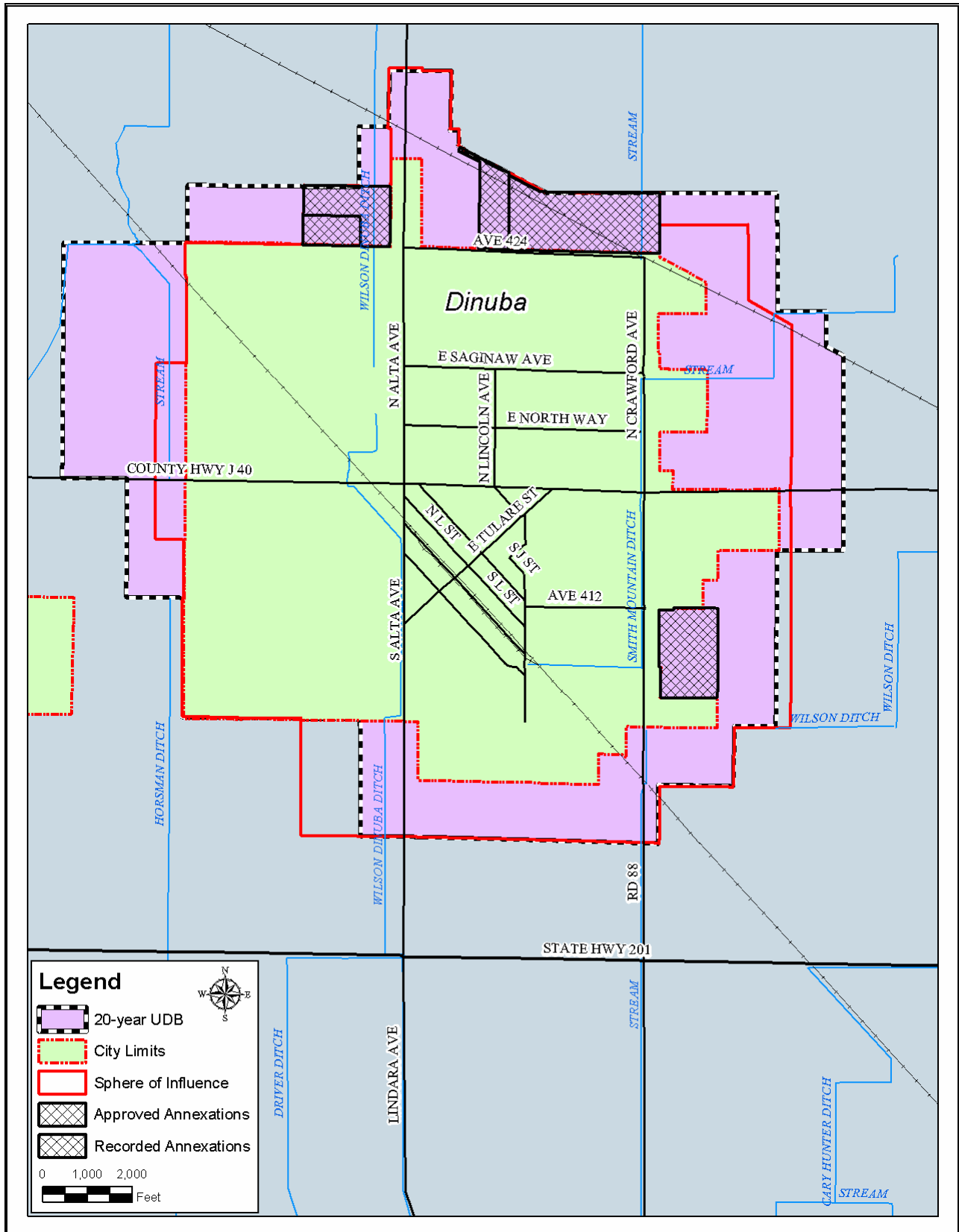
As prescribed by General Plan Policy, the City should undertake a review of the land use demand and supply no less than once every five years. It is recommended that the City coordinate this process with the scheduled updates to Spheres of Influence. Following mid-term General Plan reviews of land demand vs. supply, it is recommended that the City determine the need and explore opportunities to expand its SOI. The process should include public participation, and stakeholders' workshops.

The City's General Plan Map for Land Use can be viewed on the City's website at [www.dinuba.org](http://www.dinuba.org) or purchased for \$5.00 at City Hall.

#### **1.1.4 Annexations**

In 2002, the City annexed over 800 acres of land into the City, including 384 acres in the northwest area of the City, and 61 acres at the WWTF site, and 362 acres in the southwest, south, and southeast areas of the City. The City Limits shown on all Figures include all approved annexations from 2002. More recently, LAFCO has approved four annexation proposals in the northern portion of the City, and one proposal in the southeastern portion of the City, totaling approximately 255 acres. These recently approved annexations are illustrated on Figure 1-3. In addition, the City has also submitted two annexation applications, which are on file with LAFCO, but have not yet been approved (these are not shown on Figure 1-3). All of the potential/approved annexations are within the City's SOI.

**FIGURE 1-3 – RECENTLY APPROVED ANNEXATIONS**



Source: Tulare County GIS Database (July 2004)

### **1.1.6 Written Determinations**

#### *Historical Data & Population Projections*

1. Historical Census data indicates that Dinuba had a 1990 population of 12,743, and a 2000 population of 16,844. California Department of Finance projections indicated a January 2005 population of 19,297. These trends indicate that Dinuba's population is growing at an average annual rate of approximately 2.8%.
2. Based upon historical population trends, at an average annual growth rate of 2.8%, Dinuba's 2025 and 2030 population are projected to be 33,524 and 38,487, respectively. These projections are higher than those contained in the City of Dinuba General Plan Update, which are 30,297, and 33,516 for 2025 and 2030, respectively.

#### *Planning Documents*

1. The City plans for future growth through the implementation of policies and standards set forth in General Plan Elements. Dinuba's General Plan is a long-range guide for attaining the City's goals within its ultimate service area and accommodating its population growth to the year 2020. The City's General Plan provides an excellent foundation and policy base to guide future growth within the City.
2. The City also plans for future growth through the preparation and implementation of specific plans and master plans. The City adopted the Southwest Dinuba Specific Plan in 1992, and is in the process of preparing a specific plan for the northeast area of the City. The City also master plans public infrastructure systems including water, sewer, and storm drain systems.

#### *Planning Boundaries*

1. The Tulare County General Plan contains an Urban Boundaries Element which sets forth policy regarding development within municipal fringe areas surrounding incorporated cities.
2. According to adopted plans, urban development is to occur only within the incorporated City Limits, with certain exceptions. Within the 20-year UDB, development proposals are referred to the City for annexation. If the City cannot, or will not, annex, Tulare County considers the proposal on its merits.
3. The City adopted a 10-year UDB as part of its GPU, based upon the capabilities of the City to accommodate new growth. It is anticipated that the City will open up its 20-year UDB for development sometime around the year 2010, although the time frame could vary significantly based upon development demand. The adoption of tiered UDB's promotes orderly development by discouraging "leap frog" development from occurring.
4. Consistent with City and County General Plan policies, and boundary definitions, a City's SOI should, at a minimum, be coterminous with, or extend beyond the established 20-year UDB, which is not currently the case for the City of Dinuba.
5. It is recommended that the City review its SOI to determine if all land within the City's established 20-year UDB is included within its SOI, and explore opportunities to expand its SOI to encompass such land that may not currently be within the City's SOI.

### *Land Use*

1. As prescribed by General Plan Policy, the City should undertake a review of the land use demand and supply no less than once every five years. It is recommended that the City coordinate this process with the scheduled SOI updates to determine any modifications that may be necessary.
2. The City's General Plan Map for Land Use can be viewed on the City's website at [www.dinuba.org](http://www.dinuba.org) or purchased for \$5.00 at City Hall.

### *Annexations*

1. Dinuba has been very active in annexing additional land into the City. In 2002, the City annexed over 800 acres of land into the City, and more recently annexed approximately 255 acres into the City. All pending and approved annexations are within the City's SOI.

## **1.2 INFRASTRUCTURE NEEDS AND DEFICIENCIES**

The purpose of this section is to evaluate the infrastructure needs and deficiencies of the City of Dinuba in terms of availability of resources, capacity to deliver services, condition of facilities, planned improvements, service quality, and levels of service.

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.

### **1.2.1 Capital Investment Program (2006-2010)**

The preparation of the City's five-year Capital Investment Program involved several months of planning and development by key management team members who evaluated the City's Capital Investment needs to accommodate the community both now and in the future. The five-year CIP reflects the City Council goals and targets for capital improvements that implement General Plan strategies. The City Council included the fiscal year (F.Y.) 2005-06 portion of the CIP in the City's budget and adopted the CIP as a planning document. The F.Y. 2005-06 capital budget contains 27 funded projects totaling \$13,882,689, compared to 16 funded projects totaling \$7,390,000 last fiscal year. The City's CIP is a systematic program of planning in advance for capital improvements to the community. The CIP includes projects that help achieve the following.

- Acquire lands for community projects such as streets, utilities, drainage basins and park expansions;
- Repair, reconstruct or rehabilitate public facilities to extend their useful life, preserve the community's investment in these facilities and maintain the quality of life in the community;
- Expand or extend public facilities consistent with the General Plan;
- Facilitate the development and redevelopment of the community's commercial and industrial base.

The CIP is designed as a planning tool to assist the community in its orderly development in the acquisition of municipal facilities and to assure that service needs for the future are met. The CIP ties the City's physical development to goals and decisions expressed through hearings, citizen advisory groups, the City staff, and documents including the City's General Plan. The CIP identifies projects which meet City goals and it also matches projects with available funds that may range from various City reserve funds, user fees, state and federal grants, bonds, and loans.

CIP projects is required to be consistent with 1) the City's General Plan; 2) facility plans and related documents; 3) the City Council's targets; and 4) mandates from state or federal regulatory agencies. Projects identified in the City's CIP are ranked on a priority scale of I to IV. Priority I projects are those which have available funding (i.e. available grants and outside sources); those which promote economic development (i.e. create jobs, increase revenues); those which are mandated by state or federal agencies; and those which resolve critical safety issues and benefit multiple agencies. Priority II projects address basic safety, law enforcement, health and welfare concerns in the community. Priority III projects enhance quality of life and improve the livability in the community, such as providing cultural,

recreations, and/or aesthetic value. Priority IV projects are those which will improve the community but do not necessarily need to be completed within a five year time frame. The project may protect prior community investment in public facilities and infrastructure. Funded CIP projects are categorized into the following six program areas.

- Transportation Projects
- Storm Drain Projects
- Parks Projects
- Water Projects
- Sewer Projects
- Other Projects

The City's CIP identifies over twenty revenue sources from which CIP projects are funded. The CIP provides a comprehensive description of each revenue source, and how the resources are allocated. Projects for which funding is currently not available, but which are considered important in carrying out the goals of the City Council, are included in a separate section of the City's CIP for future planning efforts.

### **1.2.2 Domestic Water**

The City's water supply is derived from seven active deep underground water wells which have a total maximum production efficiency of approximately 11.0 million gallons per day (MGD), or approximately 7,600 gallons per minute (GPM). The City's water system also includes two elevated storage tanks, over 1,300 water valves, over 550 fire hydrants, and approximately 60 miles of water transmission and distribution pipelines. A Granular Activated Carbon (GAC) filtration system, which treats the groundwater prior to being chlorinated and distributed, is located at Well #14. The following information with regard to domestic water production was obtained from City staff.

- Daily Average = 4.2 MGD
- Maximum Capacity = 11.0 MGD
- Maximum Daily Demand = 7.3 MGD

Based upon the maximum daily demand, it is estimated that the City's water system is currently operating at approximately 65% of its capacity. The City owns and maintains two elevated water storage tanks with capacities of 225,000 and 1,000,000 million gallons, respectively.

The City's water system is 100% metered, which promotes water conservation. There are approximately 4,575 total connections to the City's water system, including 4,137 residential connections, 434 commercial connections, and 4 industrial connections. In spring 2004, the City began a locally funded water system enhancement project that included the construction of a 12" water main along portions of Kamm Avenue and Crawford Avenue. The project improved the quality and reliability of domestic water delivered to that area of the City.

The City's water supply and distribution system was studied as part of the *Water System Evaluation/Water Quality Evaluation* (Boyle Engineering, September 1993). The study area in the *Water System Evaluation/Water Quality Evaluation* incorporated a study area of approximately 3,375 acres. The City has continually implemented several improvements to the domestic water system consistent with recommendations contained in the *Water System Evaluation/Water Quality Evaluation*. As of the preparation of the City's GPU (June 1997), the City had implemented the following water system improvements as recommended in the *Water System Evaluation/Water Quality Evaluation*.

- Removed five wells from service due to water quality issues
- Constructed five new wells for domestic use
- Installed standby power units at two wells
- Various distribution system (pipeline) improvements

City staff indicated that Boyle Engineering is in the process of updating the City's Water System Master Plan. It is recommended that the Water Master Plan Update include a study area that, at a minimum, encompasses all areas within the City's 20-year UDB and SOI. Any foreseen areas that the City anticipates including in its 20-year UDB or SOI should also be included within the water planning area.

The City's recently constructed 1,000,000 gallon water storage tank significantly increased the City's ability to meet fire flow demands. The following excerpts from the City of Dinuba GPU address the city's water system.

*"The distribution system should be expanded on the basis of constructing a network system of minimum 12-inch diameter water mains on a maximum one mile grid pattern. Well locations could cause the grid spacing of 12-inch mains to be less than one mile. Industrial areas should be constructed with a network grid spacing of 12-inch water mains at a maximum one-half mile grid patterns."*

*"The water system can be readily and incrementally expanded to serve newly developed areas. System development charges can be developed on the basis of the proposed new wells and water mains needed for future development."*

*"As urban growth replaces agricultural land uses, a regional concern for groundwater recharge and overdraft will become an issue for both the City of Dinuba and the surrounding farmland. As ditches become piped and irrigated agricultural lands are developed for urban use, the amount of groundwater recharge will be reduced while groundwater pumping continues in the same area at equal or greater rates. Retention of surface water allocations associated with land that is converted from agricultural use to urban development. The City could maintain these water allocations for the purpose of either a groundwater recharge program or the future use of said surface water for direct treated City consumption."*

The City's CIP ensures that Dinuba can continue to provide adequate water supply to the growing community for the next decade. The City has applied for a Clean Water Loan to fund a new water reservoir, water mains, and wells shown in the CIP. Other projects are funded by system development charges (impact fees) and user fees. There are seven water projects, described in detail below, identified in the City's CIP.

**Community Water System Improvements** – This has been identified as a priority II project with a purpose of providing a more dependable, cleaner source of water to the community. The project, which is annually funded through F.Y. 2009-10, includes the replacement of undersized mains, wharf-head hydrants, dead end mains, and mains that are no longer cost effective to maintain. The project protects the City's investment in its infrastructure by ensuring the facilities remain in good condition, reduces loss of service due to system failure, and contributes toward maintaining the City's current fire rating by replacing and modernizing fire hydrants. The project is locally funded through transfers from the Water Construction Fund, and Water System Development Charges.



**Community Water Well Improvements** – This has been identified as a priority I project with a purpose of providing a cleaner, safer water supply to the community. The project, which is funded every other year through F.Y. 2009-10, includes the installation of one chlorine generator and injection unit per well site every other year at a total of six potential well sites. The project is consistent with current mandates by the Department of Health Services, and gives the City the ability to chlorinate the water distribution system in emergencies (water sample failures due to intrusion from natural occurrences, disasters, and security breaches). The project is locally funded through transfers from the Water Construction Fund.

**El Monte Way Water Main** – This has been identified as a priority II project with a purpose of providing a more dependable supply of water. The project, which is funded for F.Y. 2005-06, includes replacing the water main on El Monte Way from Bates Avenue to Fresno Street. The project, which is consistent with the El Monte Way widening plan, would increase flows and water pressure within the system. The project is funded through a State of California Safe Drinking Water Loan, which will be repaid through water user and system development charges.

**Well No. 19** – This has been identified as a priority II project with a purpose of improving the water system pressure and reliability. The project, which is funded for F.Y. 2005-06, includes the construction of a new well located at the new Public Works Yard in the southeast section of the City. The well will include an automatic starting backup power system. The project is funded through a State of California Safe Drinking Water Loan, which will be repaid through water user and system development charges.

**Well No. 20** – This has been identified as a priority II project with a purpose of improving the water system pressure and reliability. The project, which is funded for F.Y. 2005-06, includes the construction of a new well located at the southwest quadrant of the Road 74/Sierra Way intersection, in the southwest section of the City. The well will include an automatic starting backup power system. The project is funded through a State of California Safe Drinking Water Loan, which will be repaid through water user and system development charges.

**Northeast Water Reservoir** – This has been identified as a priority II project with a purpose of providing an emergency supply of domestic water for the City. The project, which is funded through F.Y. 2006-07, includes the construction of a one million gallon elevated tank in the northeast section of the City. The project will provide a reserve supply of potable water and increase water pressures in the northeast section of the City. The project is funded through a State of California Clean Water Loan, which will be repaid through water user and system development charges.

**Water Well Enclosures Well Nos. 11 & 14** – This has been identified as a priority II project with a purpose of ensuring that the pump, relays, valves, and telemetry equipment at the well sites will be protected from the environment and unauthorized intrusions. The project, which is funded for F.Y. 2006-07, includes the construction of two buildings for well pump equipment and electrical controllers at the sites of Well Nos. 11 & 14. The project will ensure that the City's significant investment in its water production facilities will be preserved. Well No. 14 is equipped with filtration, chlorination, and standby power facilities which should be protected from the elements of vandalism, and intentional contamination. Well No. 11 is the most productive well, pumping at a rate of approximately 2,200 GPM. The project accomplishes the purpose of the Chapter 3 grant program in that it provides a protective structure designed to prevent intentional damage or contamination to the community's drinking water supply. An application for a Proposition 50 Water Securities Grant has been submitted by the City.

The City's approach to planning for and implementing water system improvements is excellent, and is demonstrated by the City's dedication to aggressively seeking outside grant/loan funding, and making sure adequate funding is allocated towards the City's five year CIP. The following water projects are identified as "unfunded" in the City's current CIP.

- Replace water mains, water services, and fire hydrants along Golden Way and Academy Way, and install water mains, water services, and fire hydrants on Holden Way.
- Replace water main, water services, and fire hydrants on Park Way from College to Wilson. Install new water main from Wilson to Palm.
- Replace water main, water services, and fire hydrants along Dickey Way, and extend water main up to W. North Way.
- Install new water main along Alta Avenue from Motel to Tulare Street.
- Install new water main, water services, and fire hydrants along Alta Avenue from N. “L” Street to Sierra Way.

City staff has indicated that the City has an adopted water conservation ordinance but it has not been necessary recently to impose restrictions. It is recommended that the City consider posting the water conservation ordinance on its website as a way of continuing to promote water conservation in the City and potentially increase the level of public participation.

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, Dinuba has complied with the Urban Water Management Planning Act (for 2000), as their Urban Water Management Plan (UWMP) has been found by the California Department of Water Resources to be complete. The City 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.

### **1.2.3 Drainage Infrastructure**

The City’s storm drainage infrastructure was evaluated as part of the *Storm Drainage Master Plan* (Quad Engineering, 1989), and the City’s GPU in 1997. The City’s storm drain system consists of surface runoff to streets (curbs and gutters) and entry into subsurface pipelines that terminate at pump stations discharging to surface ditches or at small retention basins. The system is divided into subsystems, identified below.

- Sequoia-Alta System
- Northway System
- Midtown System
- Golden Way System
- Kamm-College System
- El Monte-Euclid System
- Other Drainage

Table 1-2 below provides a brief description of each storm drain sub-system including general shed area, calculated surcharges for two-year storm intensities, discharge point (channel), and discharge capacity.

**TABLE 1-2  
STORM DRAIN SUBSYSTEM DESCRIPTIONS**

<b>Subsystem Name</b>	<b>General Shed Area</b>	<b>Calculated Surcharges (%)</b>	<b>Discharge Channel</b>	<b>Discharge Capacity</b>
Sequoia-Alta	N. of Saginaw Ave. & E. of Alta Ave.	135% - 392%	Alta Irrigation District Ditch	8.3 cfs
Northway	N. of North Way & E. of Alta Ave.	161% - 542%	Alta Irrigation District Ditch	8.3 cfs
Midtown (Sub-area 1)	N. of El Monte Way & E. of Alta Ave.	466% - 683%	Alta Irrigation District Ditch	5.5 cfs
Midtown (Sub-area 2)	S. of El Monte Way & E. of Alta Ave. & N. of Vassar Ave.	398% - 1,059%	Alta Irrigation District Ditch	4.4 cfs
Midtown (Sub-area 3)	S. of El Monte Way & E. of Alta Ave. & N. of Vassar Ave. & N. of E. Whittaker Way & W. of Crawford Ave.	1,270% - 2,189%	Alta Irrigation District Ditch	10.0 cfs
Golden Way	S. of Whittaker Way & W. of Crawford Ave.	Not Available	Alta Irrigation District Ditch	5.0 cfs
Kamm-College	S. of Vassar Ave. & W. of the S.P.R.R. tracks, N. of Kamm Ave. & E. of Alta Ave.	Not Available	Alta Irrigation District Ditch	0.9 cfs
El Monte-Euclid	S. of Bloomingdale Way & W. of Alta Ave. & N. of El Monte Way & E. of Alice Ave.	494% - 687%	Alta Irrigation District Ditch	8.3 cfs

Notes: 1) Reference: City of Dinuba General Plan Update (Quad, October 1997)  
2) cfs = cubic feet per second

In addition to the subsystems identified in Table 1-2, small drainage areas created by new development have in previous years, been allowed to drain to on-site retention ponds. The ponds were typically constructed with steep side slopes and have been characterized by the City as aesthetically undesirable and in some cases hydraulically unsatisfactory. Since the City Council's adoption of the Storm Drainage Master Plan in 1989, a significant amount of development has resulted in the implementation several master planned improvements, including the construction of the following subsystems; Nebraska system, Crawford-Olive system, and Nebraska-Euclid system, and improvements to the Midtown, and Kamm-College systems.

The general storm drainage related needs of the City are divided into two categories, one being the improvement of existing drainage systems serving developed areas, and two, the master planning of new drainage systems to serve undeveloped lands located within the boundaries of the City's GPU.

As indicated in the City's GPU, older existing drainage systems are in general need of substantial pipeline upsizing and/or replacement due to inadequate capacities. Additionally, the existing pump stations located at the terminus points of established pipeline systems do not have adequate capacity to accommodate the flows that would be transported by the upsized pipelines recommended in the Master Plan. Existing pump station capacities cannot be increased due to discharge limitations prescribed in an agreement entered into between the City and the Alta Irrigation District. For this reason, the GPU prescribes that proposed detention basins at existing pump station sites will need to be constructed to accommodate anticipated high volume flows generated during storm periods. The detention basins would store the City's storm runoff during peak periods, allowing the pump stations to discharge over a longer period of time to the Alta Irrigation District facilities. The basins will also accommodate, on a short term basis, the potential temporary shut-off of these pump stations, in the event that the Alta Irrigation District

facilities are themselves, temporarily surcharged. While the recommended improvements to the older storm drainage infrastructure are important, they are essentially a separate issue from the storm drainage infrastructure that will serve new development areas.

The City's GPU indicates that undeveloped areas (proposed for future development) should be served by permanent retention/detention facilities to accommodate runoff disposal, due to continued indications from the Alta Irrigation District that additional transport capacity in their facilities is not available. The City assesses system development charges (impact fees) to facilitate storm drainage facilities in areas proposed for urban development.

The City's CIP ensures that Dinuba can continue to provide storm drainage infrastructure to the growing community in future years. Capital storm drain projects assist in alleviating flooding conditions in the community and provide for a safer and cleaner environment. The City has an adopted drainage fee schedule for new developments, however, fees for pre-existing systems and their associated problems were not addressed. There are five storm drainage projects, described in detail below, identified in the City's CIP.

**Community Drainage Improvements** – This has been identified as a priority III project with a purpose of alleviating flooding and health and sanitation issues. The project, which is annually funded between F.Y. 2006-07 and F.Y. 2009-10, would correct minor drainage issues or problem areas in the community. The project is locally funded through development fees.

**Kern Street Drainage System Improvements (Phase II)** – This has been identified as a priority III project with a purpose of reducing flooding in the downtown area and at Kern and O Streets. The project, which is funded through F.Y. 2006-07, includes the construction of a 60" and 54" storm drain pipe in Kern Street (College to Alta), and feeder lines from adjoining neighborhoods (approximately 7,050 linear feet of new pipeline). The project is locally funded through transfers from the Storm Drain Construction Fund, and MTBE settlement funds. The City has received MTBE settlement monies from various oil companies due to MTBE contamination.

**Groundwater Recharge Basin** – This has been identified as a priority III project with a purpose of reducing local flooding and promoting groundwater recharge by providing a large area for impounding flood waters and excess irrigation water. The project, which is funded through F.Y. 2006-07, includes the dedication of approximately 50 acres to drainage and recharge facilities, consistent with the City's GPU. The project, which is a joint project with Alta Irrigation District, is funded through Proposition 13 for water resource enhancements. In the future an additional 30 acres will be acquired for park and open space facilities. The State Grant Application for the project has been approved, and preliminary design has been completed. Forty acres needed for the project are currently owned by the City, and ten will need to be acquired from a private party.

**Lindara Tract Drainage System Improvements** – This has been identified as a priority I project with a purpose of reducing flooding in the Lindara Tract neighborhood. The project, which is funded for F.Y. 2005-06, includes the construction of approximately 400 feet of 12" storm drain pipe and structure to connect to a storm drain basin near well #18. The project is locally funded from the Storm Drain Construction Fund.

**"M" Street Drainage System Improvements** – This has been identified as a priority I project with a purpose of reducing flooding in and adjacent to the Dinuba Vocational Center parking lot. The project, which is funded in F.Y. 2005-06, includes the construction of a 24" storm drain pipe in "M" Street from Fresno Street to Merced Street. The project is locally funded from the Storm Drain Construction Fund.

The City's approach to planning for and implementing storm drain system improvements is excellent, and is demonstrated by the City's dedication to aggressively seeking outside grant/loan funding, and making sure adequate funding is allocated towards the City's five year CIP. There are no storm drain projects identified as "unfunded" in the City's current CIP.

#### **1.2.4 Wastewater Collection, Treatment, and Disposal**

The City provides sanitary sewer collection, treatment, and disposal services to residents in the community. The sanitary sewer collection system consists of gravity collection pipes, manholes, service laterals, pump stations, and trunk sewer mains. Several studies of the City's sewer collection system have been conducted in the past. These past studies of the City's sanitary sewer system are identified below.

- **"Report on Wastewater Survey", John Carollo Engineers, 1967** – This initial study evaluated the City's collecting sewers, interceptor (trunk) sewers, treatment facilities, and effluent disposal.
- **"Report to City of Dinuba on Dinuba Industrial Sewers", John Carollo Engineers, 1971** – This follow-up study addressed the sanitary sewer needs for industrial users connected to the system.
- **"Trunk Sewer Survey", John Carollo Engineers, 1973** – This report was prepared to supplement the 1971 report by including residential as well as industrial needs.
- **"City of Dinuba East Side Sanitary Sewer Study", QUAD Engineering, 1987** – This study evaluated the City's sanitary sewer collection system in the eastern part of the City.

As identified in the City's GPU, although several of the previous studies are over 25 years old; a significant portion of the conclusions and recommendations were still valid as of the City's adoption of the GPU in 1997. The City continues to upgrade its sewer collection system consistent with recommendations in the past reports identified above. As the improvements identified in those studies near build-out, it will be necessary for the City to undertake a comprehensive "Sewer System Master Plan Update". Land use and zoning changes which have occurred since the preparation of the previous studies may change the sewer collection needs within the affected area, thereby triggering the need for more detailed analyses of sewer capacities. The comprehensive "Sewer System Master Plan Update" should, at a minimum, incorporate areas within the City's 20-year UDB and SOI.

The City's Wastewater Reclamation Facility (WRF) was studied in 1992, and again in 2003/04 as a part of the following reports.

- **"Wastewater Reclamation Facilities Plan for the City of Dinuba, Final Report", John Carollo Engineers, 1992** – The plan determined the necessary requirements to bring the WRF into compliance with waste discharge requirements (set forth by the Regional Water Quality Control Board – RWQCB), and included recommendations for expanding treatment and disposal capacity needs to the year 2010.
- **"City of Dinuba Master Plan 2003/04", RTW Engineering, 2003/04** – This master plan served as an update to the 1992 master plan identified above. Recommendations included exploring the feasibility of the Reclamation, Conservation, and Recreation Project.

The City's WRF is located approximately two miles west of the City along the southern frontage of Avenue 412, west of Road 70. The wastewater consists primarily of domestic sewage from the

community of Dinuba and industrial waste from food processing plants. Due to problems caused at the WRF due to excessive grease loadings, the City implemented a pretreatment program for industrial dischargers, which has proven successful. The pretreatment program implements a tiered rate structure that bills industrial users based upon the amount BOD and SS loadings that are being discharged. The WRF is a Class III activated sludge plant that consists of headworks, primary and secondary clarifiers, trickling filters, polishing ponds, sludge beds, and evaporation/percolation ponds.

The WRF operates under provisions outlined in *Waste Discharge Requirements (WDR) Order No. 95-200*, issued by the RWQCB. WDR Order No. 95-200 prescribes that the monthly average dry weather discharge flow shall not exceed 3.0 million gallons per day (MGD). In accordance with Provision F.4 of WDR Order No. 95-200, a Registered Engineer certified that improvements completed at the WRF are designed for a total treatment capacity of 3.14 MGD average daily maximum month flow (ADMMF). Based upon information contained in the *Wastewater User Charge Survey Report F.Y. 2004-05*, issued by the State Water Resources Control Board in May 2005, the City of Dinuba reported an average dry weather flow of 2.2 MGD, indicating that the WRF is operating at approximately 70% of its capacity.

The City's CIP ensures that Dinuba can continue to provide sanitary sewer collection, treatment, and disposal services to the growing community in future years. A community's growth can be limited by its ability to adequately convey and treat its wastewater. Capital sewer projects allow for continued efforts to improve the City's wastewater collection system and treatment facilities to ensure that there is adequate capacity for future growth and development. There are three sewer projects, and one "other" project that pertains to WRF improvements described in detail below, programmed in the City's CIP.

**Community Wide Sewer System Improvements** – This has been identified as a priority II project with a purpose of improving existing City facilities and thereby extending their useful life; protect the City's investment, and increase sewer service to the City. The project, which is annually funded through F.Y. 2009-10, includes ongoing improvements to the City's wastewater collection system, including replacement of lines that have exceeded their useful life. Selected projects are reviewed and implemented on an annual basis. The project is locally funded through transfers from the Sewer Construction Fund.

**Wastewater Reclamation Facility Expansion** – This has been identified as a priority I project with a purpose of expanding the WRF to accommodate residential and industrial growth and to bring the facility into compliance with State regulations. The project, which is funded through F.Y. 2005-06, includes construction of new sludge beds, new aeration basins, new aerobic digester, additional pumps, distribution piping, disposal facilities, and other related improvements. The project is funded through system development charges (impact fees), bond proceeds, and a Federal EDA grant. An application for an EDA grant has been submitted. Assuming award of the grant, funding will not be available until late 2005.

**Install Grit Removal System** – This has been identified as a priority II project with a purpose of extending the life of plant pumps and processes as excessive grit leads to early failure of plant equipment. The project, which is funded during F.Y. 2006-07, includes the construction of a grit removal system upstream of process pumps and equipment at the WRF. The project is locally funded through transfers from the Sewer Construction Fund and system development charges.

**Reclamation, Conservation and Recreation Project** – This has been identified as a priority I project with a purpose of providing for wastewater effluent and sludge disposal, create wildlife habitat and nature conservancy, and provide recreational and social amenities for the community. The project, which is funded through F.Y. 2007-08, includes the construction of wetlands, ponds, and 18-hole golf course, a club house, maintenance facility, driving range and related improvements. The project is locally funded through bond issuances and development income.

The City's approach to planning for and implementing sewer system improvements is excellent, and is demonstrated by the City's dedication to aggressively seeking outside grant/loan funding, and making sure adequate funding is allocated towards the City's five year CIP. The following sewer projects are identified as "unfunded" in the City's current CIP.

- Wastewater disposal pond construction
- Eastside sanitary sewer trunk line
- Tulare street relief sewer
- Demolition of old facilities at WRF
- Landscaping along Kamm Ave. and Sierra Way frontages
- Pipe Alta Irrigation District lines through WRF
- Seal disposal ponds with soil cement
- Chlorination and de-chlorination of plant effluent
- Replacement of headworks/bar screens

Unfunded projects are not considered as high priority projects consistent with the current goals of the City Council, but are projects that are anticipated to be needed in future years, and will likely be allocated funding sometime during the CIP cycle.

### **1.2.5 Streets and Roads**

The City constructs transportation improvements through the implementation of goals and policies set forth in the City's General Plan Circulation Element, and other plans, including the Tulare County Regional Transportation Plan, which is updated every three years. The City's budget identifies several funds which are set up primarily for the implementation of transportation improvements, including but not limited to the following.

- Traffic Safety Fund – Funds used for traffic control devices, the maintenance, equipment and supplies for traffic law enforcement and for the maintenance, improvement of, and construction of public streets within the City. This fund generates revenue from traffic school fees, general base fines – courts, and interest earnings.
- Gas Tax Fund – This fund is used to account for the City's share of the gas tax street funds received from the State. The funds must be used for street purposes.
- Street Local Transportation Fund (LTF) – This fund is used to account for the City's share of the Transportation Development Act (SB 325) funds allocated by the State. The funds must be used for transportation purposes.
- Transportation Construction Fund – This fund accounts for the revenue received from State grants or loans that is used solely for improvements to City streets, infrastructure, and transportation system.
- Transportation Systems Development Fund – This fund accounts for the revenue from developer fees and expenditures for the installation of traffic control devices and transportation related items.

The City's GPU identifies that all City streets would operate at LOS "C" or better conditions through year 2015. Current (2005-2007) goals of the City Council include the following related to transportation.

- Repair streets citywide
- Widen Avenue 416 and Road 80 to four lanes
- Upgrade public transit system to include trolley
- Continue sidewalk curb and gutter program

The City's CIP ensures that Dinuba can continue to provide transportation related infrastructure for the efficient movement of people and goods. The purpose of capital transportation projects is to protect the community's investment in its streets, sidewalks, curbs and traffic control devices and to provide a safer and more effective transportation system for the public's use. Revenues for capital transportation improvements are generated from Redevelopment Agency funds, developer and property owner fees and contributions, State Transportation Funding, the Federal Highway Administration, local utility taxes, and transportation system development fees. Other revenue sources needed to support specific projects are also included. There are seven transportation projects, described in detail below, programmed in the City's CIP.

**Pavement Rehabilitation & Railroad Crossing Replacement Program** – This has been identified as a priority III project with a purpose of protecting and preserving the City's investment in its transportation system and to provide the residents with safe, smooth streets to travel on, and to reduce noise and vibration and improve the aesthetics at railroad crossings. The project, which is annually funded through F.Y. 2009-10, includes asphalt overlays, chip and slurry seal application, and fog seal coating of City streets on an annual basis. The project may also provide limited funding for railroad crossing rehabilitation. Individual projects are identified and prioritized prior to each construction season. The project will ultimately enable City staff to implement a Pavement Management System. The project is locally funded through transfers from the Transportation Construction Fund.

**Ventura Street Extension and Railroad Crossing** – This has been identified as a priority II project with a purpose of improving transportation circulation across the railroad tracks and replacing the abandoned crossing at Mono Street. The project, which is funded through F.Y. 2006-07, includes the extension of Ventura Street between Uruapan Drive and "M" Street. The project is locally funded through RDA capital and transportation system development charges.

**Safe Routes to Schools Hayes Avenue** – This has been identified as a priority II project with a purpose of improving safety and access for school children. The project, which is funded for F.Y. 2006-07 and 2007-08, includes the construction of drainage curb, gutter, and sidewalk on both sides of Hayes Avenue between El Monte Way and Millard Drive. The project will widen Hayes Avenue to City standards and will provide safe pedestrian access to and from the 6<sup>th</sup> grade Academy and Intermediate School. The project is funded through a State SR2S Grant, and transfers from the Transportation Construction Fund.

**Euclid Avenue Phase II** – This has been identified as a priority III project with a purpose of improving this area to full City standards. The project, which is funded during F.Y. 2007-08, includes the completion of street improvements on Euclid Avenue between Bloomingdale Way and Nebraska Avenue, including pavement widening, curb and gutter, and sidewalk and drainage improvements. The project is locally funded through RDA – LMISA funds.

**Academy Way Sidewalk Improvements** – This has been identified as a priority II project with a purpose of providing pedestrian facilities on the narrow residential street, which is currently 28 feet wide. The project, which is funded for F.Y. 2006-07 and 2007-08 includes the installation of sidewalk and reconstruction of curb and gutter as needed on Academy Way from College Avenue to Second Avenue, providing pedestrian access to Jefferson Elementary School. The project is locally funded through RDA – LMISA funds.



**City ADA Ramps** – This has been identified as a priority II project with a purpose of meeting State ADA requirements. The project, which is annually funded through F.Y. 2009-10, includes the replacement and construction of ADA ramps on every City street corner. ADA ramps will enhance the quality of life for residents with disabilities. Under the program, four ramps per year would be installed. The project is locally funded through RDA – LMISA funds.

**Avenue 406 Reconstruction** – This has been identified as a priority II project with a purpose of protecting and preserving the City’s investment in its transportation system and to provide the residents with safe, smooth streets to travel on. The project, which is funded for F.Y. 2005-06, includes the reconstruction of the travel surface of Avenue 406 between College Avenue and the City Limits. The project is proposed to be a joint project Tulare County. The project is locally funded through transfers from the Transportation Construction Fund and system development charges.

The City’s approach to planning for and implementing transportation related improvements is excellent, and is demonstrated by the City’s dedication to aggressively seeking outside grant/loan funding, and making sure adequate funding is allocated towards the City’s five year CIP. The following transportation projects are identified as “unfunded” in the City’s current CIP.

- Alley improvement and replacement
- El Monte Avenue/Lincoln Avenue/H Street signal
- Half street infill
- Saginaw Avenue extension
- North Alta Avenue widening
- Crawford Avenue widening
- Nebraska Avenue widening
- Kamm Avenue widening
- Downtown streetscape
- Emergency pre-emption
- Kern Street extension and railroad crossing

Unfunded projects are not considered as high priority projects consistent with the current goals of the City Council, but are projects that are anticipated to be needed in future years, and will likely be allocated funding sometime during the CIP cycle.

The City will need to continue to implement its General Plan Circulation Element goals and policies to meet the future needs of the community. It is recommended that the City take the lead in planning for transportation and circulation improvements within the boundary of its 20-year UDB and SOI. Streets within this area should be constructed to City standards, since it is likely that the area will ultimately be incorporated into and become a part of the City of Dinuba.

Based upon information provided by City staff, the City is working towards establishing standards for roadway widths in new gated communities to allow proper access for fire apparatus. Standards are also being established for road surfacing during construction of new residential and commercial development that is consistent with fire access. The City is also working to establish a standard requiring a specified number of emergency accesses based upon the number of units.

## **1.2.6 Fire and Police Protection Services**

### *Fire*

Much of the information regarding the City's Fire Department operations has been obtained from the City's website, [www.dinuba.org](http://www.dinuba.org). The goal of the Dinuba Fire and Ambulance Department is to protect and promote the safety and security of the community through fire suppression, first responder for emergency medical services, fire safety programs such as commercial inspections, senior citizens programs, ongoing fire training, pre-fire planning and public awareness programs.

Formed in 1909, the Dinuba Fire Department operates out of one fire station equipped and staffed 24-hours a day. The Fire Department is located at the intersection of E. Tulare Street and N. "H" Street. The trained personnel of the fire department handle all fire and medical emergencies within an average of three minutes within City Limits, and ten minutes within County areas. The fire departments current ISO rating is four (4). The insurance services office (ISO) rates fire departments on a scale of one (best) to ten (unprotected), taking into consideration receiving and handling of fire alarms, fire department operations, water supply, and other factors. The Fire Department currently consists of the following staffing levels.

- 1 Fire Chief
- 1 Fire Marshall
- 3 Fire Captains
- 1 Staff Assistant
- 1 Staff Aid
- 2 Clerical Assistants
- 13 Paid Firefighters/Engineers
- 20 Paid Call Firefighters

The Fire Department is equipped with three 1,250 GPM Engines, one 85 snorkel aerial truck, one confined space van, and four staff vehicles. In addition, the Fire Department is also equipped with three advanced life support (ALS) units staffed with a total of twenty-one (21) emergency medical technicians (EMTs). In 2001-2002, the Fire Department responded to 1,178 incidents (not including ambulance service responses). The City of Dinuba contracts with the following agencies to provide the community with the best possible emergency services.

- Tulare County Mutual Aid Agreement which provides mutual instant aid within a six mile radius of the City.
- City of Visalia Hazardous Response Team, Standardized Emergency Management System (SEMS) which coordinates Federal, State, County, and City agencies to respond to disasters in which the City would be incapable of managing alone.
- The Fire Prevention Inspection Program enforces State and local codes and ordinances by inspection of commercial, industrial and public buildings.
- Valley Industrial to comply with the Federal OSHA 2 in/2 out regulations to ensure that the Department is in compliance with the law.
- Department confined space rescue team.

The Fire Department also offers an ambulance membership program called FireMed. For an annual membership fee of \$55.00, subscribers can use the ambulance service with no out of pocket expense, (i.e. insurance payments will be accepted as payment in full). The FireMed Service is staffed 24 hours a day with personnel available to respond on an ALS equipped ambulance to provide advanced life support emergency medical care within the community and surrounding area.

Consistent with the 2003-2005 goals set forth by the Dinuba City Council, a Fire Master Plan was adopted by the City. The goals of the City Council for fiscal years 2005-2007 include completing the fire station remodel project, and developing a fire department equipment replacement program. The fire station remodel project includes remodeling the 2<sup>nd</sup> floor of the existing fire facility and converting the former police station into fire administration offices. The first phase of the project included the dormitory remodel, and was completed in November 2005. The second phase of the project (identified in the City's CIP), which is under review, includes the remodel of the former police station.

The City of Dinuba voters, in the November 2005 Election passed Measure F, which increased the local sales tax by  $\frac{3}{4}$  cent to raise revenue for increased police and fire protection. Measure F revenues are to be used to hire, train and retain police/firefighters/paramedics/9-1-1 dispatchers; expand neighborhood/school policing and crime prevention efforts including more after-school, anti-gang and anti-drug programs; upgrade the 9-1-1 Emergency Response Center; and purchase fire engines/ambulances." The City is legally bound to use the funds for police and fire protection and has developed a ten-year expenditure plan.

The following projects related to fire protection are identified as "unfunded" in the City's current CIP, however, have since been identified to be funded as a part of the 10-year Measure F expenditure plan.

**New Fire Station Facility** – This project includes the construction of a new 4,000 square foot dormitory and living space located on the west side of town near the intersection of Road 72 and Sierra Way. The City's Equipment Operations Center (EOC) would also be relocated to the new fire station facility. The estimated cost to construct a new fire station facility is approximately \$1.3 million.

**Northern Tulare County Fire Training Facility** – This project includes the construction of a safety training facility for simulated fire evolutions, rescue, confined space, and testing. The training facility would be used for all aspects of safety training by multiple agencies including Police, Fire, and Public Works with training props designed for each. The training facility would be located at the same site as the new fire station facility. The estimated cost is about \$175,000.

**Additional Staff and Equipment** – With Measure F funding the Fire Department will be purchasing two new fire engines, and one new ambulance, and hire an additional firefighter/paramedic.

The City plans to utilize Measure F to establish a firefighter ratio for the City. The National Fire Protection Association guidelines identify a ratio of 1:1,000. The City plans to evaluate the current fire master plan in relation to the Measure F 10-year expenditure plan in order maintain a strong link between the two plans.

The six mile radius of the City covered by the Dinuba Fire Department through mutual aid agreements with Tulare County covers the entire area incorporated by the City's SOI and UDBs. The Fire Master Plan and Measure F 10-year expenditure plan provide excellent tools to plan for future staffing and facility requirements to accommodate future growth within the City's SOI.

The fire department has indicated a need to become more involved in the development process on issues relating to code enforcement and permit regulations. In addition, the Fire Department should be included

in the review process of the upcoming water system master plan to ensure that additional water storage capacity is planned in the northern part of the City where growth is occurring, and other fire flow concerns are addressed.

### *Police*

Much of the information regarding the City's Police Department operations has been obtained from the City's website, [www.dinuba.org](http://www.dinuba.org). The goal of the Dinuba Police Department is to insure the safety and welfare of the community by providing courteous and professional service. Dinuba police places strong emphasis on crime prevention by encouraging open communication with the citizens and organizing awareness programs for Dinuba's youth. The department's philosophy of community-based policing is a positive and cooperative joint effort in dealing with crime problems.

Formed in 1908, the Dinuba Police Department operates out of one police station and one sub-station equipped and staffed 24-hours a day, 365 days per year. The City completed the construction of a new Police Station and Justice Court Facility in 2000. The Police Station is located at the intersection of S. Alta Avenue and S. "Q" Street. The Police Department currently consists of the following staffing and vehicle fleet levels.

- 27 Sworn Police Officers
- 28 Patrol Vehicles
- 12 Support Personnel
- 2 Reserve Officers
- 2 Chaplains

Based upon current staffing levels, the Police Department has a sworn police officer to population ratio of approximately 1:715. The patrol operations of the Police Department include various services provided to the community to maintain the highest levels of public safety in the community. These services include a downtown substation, traffic enforcement, house watch, citizen volunteer patrol, bike patrols, and funeral escorts.

The downtown police substation is located in the central business district. Out of this office, the Police Department deploys four parking attendants and community service officers, who are supervised by the support services officer. The personnel provide parking enforcement and security for the downtown business district.

The Police Department offers special assignments for officers in the traffic unit, which consists of motorcycle patrol and DUI enforcement. The Police Department has two BMW motorcycles assigned to the morning and early evening shifts. The unit also has a fully self-contained DUI enforcement command trailer with a dispatch center which was provided by a grant through the Office of Traffic Safety, State of California.

The vacant house watch is a service that is provided by the Department and has been successful in the early detection and prevention of problems. Residents can call the Police Department to request the service and fill out a form that describes the areas and residents. The checks of the vacant house are completed by the Citizen Volunteer Patrol. Should a problem be noticed, officers are then dispatched to investigate the problem further.

The Citizen Volunteer Patrol consists of a group of civic minded people who have expressed an interest in working toward a better community. The volunteers are trained in police operations during an eight session volunteer academy. Once they have completed the proper training, the volunteers are released for

ride-a-longs, patrol, funeral escorts, district attorney paperwork delivery and many other details that free up investigators and patrol officers to improve direct services to the community. The volunteers are also assigned details at special events in the community. These include parade details, park security patrol and funeral escort. The Police Department also offers bicycle patrol as a service to the community. The bike officers are deployed at special events such as community festivals, parades, and for special operations. A funeral escort service is available to establish traffic control for the movement from the service to the cemetery. This is usually completed by the Citizen Volunteer Program, but at times, officers are deployed to assist also.

The Police Department has two special programs that involve the community in department activities including a neighborhood watch program, and explorers post #325. These programs are part of the overall community oriented policing philosophy that is employed by the Department and City Government in Dinuba. The neighborhood watch program is a relationship building activity used by the front line officers and supervisors to provide opportunities for communications with the community. It has been very effective in identifying concerns, problems and approaches in dealing with public safety related issues.

The Police Explorer Post is an important part of the Department that accepts youth from junior high age through age 21. Recruits complete an explorer academy that is taught by officers and senior explorers. The explorers are responsible for many details such as crowd control, parking details at special events, parade details, ride-a-longs and dispatch. The program teaches responsibility, discipline and teamwork in a group environment that includes police officers, community members and other police volunteers. It also provides the opportunity to demonstrate the importance of volunteering as a member of a community.

Crime statistics for Dinuba were obtained from the City's website and are shown in Tables 1-3 and 1-4 below.

**TABLE 1-3  
2001-2004 CRIME STATISTICS (CATEGORY I CRIMES)**

<b>Category</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Homicide	1	1	0	1
Rape	8	11	8	7
Robbery	17	22	15	21
Assault	426	451	440	493
Burglary	419	307	234	228
Theft	501	512	706	707
Vehicle Theft	85	117	136	176
<b>Total Reported Crime</b>	<b>1,457</b>	<b>1,421</b>	<b>1,539</b>	<b>1,633</b>

Notes: 1) Source: [www.dinuba.org](http://www.dinuba.org)

**TABLE 1-4  
NUMBER OF ARRESTS BY DINUBA POLICE DEPARTMENT**

<b>Category</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Adult Felony	290	326	338	262
Juvenile Felony	32	48	40	62
Adult Misdemeanor	611	557	558	375
Juvenile Misdemeanor	101	88	74	98
<b>Total Arrests</b>	<b>1,034</b>	<b>1,019</b>	<b>1,010</b>	<b>797</b>

Notes: 1) Source: [www.dinuba.org](http://www.dinuba.org)

The City Council of Dinuba has set forth specific goals for fiscal years 2005 through 2007, several of which are related to the public safety efforts of the City. The Dinuba City Council goals related to improving the public safety of the community are identified below.

- Pass sales tax initiative to increase Police Department staffing (Top Goal)
- Decrease gang/drug activity and violence (Top Goal)
- Add 8-10 new police officers assuming sales tax initiative passes (High Goal)
- Purchase new safety equipment for Police Department (High Goal)
- Develop early age prevention program for teen drug, alcohol, and gang issues (High Goal)
- Improve public safety employee retention program (Medium Goal)
- Find/develop graffiti proof paint (Low Goal)

The City's CIP identifies capital projects for which funding is not currently available, but which are important in carrying out City Council's goals and targets and in implementing the General Plan. Due to a lack of identified funding, the projects have not been identified in the five year plan however as funding sources are identified they will be moved into the planning document (formal CIP) and capital budget. Unfunded projects related to Police Department operations include the development of a Police Department Facility "Shell".

The City of Dinuba Police Department operates under a mutual aid agreement with the Tulare County Sheriff's Department. The sworn police officer to population ratio within Dinuba is exceptional compared to surrounding City's. The City will need to continue to plan for additional staffing and equipment for Police Department operations to serve the growing population of the community. The City's General Plan and CIP are excellent tools to plan for and accommodate the current and future public safety needs of the community. A Police Master Plan would also help the Department prepare for future growth. Should the City be successful in passing a local sales tax measure, it would be beneficial for the City to prepare an implementation plan for the sales tax measure revenue, and how it will be allocated. The City would then have an opportunity to incorporate the implementation plan into a Police Master Plan document. It is not known if the City currently has an adopted Police Master Plan.

### **1.2.7 Solid Waste**

The City of Dinuba has contracted with a private carrier to provide pickup of solid waste within the City limits. Weekly curbside or alley collection of household, commercial and industrial solid waste is provided by the City's refuse disposal contractor. The City also has a disposal/recycling program which operates on a split container system. Recyclables are taken to Tulare County Recycling facility in Visalia where they are sorted and then bailed for sale to recycled material users. Yard waste, which is collected in a separate container, is taken to the private hauler's facility, where it is pressed into fertilizer. The

City's website provides information on pickup days, and customer service contacts for solid waste information/service requests.

Each April in conjunction with Earth Week, the City conducts a community spring clean-up for the collection of appliances, furniture, general household trash, discarded building materials, and yard waste disposal of these materials at the County Landfill.

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 50% diversion. Based upon information obtained from the Tulare County Solid Waste Division website ([www.co.tulare.ca.us/solidwaste/swabout.htm](http://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

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.

### **1.2.8 Written Determinations**

#### *Capital Investment Program*

1. The City's CIP is an excellent foundation and planning tool to assist the community in its orderly development in the acquisition of municipal facilities and to assure that service needs for the future are met.
2. The CIP ties the City's physical development to goals and decisions expressed through hearings, citizen advisory groups, City staff, and documents including the City's General Plan.
3. The CIP identifies over twenty revenue sources from which CIP projects are funded, and provides a comprehensive description of each revenue source, and how the resources are allocated.

### *Domestic Water*

1. The City's water supply is derived from seven active groundwater wells, which have a total maximum production efficiency of approximately 7,600 GPM.
2. Information provided by City staff indicates that the average demand on the water system is about 4.2 MGD, and the maximum daily demand is about 7.3 MGD. The maximum capacity of water system is 11.0 MGD, indicating that the City's water system is operating at approximately 65% of its capacity.
3. The City's water system supports 4,575 total connections including 4,137 residential connections, 434 commercial connections, and 4 industrial connections. All connections to the City's water system are metered, which promotes water conservation.
4. City staff has indicated that the City has an adopted water conservation ordinance but it has not been necessary recently to impose restrictions. It is recommended that the City consider posting the water conservation ordinance on its website as a way of continuing to promote water conservation in the City and potentially increase the level of public participation.
5. The City's water supply and distribution system was last studied in a *Water System Evaluation/Water Quality Evaluation* report prepared by Boyle Engineering in 1993. City staff indicated that Boyle Engineering is in the process of updating the City's Water System Master Plan. It is recommended that the Water Master Plan Update include a study area that, at a minimum, encompasses all areas within the City's 20-year UDB and SOI. Any foreseen areas that the City anticipates including in its 20-year UDB or SOI should also be included within the master planning area.
6. The City's CIP ensures that Dinuba can continue to provide adequate water supply to the growing community for the next decade. The City's approach to planning for and implementing water system improvements is excellent, and is demonstrated by the City's dedication to aggressively seeking outside grant/loan funding, and making sure adequate funding is allocated towards the City's CIP.
7. Based upon information obtained from the Department of Water Resources, Dinuba has complied with the Urban Water Management Planning Act (for 2000), as their UWMP has been found by the Department of Water Resources to be complete. The City has until December 2005 to comply with the 2005 requirement. UWMPs are required to be updated every five years in years ending in five and zero.

### *Drainage Infrastructure*

1. The City's storm drainage infrastructure was evaluated as part of the *Storm Drainage Master Plan* (Quad Engineering, 1989), and the City's GPU in 1997.
2. Most of the storm runoff collected in the City's drainage system is discharged to irrigation ditches operated by the Alta Irrigation District. Discharge limitations are established through an agreement between the City and District.
3. The City's CIP ensures that Dinuba can continue to provide storm drainage infrastructure to the growing community in future years. The City's approach to planning for and



implementing storm drain system improvements is excellent, and is demonstrated by the City's dedication to aggressively seeking outside grant/loan funding, and making sure adequate funding is allocated towards the City's CIP.

#### *Wastewater Collection, Treatment and Disposal*

1. Several studies of the City's sewer collection system have been conducted in the past. Studies were completed in 1967, 1971, 1973, 1989, and 2004. Although several of the previous studies are over 25 years old, a significant portion of the conclusions and recommendations are still valid according to the City's GPU adopted in 1997. The City continues to upgrade its sewer collection system consistent with recommendations in the previous studies.
2. As the improvements identified in previous studies near build-out, it will be necessary for the City to undertake a comprehensive "Sewer System Master Plan Update" to address the City's sewer collection system needs to accommodate general plan build-out. The comprehensive "Sewer System Master Plan Update" should, at a minimum, incorporate areas within the City's 20-year UDB and SOI.
3. The City's Wastewater Reclamation Facility was most recently studied as a part of the "City of Dinuba Maser Plan 2003/04", RTW Engineering, 2003/04. The master plan recommended exploring the feasibility of the Reclamation, Conservation, and Recreation Project, which would provide for additional wastewater effluent and sludge disposal through the construction of wetlands, ponds, and irrigation of a new 18-hole golf course.
4. The Wastewater Reclamation Facility operates under provisions outlined in Waste Discharge Requirements Order No. 95-200, issued by the RWQCB. The order prescribes that the monthly average dry weather discharge flow shall not exceed 3.0 MGD however a registered civil engineer has certified the plant for a total treatment capacity of 3.14 MGD average daily maximum month flow (ADMMF). According to the Wastewater User Charge Survey Report F.Y. 2004-05, issued by the State Water Resources Control Board in May 2005, Dinuba reported an average dry weather flow of 2.2 MGD, indicating that the plant is operating at approximately 70% of its capacity.
5. The City's CIP ensures that Dinuba can continue to provide sanitary sewer collection, treatment, and disposal services to the growing community in future years. The City's approach to planning for and implementing sewer system improvements is excellent, and is demonstrated by the City's dedication to aggressively seeking outside grant/loan funding, and making sure adequate funding is allocated towards the City' CIP.

#### *Streets and Roads*

1. The City constructs transportation improvements through the implementation of goals and policies set forth in the City's General Plan Circulation Element, and other plans, including the Tulare County Regional Transportation Plan, which is updated every three years.
2. The City's General Plan indicates that all City streets would operate at LOS "C" or better conditions through year 2015.

3. The Dinuba City Council has established the following goals related to transportation: repair streets citywide; widen Ave. 416 and Road 80 to four lanes; upgrade public transit system to include trolley; continue sidewalk, curb & gutter program.
4. The City's CIP ensures that Dinuba can continue to provide transportation related infrastructure for the efficient movement of people and goods. The continuous implementation of General Plan Circulation Element goals and policies also guides the City in meeting the future transportation needs of the community.
5. It is recommended that the City take the lead in planning for transportation and circulation improvements within the boundary of its 20 year UDB and SOI. Streets within this area should be constructed to City standards, since it is likely that the area will ultimately be incorporated into and become a part of the City of Dinuba.

#### *Fire and Police Protection Services*

1. The Dinuba Fire Department operates out of one fire station equipped and staffed 24-hours a day. The fire station is located at the intersection of E. Tulare Street and N. "H" Street.
2. The insurance services office (ISO) rates fire departments on a scale of one (best) to ten (unprotected). The Dinuba Fire Department current ISO rating is four (4).
3. The City of Dinuba contracts with various agencies to provide the community with the best possible emergency services through mutual aid agreements, including the Tulare County Fire Department, the Tulare County Sheriff's Department, and the City of Visalia Hazardous Response Team.
4. Consistent with the 2003-2005 goals set forth by the Dinuba City Council, a Fire Master Plan was adopted by the City. The Fire Master Plan provides an excellent tool to plan for future staffing and facility requirements to accommodate future growth within the City's SOI.
5. The City of Dinuba voters passed Measure F, which increased the local sales tax by  $\frac{3}{4}$  cent to raise revenue for increased police and fire protection. The Measure F 10-year expenditure plan includes funding of several projects including a new fire station and joint training facility, and additional equipment and staffing for the department. The passage of Measure F is indicative of the community's desire to maintain the highest levels of public safety.
6. The Dinuba Police Department operates out of one police station and one sub-station equipped and staffed 24-hours a day, 365 days per year. The City completed the construction of a new Police State and Justice Court Facility in 2000.
7. Based upon current staffing levels, the Police Department has a sworn police officer to population ratio of approximately 1:715, which is excellent compared to other City's within the County.
8. The Police Department offers various programs for citizens to get involved with public safety efforts in the community. The programs generally consist of community volunteers who are dedicated to a safer community.
9. The City Council has established several goals relating to the public safety within the community including the following; pass sales tax initiative to increase Police Department

staffing; decrease gang/drug activity and violence; add 8-10 new police officers assuming sales tax initiative passes; purchase new safety equipment for Police Department; develop early age prevention program; improve public safety employee retention program; find/develop graffiti proof paint.

#### *Solid Waste*

1. The City of Dinuba has contracted with a private carrier to provide pickup of solid waste within the City limits.
2. The City has a disposal/recycling program which operates on a split container system. Recyclables are taken to the Tulare County Recycling facility in Visalia where they are sorted and then bailed for sale to recycled material users.
3. Independent (private contractors) service providers are not subject to SOI determinations, and are therefore exempt from the MSR requirement.

## 1.3 FINANCING OPPORTUNITIES AND CONSTRAINTS

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

### 1.3.1 Annual Budget

At the time this report was initiated, the City's F.Y. 2005-06 budget document was not available in hard copy format from City Hall. For this reason, evaluations and discussions provided in this section are based upon the City's F.Y. 2004-05 budget document.

In March 2004, the City received a Certificate of Award for their "Excellence in Operational Budgeting 2003-04" from the California Society of Municipal Finance Officers. The certificate recognizes meritorious achievement in operational budgeting and reflects a highly professional budget document and the underlying budgeting process through which the budget is implemented. The receipt of this award is an indication of the City's implementation of appropriate financing/funding practices.

One of the keys for the City's ongoing success in meeting the goals of the City Council is the full allocation of discretionary resources in the General Fund to public safety and recreation services. The City's General Fund resources are designated between discretionary and non-discretionary funds. Discretionary revenues, which include property tax, sales tax, utility user tax, motor vehicle in-lieu (MVL) tax and other miscellaneous revenues are used solely to support public safety, and parks and community service programs. Non-discretionary revenues, which include various permits, fees, and charges, support the services that generate those revenues. This differentiation allows those services that have specific identifiable users to be funded by charges for services from those users thereby protecting the "discretionary funds" for public safety, and parks and community services.

The City's 7% utility user tax is fully dedicated to the General Fund to support Police, Fire, and Parks and Community Services. The Utility Tax is one of the few local revenues still controlled by the City. Over the past several years local control has been compromised as the State delves into local revenues to fix its own problems, significantly limiting the ability of cities and counties to provide effective and efficient local services. Every year, the City analyzes the State and local environment and assesses all information about changes to local revenues and develops plans that will steer the City clear of the fiscal and regulatory implications that may potentially degrade the local service delivery system. The following excerpt from the City's budget for F.Y. 2004-05 indicates how the City evaluates revenue shortages and plans to supplement such income.

*"Each year as the State's fiscal picture changes in terms of cost or benefit to our local revenue base we plan and adjust accordingly. For the next several years, the State's fiscal problems could be very costly to our revenue base. Next year we estimate losses to our General Fund, as a result of a reduction the VLF revenue, of about \$350,000. To deal with this loss and a general erosion our revenue base we are actively seeking additional larger sales tax generators (Wal-mart, Bret's Ford) to view or community as a regional shopping market place and locate their businesses here. Because of the interference of the State in the "sales tax" collection and distribution process, even if those businesses locate in our community in 2004, we won't see any increase in our sales tax income until 2007. But it is very important for our future financial health that we aggressively seek out this new revenue base."*

The City's budgetary funds are segregated into enterprise and non-enterprise financing functions. Enterprise Funds are established to account for services financed and operated in a manner similar to a

private business. In contrast to the General Fund, the Enterprise Funds operate as separate entities. This means that each enterprise program maintains a separate set of books, and funds are not co-mingled or transferred, except in rare cases and then only by specific Council action. The cost for these services is paid for by service fees.

City Council policies stipulate that the costs of providing goods or services to the general public through Enterprise Funds must be financed or recovered primarily through user charges. User charges must be established and maintained at proper levels to assure adequate income to pay for current services and to maintain reserves to allow for adequate cash on hand at all times to pay bills, meet emergencies, and provide for operating capital needs. Over the past few years, the City's Enterprise Funds have encountered increases in the cost of utilities, workers compensation insurance rates, liability insurance rates, and fuel costs. In order to meet the required reserve for the Water Fund, Sewer Fund and the Disposal Fund in future years, it was determined by staff that a rate increase was needed in F.Y. 2004-05. Table 1-5 shows the projected enterprise fund balances for June 30, 2005 compared to the required operating reserves consistent with the City Council's policy on reserves.

**TABLE 1-5  
ENTERPRISE FUND BALANCE VARIANCES**

<b>Budgetary Fund</b>	<b>Project Fund Balance 06/30/05</b>	<b>Required Operating Reserve 06/30/05</b>	<b>Variance</b>
Health Insurance	\$180,179	\$300,000	(\$119,821)
Water	\$605,821	\$182,987	\$422,834
Sewer	\$128,879	\$200,988	(\$72,109)
Disposal	\$104,681	\$233,626	(\$128,945)
Ambulance	\$633,026	\$238,943	\$394,083

Notes: 1) Source: City of Dinuba Annual Adopted Budget 2004-05

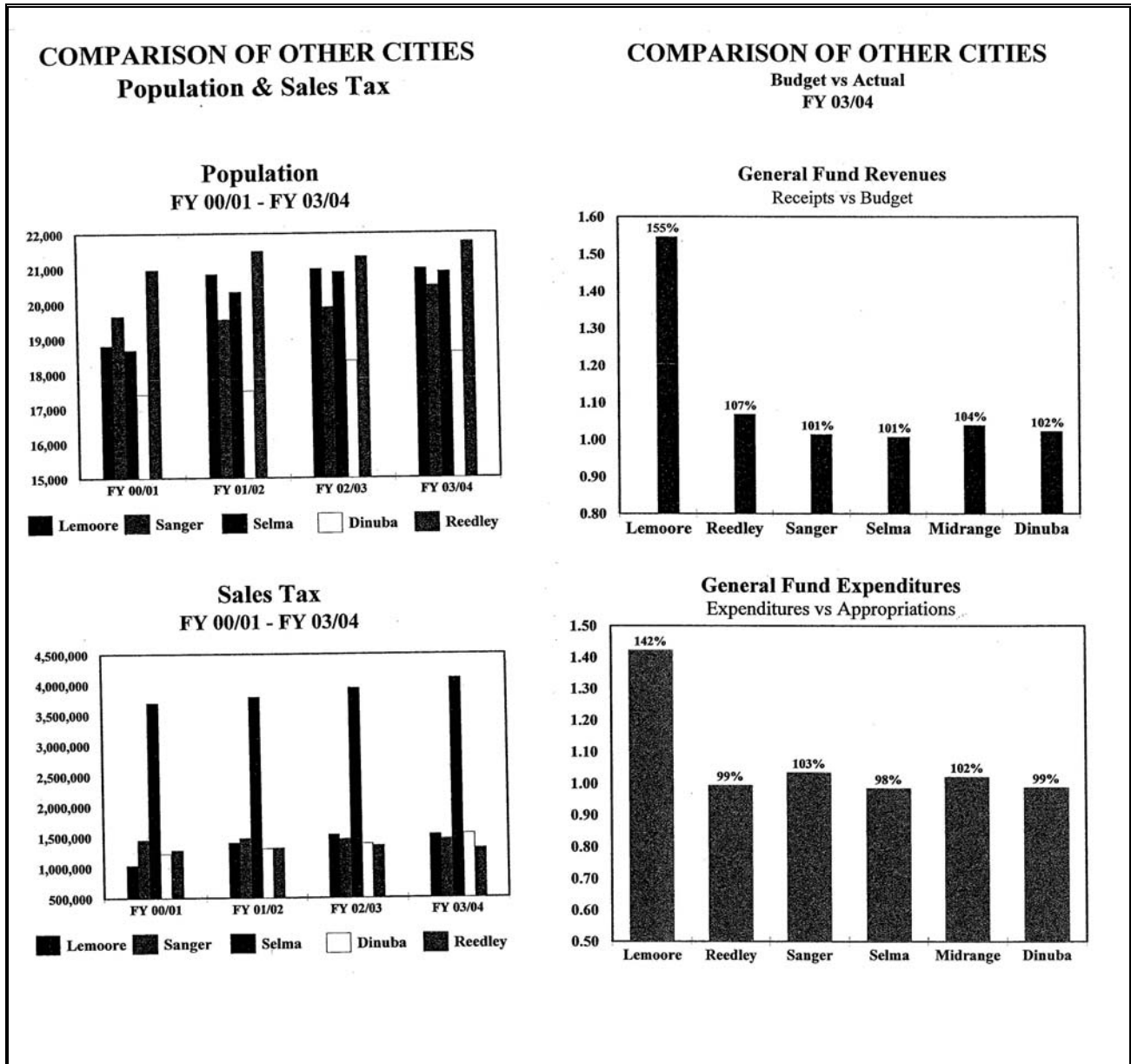
2) Figures do not take into account reserves for capital replacement or deferred maintenance

As indicated in Table 1-5, three of the five Enterprise Funds fell short of meeting their required operating reserves at the end of F.Y. 2004-05. For these reasons, City staff continues to monitor these funds closely to bring them to within their required operating reserve limits. The Water Fund meets its required operating reserve, which includes additional revenue estimated at \$72,754 resulting from a 2.0% cost of living increase for all customers. The Sewer Fund also included a 2.0% rate increase for cost of living which was included in the adopted budget for F.Y. 2004-05. The Sewer Fund balance decreased by \$261,146 from F.Y. 2003-04 as a result of capital projects at the wastewater treatment plant as well as increased operating costs. A 2.0% rate increase for cost of living was also included in the Disposal Fund budget, which increased revenues by an estimated \$57,000, and as a result, will help bring the fund closer to meeting its required operating reserve. The rate increases for water, sewer, and disposal services was anticipated to cost approximately \$1.03/month for the typical residential user.

The City's ability to obtain financing in addition to typical General Fund and Proprietary Fund revenues is demonstrated by numerous grants the City has been successful in obtaining to implement capital projects. Revenues for capital funds are non-recurring revenues that are anticipated (such as forthcoming grant, or one-time fees) and are forecast separately and scheduled only for the year or years in which they are anticipated, and they are limited to their use by local City policy. Recent grants the City has successfully applied for include a Federal EDA grant for WWTF improvements, a CDBG for the Fire Department remodel, and a FEMA grant for a vehicle exhaust extraction system.

The City's budget contains a comparative analysis of financing rates among other agencies in the study area similar in size to Dinuba. Figure 1-4 shows charts taken directly from the City's 2004-05 budget, which compare the City's population, sales tax revenue, and General Fund to surrounding City's in the region similar in size to Dinuba.

FIGURE 1-4 – COMPARATIVE ANALYSIS OF FINANCING RATES



Notes: 1) Source: City of Dinuba Annual Adopted Budget 2004-05

As indicated by Figure 1-4, although the City's population is significantly less than surrounding City's, Dinuba generates comparable General Fund Revenues, indicating the City's success in being a competitor in the regional market.

The City's budget contains a section describing the status of long term debt owed by the City, and the long-term obligation policy. The following excerpts from the City's budget outline policies which establish limits for the City's allowed indebtedness.

*The City by ordinance or resolution may issue all manner of securities and incur all manner of indebtedness, but within the following limits:*

- 1. General Obligation Bond Limit: Indebtedness of the City as evidenced by issues general obligation bonds shall at no time exceed ten percent of the assessed valuation of all property taxable by the City;*
- 2. Other Debt Limit: Indebtedness of the City, other than voted general obligation bonds and securities having a dedicated utility, enterprise or special agency or authority revenue source or pledge, shall at no time exceed ten percent of the assessed valuation of all taxable property within the City.*
- 3. Definitions & Exemptions: The term "indebtedness" as used in the General Obligation Bond Limit and the Other Debt Limit shall not include bonds or other obligations denoting indebtedness issued for the purpose of financing or refinancing the acquisition, construction, or completion of public improvements, the payment of which is not general obligation of the City, and which is secured by a lien upon or levy of a special tax or assessment on property within an identified geographic area or district.*

City funds had a total outstanding debt of \$16,796,380 as of July 1, 2005, and the Redevelopment Agency had a total outstanding obligation of \$28,111,293 as of July 1, 2005. No new debt was incurred by the City for F.Y. 2004-05, and the Redevelopment Agency incurred additional debt of \$450,000 during F.Y. 2004-05. The City's long term debt payment amounted to \$1,484,011, and the Redevelopment Agency's debt payment amounted to \$2,120,173 in F.Y. 2004-05. Major sources of the City's long term debt include Certificates of Participation issued in 1998 for expansion of the WWTF amounting to over \$5 million of the total debt balance, and Lease Revenue Bonds issued in 2002 for the construction of the Vocational Facility and new Public Works Facility amounting to over \$7 million of the total debt balance.

It is recommended that the City explore opportunities to establish assessment districts for the public maintenance and operation of various public facilities, for example, landscaping and lighting. The City's current policies with regard to assessment districts have not been researched in detail due to a lack of information.

### **1.3.2 Written Determinations**

1. In March 2004, the City received a Certificate of Award for their "Excellence in Operational Budgeting 2003-04" from the California Society of Municipal Finance Officers. The certificate recognizes meritorious achievement in operational budgeting and reflects a highly professional budget document and the underlying budgeting process through which the budget is implemented. The receipt of this award is an indication of the City's implementation of appropriate financing/funding practices.
2. The City's budgetary funds are segregated into enterprise and non-enterprise financing functions. Three of the City's five Enterprise Funds fell short of meeting their required operating reserves at the end of F.Y. 2004-05. For these reasons, City staff continues to monitor these funds closely to bring them to within their required operating reserve limits.

3. The City's ability to obtain financing in addition to typical General Fund and Proprietary Fund revenues is demonstrated by numerous grants the City has been successful in obtaining to implement capital projects. Recent grants the City has successfully applied for include a Federal EDA grant for WWTF improvements, a CDBG for the Fire Department remodel, and a FEMA grant for a vehicle exhaust extraction system.
4. The City's budget contains a section describing the status of long term debt owed by the City, and the long-term obligation policy. City funds had a total outstanding debt of \$16,796,380 as of July 1, 2005, and the Redevelopment Agency had a total outstanding obligation of \$28,111,293 as of July 1, 2005. The City's long term debt payment amounted to \$1,484,011, and the Redevelopment Agency's debt payment amounted to \$2,120,173 in F.Y. 2004-05.
5. Major sources of the City's long term debt include Certificates of Participation issued in 1998 for expansion of the WWTF amounting to over \$5 million of the total debt balance, and Lease Revenue Bonds issued in 2002 for the construction of the Vocational Facility and new Public Works Facility amounting to over \$7 million of the total debt balance.
6. It is recommended that the City explore opportunities to establish assessment districts for the public maintenance and operation of various public facilities, for example, landscaping and lighting.



## **1.4 COST AVOIDANCE OPPORTUNITIES**

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

### **1.4.1 Budgetary Processes**

The City's budget process is designed to screen out unnecessary costs through the implementation of a program performance budget format. The program performance budgeting system encourages creativity, effectiveness, broad participation in decision making, and accountability.

The City also avoids unnecessary spending through the establishment of an Appropriations Limit (Gann Limit), consistent with the requirements imposed by Propositions 4 and 111. The limit is based on actual appropriations during the 1978-1979 fiscal year and is increased each year using the growth of populations and inflation. Not all revenues are restricted by limits; only those which are referred to as "proceeds of taxes". Some examples of proceeds of taxes are sales tax, property tax, and business license tax.

During any fiscal year, a City may not appropriate any proceeds of taxes they receive in excess of their limit. If they do receive excess funds in any one year, they carry them into the subsequent year to be used if they are below their appropriations limit in that year. Any excess funds remaining after the second year have to be returned to the taxpayers by reducing tax rates or fees. As an alternative, a majority of the voters may approve and "override" to increase the limit. The City has experienced steady growth in population which has enabled the City to spend at levels below the appropriations limit. Subsequent to the passage of Proposition 111, the gap between the appropriations limit and the revenues subject to limitation has widened. The budget year 2004-05 appropriations limit was \$9,364,023.

The City avoids unnecessary costs by sharing insurance premiums within all departments of the City. With increasing insurance, workers compensation, and other liability, keeping insurance premiums reasonable has become more and more challenging. The City should continue to explore opportunities to implement methods to keep such costs within reason, including shared insurance coverage for joint agency practices.

### **1.4.2 Cost Avoidance Strategies**

The City avoids unnecessary costs through the implementation of infrastructure Master Plans and the General Plan, 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. At the time Master Plan documents are updated, the planning area should also be updated to include the City's current SOI and/or UDB areas. Planning out to ultimate service area boundaries helps identify any impacts that future planned infrastructure may have on current infrastructure in place, and mitigations that would alleviate such impacts. The City has a development impact fee program in place (termed system development charges) to help offset the financial responsibility of the City to install and maintain the infrastructure necessary to serve new developments.

The City has opportunities to increase its cost effectiveness and revenue raising efforts by including the use of assessment districts, tracking savings and interest on reserves, maintaining a balanced budget including maintaining a General Fund budget that grows each year, and emphasizing performance measurement practices. The City can also avoid unnecessary costs associated with payment of high interest rates on debt owed by the City by pursuing general obligation bonds while interest rates are low, and by exploring opportunities to refinance higher interest loans to reduce the existing debt obligations of

the City. The City can avoid unnecessary costs associated with the operation and maintenance of the street lighting system by researching and implementing funding options as it relates to Proposition 218 limitations.

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 planning increases the City's preparedness when SOI areas are proposed for development. It can be expected that the City will avoid unnecessary costs that may be caused by the annexation of proposed SOI areas through comprehensive analysis of the costs and benefits of a proposed development in those areas.

The City could also avoid unnecessary costs through the construction of joint use facilities, including but not limited to recreational sports fields, parks, or other facilities that could be used by multiple agencies. It is a goal of the City Council to continue partnerships with the local School District and the Chamber of Commerce, an indication of the City's ongoing efforts to work with outside agencies to promote joint use projects. Additional strategies 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, gyms and even domestic water infrastructure should the community have an independent water supply, thereby relieving the financial obligations of the City.

#### **1.4.3 Written Determinations**

1. The City's budget process is designed to screen out unnecessary costs through the implementation of a program performance budget format. The program performance budgeting system encourages creativity, effectiveness, broad participation in decision making, and accountability.
2. The City also avoids unnecessary spending through the establishment of an Appropriations Limit (Gann Limit), consistent with the requirements imposed by Propositions 4 and 111. The budget year 2004-05 appropriations limit was \$9,364,023.
3. The City avoids unnecessary costs by sharing insurance premiums within all departments of the City. With increasing insurance, workers compensation, and other liability, keeping insurance premiums reasonable has become more and more challenging. The City should continue to explore opportunities to implement methods to keep such costs within reason, including shared insurance coverage for joint agency practices.
4. The City avoids unnecessary costs through the implementation of infrastructure Master Plans and the General Plan, which assist in eliminating overlapping or duplicative services.
5. The City has opportunities to increase its cost effectiveness and revenue raising efforts by including the use of assessment districts, tracking savings and interest on reserves, maintaining a balanced budget including maintaining a General Fund budget that grows each year, and emphasizing performance measurement practices.
6. The City can avoid unnecessary costs associated with the operation and maintenance of the street lighting system by researching and implementing funding options as it relates to Proposition 218 limitations.

7. 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). It can be expected that the City will avoid unnecessary costs that may be caused by the annexation of proposed SOI areas through comprehensive analysis of the costs and benefits of a proposed development in those areas.
8. The City could also avoid unnecessary costs through the construction of joint use facilities, including but not limited to recreational sports fields, parks, or other facilities that could be used by multiple agencies. It is a goal of the City Council to continue partnerships with the local School District and the Chamber of Commerce, an indication of the City's ongoing efforts to work with outside agencies to promote joint use projects.

## 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's budget process includes an annual review and update of user rates charged for water, sewer, disposal, and ambulance services. The water, sewer, and disposal rates were increased by 2.0% in F.Y. 2004-05 to adjust for cost of living increases. 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 (or system development charges as termed by the City of Dinuba), 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 1-6 and 1-7 compare the water and sewer rates for the eight Tulare County cities (Dinuba, Exeter, Farmersville, Lindsay, Porterville, Tulare, Visalia, and Woodlake). The rates identified are for single family dwellings metered water service, and flat rate sewer fees. The sample monthly bill for water service is calculated using 15,000 gallons (2,005 cubic feet) of water as a base.

**TABLE 1-6  
WATER RATES (TYPICAL SINGLE FAMILY DWELLING)**

City	Monthly Base Service Charge	Metered Rate	Other Charges	Sample Monthly Bill
City of Dinuba <sup>1</sup>	\$15.74	\$0.674 per 100 cf	\$0.00	\$21.17
City of Exeter <sup>2</sup>	\$10.00	\$0.620 per 100 cf	\$0.00	\$13.13
City of Farmersville <sup>3</sup>	N/A	N/A	N/A	N/A
City of Lindsay <sup>4</sup>	\$15.75	\$0.80 per 100 cf	\$0.00	\$27.79
City of Porterville <sup>5</sup>	\$5.00	\$0.72 per 100 cf	6% of Total	\$20.61
City of Tulare <sup>6</sup>	\$9.67	\$0.406 per 100 cf	\$0.00	\$12.38
City of Visalia <sup>7</sup>	\$5.91	\$0.510 per 100 cf	\$0.00	\$16.14
City of Woodlake <sup>8</sup>	\$16.00	\$0.00	\$0.00	\$17.00
<b>Average</b>				<b>\$18.32</b>

Notes: 1) City of Dinuba Base Rate covers usage to 1,200 cubic feet (cf)  
2) City of Exeter Base Rate covers usage to 1,500 cf  
3) Water rate information for City of Farmersville not available  
4) City of Lindsay Base Rate covers usage to 500 cf  
5) The City of Porterville assesses a 6% Utility Users Tax within City Limits  
6) City of Tulare Base Rate covers usage to 1,337 cf  
7) City of Visalia Metered Rate is applied to total usage  
8) City of Woodlake charges flat rate of \$16.00/month

**TABLE 1-7**  
**SEWER RATES (TYPICAL SINGLE FAMILY DWELLING)**

<b>City</b>	<b>Flat Rate</b>	<b>Connection Fee (per EDU)</b>
<i>City of Dinuba</i>	<i>\$16.12</i>	<i>\$3,500</i>
City of Exeter	\$16.00	\$1,900
City of Farmersville	\$21.25	\$550
City of Lindsay	\$27.11	\$700
City of Porterville	\$25.39	\$3,375
City of Tulare	\$22.19	\$342
City of Visalia	\$13.81	\$2,325
City of Woodlake	\$16.00	\$4,483
<b>Average</b>	<b>\$19.73</b>	<b>\$2,147</b>

*Source: Wastewater User Charge Survey Report F.Y. 2004-05 (CalEPA – SWRCB)*

As indicated in the above tables, the City is able to provide quality service at comparable rates to other cities within the County. While the City's water rate is slightly above average compared to the other cities, their sewer is slightly below the average. The City charges the highest sewer connection fee compared to surrounding cities. Connection fees are generally used to implement capital infrastructure improvements to serve new development. 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 investment 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.

### **1.5.2 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 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 the SOI areas 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 has demonstrated its desire to work with surrounding agencies in providing quality service to residents in a cost effective manner. Some examples of the City's interagency cooperation efforts include the establishment of automatic mutual aid agreements with the Tulare County Sheriff's Department, the Tulare County Fire Department, and the City of Visalia Hazardous Response Team, to collaborate public safety efforts.

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.

The City is also working with the Alta Irrigation District on a joint project that would construct a groundwater recharge basin. The project would dedicate approximately 50 acres to drainage and recharge facilities. Land acquisition and preliminary design is anticipated for fiscal year 2005-06. The project is funded through Proposition 13 for water resource enhancements. The City has an ongoing partnership with the Alta Irrigation District to coordinate storm water runoff related issues with the City. The City works closely with the Alta Irrigation District to coordinate issues regarding irrigation ditches and storm drainage. The City has agreements with the Alta Irrigation District 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.

The City continues to work with the Dinuba Unified School District to communicate effectively on issues of shared interest. There is high demand for additional softball fields for both the City and School's youth softball programs. Over the last couple of years, the City's recreational program grew by about 50%. There are more independent team demands for use of fields as well as for the competitive travel teams. The City should continue its partnership with the school district to collaborate recreational resources and efforts for the betterment of the community.

### **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.

The City should continue groundwater recharge efforts by continuing its partnership with the Alta Irrigation District. 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, various Irrigation Districts, 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.

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.

The Sultana Community Service District has expressed interest in connecting to the City of Dinuba's wastewater treatment facility. The Sultana community is currently served by the Cutler-Orosi WWTF. The Cutler-Orosi WWTF capacity and compliance related issues have limited proposed development from occurring in community's that rely on the facility for wastewater treatment. If the Sultana CSD were to connect to the City's WWTF, this would not only allow for additional connections within the Sultana community, but would also free up capacity at the Cutler-Orosi WWTF. Sultana is located approximately two miles east of Dinuba. The topography of the area generally slopes from east to west (Sultana to Dinuba), so gravity flow could likely be successfully achieved between the communities.

The feasibility of interconnecting the Sultana CSD sewer system to the Dinuba sewer system and treatment facility should be explored as a joint effort between the City of Dinuba and the Sultana CSD. A joint grant application could be submitted, or a joint project could be undertaken by the City of Dinuba, the Sultana CSD, and Tulare County. It is not likely that the Sultana CSD would be able to fund such a large project, as they are constrained by a limited budget.

According to City staff, connecting the Sultana CSD sewer system to the City's WWTF would create some serious challenges and opportunities. On the positive side, such action may facilitate the funding of the eastside trunk sewer, while on the challenging side, the City would have very little jurisdiction to regulate what is coming into the plant from that line.

### **1.6.3 Written Determinations**

#### *Current Facilities Sharing Activities*

1. Some examples of the City's interagency cooperation efforts include the establishment of automatic mutual aid agreements with the Tulare County Sheriff's Department, the Tulare County Fire Department, and the City of Visalia Hazardous Response Team, to collaborate public safety efforts.
2. 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.
3. The City is also working with the Alta Irrigation District on a joint project that would construct a groundwater recharge basin. The project would dedicate approximately 50 acres to drainage and recharge facilities.
4. The City has an ongoing partnership with the Alta Irrigation District to coordinate storm water runoff related issues with the City. The City has agreements with the Alta Irrigation District 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.
5. The City continues to work with the Dinuba Unified School District to communicate effectively on issues of shared interest. The City should continue its partnership with the school district to collaborate recreational resources and efforts for the betterment of the community.

### *Future Opportunities*

1. The City should continue groundwater recharge efforts by continuing its partnership with the Alta Irrigation District. As groundwater levels in the County continue to dwindle, the importance of groundwater recharge projects is becoming apparent.
2. 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. The Sultana Community Service District has expressed interest in connecting to the City of Dinuba's wastewater treatment facility. If the Sultana CSD were to connect to the City's WWTF, this would not only allow for additional connections within the Sultana community, but would also free up capacity at the Cutler-Orosi WWTF. The feasibility of interconnecting the Sultana CSD sewer system to the Dinuba sewer system and treatment facility should be explored as a joint effort between the City of Dinuba and the Sultana CSD.
4. According to City staff, connecting the Sultana CSD sewer system to the City's WWTF would create some serious challenges and opportunities. On the positive side, such action may facilitate the funding of the eastside trunk sewer, while on the challenging side, the City would have very little jurisdiction to regulate what is coming into the plant from that line.



## **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.

### **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 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 Dinuba 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, consistent with the City of Dinuba General Plan.

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 annexation 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 Dinuba has well defined boundaries that establish the ultimate service areas of the City. There are no unincorporated islands within the City Limit Boundary indicating that the potential for overlapping or duplicative services is not present.

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**

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

### **1.7.3 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 Dinuba.

## 1.8 EVALUATION OF MANAGEMENT EFFICIENCIES

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

### 1.8.1 Mission Statement/Budget

The City of Dinuba's mission statement, identified below, is indicative of the City's efforts to involve the citizens of the community in its decision making processes.

*"The goal of Together, A Better Community" is achieved by employees working together as an organization and with the community, providing services which can be most appropriately provided by local government; achieving goals established by the residents and elected officials; and maintaining order and improving quality of life, and protecting the overall interest of the community,"*

The following section discusses various operational and service aspects of the City of Dinuba. Much of the information was obtained from the City's website at [www.dinuba.org](http://www.dinuba.org). 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 contains detailed descriptions of the budget format, budget process, the basis of accounting / budgeting, and budgetary controls. The budget for each department by program includes the following.

- Program purpose statement
- Program description
- Key points
- Details of allocated positions by department
- Fiscal summary for each department program

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.

The following key additions to the F.Y. 2004-05 General Fund budget occurred to enhance the service level requirements of the City.

- One Police Records Supervisor
- Corporal Pay for Special Assignments
- One Fire Captain
- Additional appropriations for electricity and contract services for parks
- One part-time Custodian for City Hall and the Vocational Center
- Salary Adjustments to maintain mid-range of Comparative Cities

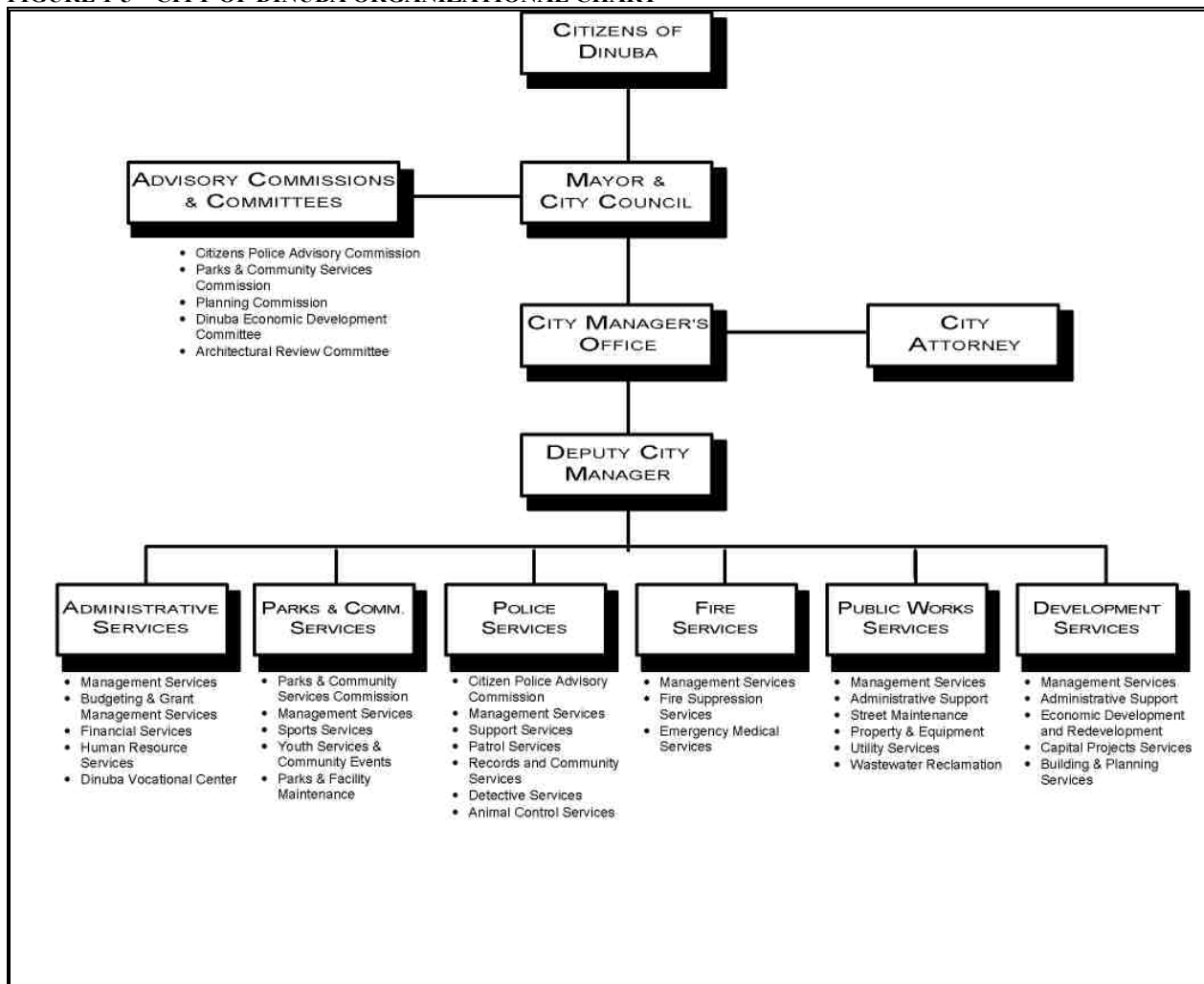
In total, the additions, which continue to build upon the service levels of the City, amounted to \$114,449.

## 1.8.2 Organizational Structure

The City of Dinuba, which operates under the council-manager form of government, became a “Charter City” in June of 1994. The Chief Executive Officer is the City Manager who serves at the pleasure of the City Council and carries out City policies. All other department heads in the city serve under contract and at the pleasure of the City Manager. The City consists of seven departments which include the City Manager’s Office, Administrative Services, Parks and Community Services, Community Development Services, Fire Services, Police Services, and Public Works Services. 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 Dinuba is a good place to live and conduct business.

There are five appointed advisory commissions and committees who assist the City Council in making policy decisions. They are the Planning Commission, the Parks and Community Services Commission, the Dinuba Economic Development Committee, the Police Advisory Commission, and the Architectural Review Committee. Each commission and committee is made up of citizens who work to provide services to the community while assisting the Council in achieving goals established by the citizens and elected officials. The organizational chart for the City is illustrated on Figure 1-5.

**FIGURE 1-5 – CITY OF DINUBA ORGANIZATIONAL CHART**



Source: City of Dinuba Annual Adopted Budget 2004-05

A summary of the City's departments and the various services they provide to residents is provided below.

**City Manager's Office** – 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 Dinuba is a good place to live and conduct business. The purpose of the Management Services program of the City Manager's Office is to provide leadership for the overall management of the operations of City government, to support and advise the City Council as to the implementation of its policies, programs and targets, and to ensure that the services provided to the citizens of Dinuba are consistent with the Council's goals and the organization's philosophy.

**Administrative Services Department** – The City's Administrative Services Department consists of the following programs: Management Services, Budgeting and Grant Management Services, Financial Services, Human Resource Services, and Dinuba Vocational Center. The purpose of the Management Services Program is to provide accurate and complete official records and to direct the City's financial, human resource, and risk management services; and to coordinate the vocational training at the Dinuba Vocational Center. The purpose of the Human Resource Services Program is to provide support for the personnel and human resource needs for City departments by attracting, retaining, and developing positive, competent, and productive employees. The purpose of the Financial Services Program is to support the government of the City in the areas pertaining to financial accounting systems and financial management information. The purpose of the Budget & Grant Management Services Program is to provide budgetary analysis, financial, strategic, and legislative support to decision makers, managers, and City departments.

**Parks and Community Services Department** – The City's Parks and Community Services Department consists of the following programs: Management Services, Sports Services, Youth Services and Community Events, and Parks and Facility Maintenance. The purpose of the Management Services Program is to provide overall management and leadership to the Parks & Community Services Department and staff members; examine administrative effectiveness and seek better procedures to ensure maximum use of allocated funds; motivate staff and encourage them to strive toward excellent customer service; provide assistance and inspiration to staff to meet goals and objectives of the Department; and develop and strengthen community relationships. The purpose of the Community Services Program is to provide the community with quality low cost sports and leisure activities and programs; free and low cost youth services and activities; fun family oriented activities and events; a variety of community special events; safe, well maintained playground equipment and play areas; and community center for family picnics, parties, and gatherings. The purpose of the Parks Services Program is to provide the community with clean, well groomed park grounds, open spaces, and assessment districts; regular maintenance of existing facilities; leadership in the acquisition of land and design and development of new parks and open spaces.

**Police Services Department** – The City's Police Services Department consists of the following programs: Management Services, Patrol Services, Records and Communications Services, Investigative Services, and Animal Control Services. The purpose of the Management Services Program is to provide executive support for the overall leadership of the Police Department. This division is responsible for directing all personnel and assuring that the performance level of staff is consistent with the

expectations of the organizational mission statement. The purpose of the Patrol Services Program is to provide the fundamental police functions of crime prevention, deterrence of crime, apprehension of offenders, recovery and return of property, and traffic enforcement. The Investigative Services Program performs technical law enforcement investigations of criminal activity. The division analyzes complex situations, identifies, collects and preserves evidence and develops the necessary data to successfully obtain a criminal complaint and apprehend outstanding fugitives. The Records and Communication Services Division maintains public and confidential records of all police department investigations of criminal cases, traffic accidents and civil cases as required by statute; provides radio communication services for Police, Fire, and Ambulance; handles telephone requests for routine and emergency services to City residents twenty-four hours a day, seven days a week. The Animal Control Services Division responds to requests for animal control services for the City of Dinuba; educates the public about responsible pet ownership, animal welfare; identifies health issues regarding unvaccinated animals; and identifies and licenses all dogs within the City.

**Fire Services Department** – The City’s Fire Services Department consists of the following programs: Management Services, Fire Suppression Services, and Emergency Medical Services. The purpose of the Management Services Program is to provide the department leadership and decision making for its overall operation, consistent with the values and goals of the organization and expectations of the community. The purpose of the Fire Suppression and Prevention Program is to protect and promote the safety and security of the community through fire suppression, emergency medical services, and fire safety programs such as commercial inspections, senior citizens programs, ongoing fire training, pre-fire planning and public awareness programs. The purpose of the Emergency Medical Services Program is to provide professional advanced life support ambulance service to the City of Dinuba and 800 square miles of surrounding communities in Northern Tulare County, including Cutler, Oroshi, Yetttem, Seville, Delft, New London, Bob Wiley Detention Facility and half way to Visalia.

**Public Works Services Department** – The City’s Public Works Services Department consists of the following programs: Management Services, Street Maintenance, Property & Equipment, Utility Services, and Wastewater Reclamation. The purpose of the Management Services Program is to provide department leadership and direction in the delivery of transportation, water, wastewater, drainage, and solid waste services. The purpose of the Property & Equipment Services Program is to preserve the City’s investment in its real property and operating equipment. The purpose of the Transportation Services Program is to provide construction, installation, maintenance and repair of streets, signs, pavement makings, and traffic signals consistent with community expectations and applicable standards. The Utility Services program is further segregated into water services, sewer collection services, disposal and street sweeping services, and transit services for the operation of each individual utility. The Wastewater Reclamation Services Program operates and maintains the wastewater reclamation facility consistent with local, State and Federal standards and regulations.

**Development Services Department** – The City’s Development Services Department consists of the following programs: Management Services, Economic Development and Redevelopment, Capital Projects Services, and Building & Planning Services. The purpose of the Management Services Program is to provide the overall management of the department and provide direction to the department in the delivery of services in the area of building services, planning, development, capital improvements, and economic

development. The purposed of the Building and Planning Services Program is to assist development by issuing permits, reviewing plans, and inspecting public and private projects; to provide long and short range planning services, process entitlements, process specific plans, and update the General Plan; to provide the highest quality service to the public ensuring that developments are safe and conform to the standards outlined in the General Plan. The purpose of the Capital Projects Services Program is to provide leadership and support in the development and monitoring of the City's CIP. The purpose of the Housing and Economic Development Grants Program is to administer income received from the City's CDBG Re-Use program; to provide CDBG eligible activities that meet the established national objectives, to provide a benefit to local low and very low income groups,; and to support the HOME programs and projects that provide down payment assistance loans and grants for low to moderate income housing projects.

### **1.8.3 Written Determinations**

1. The City of Dinuba's mission statement is indicative of the City's efforts to involve the citizens of the community in its decision making processes.
2. The City's budget process 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 that is readily available to respond to the needs of the community.
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. The City ensures that services can be efficiently provided in the SOI areas through the preparation of master service plans to provide infrastructure that will ultimately serve the SOI/UDB areas.
5. The City has a sound organizational structure that should be able to continue to provide quality service to current residents, and accommodate future growth within the City and surrounding urban development areas.

## **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 Dinuba 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.

Dinuba provides free community events on a regular on-going basis. During the summer months, the Entertainment Plaza hosts a variety of family entertainment for the young and young at heart. Music varieties include Rock, Dixieland, Jazz, Folk and easy listening music bands. Other events and activities include cruise nights, annual car show and an Outdoor Market Expos - all held in the beautiful downtown. The City posts information regarding upcoming events on their website.

The City's website also contains a community feedback survey asking for the community's input on public safety related issues. According to feedback from the community, the City needs better gang and drug prevention activities, more police officers, and improved 9-1-1 emergency response times. The City is working with a Community Advisory Group formed of community leaders to develop a plan to address these needs in the most fiscally responsible way. A potential finance measure is being considered because existing local funds are not enough. Any measure placed on the ballot will include strong fiscal accountability procedures, including an Independent Citizens Oversight Committee to guarantee that all funds are spent as promised to the public. The City's website is an excellent informational tool, and provides remote access to the current events of the City, contact information for all City departments, emergency contacts, utility information (rates, street sweeping schedule, etc.), crime statistics, a complete City profile, current projects, and much more. The City's website can be accessed at [www.dinuba.org](http://www.dinuba.org).

Regular City Council meetings are held on the second Tuesday at 5:30 p.m. and the fourth Tuesday at 6:30 p.m. in City Hall Council Chambers located at 405 E. El Monte Way, Dinuba. The City posts meeting minutes and 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 goals accomplished during the previous budget cycle, and the current goals (in progress) of the City of Council. This type of accountability helps the City to identify services that are operating efficiently and areas where improvement may be needed within the organization.

### **1.9.2 Written Determinations**

1. The governing body of Dinuba 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. Regular City Council meetings are held on the second Tuesday at 5:30 p.m. and the fourth Tuesday at 6:30 p.m. in City Hall Council Chambers located at 405 E. El Monte Way, Dinuba.
2. 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, website postings, and community feedback surveys.



3. The City maintains a comprehensive website, which provides a means to keep the public informed on local events, current City projects, recreational activities, and other activities occurring in the City.
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 operating efficiently and areas where improvement may be needed within the organization.

## **CHAPTER 2 – CITY OF WOODLAKE MUNICIPAL SERVICE REVIEW**

### **EXECUTIVE SUMMARY**

This section provides an overview of the written determinations findings of the City of Woodlake 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 Woodlake MSR identifies the following written determinations.

### **Written Determinations**

#### **1) Growth and Population**

##### *Historical Data & Population Projections*

1. Historical Census data indicates that Woodlake had a 1990 population of 5,678 and a 2000 population of 6,651. California Department of Finance projections indicated a January 2005 population of 7,189. These trends indicate that Woodlake's population is growing at an annual average rate of approximately 1.6%.
2. Based upon population trends, projections available from the California Department of Finance, and other referenced sources, it is likely that Woodlake's population will continue to grow at an average annual rate of approximately 2.0%. At an average annual growth rate of 2.0%, the City can expect a year 2025 population of approximately 10,700, and a year 2030 population of 11,795.
3. According to Census 2000 data, the average dwelling unit occupancy rate for the City is approximately 3.7 persons per household, which is slightly higher than the county average of 3.3 persons per household. High dwelling unit occupancy rates can have an adverse affect on infrastructure by contributing unanticipated increased demands if not properly planned for. For this reason, it is important that dwelling unit occupancy rates be considered when planning for and building infrastructure improvements.

##### *Planning Documents*

1. The City plans for future growth through the implementation of policies and standards set forth in General Plan Elements. The City's General Plan Housing Element, updated in 2004, is the most recent Element of the City's General Plan.
2. The City's land use element was last updated in 1978, and projected a build-out population of 7,010 by 1995. Based upon the current population of Woodlake, 7,189, it is evident that a comprehensive update to the City's General Plan Land Use Element may be warranted.

3. The City of Woodlake has adopted elements of the Tulare County General Plan including, but not limited to, Circulation (1975), Conservation (1975), Open Space (1975), Public Safety (1975), and Noise (1976).
4. Since Tulare County is currently undergoing a comprehensive update to their General Plan, the City of Woodlake should consider undertaking an independent General Plan Update that includes the following elements at a minimum: Land Use, Circulation, Conservation, Open Space, Public Safety, and Noise.
5. The City also plans for future growth through the preparation and implementation of specific plans and master plans. The City master plans public infrastructure systems, including but not limited to, water and sewer.

### *Planning Boundaries*

1. The Tulare County General Plan contains an Urban Boundaries Element which sets forth policy regarding development within municipal fringe areas surrounding incorporated cities.
2. According to adopted plans, urban development is to occur only within the incorporated City Limits, with certain exceptions. Within the 20-year UDB, development proposals are referred to the City for annexation. If the City cannot, or will not, annex, Tulare County considers the proposal on its merits.
3. Based upon boundary definitions set forth by City and County General Plan Policy, a City's SOI should generally lie between a City's 20-year UDB, and UAB. At a minimum, a City's SOI should be coterminous with the established 20-year UDB.
4. Southeast of the Woodlake City Limits, there is an area that is encompassed by the City's 20-year UDB, but outside of the City's adopted SOI. In this area, the City's 20-year UDB continues to follow the path of the Saint John's River, while the City's SOI does not. It is recommended that the City explore opportunities to reorganize it's SOI to be coterminous with the established 20-year UDB within this area.
5. There is also an area northeast of the City Limits that is included within the City's SOI, but not within the City's UAB. It is recommended that the City work with Tulare County to determine if this area should be included within the City's UAB established by the Tulare County General Plan. Since the area is immediately adjacent to the Woodlake City Limits, and since development in this area would likely rely on infrastructure available from the City, it is logical that this area be included in the City's UAB, unless special circumstances indicate otherwise.

### *Land Use*

1. As previously indicated, the City has exceeded the General Plan Land Use Element (1978) build-out population of 7,010 indicating that a comprehensive update to the City's General Plan Land Use Element may be warranted.
2. The planning area of the 1978 Land Use Element generally encompasses the area included within the City's adopted SOI. Subsequent updates to the City's Land Use Element should include a planning area which encompasses the outermost boundary of the City, typically the UAB.

### *Annexations*

1. A recent annexation totaling 31 acres was approved by LAFCO, and was consistent with County General Planning Policy as the land is within the City's UDB, and SOI.
2. In 2005, the City also annexed an 88-acre parcel located at the southeast corner of the Ropes Avenue/Blair Road intersection. If not already completed, the City should work the County to update its UDB to include this recently annexed area.

## **2) Infrastructure Needs and Deficiencies**

### *Domestic Water*

1. The City's water supply is derived from groundwater sources through five active wells that have a total production efficiency of approximately 3,750 gallons per minute. Two additional wells have been inactive, one due to a history of bacterial contamination, and the other due to the discovery of unacceptably high nitrate levels.
2. The water systems pressure regulation and storage needs are met by a hydro-pneumatic pressure tank, booster pumps, and a 500,000 gallon elevated storage tank located on Castle Rock Hill.
3. The City's water system was recently studied as a part of the *Water System Master Plan* (Quad Knopf, March 2005). The *Water System Master Plan* is framed to accommodate a total population of approximately 10,500. The master plan focuses on areas where growth is likely to occur, specifically to the east and northeast within the existing City Limits, to the west, east, and northeast within the City's UDB, and west of Antelope Creek within the UAB.
4. The City's *Water System Master Plan* is indicative of the City's efforts to continue to provide an ample and clean water supply to the existing and future residents of Woodlake. Provided the City continues to implement water system improvements as recommended in the master plan, the City should be able to continue to provide quality waster service (domestic and fire flow needs) to existing and future residents.
5. The City's water system is currently un-metered, and billed under a flat rate system, which does not promote water conservation. The usage of meters as a basis for water rates may reduce usage by 13% to 45% per connection, averaging perhaps 30%.
6. The City's municipal code establishes comprehensive water conservation regulations for the intent of minimizing outdoor water use and to control unnecessary consumption of the available potable water supplies in the City.

### *Wastewater Collection, Treatment & Disposal*

1. The City's provides sanitary sewer collection, treatment and disposal services within the City Limits, and to the unincorporated community east of the City known as the Wells Tract.
2. A sewer study completed in 1996 provided a list of improvements that would be required to insure that the collection system is effective through the year 2014. The City should continue to implement improvements outlined in the 1996 sewer study.

3. A determination of adequate sewer capacity should be verified prior to the approval of any SOI amendments. When considering SOI amendments, impacts on the sewer capacity to existing properties within the City Limits and SOI should also be considered.
4. The City owns and operates a WWTF located southwest of the City west of the S. Valencia Boulevard/Riverside Avenue intersection. The WWTF is operated under the following orders, issued by the California Regional Water Quality Control Board: Order No. 5-01-082 "Water Reclamation Requirements...", Order No. 5-01-077 "A Cease and Desist Order...", and Order No. 5-01-076 "Waste Discharge Requirements...".
5. The WWTF is currently operating under a Cease and Desist (C&D) Order which specifies timelines for the City to correct violations of the waste discharge requirements (WDR). The C&D Order established a timeline for the City to actively pursue funding and implement capital improvements for long-term compliance with the new WDRs.
6. The City's WWTF was studied in a report entitled *Master Plan for Wastewater Treatment and Disposal* (Quad Knopf, January 2004), and is considered as the first step to comply with the C&D Order timetable. The implementation of the Master Plan will bring the City into full compliance with WDRs and will provide sufficient capacity reserve for residential, commercial and industrial development through the planning period (established as year 2023), and accommodate a population of over 11,000 residents. The full implementation of the master plan would increase the plants capacity to 1.8 MGD, of which 0.6 MGD would be allocated for industrial capacity reserve.
7. The City reclaims wastewater effluent by applying it on approximately 35 acres of pastureland immediately east of the WWTF. Beef cattle periodically graze on the pastureland.
8. Order No. 5-01-076 prescribes that the monthly average discharge to the disposal ponds shall not exceed 1.0 millions gallons per day (MGD). According to the *Wastewater User Charge Survey Report F.Y. 2004-05* (California Environmental Protection Agency State Water Resources Control Board, May 2005), the average dry weather flow (ADWF) at the WWTF is approximately 0.78 MGD, indicating that the facility is currently operating at 78% of its capacity.

#### *Streets and Traffic Circulation*

1. The Urban Element of the Tulare County Area General Plan (Grunwald & Associates, 1963) for the Woodlake Area was designed to accommodate approximately 5,300 persons by 1980. It appears that many of the circulation improvements identified in the Plan have been built out.
2. Tulare County is currently in the process of preparing a comprehensive update to their General Plan. It is understood that the Tulare County General Plan update will not specifically address the circulation needs of incorporated cities. For this reason, it is recommended that the City prepare a Citywide General Plan Circulation Element to identify the existing and future transportation needs for the Woodlake area. At a minimum, the plan boundary should include areas within the City's UAB, and SOI.
3. The City continues to maintain and improve its street system within the constraints of available funding. It is recommended that the City prepare a General Plan Circulation Element to address the local transportation needs of the community, and set forth policy

relating to the identification of additional sources to improve and maintain the City's transportation system.

4. The following transportation related projects are being funded by the City: miscellaneous slurry/fog/chip seal projects, reconstruction of the Ropes Avenue / Blair Road intersection, and the S. Acacia and Deltha Street extensions.

#### *Solid Waste Collection & Disposal*

1. The City is contracted with Sunset Waste for solid waste collection and disposal services. Since privately owned utility companies are not subject to SOI determinations, services provided by privately owned and operated utility companies are not subject to the MSR requirement.

#### *Power Generation and Distribution*

1. The Southern California Edison (SCE) Company serves most of the Cities within Tulare County, including Woodlake. Since privately owned utility companies are not subject to Sphere of Influence (SOI) determinations, services provided by privately owned and operated utility companies are not subject to the MSR requirement.

#### *Fire and Police Protection Services*

1. The Woodlake Fire Department Operations are conducted by the Woodlake Fire Protection District, a separate governing body from the City of Woodlake. According to Appendix B "MSR Exemption Policy" of Tulare County LAFCO Policy C-5, the Woodlake Fire Protection District is subject only to a questionnaire study, and not a full comprehensive study. MSR questionnaires are to be completed by Tulare County LAFCO staff at a later date, and are not included in the scope of this full comprehensive study.
2. The Woodlake Police Department presently consists of a chief, two sergeants, one lieutenant, one detective, eight officers, one community service officer, and two clerical / dispatch personnel. The police department also operates a gang unit, a chaplain program, a reserve force of 10 officers, a senior volunteer program and an explorer program consisting of 15 explorers ranging in age from 14 to 18.
3. The police department has a sworn police officer to population ratio of approximately 1:900. The sworn officer to population ratio within Woodlake is exceptional compared to surrounding cities.
4. The City will need to continue to plan for additional staffing and equipment for police department operations to serve the growing population of the community. A police master plan and/or a local General Plan Public Safety Element would help the department prepare for future growth.

### **3) Financing Constraints and Opportunities**

1. The City prepares a comprehensive annual budget that sets forth the financial priorities of the City for the upcoming fiscal year within available funding constraints. The City has several

different funds, including enterprise and non-enterprise funds, set up for the individual operations of the City.

2. Though reduced due to an imbalanced general fund (by approximately \$10,700), the anticipated general fund balance at the end of fiscal year 2005-06 is estimated at just over \$500,000, which represents approximately 24% of general fund operating revenue, and over two months of regular general fund expenditures. 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's ability to obtain outside funding is demonstrated by the receipt of over \$2.1 in CDBG funding beginning in F.Y. 2005-06. The CDBG funds are being used to implement several programs including housing rehabilitation, and first time home buyer assistance, and for the construction of capital infrastructure projects. The City also had their water and sewer master plans prepared through CDBG funding in previous years.
4. The City also takes advantage of establishing assessment districts for the public maintenance and operation of various public facilities, for example, landscaping and lighting. The City should continue to explore additional opportunities to form such assessment districts.
5. At the end of each fiscal year, the City undergoes an independent audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.
6. Under the City's cash management program, cash in excess of operating requirements from all funds is pooled with the purpose of maximizing interest through investment activities, and is deposited in savings accounts or invested in bank certificates of deposit, bank money market accounts and the State of California Local Agency Investment Fund (LAIF).
7. The City has two outstanding long term debt obligations, one which includes a loan made to the City from the California Trade and Commerce Agency (CTCA) to construct a road, and the other which includes a loan from the Back of Visalia to purchase 86 acres of land for future wastewater disposal site. The interest rates are 2.75% and 6.5%, respectively.
8. According to the CAFR, the City's Agency will be issuing bonds in the amount of \$610,000 during FY 2005-06 for the purpose of converting the Woodlake Airport, a privately owned airport, into a municipal airport. The terms of the bond will be 4 3/8% for 20 years.
9. The State of California is currently operating under a significant budget crisis. The State continues to reduce and/or cut revenue sources, such as the motor vehicle in-lieu tax, to local governments. Without these sources of revenues, small cities, like Woodlake, incur significant budget constraints and deferment of scheduled maintenance items.

#### **4) Cost Avoidance Opportunities**

1. The City's budget process is designed to screen out unnecessary costs through the implementation of a program performance budget format. The program performance budgeting system encourages creativity, effectiveness, broad participation in decision making, and accountability.

2. Based upon the City's participation in the CSJVRMA, the City takes advantage of sharing insurance coverage premiums as a way of avoiding unnecessary costs.
3. Through the preparation, implementation, and updating of infrastructure master plans, the City avoids unnecessary costs by incrementally expanding its infrastructure to areas zoned for General Plan development. Planning out to ultimate service areas helps identify any impacts that future planned infrastructure may have on current infrastructure in place, and mitigations that would alleviate such impacts.
4. It can be expected that the City will avoid unnecessary costs that may be caused by the annexation of proposed SOI areas through comprehensive analysis of the costs and benefits of a proposed development in those areas.
5. The City's use of development impact fees and assessment districts are important aspects of avoiding future financial liability. The City can also 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).
6. The City could also avoid unnecessary costs through the construction of joint use facilities, including but not limited to recreational sports fields, parks, or other facilities that could be used by multiple agencies. The City should continue to explore opportunities to work with the local School District to promote joint use projects as a way of avoiding unnecessary costs.

## **5) Opportunities for Rate Restructuring**

1. Under the provisions of the Municipal Code of the City of Woodlake, the City Council is empowered to set the rates to be charged and collected by the City for sewer and water service by a resolution passed by the City Council.
2. Following the consideration of an *Impact Fee Recommendation* report, the Woodlake City Council adopted Resolution 06-07 establishing new development impact fees for the purpose of financing the construction of water, wastewater collection, wastewater treatment/disposal, and storm drainage public facilities, or to replace the capacity of such public facilities utilized by new development.
3. The City Council found that there is a reasonable nexus between the proposed development impact fees, and the cost of expanding infrastructure services, consistent with the intent of AB 1600.
4. The City of Woodlake currently charges a flat rate of \$17.00 per month for domestic water service, and a flat rate of \$16.00 per month for sewer service, for a typical single family dwelling. These rates are below average compared to other full service cities in Tulare County.
5. City resolutions establishing the water and sewer rates also establish tiered increases to occur annually through year 2008, \$1.00 per year for domestic water, and \$3.00 per year for sanitary sewer. This helps the City offset increased operations and maintenance resulting from salary increases, rising health insurance costs, increased materials and supply costs, etc.



6. The City should consider converting to a metered billing structure for water service, which would promote water conservation. A metered billing structure could also decrease the costs of operating the water system by utilizing less power to operate well pumps, as a result of decreased usage. There would however be implied costs for meter reading, meter maintenance, calibration, etc. A cost/benefit analysis would be appropriate.
7. There is no evidence suggesting that the annexation of areas within the SOI would result in unreasonable fees for utility services as properties annex and develop within the City. It is likely that fees for development within SOI areas would be inline with citywide fees for utility services.

## **6) Opportunities for Shared Facilities**

1. The City continues to work with other agencies in providing quality service to residents in a cost effective manner. Examples include establishment of mutual aid agreements to collaborate public safety efforts, working with the local school district on joint use projects, and providing infrastructure and housing rehabilitation to an unincorporated area known as the Wells Tract.
2. The City also works with TCAG and Tulare County RMA on a continuous basis on various issues including transportation, transit, solid waste, and coordinating applications to request State and/or Federal funding for joint projects.
3. 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 Cities and Counties to meet this challenge on common ground.
4. The City should continue its partnership with the school district to collaborate recreational resources and efforts for the betterment of the community.

## **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. If the City were to become the primary domestic water and sanitary sewer service provider for the Wells Tract community, this could result in more affordable public infrastructure for

the community while meeting or exceeding the current service levels provided by Tulare County (County Service Area No. 2).

## **8) Evaluation of Management Efficiencies**

1. 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.
2. The City ensures that services can be efficiently provided in the SOI areas through the preparation of master service plans to provide infrastructure that will ultimately serve the SOI/UDB areas.
3. The City has a sound organizational structure that should be able to continue to provide quality service to current residents, and accommodate future growth within the City and surrounding urban development areas.
4. The City Planner, City Attorney, and City Engineer all provide City services on a contractual basis. These City services are currently provided on a part-time as needed basis. As the City's population continues to increase, and development interest in the community increases, it would ultimately be in the City's best interest to have these services on a full time basis.

## **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.
2. The City's website is an excellent informational tool, and provides remote access to the current events of the City.
3. Regular City Council meetings are held twice a month on the second and forth Monday in City Hall Council Chambers located at 350 N. Valencia Boulevard, Woodlake. The City posts agendas on their website as a courtesy.

## **2.0 CITY OF WOODLAKE**

### **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 Woodlake. The City is contracted with Sunset Waste for solid waste collection and disposal services. Since privately owned utility companies are not subject to Sphere of Influence (SOI) determinations, services provided by privately owned and operated utility companies are not subject to the MSR requirement.

The City of Woodlake 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), domestic water, wastewater collection, treatment & disposal, streets and traffic circulation, and storm drainage.

The City of Woodlake, founded in 1912, and incorporated in 1941, is located in Tulare County in the central San Joaquin Valley. The City is nestled among citrus and olive orchards at the base of the foothills of the Sierra Nevada Mountains. The City is a short drive from the Sequoia National Park, an attractive recreational hot spot. Lake Kaweah and the Kaweah and St. John's Rivers also provide recreational amenities to Woodlake. Woodlake is situated within northern Tulare County, approximately 16 miles northeast of Visalia, 11 miles northeast of Farmersville, and 9 miles north of Exeter. The communities of Ivanhoe and Lemon Cove are also located near Woodlake. State Route 65 connects Woodlake to State Route 198, which provides access to S.R. 99, the major north-south commuter route within the Central Valley.

While residents of Woodlake enjoy the slow pace of a small rural community, the City has aggressively pursued economic development opportunities through new industrial and commercial projects. At the same time, Woodlake strives to ensure that growth is well-planned, in a manner that respects the environment, including surrounding agricultural land.

## 2.0.2 MSR Requirement

Tulare County LAFCO policy C-5 states the following with regard to a SOI.

*“Whenever possible, the SOI of each City and those Special Districts which provide urban services to unincorporated communities within the County should reflect twenty-year growth areas with additional areas for communities of interest (Section 56425 (a)(4)). This boundary shall be reviewed and, if necessary, updated no more than once every five years. The updates should be sufficient to accommodate projected growth for twenty years from the date of adoption.”*

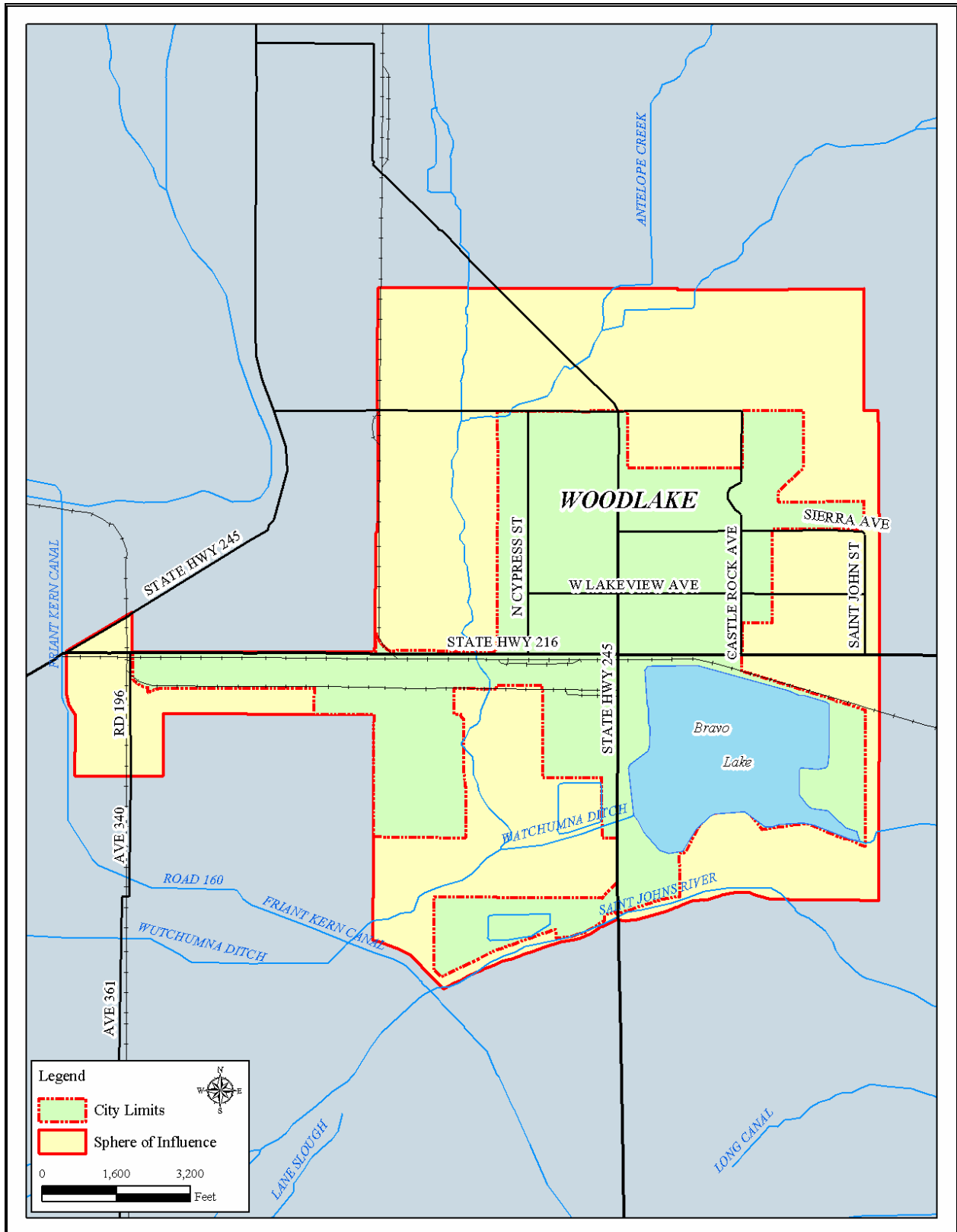
SOI's can be updated more frequently than once every five years if certain criteria established by LAFCO policy are met. An MSR is generally required before an agency can process a proposed amendment to their adopted SOI through LAFCO. However, according to Tulare County LAFCO policy, an MSR is not required for minor SOI amendments that meet all of the following criteria; 1) The requested amendment is either less than 40 acres or less than 5 percent of the total acreage of the area located within the subject agency's existing SOI, whichever is more, inclusive of incorporated territory; 2) There are no objections from other agencies that are authorized to provide the services the subject agency provides and whose SOI underlies or is adjacent to the subject territory; 3) The combined net additional acreage of the subject agency's minor SOI amendments adopted pursuant to this section does not exceed 200 acres over any consecutive 5-year period; and 4) CEQA review is accomplished by a Notice of Exemption, Negative Declaration, Mitigated Negative Declaration, and Addendum to an EIR, or where the SOI amendment is within the scope of a previous EIR. In addition, an MSR is not required when SOI amendment is proposed solely to accommodate an expressed governmental purpose in the provisions of public facilities or public services, as described in section 5.7.B IV.

The following excerpt from the Tulare County LAFCO website ([www.co.tulare.ca.us/lafco/info.asp](http://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 City of Woodlake City Limit Boundary and adopted SOI are illustrated on Figure 2-1. The following sections of this report 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 2-1 – WOODLAKE CITY LIMITS AND SPHERE OF INFLUENCE**



Source: Tulare County GIS Database

## 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.

### 2.1.1 Historical Data & Population Projections

Historical population data and future projections have been obtained from the U.S. Census Bureau, and the California Department of Finance, respectively. For analysis purposes, this data is compared to other source data relating to growth and population including the City's General Plan. Historical census data indicates that the City of Woodlake had a population of 5,678 in 1990 and a population of 6,651 in 2000, which corresponds to an average annual growth rate of approximately 1.6%. The California Department of Finance estimated a January 2005 population of 7,189, which equates to an average annual growth rate of approximately 1.6% between 2000 and 2005. Table 2-1 compares the City of Woodlake's population to the overall population of Tulare County for years 1990, 2000, 2005, and projected for years 2025 and 2030.

**TABLE 2-1  
CITY OF WOODLAKE HISTORICAL AND PROJECTED POPULATION**

<b>Year</b>	<b>Tulare County</b>	<b>Woodlake</b>	<b>% of Total County Population</b>
1990	311,921	5,678	1.8%
2000	368,021	6,651	1.8%
2005	409,871	7,189	1.8%
2025	594,719	10,683	1.8%
2030	650,466	11,795	1.8%

*Notes: 1) 1990 & 2000 Population Data Based Upon U.S. Census Data*

*2) 2005 Population Estimated by California Department of Finance (DOF)*

*3) 2025 & 2030 Projections for Tulare County Estimated by California DOF*

*4) 2025 & 2030 Projections for Woodlake estimated using annual growth rate of 2.0%*

As indicated in Table 2-1, the population of Woodlake would continue to makeup approximately 1.8% of the overall County population. According to the City's Master Plan for Wastewater Treatment and Disposal (Quad Knopf, 2004), City planners project that the City of Woodlake will grow at an average annual rate of about 2.0%. The City's recently updated Water System Master Plan (Quad Knopf, 2005), uses the U.S. Census growth rate of 1.6%, which results in a 2025 population of 9,684, and a 2030 population of 10,484. Between 1980 and 1990, Woodlake's average annual population growth rate was approximately 3.0%. Based upon population trends, projections available from the California Department of Finance, and other referenced sources, it is likely that Woodlake's population will continue to grow at an average annual rate of approximately 2.0%. At an average annual growth rate of 2.0%, the City can expect a year 2025 population of approximately 10,700, and a year 2030 population of 11,795.

*Census 2000* data also indicates that the average dwelling unit occupancy rate for the City is approximately 3.7 persons per household, which is slightly higher than the County average of 3.3 persons per household. High dwelling unit occupancy rates can have an adverse affect on infrastructure by contributing unanticipated increased demands if not properly planned for. For this reason, it is important that dwelling unit occupancy rates be considered when planning for and building infrastructure improvements.

### **2.1.2 Planning Documents**

The City of Woodlake plans for future growth through the implementation of policies and standards set forth in General Plan Elements. The General Plan is a long-term, comprehensive framework to guide physical, social and economic development within a community's planning area. According to the California Planners' Book of Lists 2005 (Governor's Office of Planning and Research, June 2005), the seven mandated elements of the City's General Plan were last updated as follows.

- Land Use: 1975 (Document dated May 1978)
- Circulation: 1975
- Housing: 2004
- Open Space: 1975
- Conservation: 1975
- Safety: 1975
- Noise: 1976

The following excerpt from the City of Woodlake General Plan Land Use Element partially describes the Land Use Elements relationship to other General Plan Elements.

*“Woodlake, like many of the other small communities in Tulare County, have had the bulk of their General Plan elements prepared through the Tulare County Planning Department and Association of Governments. These elements include the Seismic Safety, Circulation, Environmental Resources Management (includes Conservation, Recreation, and Open Space elements), Scenic Highways, Public Safety, and Noise. Since the cities within the County are included in the analysis of these various elements, it has enabled Woodlake to adopt these elements and incorporate them into their general planning process.”*

The City's General Plan provides an excellent foundation and policy base to guide future growth within the City. The City should periodically review its General Plan Elements to determine when updates are necessary. The City also plans for future growth through the preparation and implementation of specific plans and master plans. The City master plans public infrastructure systems, including but not limited to, water and sewer. Infrastructure master plans are discussed further in subsequent sections of this report.

### **2.1.3 Planning Boundaries**

In addition to an SOI, which is defined by LAFCO as the “...physical boundary and service area that a local government agency is expected to serve...” the Tulare County General Plan contains an Urban Boundaries Element which establishes 20-year urban development boundaries (UDB) and urban area boundaries (UAB) surrounding incorporated cities. These additional boundaries set forth policy regarding development within municipal fringe areas surrounding incorporated cities. The following are excerpts from the County of Tulare General Plan Policy Summary Section 1 – Land Use and Urban Boundaries.

*“This plan element establishes Urban Development Boundaries which define twenty-year planning areas around incorporated cities in which the County and cities will coordinate plans, policies, and standards relating to building construction, subdivision development, land use and zoning regulations, street and highway construction, public utility systems, environmental studies, and other closely related matters affecting the orderly development of urban fringe areas. Within these boundaries, the cities and the County*

*may also establish planning areas representative of shorter time periods in order to assist in more precise implementation of community plans and policies. It is recognized that these boundaries provide an official definition of the interface between future urban and agricultural land uses.”*

*“This plan element establishes Urban Area Boundaries, which define the area where land uses are presumed to have an impact upon 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. Modification of Urban Development Boundaries will be considered at such time as the land use plan for a community is revised to reflect changing needs and circumstances or an extended time frame. Preservation of productive agricultural lands shall be of the highest priority when considering such modifications, and expansion of Urban Development Boundaries to include additional agricultural land shall only occur as a last resort.”*

Urban development is to occur only within the incorporated City Limits, with certain exceptions. Within the 20-year UDB, development proposals are referred to the City for annexation according to adopted plans. If the City cannot, or will not, annex, Tulare County considers the proposal on its merits.

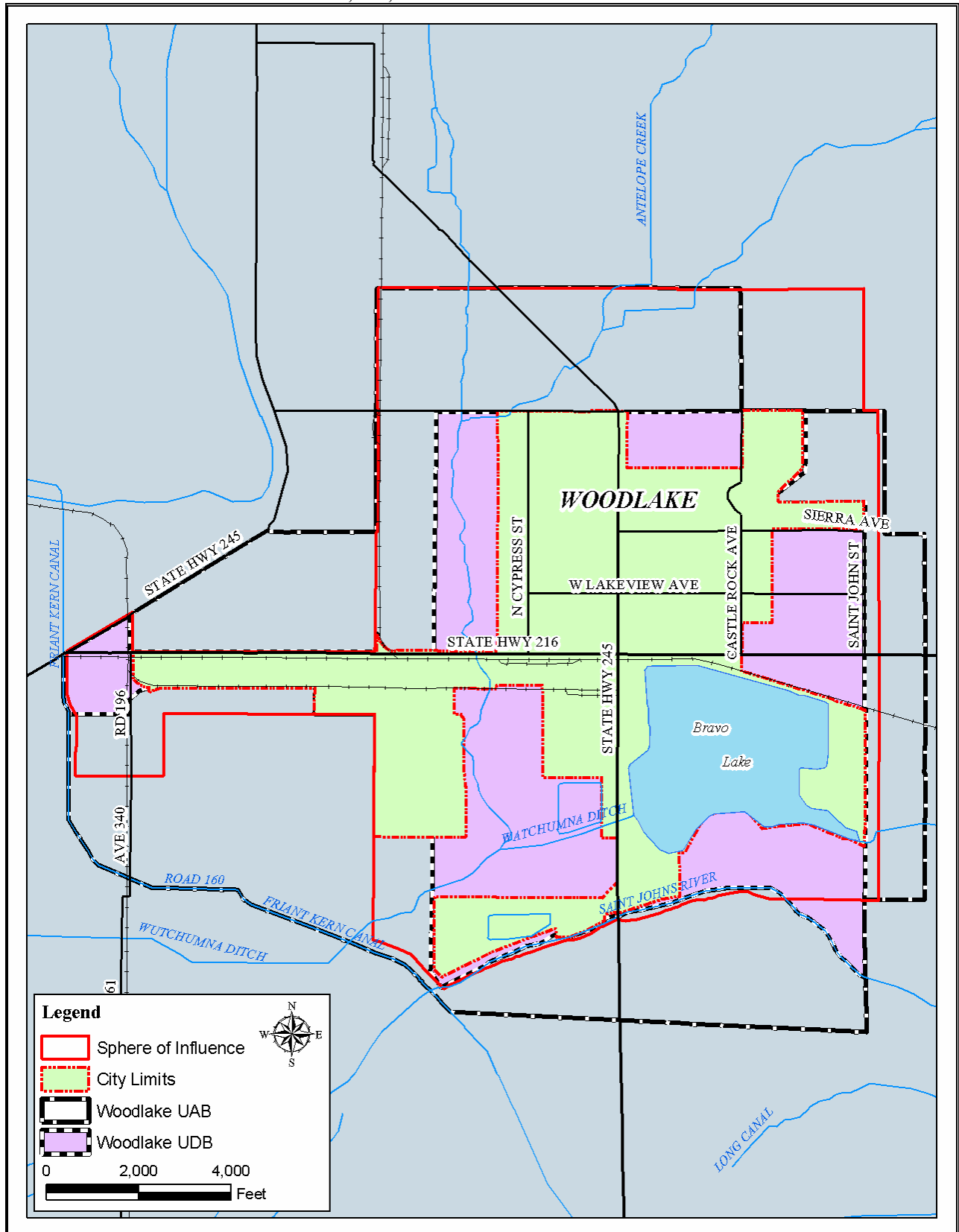
Based upon boundary definitions set forth by City and County General Plan Policy, a City’s SOI should generally lie between a City’s 20-year UDB, and UAB. At a minimum, a City’s SOI should be coterminous with the established 20-year UDB. Figure 2-2 shows the City Limits and SOI in comparison to the 20-year UDB, and UAB for the City of Woodlake.

As indicated on Figure 2-2, southeast of the current City Limits, there is an area that is encompassed by the City’s 20-year UDB, but outside of the City’s adopted SOI. In this area, the City’s 20-year UDB continues to follow the path of the Saint John’s River, while the City’s SOI does not. It is recommended that the City explore opportunities to reorganize its SOI to be coterminous with the established 20-year UDB within this area.

There is also an area northeast of the City Limits that is included within the City’s SOI, but not within the City’s UAB. It is recommended that the City work with Tulare County to determine if this area should be included within the City’s UAB established by the Tulare County General Plan. Since the area is immediately adjacent to the current City Limits, and since development in this area would likely rely on infrastructure available from the City, it is logical that this area be included in the City’s UAB.



**FIGURE 2-2 – WOODLAKE CITY LIMITS, SOI, 20-YEAR UDB & UAB**



Source: Tulare County GIS Database (July 2004)

#### **2.1.4 Land Use**

Woodlake is a small rural community that has historically been an agriculturally enriched City with numerous citrus and olive orchards. The city has aggressively pursued economic development opportunities through new industrial and commercial projects. The City has ample land for commercial, industrial and residential growth. At the same time, Woodlake strives to ensure that growth is well-planned, in a manner that respects the environment, including surrounding agricultural land.

The City of Woodlake General Plan Land Use Element was last updated in May 1978. The Land Use Element projected a 1995 population of 7,010 for the City. As previously noted, current population figures available from the California Department of Finance indicate a 2005 population of 7,189. A comparison of the City's Land Use Element population projection to the current population indicate that the ultimate General Plan population (as applied in the Land Use Element), has been reached. This is an indication that the City's Land Use Element is due for a comprehensive update.

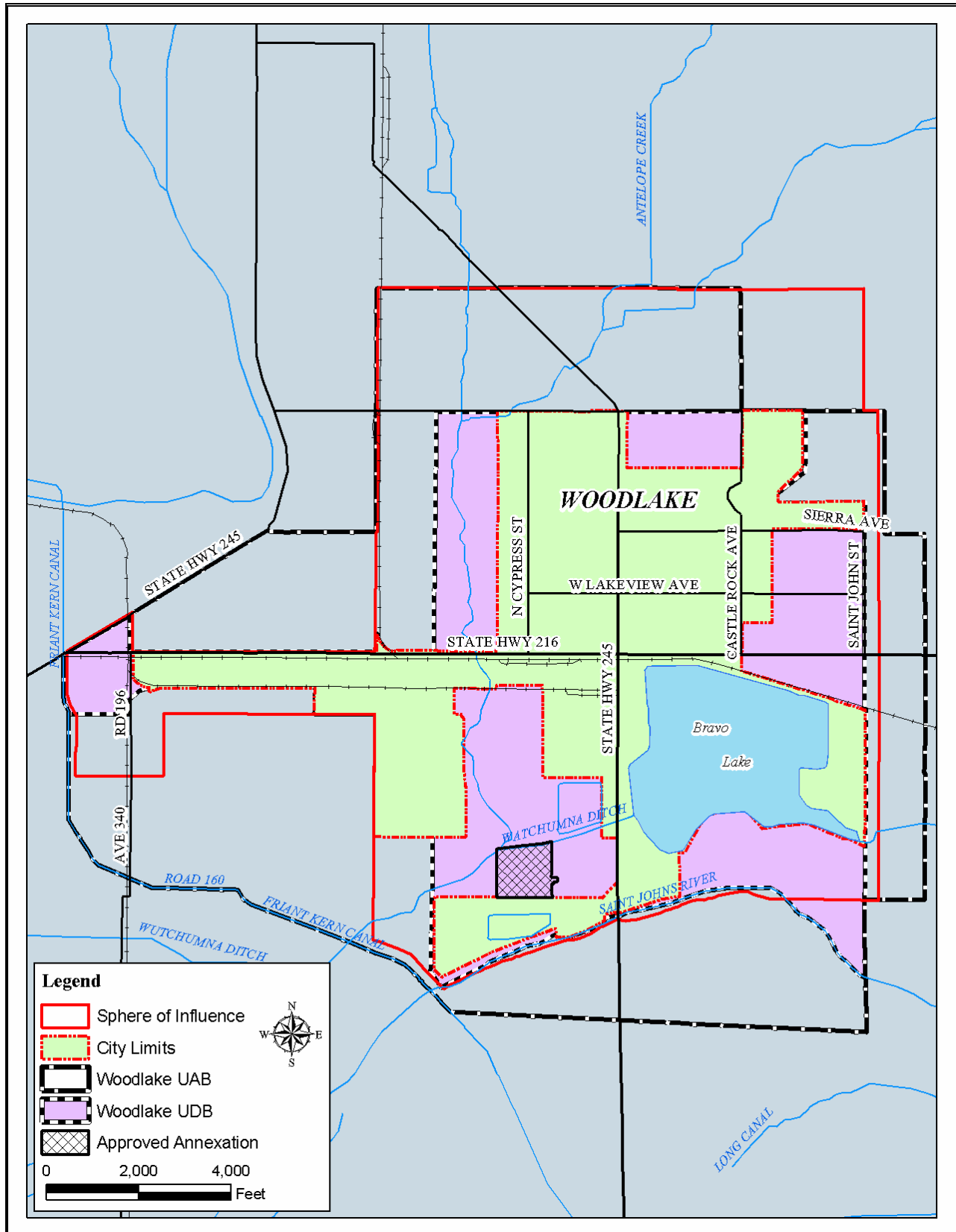
The planning area of the 1978 Land Use Element generally encompasses the area included within the City's adopted SOI. Subsequent updates to the City's Land Use Element should include a planning area which encompasses the outermost boundary of the City, typically the UAB.

The City's Land Use Element provides an inventory of existing (1977) land uses, and proposed land uses by acreage for the build-out of the Plan. It is recommended that the City prepare an updated land use inventory as a part of a comprehensive update to their Land Use Element. The City of Woodlake Planning Division is responsible for the long-term planning efforts of the City, including updates to the City's General Plan Elements.

#### **2.1.5 Annexations**

LAFCO recently approved an annexation proposal in the southern portion of the City totaling approximately 31 acres. This recently approved annexation is illustrated on Figure 2-3. Consistent with County General Planning Policy, the approved annexation was within the City's UDB as established by the Tulare County General Plan, and the City's adopted SOI. In 2005, the City also annexed an 88-acre parcel located at the southeast corner of the Ropes Avenue/Blair Road intersection. The area inclusive of the 88-acre annexation is shown as being within the City Limits on Figure 2-3, but outside of the City's UDB. If not already completed, the City should work the County to update its UDB to include this recently annexed area.

**FIGURE 2-3 – LOCATION OF APPROVED ANNEXATION INTO CITY OF WOODLAKE**



Source: Tulare County GIS Database

## **2.1.6 Written Determinations**

### *Historical Data & Population Projections*

1. Historical Census data indicates that Woodlake had a 1990 population of 5,678 and a 2000 population of 6,651. California Department of Finance projections indicated a January 2005 population of 7,189. These trends indicate that Woodlake's population is growing at an annual average rate of approximately 1.6%.
2. Based upon population trends, projections available from the California Department of Finance, and other referenced sources, it is likely that Woodlake's population will continue to grow at an average annual rate of approximately 2.0%. At an average annual growth rate of 2.0%, the City can expect a year 2025 population of approximately 10,700, and a year 2030 population of 11,795.
3. According to Census 2000 data, the average dwelling unit occupancy rate for the City is approximately 3.7 persons per household, which is slightly higher than the county average of 3.3 persons per household. High dwelling unit occupancy rates can have an adverse affect on infrastructure by contributing unanticipated increased demands if not properly planned for. For this reason, it is important that dwelling unit occupancy rates be considered when planning for and building infrastructure improvements.

### *Planning Documents*

1. The City plans for future growth through the implementation of policies and standards set forth in General Plan Elements. The City's General Plan Housing Element, updated in 2004, is the most recent Element of the City's General Plan.
2. The City's land use element was last updated in 1978, and projected a build-out population of 7,010 by 1995. Based upon the current population of Woodlake, 7,189, it is evident that a comprehensive update to the City's General Plan Land Use Element may be warranted.
3. The City of Woodlake has adopted elements of the Tulare County General Plan including, but not limited to, Circulation (1975), Conservation (1975), Open Space (1975), Public Safety (1975), and Noise (1976).
4. Since Tulare County is currently undergoing a comprehensive update to their General Plan, the City of Woodlake should consider undertaking an independent General Plan Update that includes the following elements at a minimum: Land Use, Circulation, Conservation, Open Space, Public Safety, and Noise.
5. The City also plans for future growth through the preparation and implementation of specific plans and master plans. The City master plans public infrastructure systems, including but not limited to, water and sewer.

### *Planning Boundaries*

1. The Tulare County General Plan contains an Urban Boundaries Element which sets forth policy regarding development within municipal fringe areas surrounding incorporated cities.

2. According to adopted plans, urban development is to occur only within the incorporated City Limits, with certain exceptions. Within the 20-year UDB, development proposals are referred to the City for annexation. If the City cannot, or will not, annex, Tulare County considers the proposal on its merits.
3. Based upon boundary definitions set forth by City and County General Plan Policy, a City's SOI should generally lie between a City's 20-year UDB, and UAB. At a minimum, a City's SOI should be coterminous with the established 20-year UDB.
4. Southeast of the Woodlake City Limits, there is an area that is encompassed by the City's 20-year UDB, but outside of the City's adopted SOI. In this area, the City's 20-year UDB continues to follow the path of the Saint John's River, while the City's SOI does not. It is recommended that the City explore opportunities to reorganize it's SOI to be coterminous with the established 20-year UDB within this area.
5. There is also an area northeast of the City Limits that is included within the City's SOI, but not within the City's UAB. It is recommended that the City work with Tulare County to determine if this area should be included within the City's UAB established by the Tulare County General Plan. Since the area is immediately adjacent to the Woodlake City Limits, and since development in this area would likely rely on infrastructure available from the City, it is logical that this area be included in the City's UAB, unless special circumstances indicate otherwise.

#### *Land Use*

1. As previously indicated, the City has exceeded the General Plan Land Use Element (1978) build-out population of 7,010 indicating that a comprehensive update to the City's General Plan Land Use Element may be warranted.
2. The planning area of the 1978 Land Use Element generally encompasses the area included within the City's adopted SOI. Subsequent updates to the City's Land Use Element should include a planning area which encompasses the outermost boundary of the City, typically the UAB.

#### *Annexations*

1. A recent annexation totaling 31 acres was approved by LAFCO, and was consistent with County General Planning Policy as the land is within the City's UDB, and SOI.
2. In 2005, the City also annexed an 88-acre parcel located at the southeast corner of the Ropes Avenue/Blair Road intersection. If not already completed, the City should work the County to update its UDB to include this recently annexed area.

## **2.2 INFRASTRUCTURE NEEDS AND DEFICIENCIES**

The purpose of this section is to evaluate the infrastructure needs and deficiencies of the City of Woodlake in terms of availability of resources, capacity to deliver services, condition of facilities, planned improvements, service quality, and levels of service.

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.

### **2.2.1 Domestic Water**

The City of Woodlake, in March 2005, adopted a comprehensive update to their Water System Master Plan. The Master Plan was funded by a Community Development Block Grant from the State of California Department of Housing and Community Development. The City of Woodlake Water System Master Plan (Quad Knopf, 2005) serves as a guide for water utility capital planning, recommends priorities for system improvements and replacements, provides criteria for developers and the City for design of additions to the system, and serves as a basis for developer impact fees and user rate considerations to ensure that the City can provide existing and future residents with a clean, ample water supply. City water system planning and maintenance have been excellent, within the constraints of available funding.

The City's distribution system consists of a grid network of over twenty miles of mains with sizes ranging between 4 and 12 inches in diameter. A major pipeline replacement program, funded through a Federal grant in 1977, most 4 inch service mains were upsized to a minimum of 6 inches; approximately 4,000 feet of 4-inch mains remain in service. The City's water supply is derived from groundwater sources through five active wells that have a total production efficiency of approximately 3,750 gallons per minute (gpm). One of the City's six wells located in the south portion of the City, north of the St. John's River, is currently inactive due to a history of bacterial contamination. An additional well located near the intersection of Mulberry Street and Laurel Lane, has been inactive for several years due to the discovery of unacceptably high levels of nitrates during routine sampling by the Tulare County Health Department.

Water from the primary five (5) supply wells is routed to the City Corporation Yard, through a sand separator and hydro-pneumatic pressure tank before entering the distribution system. In addition to the hydro-pneumatic tank, the system's pressure regulation and storage needs are provided by a 500,000 gallon steel tank located on Castle Rock Hill, in the northeast quadrant of the City.

In 1985, the City agreed to serve an unincorporated area easterly of the City known as the Wells Tract. The Wells Tract, although outside of the current City Limits, is within the City's UDB, and therefore, is ultimately anticipated to be annexed into the City.

The build-out of the City's Water Master Plan would accommodate a total population of approximately 10,500. The following excerpts from the Water Master Plan provide conclusions relating to community growth and growth constraints.

- a. There is sufficient developable residential area with the existing City Limits, approximately 100 acres, to accommodate growth for approximately 10 years.*

- b. The developable area within the adopted UDB, approximately 140 acres, can accommodate growth another 10 years.*
- c. With limitations still persistent with respect to agricultural preserves, elevation, and flood plains, plus the limitations posed by adjacency to the City's wastewater treatment plant and disposal area ("Little Bravo Lake") and to the airport, the location of development within the UAB line is difficult to predict.*

In light of the above, the Water Master Plan was designed to accommodate growth as follows; 1) serve future growth to the east and northeast within the existing City Limits; 2) accommodate growth to the west and, with a booster pump system, to the east and northeast, within the UDB; and 3) provide for future growth west of Antelope Creek within the UAB. With this realization, it can be concluded that the current Water Master Plan does not plan for the ultimate development potential of the City's SOI. The City will however have opportunities to expand the master plan area when subsequent updates become necessary, to accommodate additional growth outside of the 20 to 25-year planning period of the current master plan.

The City's Water Master Plan is indicative of the City's efforts to continue to provide an ample and clean water supply to the existing and future residents of Woodlake. The Water Master Plan identifies necessary water system improvements on a priority scale of 1-4. Priority 1 items are recommended to be completed within two years of the adoption of the plan (presumably by 2007). Priority 2 items are recommended to be completed within three to five years of the adoption of the plan (presumably between 2007 and 2009). Priority 3 items are recommended to be completed within six to twenty years of the adoption of the plan (presumably between 2010 and 2025). Priority 4 items are recommended to be completed as required by growth and development. The Water Master Plan also provides alternatives to fund the implementation of the recommended improvements. The following improvements are recommended in the Water Master Plan.

- New 500,000 gallon reservoir – Priority 1
- 12-inch connection – reservoir to system – Priority 1
- Booster pump system to serve upper pressure zone – Priority 1
- Chlorination Facilities (Wells 8, 9, 10, 11 and 12) – Priority 1
- Provide standby power to Well Nos. 8 & 9 – Priority 1
- New wells – Priority 2
- New 500,000 gallon reservoir with Booster Pump – Priority 3
- 12-inch connection – reservoir to system – Priority 3
- Distribution system improvements at City/Developer shared expense – Priority 4
- Distribution system improvements at City's expense – Priority 4

Provided the City continues to implement water system improvements as recommended in the Water Master Plan, the City should be able to continue to provide quality water service to existing and future residents. The Water Master Plan provides a comprehensive supply vs. demand analysis, and recommends improvements to ensure the City will be able to meet the domestic and fire flow demand requirements in the future.

The City's water system is currently un-metered, and billed under a flat rate system, which does not promote water conservation. According to the Water Master Plan, effective January 1, 1992, State law requires that all new water connections be metered. The usage of such meters as a basis for water rates may reduce usage by 13% to 45% per residence, averaging perhaps 30%. The cost of retrofitting existing connections will range between \$500 and \$1,000 per connection.

Chapter 13.12 of Title 13 of the City's municipal code establishes comprehensive water conservation regulations for the intent of minimizing outdoor water use and to control unnecessary consumption of the available potable water supplies in the City. The City's municipal code indicates that each new applicant for water service will be provided a copy of the water conservation regulations in English or Spanish and the stage that is in effect. The establishment of comprehensive water conservation regulations is indicative of the City's effort to preserve the available potable water supply.

## **2.2.2 Wastewater Collection, Treatment & Disposal**

The City provides sanitary sewer collection, treatment, and disposal services to residents in the community. The City's sewer collection system is composed of 6-inch and 8-inch collection lines, and larger 10-inch to 18-inch trunk lines, and lift stations. This system transports effluent to the City's wastewater treatment facility (WWTF) located southwest of the City. A sewer study completed in 1996 provided a list of improvements that would be required to insure that the collection system is effective through the year 2014. The study provided the following recommendations:

- Increase the capacity of the South Valencia line between Laguna Street and Hermosa Avenue by the year 2003
- Increase the capacity of the 15-inch WWTF trunk line by the year 2003
- Extend the Ropes Street sewer line west to Mulberry Street
- Extend the Deltha Avenue sewer line west of Mulberry Street
- Install the Mulberry Street line, between Ropes Street and Deltha Avenue
- Extend an 8- to 10-inch sewer line along the existing airport runway west to the end of the property
- Extend a 6-inch sewer line north from the to-be-constructed Riverside Avenue extension to the to-be-constructed Hermosa Drive extension

The status of the above listed projects is unknown, and should be verified prior to the approval of any SOI amendments that may rely upon the listed infrastructure improvements. City staff has indicated that the recommendations will be considered at the time the City constructs improvements to its WWTF.

The City's WWTF is located south of the City on Valencia Boulevard, just north of the Airport, on land currently owned by the Sentinel Butte Water Company. The City was granted an easement to use the land for wastewater treatment and disposal purposes in 1950. The City's WWTF is currently operating under the following orders issued by the California Regional Water Quality Control Board (RWQCB) – Central Valley Region.

- *Order No. 5-01-082 "Water Reclamation Requirements for Sentinel Butte Water Company and City of Woodlake Reclamation Project Tulare County"*
- *Order No. 5-01-077 "A Cease and Desist Order Requiring City of Woodlake and Sentinel Butte Water Company Woodlake Wastewater Treatment Facility Tulare County to Cease and Desist Discharging Waste Contrary to Requirements"*



- *Order No. 5-01-076 “Waste Discharge Requirements for City of Woodlake and Sentinel Butte Water Company Woodlake Wastewater Treatment Facility Tulare County”*

The Cease and Desist Order (C&D) specifies timelines for the City to correct violations of waste discharge requirements (WDR). Specifically, the C&D Order requires the City to correct violations of biochemical oxygen demand (BOD) and total suspended solids (TSS) effluent limits. The existing WWTF is not able to consistently meet effluent requirements for BOD and TSS. The C&D Order established a timeline for the City to actively pursue funding for capital improvements for long-term compliance with the new WDRs. The C&D Order also included a timeline for the actual construction of WWTF modifications necessary for compliance.

The City’s WWTF was last studied in a report entitled *Master Plan for Wastewater Treatment and Disposal* (Quad Knopf, January 2004), and is considered as the first step to comply with the C&D Order timetable. The Master Plan was funded through a Community Development Block Grant from the State of California Department of Housing and Community Development. The implementation of the Master Plan will bring the City into full compliance with WDRs and will provide sufficient capacity reserve for residential, commercial and industrial development through the planning period (established as year 2023), and accommodate a population of over 11,000 residents.

The WWTF consists of a headworks, grinder, influent pump station and two surface aerated facultative lagoons that provide the equivalent of “secondary” treatment. The primary methods of wastewater disposal are direct percolation and evaporation from disposal ponds and surface irrigation of a pasture adjacent to the treatment ponds. Sludge is retained in the ponds and digests through aerobic and anaerobic decomposition. Sludge is periodically removed from the ponds and disposed off-site. The only industrial discharge to the system is from a drywall manufacturer and is less than 1,000 gallons per day (GPD).

There are approximately 35 acres of pasture located immediately east of the treatment plant on which effluent is applied for irrigation and as means of disposal. The soil has a high rate of percolation and the area is large enough to allow considerable evaporation. Beef cattle periodically graze on the pastureland.

Order No. 5-01-076 prescribes that the monthly average discharge to the disposal ponds shall not exceed 1.0 million gallons per day (MGD). According to the *Wastewater User Charge Survey Report F.Y. 2004-05* (California Environmental Protection Agency State Water Resources Control Board, May 2005), the average dry weather flow (ADWF) at the WWTF is approximately 0.78 MGD, indicating that the facility is currently operating at 78% of its capacity.

The full implementation of the Master Plan would increase the plants capacity to 1.8 MGD, of which 0.6 MGD would be allocated for industrial capacity reserve. The Master Plan also provides the following key recommendations, including, but not limited to:

- Increasing the initial plant capacity to 1.2 MGD, with key components sized initially for the 20-year design flow of 1.8 MGD. The incremental expansion from 1.2 MGD to 1.8 MGD should occur when the City reaches a flow of 1.0 MGD or when significant industrial users are to be connected.
- Purchase the existing WWTF from the Sentinel Butte Water Company. The site is strategically located and many of the existing facilities can be modified and used for the master planned improvements. The land also has a proven ability to percolate significant quantities of water.

- The 80-acre site on Riverside Drive should be purchased to provide additional storage pond and irrigation area. The existing site alone is not large enough for the planned capacity expansion.
- The City should continue to promote recycling to local farmers. The Riverside Drive site can be utilized as a recycled water irrigation demonstration site to promote the use of recycled water. The treatment system should be designed to meet California Title 22 standards for “disinfected secondary 2.2 recycled water.” This water can be used to irrigate citrus trees, olive trees and other crops grown in the Woodlake area.
- The oxidation ditch, extended aeration activated sludge process, with nitrogen removal, is the recommended treatment process. This process is well proven, reliable and easy to operate and appropriate technology for the City.
- The phasing of construction will consist of building two 0.6 MGD oxidation ditches for a total capacity of 1.2 MGD and two final clarifiers with a combined capacity of 1.8 MGD. The headworks and main hydraulic structures and pipelines will be built in the first phase to handle an ultimate capacity of 1.8 MGD. Other system components such as effluent storage, sludge drying beds, effluent filters and pumps (influent and irrigation) can be constructed for an initial capacity of 1.2 MGD and later expanded to 1.8 MGD capacity. At that point the third oxidation ditch will be constructed as well for a total 1.8 MGD treatment capacity.
- The total construction cost for the construction of ultimate improvements bringing the plants capacity to 1.8 MGD is estimated at \$11.8 million. Phasing of the oxidation ditch construction for initial capacity of 1.2 M would result in an estimated construction cost of approximately \$10.0 million. Operational costs are estimated at \$357,000/year for operating the phase 1 improvements, and \$451,000/year when operated at full capacity.

Since the preparation of the Master Plan, the City has purchased the existing WWTF site from the Sentinel Butte Water Company. In addition, the City has also purchased the airport and an 88-acre parcel north of the WWTF for future expansion. The City is actively seeking funding sources to begin implementing the master planned WWTF improvements. The City’s Master Plan provides an excellent foundation for ensuring that the City can continue to serve the sanitary sewer needs of existing and future residents, and bring the City into full compliance with the requirements of the RWQCB. The full implementation of the Master Plan will provide sufficient capacity to accommodate the City’s future growth needs.

### **2.2.3 Streets and Traffic Circulation**

The City street system is fairly simple, with two State Routes (S.R.) providing primary east-west, and north-south circulation through the City. Routes of regional significance that serve the City of Woodlake include State Routes 201, 216, and 245. S.R. 201 connects to S.R. 245 just north of Woodlake, and extends west providing access to S.R. 63, and further west where it connects to Alta Avenue just south of Dinuba. S.R. 216 provides the primary east-west circulation through the City of Woodlake. From Woodlake, S.R. 216 extends southwest to Visalia and east where it intersects S.R. 198 just west of Lake Kaweah. S.R. 245 provides the primary north-south circulation through Woodlake. There are currently no signalized intersections within the City of Woodlake. The intersection of S.R. 216 and S.R. 245 is all-way-stop-controlled.

The California Planners Book of Lists 2005 contains a table summarizing the status of local general plans, including the dates these plans were last updated as reported by the cities and counties, identified as 1975 for Woodlake's Circulation Element. Additionally, it identifies local jurisdictions that have adopted plans, programs, and ordinances that may serve as models or examples for other planning agencies.

The City's circulation system was studied in a report entitled "*An Area General Plan for Tulare County – California*" (Grunwald & Associates, April 1963). As previously noted, the bulk of Woodlake's General Plan Elements have been prepared through the Tulare County Planning Department and Association of Governments, including the Circulation Element. Section 5 of the Tulare County Area General Plan contains major urban elements of the Plan for Dinuba, Exeter, Farmersville, Lindsay, Tulare, Visalia, and Woodlake.

The Urban Element of the Tulare County Area General Plan for the Woodlake Area was designed to accommodate approximately 5,300 persons by 1980. It appears that many of the circulation improvements identified in the Plan have been built out. Tulare County is currently in the process of preparing a comprehensive update to their General Plan. It is understood that the Tulare County General Plan update will not specifically address the circulation needs of incorporated cities. For this reason, it is recommended that the City prepare a Citywide General Plan Circulation Element to identify the existing and future transportation needs for the Woodlake area. At a minimum, the Plan Boundary should include areas within the City's UAB, and SOI.

Other plans, including the 2004/05 Tulare County Regional Transportation Plan (RTP) prepared by the Tulare County Association of Governments (TCAG) in 2004, addresses various aspects of the County and Valley-wide regional transportation projects. TCAG's jurisdiction includes the Cities of Dinuba, Exeter, Farmersville, Lindsay, Porterville, Tulare, Visalia, Woodlake, Tulare County, Native American tribal group and communities in the transportation planning process. TCAG coordinates with federal, state, and regional governments and the Native American tribal government to develop strategies that address transportation issues. This effort promotes direct involvement by the government and interested groups in the transportation planning and project selection process.

The 2004/05 RTP identifies two unconstrained capacity increasing project requests for RTIP/IIP funding within the City of Woodlake. These projects are proposed for joint funding by the City/Regional Improvement Program (RIP) in 2025. These projects, and their associated cost estimate in 2003/04, are identified below.

- Construct W. Bravo Avenue between Road 196 and Road 204 - \$950,000
- Construct Avenue 200 between Naranjo Boulevard and W. Bravo Avenue - \$130,000

The City has several budgetary funds set up to address the local transportation needs of the City identified as follows.

- TDA Fund – Transit
- TDA Fund – Streets
- Gas Tax Fund
- STP Fund

The City continues to maintain and improve its street system within the constraints of available funding. It is recommended that the City prepare a General Plan Circulation Element to address the local transportation needs of the community, and set forth policy relating to the identification of additional revenue sources to improve and maintain the City's transportation system. Transportation projects

included in the City's budget for F.Y. 2005-06 include miscellaneous slurry/fog/chip seal projects, reconstruction of the Ropes Avenue/Blair Road intersection, and the S. Acacia and Deltha Street extensions.

#### **2.2.4 Solid Waste Collection and Disposal**

The City is contracted with Sunset Waste for solid waste collection and disposal services. Since privately owned utility companies are not subject to Sphere of Influence (SOI) determinations, services provided by privately owned and operated utility companies are not subject to SOI determinations, and are therefore, exempt from the MSR requirement.

Weekly curbside or alley collection of household, commercial and industrial solid waste is provided by the City's refuse disposal contractor. The City's website provides information on customer service contacts for solid waste information/service requests.

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 Woodlake has since opted out of the JPA in a decision made by the City Council, which becomes effective in June 2006.

Based upon information obtained from the Tulare County Solid Waste Division website ([www.co.tulare.ca.us/solidwaste/swabout.htm](http://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

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.

#### **2.2.5 Power Generation and Distribution**

Power generation and distribution is provided by a privately owned utility company. The Southern California Edison (SCE) Company serves most of the Cities within Tulare County, including Woodlake. Since privately owned utility companies are not subject to Sphere of Influence (SOI) determinations,

services provided by privately owned and operated utility companies are not subject to the MSR requirement.

## **2.2.6 Fire and Police Protection Services**

### *Fire*

The Woodlake Fire Department Operations are conducted by the Woodlake Fire Protection District, a separate governing body from the City of Woodlake. According to Appendix B “MSR Exemption Policy” of Tulare County LAFCO Policy C-5, the Woodlake Fire Protection District is subject only to a questionnaire study, and not a full comprehensive study. MSR questionnaires are to be completed by Tulare County LAFCO staff at a later date, and are not included in the scope of this full comprehensive study.

### *Police*

Much of the information regarding the City’s Police Department operations has been obtained from the City’s website, [www.cityofwoodlake.com](http://www.cityofwoodlake.com). The Woodlake Police Department is located at Woodlake City Hall at 350 N. Valencia Blvd. Woodlake, CA 93286. The Woodlake Police Department is committed to promoting a safe and secure environment for the community through the delivery of quality services. The police department is responsive to the concerns of the community and improving the quality of life for the citizens of Woodlake by working together in problem-solving partnerships.

The Woodlake Police Department presently consists of a chief, two sergeants, one lieutenant, one detective, eight officers, one community service officer, and two clerical / dispatch personnel. The department is very active in the Woodlake Schools. The department has one officer responsible for teaching the DARE program as well as a full-time youth development officer, dedicated to enforcement and prevention activities on the school campuses. The department also has one part time staff member dedicated to animal control activities. The police department also operates a gang unit, a chaplain program, a reserve force of 10 officers, a senior volunteer program and an Explorer Program consisting of 15 explorers ranging in age from 14 to 18. Based upon current staffing levels, the Police Department has a sworn police officer to population ratio of approximately 1:900.

The City of Woodlake Police Department operates under a mutual aid agreement with the Tulare County Sheriff’s Department. The sworn police officer to population ratio within Woodlake is exceptional compared to surrounding cities. The City will need to continue to plan for additional staffing and equipment for Police Department operations to serve the growing population of the community. A Police Master Plan, in addition to a local General Plan Public Safety Element would help the Department prepare for future growth.

The City’s budget for F.Y. 2005-06 appropriates a total of \$1,340,350 for police department operations, up 23.2% from the previous fiscal year. This can be attributed mostly to the addition of two officers during F.Y. 2005-06, increased retirement plan payments, higher health insurance costs, and capital outlay.

## **2.2.7 Written Determinations**

### *Domestic Water*

1. The City’s water supply is derived from groundwater sources through five active wells that have a total production efficiency of approximately 3,750 gallons per minute. Two additional

wells have been inactive, one due to a history of bacterial contamination, and the other due to the discovery of unacceptably high nitrate levels.

2. The water systems pressure regulation and storage needs are met by a hydro-pneumatic pressure tank, booster pumps, and a 500,000 gallon elevated storage tank located on Castle Rock Hill.
3. The City's water system was recently studied as a part of the *Water System Master Plan* (Quad Knopf, March 2005). The *Water System Master Plan* is framed to accommodate a total population of approximately 10,500. The master plan focuses on areas where growth is likely to occur, specifically to the east and northeast within the existing City Limits, to the west, east, and northeast within the City's UDB, and west of Antelope Creek within the UAB.
4. The City's *Water System Master Plan* is indicative of the City's efforts to continue to provide an ample and clean water supply to the existing and future residents of Woodlake. Provided the City continues to implement water system improvements as recommended in the master plan, the City should be able to continue to provide quality waster service (domestic and fire flow needs) to existing and future residents.
5. The City's water system is currently un-metered, and billed under a flat rate system, which does not promote water conservation. The usage of meters as a basis for water rates may reduce usage by 13% to 45% per connection, averaging perhaps 30%.
6. The City's municipal code establishes comprehensive water conservation regulations for the intent of minimizing outdoor water use and to control unnecessary consumption of the available potable water supplies in the City.

#### *Wastewater Collection, Treatment & Disposal*

1. The City's provides sanitary sewer collection, treatment and disposal services within the City Limits, and to the unincorporated community east of the City known as the Wells Tract.
2. A sewer study completed in 1996 provided a list of improvements that would be required to insure that the collection system is effective through the year 2014. The City should continue to implement improvements outlined in the 1996 sewer study.
3. A determination of adequate sewer capacity should be verified prior to the approval of any SOI amendments. When considering SOI amendments, impacts on the sewer capacity to existing properties within the City Limits and SOI should also be considered.
4. The City owns and operates a WWTF located southwest of the City west of the S. Valencia Boulevard/Riverside Avenue intersection. The WWTF is operated under the following orders, issued by the California Regional Water Quality Control Board: Order No. 5-01-082 "Water Reclamation Requirements...", Order No. 5-01-077 "A Cease and Desist Order...", and Order No. 5-01-076 "Waste Discharge Requirements...".
5. The WWTF is currently operating under a Cease and Desist (C&D) Order which specifies timelines for the City to correct violations of the waste discharge requirements (WDR). The C&D Order established a timeline for the City to actively purse funding and implement capital improvements for long-term compliance with the new WDRs.

6. The City's WWTF was studied in a report entitled *Master Plan for Wastewater Treatment and Disposal* (Quad Knopf, January 2004), and is considered as the first step to comply with the C&D Order timetable. The implementation of the Master Plan will bring the City into full compliance with WDRs and will provide sufficient capacity reserve for residential, commercial and industrial development through the planning period (established as year 2023), and accommodate a population of over 11,000 residents. The full implementation of the master plan would increase the plants capacity to 1.8 MGD, of which 0.6 MGD would be allocated for industrial capacity reserve.
7. The City reclaims wastewater effluent by applying it on approximately 35 acres of pastureland immediately east of the WWTF. Beef cattle periodically graze on the pastureland.
8. Order No. 5-01-076 prescribes that the monthly average discharge to the disposal ponds shall not exceed 1.0 millions gallons per day (MGD). According to the *Wastewater User Charge Survey Report F.Y. 2004-05* (California Environmental Protection Agency State Water Resources Control Board, May 2005), the average dry weather flow (ADWF) at the WWTF is approximately 0.78 MGD, indicating that the facility is currently operating at 78% of its capacity.

#### *Streets and Traffic Circulation*

1. The Urban Element of the Tulare County Area General Plan (Grunwald & Associates, 1963) for the Woodlake Area was designed to accommodate approximately 5,300 persons by 1980. It appears that many of the circulation improvements identified in the Plan have been built out.
2. Tulare County is currently in the process of preparing a comprehensive update to their General Plan. It is understood that the Tulare County General Plan update will not specifically address the circulation needs of incorporated cities. For this reason, it is recommended that the City prepare a Citywide General Plan Circulation Element to identify the existing and future transportation needs for the Woodlake area. At a minimum, the plan boundary should include areas within the City's UAB, and SOI.
3. The City continues to maintain and improve its street system within the constraints of available funding. It is recommended that the City prepare a General Plan Circulation Element to address the local transportation needs of the community, and set forth policy relating to the identification of additional sources to improve and maintain the City's transportation system.
4. The following transportation related projects are being funded by the City: miscellaneous slurry/fog/chip seal projects, reconstruction of the Ropes Avenue / Blair Road intersection, and the S. Acacia and Deltha Street extensions.

#### *Solid Waste Collection & Disposal*

1. The City is contracted with Sunset Waste for solid waste collection and disposal services. Since privately owned utility companies are not subject to SOI determinations, services provided by privately owned and operated utility companies are exempt from the MSR requirement.



### *Power Generation and Distribution*

1. The Southern California Edison (SCE) Company serves most of the Cities within Tulare County, including Woodlake. Since privately owned utility companies are not subject to Sphere of Influence (SOI) determinations, services provided by privately owned and operated utility companies are not subject to the MSR requirement.

### *Fire and Police Protection Services*

1. The Woodlake Fire Department Operations are conducted by the Woodlake Fire Protection District, a separate governing body from the City of Woodlake. According to Appendix B “MSR Exemption Policy” of Tulare County LAFCO Policy C-5, the Woodlake Fire Protection District is subject only to a questionnaire study, and not a full comprehensive study. MSR questionnaires are to be completed by Tulare County LAFCO staff at a later date, and are not included in the scope of this full comprehensive study.
2. The Woodlake Police Department presently consists of a chief, two sergeants, one lieutenant, one detective, eight officers, one community service officer, and two clerical / dispatch personnel. The police department also operates a gang unit, a chaplain program, a reserve force of 10 officers, a senior volunteer program and an explorer program consisting of 15 explorers ranging in age from 14 to 18.
3. The police department has a sworn police officer to population ratio of approximately 1:900. The sworn officer to population ratio within Woodlake is exceptional compared to surrounding cities.
4. The City will need to continue to plan for additional staffing and equipment for police department operations to serve the growing population of the community. A police master plan and/or a local General Plan Public Safety Element would help the department prepare for future growth.

## **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**

The City prepares a comprehensive annual budget that sets forth the financial priorities of the City for the upcoming fiscal year within available funding constraints. The City has several different funds set up for the individual operations of the City. The City's budget consists of the following funds.

- General Fund
- COPS Grant
- TDA Fund – Transit
- TDA Fund – Streets
- Gas Tax Fund
- STP Fund
- CDBG Fund
- CDBG Program Income Fund
- HOME Fund
- HOME Program Income
- HELP Fund
- Lighting and Landscaping District
- TEA-21 Grant
- Sewer Fund
- Sewer Capital Fund
- Water Fund
- Water Capital Fund
- Capital Facilities Fund
- Woodlake Fire District

The City currently takes advantage of establishing assessment districts for the public maintenance and operation of various public facilities, for example, landscaping and lighting. The City should continue to explore additional opportunities to form such assessment districts.

The City's budget provides a fund balance analysis which illustrates how each fund is performing, and where additional revenue is needed, and funds that have excess revenues. The City's budget also provides a summary and a detailed description of the revenues and expenditures for each City fund. A summary of the budgeted revenues and expenditures for fiscal year 2005-06 for each City fund is provided in Table 2-2.

**TABLE 2-2  
CITY FUNDS REVENUES VS. EXPENDITURES F.Y. 2005-06**

<b>City Fund</b>	<b>Beginning Balance (07-01-05)</b>	<b>2005-06 Revenue Summary</b>	<b>2005-06 Expenditure Summary</b>	<b>Budgetary Fund Balance (06-30-06)</b>
General Fund	514,240	2,114,480	2,125,180	503,540
COPS Grant	68,110	100,500	100,000	68,610
TDA – Transit	84,940	161,330	161,770	84,500
TDA – Streets	70,000	102,000	170,000	2,000
Gas Tax Fund	157,000	179,500	300,830	35,670
STP Fund	0	0	0	0
CDBG Fund	0	2,100,000	2,100,000	0
CDBG Prog/Inc Fund	200,000	20,100	116,880	103,220
HOME Fund	0	900,000	900,000	0
Home Program Income	55,000	10,000	65,000	0
HELP Fund	26,880	500,000	500,000	26,880
Lighting/Landscaping	54,310	24,500	24,500	54,310
TEA-21 Grant	0	0	0	0
Sewer Fund	170,890	826,600	815,460	182,030
Sewer Capital Fund	98,000	0	80,000	18,000
Water Fund	216,150	416,100	378,940	253,310
Water Capital Fund	355,000	0	157,000	198,000
Capital Facilities Fund	224,860	23,600	150,000	98,460
Woodlake Fire District	213,699	201,465	232,908	182,256
<b>Total of All Funds</b>		<b>7,680,175</b>	<b>8,378,468</b>	

*Source: City of Woodlake Fiscal Year 2005-06 Adopted Budget*

As indicated in Table 2-2, the City's General Fund is not balanced for the current fiscal year. It is recommended that the City seek ways to overturn this deficit spending by implementing creative budgeting practices. City staff indicated that the \$10,000+ general fund deficit recognizes a \$38,000 contribution to the State for ERAF III, which goes away in fiscal year 2006-07. This will help the City reach a balanced general fund budget in upcoming fiscal years. During fiscal year 2004-05 the City's General Fund revenues totaled \$2,097,900 while expenditures totaled \$2,088,560.

The decrease in the balance of the TDA Fund for Streets is a result of the City funding \$120,000 worth of slurry/fog/chip seal projects on City streets, and \$50,000 to reconstruct Ropes Avenue and Blair Road. The decrease in the balance of the Gas Tax Fund is a result of the City funding a \$150,000 project that includes the construction of a connection between Acacia Street and Deltha Avenue. In addition, the Gas Tax Fund allocates \$150,830 to costs applied for streets. Costs applied are for non-departmental and maintenance shop operations examples of which include expenditures associated with annual audits, self-insurance, retiree health insurance, commercial insurance, litigation expenses, cash match for grant contributions, consultant fees, contributions to outside service agencies, debt service expenses, utility costs for electricity, and vehicle fleet maintenance/repairs. After accounting for costs applied, this leaves the City with very limited gas tax revenue to implement street improvement projects, and for this reason, can be viewed as a significant financial constraint.

In fiscal year 2005-06, the City received \$2.1 million in Community Development Block Grant (CDBG) funding. CDBG 03-STBG-1857 amounts to \$100,000, \$83,000 of which is allocated to housing

rehabilitation, and \$13,000 which is allocated towards administration. CDBG 04-STBG-1944 amounts \$500,000 and is being allocated as follows; \$264,500 to housing rehabilitation, \$37,500 to administration, \$150,000 to first time home buyer assistance, \$46,000 for sidewalks, and \$2,000 for public services. An additional grant received beginning in fiscal year 2005-06 amounts to \$1,500,000 and is being allocated as follows; \$341,500 to housing rehabilitation, \$112,500 to administration, \$138,000 to public services (YDO/Code Enforcement), and \$908,000 to public works for a new water storage tank. The City also had their water and sewer master plans prepared through CDBG funding in previous years. The HOME Fund, HOME Program Income Fund, and HELP Fund are used for housing activities of the City. The City's ability to obtain financing is demonstrated by the numerous grants the City continues to successfully apply for.

The City's Sewer Fund covers the anticipated expenditures for fiscal year 2005-06, indicating that the City continues to provide efficient sewer service. Primary revenues of the Sewer Fund are generated from sewer user fees, lease revenue, and interest income. In fiscal year 2005-06 the City received a Proposition 13 small cities grant in the amount of \$500,000. The City's Water Fund also covers the anticipated expenditures for fiscal year 2005-06, indicating that the City continues to provide efficient water service. Primary revenues of the Water Fund are generated from water user fees, and interest income. The City has \$80,000 budgeted for capital sewer improvements including \$30,000 for equipment purchase and \$50,000 for collection system improvements. The City has \$157,000 budgeted for capital water improvements including \$30,000 for equipment purchase, \$50,000 for transmission and distribution system improvements, and \$77,000 for a new storage tank.

The City's *Master Plan for Wastewater Treatment and Disposal* recommends significant improvements to bring the City's WWTF into full compliance with waste discharge requirements and provide sufficient capacity reserve for residential, commercial and industrial development. The Plan recommends that the City secure funding for the WWTF expansion. The City should research available State and/or Federal grant and/or loan funding to implement improvements to the WWTF, including grant/loan programs available for recycled water usage projects.

The City should actively research opportunities for additional revenue streams, including joint agency grant applications, untapped resources, or alternative government structures. Measure L, on the November 2005 ballot, involved a special tax increase to overturn the deficit spending of the Woodlake Fire District. The measure was not passed by voters.

### **2.3.2 Comprehensive Annual Financial Report (CAFR)**

At the end of each fiscal year, the City undergoes an independent audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. The standards require that the audit be performed to obtain reasonable assurance about whether the financial statements are free of material misstatement. The CAFR contains five major sections including Basic Financial Statements, Required Supplementary Information, Other Supplementary Information, Other Independent Auditors' Reports, and Findings and Questioned Costs.

Under the City's cash management program, cash in excess of operating requirements from all funds is pooled with the purpose of maximizing interest through investment activities, and is deposited in savings accounts or invested in bank certificates of deposit, bank money market accounts and the State of California Local Agency Investment Fund (LAIF). All cash and investments of the proprietary fund types are pooled with the City's pooled cash and investments. The City participates with other public entities in a joint venture under a joint powers agreement which establishes the Central San Joaquin Valley Risk Management Authority (CSJVRMA).

The investment policy of the City is consistent with guidelines set forth under State of California Government Code Section 53601 and serves to maximize investment income consistent with safe and prudent investment practices. All surplus funds are managed by the City Administrator in compliance with the Statement of Investment Policy adopted by the City Council which delegates to the City Administrator the authority to invest City funds and to deposit securities. Under provision of the City's investment policy, and in accordance with Section 53601 of the California Government Code, the City may invest in the following types of investments.

- Securities of the U.S. Government , or its agencies
- Certificates of deposit (or time deposits) placed with commercial banks and/or savings and loan companies
- Negotiable certificates of deposit
- Bankers' acceptances
- Commercial paper
- Local agency investment fund deposits (state pool)
- Passbook savings account demand deposits
- Small business administration loans
- Repurchase agreements
- Reverse repurchase agreements

The City's investment activities are within state statutes and the City's investment policy.

The City has two outstanding long term debt obligations, one which includes a loan made to the City from the California Trade and Commerce Agency (CTCA) to construct a road, and the other which includes a loan from the Bank of Visalia to purchase 86 acres of land for future wastewater disposal site. The interest rate on the CTCA loan is 2.75%, and is payable through June 30, 2009. The interest rate on the Bank of Visalia loan is 6.5% per annum and is payable through March 25, 2014. The City has no other outstanding long term debt obligations.

According to the CAFR, the City's Agency will be issuing bonds in the amount of \$610,000 during FY 2005-06 for the purpose of converting the Woodlake Airport, a privately owned airport, into a municipal airport. The terms of the bond will be 4 3/8% for 20 years.

The State of California is currently operating under a significant budget crisis. The State continues to reduce and/or cut revenue sources, such as the motor vehicle in-lieu tax, to local governments. Without these sources of revenues, small cities, like Woodlake, incur significant budget constraints and deferment of scheduled maintenance items.

### **2.3.3 Written Determinations**

1. The City prepares a comprehensive annual budget that sets forth the financial priorities of the City for the upcoming fiscal year within available funding constraints. The City has several different funds, including enterprise and non-enterprise funds, set up for the individual operations of the City.
2. Though reduced due to an imbalanced general fund (by approximately \$10,700), the anticipated general fund balance at the end of fiscal year 2005-06 is estimated at just over \$500,000, which represents approximately 24% of general fund operating revenue, and over two months of regular general fund expenditures. 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's ability to obtain outside funding is demonstrated by the receipt of over \$2.1 in CDBG funding beginning in F.Y. 2005-06. The CDBG funds are being used to implement several programs including housing rehabilitation, and first time home buyer assistance, and for the construction of capital infrastructure projects. The City also had their water and sewer master plans prepared through CDBG funding in previous years.
4. The City also takes advantage of establishing assessment districts for the public maintenance and operation of various public facilities, for example, landscaping and lighting. The City should continue to explore additional opportunities to form such assessment districts.
5. At the end of each fiscal year, the City undergoes an independent audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.
6. Under the City's cash management program, cash in excess of operating requirements from all funds is pooled with the purpose of maximizing interest through investment activities, and is deposited in savings accounts or invested in bank certificates of deposit, bank money market accounts and the State of California Local Agency Investment Fund (LAIF).
7. The City has two outstanding long term debt obligations, one which includes a loan made to the City from the California Trade and Commerce Agency (CTCA) to construct a road, and the other which includes a loan from the Back of Visalia to purchase 86 acres of land for future wastewater disposal site. The interest rates are 2.75% and 6.5%, respectively.
8. According to the CAFR, the City's Agency will be issuing bonds in the amount of \$610,000 during FY 2005-06 for the purpose of converting the Woodlake Airport, a privately owned airport, into a municipal airport. The terms of the bond will be 4 3/8% for 20 years.
9. The State of California is currently operating under a significant budget crisis. The State continues to reduce and/or cut revenue sources, such as the motor vehicle in-lieu tax, to local governments. Without these sources of revenues, small cities, like Woodlake, incur significant budget constraints and deferment of scheduled maintenance items.

## **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 Budgetary Processes**

The City's budget process is designed to screen out unnecessary costs through the implementation of a program performance budget format. The program performance budgeting system encourages creativity, effectiveness, broad participation in decision making, and accountability.

The City's annual procedures for establishing the budgetary data reflected in the budgetary comparison schedules are as follows.

1. The City Manager submits to the City Council a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
2. The City Council reviews the proposed budget during special sessions, which are open to the public.
3. Prior to July 1, the budget is approved by the City Council. This budget is reported as Original Budget in the budgetary comparison schedules.
4. During the fiscal year, changes to the adopted budget may be authorized, as follows:
  - a. Item requiring City Council action – appropriation of fund balance reserves; transfers of appropriations between funds; appropriation of any non-departmental revenue; new inter-fund loans or advances; creation of new capital projects increases to existing capital projects; and approval of transfers which increase salary and benefit appropriations.
  - b. Items delegated to the City Manager – transfers between departments within funds; appropriation of unbudgeted departmental revenues.
  - c. Items delegated to department head – allocation of departmental appropriations to line item level.
5. Formal budgetary integration is employed as a management tool for all funds. Annual budgets are legally adopted and amended as required for the general, special revenue and enterprise funds. Project length budgets are adopted for the capital projects fund. All budgets are prepared on a basis consistent with generally accepted accounting principles (GAAP), and budgetary comparisons of the general and major special revenue funds are presented on that basis in the required supplementary information.
6. Budget amounts are reflected after all authorized amendments and revisions. This budget is reported as Final Budget in the budgetary comparison schedules.
7. For each legally adopted operating budget, expenditures may not exceed budgeted appropriations at the activity level. The legal appropriation basis is at the level called "department". A "department" for legal appropriation purposes may be a single

organization, or entire department having multiple organizations within the same fund, or an entire fund.

### **2.4.2 Cost Avoidance Strategies**

The City is exposed to various risks and losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Risk of loss is primarily handled through the Central San Joaquin Valley Risk Management Authority (CSJVRMA). CSJVRMA is a consortium of fifty-five cities in the San Joaquin Valley. The CSJVRMA is governed by a Board of Directors, which meets 3 to 4 times per year, consisting of one member appointed by each member city. The day to day business is handled by a management group employed by CSJVRMA. The CSJVRMA participates in an excess pool which provides general liability coverage from \$1,000,000 to \$15,000,000. The CSJVRMA participates in an excess pool which provides workers' compensation coverage from \$250,000 to \$500,000 and purchases excess insurance above the \$500,000 to the statutory limit. The City of Woodlake is covered for the first \$1,000,000 of each general liability claim and \$250,000 of each workers' compensation claim through CSJVRMA. Based upon the City's participation in the CSJVRMA, the City takes advantage of sharing insurance coverage premiums as a way of avoiding unnecessary costs.

The City avoids unnecessary costs through the implementation of infrastructure Master Plans and the General Plan, 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. At the time Master Plan documents are updated, the planning area should also be updated to include the City's current SOI and/or UAB areas. Planning out to ultimate service area boundaries helps identify any impacts that future planned infrastructure may have on current infrastructure in place, and mitigations that would alleviate such impacts. The City, by resolution, establishes fees for new development to connect to their water and sewer systems. The City also assesses storm drainage acreage fees as a way of mitigating storm water related impacts resulting from new development. Infrastructure master plans are an effective way 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 City's use of development impact fees and assessment districts are important aspects 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.

The City can also 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 avoids unnecessary costs by incrementally expanding its infrastructure to areas zoned for General Plan development. Master planning increases the City's preparedness when SOI areas are proposed for development. It can be expected that the City will avoid unnecessary costs that may be caused by the annexation of proposed SOI areas through comprehensive analysis of the costs and benefits of a proposed development in those areas.

The City could also avoid unnecessary costs through the construction of joint use facilities, including but not limited to recreational sports fields, parks, or other facilities that could be used by multiple agencies. The City should continue to explore opportunities to work with the local School District to promote joint use projects.



### **2.4.3 Written Determinations**

1. The City's budget process is designed to screen out unnecessary costs through the implementation of a program performance budget format. The program performance budgeting system encourages creativity, effectiveness, broad participation in decision making, and accountability.
2. Based upon the City's participation in the CSJVRMA, the City takes advantage of sharing insurance coverage premiums as a way of avoiding unnecessary costs.
3. Through the preparation, implementation, and updating of infrastructure master plans, the City avoids unnecessary costs by incrementally expanding its infrastructure to areas zoned for General Plan development. Planning out to ultimate service areas helps identify any impacts that future planned infrastructure may have on current infrastructure in place, and mitigations that would alleviate such impacts.
4. It can be expected that the City will avoid unnecessary costs that may be caused by the annexation of proposed SOI areas through comprehensive analysis of the costs and benefits of a proposed development in those areas.
5. The City's use of development impact fees and assessment districts are important aspects of avoiding future financial liability. The City can also 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).
6. The City could also avoid unnecessary costs through the construction of joint use facilities, including but not limited to recreational sports fields, parks, or other facilities that could be used by multiple agencies. The City should continue to explore opportunities to work with the local School District to promote joint use projects as a way of avoiding unnecessary costs.

## 2.5 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.

### 2.5.1 Fee Structure

Under the provisions of the Municipal Code of the City of Woodlake, the City Council is empowered to set the rates to be charged and collected by the City of Woodlake for sewer and water service by a resolution passed by the City Council. The City complies with Article XIID of the California Constitution by holding public meetings and noticing (in English and Spanish) by mail, all property owners affected by proposed rate changes.

In February 2006, the Woodlake City Council considered a report entitled *Impact Fee Recommendations*, Quad Knopf, Inc., December 2005. The study analyzed future new development in the City, the need for expanded and increased water supply and storage, wastewater collection facilities, wastewater treatment and disposal facilities and storm drainage facilities to serve such future new development, their related costs, and the relationships between such development, facilities and costs. On February 13, 2006, the Woodlake City Council subsequently adopted Resolution 06-07, which set forth development impact fees for the purpose of financing the construction of water, wastewater collection, wastewater treatment/disposal, and storm drainage public facilities, or to replace the capacity of such public facilities utilized by new development. The City Council found that there is a reasonable nexus between the proposed development impact fees, and the cost of expanding infrastructure services, consistent with the intent of AB 1600. The following development impact fees are to be in full force and effect beginning sixty (60) days from and after the adoption Resolution 06-07.

For a typical single family dwelling (Equivalent Dwelling Unit, EDU):

Water: \$2,001 per EDU  
Wastewater Collection: \$957  
Wastewater Treatment/Disposal: \$3,526  
Storm Drainage: \$683

The following excerpts from City Resolution 06-07 describe the use of the development impact fees and the fee review.

*Use of Fees. The fees established hereby shall be solely used to pay (1) for the described public facilities to be constructed by the City, or (2) to reimburse other developers who have constructed public facilities described in the Report attached hereto, where those facilities were beyond that needed to mitigate the impacts of the other developers' project or projects.*

*Fee Review. On or about January 1, 2011, and each five years thereafter, the City staff shall review the estimated cost for Report-described capital improvements, the continued need for those improvements, and the reasonable relationship between such need and the impacts of the various types of development pending or anticipated and for which these fees are charged. The City Auditor will include in his annual City audit an audit of the Development Impact Fee Account, including but not limited to fees collected, improvements provided and administration of the fund. The City staff shall report its*

*findings to the City Council at a noticed public hearing each year and recommend any adjustment to these fees or such other action as may be needed.*

The City should periodically review current user fees and connection fees to ensure that they are adequate to expand and maintain the City's infrastructure systems, consistent with adopted resolutions. Utility user fees charged to existing residents are generally allocated to the operation and maintenance of existing facilities (including capital replacement), and are not to be used for the construction of new facilities. Improvement 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 2-3 and 2-4 compare the water and sewer rates for the eight Tulare County cities (Dinuba, Exeter, Farmersville, Lindsay, Porterville, Tulare, Visalia, and Woodlake). The rates identified are for single family dwellings metered water service, and flat rate sewer fees. The sample monthly bill for water service is calculated using 15,000 gallons (2,005 cubic feet) of water as a base.

**TABLE 2-3  
WATER RATES (TYPICAL SINGLE FAMILY DWELLING)**

City	Monthly Base Service Charge	Metered Rate	Other Charges	Sample Monthly Bill
City of Dinuba <sup>1</sup>	\$15.74	\$0.674 per 100 cf	\$0.00	\$21.17
City of Exeter <sup>2</sup>	\$10.00	\$0.620 per 100 cf	\$0.00	\$13.13
City of Farmersville <sup>3</sup>	N/A	N/A	N/A	N/A
City of Lindsay <sup>4</sup>	\$15.75	\$0.80 per 100 cf	\$0.00	\$27.79
City of Porterville <sup>5</sup>	\$5.00	\$0.72 per 100 cf	6% of Total	\$20.61
City of Tulare <sup>6</sup>	\$9.67	\$0.406 per 100 cf	\$0.00	\$12.38
City of Visalia <sup>7</sup>	\$5.91	\$0.510 per 100 cf	\$0.00	\$16.14
City of Woodlake <sup>8</sup>	\$17.00	\$0.00	\$0.00	\$17.00
<b>Average</b>				<b>\$18.32</b>

*Notes:* 1) City of Dinuba Base Rate covers usage to 1,200 cubic feet (cf)  
2) City of Exeter Base Rate covers usage to 1,500 cf  
3) Water rate information for City of Farmersville not available  
4) City of Lindsay Base Rate covers usage to 500 cf  
5) The City of Porterville assesses a 6% Utility Users Tax within City Limits  
6) City of Tulare Base Rate covers usage to 1,337 cf  
7) City of Visalia Metered Rate is applied to total usage  
8) City of Woodlake charges flat rate of \$17.00/month

As indicated in Table 2-3, the City continues to provide domestic water service to its residents at below average rates compared to other full service cities in Tulare County. The City's water rates were last increased in September 2005 from \$16.00 to \$17.00 flat rate for a typical single family dwelling unit. Resolution 05-25, adopted by the City Council in July 2005 establishes the water rates, and includes tiered rate increases to be implemented on specified dates. On July 1 of each year to 2008, a \$1.00 per month rate increase will become effective consistent with City Resolution 05-25. City Resolution 05-25 also sets the water rates for non-single family dwellings including multi-unit developments, various commercial establishments, schools, and establishments with fire sprinkler protection systems.

**TABLE 2-4  
SEWER RATES (TYPICAL SINGLE FAMILY DWELLING)**

<b>City</b>	<b>Flat Rate</b>	<b>Connection Fee (per EDU)</b>
City of Dinuba	\$16.12	\$3,500
City of Exeter	\$16.00	\$1,900
City of Farmersville	\$21.25	\$550
City of Lindsay	\$27.11	\$700
City of Porterville	\$25.39	\$3,375
City of Tulare	\$22.19	\$342
City of Visalia	\$13.81	\$2,325
<i>City of Woodlake</i>	<i>\$16.00</i>	<i>\$4,483</i>
<b>Average</b>	<b>\$19.73</b>	<b>\$2,147</b>

*Source: Wastewater User Charge Survey Report F.Y. 2004-05 (CalEPA – SWRCB)*

As indicated in Table 2-4, the City continues to provide sanitary sewer service to its residents at below average rates compared to other full service cities in Tulare County. Recent study of the City's development impact fee schedule has determined that the necessary fee for new development to mitigate the impacts to the City's sanitary sewer collection, treatment and disposal facilities is \$4,483 per EDU (\$957 for collection system impacts, and \$3,526 for treatment and disposal facility impacts). The City's sanitary sewer development impact fees are the highest among the eight cities in Tulare County, and can mostly be attributed to the high cost of expanding the City's WWTF.

The City's sewer rates were last increased in September 2005 from \$13.00 to \$16.00 flat rate for a typical single family dwelling unit. Resolution 05-26, adopted by the City Council in July 2005 establishes the sewer rates, and includes tiered rate increases to be implemented on specified dates. On July 1 of each year to 2008, a \$3.00 per month rate increase will become effective consistent with City Resolution 05-26. City Resolution 05-26 also sets the sewer rates for non-single family dwellings including multi-unit developments, various commercial establishments, schools, car washes, and laundromats.

Connection fees are generally used to implement capital infrastructure improvements to serve new development. 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.

## **2.5.2 Written Determinations**

1. Under the provisions of the Municipal Code of the City of Woodlake, the City Council is empowered to set the rates to be charged and collected by the City for sewer and water service by a resolution passed by the City Council.
2. Following the consideration of an *Impact Fee Recommendation* report, the Woodlake City Council adopted Resolution 06-07 establishing new development impact fees for the purpose of financing the construction of water, wastewater collection, wastewater treatment/disposal, and storm drainage public facilities, or to replace the capacity of such public facilities utilized by new development.

3. The City Council found that there is a reasonable nexus between the proposed development impact fees, and the cost of expanding infrastructure services, consistent with the intent of AB 1600.
4. The City of Woodlake currently charges a flat rate of \$17.00 per month for domestic water service, and a flat rate of \$16.00 per month for sewer service, for a typical single family dwelling. These rates are below average compared to other full service cities in Tulare County.
5. City resolutions establishing the water and sewer rates also establish tiered increases to occur annually through year 2008, \$1.00 per year for domestic water, and \$3.00 per year for sanitary sewer. This helps the City offset increased operations and maintenance resulting from salary increases, rising health insurance costs, increased materials and supply costs, etc.
6. The City should consider converting to a metered billing structure for water service, which would promote water conservation. A metered billing structure could also decrease the costs of operating the water system by utilizing less power to operate well pumps, as a result of decreased usage. There would however be implied costs for meter reading, meter maintenance, calibration, etc. A cost/benefit analysis would be appropriate.
7. There is no evidence suggesting that the annexation of areas within the SOI would result in unreasonable fees for utility services as properties annex and develop within the City. It is likely that fees for development within SOI areas would be inline with citywide fees for utility services.

## **2.6 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.

### **2.6.1 Current Shared Facilities**

The City has demonstrated its desire to work with surrounding agencies in providing quality service to residents in a cost effective manner. Some examples of the City's interagency cooperation efforts include the establishment of automatic mutual aid agreements with the Tulare County Sheriff's Department, and the Tulare County Fire Department (with the Woodlake Fire District) to collaborate public safety efforts.

The City has worked with Tulare County Association of Governments and Tulare County Resource Management Agency on regional planning issues including transportation, transit, solid waste, and coordinating applications to request State and/or Federal funding for joint projects.

The City continues to work with the Woodlake Union School District to communicate effectively on issues of shared interest. In 1998, Woodlake Union School District opened its newest campus, Castle Rock Elementary School, on the east side of Woodlake, on Castle Rock Street and Lake View Avenue. The City of Woodlake partnered with the school district in development of a joint use athletic field/storm drainage basin on the north side of the campus. The City should continue its partnership with the school district to collaborate recreational resources and efforts for the betterment of the community.

In 1985, the City of Woodlake agreed to serve an unincorporated area east of the City known as the Wells Tract. The County of Tulare on behalf of the Wells Tract secured governmental funding for the installation of distribution mains, services, and new well and pump. The City's water system serves approximately 300 residents within the Wells Tract service area. The City also provides sewer service to the Wells Tract community. The Wells Tract service area is outside of the current City Limits, but within the City's SOI and UDB.

### **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 Cities and Counties to meet this challenge on common ground.

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. The City should also continue its partnership with the school district to collaborate recreational resources and efforts for the betterment of the community.

As land immediately adjacent to the eastern City Limits of Woodlake continues to annex and develop, it may ultimately be feasible for the City to assume collection as well as treatment services for the Wells Tract community. If the City were to become the primary domestic water and sanitary sewer service provider for the Wells Tract community, this could result in more affordable public infrastructure for the community while meeting or exceeding the current service levels provided by Tulare County (County Service Area No. 2).

### **2.6.3 Written Determinations**

1. The City continues to work with other agencies in providing quality service to residents in a cost effective manner. Examples include establishment of mutual aid agreements to collaborate public safety efforts, working with the local school district on joint use projects, and providing infrastructure and housing rehabilitation to an unincorporated area known as the Wells Tract.
2. The City also works with TCAG and Tulare County RMA on a continuous basis on various issues including transportation, transit, solid waste, and coordinating applications to request State and/or Federal funding for joint projects.
3. 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 Cities and Counties to meet this challenge on common ground.
4. The City should continue its partnership with the school district to collaborate recreational resources and efforts for the betterment of the community.

## **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. This section describes the potential impacts of development within SOI areas, and the annexation of land.

### **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 Woodlake 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 annexation 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 Woodlake has well defined boundaries that establish the ultimate service areas of the City. There are no unincorporated islands within the City Limit Boundary indicating that the potential for overlapping or duplicative services is not present.

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.

### **2.7.2 Adjacent Service Providers**

County Service Area No. 2 is the governing body which provides domestic water and sanitary sewer service to the Wells Tract community, an unincorporated community east of the Woodlake City Limits. The Wells Tract is located within the City of Woodlake SOI and UDB. A District Boundary has been established for the Wells Tract Community however, no SOI has been adopted for the community. The City of Woodlake currently provides domestic water service and sanitary sewer to the Wells Tract community. If the City were to become the primary domestic water and sanitary sewer service provider for the Wells Tract community, this could result in more affordable public infrastructure for the community while meeting or exceeding the current service levels provided by Tulare County (County Service Area No. 2).

### **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. 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. If the City were to become the primary domestic water and sanitary sewer service provider for the Wells Tract community, this could result in more affordable public infrastructure for the community while meeting or exceeding the current service levels provided by Tulare County (County Service Area No. 2).

## **2.8 EVALUATION OF MANAGEMENT EFFICIENCIES**

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

### **2.8.1 Organizational Structure**

The following sections describe the various operational and service aspects of the City of Woodlake. Much of the information was obtained from the City's website at [www.cityofwoodlake.com](http://www.cityofwoodlake.com). The website provides detailed descriptions of the departments serving the residents of the City. Overall, a review of the documentation indicates that the City is well run and organized in an efficient manner.

The City of Woodlake is a Charter City which operates under the council-manager form of government. The Chief Executive Officer is the City Manager who serves at the pleasure of the City Council and carries out City policies. All other department heads in the city serve under contract and at the pleasure of the City Manager. The City is organized into a City Administrative Office, Department of Public Works, Planning and Building Department, and the Police Department.

The Woodlake City Council consists of five members that are elected by the voters for four year terms. The terms are staggered so that every two years, the voters will either vote for two or three positions. The five Council members appoint a Mayor and Vice-Mayor. The Council also appoints representatives to other boards to represent Woodlake's interest. Other boards include the Tulare County Association of Governments (TCAG), Tulare county Economic Development Corporation (EDC), Tulare County Business Incentive Zone and the City Planning Commission. The City Council is also responsible for the appointment of the City Administrator and the City Clerk.

A summary of the City's Offices/Departments and the various services they provide to residents is provided below.

**City Administrative Office** – The City's Administrative Office consists of five departments including General Administration, City Clerk, Finance, Planning, and Grant Administration. The City Clerk is responsible for the City Seal, and the records management system of the City as well as providing election services. The Finance Department is responsible for all financial management services and activities provided by the City including payroll, accounts payable, business license, fixed assets, and general accounting and auditing of the City. The Planning Department is responsible for procession zoning requests, conditional use permits, site plan reviews, subdivision work, tentative and final maps, annexation requests, and environmental impact reports. Grant Administration includes the application of grants, collecting and disbursing grant funds, and monitoring grants for compliance with applicable laws.

**Department of Public Works** – The Department of Public Works consists of eight divisions including building inspections, code enforcement, streets, water, sewer, recycling, capital projects, and buildings & grounds. The building inspections division provides inspection services for residential, commercial and industrial buildings. The code enforcement division is responsible for the enforcement of violations of the Woodlake Municipal Code. The streets division is responsible for the maintenance and safety of City streets and rights of way. The water division is responsible for the quality and quantity of water delivered to its customers including all required testing as well as insuring there is long term water supply for City residents. The sewer division is responsible for the WWTP including the safe collection and disposal of wastewater. The recycling division includes development and implementation of recycling activities

planned by the City, the California Integrated Waste Management Board. The capital projects division includes monitoring capital projects under construction as well as planning and implementing future projects. The buildings and grounds division is responsible for the upkeep and maintenance of all City owned Parks and Buildings.

**Planning and Building Department** – Woodlake’s planning division works to ensure that Woodlake is well planned community. The division is responsible for carrying out both short and long term planning programs. Short term planning activities include the processing of various planning permits, including site plan review, conditional use permits, variances, parcel maps and subdivisions. Long term planning efforts consist of preparing and amending Woodlake’s planning documents, including the various elements of the Woodlake General Plan. The building division is responsible for providing life safety and the safeguard of property through the enforcement of the Uniform Building Code, the National Electric Code, the Uniform Plumbing Code and the Uniform Mechanical Code.

**Police Services Department** – The Woodlake Police Department is committed to promoting a safe and secure environment for the community through the delivery of quality services. The Department is responsive to the concerns of the community and improving the quality of life for the citizens of Woodlake by working together in problem solving partnerships. The Woodlake Police Department consists of a Chief, two Sergeants, one Lieutenant, one detective, eight officers, one community service officer, and two clerical/dispatch personnel. The Police Department also operates a gang unity, a chaplain program, a reserve force of 10 officers, a senior volunteer program and an Explorer Program consisting of 15 explorers ranging in age from 14 to 18.

The City Planner, City Attorney, and City Engineer all provide City services on a contractual basis. These City services are currently provided on a part-time as needed basis. As the City’s population continues to increase, and development interest in the community increases, it would ultimately be in the City’s best interest to have these services on a full time basis.

### **2.8.2 Written Determinations**

1. 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.
2. The City ensures that services can be efficiently provided in the SOI areas through the preparation of master service plans to provide infrastructure that will ultimately serve the SOI/UDB areas.
3. The City has a sound organizational structure that should be able to continue to provide quality service to current residents, and accommodate future growth within the City and surrounding urban development areas.
4. The City Planner, City Attorney, and City Engineer all provide City services on a contractual basis. These City services are currently provided on a part-time as needed basis. As the City’s population continues to increase, and development interest in the community increases, it would ultimately be in the City’s best interest to have these services on a full time basis.

## **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 Woodlake 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's website is an excellent informational tool, and provides remote access to the current events of the City, contact information for all City departments, emergency contacts, utility information, a complete City profile, current projects, development fees, various planning applications, and much more. The City's website can be accessed at [www.cityofwoodlake.com](http://www.cityofwoodlake.com).

Regular City Council meetings are held twice a month on the second and forth Monday in City Hall Council Chambers located at 350 N. Valencia Boulevard, Woodlake. The City posts agendas on their website as a courtesy.

### **2.9.2 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.
2. The City's website is an excellent informational tool, and provides remote access to the current events of the City.
3. Regular City Council meetings are held twice a month on the second and forth Monday in City Hall Council Chambers located at 350 N. Valencia Boulevard, Woodlake. The City posts agendas on their website as a courtesy.

## **CHAPTER 3 – CUTLER PUD MUNICIPAL SERVICE REVIEW**

### **EXECUTIVE SUMMARY**

This section provides an overview of the written determinations of the Cutler 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 Cutler PUD MSR identifies the following written determinations:

#### **Written Determinations**

##### **1) Growth and Population**

1. Between 1990 and 2000, Cutler experienced an average annual population growth rate of approximately 0.1%, compared to 0.6% for the unincorporated areas of Tulare County, and 2.9% for the adjacent unincorporated community of Orosi.
2. Assuming no development constraints, it can be expected that Cutler will experience growth at an average annual rate between 2% and 3%, indicating the community would reach a year 2025 population between 7,400 and 9,400 residents.
3. Consistent with the Urban Boundaries element of the Tulare County General Plan, the Cutler-Orosi UDB is, with minor exceptions, consistent with the external SOI for Cutler and Orosi.

##### **2) Infrastructure Needs and Deficiencies**

###### *Domestic Water*

1. The Cutler PUD's water supply is derived from two existing deep underground wells that have a total maximum production efficiency of approximately 2,100 GPM, or 3.024 MGD. The District also has an elevated water storage tank with a capacity of approximately 50,000 gallons.
2. Two test wells have been drilled, have proven successful, and the District has awarded a contract for drilling of the first (well #8) of two new wells. The District is also securing funding for a water system rehabilitation project, and a blending tank project.
3. Water supplied from one of the new wells (well #9) would be mixed with water derived from two existing wells (wells #3 and #4) which are currently inactive to high nitrate levels as a part of the blending tank project. By mixing the water supply from wells that produce acceptable water quality with those which have contaminant levels which exceed maximum levels, the District's water supply capabilities will be increased, while bringing the water quality to within acceptable standards before entering the distribution system.

4. Lovell High School, which is operated by the Cutler-Orosi Joint Unified School District, has requested water capacity from the Cutler PUD. The District plans to provide the school with water service pending the approval and implementation of the blending tank project. The school is located at the northwest quadrant of Avenue 392 and State Route 63, which is currently outside of the Cutler PUD boundary and SOI. It is anticipated that the District would provide water service to the school on a contractual basis.
5. The Cutler PUD water system supports 1,032 total connections including three industry packing houses, and one box plant.
6. Currently, the District charges a flat rate for water service in the community. The District should consider installing water meters on all connections to their water system. A cost/benefit analysis resulting from the installation of water meters should be performed. A fully metered water system will help with water conservation, and minimize over usage and/or wasting of water.
7. District staff has indicated that they are working with Alta Irrigation District officials to study the feasibility of constructing a regional water treatment facility that would use water from the Kings River by exchange out of the Friant-Kern Canal. The regional facility would potentially provide domestic water to the City of Dinuba, Cutler, Orosi, and other unincorporated communities in the region. A feasibility study would be a three to five year process, and project implementation could be ten to fifteen years out.
8. Assuming 1,100 equivalent dwelling units (EDUs), in order to meet Tulare County Improvement Standards the Cutler PUD water system would need to be capable of delivering a combined flow rate (from all source and storage facilities) of 2,700 GPM (1,500 GPM fire flow, and 1,200 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 combined source flow of 2,515 GPM indicating that the system falls short of meeting the Tulare County Improvement Standards. After accounting for the required domestic demand, the District's water system would be capable of supplying a fire flow of approximately 1,315 GPM, which meets the residential fire flow requirement. The water system would need to be tested at actual system pressure to determine the actual amount of available capacity for domestic and fire flow. The District could increase its fire flow capacity by adding wells, or adding storage capacity to the system.
9. Based upon a calculation performed in accordance with General Order 103, published by the California Public Utilities Commission, it is concluded that the District's water system is currently operating at or near its capacity, and cannot support additional connections at this time.
10. The amount of developable land available, including the availability of infrastructure, are two factors that have limited community growth from occurring, including affordable housing objectives, and commercial enterprise. The District's plans to construct several upcoming water system improvement projects will significantly increase its ability to provide service to proposed development projects.

#### *Sanitary Sewer*

1. According to District staff, the District's sanitary sewer collection system is very old and pipe leaks and breaks cause significant problems including groundwater inflow/infiltration and

cross contamination with groundwater. The District should consider the preparation and implementation of a pipeline replacement program, perhaps as a part of a sanitary sewer master plan.

2. Treatment and disposal of the collected effluent is provided at the Cutler-Orosi WWTF, jointly owned and operated by the Cutler PUD and Orosi PUD. The Cutler-Orosi WWTF serves the communities of Cutler, Orosi, East Orosi, Yettem, Seville, and Sultana.
3. The Cutler-Orosi WWTF operates under the provisions of Waste Discharge Requirements (WDR) Order No. 97-106, issued by the California RWQCB. According to JPWA staff, the WWTF has been certified by a registered civil engineer, and has a permitted capacity of 2.0 MGD.
4. As of March 2006, the Cutler-Orosi WWTF is operating under a Cease and Desist Order according to the RWQCB file. The RWQCB indicated that the Cutler-Orosi JPWA has complied with the requirements of the Cease and Desist Order, and an order to rescind the Cease and Desist Order is expected to be completed in April 2006.
5. The average dry weather flow at the WWTF is approximately 1.40 MGD, with a historical high flow of 1.89 MGD. Flow at the WWTF is greater during winter months than in summer months due to inflow/infiltration of storm water into the collection system during winter months, and ex-filtration during dry summer months. The District will be able to more accurately predict the remaining capacity at the WWTF once repairs are made to leaking pipes throughout the collection system.
6. The Cutler PUD is currently allocated 1,255 equivalent dwelling units of capacity at the WWTF. The Cutler PUD is currently under a building moratorium, and has a waiting list for additional sewer connections.
7. The Cutler PUD and Orosi PUD are working with the Tulare County Redevelopment Agency to secure funding that will be used to correct deficiencies that would increase the capacity of the WWTF. Proposed improvements will modernize the facility and add capacity to bring the serviceable operational limits to 2.4 MGD.

### **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 \$448,300 for sanitary sewer and \$1,176,629 for water service. The District's budget included contingency funds of \$15,000 and \$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 annual revenues cover the annual operating expenses of the District including reserve allocations and contingency appropriations. Currently, the District does not have any long term debt obligations.

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.

#### **4) Cost Avoidance Opportunities**

1. The District avoids excessive overhead costs by operating with part-time and full-time staff, which provides adequate levels of service to the community. The District also avoids unnecessary costs by contracting out professional services including engineering, legal services, and other consulting services, and using these services on an as needed basis.
2. 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 as a way of avoiding unnecessary costs.
3. Master planning could help the District avoid unnecessary costs by allowing the District sufficient time to set aside funding needed for future capacity improvements that would allow for development within the community.
4. The District could also avoid unnecessary costs associated with the maintenance of capital infrastructure by promoting development in infill areas, and areas where infrastructure is already in place.

#### **5) Opportunities for Rate Restructuring**

1. The Cutler PUD charges monthly user fees and capacity rights fees for water and sewer. The District's fiscal year 2004-05 budget estimates revenues of \$309,000 and \$262,000 to be generated from water and sewer customer sales, respectively.
2. The monthly user fees and capacity rights fees charged by the Cutler PUD for domestic water service are below average compared to other domestic water service providers in Tulare County. The District has opportunities to install water meters, and begin billing under a metered rate structure for water service, which would promote water conservation in the community.
3. The District Engineer for the Cutler PUD indicated that water rates will be increased by \$7.00 per month in the near future as a result of Proposition 218 requirements. A \$7.00 rate increase would result in a flat water rate of \$25.00 per month, which is slightly above average compared to other domestic water service providers in Tulare County. This would result in a rate to income ratio of approximately 1.23%, which is slightly above the average of 1.11%.
4. The monthly sewer rates charged by the Cutler PUD are above average compared to surrounding sewer service providers. The capacity rights fee charged by the Cutler PUD for connections to its sewer system is more than twice the average of other sanitary sewer service providers throughout the County. The high sanitary sewer fees are likely attributable to the cost of improving the Cutler-Orosi WWTF, and repairing the collection system.
5. The District Engineer for the Cutler PUD indicated that sewer rates will be increased by \$9.00 per month in the near future as a result of Proposition 218 requirements. A \$9.00 rate increase would result in a flat sewer rate of \$31.00 per month, and a rate to income ratio of



1.53%, both significantly above average, compared to other sewer service providers in Tulare County.

6. The District should periodically review its monthly user fees and capacity rights fees to ensure that quality service will continually be provided to existing and future residents. Any rate increases should be substantiated and adopted through a public hearing process.
7. 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, including capital replacement costs.

## **6) Opportunities for Shared Facilities**

1. The Cutler PUD and Orosi PUD take advantage of shared infrastructure by operating a single WWTF through a JPWA comprised of three Board members from each District.
2. If the communities of Cutler and Orosi eventually become an incorporated City, the Districts will need to consider combining the existing infrastructure for domestic water and sanitary sewer service. The District's will also need to consider adopting a uniform rate structure for all services of the City, should the District's ultimately incorporate as a single City entity.

## **7) Government Structure Options**

1. If the communities of Cutler and Orosi become an incorporated City, it is likely that a single SOI which incorporates the areas within each District's current SOI would be established as a starting point. Incorporation would ultimately result in the dissolution of the Cutler PUD, as well as the Orosi PUD. Any changes in organization should be completed in accordance with LAFCO policies and procedures.
2. 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.
3. The District should continually expand and improve its domestic water and sanitary sewer infrastructure to accommodate 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 that the provision of domestic water service and sanitary sewer collection is managed in an efficient manner and meets the needs of the community and ratepayers.
2. The age of the District's sewer infrastructure is becoming an issue that the District needs to address in the short-term. The District has plans to implement a phased collection system improvement project, based upon the availability and timing of funding anticipated through various grant/loan programs, and the availability of local revenue.

3. The Cutler 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.
4. The District currently operates with a part-time and full-time staff and contracts out for other services, including engineering, legal counsel, accounting, and other consulting services.
5. The District's answering message provides contact information in case of emergencies, as well as the District's hours of operation.

## **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 third Tuesday of each month. 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.

## **3.0 CUTLER PUBLIC UTILITY DISTRICT**

### **3.0.1 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 into law by Governor Davis on September 26, 2000. MSRs provide LAFCO 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.

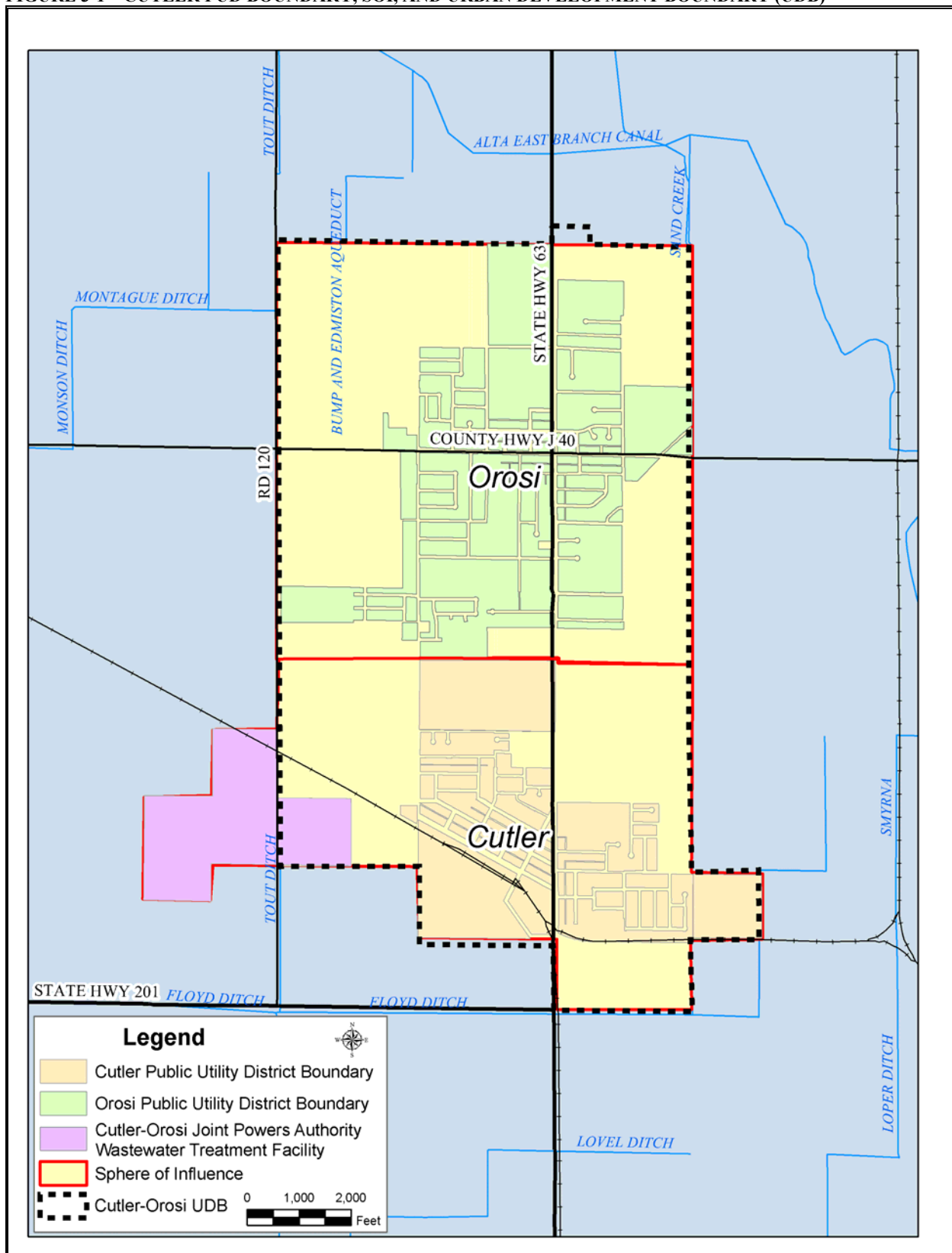
In July 2003 Tulare County LAFCO adopted an MSR exemption policy that identifies the agencies that would be subject to a review and the extent of that review. The agencies in Tulare County were divided into three (3) categories: agencies subject to a full comprehensive study; agencies subject to a questionnaire study; and agencies exempt from an MSR study. The Cutler 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

Cutler, an unincorporated community in Tulare County, is located in the northern portion of the County, approximately five miles east of Dinuba and nine miles north of Visalia. The Cutler PUD, which was formed in June 1922, has a primary function of providing sanitary sewer and domestic water service for the community. Sanitary sewer and domestic water service are the primary services provided by the Cutler PUD that are subject to an MSR. The Cutler PUD also provides street lighting service, which is not subject to the MSR requirement.

Cutler is located south of and adjacent to the community of Orosi. Cutler is an agriculturally oriented service community surrounded on the south, west and east by lands in agricultural production, vacant lands, and scattered residential homes. Cities and communities surrounding Cutler include Visalia to the south; Dinuba to the west; the community of Orosi to the north; and the community of East Orosi to the northeast. The Tulare County/Fresno County Line is located approximately 3.3 miles northwest of Cutler. The current District Boundary and the currently adopted SOI for Cutler are illustrated on Figure 3-1. Figure 3-1 also shows the Cutler-Orosi Urban Development Boundary and the Boundary of the Cutler-Orosi Joint Powers Authority wastewater treatment facility. These boundaries are further explained in subsequent sections of this report.

**FIGURE 3-1 – CUTLER PUD BOUNDARY, SOL, AND URBAN DEVELOPMENT BOUNDARY (UDB)**



Source: Tulare County GIS Database

The following excerpt from the Tulare County LAFCO website ([www.co.tulare.ca.us/lafco/info.asp](http://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.

### 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 the service needs of Cutler.

#### 3.1.1 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.

*Census 2000* data indicates that Cutler had a population of 4,491 as of January 2000. *Census 1990* data indicates that Cutler had a population of 4,450 corresponding to an average annual growth rate between 1990 and 2000 of approximately 0.1%. 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%. The adjacent community of Orosi experienced an average annual growth rate of approximately 2.9% between 1990 and 2000. Assuming no development constraints, it can be expected that Cutler will experience growth at a similar rate as the nearby Orosi community over the next 20 years. Using an average annual growth rate between 2% and 3%, the Cutler community would reach a year 2025 population between 7,400 and 9,400 residents.

#### 3.1.2 Planning Boundaries

In addition to a SOI, which is defined by LAFCO as the "...physical boundary and service area that a local government agency is expected to serve..." an urban development boundary (UDB) has been established and designates the Cutler-Orosi urban area. Figure 3-1 shows the District Boundary and SOI in comparison to the District's UDB. The UDB is, for the most part, coterminous with the external SOI boundary of each District.

The Tulare County General Plan contains an Urban Boundaries Element which establishes goals for designating realistic planning areas around cities and unincorporated communities which could be used to help determine boundaries for community service districts and County service areas, in areas where differing levels of service are required, and within which corporate annexations may take place. The following are excerpts from the County of Tulare General Plan Policy Summary Section 1UB.C.1 – Unincorporated Communities Policies.

*"Urban Development Boundaries are established around the following unincorporated communities in the County to serve as official urban planning areas for these communities: Cutler-Orosi, Ducor, Earlimart, East Orosi, Goshen, Ivanhoe, Lemon Cove, London, Pixley, Plainview, Poplar-Cotton Center, Richgrove, Strathmore, Terra Bella, Tipton, Traver, Woodville, Alpaugh, and Springville."*

*"A land use plan is to be developed for each community with an Urban Development Boundary, specifying desired densities and land use categories, with particular attention to defining suitable areas for the full range of urban development and rural residential development. Such plans shall include the entire area within the Boundary and shall recognize the short and long term ability of each community to provide necessary urban services within its Urban Development Boundary."*

Furthermore, the County of Tulare General Plan Policy Summary Sections 1UB.F.1. and 1UB.F.2. set forth policies with regard to “Boundary Consistency”, and “Review and Revision of Boundaries.” Excerpts from these sections of the County General Plan Policy Summary relating to special districts are reiterated below.

*“In areas where special districts provide rural as well as urban services, LAFCo should distinguish between “urban” and “rural” service areas for the purpose of establishing Spheres of Influence for such districts. If an unincorporated community is served by a special district, the Urban Development Boundary should be consistent with the district’s “urban” Sphere of Influence.”*

*“County census boundaries should be as consistent as possible with Urban Development Boundaries.”*

*“Urban Area Boundaries and Urban Development Boundaries shall be reviewed at least once every five years to determine if boundary changes are justified, or if additional boundaries are needed for communities not included herein. However, a review may be conducted at any time on request of the affected city or agency.”*

As indicated on Figure 3-1, the Cutler-Orosi UDB is, with minor exceptions, consistent with the external SOI for Cutler and Orosi. The County census boundary does not cover the entire area incorporated within the Cutler UDB area. Generally, the census boundary does not cover areas south of the railroad tracks, or areas north of Avenue 408, which are within the Cutler UDB area.

### **3.1.3 Written Determinations**

1. Between 1990 and 2000, Cutler experienced an average annual population growth rate of approximately 0.1%, compared to 0.6% for the unincorporated areas of Tulare County, and 2.9% for the adjacent unincorporated community of Orosi.
2. Assuming no development constraints, it can be expected that Cutler will experience growth at an average annual rate between 2% and 3%, indicating the community would reach a year 2025 population between 7,400 and 9,400 residents.
3. Consistent with the Urban Boundaries element of the Tulare County General Plan, the Cutler-Orosi UDB is, with minor exceptions, consistent with the external SOI for Cutler and Orosi.

## **3.2 INFRASTRUCTURE NEEDS AND DEFICIENCIES**

The purpose of this section is to evaluate the infrastructure needs and deficiencies of the Cutler PUD in terms of availability of resources, capacity to deliver services, condition of facilities, service quality, and levels of service.

### **3.2.1 Domestic Water**

The Cutler PUD is responsible for providing domestic water service within the District's Boundary. Cutler's water supply, which is chlorinated but not treated, is derived from two deep underground wells, referred to as well #5 and well #6. District staff indicated the total production efficiency for well #5 is 1,100 GPM and 1,000 GPM for well #6, for a total production capability of 2,100 GPM, or 3.024 MGD. The District also has an elevated water storage tank with a capacity of approximately 50,000 gallons. Currently, two wells (wells #3 and #4) are not in service due to high nitrate levels.

Two test wells have been drilled, have proven successful, and the District has awarded a contract for drilling of the first (well #8) of two new wells. The District has three active grant/loan funding applications being processed, including an SRF Loan for which an NOAA has been issued. The District is securing funding for a water system rehabilitation project, a blending tank project, and to bring additional wells on-line. The blending tank project would mix water from one of the new wells (well #9) with wells #3 and #4 (which are currently not in service due to high nitrate levels). By mixing the water supply from wells that produce acceptable water quality with those which have contaminant levels which exceed maximum levels, the District's water supply capabilities will be increased, while bringing the water quality to within acceptable standards before entering the distribution system.

Lovell High School, which is operated by the Cutler-Orosi Joint Unified School District, has requested water capacity from the Cutler PUD. The District plans to provide the school with water service pending the approval and implementation of the blending tank project. The school is located at the northwest quadrant of Avenue 392 and State Route 63, which is currently outside of the Cutler PUD boundary and SOI. It is anticipated that the District would provide water service to the school on a contractual basis.

The District indicated the community water system (as of September 2004) supports 1,032 total connections to their system, including three industry packing houses and one box plant. District staff has indicated there are only thirteen connections that have a water meter; the District currently charges a flat rate for residential water service connections. While Census data indicates that there are approximately 4.9 people per dwelling unit, Cutler PUD staff believes it could be much greater. Since the District does not bill on a metered basis, the demand on the water system can be much greater than the system can support. Table 3-1 contains the well productions for 2003, provided in millions of gallons per month.



**TABLE 3-1  
CUTLER PUD GROUNDWATER WELL PRODUCTIONS (YEAR 2003)**

<b>Month</b>	<b>Well #5</b>	<b>Well #6</b>
January	16.729 mg	0.448 mg
February	15.220 mg	1.337 mg
March	20.062 mg	0.933 mg
April	19.050 mg	1.330 mg
May	28.800 mg	3.410 mg
June	34.179 mg	10.567 mg
July	36.838 mg	11.252 mg
August	35.046 mg	8.453 mg
September	32.158 mg	4.497 mg
October	28.355 mg	1.133 mg
November	18.480 mg	0.001 mg
December	16.507 mg	0.000 mg
<b>Total Annual Production</b>	<b>301.424 mg</b>	<b>43.361 mg</b>

*Notes: 1) mg = million gallons*

*2) Source: Cutler PUD*

As shown in Table 3-1, July had the highest water production at 48.090 MG for the entire month or an average peak day flow of 1.55 MGD. The District currently has a water conservation plan that limits when residents can water lawns and wash vehicles. Residents who violate the water conservation rules are warned on the first offense and fined for any additional offenses. The District should consider installing meters on all connections to their water system. It is recommended that the District pursue funding for the installation of water meters, including state federal grant/loan programs. A cost/benefit analysis resulting from the installation of water meters should be performed. A fully metered water system will help with water conservation, and minimize over usage and/or wasting of water.

District staff has indicated that they are working with Alta Irrigation District officials to study the feasibility of constructing a regional water treatment facility that would use water from the Kings River by exchange out of the Friant-Kern Canal. The regional facility would provide domestic water to the communities of Cutler and Orosi, and potentially the City of Dinuba and other unincorporated communities in the region. District staff indicated that a feasibility study would be a three to five year process, and that implementation of the project could be ten to fifteen years out.

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 1,100 equivalent dwelling units (EDUs), in order to meet Tulare County Improvement Standards the Cutler PUD water system would need to be capable of delivering a combined flow rate (from all source and storage facilities) of 2,700 GPM (1,500 GPM fire flow, and 1,200 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 combined source flow of 2,515 GPM (approximately 415 GPM could be delivered for two hours from a 50,000 gallon elevated storage tank, assuming the tank is full), indicating that the may fall short of meeting the Tulare County Improvement Standards. After accounting for the required domestic demand, the District's water system would be capable of supplying a fire flow of approximately 1,315 GPM, which meets the residential fire flow requirement. The water system would need to be tested at actual system pressure to determine the actual amount of available capacity for domestic and fire flow. The District could increase its fire flow capacity by adding wells, or adding storage capacity to the system.

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,

$$Q_{\text{Required}} = (N) * (C) * (F) \text{ where,}$$

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 1,032, a C factor of 8.0, and an F factor of 0.30, the estimated total supply source required is calculated to be 2,477 GPM. With a total supply source available of 2,515 GPM, it is concluded that the District's water system is currently operating at or near its capacity, and cannot support

additional connections at this time. The capacity of the water system could be increased by adding wells, or adding storage capacity to the system.

The amount of developable land available, including the availability of infrastructure, are two factors that have limited community growth from occurring, including affordable housing objectives, and commercial enterprise. The District's plans to construct several upcoming water system improvement projects will significantly increase its ability to provide service to proposed development projects.

### **3.2.2 Sanitary Sewer**

The Cutler PUD is also responsible for providing sanitary sewer collection to residents within its Boundary. According to District staff, the sewer collection system is very old and pipe leaks and breaks cause significant problems including groundwater inflow/infiltration and cross contamination with groundwater. The District should consider the preparation and implementation of a pipeline replacement program, perhaps as a part of a sanitary sewer master plan.

Treatment and disposal of the collected effluent is provided by the Cutler-Orosi Joint Powers Wastewater Authority (JPWA). In March 1980, the Cutler PUD entered into the Joint Wastewater Treatment and Disposal Facilities Agreement with the Orosi PUD, forming the Cutler-Orosi JPWA for the purpose of operating a wastewater treatment and disposal facility. Under the terms of the agreement, the Cutler PUD owns 50% of the property and 40% of the plant and equipment used by the Authority. Each District is charged for its share of the costs to the Authority based upon its pro-rata share of gallonage flows into the facility. The governing board of the JPWA is made of three appointed members from the Orosi PUD Board of Directors and three appointed members from the Cutler PUD Board of Directors. The JPWA Board of Directors controls its own operations, including selection of management and approval of operating budgets. The separate boards of the Orosi PUD and Cutler PUD must approve capital expenditures.

The construction of the WWTF, completed in 1983, was funded 75% from a cost grant from the Environmental Protection Agency, 12.5% from a cost grant from the State Water Resources Control Board, and 12.5% from proceeds of revenue bonds sales. The Joint Wastewater Treatment and Disposal Facility Amended Agreement between the two Districts states that all assets accumulated by the JPWA (other than cash, accounts receivable, prepaid expenses, and motor vehicles) shall be treated as owned by the Districts and in accordance with their participation in the JPWA. In addition, each District's allocated share of JPWA fixed assets is recorded and depreciated as part of property, plant and equipment, and its share of cash and all other assets are recorded as investment in the Cutler-Orosi JPWA.

The Cutler-Orosi WWTF serves the communities of Cutler, Orosi, East Orosi, Yettem, Seville, and Sultana. The WWTF operates under the provisions of Waste Discharge Requirements (WDR) Order No. 97-106 issued by the California Regional Water Quality Control Board (RWQCB), Central Valley Region. Based upon discussions with the RWQCB, the Cutler-Orosi WWTF is also operating under a Cease and Desist (C&D) Order (No. 97-107), which is still in effect as of March 2006 according to the RWQCB file. According to the RWQCB, the Cutler-Orosi JPWA has complied with the requirements of the Cease and Desist Order, and the Board is in the process of preparing an order to rescind the Cease and Desist Order, which is expected to be completed in April 2006.

According to JPWA staff, the plant has been certified by a registered civil engineer, and has a permitted capacity of 2.0 MGD. According to the District Engineer, the historical high flow recorded at the WWTF was 1.89 MGD, and the average dry weather flow is approximately 1.40 MGD. The District Engineer also noted that during dry months, the sewer collection system experiences ex-filtration and during winter months, the collection system experiences inflow/infiltration of storm water. The District will be able to

more accurately predict the remaining capacity at the WWTF once repairs are made to leaking pipes throughout the collection system. The Cutler PUD entered into an agreement with the WWTF and is allowed to transport effluent to the treatment facility not to exceed 1,255 equivalent dwelling units. The Cutler PUD is currently under a building moratorium, and has a waiting list for additional sewer connections.

According to District staff, Tulare County Redevelopment Agency (TCRA) is working with the Cutler PUD and Orosi PUD to correct deficiencies that would increase the capacity of the treatment facility. The TCRA, on behalf of the Cutler-Orosi JPWA has submitted an application for Federal Assistance to construct improvements and additions at the Cutler-Orosi WWTF. The proposed project funding amounts to \$4,657,900, with a start date of February 2006, and an ending date of October 2009. The project represents the combined efforts by the Cutler PUD and the Orosi PUD to improve and upgrade the jointly operated WWTF, which involves:

- Improvements and additions to the plant headworks
- Improvements to the existing secondary clarifier
- Construction of a new secondary clarifier
- Construction of sludge drying beds
- Electrical improvements and installation of UV disinfection
- Effluent pump station capacity increase
- Land preparation and irrigation system
- Construction safety, mobilization and miscellaneous work

Several issues have caused the WWTF to reach its serviceable limits including age of system components, leaks in the collection system, and community growth. Until improvements at the WWTF are completed, both the Cutler PUD and Orosi PUD have restricted development within each community. The improvements will modernize the facility and add capacity to bring the serviceable operational limits to 2.4 MGD. Improving the wastewater treatment capabilities of the District will allow the community to expand its affordable housing stock and promote economic development opportunities.

### **3.2.3 Written Determinations**

#### *Domestic Water*

1. The Cutler PUD's water supply is derived from two existing deep underground wells that have a total maximum production efficiency of approximately 2,100 GPM, or 3.024 MGD. The District also has an elevated water storage tank with a capacity of approximately 50,000 gallons.
2. Two test wells have been drilled, have proven successful, and the District has awarded a contract for drilling of the first (well #8) of two new wells. The District is also securing funding for a water system rehabilitation project, and a blending tank project.
3. Water supplied from one of the new wells (well #9) would be mixed with water derived from two existing wells (wells #3 and #4) which are currently inactive to high nitrate levels as a part of the blending tank project. By mixing the water supply from wells that produce acceptable water quality with those which have contaminant levels which exceed maximum levels, the District's water supply capabilities will be increased, while bringing the water quality to within acceptable standards before entering the distribution system.

4. Lovell High School, which is operated by the Cutler-Orosi Joint Unified School District, has requested water capacity from the Cutler PUD. The District plans to provide the school with water service pending the approval and implementation of the blending tank project. The school is located at the northwest quadrant of Avenue 392 and State Route 63, which is currently outside of the Cutler PUD boundary and SOI. It is anticipated that the District would provide water service to the school on a contractual basis.
5. The Cutler PUD water system supports 1,032 total connections including three industry packing houses, and one box plant.
6. Currently, the District charges a flat rate for water service in the community. The District should consider installing water meters on all connections to their water system. A cost/benefit analysis resulting from the installation of water meters should be performed. A fully metered water system will help with water conservation, and minimize over usage and/or wasting of water.
7. District staff has indicated that they are working with Alta Irrigation District officials to study the feasibility of constructing a regional water treatment facility that would use water from the Kings River by exchange out of the Friant-Kern Canal. The regional facility would potentially provide domestic water to the City of Dinuba, Cutler, Orosi, and other unincorporated communities in the region. A feasibility study would be a three to five year process, and project implementation could be ten to fifteen years out.
8. Assuming 1,100 equivalent dwelling units (EDUs), in order to meet Tulare County Improvement Standards the Cutler PUD water system would need to be capable of delivering a combined flow rate (from all source and storage facilities) of 2,700 GPM (1,500 GPM fire flow, and 1,200 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 combined source flow of 2,515 GPM indicating that the system falls short of meeting the Tulare County Improvement Standards. After accounting for the required domestic demand, the District's water system would be capable of supplying a fire flow of approximately 1,315 GPM, which meets the residential fire flow requirement. The water system would need to be tested at actual system pressure to determine the actual amount of available capacity for domestic and fire flow. The District could increase its fire flow capacity by adding wells, or adding storage capacity to the system.
9. Based upon a calculation performed in accordance with General Order 103, published by the California Public Utilities Commission, it is concluded that the District's water system is currently operating at or near its capacity, and cannot support additional connections at this time.
10. The amount of developable land available, including the availability of infrastructure, are two factors that have limited community growth from occurring, including affordable housing objectives, and commercial enterprise. The District's plans to construct several upcoming water system improvement projects will significantly increase its ability to provide service to proposed development projects.

#### *Sanitary Sewer*

1. According to District staff, the District's sanitary sewer collection system is very old and pipe leaks and breaks cause significant problems including groundwater inflow/infiltration and

cross contamination with groundwater. The District should consider the preparation and implementation of a pipeline replacement program, perhaps as a part of a sanitary sewer master plan.

2. Treatment and disposal of the collected effluent is provided at the Cutler-Orosi WWTF, jointly owned and operated by the Cutler PUD and Orosi PUD. The Cutler-Orosi WWTF serves the communities of Cutler, Orosi, East Orosi, Yettem, Seville, and Sultana.
3. The Cutler-Orosi WWTF operates under the provisions of Waste Discharge Requirements (WDR) Order No. 97-106, issued by the California RWQCB. According to JPWA staff, the WWTF has been certified by a registered civil engineer, and has a permitted capacity of 2.0 MGD.
4. As of March 2006, the Cutler-Orosi WWTF is operating under a Cease and Desist Order according to the RWQCB file. The RWQCB indicated that the Cutler-Orosi JPWA has complied with the requirements of the Cease and Desist Order, and an order to rescind the Cease and Desist Order is expected to be completed in April 2006.
5. The average dry weather flow at the WWTF is approximately 1.40 MGD, with a historical high flow of 1.89 MGD. Flow at the WWTF is greater during winter months than in summer months due to inflow/infiltration of storm water into the collection system during winter months, and ex-filtration during dry summer months. The District will be able to more accurately predict the remaining capacity at the WWTF once repairs are made to leaking pipes throughout the collection system.
6. The Cutler PUD is currently allocated 1,255 equivalent dwelling units of capacity at the WWTF. The Cutler PUD is currently under a building moratorium, and has a waiting list for additional sewer connections.
7. The Cutler PUD and Orosi PUD are working with the Tulare County Redevelopment Agency to secure funding that will be used to correct deficiencies that would increase the capacity of the WWTF. Proposed improvements will modernize the facility and add capacity to bring the serviceable operational limits to 2.4 MGD.

### **3.3 FINANCING OPPORTUNITIES AND CONSTRAINTS**

The purpose of this section is to evaluate the jurisdictions capability to finance needed improvements and services.

#### **3.3.1 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 Cutler 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 \$778,886 and anticipated revenues of \$309,000 to be generated primarily from customer sales. Of the total resources available, \$639,586 is in restricted reserves leaving \$448,300 in total available funds. 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.

- Wastewater Capital Reserve Fund
- Pickup & Service Truck Replacement
- Line Cleaning Machine Depreciation
- Deductible Reserves

After accounting for restricted reserves from the District's budget, the remaining resources of \$448,300 covers salaries and employee benefits totaling \$77,000; services and supplies totaling \$203,700; fixed assets totaling \$131,500; other charges totaling \$21,100; and a contingency appropriation of \$15,000.

The District typically requires developers to pay the cost of installing the local piping infrastructure to serve proposed developments.

Reviewing the District's budget for the current and previous fiscal years indicates that the District is financially stable with regard to its sewer fund. The District's annual revenues cover the annual operating expenses of the District including reserve allocations and contingency appropriations. It should also be noted the District currently does not have any long term debt obligations. The District currently has three grant/loan applications pending that could result in long term debt obligations.

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 Cutler PUD should continue to work closely with the Orosi PUD to implement improvements that would increase the capacity of the WWTF, which would increase the District's ability to serve development within its SOI. The preparation and implementation of a sewer system master plan would also increase the District's preparedness when development within its SOI is proposed. A master plan would also identify existing deficiencies and make recommendations to correct such deficiencies. The District could potentially obtain funding assistance to prepare a master plan by applying for available State and/or Federal grants.

The District's water budget for fiscal year 2004-05 identifies a beginning cash balance of \$938,386 and anticipated revenues of \$262,000. Of the total resources available \$23,739 is in restricted reserves leaving \$1,176,629 in total available funds. 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.

- Pickup and Service Truck Replacement
- Service Deposits
- Tank Repair
- Deductible Reserve
- Well Construction
- Pipeline Replacement
- Connection Fee Reserve

After accounting for restricted reserves from the District's budget, the remaining resources of \$1,176,629 covers salaries and employee benefits totaling \$137,700; services and supplies totaling \$173,000; fixed assets totaling \$855,929; and a contingency appropriation of \$10,000.

Reviewing the District's budget for the current and previous fiscal years indicates that the District is financially stable with regard to its water fund. 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. It is recommended that the District prepare and implement a water system master plan, which would increase its preparedness when development within its SOI is proposed.

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 Cutler PUD include 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 capital expenses using restricted reserve accounts.



### **3.3.2 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 \$448,300 for sanitary sewer and \$1,176,629 for water service. The District's budget included contingency funds of \$15,000 and \$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 annual revenues cover the annual operating expenses of the District including reserve allocations and contingency appropriations. Currently, the District does not have any long term debt obligations. The District currently has three grant/loan applications pending that could result in long term debt obligations.
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.

### **3.4 COST AVOIDANCE OPPORTUNITIES**

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

#### **3.4.1 Fiscal Structure**

The Districts budget process is designed to screen out unnecessary costs. A base budget is completed by the District Engineer for review and discussion by the Board of Directors. Each year, the District Engineer ensures 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 excessive overhead costs by operating with a part-time and full-time administration, which provides adequate levels of service to the community. The District also avoids unnecessary costs by contracting out professional services including engineering, legal services, and other consulting services.

Generally, the District requires development projects to pay for their own infrastructure (water lines, sewer lines, fire protection, and lighting) to serve their projects. The District requires development projects to pay capacity rights fees currently set at \$1,500 and \$3,520 per equivalent dwelling unit (EDU) for water and sewer service connections, respectively. Capacity rights fees are used by the District to construct infrastructure capacity improvements (new wells, WWTF improvements, etc). 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 as a way of avoiding unnecessary costs.

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 typically 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 sewer and domestic water infrastructure associated with the SOI and any territories that were annexed. LAFCO should consider the relative financial and operational 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.

#### **3.4.2 Written Determinations**

1. The District avoids excessive overhead costs by operating with part-time and full-time staff, which provides adequate levels of service to the community. The District also avoids unnecessary costs by contracting out professional services including engineering, legal services, and other consulting services, and using these services on an as needed basis.
2. 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 as a way of avoiding unnecessary costs.

3. Master planning could help the District avoid unnecessary costs by allowing the District sufficient time to set aside funding needed for future capacity improvements that would allow for development within the community.
4. The District could also avoid unnecessary costs associated with the maintenance of capital infrastructure by promoting development in infill areas, and areas where infrastructure is already in place.

## 3.5 OPPORTUNITIES FOR RATE RESTRUCTURING

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

### 3.5.1 Fee Structure

The Cutler PUD charges a monthly flat rate for water service, currently set at \$18.00 per month for a typical single family dwelling. The Cutler PUD also charges a monthly flat rate for sewer service, currently set at \$22.00 per month. The District's fiscal year 2004-05 budget estimates revenues of \$309,000 and \$262,000 to be generated from water and sewer customer sales, respectively. Tables 3-2 and 3-3 show a comparison of water and sewer rates and connection (capacity rights) fees, respectively, for all applicable service providers being reviewed. 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 3-2  
CUTLER PUD 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%
<b>Cutler PUD</b>	<b>\$18.00</b>	<b>\$1,500</b>	<b>\$2,028/mo.</b>	<b>0.89%</b>
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 <sup>7</sup>	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 <sup>8</sup>	\$2,908	\$2,109/mo.	0.59%
Woodville PUD	\$27.28	\$2,000	\$2,123/mo.	1.28%
<b>Average</b>	<b>\$23.17</b>	<b>\$1,780</b>	<b>\$2,080/mo.</b>	<b>1.11%</b>

- 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 3-2, the Cutler PUD charges monthly rates that are below average compared to surrounding domestic water service providers. The cost of domestic water service within Cutler equates to approximately 0.89% of the average household income within the community. The capacity rights fee charged by the Cutler PUD for connection to its water system is also below average compared to other domestic water service providers throughout the County. The District Engineer for the Cutler PUD indicated that water rates will be increased by \$7.00 per month in the near future as a result of Proposition 218 requirements. A \$7.00 rate increase would result in a flat water rate of \$25.00 per month, which is slightly above average compared to other domestic water service providers in Tulare County. This would result in a rate to income ratio of approximately 1.23%, which is slightly above the average of 1.11%.

**TABLE 3-3  
CUTLER PUD COMPARISON OF SEWER RATES**

<b>Service Provider</b>	<b>Monthly Sewer User Fee (1 EDU)<sup>1</sup></b>	<b>Connection Fee<sup>1</sup></b>	<b>Average Household Income<sup>2</sup></b>	<b>Rate/Income Ratio</b>
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%
<b>Cutler PUD</b>	<b>\$22.00</b>	<b>\$3,520</b>	<b>\$2,028/mo.</b>	<b>1.08%</b>
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%
<b>Average</b>	<b>\$18.23</b>	<b>\$1,475</b>	<b>\$2,098/mo.</b>	<b>0.87%</b>

1) Source: Wastewater User Charge Survey Report FY 2004-05 (Cal EPA – SWRCB, May 2005)

2) Source: Census 2000

As indicated in Table 3-3, the Cutler PUD charges monthly rates that are above average compared to surrounding sanitary sewer service providers. The cost of sanitary sewer service within Cutler equates to approximately 1.08% of the average household income within the community. The capacity rights fee charged by the Cutler PUD for connections to its sewer system is more than twice the average of other sanitary sewer service providers throughout the County. The high sanitary sewer fees are likely attributable to the cost of improving the Cutler-Orosi WWTF and repairing the collection system. The District Engineer for the Cutler PUD indicated that sewer rates will be increased by \$9.00 per month in the near future as a result of Proposition 218 requirements. A \$9.00 rate increase would result in a flat sewer rate of \$31.00 per month, and a rate to income ratio of 1.53%, both significantly above average, compared to other sewer service providers in Tulare County.

Revenue generated from increased sewer fees will be used to implement a phased collection system improvement project that will replace older leaky pipes in the system, thereby increasing its efficiency

and useful life. Collection system repairs will also improve operations at the WWTF by reducing the amount of inflow/infiltration during seasonal high ground water levels (winter months).

The District should periodically review its monthly user fees, and capacity rights fees to ensure that quality service will continually be provided to existing and future residents. Often it is necessary to increase user fees and/or connection fees to keep pace with cost of living increases and rising material and construction costs. Any rate increases should be substantiated and adopted through a public hearing process. The District has opportunities to install water meters, and begin billing under a metered rate structure for water service, which would promote water conservation 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 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, including capital replacement costs.

### **3.5.2 Written Determinations**

1. The Cutler PUD charges monthly user fees and capacity rights fees for water and sewer. The District's fiscal year 2004-05 budget estimates revenues of \$309,000 and \$262,000 to be generated from water and sewer customer sales, respectively.
2. The monthly user fees and capacity rights fees charged by the Cutler PUD for domestic water service are below average compared to other domestic water service providers in Tulare County. The District has opportunities to install water meters, and begin billing under a metered rate structure for water service, which would promote water conservation in the community.
3. The District Engineer for the Cutler PUD indicated that water rates will be increased by \$7.00 per month in the near future as a result of Proposition 218 requirements. A \$7.00 rate increase would result in a flat water rate of \$25.00 per month, which is slightly above average compared to other domestic water service providers in Tulare County. This would result in a rate to income ratio of approximately 1.23%, which is slightly above the average of 1.11%.
4. The monthly sewer rates charged by the Cutler PUD are above average compared to surrounding sewer service providers. The capacity rights fee charged by the Cutler PUD for connections to its sewer system is more than twice the average of other sanitary sewer service providers throughout the County. The high sanitary sewer fees are likely attributable to the cost of improving the Cutler-Orosi WWTF, and repairing the collection system.
5. The District Engineer for the Cutler PUD indicated that sewer rates will be increased by \$9.00 per month in the near future as a result of Proposition 218 requirements. A \$9.00 rate increase would result in a flat sewer rate of \$31.00 per month, and a rate to income ratio of 1.53%, both significantly above average, compared to other sewer service providers in Tulare County.
6. The District should periodically review its monthly user fees and capacity rights fees to ensure that quality service will continually be provided to existing and future residents. Any rate increases should be substantiated and adopted through a public hearing process.

7. 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, including capital replacement costs.

## **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.

### **3.6.1 Shared Facilities**

Since the location of the Cutler SOI Boundary is immediately adjacent to the Orosi SOI Boundary, opportunities for shared facilities and/or resources exist. The Cutler PUD and Orosi PUD take advantage of shared infrastructure by operating a single WWTF through a JPWA comprised of three Board members from each District.

In 2001, the communities of Cutler and Orosi submitted an application to Tulare County LAFCO to become an incorporated City. It was subsequently determined to be infeasible at the time, on the basis of insufficient tax revenues; however, should the two communities eventually become incorporated, restructuring the provision of sanitary sewer and domestic water services will be necessary. The two Districts will need to consider combining the existing infrastructure for domestic water service and sanitary sewer service. The Districts will also need to consider adopting a uniform rate structure for all services of the City, should the Districts ultimately incorporate as a single City entity.

### **3.6.2 Written Determinations**

1. The Cutler PUD and Orosi PUD take advantage of shared infrastructure by operating a single WWTF through a JPWA comprised of three Board members from each District.
2. If the communities of Cutler and Orosi eventually become an incorporated City, the Districts will need to consider combining the existing infrastructure for domestic water and sanitary sewer service. The District's will also need to consider adopting a uniform rate structure for all services of the City, should the District's ultimately incorporate as a single City entity.



### **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.

#### **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. 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.

It should be noted that although the current SOI boundary for the Orosi PUD and Cutler PUD are adjacent, there are no boundary conflicts between the Districts (reference Figure 3-1). In 2001 the communities of Orosi and Cutler submitted an application to LAFCO to become an incorporated City; however, it was subsequently determined to be infeasible because the combined tax revenue between the communities was insufficient to maintain the minimally acceptable un-appropriated reserve fund required for incorporation. However, incorporation may be feasible in the future for both communities and the procedures for incorporation are clearly identified in LAFCO guidelines.

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.

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 expansion areas with developer assistance.

#### **3.7.2 Written Determinations**

1. If the communities of Cutler and Orosi become an incorporated City, it is likely that a single SOI which incorporates the areas within each District's current SOI would be established as a starting point. Incorporation would ultimately result in the dissolution of the Cutler PUD, as well as the Orosi PUD. Any changes in organization should be completed in accordance with LAFCO policies and procedures.

2. 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.
3. The District should continually expand and improve its domestic water and sanitary sewer infrastructure to accommodate development within its current District Boundary and SOI areas zoned for development with developer assistance.

## **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**

Based upon a review of information provided by the Cutler PUD, it appears that the provision of domestic water service and sanitary sewer collection is managed in an efficient manner, meeting the needs of the community and ratepayers. The Cutler PUD has accounting and finance functions, current personnel regulations and resolutions. The District undergoes annual audits in compliance with auditing standards.

The age of the District's sewer infrastructure is becoming an issue that the District needs to address in the short-term. The District has plans to implement a phased collection system improvement project, based upon the availability and timing of funding anticipated through various grant/loan programs, and availability of local revenue.

The Cutler 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. It should be noted that three of these board members also serve on the Cutler-Orosi JPWA. The District currently operates with part-time and full-time staff, and contracts out for other services, including engineering, legal counsel, accounting, and other consulting services. The District operates from 8:00 a.m. to 5:00 p.m., Monday through Friday. 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 \$25,000 was appropriated for contingencies. Contingency funds can be used for emergency improvements and/or unforeseen replacement or rehabilitation costs.

### **3.8.2 Written Determinations**

1. Based upon information made available, it appears that the provision of domestic water service and sanitary sewer collection is managed in an efficient manner and meets the needs of the community and ratepayers.
2. The age of the District's sewer infrastructure is becoming an issue that the District needs to address in the short-term. The District has plans to implement a phased collection system improvement project, based upon the availability and timing of funding anticipated through various grant/loan programs, and the availability of local revenue.
3. The Cutler 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.
4. The District currently operates with a part-time and full-time staff and contracts out for other services, including engineering, legal counsel, accounting, and other consulting services.
5. The District's answering message provides contact information in case of emergencies, as well as the District's hours of operation.

### **3.9 LOCAL ACCOUNTABILITY AND GOVERNANCE**

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

#### **3.9.1 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 Cutler PUD 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 third Tuesday of each month at 6:30 PM at the District office located at 40526 Orosi Drive in Cutler. 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 Cutler 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.

#### **3.9.2 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 third Tuesday of each month 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 4 – OROSI PUD MUNICIPAL SERVICE REVIEW**

### **EXECUTIVE SUMMARY**

This section provides an overview of the written determinations of the Orosi Public Utility 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 Orosi PUD MSR identifies the following written determinations:

#### **Written Determinations**

##### **1) Growth and Population**

1. Between 1990 and 2000, Orosi experienced an average annual population growth rate of approximately 2.9% compared to 0.6% for the unincorporated areas of Tulare County.
2. Assuming no development constraints, it can be expected that Orosi will continue to grow at an average annual rate between 2% and 3%, indicating the community would reach a year 2025 population between 12,000 and 15,300 residents.
3. District staff has indicated that they have been forced to reject six applications for annexation over the past three years due to inadequate sewer capacity. It was further indicated that five of the applications were immediately adjacent to the current District Boundary.
4. Consistent with the Urban Boundaries element of the Tulare County General Plan, the Cutler-Orosi UDB is, with minor exceptions, consistent with the external SOI for Cutler and Orosi.

##### **2) Infrastructure Needs and Deficiencies**

###### *Domestic Water*

1. The Orosi PUD's water supply is derived from four existing deep underground wells that have a total maximum production efficiency of approximately 2,930 GPM, or 4.22 MGD. The District also has a water storage tank with a capacity of approximately 750,000 gallons.
2. A test well has been drilled, has proven successful, and the District has awarded a contract for the drilling of a new well (Well #10). The District also indicated a need to replace older asbestos cement distribution piping with larger diameter ductile iron piping, and that improvements will be implemented on a phased basis and dependent upon available funding.
3. The Orosi PUD water system supports 1,788 total connections to their water system including 1,639 residential connections, 132 commercial connections, 3 agricultural connections, and 14 connections which are inactive.

4. Water consumption data indicated that there was an immediate decrease (between 21% and 23%) in domestic water usage as a result of metering, which began January 2005. Since then, the District has billed customers based upon a metered usage. The District's implementation of water meters is indicative of the District's desire to promote water conservation, and continue to provide effective water service to its residents.
5. District staff has indicated that they are working with Alta Irrigation District officials to study the feasibility of constructing a regional water treatment facility that would use water from the Kings River by exchange out of the Friant-Kern Canal. The regional facility would potentially provide domestic water to the City of Dinuba, Cutler, Orosi, and other unincorporated communities in the region. A feasibility study would be a three to five year process, and project implementation could be ten to fifteen years out.
6. Assuming 1,800 equivalent dwelling units (EDUs), in order to meet Tulare County Improvement Standards the Orosi PUD water system would need to be capable of delivering a combined flow rate (from all source and storage facilities) of 3,400 GPM (1,500 GPM fire flow, and 1,900 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 combined source flow of approximately 8,660 GPM not including the well that pumps into the storage tank (approximately 6,250 GPM could be delivered for two hours from the 750,000 gallon storage tank, assuming the tank is full). The District's water system would need to be tested at actual system pressure to determine the actual amount of available capacity for domestic and fire flow.
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 water supply sources could support an additional 2,000 equivalent dwelling units. Special circumstances, i.e. distribution system pressure constraints, could significantly affect the available capacity, and a complete assessment should be completed by the District Engineer prior to the approval of additional connections.

#### *Sanitary Sewer*

1. According to District staff, the District's sanitary sewer collection system is very old and pipe leaks and breaks cause significant problems including groundwater inflow/infiltration and cross contamination with groundwater. The District is implementing a phased sewer collection system rehabilitation/replacement project, and has awarded a contract for the construction of the phase 1 improvements.
2. Treatment and disposal of the collected effluent is provided at the Cutler-Orosi WWTF, jointly owned and operated by the Cutler PUD and Orosi PUD. The Cutler-Orosi WWTF serves the communities of Cutler, Orosi, East Orosi, Yettam, Seville, and Sultana.
3. The Cutler-Orosi WWTF operates under the provisions of Waste Discharge Requirements (WDR) Order No. 97-106, issued by the California RWQCB. According to JPWA staff, the WWTF has been certified by a registered civil engineer, and has a permitted capacity of 2.0 MGD.
4. As of March 2006, the Cutler-Orosi WWTF is operating under a Cease and Desist Order according to the RWQCB file. The RWQCB indicated that the Cutler-Orosi JPWA has

complied with the requirements of the Cease and Desist Order, and an order to rescind the Cease and Desist Order is expected to be completed in April 2006.

5. The average dry weather flow at the WWTF is approximately 1.40 MGD, with a historical high flow of 1.89 MGD. Flow at the WWTF is greater during winter months than in summer months due to inflow/infiltration of storm water into the collection system during winter months, and ex-filtration during dry summer months. The District will be able to more accurately predict the remaining capacity at the WWTF once repairs are made to leaking pipes throughout the collection system.
6. The Orosi PUD is currently allocated 2,162 equivalent dwelling units of capacity at the WWTF. The Orosi PUD is currently under a building moratorium, and has a waiting list for additional sewer connections.
7. The Cutler PUD and Orosi PUD are working with the Tulare County Redevelopment Agency to secure funding that will be used to correct deficiencies that would increase the capacity of the WWTF. Proposed improvements will modernize the facility and add capacity to bring the serviceable operational limits to 2.4 MGD.

### **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 2005-06 totaled \$1,619,142 for sanitary sewer and \$2,039,270 for water service. The District's budget included contingency funds of \$17,500 and \$57,000 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.

### **4) Cost Avoidance Opportunities**

1. The District avoids excessive overhead costs by operating with part-time and full-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, and using these services on an as needed basis.
2. 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 as a way of avoiding unnecessary costs.
3. Master planning could help the District avoid unnecessary costs by allowing the District sufficient time to set aside funding needed for future capacity improvements that would allow for development within the community.

4. The District could also avoid unnecessary costs associated with the maintenance of capital infrastructure by promoting development in infill areas, and areas where infrastructure is already in place.

## **5) Opportunities for Rate Restructuring**

1. The Orosi PUD charges monthly user fees and new connection fees (capacity rights fees) for water and sewer. The District's fiscal year 2005-06 budget estimates revenues of \$380,000 and \$520,000 to be generated from water and sewer customer sales, respectively.
2. The monthly user fees for domestic water service are below average, while the connection fees (capacity rights fees) are slightly above average compared to other domestic water service providers in Tulare County. Water consumption data shows that there was an immediate decrease in water usage as a result of metering.
3. The monthly sewer rates and capacity rights fees charged by the District are above average compared to surrounding sewer service providers in Tulare County. The high sanitary sewer fees are likely attributable to the cost of improving the Cutler-Orosi WWTF and repairing the collection system.
4. The District should periodically review its monthly user fees and capacity rights fees to ensure that quality service will continually be provided to existing and future residents. Any rate increases should be substantiated and adopted through a public hearing process.
5. 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, including capital replacement costs.

## **6) Opportunities for Shared Facilities**

1. The Orosi PUD and Cutler PUD take advantage of shared infrastructure by operating a single WWTF through a JPWA comprised of three Board members from each District.
2. If the communities of Cutler and Orosi eventually become an incorporated City, the Districts will need to consider combining the existing infrastructure for domestic water service and sanitary sewer service. The District's will also need to consider adopting a uniform rate structure for all services of the City, should the Districts ultimately incorporate as a single City entity.

## **7) Government Structure Options**

1. If the communities of Cutler and Orosi become an incorporated City, it is likely that a single SOI which incorporates the areas within each District's current SOI would be established as a starting point. Incorporation would ultimately result in the dissolution of the Orosi PUD, as well as the Cutler PUD. Any changes in organization should be completed in accordance with LAFCO policies and procedures.



2. 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.
3. The District should continually expand and improve its domestic water and sanitary sewer infrastructure to accommodate 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 that the provision of domestic water service and sanitary sewer collection is managed in an efficient manner and meets the needs of the community and ratepayers.
2. The age of the District's sewer infrastructure is becoming an issue that the District needs to address in the short-term. The District is implementing a phased sewer collection system rehabilitation/replacement project, and has awarded a contract for the construction of the phase 1 improvements.
3. The Oroshi 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.
4. The District currently operates with a part-time and full-time staff and contracts out for other services, including engineering, legal counsel, accounting, and other consulting services.
5. The District's answering message provides contact information in case of emergencies as well as the District's hours of operation.

## **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 Tuesday of each month at 7:30 p.m. 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 OROSI PUBLIC UTILITY 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 into law by Governor Davis on September 26, 2000. MSRs provide LAFCO 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.

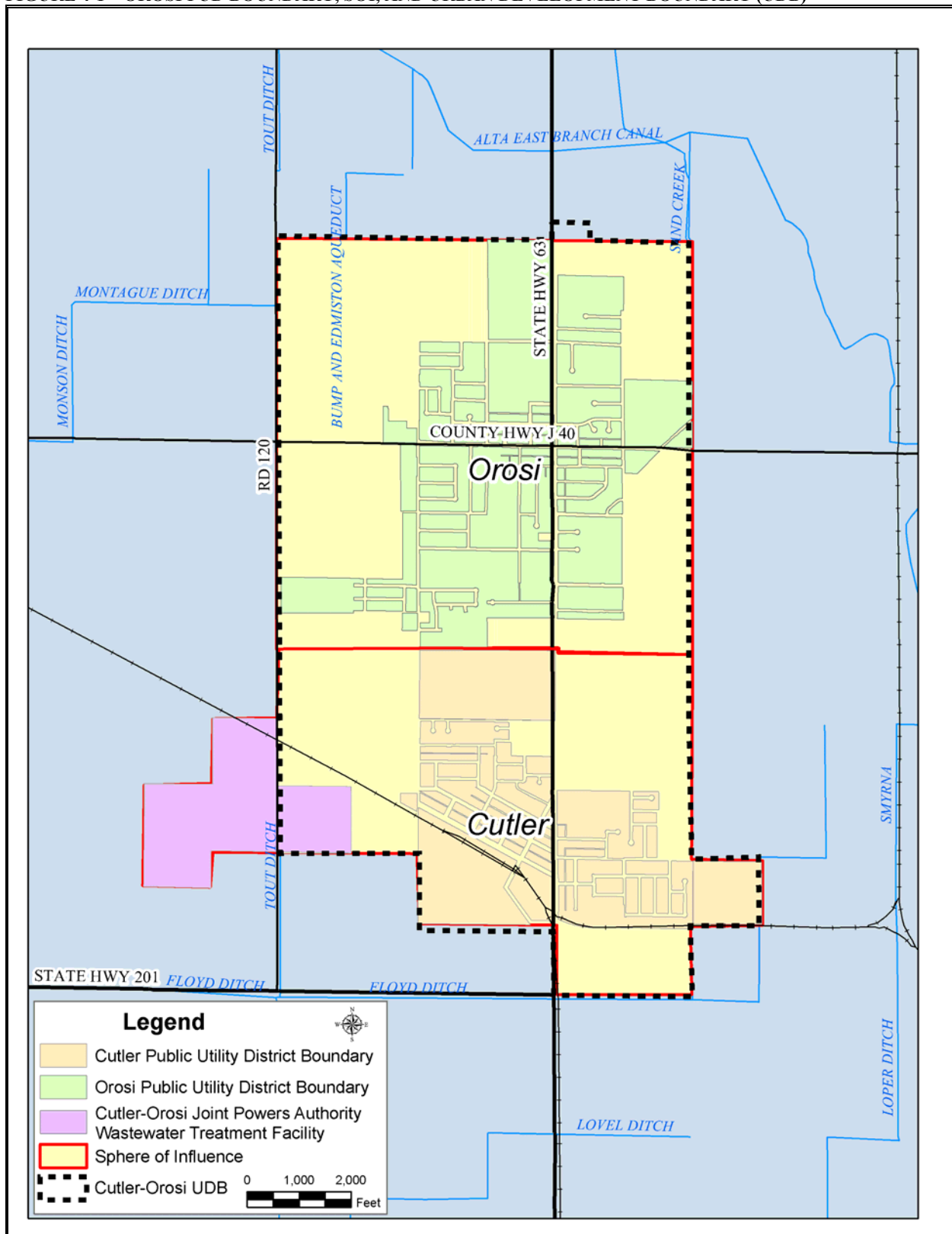
In July 2003 Tulare County LAFCO adopted an MSR exemption policy that identifies the agencies that would be subject to a review and the extent of that review. The agencies in Tulare County were divided into three (3) categories: agencies subject to a full comprehensive study; agencies subject to a questionnaire study; and agencies exempt from an MSR study. The Orosi 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

Orosi, an unincorporated community in Tulare County, is located in the northern portion of the County, approximately five miles east of Dinuba and ten miles north of Visalia. The Orosi PUD, which was formed in December 1922, has a primary function of providing sanitary sewer and domestic water service for the community. Sanitary sewer and domestic water service are the primary services provided by the Orosi PUD that are subject to an MSR.

Orosi is located north of and adjacent to the community of Cutler. Orosi is an agriculturally oriented service community surrounded on the north, west and east by lands in agricultural production, vacant lands, and scattered residential homes. Cities and communities surrounding Orosi include Visalia to the south; Dinuba to the west; the community of Cutler to the south; and the community of East Orosi to the east. The Tulare County/Fresno County Line is located approximately 2.3 miles northwest of Orosi. The current District Boundary and the currently adopted SOI for Orosi are illustrated on Figure 4-1. Figure 4-1 also shows the Cutler-Orosi Urban Development Boundary and the Boundary of the Cutler-Orosi Joint Powers Authority wastewater treatment facility. These boundaries are further explained in subsequent sections of this report.

**FIGURE 4-1 – OROSI PUD BOUNDARY, SOI, AND URBAN DEVELOPMENT BOUNDARY (UDB)**



Source: Tulare County GIS Database

The following excerpt from the Tulare County LAFCO website ([www.co.tulare.ca.us/lafco/info.asp](http://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.

## **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 Orosi.

### **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.

*Census 2000* data indicates that Orosi had a population of 7,318 as of January 2000. *Census 1990* data indicates that Orosi had a population of 5,486 corresponding to an average annual growth rate between 1990 and 2000 of approximately 2.9%. 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 average annual growth rate of approximately 0.6%. Assuming no development constraints, it is likely the Orosi community will continue to grow at an average annual rate between 2% and 3%. Using an average annual growth rate between 2% and 3%, the Orosi community would reach a year 2025 population between 12,000 and 15,300 residents.

### **4.1.2 Annexation Applications**

District staff has indicated that they have been forced to reject six applications for annexation over the past three years due to inadequate sewer capacity. It was further indicated that five of the applications were immediately adjacent to the current District Boundary. The District indicated that proposed development within their SOI can opt to provide own sewer and water service due to a lack of capacity available from the District.

### **4.1.3 Planning Boundaries**

In addition to a SOI, which is defined by LAFCO as the "...physical boundary and service area that a local government agency is expected to serve..." an urban development boundary (UDB) has been established and designates the Cutler-Orosi urban area. Figure 4-1 shows the District Boundary and SOI in comparison to the District's UDB. The UDB is, for the most part, coterminous with the external SOI boundary of each District.

The Tulare County General Plan contains an Urban Boundaries Element which establishes goals for designating realistic planning areas around cities and unincorporated communities which could be used to help determine boundaries for community service districts and County service areas, in areas where differing levels of service are required, and within which corporate annexations may take place. The following are excerpts from the County of Tulare General Plan Policy Summary Section 1UB.C.1 – Unincorporated Communities Policies.

*"Urban Development Boundaries are established around the following unincorporated communities in the County to serve as official urban planning areas for these communities: Cutler-Orosi, Ducor, Earlimart, East Orosi, Goshen, Ivanhoe, Lemon Cove, London, Pixley, Plainview, Poplar-Cotton Center, Richgrove, Strathmore, Terra Bella, Tipton, Traver, Woodville, Alpaugh, and Springville."*

*“A land use plan is to be developed for each community with an Urban Development Boundary, specifying desired densities and land use categories, with particular attention to defining suitable areas for the full range of urban development and rural residential development. Such plans shall include the entire area within the Boundary and shall recognize the short and long term ability of each community to provide necessary urban services within its Urban Development Boundary.”*

Furthermore, the County of Tulare General Plan Policy Summary Sections 1UB.F.1. and 1UB.F.2. set forth policies with regard to “Boundary Consistency”, and “Review and Revision of Boundaries.” Excerpts from these sections of the County General Plan Policy Summary relating to special districts are reiterated below.

*“In areas where special districts provide rural as well as urban services, LAFCo should distinguish between “urban” and “rural” service areas for the purpose of establishing Spheres of Influence for such districts. If an unincorporated community is served by a special district, the Urban Development Boundary should be consistent with the district’s “urban” Sphere of Influence.”*

*“County census boundaries should be as consistent as possible with Urban Development Boundaries.”*

*“Urban Area Boundaries and Urban Development Boundaries shall be reviewed at least once every five years to determine if boundary changes are justified, or if additional boundaries are needed for communities not included herein. However, a review may be conducted at any time on request of the affected city or agency.”*

As indicated on Figure 4-1, the Cutler-Orosi UDB is, with minor exceptions, consistent with the external SOI for Cutler and Orosi. The County census boundary does not cover the entire area incorporated within the Orosi UDB area. Generally, the census boundary covers the urbanized area of the community, but does not cover areas in the northwest or northeast portions of the Orosi UDB area.

#### **4.1.4 Written Determinations**

1. Between 1990 and 2000, Orosi experienced an average annual population growth rate of approximately 2.9% compared to 0.6% for the unincorporated areas of Tulare County.
2. Assuming no development constraints, it can be expected that Orosi will continue to grow at an average annual rate between 2% and 3%, indicating the community would reach a year 2025 population between 12,000 and 15,300 residents.
3. District staff has indicated that they have been forced to reject six applications for annexation over the past three years due to inadequate sewer capacity. It was further indicated that five of the applications were immediately adjacent to the current District Boundary.
4. Consistent with the Urban Boundaries element of the Tulare County General Plan, the Cutler-Orosi UDB is, with minor exceptions, consistent with the external SOI for Cutler and Orosi.

## **4.2 INFRASTRUCTURE NEEDS AND DEFICIENCIES**

The purpose of this section is to evaluate the infrastructure needs and deficiencies of the Orosi PUD in terms of availability of resources, capacity to deliver services, condition of facilities, service quality, and levels of service.

### **4.2.1 Domestic Water**

The Orosi PUD is responsible for providing domestic water service within the District's Boundary. Orosi's water supply is derived from four deep underground wells located at various sites throughout the community. Three of the wells discharge into 10,000 gallon hydro-pneumatic pressure tanks, and one well discharges into a 750,000 gallon storage tank with booster pumps that discharge into a hydro-pneumatic pressure tank. The water from each supply source is chlorinated and then distributed throughout the system. Currently, 40% of the District's water distribution system consists of asbestos-concrete pipe ranging in size from 2" to 6" in diameter. Ultimately, the District has indicated the need to replace the existing AC lines with 8" ductile iron piping. District staff also indicated the production efficiency of the wells ranges between 520 and 850 gallons per minute (GPM) and that the four wells have a total maximum production efficiency of approximately 2,930 GPM, or 4.22 MGD. Two additional existing wells are currently inactive due to nitrate contamination. The District has awarded a contract for the drilling of a new well (Well #10).

The District explored the possibility of mixing the water supplies from wells (via elevated storage, or mixing tank with booster pumps), before entering the distribution system in order to use the two wells that are currently inactive due to high nitrate levels. The blending tank project was subsequently determined to be infeasible due to operational requirements.

The District indicated that the community water system (as of October 2004) supports 1,788 total connections including 1,639 residential connections, 132 commercial connections, 3 agricultural connections, and 14 connections which are inactive. The District's water system also supports 164 fire hydrants located throughout the community. The Orosi PUD water system has been fully metered as of January 1, 2005. Since then the District has billed customers based upon a metered usage. Water consumption data provided by District staff indicated that there was an immediate decrease in domestic water usage as a result of metering. Prior to water metering, the District experienced a peak month flow of 62.742 MG in July 2004 and a max day flow of 2.172 MGD. After metering was implemented by the District, a peak flow rate of 48.102 MG in July 2005 was observed with a max day flow of 1.706 MGD. This equates to a reduction of 23.3% in the peak month flow and a 21.5% reduction in the max day flow. The District's implementation of water meters is indicative of the District's desire to promote water conservation, and continue to provide effective water service to its residents.

District staff has indicated that they are working with Alta Irrigation District officials to study the feasibility of constructing a regional water treatment facility that would use water from the Kings River by exchange out of the Friant-Kern Canal. The regional facility would provide domestic water to the communities of Cutler and Orosi, and potentially the City of Dinuba and other unincorporated communities in the region. District staff indicated that a feasibility study would be a three to five year process, and that implementation of the project could be ten to fifteen years out.

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 1,800 equivalent dwelling units (EDUs), in order to meet Tulare County Improvement Standards the Orosi PUD water system would need to be capable of delivering a combined flow rate (from all source and storage facilities) of 3,400 GPM (1,500 GPM fire flow, and 1,900 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 combined source flow of approximately 8,660 GPM not including the well that pumps into the storage tank (approximately 6,250 GPM could be delivered for two hours from the 750,000 gallon storage tank, assuming the tank is full). This indicates that the District's water system currently meets the requirements of 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 system, 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,

$$Q_{\text{Required}} = (N)*(C)*(F) \text{ where,}$$

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 1,788, a C factor of 7.5 (due to the especially high dwelling unit occupancy rate in the community), and an F factor of 0.30, the estimated total supply source required is calculated to be 3,218 GPM. With a total well supply source available of 8,660 GPM (for a period of two hours, assuming the storage tank is full), it is estimated that the District's water supply, and storage facilities could support an additional 2,000 equivalent dwelling units. It should be noted that there could be special circumstances, i.e. distribution system pressure constraints, that could significantly affect this result, and a complete assessment should be completed by the District Engineer prior to the approval of additional connections. The water system would need to be tested at actual system pressure to determine the actual amount of available capacity for domestic and fire flow.

#### **4.2.2 Sanitary Sewer**

The Orosi PUD is also responsible for providing sanitary sewer collection to residents within its Boundary. According to District staff, the sewer collection system is very old and pipe leaks and breaks cause significant problems including groundwater inflow/infiltration and cross contamination with groundwater. The District is implementing a phased sewer collection system rehabilitation/replacement project, and has awarded a contract for the construction of the phase 1 improvements.

Treatment and disposal of the collected effluent is provided by the Cutler-Orosi Joint Powers Wastewater Authority (JPWA). In March 1980, the Orosi PUD entered into the Joint Wastewater Treatment and Disposal Facilities Agreement with the Cutler PUD, forming the Cutler-Orosi JPWA for the purpose of operating a wastewater treatment and disposal facility (WWTF). Under the terms of the agreement, the Orosi PUD owns 50% of the property and 60% of the plant and equipment used by the Authority. Each District is charged for its share of the costs to the Authority based upon its pro-rata share of gallonage flows into the facility. The governing board of the JPWA is made of three appointed members from the Orosi PUD Board of Directors and three appointed members from the Cutler PUD Board of Directors. The JPWA Board of Directors controls its own operations, including selection of management and approval of operating budgets. The separate boards of the Orosi PUD and Cutler PUD must approve capital expenditures.

The construction of the WWTF, completed in 1983, was funded by 75% from a cost grant from the Environmental Protection Agency, 12.5% from a cost grant from the State Water Resources Control Board, and 12.5% from proceeds of revenue bonds sales. The Joint Wastewater Treatment and Disposal Facility Amended Agreement between the two Districts states that all assets accumulated by the JPWA (other than cash, accounts receivable, prepaid expenses, and motor vehicles) shall be treated as owned by the Districts and in accordance with their participation in the JPWA. In addition, each District's allocated share of JPWA fixed assets is recorded and depreciated as part of property, plant and equipment, and its share of cash and all other assets are recorded as investment in the Cutler-Orosi JPWA.

The Cutler-Orosi WWTF serves the communities of Cutler, Orosi, East Orosi, Yetttem, Seville, and Sultana. The WWTF operates under the provisions of Waste Discharge Requirements (WDR) Order No. 97-106 issued by the California Regional Water Quality Control Board (RWQCB), Central Valley Region. Based upon discussions with the RWQCB, the Cutler-Orosi WWTF is also operating under a Cease and Desist (C&D) Order (No. 97-107), which is still in effect as of March 2006 according to the RWQCB file. According to the RWQCB, the Cutler-Orosi JPWA has complied with the requirements of the Cease and Desist Order, and the Board is in the process of preparing an order to rescind the Cease and Desist Order, which is expected to be completed in April 2006.

According to JPWA staff, the plant has been certified by a registered civil engineer, and has a permitted capacity of 2.0 MGD. According to the District Engineer, the historical high flow recorded at the WWTF was 1.89 MGD, and the average dry weather flow is approximately 1.40 MGD. The District Engineer

also noted that during dry months the sewer collection system experiences ex-filtration and during winter months the collection system experiences inflow/infiltration of storm water. The District will be able to more accurately predict the remaining capacity at the WWTF once repairs are made to leaking pipes throughout the collection system. The Orosi PUD entered into an agreement with the WWTF and is allowed to transport effluent to the treatment facility not to exceed 2,162 equivalent dwelling units. The Orosi PUD is currently under a building moratorium, and has a waiting list for additional sewer connections.

According to District staff, Tulare County Redevelopment Agency (TCRA) is working with the Cutler PUD and Orosi PUD to correct deficiencies that would increase the capacity of the treatment facility. The TCRA, on behalf of the Cutler-Orosi JPWA has submitted an application for Federal Assistance to construct improvements and additions at the Cutler-Orosi WWTF. The proposed project funding amounts to \$4,657,900, with a start date of February 2006, and an ending date of October 2009. The project represents the combined efforts by the Cutler PUD and the Orosi PUD to improve and upgrade the jointly operated WWTF, which involves:

- Improvements and additions to the plant headworks
- Improvements to the secondary clarifier
- Construction of a new secondary clarifier
- Construction of sludge drying beds
- Electrical improvements and installation of UV disinfection
- Effluent pump station capacity increase
- Land preparation and irrigation system
- Construction safety, mobilization and miscellaneous work

Several issues have caused the WWTF to reach its serviceable limits including age of system components, leaks in the collection system, and community growth. Until improvements at the WWTF are completed, both the Cutler PUD and Orosi PUD have restricted development within each community. The improvements will modernize the facility and add capacity to bring the serviceable operational limits to 2.4 MGD. Improving the wastewater treatment capabilities of the District will allow the community to expand its affordable housing stock and promote economic development opportunities.

#### **4.2.3 Written Determinations**

##### *Domestic Water*

1. The Orosi PUD's water supply is derived from four existing deep underground wells that have a total maximum production efficiency of approximately 2,930 GPM, or 4.22 MGD. The District also has a water storage tank with a capacity of approximately 750,000 gallons.
2. A test well has been drilled, has proven successful, and the District has awarded a contract for the drilling of a new well (Well #10). The District also indicated a need to replace older asbestos cement distribution piping with larger diameter ductile iron piping, and that improvements will be implemented on a phased basis and dependent upon available funding.
3. The Orosi PUD water system supports 1,788 total connections to their water system including 1,639 residential connections, 132 commercial connections, 3 agricultural connections, and 14 connections which are inactive.

4. Water consumption data indicated that there was an immediate decrease (between 21% and 23%) in domestic water usage as a result of metering, which began January 2005. Since then, the District has billed customers based upon a metered usage. The District's implementation of water meters is indicative of the District's desire to promote water conservation, and continue to provide effective water service to its residents.
5. District staff has indicated that they are working with Alta Irrigation District officials to study the feasibility of constructing a regional water treatment facility that would use water from the Kings River by exchange out of the Friant-Kern Canal. The regional facility would potentially provide domestic water to the City of Dinuba, Cutler, Orosi, and other unincorporated communities in the region. A feasibility study would be a three to five year process, and project implementation could be ten to fifteen years out.
6. Assuming 1,800 equivalent dwelling units (EDUs), in order to meet Tulare County Improvement Standards the Orosi PUD water system would need to be capable of delivering a combined flow rate (from all source and storage facilities) of 3,400 GPM (1,500 GPM fire flow, and 1,900 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 combined source flow of approximately 8,660 GPM not including the well that pumps into the storage tank (approximately 6,250 GPM could be delivered for two hours from the 750,000 gallon storage tank, assuming the tank is full). The District's water system would need to be tested at actual system pressure to determine the actual amount of available capacity for domestic and fire flow.
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 water supply sources could support an additional 2,000 equivalent dwelling units. Special circumstances, i.e. distribution system pressure constraints, could significantly affect the available capacity, and a complete assessment should be completed by the District Engineer prior to the approval of additional connections.

#### *Sanitary Sewer*

1. According to District staff, the District's sanitary sewer collection system is very old and pipe leaks and breaks cause significant problems including groundwater inflow/infiltration and cross contamination with groundwater. The District is implementing a phased sewer collection system rehabilitation/replacement project, and has awarded a contract for the construction of the phase 1 improvements.
2. Treatment and disposal of the collected effluent is provided at the Cutler-Orosi WWTF, jointly owned and operated by the Cutler PUD and Orosi PUD. The Cutler-Orosi WWTF serves the communities of Cutler, Orosi, East Orosi, Yettam, Seville, and Sultana.
3. The Cutler-Orosi WWTF operates under the provisions of Waste Discharge Requirements (WDR) Order No. 97-106, issued by the California RWQCB. According to JPWA staff, the WWTF has been certified by a registered civil engineer, and has a permitted capacity of 2.0 MGD.
4. As of March 2006, the Cutler-Orosi WWTF is operating under a Cease and Desist Order according to the RWQCB file. The RWQCB indicated that the Cutler-Orsoi JPWA has

complied with the requirements of the Cease and Desist Order, and an order to rescind the Cease and Desist Order is expected to be completed in April 2006.

5. The average dry weather flow at the WWTF is approximately 1.40 MGD, with a historical high flow of 1.89 MGD. Flow at the WWTF is greater during winter months than in summer months due to inflow/infiltration of storm water into the collection system during winter months, and ex-filtration during dry summer months. The District will be able to more accurately predict the remaining capacity at the WWTF once repairs are made to leaking pipes throughout the collection system.
6. The Orosi PUD is currently allocated 2,162 equivalent dwelling units of capacity at the WWTF. The Orosi PUD is currently under a building moratorium, and has a waiting list for additional sewer connections.
7. The Cutler PUD and Orosi PUD are working with the Tulare County Redevelopment Agency to secure funding that will be used to correct deficiencies that would increase the capacity of the WWTF. Proposed improvements will modernize the facility and add capacity to bring the serviceable operational limits to 2.4 MGD.

## **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 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 2005-06 budget for the Oroshi 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 2005-06 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 2005-06 identifies a beginning cash balance of \$4,263,079 and anticipated revenues of \$529,388 to be generated primarily from customer sales. Of the total resources available, \$3,173,325 is in restricted reserves leaving \$1,619,142 in total available funds. 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.

- 1981 Revenue Bond
- Plant Replacement
- Connection Fees
- M&O Reserve
- Self Insurance
- Sewer Line Depreciation
- Line Cleaning Machine
- Truck Replacement
- Board Decisions Reserve

After accounting for restricted reserves from the District's budget, the remaining resources of \$1,619,142 covers salaries and employee benefits totaling \$102,819; services and supplies totaling \$335,100; other charges totaling \$20,752; fixed assets totaling \$1,142,971; and a contingency appropriation of \$17,500. The District typically requires developers to pay the cost of installing the local piping infrastructure to serve proposed developments.

Reviewing the District's budget for the current and previous fiscal years indicates that the District is financially stable with regard to its sewer fund. 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 Oroshi PUD should continue to work closely with the Cutler PUD to implement improvements that would increase the capacity of the WWTF, which would increase the District's ability to serve development within its SOI. The preparation and implementation of a sewer system master plan would also increase the District's preparedness when development within its SOI is proposed. A master plan would also identify existing deficiencies and make recommendations to correct such deficiencies. The District could potentially obtain funding assistance to prepare a master plan by applying for available State and/or Federal grants.

The District's water budget for fiscal year 2005-06 identifies a beginning cash balance of \$2,770,386 and anticipated revenues of \$398,000 (\$380,000 generated from customer sales, leak detection grant proceeds in the amount of \$12,000, and other revenues totaling \$6,000). Of the total resources available \$1,127,116 is in restricted reserves leaving \$2,041,270 in total available funds. 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.

- Self Insurance
- Water Lines
- Customer Deposit
- Truck Replacement
- Computer
- Wells and Pumps
- Connection Fees

After accounting for restricted reserves from the District's budget, the remaining resources of \$2,039,270 covers salaries and employee benefits totaling \$295,640; services and supplies totaling \$242,800; other charges totaling \$100; fixed assets totaling \$1,443,830; and a contingency appropriation of \$57,000.

Reviewing the District's budget for the current and previous fiscal years indicates that the District is financially stable with regard to its water fund. 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. It is recommended that the District prepare and implement a water system master plan, which would increase its preparedness when development within its SOI is proposed.

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 Oroshi PUD include monthly sewer and water fees, connection (capacity rights) 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 capital expenses using restricted reserve accounts.

#### **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's operating budgets (excluding reserve funds) for fiscal year 2005-06 totaled \$1,619,142 for sanitary sewer and \$2,039,270 for water service. The District's budget included contingency funds of \$17,500 and \$57,000 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.

## **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 District's 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 excessive overhead costs by operating with a part-time and full-time administration, which provides adequate levels of service to the community. The District also avoids unnecessary costs by contracting out professional services including engineering, legal services, and other consulting services.

Generally, the District requires development projects to pay for their own infrastructure (water lines, sewer lines, fire protection, and lighting) to serve their projects. The District requires development projects to pay capacity rights fees currently set at \$2,400 and \$1,745 per equivalent dwelling unit (EDU) for water and sewer service connections, respectively. Capacity rights fees are used by the District to construct infrastructure capacity improvements (new wells, WWTF improvements, etc). 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 as a way of avoiding unnecessary costs.

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 typically 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 sewer and domestic water infrastructure associated with the SOI and any territories that were annexed. LAFCO should consider the relative financial and operational 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.

### **4.4.2 Written Determinations**

1. The District avoids excessive overhead costs by operating with part-time and full-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, and using these services on an as needed basis.



2. 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 as a way of avoiding unnecessary costs.
3. Master planning could help the District avoid unnecessary costs by allowing the District sufficient time to set aside funding needed for future capacity improvements that would allow for development within the community.
4. The District could also avoid unnecessary costs associated with the maintenance of capital infrastructure by promoting development in infill areas, and areas where infrastructure is already in place.

## 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 Orosi PUD installed and started billing under a metered water system in January 2005. 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 Orosi PUD charges a monthly flat rate for sewer service. The District's fiscal year 2005-06 budget estimates revenues of \$380,000 and \$520,000 to be generated from water and sewer customer sales, respectively. Tables 4-1 and 4-2 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 4-1  
OROSI PUD 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%
<b>Orosi PUD</b>	<b>\$19.08</b>	<b>\$2,400</b>	<b>\$2,533/mo.</b>	<b>0.75%</b>
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 <sup>7</sup>	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 <sup>8</sup>	\$2,908	\$2,109/mo.	0.59%
Woodville PUD	\$27.28	\$2,000	\$2,123/mo.	1.28%
<b>Average</b>	<b>\$23.17</b>	<b>\$1,780</b>	<b>\$2,080/mo.</b>	<b>1.11%</b>

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 4-1, the Orosi PUD charges monthly rates that are below average compared to surrounding domestic water service providers. The cost of domestic water service within Orosi equates to approximately 0.75% of the average household income within the community. The Orosi PUD water connection fee (capacity rights fee) is above average compared to other domestic water service providers throughout the County.

**TABLE 4-2  
OROSI PUD COMPARISON OF SEWER RATES**

<b>Service Provider</b>	<b>Monthly Sewer User Fee (1 EDU)<sup>1</sup></b>	<b>Connection Fee<sup>1</sup></b>	<b>Average Household Income<sup>2</sup></b>	<b>Rate/Income Ratio</b>
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%
<b>Orosi PUD</b>	<b>\$22.97</b>	<b>\$1,745</b>	<b>\$2,533/mo.</b>	<b>0.91%</b>
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%
<b>Average</b>	<b>\$18.23</b>	<b>\$1,475</b>	<b>\$2,098/mo.</b>	<b>0.87%</b>

1) Source: Wastewater User Charge Survey Report FY 2004-05 (Cal EPA – SWRCB, May 2005)

2) Source: Census 2000

As indicated in Table 4-2, the Orosi PUD charges monthly rates that are above average compared to surrounding sanitary sewer service providers. The cost of sanitary sewer service within Orosi equates to approximately 0.91% of the average household income within the community. The Orosi PUD sanitary sewer connection fee (capacity rights fee) is also above average compared to other sanitary sewer service providers throughout the County. The high sanitary sewer fees are likely attributable to the cost of improving the Cutler-Orosi WWTF and repairing the collection system.

The District should periodically review its monthly user fees, and capacity rights fees to ensure that quality service will continually be provided to existing and future residents. Often it is necessary to increase user fees and/or capacity rights fees to keep pace with cost of living increases and rising material and construction costs. Any rate increases should be substantiated and adopted through a public hearing process.

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, including capital replacement costs.

#### **4.5.2 Written Determinations**

1. The Orosi PUD charges monthly user fees and new connection fees (capacity rights fees) for water and sewer. The District's fiscal year 2005-06 budget estimates revenues of \$380,000 and \$520,000 to be generated from water and sewer customer sales, respectively.
2. The monthly user fees for domestic water service are below average, while the connection fees (capacity rights fees) are slightly above average compared to other domestic water service providers in Tulare County. Water consumption data shows that there was an immediate decrease in water usage as a result of metering.
3. The monthly sewer rates and capacity rights fees charged by the District are above average compared to surrounding sewer service providers in Tulare County. The high sanitary sewer fees are likely attributable to the cost of improving the Cutler-Orosi WWTF and repairing the collection system.
4. The District should periodically review its monthly user fees and capacity rights fees to ensure that quality service will continually be provided to existing and future residents. Any rate increases should be substantiated and adopted through a public hearing process.
5. 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, including capital replacement costs.

## **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 Orosi SOI Boundary is immediately adjacent to the Cutler SOI Boundary, opportunities for shared facilities and/or resources exist. The Orosi PUD and Cutler PUD take advantage of shared infrastructure by operating a single WWTF through a JPWA comprised of three Board members from each District.

In 2001, the communities of Cutler and Orosi submitted an application to Tulare County LAFCO to become an incorporated City. It was subsequently determined to be infeasible at the time, on the basis of insufficient tax revenues; however, should the two communities eventually become incorporated, restructuring the provision of sanitary sewer and domestic water services will be necessary. The two Districts will need to consider combining the existing infrastructure for domestic water service and sanitary sewer service. The District's will also need to consider adopting a uniform rate structure for all services of the City, should the Districts ultimately incorporate as a single City entity.

### **4.6.2 Written Determinations**

1. The Orosi PUD and Cutler PUD take advantage of shared infrastructure by operating a single WWTF through a JPWA comprised of three Board members from each District.
2. If the communities of Cutler and Orosi eventually become an incorporated City, the Districts will need to consider combining the existing infrastructure for domestic water service and sanitary sewer service. The District's will also need to consider adopting a uniform rate structure for all services of the City, should the Districts ultimately incorporate as a single City entity.

## **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 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.

It should be noted that although the current SOI boundary for the Orosi PUD and Cutler PUD are adjacent, there are no boundary conflicts between the Districts (reference Figure 4-1). In 2001 the communities of Orosi and Cutler submitted an application to LAFCO to become an incorporated City; however, it was subsequently determined to be infeasible because the combined tax revenue between the communities was insufficient to maintain the minimally acceptable un-appropriated reserve fund required for incorporation. However, incorporation may be feasible in the future for both communities and the procedures for incorporation are clearly identified in LAFCO guidelines.

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.

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 expansion areas with developer assistance.

### **4.7.2 Written Determinations**

1. If the communities of Cutler and Orosi become an incorporated City, it is likely that a single SOI which incorporates the areas within each District's current SOI would be established as a starting point. Incorporation would ultimately result in the dissolution of the Orosi PUD, as well as the Cutler PUD. Any changes in organization should be completed in accordance with LAFCO policies and procedures.

2. 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.
3. The District should continually expand and improve its domestic water and sanitary sewer infrastructure to accommodate development within its current District Boundary and SOI areas zoned for development with developer assistance.

## **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 Orosi PUD, it appears that the provision of domestic water service and sanitary sewer collection are managed in an efficient manner, meeting the needs of the community and ratepayers. The Orosi PUD has accounting and finance functions, current personnel regulations and resolutions. The District undergoes annual audits in compliance with auditing standards.

The age of the District's sewer infrastructure is becoming an issue that the District needs to address in the short-term. The District is implementing a phased sewer collection system rehabilitation/replacement project, and has awarded a contract for the construction of the phase 1 improvements.

The Orosi 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. It should be noted that three of these board members also serve on the Cutler-Orosi JPWA. The District currently operates with part-time and full-time staff, and contracts out for other services, including engineering, legal counsel, accounting, and other consulting services. The District operates from 8:00 a.m. to 5:00 p.m., Monday through Friday. 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 2005-06 budget approximately \$74,500 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 domestic water service and sanitary sewer collection is managed in an efficient manner and meets the needs of the community and ratepayers.
2. The age of the District's sewer infrastructure is becoming an issue that the District needs to address in the short-term. The District is implementing a phased sewer collection system rehabilitation/replacement project, and has awarded a contract for the construction of the phase 1 improvements.
3. The Orosi 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.
4. The District currently operates with a part-time and full-time staff and contracts out for other services, including engineering, legal counsel, accounting, and other consulting services.
5. The District's answering message provides contact information in case of emergencies as well as the District's hours of operation.



## **4.9 LOCAL ACCOUNTABILITY AND GOVERNANCE**

The purpose of this section is to evaluate the accessibility and levels of public participation associated with the Oroshi PUD'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 Oroshi PUD 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 Tuesday of each month at 7:30 p.m. at the District office located at 12488 Avenue 416 in Oroshi. 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 Oroshi 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 second Tuesday of each month at 7:30 p.m. 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 – LEMON COVE SANITARY DISTRICT MUNICIPAL SERVICE REVIEW**

## **EXECUTIVE SUMMARY**

This section provides an overview of the written determinations of the Lemon Cove Sanitary 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 Lemon Cove Sanitary District MSR identifies the following written determinations:

### **Written Determinations**

#### **1) Growth and Population**

1. Between 1990 and 2000, Lemon Cove experienced an average annual population growth rate of approximately 2.5%, compared to 0.6% for the unincorporated areas of Tulare County.
2. Assuming no development constraints, it can be expected that Lemon Cove will experience growth at an average annual rate between 2% and 3%, indicating the community would reach a year 2025 population between 500 and 650 residents.
3. The District's water system serves approximately 160 residents indicating that there are additional residents within the County Census Boundary, and District SOI, which are not currently provided domestic water by the Lemon Cove Sanitary District.
4. Consistent with the Urban Boundaries element of the Tulare County General Plan, the Lemon Cove UAB is, for the most part, coterminous with the District's SOI.

#### **2) Infrastructure Needs and Deficiencies**

##### *Domestic Water*

1. The Lemon Cove Sanitary District operates a water supply and distribution system under the jurisdiction of the Tulare County Environmental Health Services Division, which is responsible for the administration and enforcement of the Safe Drinking Water Act involving those systems in Tulare County with less than 200 connections.
2. The District's water supply and distribution system, which includes a 30,000 gallon storage tank, booster pump, and a 4,000 gallon pressure tank, supports approximately 50 active connections.
3. The water system has no permanently installed treatment at this time, and there is no backup water supply on the District's system.

4. The District's water system is fully metered, which is indicative of the District's desire to promote water conservation, and continue to provide effective water service to its residents.
5. According to the District's 2004 Consumer Confidence Report, water samples taken in December 2004 contained nitrate levels of 55 mg/L, which exceeds the maximum contaminant level (MCL) of 45 mg/L. The Lemon Cove Sanitary District has been issued a compliance order (No. 04-95) to address the elevated nitrate levels.
6. Assuming 50 equivalent dwelling units (EDUs), in order to meet Tulare County Improvement Standards the Lemon Cove Sanitary District water system would need to be capable of delivering a combined flow rate (from all source and storage facilities) of 780 GPM (500 GPM fire flow, and 280 GPM domestic demand) for a period of two hours while maintaining a minimum pressure of 25 PSI to each lot served;
7. The water system storage volume of 34,000 gallons would be capable of delivering a source flow of approximately 280 GPM for a period of two hours, indicating that the pumping efficiency of the District's only well would need to be 500 GPM in order to meet the requirements of the Tulare County Improvement Standards. Prior to granting any SOI expansions, it is recommended that LAFCO verify that there is adequate water system capacity to meet any anticipated increased demands. It is also recommended that the District work to develop a backup water supply.
8. The District would need to expand its water supply and distribution system to support any significant development projects proposed within its SOI.

#### *Sanitary Sewer*

1. The Lemon Cove Sanitary District is also responsible for providing sanitary sewer service to residents within its Boundary. It is assumed that there are 50 connections to the District's sewer system, the same number of connections to their water system.
2. The District owns and operates a WWTF located approximately 0.7 miles north of the community. The WWTF is operated under the provisions of Waste Discharge Requirements Order No. 94-348, issued by the RWQCB.
3. Order No. 94-348 prescribes that the monthly average dry weather discharge flow shall not exceed 20,000 GPD. According to 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 12,000 GPD.
4. Using a demand of 310 GPD per connection, it is estimated that the District's sanitary sewer treatment and disposal capabilities would allow for approximately 25 additional connections (equivalent dwelling units) to the system.
5. The District would need to expand the capacity of its WWTF to support any significant development project's proposed within its SOI.

### **3) Financing Constraints and Opportunities**

1. The District's operating budgets (excluding restricted reserves for fiscal year 2004-05 totaled \$43,870 for domestic water, and \$22,041 for sanitary sewer. Available funds were allocated to services and supplies or fixed assets.
2. The District had no funds allocated to contingency appropriations for its water or sewer funds during fiscal year 2004-05. It is recommended that the District allow for contingency appropriations to cover any unforeseen costs which may arise.
3. A review of the District's expenses indicates that no fiscal resources are allocated towards salaries and employee benefits, indicating that the District operates with volunteer staffing.
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. Due to the District's limited financial resources, it is recommended that the District work with the development community to construct infrastructure improvements that would increase the capacity of the District's water and sewer systems. Master planning infrastructure out to the District's SOI Boundary would provide a baseline for the infrastructure needs within its SOI, in addition to identifying any existing deficiencies.

### **4) Cost Avoidance Opportunities**

1. The District avoids unnecessary costs by operating with volunteer staffing. The District does not employ an engineer, but uses contracted consulting engineers only when absolutely necessary. The District uses County Legal Counsel if necessary.
2. It is recommended that the District work with federal, state, and local government, and the development community to secure funding for the construction of water and sewer infrastructure improvements that would serve new development sites as a way of avoiding unnecessary costs.
3. Master planning could help the District avoid unnecessary costs by allowing the District sufficient time to set aside funding needed for future capacity improvements that would allow for development within the community.
4. The District could also avoid unnecessary costs associated with the maintenance of capital infrastructure by promoting development in infill areas, and areas where infrastructure is already in place.

### **5) Opportunities for Rate Restructuring**

1. The Lemon Cove Sanitary District charges monthly user fees and connection fees for water and sewer. The District's fiscal year 2004-05 budget estimates revenues of \$4,270 to be generated from water and sewer customer sales.

2. The monthly user fees and connection fees charged by the Lemon Cove Sanitary District for water and sewer service are significantly below average compared to other water and sewer service providers in the County.
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. Any rate increases should be substantiated and adopted through a public hearing process. The District currently bills under a metered rate structure for domestic water service, which promotes water conservation.
4. Generally, user fees should be used for the operation and maintenance of existing infrastructure while connection fees should be used for the construction of new infrastructure to accommodate new development. It is recommended that the District consider re-evaluating its fee structure to segregate costs associated with provision of infrastructure to accommodate new development.

## **6) Opportunities for Shared Facilities**

1. Since the location of the Lemon Cove District Boundary is immediately adjacent to existing rural lands, the opportunity for sharing infrastructure does not readily exist.

## **7) Government Structure Options**

1. 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.
2. Any change in organization should be completed in accordance with LAFCO policies and procedures.
3. The District should continually expand and improve its domestic water and sanitary sewer infrastructure to accommodate development within its current District Boundary and SOI areas zoned for development.

## **8) Evaluation of Management Efficiencies**

1. The Lemon Cove Sanitary District 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.
2. The District currently operates with volunteer staff. The District does not have a District office, and Board meetings are held in the Office Managers home.
3. District representatives can be contacted by phone. District personnel should be available to respond to emergencies during non office hours.
4. The District's fiscal year 2004-05 budget did not allow for contingency appropriations. It is recommended that the District allow for contingency allocations to cover any unforeseen costs that may arise.

## **9) Local Accountability and Governance**

1. Regularly scheduled meetings are held on the second Tuesday of each month at the Office Manager's home.
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.

## **5.0 LEMON COVE SANITARY DISTRICT**

### **5.0.1 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 into law by Governor Davis on September 26, 2000. MSRs provide LAFCO 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 an 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 an MSR study. The Lemon Cove Sanitary District is subject to a full comprehensive study. The policy further identifies that the services subject to review shall be:

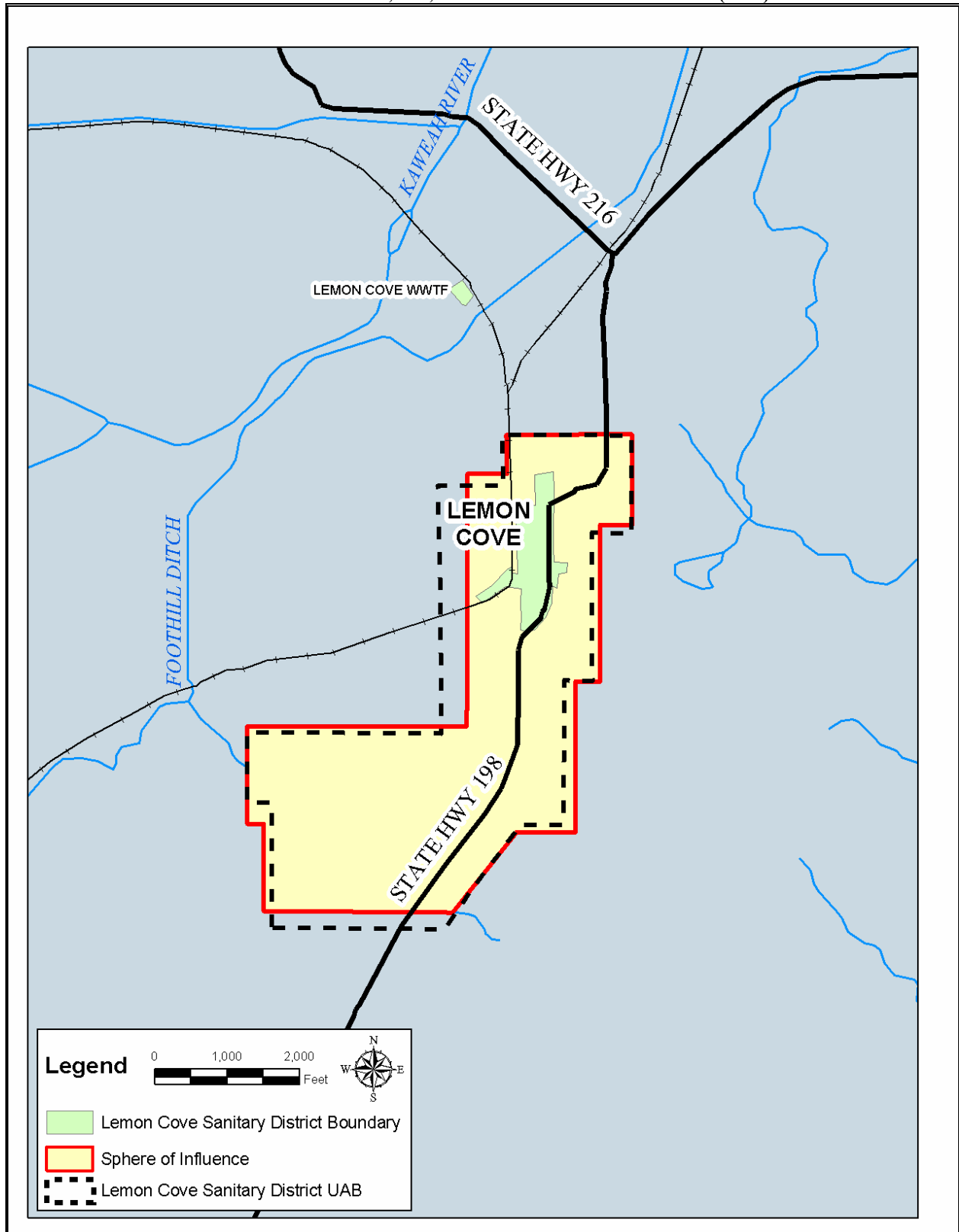
- Police protection
- Fire protection
- Water and wastewater
- Solid waste collection and disposal
- Streets and traffic circulation
- Power generation and distribution
- Health Care

Lemon Cove, an unincorporated community in Tulare County, is located in the northern portion of the County, approximately four miles southeast of Woodlake and eleven miles northeast of Visalia. The Lemon Cove Sanitary District, which was formed in December 1950, has a primary function of providing sanitary sewer and domestic water service for the community. Sanitary sewer and domestic water service are the primary services provided by the Lemon Cove SD that are subject to an MSR.

Lemon Cove is an agriculturally oriented service community surrounded by lands in agricultural production, vacant lands, and scattered residential homes. State Route 198 and State Route 216 provide primary access to the cities of Visalia and Woodlake, respectively.

Cities and communities surrounding Lemon Cove include Visalia to the southwest; Woodlake to the northwest; and the community of Three Rivers to the northeast. The Tulare County/Fresno County Line is located approximately 10.5 miles north of Lemon Cove. The current District Boundary and the currently adopted SOI for the Lemon Cove Sanitary District are illustrated on Figure 5-1. Figure 5-1 also shows the Lemon Cove Urban Area Boundary (UAB).

**FIGURE 5-1 – LEMON COVE SD BOUNDARY, SOL, AND URBAN AREA BOUNDARY (UAB)**



Source: Tulare County GIS Database



The following excerpt from the Tulare County LAFCO website ([www.co.tulare.ca.us/lafco/info.asp](http://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 Lemon Cove.

### 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). 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.

*Census 2000* data indicates that Lemon Cove had a population of 298 as of January 2000. *Census 1990* data indicates that Lemon Cove had a population of 232 corresponding to an average annual growth rate between 1990 and 2000 of approximately 2.5%. 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%. Assuming no development constraints, it is likely that the Lemon Cove community will continue to grow at an average annual rate between 2% and 3%. Using an average annual growth rate between 2% and 3%, the Lemon Cove community would reach a year 2025 population between 500 and 650 residents.

Based upon information contained in the Sanitary Survey Report for the Lemon Cove Sanitary District (County of Tulare Health and Human Services Agency, 2001), the District's water system serves a population of approximately 160 residents. This is an indication that there are additional residents within the County Census Boundary, and District SOI, which are not currently provided domestic water by the Lemon Cove Sanitary District.

### 5.1.2 Planning Boundaries

In addition to a SOI, which is defined by LAFCO as the "...physical boundary and service area that a local government agency is expected to serve..." an urban area boundary (UAB) has been established and designates the Lemon Cove urban area. Figure 5-1 shows the District Boundary and SOI in comparison to the District's UAB. The UAB is, for the most part, coterminous with the external SOI boundary of the District.

The Tulare County General Plan contains an Urban Boundaries Element which establishes goals for designating realistic planning areas around cities and unincorporated communities which could be used to help determine boundaries for community service districts and County service areas, in areas where differing levels of service are required, and within which corporate annexations may take place. The following are excerpts from the County of Tulare General Plan Policy Summary Section 1UB.C.1 – Unincorporated Communities Policies.

*"Urban Development Boundaries are established around the following unincorporated communities in the County to serve as official urban planning areas for these communities: Cutler-Orosi, Ducor, Earlimart, East Orosi, Goshen, Ivanhoe, Lemon Cove, London, Pixley, Plainview, Poplar-Cotton Center, Richgrove, Strathmore, Terra Bella, Tipton, Traver, Woodville, Alpaugh, and Springville."*

*“A land use plan is to be developed for each community with an Urban Development Boundary, specifying desired densities and land use categories, with particular attention to defining suitable areas for the full range of urban development and rural residential development. Such plans shall include the entire area within the Boundary and shall recognize the short and long term ability of each community to provide necessary urban services within its Urban Development Boundary.”*

Furthermore, the County of Tulare General Plan Policy Summary Sections 1UB.F.1. and 1UB.F.2. set forth policies with regard to “Boundary Consistency”, and “Review and Revision of Boundaries.” Excerpts from these sections of the County General Plan Policy Summary relating to special districts are reiterated below.

*“In areas where special districts provide rural as well as urban services, LAFCo should distinguish between “urban” and “rural” service areas for the purpose of establishing Spheres of Influence for such districts. If an unincorporated community is served by a special district, the Urban Development Boundary should be consistent with the district’s “urban” Sphere of Influence.”*

*“County census boundaries should be as consistent as possible with Urban Development Boundaries.”*

*“Urban Area Boundaries and Urban Development Boundaries shall be reviewed at least once every five years to determine if boundary changes are justified, or if additional boundaries are needed for communities not included herein. However, a review may be conducted at any time on request of the affected city or agency.”*

As indicated on Figure 5-1, the Lemon Cove UAB is, for the most part, coterminous with the external SOI boundary of the District. The County census boundary is bounded by the railroad tracks to the north and west, and S.R. 198 to the east, while the District’s UAB includes areas east of S.R. 198, and does not include areas south of the railroad tracks southwest of town. Generally, the census boundary covers the urbanized area of the community.

### **5.1.3 Written Determinations**

1. Between 1990 and 2000, Lemon Cove experienced an average annual population growth rate of approximately 2.5%, compared to 0.6% for the unincorporated areas of Tulare County.
2. Assuming no development constraints, it can be expected that Lemon Cove will experience growth at an average annual rate between 2% and 3%, indicating the community would reach a year 2025 population between 500 and 650 residents.
3. The District’s water system serves approximately 160 residents indicating that there are additional residents within the County Census Boundary, and District SOI, which are not currently provided domestic water by the Lemon Cove Sanitary District.
4. Consistent with the Urban Boundaries element of the Tulare County General Plan, the Lemon Cove UAB is, for the most part, coterminous with the District’s SOI.

## **5.2 INFRASTRUCTURE NEEDS AND DEFICIENCIES**

The purpose of this section is to evaluate the infrastructure needs and deficiencies of the Lemon Cove Sanitary District in terms of availability of resources, capacity to deliver services, condition of facilities, service quality, and levels of service.

### **5.2.1 Domestic Water**

The Lemon Cove Sanitary District is responsible for providing domestic water service within the District's Boundary. The water system is regulated by the Tulare County Environmental Health Services Division which has been granted primacy by the California Department of Health Services. The Division is responsible for the administration and enforcement of the Safe Drinking Water Act involving those systems in Tulare County with less than 200 connections. There are approximately 50 active domestic water service connections within the District.

The District's water system consists of a single well with a two horsepower submersible pump, a 30,000 gallon storage tank, booster pump, a 4,000 gallon pressure tank, and the water distribution system. The water system has no permanently installed treatment at this time. In addition, there is no backup water supply on the District's system.

According to the Sanitary Survey Report completed by the County of Tulare Health and Human Services Agency, the water system appears adequate to meet the needs of the Sanitary District. The County Health Department is unaware of any complaints concerning water shortages or pressure problems. Fire hydrants on the District's system are used to fill tanker type fire trucks with no apparent negative effect to the system. The water system extends south at the intersection of Highway 198 and Avenue 324 ending with a fire hydrant in front of the Lemon Cove Campground. The District agreed to supply a newer hydrant in front of the Sequoia Union School. The school itself has its own separate permitted water supply.

The public water system is not cross-connected or inter-connected with any other water supply. The fire hydrants are part of the water system, but the water lines do not interconnect with the public water systems at the Sequoia Union School or the Lemon Cove-Sequoia Campground.

Items that were brought to the attention of the operator to bring the water system into compliance during the 2001 inspection by the County Health Department included repairing the leak at the turbine pressure tank site.

According to the District's 2004 Consumer Confidence Report, water samples taken in December 2004 contained nitrate levels of 55 mg/L, which exceeds the maximum contaminant level (MCL) of 45 mg/L. The Lemon Cove Sanitary District has been issued a compliance order (No. 04-95) to address the elevated nitrate levels, which exceed the current maximum contaminant level of 45 mg/L.

The District's water system is fully metered. The District's implementation of a metered water rate structure is indicative of the District's desire to promote water conservation, and continue to provide effective water service to its residents. For single family dwelling connections, the District charges a base rate of \$3.00 per month and \$0.35 for each 100 cubic feet delivered.

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 50 equivalent dwelling units (EDUs), in order to meet Tulare County Improvement Standards the Lemon Cove Sanitary District water system would need to be capable of delivering a combined flow rate (from all source and storage facilities) of 780 GPM (500 GPM fire flow, and 280 GPM domestic demand) for a period of two hours while maintaining a minimum pressure of 25 PSI to each lot served; The water system storage volume of 34,000 gallons would be capable of delivering a source flow of approximately 280 GPM for a period of two hours, indicating that the pumping efficiency of the District's only well would need to be 500 GPM in order to meet the requirements of the Tulare County Improvement Standards. The pumping efficiency of the District's well is unknown. Prior to granting any SOI expansions, it is recommended that LAFCO verify that there is adequate water system capacity to meet any anticipated increased demands. It is also recommended that the District work to develop a backup water supply.

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. For the Lemon Cove Sanitary District, the total supply source available is not known, and therefore only the total supply source required is calculated. 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 50, a C factor of 5.0, and an F factor of 0.98, the estimated total supply source required is calculated to be 245 GPM for the Lemon Cove Sanitary District. The District would need to expand its water supply and distribution system to support any significant development projects proposed within its SOI.

### **5.2.2 Sanitary Sewer**

The Lemon Cove Sanitary District is also responsible for providing sanitary sewer service to residents within its Boundary. Although not verified by District staff, it is estimated that there are approximately 50 connections to the District's sanitary sewer system, the same number of connections to the District's domestic water system. Raw sewage is collected and transported to a wastewater treatment and disposal facility (WWTF) located approximately 0.7 miles north of Lemon Cove that is owned and operated by the Lemon Cove Sanitary District.

The District obtained a Clean Water Grant in 1974 to make improvements to the District's sewage collection and treatment system. The WWTF was designed to eliminate an open ditch disposal system which passed through town and citrus groves to an irregular shaped pond which at various times overflowed to the Kaweah River. A single 185 foot wide, 300 foot long, 4.5 foot deep bentonite sealed oxidation pond was constructed and planned disposal was by discharge to approximately 40 acres of adjacent pasture for non-milking cattle. The oxidation pond was later divided into two cells. The District has not discharged to the pasture since the facility was constructed, since the flow has not exceeded the evaporation and percolation capacity of the treatment pond.

The District's WWTF is operated under the provisions of Waste Discharge Requirements Order No. 94-348, issued by the California Regional Water Quality Control Board (RWQCB), Central Valley Region. Order No. 94-348 prescribes that the monthly average dry weather discharge flow shall not exceed 20,000 GPD. According to 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 12,000 GPD. Using a demand of 310 GPD per connection, it is estimated that the District's sanitary sewer treatment and disposal capabilities would allow for approximately 25 additional connections (equivalent dwelling units) to the system. Although there is remaining treatment capacity, other factors need to be considered such as the District's sewage collection system which could also be a limiting factor to the total capacity of the District's sewage system. The District would need to expand the capacity of its WWTF to support any significant development project's proposed within its SOI.

### **5.2.3 Written Determinations**

#### *Domestic Water*

1. The Lemon Cove Sanitary District operates a water supply and distribution system under the jurisdiction of the Tulare County Environmental Health Services Division, which is responsible for the administration and enforcement of the Safe Drinking Water Act involving those systems in Tulare County with less than 200 connections.

2. The District's water supply and distribution system, which includes a 30,000 gallon storage tank, booster pump, and a 4,000 gallon pressure tank, supports approximately 50 active connections.
3. The water system has no permanently installed treatment at this time, and there is no backup water supply on the District's system.
4. The District's water system is fully metered, which is indicative of the District's desire to promote water conservation, and continue to provide effective water service to its residents.
5. According to the District's 2004 Consumer Confidence Report, water samples taken in December 2004 contained nitrate levels of 55 mg/L, which exceeds the maximum contaminant level (MCL) of 45 mg/L. The Lemon Cove Sanitary District has been issued a compliance order (No. 04-95) to address the elevated nitrate levels.
6. Assuming 50 equivalent dwelling units (EDUs), in order to meet Tulare County Improvement Standards the Lemon Cove Sanitary District water system would need to be capable of delivering a combined flow rate (from all source and storage facilities) of 780 GPM (500 GPM fire flow, and 280 GPM domestic demand) for a period of two hours while maintaining a minimum pressure of 25 PSI to each lot served;
7. The water system storage volume of 34,000 gallons would be capable of delivering a source flow of approximately 280 GPM for a period of two hours, indicating that the pumping efficiency of the District's only well would need to be 500 GPM in order to meet the requirements of the Tulare County Improvement Standards. Prior to granting any SOI expansions, it is recommended that LAFCO verify that there is adequate water system capacity to meet any anticipated increased demands. It is also recommended that the District work to develop a backup water supply.
8. The District would need to expand its water supply and distribution system to support any significant development projects proposed within its SOI.

#### *Sanitary Sewer*

1. The Lemon Cove Sanitary District is also responsible for providing sanitary sewer service to residents within its Boundary. It is assumed that there are 50 connections to the District's sewer system, the same number of connections to their water system.
2. The District owns and operates a WWTF located approximately 0.7 miles north of the community. The WWTF is operated under the provisions of Waste Discharge Requirements Order No. 94-348, issued by the RWQCB.
3. Order No. 94-348 prescribes that the monthly average dry weather discharge flow shall not exceed 20,000 GPD. According to 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 12,000 GPD.
4. Using a demand of 310 GPD per connection, it is estimated that the District's sanitary sewer treatment and disposal capabilities would allow for approximately 25 additional connections (equivalent dwelling units) to the system.

5. The District would need to expand the capacity of it's WWTF to support any significant development project's proposed within its SOL.



## **5.3 FINANCING OPPORTUNITIES AND CONSTRAINTS**

The purpose of this section is to evaluate the jurisdictions capability 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.

The fiscal year 2004-05 budget for the Lemon Cove Sanitary District is organized into two separate funds: one for sanitary sewer and the other for domestic water. The District prepares a traditional line item budget for each fund (sewer and water) that is divided into the following categories.

- Fund Balances
- Estimated Revenues
- Estimated Expenditures
  - Services and Supplies
  - Equipment

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 contingency appropriations.

The District's water and sewer funds for fiscal year 2004-05 identify beginning cash balances of \$43,870 and \$55,293, respectively. The sewer fund allocates \$33,252 to restricted reserves (presumably for WWTF operations). After accounting for restricted reserves, the District has \$43,870 in total available resources for the water fund, and \$22,041 in total available resources for the sewer fund. For the water fund, the total available resources are allocated as follows: \$36,302 to services and supplies and \$14,000 to equipment (fixed assets). For the sewer fund, the total available resources are allocated as follows: \$20,946 to services and supplies, and \$5,000 to equipment (fixed assets). The District has no funds allocated to contingency appropriations for its water or sewer funds. It is recommended that the District allow for contingency appropriations to cover any unforeseen costs which may arise. In addition, no resources are allocated towards salaries and employee benefits, indicating that the District operates with volunteer staffing.

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 and implementation of water and sewer system master plans would increase the District's preparedness when development within its SOI is proposed. The District could potentially obtain funding assistance by applying for available State and/or Federal grants to prepare, and potentially implement, master plans.

Due to the District's limited financial resources, it is recommended that the District work with the development community to construct infrastructure improvements that would increase the capacity of the District's water and sewer systems. Master planning infrastructure out to the District's SOI Boundary would provide a baseline for the infrastructure needs within its SOI, in addition to identifying any existing deficiencies.

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. Key revenue sources for the Lemon Cove Sanitary District include modest levels of property tax increments, interest on reserves, customer user fees, and connection fees.

### **5.3.2 Written Determinations**

1. The District's operating budgets (excluding restricted reserves for fiscal year 2004-05 totaled \$43,870 for domestic water, and \$22,041 for sanitary sewer. Available funds were allocated to services and supplies or fixed assets.
2. The District had no funds allocated to contingency appropriations for its water or sewer funds during fiscal year 2004-05. It is recommended that the District allow for contingency appropriations to cover any unforeseen costs which may arise.
3. A review of the District's expenses indicates that no fiscal resources are allocated towards salaries and employee benefits, indicating that the District operates with volunteer staffing.
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. Due to the District's limited financial resources, it is recommended that the District work with the development community to construct infrastructure improvements that would increase the capacity of the District's water and sewer systems. Master planning infrastructure out to the District's SOI Boundary would provide a baseline for the infrastructure needs within its SOI, in addition to identifying any existing deficiencies.

## **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 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 operating with volunteer staffing. The District does not employ an engineer, but uses contracted consulting engineers only when absolutely necessary. The District also has no legal counsel, but if necessary, uses County Counsel.

The District requires new development projects to pay connection fees in order to mitigate impacts to the District's infrastructure, currently set at \$500 per equivalent dwelling unit (EDU) for both new water and sewer connections. It is recommended that the District work with federal, state, and local government, and the development community to secure funding for the construction of water and sewer infrastructure improvements that would serve new development sites as a way of avoiding unnecessary costs.

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 typically 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 sewer and domestic water infrastructure associated with the SOI and any territories that were annexed. LAFCO should consider the relative financial and operational 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. The District avoids unnecessary costs by operating with volunteer staffing. The District does not employ an engineer, but uses contracted consulting engineers only when absolutely necessary. The District uses County Legal Counsel if necessary.
2. It is recommended that the District work with federal, state, and local government, and the development community to secure funding for the construction of water and sewer infrastructure improvements that would serve new development sites as a way of avoiding unnecessary costs.
3. Master planning could help the District avoid unnecessary costs by allowing the District sufficient time to set aside funding needed for future capacity improvements that would allow for development within the community.
4. The District could also avoid unnecessary costs associated with the maintenance of capital infrastructure by promoting development in infill areas, and areas where infrastructure is already in place.

## 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 Lemon Cove Sanitary District currently bills its customers under a metered system and charges a monthly flat rate for sewer service. The District's fiscal year 2004-05 budget estimates revenues of \$4,270 to be generated from water and sewer customer sales. Tables 5-1 and 5-2 show a comparison of water and sewer rates and connection fees, respectively, for all applicable service providers being reviewed. 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 5-1  
LEMON COVE SD 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%
<b>Lemon Cove SD</b>	<b>\$10.01</b>	<b>\$500</b>	<b>\$2,361/mo.</b>	<b>0.42%</b>
London CSD	\$18.00	\$1,400	\$1,807/mo.	1.00%
Lindsay-Strathmore ID	\$14.18 <sup>7</sup>	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 <sup>8</sup>	\$2,908	\$2,109/mo.	0.59%
Woodville PUD	\$27.28	\$2,000	\$2,123/mo.	1.28%
<b>Average</b>	<b>\$23.17</b>	<b>\$1,780</b>	<b>\$2,080/mo.</b>	<b>1.11%</b>

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 5-1, the Lemon Cove Sanitary District charges monthly rates that are significantly below average compared to surrounding domestic water service providers. The cost of domestic water service within Lemon Cove equates to approximately 0.42% of the average household income within the community. The Lemon Cove Sanitary District connection fee is also significantly below average compared to other domestic water service providers throughout the County.

**TABLE 5-2  
LEMON COVE SD COMPARISON OF SEWER RATES**

<b>Service Provider</b>	<b>Monthly Sewer User Fee (1 EDU)<sup>1</sup></b>	<b>Connection Fee<sup>1</sup></b>	<b>Average Household Income<sup>2</sup></b>	<b>Rate/Income Ratio</b>
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%
<b>Lemon Cove SD</b>	<b>\$4.50</b>	<b>\$500</b>	<b>\$2,361/mo.</b>	<b>0.19%</b>
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%
<b>Average</b>	<b>\$18.23</b>	<b>\$1,475</b>	<b>\$2,098/mo.</b>	<b>0.87%</b>

1) Source: Wastewater User Charge Survey Report FY 2004-05 (Cal EPA – SWRCB, May 2005)

2) Source: Census 2000

As indicated in Table 5-2, the Lemon Cove Sanitary District charges monthly rates that are significantly below average compared to surrounding sanitary sewer service providers. The cost of sanitary sewer service within Lemon Cove equates to approximately 0.19% of the average household income within the community. The Lemon Cove Sanitary District connection fee is also significantly below average compared to other sanitary sewer 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. Often it is necessary to increase user fees and/or connection fees to keep pace with cost of living increases and rising material and construction costs. Any rate increases should be substantiated and adopted through a public hearing process. The District currently bills under a metered rate structure for domestic water service, which promotes water conservation.

Generally, user fees should be used for the operation and maintenance of existing infrastructure while connection fees should be used for the construction of new infrastructure to accommodate new development. It is recommended that the District consider re-evaluating its fee structure to segregate costs associated with provision of infrastructure to accommodate new development.

### **5.5.2 Written Determinations**

1. The Lemon Cove Sanitary District charges monthly user fees and connection fees for water and sewer. The District's fiscal year 2004-05 budget estimates revenues of \$4,270 to be generated from water and sewer customer sales.
2. The monthly user fees and connection fees charged by the Lemon Cove Sanitary District for water and sewer service are significantly below average compared to other water and sewer service providers in the County.
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. Any rate increases should be substantiated and adopted through a public hearing process. The District currently bills under a metered rate structure for domestic water service, which promotes water conservation.
4. Generally, user fees should be used for the operation and maintenance of existing infrastructure while connection fees should be used for the construction of new infrastructure to accommodate new development. It is recommended that the District consider re-evaluating its fee structure to segregate costs associated with provision of infrastructure to accommodate new development.

## **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 Lemon Cove District Boundary is immediately adjacent to existing rural lands, the opportunity for sharing infrastructure does not readily exist. Currently the Lemon Cove Sanitary District is the only water and sewer service provider in the immediate area.

### **5.6.2 Written Determinations**

1. Since the location of the Lemon Cove 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. 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.

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.

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 with developer assistance.

### **5.7.2 Written Determinations**

1. 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.
2. Any change in organization should be completed in accordance with LAFCO policies and procedures.
3. The District should continually expand and improve its domestic water and sanitary sewer infrastructure to accommodate development within its current District Boundary and SOI areas zoned for development.



## **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 Lemon Cove Sanitary District, it appears that the provisions of sanitary sewer and domestic water service are managed in an efficient manner, meeting the needs of the community and ratepayers. The District undergoes annual audits in compliance with auditing standards.

The Lemon Cove Sanitary District 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 operates with a part time (volunteer) office manager, and has no paid staff. The District does not have a District office, and Board meetings are held in the Office Managers home located at 24439 Pogue Avenue in Lemon Cove.

District representatives can be contacted by phone. District personnel should be available to respond to emergencies during non office hours.

Based upon the District's 2004-05 budgets, no funding was appropriated for contingencies. It is recommended that the District allow for contingency allocations to cover any unforeseen costs that may occur. Contingency funds can be used for emergency improvements and/or unforeseen replacement or rehabilitation costs.

### **5.8.2 Written Determinations**

1. The Lemon Cove Sanitary District 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.
2. The District currently operates with volunteer staff. The District does not have a District office, and Board meetings are held in the Office Managers home.
3. District representatives can be contacted by phone. District personnel should be available to respond to emergencies during non office hours.
4. The District's fiscal year 2004-05 budget did not allow for contingency appropriations. It is recommended that the District allow for contingency allocations to cover any unforeseen costs that may arise.

## **5.9 LOCAL ACCOUNTABILITY AND GOVERNANCE**

The purpose of this section is to evaluate the accessibility and levels of public participation associated with the Lemon Cove Sanitary District'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 Lemon Cove Sanitary District has a five member Board of Directors elected by voters residing within the Districts Boundary. Regularly scheduled Board meetings are held on the second Tuesday of each month at the Office Manager's home, located at 24439 Pogue Avenue in Lemon Cove.

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 Lemon Cove 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. Regularly scheduled meetings are held on the second Tuesday of each month at the Office Manager's home.
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 6 – LONDON CSD MUNICIPAL SERVICE REVIEW**

### **EXECUTIVE SUMMARY**

This section provides an overview of the written determinations of the London 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 London CSD MSR identifies the following written determinations:

#### **Written Determinations**

##### **1) Growth and Population**

1. Between 1990 and 2000, London experienced an average annual population growth rate of approximately 1.2%, compared to 0.6% for the unincorporated areas of Tulare County.
2. Assuming no development constraints, it can be expected that London will experience growth at an average annual rate between 1% and 2%, indicating the community would reach a year 2025 population between 2,400 and 3,000 residents.
3. Consistent with the Urban Boundaries element of the Tulare County General Plan, the London UAB is, for the most part, coterminous with the District's SOI.

##### **2) Infrastructure Needs and Deficiencies**

###### *Domestic Water*

1. The London CSD operates a water supply and distribution system under the jurisdiction of the California Department of Health Services Division of Drinking Water and Environmental Management, which is responsible for the administration and enforcement of the Safe Drinking Water Act involving those systems in California with more than 200 connections.
2. London CSD staff has indicated that there are approximately 430 connections to the District's water system, which consists of three active wells and one hydro-pneumatic pressure tank. The water system has no permanently installed treatment at this time.
3. District staff has indicated that the water system was constructed in 1952 and experiences minor leaks. Water system leaks have the potential for causing cross contamination problems. The London CSD received Proposition 13 funding in the amount of \$98,156 to prepare an infrastructure rehabilitation feasibility study to detect and evaluate leaks and determine the feasibility of replacing the distribution system. The District is currently pursuing funding through the State Revolving Fund Program for construction of a new domestic water well and hydro-pneumatic tank, along with distribution system improvements.

4. The London CSD water system is currently un-metered, which does not promote water conservation. The District should consider evaluating the potential water savings and the projected total cost to water users in the community resulting from the installation of water meters. The District would likely need funding assistance through state and/or federal grant/loan programs to install water meters. User fees would also likely need to be increased. A fully metered water system could serve as a water conservation measure by minimizing over usage and/or wasting of water.
5. Assuming 430 equivalent dwelling units (EDUs), in order to meet Tulare County Improvement Standards the London CSD water system would need to be capable of delivering a combined flow rate (from all source and storage facilities) of 1,120 GPM (500 GPM fire flow, and 620 GPM domestic demand) for a period of two hours while maintaining a minimum pressure of 25 PSI to each lot served;
6. The total pumping efficiency of the District's water supply sources is unknown. Prior to granting any SOI expansions, it is recommended that LAFCO verify that there is adequate water system capacity to meet any anticipated increased demands.
7. It is likely that the District would need to expand its water supply and improve the distribution system to support any significant development projects proposed within its SOI.

#### *Sanitary Sewer*

1. The London CSD is also responsible for providing sanitary sewer service to residents within its Boundary. London CSD staff has indicated that there are approximately 430 connections to their sewer system.
2. The District owns and operates a WWTF southeast of the community, which is operated under the provisions of Waste Discharge Requirements Order No. 96-172, issued by the RWQCB.
3. Order No. 96-172 prescribes that the monthly average discharge flow shall not exceed 0.3 MGD. Available data indicates that the current flow at the WWTF is 0.20 MGD. The District's Engineer noted that improvements completed in 2000 with USDA Rural Development funding increased the plant's capacity to 0.50 MGD. The London CSD should work with the RWQCB to get the District's WDR Order updated.
4. According to WDR Order No. 96-172, the London CSD has not assessed growth in the community and has not predicted future flows. As such, the London CSD has not made any plans on increasing the capacity of the WWTF for future flows.

### **3) Financing Constraints and Opportunities**

1. It can be expected that the District would have opportunities to work with the development community to help finance infrastructure improvements that would increase the District's infrastructure capacities in order to accommodate new development projects within its current District Boundary or SOI.

#### **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 is recommended that the District work with the development community to fund the construction of water and sewer infrastructure improvements that would serve new development sites as a way of avoiding unnecessary costs.
3. Master planning could help the District avoid unnecessary costs by allowing the District sufficient time to set aside funding needed for future capacity improvements that would allow for development within the community.
4. The District could also avoid unnecessary costs associated with the maintenance of capital infrastructure by promoting development in infill areas, and areas where infrastructure is already in place.

#### **5) Opportunities for Rate Restructuring**

1. The London CSD charges monthly user fees and connection fees for water and sewer. The District currently bills its customers under a flat rate system for both water and sewer service.
2. The monthly user fees and connection fees charged by the London CSD for water service are below average compared to other domestic water service providers in the County, while the District's sewer rates and connection fees are above average in comparison.
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. Any rate increases should be substantiated and adopted through a public hearing process.
4. Generally, user fees should be used for the operation and maintenance of existing infrastructure while connection fees should be used for the construction of new infrastructure to accommodate new development.

#### **6) Opportunities for Shared Facilities**

1. Since the location of the London CSD Boundary is immediately adjacent to existing rural lands, the opportunity for sharing infrastructure does not readily exist.

#### **7) Government Structure Options**

1. 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.
2. Any change in organization should be completed in accordance with LAFCO policies and procedures.

3. The District should continually expand and improve its domestic water and sanitary sewer 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 that the provision of domestic water service and sanitary sewer collection are managed in an efficient manner that meets the needs of the community and ratepayers.
2. The London CSD is governed by a three member Board of Directors elected at large from within its boundaries that is responsible for setting policy and general administrative procedures. The District is pursuing an increase in the Board to five members.
3. The District operates with a part-time staff, and is open Monday through Friday between 10 a.m. and 4 p.m. Board meetings are held on the second Monday of each month at 6:00 at the District office located at 37835 Kate Road in Dinuba.
4. District representatives can be contacted by phone. District personnel should be available to respond to emergencies 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 second Monday of each month at the District office located at 37835 Kate Road in Dinuba.
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.

## **6.0 LONDON COMMUNITY SERVICES DISTRICT**

### **6.0.1 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 into law by Governor Davis on September 26, 2000. MSRs provide LAFCO 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 an 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 an MSR study. The London 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

London, an unincorporated community in Tulare County, is located in the northern portion of the County, approximately three miles southwest of Dinuba and ten miles northwest of Visalia. The London CSD, which was formed in March 1952, provides sanitary sewer and domestic water service for the community. Sanitary sewer and domestic water are the primary services provided by the London CSD that are subject to an MSR. The London CSD also actively provides recreation and park services, although these services are not subject to the MSR requirement.

London is an agriculturally oriented service community surrounded on all sides by lands in agricultural production, vacant lands, and scattered rural residential homes. Cities and communities surrounding London include Visalia to the southeast; Dinuba to the northeast; and the community of Traver to the southwest. The Tulare County/Fresno County Line is located approximately 4.8 miles west of London. The current District Boundary and the currently adopted SOI for London are illustrated on Figure 6-1. Figure 6-1 also shows the London Urban Area Boundary (UAB).

A map of the London area showing various roads and boundaries. The map includes labels for roads such as RD 56, RD 64, AVE 384-HWY 201 AVE 384, AVE 378, AVE 377, AVE 376, AVE 368, RD 57, RD 58, KATE RD, HUNTER RD, DENVER AVE, and AVE 380. It also shows geographical features like KENNEDY SCHOOL HOSE DITCH, KING DITCH, and BECKON DITCH. A legend in the bottom left corner defines the symbols used: a green outline for the District Boundary, a red outline for the London CSD SOI, and a yellow outline for the London CSD UAB. A scale bar indicates distances from 0 to 0.4 miles, and a compass rose shows North, South, East, and West directions. The word "London" is prominently displayed in the center of the map.

*London Community Service District MSR  
Tulare County LAFCO*



The following excerpt from the Tulare County LAFCO website ([www.co.tulare.ca.us/lafco/info.asp](http://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 London.

### **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). 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.

*Census 2000* data indicates that London had a population of 1,848 as of January 2000. *Census 1990* data indicates that London had a population of 1,638 corresponding to an average annual growth rate between 1990 and 2000 of approximately 1.2%. 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%. Assuming no development constraints, it is likely that the London community will continue to grow at an average annual rate between 1% and 2%. Using an average annual growth rate between 1% and 2%, the London community would reach a year 2025 population between 2,400 and 3,000 residents.

### **6.1.2 Planning Boundaries**

In addition to a SOI, which is defined by LAFCO as the “...physical boundary and service area that a local government agency is expected to serve...” an urban area boundary (UAB) has been established and designates the London urban area. Figure 6-1 shows the District Boundary and SOI in comparison to the District’s UAB. The UAB is, for the most part, coterminous with the external SOI boundary of the District.

The Tulare County General Plan contains an Urban Boundaries Element which establishes goals for designating realistic planning areas around cities and unincorporated communities which could be used to help determine boundaries for community service districts and County service areas, in areas where differing levels of service are required, and within which corporate annexations may take place. The

following are excerpts from the County of Tulare General Plan Policy Summary Section 1UB.C.1 – Unincorporated Communities Policies.

*“Urban Development Boundaries are established around the following unincorporated communities in the County to serve as official urban planning areas for these communities: Cutler-Orosi, Ducor, Earlimart, East Orosi, Goshen, Ivanhoe, Lemon Cove, London, Pixley, Plainview, Poplar-Cotton Center, Richgrove, Strathmore, Terra Bella, Tipton, Traver, Woodville, Alpaugh, and Springville.”*

*“A land use plan is to be developed for each community with an Urban Development Boundary, specifying desired densities and land use categories, with particular attention to defining suitable areas for the full range of urban development and rural residential development. Such plans shall include the entire area within the Boundary and shall recognize the short and long term ability of each community to provide necessary urban services within its Urban Development Boundary.”*

Furthermore, the County of Tulare General Plan Policy Summary Sections 1UB.F.1. and 1UB.F.2. set forth policies with regard to “Boundary Consistency”, and “Review and Revision of Boundaries.” Excerpts from these sections of the County General Plan Policy Summary relating to special districts are reiterated below.

*“In areas where special districts provide rural as well as urban services, LAFCo should distinguish between “urban” and “rural” service areas for the purpose of establishing Spheres of Influence for such districts. If an unincorporated community is served by a special district, the Urban Development Boundary should be consistent with the district’s “urban” Sphere of Influence.”*

*“County census boundaries should be as consistent as possible with Urban Development Boundaries.”*

*“Urban Area Boundaries and Urban Development Boundaries shall be reviewed at least once every five years to determine if boundary changes are justified, or if additional boundaries are needed for communities not included herein. However, a review may be conducted at any time on request of the affected city or agency.”*

As indicated on Figure 6-1, the London UAB is, for the most part, coterminous with the external SOI boundary of the District. The County census boundary is bounded by the Kennedy School House Ditch to the west, Avenue 384 to the north, Road 60 the west, and Avenue 376 to the south. The District’s SOI extends slightly east of Road 60, slightly west of the Kennedy School House Ditch, and slightly south of Avenue 376, but does not extend north to Avenue 384 as does the County census boundary. Generally, the census boundary covers the urbanized area of the community.

### **6.1.3 Written Determinations**

1. Between 1990 and 2000, London experienced an average annual population growth rate of approximately 1.2%, compared to 0.6% for the unincorporated areas of Tulare County.
2. Assuming no development constraints, it can be expected that London will experience growth at an average annual rate between 1% and 2%, indicating the community would reach a year 2025 population between 2,400 and 3,000 residents.

3. Consistent with the Urban Boundaries element of the Tulare County General Plan, the London UAB is, for the most part, coterminous with the District's SOI.

## **6.2 INFRASTRUCTURE NEEDS AND DEFICIENCIES**

The purpose of this section is to evaluate the infrastructure needs and deficiencies of the London CSD 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 London CSD is responsible for providing domestic water service within the District's Boundary. The water system is regulated by the California Department of Health Services Division of Drinking Water and Environmental Management, which is responsible for the administration and enforcement of the Safe Drinking Water Act involving those systems in California with more than 200 connections. London CSD staff has indicated that there are approximately 430 connections to the London CSD water system.

The District's water system consists of three active wells and one hydro-pneumatic pressure tank. The water system has no permanently installed treatment at this time. District staff has indicated that the water system was constructed in 1952 and experiences minor leaks. Water system leaks have the potential for causing cross contamination problems. The London CSD received Proposition 13 funding in the amount of \$98,156 to prepare an infrastructure rehabilitation feasibility study to detect and evaluate leaks and determine the feasibility of replacing the distribution system. The District is currently pursuing funding through the State Revolving Fund Program for construction of a new domestic water well and hydro-pneumatic tank, along with distribution system improvements.

The London CSD water system is currently un-metered, which does not promote water conservation. The District should consider evaluating the potential water savings and the projected total cost to water users in the community resulting from the installation of water meters. The District would likely need funding assistance through state and/or federal grant/loan programs to install water meters. User fees would also likely need to be increased. A cost/benefit analysis resulting from the installation of water meters should be performed. A fully metered water system could serve as a water conservation measure by minimizing over usage and/or wasting of water.

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 430 equivalent dwelling units (EDUs), in order to meet Tulare County Improvement Standards the London CSD water system would need to be capable of delivering a combined flow rate (from all source and storage facilities) of 1,120 GPM (500 GPM fire flow, and 620 GPM domestic demand) for a period of two hours while maintaining a minimum pressure of 25 PSI to each lot served; The total pumping efficiency of the District's water supply sources is unknown. Prior to granting any SOI expansions, it is recommended that LAFCO verify that there is adequate water system capacity to meet any anticipated increased demands.

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. For the London CSD, the total supply source available is not known, and therefore only the total supply source required is calculated. The estimated supply source required is calculated using the following equation,

$$Q_{\text{Required}} = (N) * (C) * (F) \text{ where,}$$

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 430, a C factor of 8.0, and an F factor of 0.35, the estimated total supply source required is calculated to be 1,200 GPM for the London CSD. It is likely that the District would need to expand its water supply and improve the distribution system to support any significant development projects proposed within its SOI.

### **6.2.2 Sanitary Sewer**

The London CSD is also responsible for providing sanitary sewer service to residents within its Boundary. London CSD staff has indicated that there are approximately 430 connections to the District's sewer system. Raw sewage is collected and transported to a wastewater treatment and disposal facility (WWTF) located southeast of the community.

The District's WWTF is operated under the provisions of Waste Discharge Requirements Order No. 96-172 issued by the California Regional Water Quality Control Board (RWQCB), Central Valley Region. Order No. 96-172 prescribes that the monthly average discharge flow shall not exceed 0.3 MGD. According to WWTF records, and the District Engineer, the average dry weather flow at the WWTF is 0.20 MGD. According to the District's Engineer, improvements completed in 2000 with USDA Rural Development funding increased the plant's capacity to 0.50 MGD. Approximately 13.1 acres of District-owned peach orchards were converted to evaporation/percolation ponds as a part of the project. The London CSD should work with the RWQCB to get the District's WDR Order updated.

Due to a capacity problem in 1988 and 1989, the District built two additional disposal ponds however the increased capacity was still not able to accommodate the increasing flow. Un-disinfected effluent spilled into King Ditch in 1990. On another occasion, the effluent overflowed to an open field north of the WWTF. Two additional disposal ponds have been constructed since that incident. The WWTF currently consists of five aerated lagoons and nine percolation and evaporation ponds.

According to Order No. 96-172, an engineering report that demonstrates that the District has sufficient treatment and disposal capacity for present flows, much less increased flow, has not been submitted to the Board. This report was requested by June 1994 in a letter sent to the London CSD in May 1994. The May 1994 letter also requested the London CSD to submit its plans on expansion of the WWTF for future flows. The London CSD has not assessed growth in the community and has not predicted future flows. As such, the London CSD has not made any plans on increasing the capacity of the WWTF for future flows.

### **6.2.3 Written Determinations**

#### *Domestic Water*

1. The London CSD operates a water supply and distribution system under the jurisdiction of the California Department of Health Services Division of Drinking Water and Environmental Management, which is responsible for the administration and enforcement of the Safe Drinking Water Act involving those systems in California with more than 200 connections.
2. London CSD staff has indicated that there are approximately 430 connections to the District's water system, which consists of three active wells and one hydro-pneumatic pressure tank. The water system has no permanently installed treatment at this time.
3. District staff has indicated that the water system was constructed in 1952 and experiences minor leaks. Water system leaks have the potential for causing cross contamination problems. The London CSD received Proposition 13 funding in the amount of \$98,156 to prepare an infrastructure rehabilitation feasibility study to detect and evaluate leaks and determine the feasibility of replacing the distribution system. The District is currently pursuing funding through the State Revolving Fund Program for construction of a new domestic water well and hydro-pneumatic tank, along with distribution system improvements.
4. The London CSD water system is currently un-metered, which does not promote water conservation. The District should consider evaluating the potential water savings and the projected total cost to water users in the community resulting from the installation of water meters. The District would likely need funding assistance through state and/or federal grant/loan programs to install water meters. User fees would also likely need to be increased.

A fully metered water system could serve as a water conservation measure by minimizing over usage and/or wasting of water.

5. Assuming 430 equivalent dwelling units (EDUs), in order to meet Tulare County Improvement Standards the London CSD water system would need to be capable of delivering a combined flow rate (from all source and storage facilities) of 1,120 GPM (500 GPM fire flow, and 620 GPM domestic demand) for a period of two hours while maintaining a minimum pressure of 25 PSI to each lot served;
6. The total pumping efficiency of the District's water supply sources is unknown. Prior to granting any SOI expansions, it is recommended that LAFCO verify that there is adequate water system capacity to meet any anticipated increased demands.
7. It is likely that the District would need to expand its water supply and improve the distribution system to support any significant development projects proposed within its SOI.

#### *Sanitary Sewer*

1. The London CSD is also responsible for providing sanitary sewer service to residents within its Boundary. London CSD staff has indicated that there are approximately 430 connections to their sewer system.
2. The District owns and operates a WWTF southeast of the community, which is operated under the provisions of Waste Discharge Requirements (WDR) Order No. 96-172, issued by the RWQCB.
3. Order No. 96-172 prescribes that the monthly average discharge flow shall not exceed 0.3 MGD. Available data indicates that the current flow at the WWTF is 0.20 MGD. The District's Engineer noted that improvements completed in 2000 with USDA Rural Development funding increased the plant's capacity to 0.50 MGD. The London CSD should work with the RWQCB to get the District's WDR Order updated.
4. According to WDR Order No. 96-172, the London CSD has not assessed growth in the community and has not predicted future flows. As such, the London CSD has not made any plans on increasing the capacity of the WWTF for future flows.

## **6.3 FINANCING OPPORTUNITIES AND CONSTRAINTS**

The purpose of this section is to evaluate the jurisdictions capability to finance needed improvements and services.

### **6.3.1 Annual Budget**

The District's annual budget has not been provided for this review, therefore determinations with regard to financial resources, opportunities, or constraints can be made at this time.

It can be expected that the District would have opportunities to work with the development community to help finance infrastructure improvements that would increase the District's infrastructure capacities in order to accommodate new development projects within its current District Boundary or SOI.

### **6.3.2 Written Determinations**

1. It can be expected that the District would have opportunities to work with the development community to help finance infrastructure improvements that would increase the District's infrastructure capacities in order to accommodate new development projects within its current District Boundary or SOI.



## **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 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. The District also avoids unnecessary costs by contracting out professional services including engineering, legal services, and other consulting services.

The District requires new development projects to pay connection fees in order to mitigate impacts to the District's infrastructure, currently set at \$1,400 per equivalent dwelling unit (EDU) for water connections, and \$1,990 for sewer connections. It is recommended that the District work with the development community to fund the construction of water and sewer infrastructure improvements that would serve new development sites as a way of avoiding unnecessary costs.

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 typically 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 sewer and domestic water infrastructure associated with the SOI and any territories that were annexed. LAFCO should consider the relative financial and operational 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.

### **6.4.2 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 is recommended that the District work with the development community to fund the construction of water and sewer infrastructure improvements that would serve new development sites as a way of avoiding unnecessary costs.
3. Master planning could help the District avoid unnecessary costs by allowing the District sufficient time to set aside funding needed for future capacity improvements that would allow for development within the community.

4. The District could also avoid unnecessary costs associated with the maintenance of capital infrastructure by promoting development in infill areas, and areas where infrastructure is already in place.

## 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 London CSD currently charges a monthly flat for water and sewer service, currently set at \$18.00 and \$22.00, respectively. Tables 6-1 and 6-2 show a comparison of water and sewer rates and connection fees, respectively, for all applicable service providers being reviewed. 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 6-1  
LONDON CSD 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%
<b>London CSD</b>	<b>\$18.00</b>	<b>\$1,400</b>	<b>\$1,807/mo.</b>	<b>1.00%</b>
Lindsay-Strathmore ID	\$14.18 <sup>7</sup>	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 <sup>8</sup>	\$2,908	\$2,109/mo.	0.59%
Woodville PUD	\$27.28	\$2,000	\$2,123/mo.	1.28%
<b>Average</b>	<b>\$23.17</b>	<b>\$1,780</b>	<b>\$2,080/mo.</b>	<b>1.11%</b>

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 6-1, the London CSD charges monthly rates and connection fees that are below average compared to surrounding domestic water service providers. The cost of domestic water service within London equates to approximately 1.00% of the average household income within the community.

**TABLE 6-2  
LONDON CSD COMPARISON OF SEWER RATES**

<b>Service Provider</b>	<b>Monthly Sewer User Fee (1 EDU)<sup>1</sup></b>	<b>Connection Fee<sup>1</sup></b>	<b>Average Household Income<sup>2</sup></b>	<b>Rate/Income Ratio</b>
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%
<b>London CSD</b>	<b>\$21.00</b>	<b>\$1,990</b>	<b>\$1,807/mo.</b>	<b>1.16%</b>
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%
<b>Average</b>	<b>\$18.23</b>	<b>\$1,475</b>	<b>\$2,098/mo.</b>	<b>0.87%</b>

1) Source: Wastewater User Charge Survey Report FY 2004-05 (Cal EPA – SWRCB, May 2005)

2) Source: Census 2000

As indicated in Table 6-2, the London CSD charges monthly rates and connection fees that are above average compared to surrounding sanitary sewer service providers. The cost of sanitary sewer service within London equates to approximately 1.16% of the average household income within the community.

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. Often it is necessary to increase user fees and/or connection fees to keep pace with cost of living increases and rising material and construction costs. Any rate increases should be substantiated and adopted through a public hearing process. The District currently bills under a metered rate structure for domestic water service, which promotes water conservation.

Generally, user fees should be used for the operation and maintenance of existing infrastructure while connection fees should be used for the construction of new infrastructure to accommodate new development.

### **6.5.2 Written Determinations**

1. The London CSD charges monthly user fees and connection fees for water and sewer. The District currently bills its customers under a flat rate system for both water and sewer service.
2. The monthly user fees and connection fees charged by the London CSD for water service are below average compared to other domestic water service providers in the County, while the District's sewer rates and connection fees are above average in comparison.
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. Any rate increases should be substantiated and adopted through a public hearing process.
4. Generally, user fees should be used for the operation and maintenance of existing infrastructure while connection fees should be used for the construction of new infrastructure to accommodate new development.

## **6.6 OPPORTUNITIES FOR SHARED FACILITIES**

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

### **6.6.1 Shared Facilities**

Since the location of the London CSD Boundary is immediately adjacent to existing rural lands, the opportunity for sharing infrastructure does not readily exist. Currently, the London CSD is the only water and sewer service provider in the immediate area.

### **6.6.2 Written Determinations**

1. Since the location of the London CSD Boundary is immediately adjacent to existing rural lands, the opportunity for sharing infrastructure does not readily exist.

## **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 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.

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.

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 with developer assistance.

### **6.7.2 Written Determinations**

1. 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.
2. Any change in organization should be completed in accordance with LAFCO policies and procedures.
3. The District should continually expand and improve its domestic water and sanitary sewer infrastructure to accommodate development within its current District Boundary and SOI areas zoned for development.

## **6.8 EVALUATION OF MANAGEMENT EFFICIENCIES**

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

### **6.8.1 Organizational Structure**

Based upon a review of information provided by the London CSD, it appears that the provisions of sanitary sewer and domestic water service are managed in an efficient manner, meeting the needs of the community and ratepayers. The District undergoes annual audits in compliance with auditing standards.

The London CSD is governed by a three-member Board of Directors elected at large from within its boundaries that is responsible for setting policy and general administrative procedures. The District is currently pursuing an increase in the Board to five members. The District operates with a part time staff, and is open Monday through Friday between 10 a.m. and 4 p.m. Board meetings are held on the second Monday of each month at 6:00 at the District office located at 37835 Kate Road in Dinuba.

District representatives can be contacted by phone. District personnel should be available to respond to emergencies during non office hours.

### **6.8.2 Written Determinations**

1. Based upon information made available, it appears that the provision of domestic water service and sanitary sewer collection are managed in an efficient manner that meets the needs of the community and ratepayers.
2. The London CSD is governed by a three member Board of Directors elected at large from within its boundaries that is responsible for setting policy and general administrative procedures. The District is pursuing an increase in the Board to five members.
3. The District operates with a part-time staff, and is open Monday through Friday between 10 a.m. and 4 p.m. Board meetings are held on the second Monday of each month at 6:00 at the District office located at 37835 Kate Road in Dinuba.
4. District representatives can be contacted by phone. District personnel should be available to respond to emergencies during non office hours.



## **6.9 LOCAL ACCOUNTABILITY AND GOVERNANCE**

The purpose of this section is to evaluate the accessibility and levels of public participation associated with the London CSD'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 London CSD has a three member Board of Directors elected by voters residing within the Districts Boundary. Regularly scheduled Board meetings are held on the second Monday of each month at 6:00 p.m. at the District office located at 37835 Kate Road in Dinuba.

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 London 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 second Monday of each month at the District office located at 37835 Kate Road in Dinuba.
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.

## **APPENDIX A**

### **REFERENCES**

## REFERENCES

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