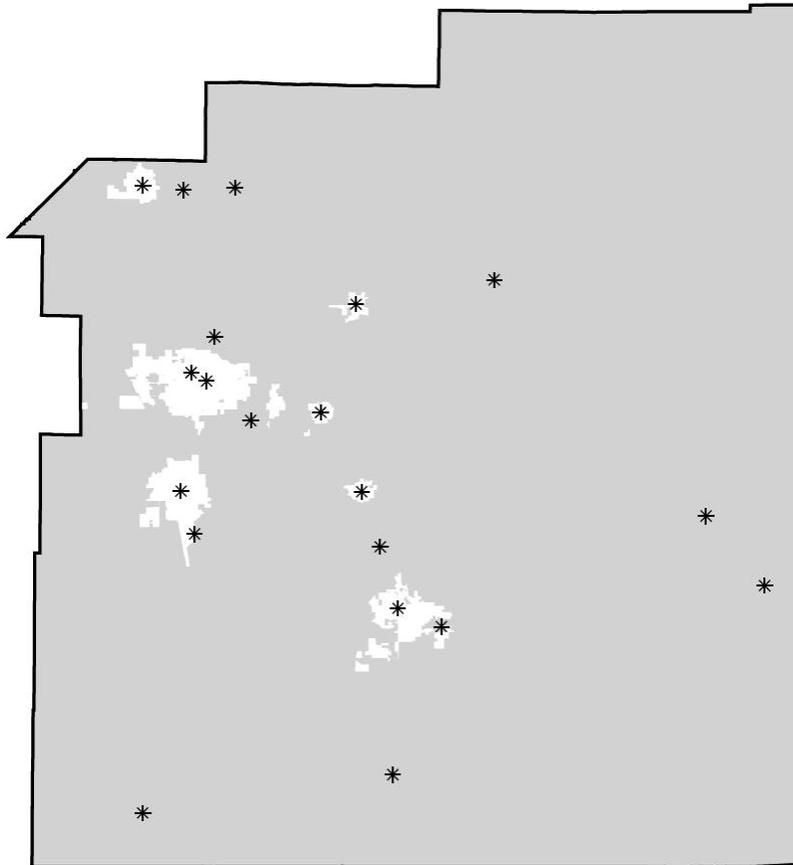




Tulare County LAFCO

Tulare County LAFCO



Community Service Districts:

Allensworth
Alpine Village-Sequoia Crest
Ducor
East Oroshi
Patterson Tract
Sultana
Three Rivers
Tract 92

Healthcare Districts:

Alta
Exeter Ambulance
Kaweah Delta
Lindsay
Sierra View
Tulare

Fire Protection Districts:

Strathmore
Woodlake

Mosquito Abatement Districts:

Delta Vector
Tulare

Porter Vista PUD

County Service Areas #1 & #2

Group 4

Municipal Service Reviews

FINAL REPORT
(OCTOBER 2011)

Table of Contents

<u>Community Services Districts.....</u>	<u>1-1</u>
Allensworth Community Services District Municipal Services Review	2-1
Alpine Village-Sequoia Crest Community Services District Municipal Service Review	3-1
Ducor Community Services District Municipal Services Review.....	4-1
East Orosi Community Services District Municipal Services Review	5-1
Patterson Tract Community Services District Municipal Services Review	6-1
Ponderosa Community Services District Municipal Services Review	7-1
Sultana Community Services District Municipal Services Review.....	8-1
Three Rivers CSD Municipal Services Review.....	9-1
Tract 92 Community Services District Municipal Services Review	10-1
<u>County Service Areas</u>	<u>11-1</u>
County Service Area No.1 and County Service Area No. 2.....	12-1
<u>Public Utility Districts</u>	<u>13-1</u>
Porter Vista Public Utility District Municipal Service Review	14-1
<u>Healthcare Districts</u>	<u>15-1</u>
Kaweah Delta Health Care District Municipal Services Review	16-1
Exeter District Ambulance Municipal Services Review	17-1
Sierra View Local Health Care District Municipal Service Review	18-1
Tulare Local Health Care District Municipal Service Review	19-1
Alta Hospital District	20-1
Lindsay Local Hospital District.....	21-1
<u>Mosquito and Vector Control Districts</u>	<u>22-1</u>
Delta Vector Control District Municipal Service Review	23-1
Tulare Mosquito Abatement District Municipal Service Review.....	24-1
<u>California Fire Protection Districts.....</u>	<u>25-1</u>
Woodlake Fire Protection District Municipal Service Review.....	26-1
Strathmore Fire Protection District Municipal Service Review	27-1

Community Services Districts

Community Services Districts (CSD) are established in accordance with the Community Services District Law, Government Code Sections 61000. Generally speaking, CSDs are formed to provide a permanent form of governance that can provide locally adequate levels of public facilities and services to residents and property owners within their jurisdictional boundaries. To carryout this purpose, a five-member board of directors is elected either by division, from division, or at large; directors must be registered voters residing within the district's boundaries. Most of the administrative, fiscal, personnel, purchasing and overall operational duties are delegated to a district manager appointed by the governing board. In accordance with GC 61011 (a) (1), within its formal document seeking formation (i.e. citizens petition or resolution of application adopted by a third party local agency), a CSD may seek authority to provide or perform any of the 31 services and functions listed under Section 61100 (Exhibit A). In accordance with the procedures outlined under Section 56824.10, a CSD may seek authorization to provide a new or different function or class of services after its formation.

Latent Powers

Prior to January 1, 2006, a latent power was simply defined as a function or service a district was authorized to exercise or provide by its enacting resolution (BOS or LAFCO Resolution approving district formation), but was not actually exercising or providing. Also, a CSD did not have to seek LAFCO approval in order to activate latent powers.

As a result of 2005 CSD Law amendments (Senate Bill No. 135), as of January 1, 2006 latent powers are now defined as follows:

Services and facilities authorized by Part 3 (commencing with Section 61100) that the Local Agency Formation Commission (LAFCO) has determined, pursuant to subdivision (h) of Section 56425 of the Cortese-Knox-Hertzberg Act of 2000, that the district did not provide prior to January 1, 2006 (Section 61002 (h))

Additionally, the activation of a latent power is now considered a change of organization subject to LAFCO approval or disapproval and must be processed in accordance with Section 56824.10.

Group 4 Community Services Districts

Tulare County cities and special districts were divided into 4 groups according to region for the purpose of preparing their respective Municipal Service Reviews (MSR). Group 4 consists of 22 single service special districts, including 9 CSDs. All Group 4 CSDs provide potable water service with the exception of Alpine Village-Sequoia Crest CSD which provides only snow removal service. Sultana and East Oroshi CSDs additionally provide sewer service under contractual agreement with the Cutler Public Utilities District (Cutler PUD). Accordingly, sewer service provision to Sultana and East Oroshi CSD customers is best assessed through a comprehensive analysis of the Culter PUD system and its governance and financial structure (Cutler PUD MSR is scheduled to be updated in 2012).

Community Water Systems

The Ducor, Allensworth, East Orosi, Sultana and Patterson Tract CSDs provide potable water service through what's termed a community water system, a system of pipes and other conveyances that connect wells and storage tanks to customer's taps. A 2004 EPA study found that 93% of public water systems in the U.S. serve fewer than 10,000 people, indicating that community water systems like those common to Tulare County are the rule, not the exception, at least in terms of economies of scale.

Community Water System Analysis Considerations

Financial Considerations

Community water systems represent a significant management challenge from both an operational and public health standpoint and their repair and replacement represent an enormous financial liability to the entity charged with its operation. Maintenance and operation of community water systems is mainly financed through user and connection fees charged to system customers. Ideally, a system's pool of customers is large enough and possesses an adequate median income level to produce sufficient revenue to both finance system operation and maintenance and allow for a healthy reserve fund amounts necessary to address unexpected infrastructure failures, scheduled capital projects (e.g. replacement of pipes and conveyances) and water supply contamination in a timely manner, thereby minimizing the health risk and financial strain on system customers. In the long term, it is inevitable that infrastructure upgrades will be required and new water supply sources will need to be secured. To address long-term financial considerations, service purveyors can implement various revenue raising mechanisms such as rate hikes, benefit assessments, special taxes and issuance of general obligation bonds. It should be noted that each of these revenue mechanisms are subject to voter approval.

The water purveyors assessed in this Group of MSRs share many characteristics, chief among them a very small and economically disadvantaged pool of customers. This reality makes it difficult for district customers to pay high enough fees that collectively covers operating/maintenance costs and additionally supports healthy reserve fund totals. The size and economic disadvantage of these customer pools also makes it all but impossible to implement the aforesaid revenue generating mechanism, leaving district customers vulnerable to contaminated water supplies and/or economic strain.

Affordability Considerations

Affordability of water supplies is a financial consideration equally important to infrastructure upgrade and maintenance funding. Customers of small community water systems prone to contamination typically allocate a higher proportion of household income to the purchase of potable water supplies than do many city water customers. A 2010 Pacific Institute study surveyed customers of water systems prone to contamination in the San Joaquin Valley. The study found that the average expenditure on vended and bottled water, household filters and tap water service account for 4.4% of median household income, nearly three times the 1.5% affordability threshold recommended by the U.S. Environmental Protection Agency and used by the California Department of Public Health. Any approach to addressing infrastructure and

service needs and/or discrepancies identified in these MSRs must be pursued with water supply affordability in mind.

Water Quality Considerations

Most federal water quality regulations pertaining to drinking water, such as Maximum Contaminant Levels (MCLs) and treatment technique requirements for microbial and chemical contaminants, are applied before or at the point where water enters the distribution system. The major rules that specifically target water quality within the distribution system are the Lead and Copper Rule (LCR), the Surface Water Treatment Rule (SWTR), which addresses the minimum required detectable disinfectant residual and the maximum allowed heterotrophic bacterial plate count, and the Total Coliform Rule. In addition, the Disinfectants/Disinfection By-Products Rule (D/DBPR) addresses the maximum disinfectant residual and concentration of disinfection byproducts allowed in distribution systems.

In order to apply these rules and measure contaminate and residual levels in a system's water supply, the purveyor must submit water samples for testing. Testing frequency depends on the analysis being conducted (bacterial, general mineral, lead and copper, nitrate or chemical, etc.) and the size of the system and can vary from a monthly schedule to once every 3 years. The most common contaminants found in Tulare County water systems are Nitrates, Arsenic and Coliform bacteria.

Infrastructure Considerations

Pipe age and Replacement Rates:

The distribution systems of Group 4 CSDs were constructed during the 1950s, '60s, 70s and '80s. Ductile iron pipe, which is stronger and more resistant to corrosion than cast iron used during the economic and population booms before WWII, was introduced in the 1950s and 1960s. Polyvinyl chloride (PVC) pipes were introduced in the 1970s and high-density polyethylene in the 1990s; both very resistant to corrosion but they do not have the strength of ductile iron. Post-World War II pipes tend to have an average life of 75 years. Asbestos or cement lining, commonly used in ductile iron pipes, further prevents corrosion and increases pipe longevity.

Water Quality Degradation:

The following events or conditions can bring about water quality degradation in public water supply distribution systems:

- Cross-Connections and Backflow
- Intrusion of Contaminants from Pressure Transients
- Chemical Contamination (Nitrification)
- Permeation and Leaching of contaminants into groundwater supply
- Microbial Growth and Biofilms
- New or Repaired Water Mains
- Finished Water Storage Facilities

- Water Age
- Deteriorating Buried Infrastructure

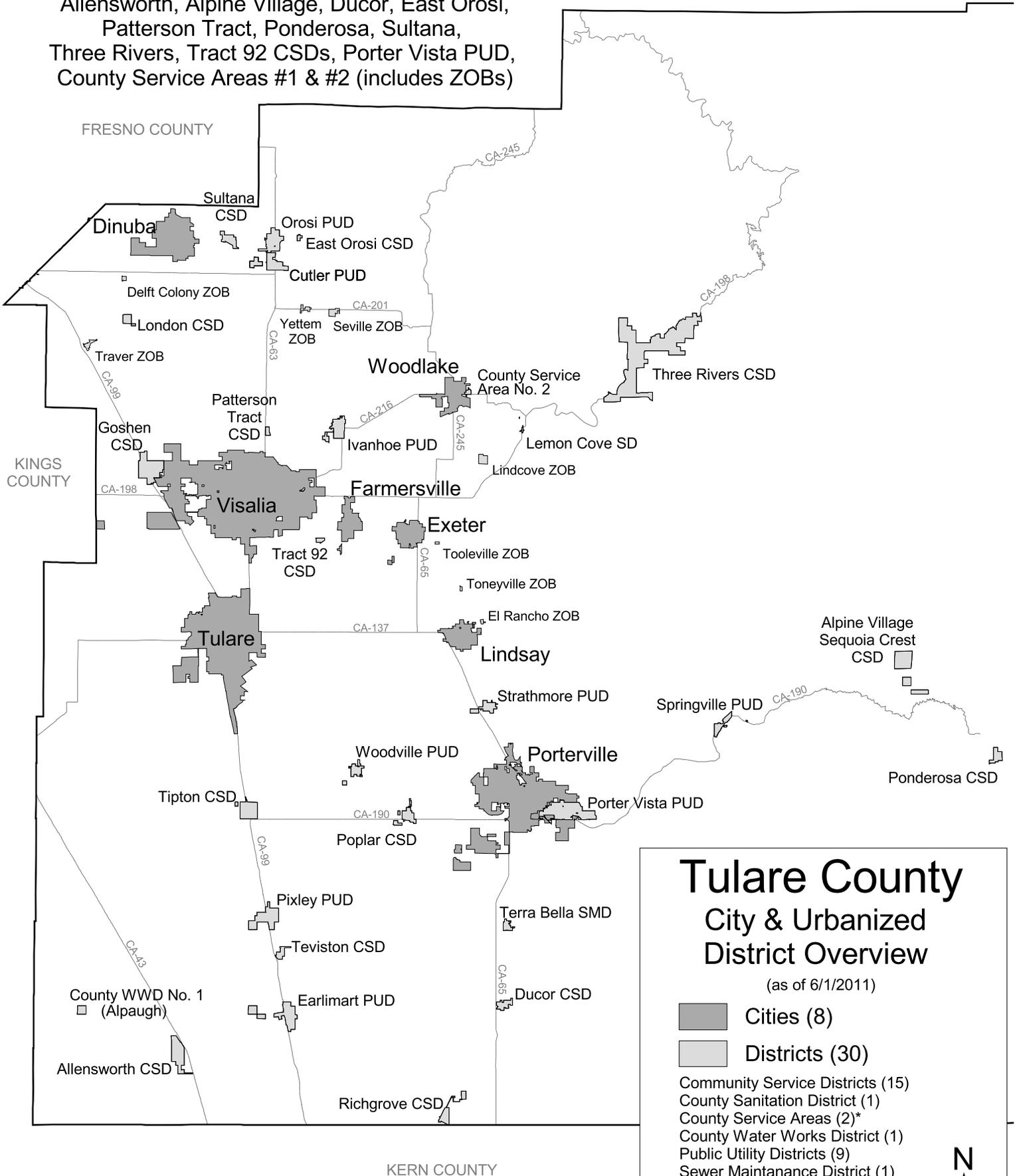
(Note: these factors stem directly from nine white papers created during a series of expert and stakeholder workshops convened by the EPA and others from 2000 to 2003)

MSR Goals and Purpose

In general, an MSR is used to ensure local agencies provide quality municipal services in an efficient and sustainable manner, now and in the future, as well as gauge the level of additional growth the subject agency can accommodate. Specifically, an MSR informs the subject agency's Sphere of Influence (SOI) and other Commission changes of organization. The data collected and analyzed is used to support written statements of determination that in turn support recommendations. Recommendations are intended to initiate the conversation about how best to approach the various challenges and discrepancies identified in the MSR. Recommendations are general in nature; detailed action plans will result from more focused feasibility studies or other planning documents.

Group 4 Municipal Service Reviews:

Allensworth, Alpine Village, Ducor, East Oroshi, Patterson Tract, Ponderosa, Sultana, Three Rivers, Tract 92 CSDs, Porter Vista PUD, County Service Areas #1 & #2 (includes ZOBs)



Tulare County City & Urbanized District Overview

(as of 6/1/2011)

- Cities (8)
- Districts (30)

- Community Service Districts (15)
- County Sanitation District (1)
- County Service Areas (2)*
- County Water Works District (1)
- Public Utility Districts (9)
- Sewer Maintenance District (1)
- Sanitary District (1)

0 5 10 Miles



Created by Tulare County LAFCO



There is some overlap between the City of Porterville and Porter Vista PUD

*CSA No. 1 encompasses all of unincorporated Tulare County with the exception of CSA No. 2 which encompasses the Wells Tract. CSA No. 1 includes 8 Zones of Benefit.

Allensworth Community Services District Municipal Services Review

The Allensworth CSD (ACSD) Municipal Service Review report was prepared pursuant to Section 56430. The report begins by providing district background information and then summarizes data collected and analyzed for the purpose of supporting written statements of determination with respect to each of the following: 1) Growth and population projections for the affected area; 2) Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies; 3) Financial ability of agencies to provide services; 4) Status of, and opportunities for, shared facilities; 5) Accountability for community service needs, including governmental structure and operational efficiencies; 6) Any other matter related to effective or efficient service delivery, as required by commission policy. Data was provided by the Tulare County Environmental Health Division (Environmental Health), Community Water Center (CWC), Self-Help Enterprises and Tulare County Community Development Department. Visalia Times Delta and Fresno Bee articles as well as Tulare County Grand Jury (Grand Jury) reports were also reviewed for pertinent information. A thorough review of stated responsibilities to be effected, procedures followed and legislative intent specified in the CSD Law was also conducted. An informational survey was mailed to the ACSD on three separate occasions, no response has been received. The MSR report format used in the Group 1,2 and 3 MSR reports has been changed to reflect the amendments to CKH Section 56430 as a result of AB 1744 (Ch. 244, Stats 2007).

Background

The ACSD is located in southwestern Tulare County and provides street lighting and domestic water service. The District is bounded by Avenue 24 to the south, Highway 43 to the east, its western boundary extends approximately 200 meters west of Young Avenue and its northern boundary extends approximately ½ a mile north of Avenue 39. District boundaries encompass an 804-acre area. A Sphere of Influence (SOI) has not yet been established for the ACSD. The District's system is regulated by the Tulare County Environmental Health Services Division (Tulare Environmental Health), which has been granted primacy by the California Department of Health Services. The Tulare Environmental Health is responsible for the administration and enforcement of the Safe Drinking Water Act involving systems in Tulare County with fewer than 200 connections.

District formation became effective in 1967 (LAFCO Resolution 64-055, LAFCO Case 47). According to BOS Resolution 81-98, at the time of its formation the ACSD was authorized to provide the following services:

- Water for domestic use
- Street lighting

The District was providing these services prior to January 1, 2006. Therefore, the ACSD has no latent power whose activation is subject to LAFCO Commission approval or disapproval.

Written Determinations

1) Growth and Population Projections

1. The most recent ACSD Sanitary Survey Report, dated November 20, 2008, indicates that ACSD water system serves approximately 116 active connections (connections were not broken down by type). Environmental Health estimates the total population within district boundaries to be 400 persons. Environmental Health's population estimate is relatively close to the estimate provided by the 2010 U.S. Census of 471 persons. The 2000 U.S. Census estimated Allensworth's population to be 336 persons, indicating that the community experienced a 4% annual growth rate over the last 10 years. Although the community of Allensworth is a Census Designated Place detailed economic demographic information is not available.
2. A salary survey conducted by Self-Help Enterprises determined the median household income with the community of Allensworth to be \$22,735.
3. According the Tulare County planning department there are no permits currently issued for construction of new dwelling units or expansion of existing residential developments within the District boundaries.

Based on the absence of building permits issued for construction of new dwelling units or expansion of existing residential developments within district boundaries, the fact that the District has not proposed an annexation since its formation, the lack of an SOI (20-year growth boundary) and the limited capacity of the District's community water system, it can be logically determined that the District's population will remain at substantially the same level for the next 5 years (next MSR update is scheduled to be conducted in 2016). Although the District experienced a robust 4% annual population growth rate over the last Census period, the District's pool of customers remains small and low-income, meaning that District customers are less able to bear the economic burden of rate hikes, benefit assessments, special taxes or general obligation bond debt should District costs unexpectedly increase or routine capital projects be needed. The lack of economic opportunity in the region makes unlikely that this situation will improve. It is determined that this phenomenon forces the ACSD to rely almost exclusively on outside sources to address service/infrastructure needs and discrepancies. The process of securing grants and loans from outside sources is lengthy and competitive, which leaves the District and its customers vulnerable to prolonged exposure to health hazards or to long-term economic strain caused by an emergency situation, such as contaminated water supplies or unexpected system failure.

As mentioned in other Group 4 CSD MSR reports, the phenomenon described above is not to suggest that Allensworth and similar communities should be denied economic or other forms of investment in an attempt to allow them to wither away. So long as the agricultural industry continues to be the region's chief economic driver, communities like Allensworth will exist because they offer affordable housing options to tens of thousands of farm laborers and laborers in other ag related industries. Additionally, many Allensworth families have lived in the community for generations. These individuals have a deep seeded connection to the land and are

unlikely to leave the community. Allensworth in particular has a long and unique history that further reinforces preservation of the community.

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

1. The ACSD community water system consists of 2 wells drilled 3 miles east of the community in order to avoid naturally occurring excessive levels of Arsenic in the aquifer underlying the community. The wells are a few hundred feet apart on an east-west line and alternately supply a common 6" line to a 42,000 gallon storage tank. Two centrifugal pumps draw water from the tank to a 5,000 gallon pressure tank and then on to distribution. The wells have a single check valve to prevent back flow to the well from storage. This is an automated system that is triggered by water levels in the storage tank.
2. Wells No. 1 was drilled in 1984 to a depth of 250' and is equipped with a 10 hp submersible pump installed in 1995. Well No. 2 was drilled in 1999 to a depth of 320' and has a 20 hp submersible pump. According to the District's latest Sanitary Survey Report (2008), both wells are properly sealed and secured.
3. The water system contains no treatment method.
4. There have been upgrades to the distribution system; six 6" PVC mains and six 6" laterals were installed using a 2007 Community Development Block Grant loan in the amount of \$24,000.
5. The District is required to conduct bacteriological contaminant testing of water samples on a monthly basis (monthly testing involves several water samples). According to the District's Environmental Health file, from September 2007 to November of 2008 only a single sample tested positive for bacteriological contaminants. Likewise, a single sample returned with positive results in both 2009 and 2010. Notice of violation was submitted by Tulare Environmental Health for total Coliform on January 2011. Results of repeat samples or proof of customers notification of the 2011 violation were not found in the District's Environmental Health file. Notice of violation was also provided in October 2008 for failing to submit Bacteriological sample test results (testing occurs each month).
6. No violations of excessive Nitrate levels were found in the District's Environmental Health file.
7. Records indicate that the District's water system is continuously in violation of the maximum levels set for Arsenic. Most recently (December 2010), an Environmental Health compliance order was provided to the District for violation of maximum Arsenic levels. The order directs the District to notify all district customers of the violation on a quarterly basis, submit proof of customers notification on a quarterly

basis, and submit sample test results to the Tulare Environmental Health Department on a quarterly basis. This order must be followed for as long as the system remains in violation. The order further directs the District to consider various avenues to address the problem and to prepare an action plan, complete with timeline, and submit the plan to the Environmental Health.

8. On December 29, 2010, the ACSD Board adopted Resolution 2010-1109, which imposes a moratorium on new water connections and on the drilling of new wells within district boundaries. According to the resolution, the moratorium was prompted by the high cost associated with pumping groundwater from lower depths as a result of decreased groundwater levels coupled with the District's financial inability to drill new wells and therefore meet existing rate payer demand.

It is determined that the ACSD's system is highly vulnerable to Arsenic contamination, as evidenced by the fact that system wells were drilled at their current location (3 miles outside the District's bounds) specifically to avoid naturally occurring excessive levels of Arsenic as well as the numerous notices of violation for excessive Arsenic levels submitted by Tulare Environmental Health. It is further determined that the present groundwater supplies available to the District are inadequate. Unless the incredibly high cost of securing new well sites is passed on to a customer pool that can ill-afford higher rates, decreased groundwater levels coupled with the District's poor financial condition make it highly probable that, absent state or federal grants/loans, the system will experience complete failure in the near future.

As mentioned above, the December 2010 Environmental Health compliance order directs the District to prepare a plan, complete with timeline, to address the Arsenic contamination issue. It is determined that the scope of solutions contained in the action plan also encompass the groundwater level challenge facing the District and the low-income condition of its customer pool.

3) Financial Ability of the Agency to Provide Services

1. The primary source of revenue for the ACSD is user fees. The basic user fee rate is \$35.
2. There doesn't seem to be any assessment levied on property owners in the District.
3. A 2007 Visalia Times Delta article indicated that the District owed \$23,000 for various unexpected costs resulting from vandalism of fences surrounding district pumps, complete replacement of district computer system and software, repair of a district service truck and repair of an electrical transformer that caused the pumps to shut down several times a day. The District was unable to pay for these expenses with cash on hand so it explored loan options through Self-Help Enterprises. In order to repay the loan the board of directors considered increasing the basic user fee rate from \$35 to \$42. As mentioned above; however, the District was able to secure a \$24,000 CDBG loan. The agreement stipulates that funds were to be used "to

maintain existing services and prevent services from being shut off'. The current balance of the loan is \$13,246.61.

4. A salary survey conducted by Self-Help Enterprises determined the median household income with the community of Allensworth to be \$22,735.
5. Several requests for district budget information were submitted by Tulare LAFCO to SCSD management Requests were not answered. Similarly, the SCSD has not submitted salary information to the State Controller's office, a violation that is subject to a fine. The State Controller's 2010 Annual Special Districts Report indicates that for FY 2007-2008 the ACSD reported \$100,020 in revenues, \$175,784 in expenditures and \$100,767 in debts.
6. In 1997, the ACSD was awarded a grant in the amount of \$33,500 for the analysis and construction of a test well.

The evidence compiled in this section substantiates staff's assertion that the District does not have the ability to implement traditional revenue generating mechanisms and is completely dependant on outside sources to fund even basic maintenance and operational costs. As has been established in previous sections; however, the District faces challenges well beyond basic system operation/maintenance, meaning that any funding that is secured will not be used, at least not completely, to address the system's chronic contamination and groundwater supply issues. This approach is unsustainable and threatens the District's solvency.

4) Status of, and Opportunities for, Shared Facilities

1. The ACSD's public water system infrastructure and facilities are not shared with any other entity, public or private.
2. The ACSD is within proximity to the community of Alpaugh. Alpaugh is served by a County Water Works District. The Alpaugh Irrigation District also provides potable water outside the town center. There had been discussion of dissolving the County Water Works District and replacing it with a CSD that would take over potable water service responsibility for both the water works district and irrigation district. There was also discussion of including the community of Allensworth within the proposed district boundaries.

As mentioned in the financial section of this report, the long term viability of the District is threatened by its current approach to addressing service and infrastructure deficiencies. It is determined that the proposed formation of a region-wide CSD could mark a necessary shift toward a feasible solution to the District's longstanding issues. Consolidation would increase the economies of scale of both community's, expand the number of well sites available to both communities and Alpaugh ID infrastructure could potentially be used to treat surface water, further expanding water supplies available to the region.

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

1. The ACSD has a 5-member board of directors. Board members are elected at an at-large basis. Time and place of board meetings is not listed in the ACSD Consumer Confidence Report nor was this information provided during LAFCO’s 2007 preparation of its City and Special Districts Inventory. LAFCO has been unable to verify that District Board meetings are actually taking place.
2. The State Controller’s Office has requested financial information from the District, which has yet to be submitted, this despite the fact that failure to provide the requested information is subject to a fine.
3. The Tulare County Environmental Health Services Division has been granted primacy by the California Department of Health Services and regulates the District’s system. The division is responsible for the ensuring that the ACSD complies with the Safe Drinking Water Act regulations. In order to accomplish this, the division conducts the following analysis:

Analysis	Frequency
Bacteriological	Monthly
General Mineral & Physical	Every 3 years
Secondary Standards	Every 3 years
Organic Chemical	
Volatile Organic	Every 6 years
MTBE	Every 6 years
Inorganic Chemical	
Nitrate	Well (3) annually & Well (2) Quarterly
Synthetic Organic	
Alachlor	Every 9 years
Atrazine	Every 9 years
DBCP & EDB	Every 3 years
Simizine	Every 9 years
Radiological	
Gross Alpha	Every 4 years
Lead & copper (point of use)	Annually

4. As previously mentioned, the State’s Safe Drinking Water Act requires that a Consumer Confidence Report (CCR) be prepared and distributed to all customers before July 1 of the year following the year for which the CCR is prepared. In addition to sample test results, the CCR also details the effects of drinking contaminated water, the effect of common contaminants and instructions on what to do in case of illness or poisoning due to consumption of contaminants. 2009 CCR does mention

that the ACSD system exceeds maximum contaminant levels for Arsenic and states that the District is blending water from 2 wells to lower concentration of Arsenic in the drinking water.

5. The Tulare County Environmental Health Department's Sanitary Survey Report found that the system is capable of providing reliable drinkable water and recommended that the ACSD be issued a domestic water supply permit. This permit was issued in 2008.
6. The ACSD does not maintain a webpage.

Failure to respond to State and LAFCO attempts to procure information and the fact that District Board meeting information is not accessible (board meeting information is typically readily available) brings into question district efforts to keep District customers informed. Meeting minutes and previous meeting agendas are not readily available and the District does not maintain a website where such information is archived and can be easily accessed. Without these documents, it is difficult to determine whether district customers are being properly informed of things like contamination violations, potential rate hikes or the District's financial condition. Poor communication between District leaders and customers hinders the ability of District customers to participate in the governing process and endangers customer health.

It is determined that the ACSD should establish a website where basic information can be archived, such as meeting minutes, agendas, cancellation notices and also notices of violation. This will not only promote district transparency and accountability, but also minimize the health risk to customers by providing a means of informing them of contamination violations in a timely manner. The cost of creating and maintaining a webpage is a legitimate obstacle that must be considered. Financially strapped districts like the ACSD; however, can work with districts in a similar situation to combine their resources and raise the funds necessary to create and maintain a very simple, no-frills webpage that will house basic information for each district such as minutes, agendas, notices of violation and cancellation notices. Alternatively, these districts can use their consolidated resources to pay another governmental agency (such as LAFCO or Tulare County) to house basic information for each district on their own website.

It is also determined that additional efforts must be conducted by the ADCSD to educate customers on how to interpret information contained in the annual CCR; otherwise, the report is not much more than a compellation of raw numbers and general statements regarding contamination and preventative measure. The District should also keep copies of all Environmental Health correspondences (notices of violation, compliance orders, etc.) and have them available for viewing at the District office, this way customers do not have to travel to Visalia to view these documents and are able to avoid the hassle of making a public records request. All efforts for transparency and customer education/noticing should take into account that large segment of the community that does not read or speak English. All documents and customer correspondences should be translated to Spanish whenever possible.

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

Recommendations:

As determined above, the proposed formation of a region-wide CSD in the Allensworth/Alpaugh area is a necessary shift toward a feasible solution to the District's longstanding issues. Consolidation would increase the economies of scale of both communities thereby reducing the cost to customers, expand the number of well sites available to both communities and Alpaugh ID infrastructure could potentially be used to treat surface water, further expanding water supplies available to the region.

As mentioned in the informational section preceding these reports, MSR recommendations are not binding, but are rather intended to initiate a conversation about how best to approach the various challenges and discrepancies identified in the MSR. Recommendations are general in nature; detailed action plans will result from more focused feasibility studies or other planning documents.

Therefore, based on the data and determinations detailed above, the following general recommendations are provided:

- Consolidation should be examined. A general outline of the consolidation process has been prepared and various legal issues have already been examined as a result of the proposed Alpaugh CSD formation.
- The process should begin by conducting stakeholder meetings and workshops facilitated by Tulare LAFCO. Stakeholders include, but are not limited to, district board members and management, citizens groups, Tulare County Community Development Department and non-profit organizations such as Self-Help Enterprises Inc.
- Depending on the general consensus reached during stakeholder meetings, conduct a feasibility study that not only examines financial feasibility, but also infrastructural and governance hurdles.
- The goals of any approach must include system efficiency, improved water quality, long term viability and given the communities low-income condition, a reduction in water rates charged to customers must also be a prominent goal of the process.

This approach is in line with USDA and California Department of Public health efforts to encourage water system consolidation and with CSD Law. Section 61000 (7) (c) (2) of CSD Law states that in enacting this division, it is the intent of the Legislature to encourage formation commissions (LAFCOs) to use their MSR, SOIs and boundary powers where feasible and appropriate, to combine special districts that serve overlapping or adjacent territory into multifunction services districts.

One of the major obstacles to consolidation is the governance structure of the resulting entity; in particular, existing governing boards fear that the interests of their respective constituencies will no longer be advanced with the same vigor and empathy as before. This issue cannot be adequately addressed within the parameters of an MSR; however, it should be noted that Section 61030 (a) of the CSD law allows LAFCO to increase the number of members to serve on the initial board of directors of the resulting entity from 5 to 7, 9 or 11. Terms to be served by the new board of directors can also be set by LAFCO in accordance with Section 56886 (n). The expanded board of directors can be elected by division, with division boundaries being drawn according to community boundaries to ensure that customers of existing districts continue to have adequate representation on the new board.

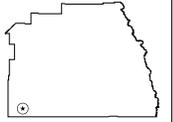
Allensworth Community Services District

(as of 3/1/2007)

 District

No Sphere

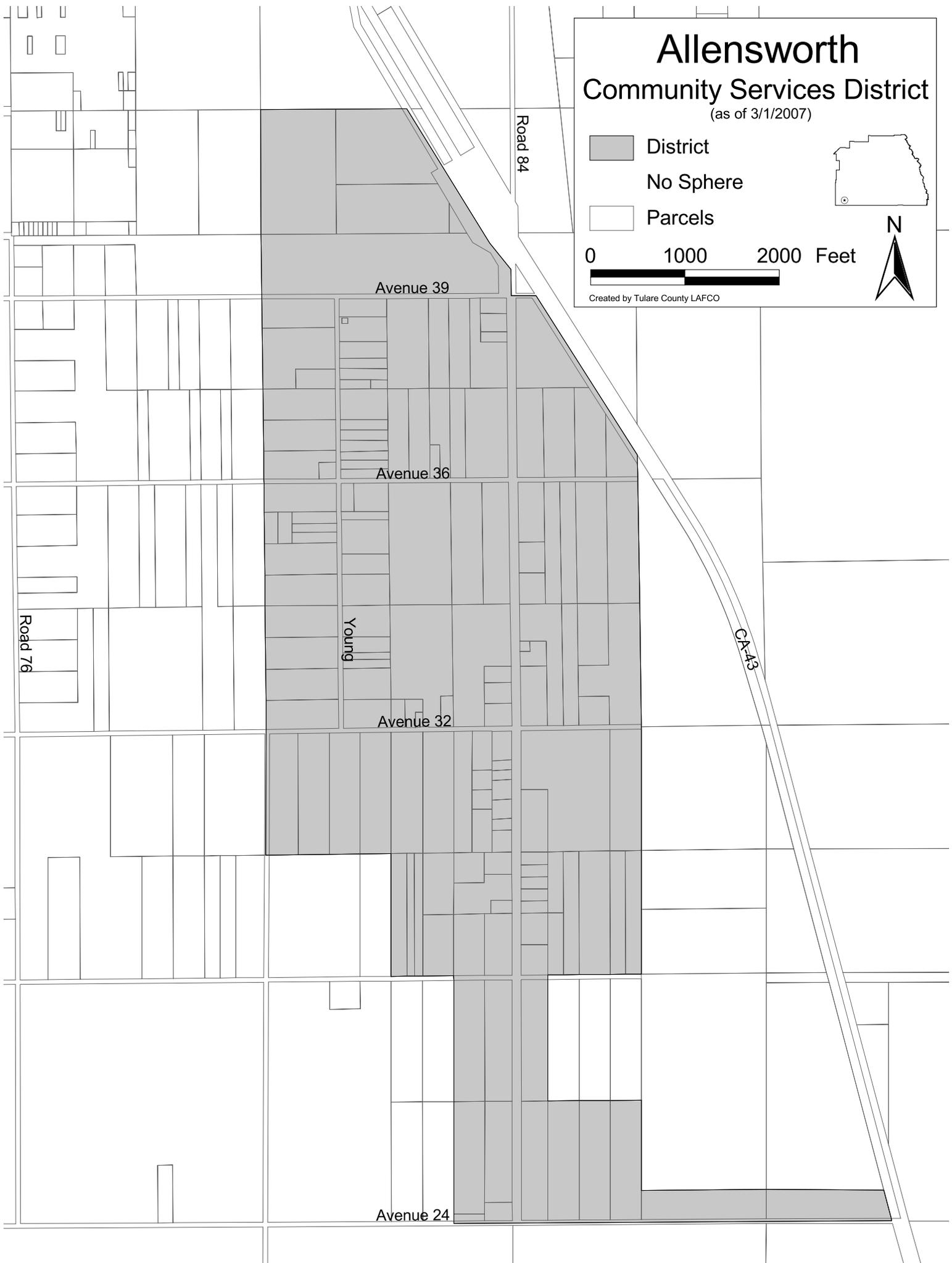
 Parcels



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Alpine Village-Sequoia Crest Community Services District Municipal Service Review

This section provides an overview of the determinations of the Alpine Village-Sequoia Crest Community Services District (AVCCSD) 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 determinations with respect to each of the following: 1) Growth and population projections for the affected area; 2) Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies; 3) Financial ability of agencies to provide services; 4) Status of, and opportunities for, shared facilities; 5) Accountability for community service needs, including governmental structure and operational efficiencies; 6) Any other matter related to effective or efficient service delivery, as required by commission policy. These requirements are established by Section 56430 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH). The following determinations were largely derived from a questionnaire submitted by the AVCCSD in 2007. CKH Section 56430 has since been amended by AB 1744 (Ch. 244, Stats 2007). The MSR format used in the Group 1 and 2 MSR's has been revised to reflect the new requirements of CKH 56430 as amended.

Background

The AVCCSD provides a single service, snow removal. The County of Tulare provides the actual service through a Joint Powers Agreement with the District (Tulare County Agreement 19505). The District was formed on December 6, 1977 (LAFCO Resolution 77-99, Case 640). At the time, the District's active powers were limited to snow removal. No latent powers were granted. The AVCCSD provides snow removal service to a 1.54 square mile area located east of County Rte 107.

Written Determinations

1) Growth and Population Projections

1. The population within district boundaries is mostly comprised of retirees. Most area residents leave during the winter months and return during the spring and summer. There are approximately 231 dwelling units within district boundaries.
2. In general, when 3 inches or more of snowfall occurs within district boundaries Tulare County road crews will provide snow removal service to allow for property owner and emergency vehicle access. The AVCCSD must determine whether snow removal service is needed and the level that should be provided. The District then contacts the County and makes the request.
3. On average, the District receives 6 inches of snowfall annually.
4. According Tulare County RMA's planning division; permits have not been issued in recent years for the construction of new dwelling units within district boundaries.

Based on the District's population demographics, the lack of development within district boundaries and the fact that district management has expressed no interest in expanding its boundaries, it is determined that the District's population will remain substantially the same for the foreseeable future.

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

1. Snow removal service on the majority of Redwood Drive is already provided by Tulare County (not as part of the aforementioned JPA). The remainder of Redwood Drive (covered by the AVCCSD boundaries) is serviced upon request by the CSD. The Tulare County Resource Management Agency's Transportation Division's Camp Nelson satellite road yard responds to service requests. County equipment and staff are used to provide snow removal service.

The same equipment used to service other County areas is also used to provide service to the District. According to the RMA Transportation Director, equipment is replaced and upgraded frequently and all current equipment used by the Camp Nelson satellite road yard is in excellent condition. Also, the limited snowfall experienced by the District indicates that demand for snow removal service is low. It is determined that the District's service capacity and service equipment is adequate at this time.

3) Financial Ability of the Agency to Provide Services

1. The State Controller's 2010 Annual Special Districts Report indicates that for FY 2007-2008 the AVCCSD reported \$33,383 in revenues, \$55,697 in expenditures. The budget gap is covered by District reserves.
2. According to the repayment arrangement between the District and County contained in Tulare County Agreement 19505:
 - Services shall be performed at the County's sole expense to a maximum of \$5,000
 - For all services in excess of \$5,000, the County will pay one half and the District will pay one half of the excess amount to maximum combined aggregate amount of \$10,000
 - For all costs in excess of \$10,000, the District will pay the cost of said excess
3. The District is funded entirely by an assessment levied on each parcel within district boundaries. Parcel Tax Rate Area determines assessment amounts. The District consists of four different Tax Rate Areas and assessment amounts range from \$10.00 to \$202.00 per parcel per year.
4. The District purchases liability insurance.

Based on the District's negative operating margin, it is determined that the District's ability to provide service is fragile. The District's accumulation of debt must be addressed by examining the structure of its current repayment agreement with the County and identifying cost cutting opportunities as well as possible implementation of revenue generating mechanisms.

4) Status of, and Opportunities for, Shared Facilities

1. As previously mentioned, the District contracts with Tulare County for snow removal service. There are two primary reasons for this arrangement cited by both the District Board President and the RMA Transportation Division Director. First, the County already provides service to the area and it is efficient to have the county provide the service rather than hiring a private contractor. Second, the District has experienced difficulty with finding a private contractor willing to provide the service at a lower cost due to the isolated location of the District.

Due to the fact that the County already provides snow removal service to Redwood Drive and the District's location LAFCO determines that the District is currently in an optimal cooperative arrangement and that there is no other opportunity for shared facilities that would yield a more efficient provision of this particular service to district residents.

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

1. The District's 5-member board of directors is elected at large; however, the Tulare County Board of Supervisors has the ability to appoint board members if there are not enough qualified candidates seeking election to vacant seats. BOS appointments can only be made if the District board makes the recommendation.
2. District board meetings are held on the 3rd Monday of odd numbered months. Agendas are mailed out to district residents according to the most recent tax roll and meeting locations alternate between the homes of its board of directors.
3. The District does not operate a web page.
4. Aside from this Municipal Service Review, LAFCO is not aware of any regulatory agency, state or otherwise, that regulates snow removal service.

In general LAFCO would like all tax collecting local agencies to operate a web page where those who receive service can obtain district information. This provides for more district accountability and transparency. However, the AVCCSD only provides a single service and that service is contracted out. Furthermore, the District serves a very small population, making adequate and timely notice of public meetings and the like easy to do. Therefore, LAFCO determines that the

current accountability mechanisms and governance structure is adequate to meet the interest of district residents.

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

Recommendations:

It is recommended that the District actively seek a solution to its negative operating margin. The District should examine its current repayment structure and identify cost cutting opportunities as well as examine the feasibility of implementing revenue generating mechanisms.



Alpine Village - Sequoia Crest

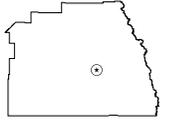
Community Services District

(as of 3/1/2007)

 District

No Sphere

 Parcels



0 1000 2000 Feet



Created by Tulare County LAFCO



Ducor Community Services District Municipal Services Review

The Ducor CSD (DCSD) Municipal Service Review report was prepared pursuant to Section 56430. The report begins by providing district background information and then summarizes data collected and analyzed for the purpose of supporting written statements of determination with respect to each of the following: 1) Growth and population projections for the affected area; 2) Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies; 3) Financial ability of agencies to provide services; 4) Status of, and opportunities for, shared facilities; 5) Accountability for community service needs, including governmental structure and operational efficiencies; 6) Any other matter related to effective or efficient service delivery, as required by commission policy. Data was provided by the Tulare County Environmental Health Division (Environmental Health), Community Water Center (CWC) and Self-Help Enterprises. Visalia Times Delta and Fresno Bee articles as well as Tulare County Grand Jury (Grand Jury) reports were also reviewed for pertinent information. A thorough review of stated responsibilities to be effected, procedures followed and legislative intent specified in the CSD Law was also conducted. An informational survey was mailed to the DCSD on three separate occasions, no response has been received. The MSR report format used in the Group 1,2 and 3 MSR reports has been changed to reflect the amendments to CKH Section 56430 as a result of AB 1744 (Ch. 244, Stats 2007).

Background

The Ducor Community Services District is located in southeastern Tulare County and is bounded by Road 240 to the east, Highway 65 to the west, Orange Road to the north and its southern border is approximately ¼ mile north of Avenue 52. The District boundaries encompass a 263-acre area. The DCSD does not have an established Sphere of Influence. The District currently provides domestic water only. The District's system is regulated by the Tulare County Environmental Health Services Division, which has been granted primacy by the California Department of Health Services. Environmental Health is responsible for the administration and enforcement of the Safe Drinking Water Act and other federal and state regulations involving systems in Tulare County with fewer than 200 connections.

DCSD Latent Powers

Proponents, in partnership with Self-Help Enterprises, took over operation and maintenance of the Ducor Mutual Water Company through formation of the Ducor CSD in 1983 (LAFCO Resolution 82-010, LAFCO Case 873). According to LAFCO Resolution 82-010, at the time of its formation, the DCSD was authorized to provide water for domestic use and this was the only service the District was providing prior to January 1, 2006. Therefore, the District DCSD does not possess any latent power whose activation is subject to LAFCO Commission approval or disapproval.

Written Determinations

1) Growth and Population Projections

1. According the latest Sanitary Survey for the District, prepared by Environmental Health in March of 2009, the DCSD's community water system consists of approximately 153 service connections. This includes 127 residences, 10 mobile homes, 5 businesses, 4 apartment units, 3 retail stores with food service, 1 restaurant, a fire department, a post office and a school.
2. Environmental Health estimates the total population within the District's boundaries to be 850 persons. Environmental health estimates are based on an approximation ascertained by the District manger using the total number of connections served and what the manger believes to be the average household density. The Community of Ducor; however, is a Census Designated Place for which detailed population and demographic information is available. The 2010 Census estimates the community's population to be 411 persons with an average household size of 4.28 persons per unit, 96 occupied housing units, a median age of 36.1 years and estimates that approximately 41% of individuals residing in the community live below the federal poverty line. Interestingly, the 2000 Census estimated the community's population to be 504 persons with a median age of 24.6 years and approximately 30% of individuals living below the federal poverty line. A 2001 community survey conducted by Self-Help Enterprises Inc. estimated a population of 557.
3. According the Tulare County planning department there are no permits currently issued for construction of new dwelling units or expansion of existing residential developments within the District boundaries.

Based on the absence of building permits issued for construction of new dwelling units or expansion of existing residential developments within district boundaries, the fact that the District has not proposed an annexation since its formation, the lack of an SOI (20-year growth boundary) and the limited capacity of the District's community water system, it can be logically determined that the District's population will remain at substantially the same level for the next 5 years (next MSR update is scheduled to be conducted in 2016). Furthermore, a comparison of 2010 Census estimates to those compiled in 2000 indicates that individuals possessing higher upward mobility potential (an individual's capacity or facility to attain a higher social or economic position), compared to other community residents, tend to move out of the community once they are able. The effect is not only a reduction of the community's total population, but also an increase in the community's concentration of poverty. Put another way, the pool of district customers not only decreases, but the remaining pool is less able to bear the economic burden of rate hikes, benefit assessments, special taxes or bond debt should upgrades to this aging system be needed. The lack of economic opportunity in the region all but ensures that this cycle will continue. It is determined that this phenomenon forces the DCSD to rely almost exclusively on outside sources to address service/infrastructure needs and discrepancies. The process of securing grants and loans from outside sources is lengthy and competitive, which leaves the District and its customers vulnerable to prolonged exposure to health hazards or to long-term economic strain caused by an emergency situation, such as contaminated water supplies or unexpected system failure.

The trend described above is not to suggest that Ducor and similar communities should be denied economic or other forms of investment so as to allow them to wither away. So long as the agricultural industry continues to be the region's chief economic driver, communities like Ducor will exist because they offer affordable housing options to tens of thousands of farm laborers and laborers in other ag related industries. Additionally, some Ducor families have lived in the community for generations. These individuals have a deep seeded connection to the land and are unlikely to leave the community.

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

1. The DCSD's community water system consists of (2) drilled wells, Well No. 4 located in the southern portion of the District and Well No. 5 located on the northern end of the District. Well No. 4 was drilled in 1987 and had a production rate of 115 gallons per minute (gpm) before it was taken offline (well has not been formally abandoned), while Well No. 5 was drilled in 2004 and has a production rate of 450 gpm. The water system once included an additional well, Well No. 3, which has been disconnected from the system due to low productivity. Well No.1 was abandoned due to high nitrates and a broken well casing, while Well No. 2 collapsed during construction in 1984.
2. Each well is equipped with a single 100 high pressure (hp) turbine pump that pumps water through a single RPP check valve (used to prevent water backflow) into a 240,000 gallon storage tank. Water is then funneled through a 25 hp booster pump and out to the system's distribution plumbing. The distribution system consists of 8" PVC mains, 4" galvanized laterals and 1" PVC risers.
3. Due to high levels of Hydrogen Sulfate in both well No.4 and No.5, a system chlorinator was installed. 10 gallons of sodium-hypochlorite was added to the system each day when both wells were in operation.
4. A January 26, 2009 compliance order issued by Environmental Health indicates that test samples extracted from Well No. 4 had exceeded the Nitrate MCL allowed. The order directed the DCSD to provide notice of this violation to district customers on a quarterly basis for as long as the well remained in violation. The order also directed the DCSD to provide sample Nitrate test results on a quarterly basis (the law requires community water systems to provide Nitrate test results on an annual basis if not in violation) and that the District prepare a plan, complete with timeline, to address the high Nitrate levels. The plan was to be submitted to Environmental Health by June 30, 2009. A copy of this plan was not found in the District's Environmental Health file.
5. One January 31, 2009, the DCSD responded to the aforementioned compliance order and indicated that in response to the order, the DCSD Board held an emergency meeting where it was decided that Well No. 4 would be taken offline until a new well could be secured. In order to fund the process of securing a new well site and drilling

the well, the DCSD submitted an application for a Safe Drinking Water State Revolving Fund (SRF) grant, contracted engineers to prepare an engineer's report that offers recommendations (this report is part of the SRF preliminary planning process), procured the services of Self-Help Enterprises for grant application and technical assistance and intended to explore additional funding options through the state Proposition 84 USDA Rural Development program. The DCSD also expressed its intention to adhere to all customer noticing and well testing requirements. An application for Proposition 50 funding was submitted in September of 2009.

6. As a result of the compliance order and the subsequent action taken by the DCSD Board of Directors, the District currently relies entirely on Well No. 5 for all system water supplies. Well No.5 must be pumped many hours each day 7 days per week. The over reliance on Well No. 5 has weakened its pump, increasing the need for repairs and maintenance.
7. The District has indicated that Well No. 5 has higher levels of Hydrogen Sulfate than did Well No. 4. As a result, overall system water supplies now have a higher concentration of treatment chemicals, predominantly sodium-hypochlorite.
8. The latest district Consumer Confidence Report (CCR), mailed out to district customers June 1, 2010, indicates that the systems single operational well is producing water that meets all safety and health standards.

The system's well, storage and distribution infrastructure are constructed according to Sate of California standards and include anti-back flow and treatment mechanisms that guard against some causes of water quality degradation. System pipes and conveyances are relatively new (constructed in 1987) and should have a lifespan of at least 75 years and perhaps more depending on the type of lining used; thus, there is no immediate need to replace distribution infrastructure.

However, the overreliance on Well No. 5, resulting from the Nitrate contamination and subsequent shutdown of Well No. 4, hinders the DCSD's ability to effect its legal responsibility, outlined in H & S Section 116555 (a) (3), to ensure that a reliable and adequate supply of pure, wholesome, healthful, and potable drinking water is supplied. According to information provided by the Community Water Center, who has conducted outreach and organizational efforts within the community of Ducor, the high level of treatment chemicals introduced into the water supply in order to address the high levels of Hydrogen Sulfate in Well No. 5 give system water a foul smell, strange texture and white tinge, making the water undrinkable and forcing customers to rely on bottled water. Additionally, the DCSD system has had to shutdown 4 of its 5 wells, a trend that points to the high probability that Well No. 5 will become similarly compromised or cease to be productive, a scenario made more likely by overuse of the well. As with district population trends, this creates a vulnerability to a crises situation in which residents could be exposed to health hazards for a prolonged period of time and/or saddled with an economic burden that customers can ill-afford.

It is determined that although the DCSD does provide a reliable supply of water that's distributed with adequate pressure to customer taps, the quality of the water itself is sub-par and, with the added expense of bottled water, forces district customers to allot a substantial portion of their

income to the purchase of water supplies, approximately 10% of their total income compared to the 1.5 % affordability threshold recommended by the EPA, according to a Pacific Institute study of Central Valley unincorporated communities served by small water systems. The percentage spent by households varies from community to community and may be higher or lower than 10%. In order to address the issue of continuously needing secure new well sites while preemptively addressing the inevitable replacement of Well No. 5, the District must examine methods of using alternative water supplies such as treated surface water. Treated surface water provided by the Terra Bella Irrigation District (TBID) is the most feasible approach. This partnership can take place through a Joint Powers Authority agreement or district consolidation.

3) Financial Ability of the Agency to Provide Services

1. The DCSD revenues are generated through monthly user fees charged to water customers (increased from \$50 per month to \$70 in 2007 and then to \$80 in 2010) and connection fees (\$2,500).
2. In 2004, the DCSD procured a Community Development Block grant and loan in the amount of \$3,500 and \$33,500 respectively. Funds were used for replacement of pumps in Well No. 4. Customers paid a monthly assessment fee of \$10 in addition to the aforementioned user fees in order to pay back the loan. The loan was repaid in full in 2009.
3. Based on a 2001 survey conducted by Self-Help Enterprises Inc., the average annual income in Ducor is approximately \$23,000.
4. Several requests were submitted by Tulare LAFCO to DCSD management for district information, including their most recently adopted budget. None of the requests were answered. However, the State Controller's Office does post special district revenue, expense and debt totals on its website, but unfortunately the most recent data is from fiscal year 2007-2008. According to the information submitted by the DCSD for FY 2007-2008, the District reported \$141,211 in revenues and \$121,037 in expenses. The District does carry debt from various USDA loans.
5. All District services are contracted out to the Del Oro Water Company. Through contract with this private contractor, the District has 2 part-time employees, a general manager/district secretary and maintenance/repairman. As a result of the recent City of Bell salary scandal, the State Controller's Office has requested city and special district staff and governing board salary information in order to post it on the department's website. Failure to respond to the request is subject to a fine. The DCSD has not submitted the requested staff salary information. Section 61047 of the CSD Law provides that board members are not to receive compensation in an amount to exceed \$100 per day of service and shall not receive compensation for more than 6 days of service per month (i.e. a CSD board member cannot receive compensation in excess of \$7,200 annually).

6. In order to secure a site for and to drill a replacement well for Well No. 4, the DCSD filed an application for a Safe Drinking Water Revolving Fund Grant. The Nitrate violation makes the District eligible for these funds and the project should've been placed on the list of 2010 Prop 84 projects as soon as the compliance order was provided by County Environmental Health (January 26, 2009). A letter submitted to the State Department of Public Health in November of 2010 by the DCSD manager; however, indicates that the project was never placed on the Prop 84 eligibility list despite the submittal of an application. The letter goes on to explain that having to run a single well all day long results in extraordinarily high electric bills and a weakened pump that is in need of constant repair and maintenance. According to the letter, this has cost the District approximately \$16,000 since 2009. Additionally, the single well remaining in operation has much higher levels of Hydrogen Sulfate and thus, a larger amount of treatment chemicals are now required to be introduced into the system further increasing district costs.
7. In order to address the immediate need to pay for the abovementioned unexpected expenses, initiated Proposition 218 proceedings. The CSD held two meetings prior to its November 9, 2010 public meeting, during which the DCSD board raised user fees by \$10 per month.

Based on the data compiled in this section, the crises scenario described in previous sections seems to already be occurring to a large extent. The DCSD relies almost exclusively on outside funding sources in order to fund short-term solutions to water supply issues and the District's economically disadvantage customers are paying an inordinately high water rate just to generate enough funding to maintain and operate the water system, which produces water that customers can't even consume. This approach only masks the problem, while sensible alternatives need to be explored and implemented if feasible, such as JPA agreements with neighboring service providers or consolidation with a nearby district. It is determined that left unaddressed, the current situation can worsen, putting in doubt the financial ability of the District to provide service well into the future. In a worst case scenario, if Well No. 5, for example, were found to be in violation of the maximum Nitrate levels allowed, the District would have to rely on funding from outside sources through a long process that is rife with even further unexpected delays. In the meantime, without a backup well, customers would have to take drastic and costly measures to avoid illness from contaminants (e.g. showering with bottled water) and/or pay higher fees they can ill-afford.

4) Status of, and Opportunities for, Shared Facilities

1. The DCSD does not share its public water system infrastructure or facilities with any other entity, public or private. However, the DCSD has been in talks with the Terra Bella SMD regarding the possibility of the DCSD using surface water supplies treated with Terra Bella SMD's infrastructure.

The DCSD is located well beyond the jurisdictional boundaries of any incorporated city or water purveying special district; thus, it is determined that the opportunities for shared facilities available to the District are limited. The possibility of entering into an agreement with the Terra

Bella ID for use of treated surface water; however, is a logical and feasible approach. Alternatively, one or both districts could dissolve and a larger CSD formed, which encompass both Ducor and Terra Bella and possibly the Richgorve and Earlimart CSDs. This would give both communities an expanded supply of water and increase their economies of scale, thereby addressing the two long-term issues that plague the DCSD. This alternative; however is highly unlikely to materialize. For one, the aforementioned districts are located long distances apart; Richgrove and Earlimart are 8 and 15 miles away from Ducor respectively. Long distances add to the cost and efficiency of consolidation. Additionally, Terra Bella ID, Richgrove and Earlimart don't seem to be plagued with the same issues as Ducor and thus have little incentive to dissolve or form a joint powers authority (JPA) their districts in order to form part of a regional entity. The various entities could alternatively enter into a JPA.

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

1. The DCSD has a 5-member board of directors. Board members are elected by division within district boundaries. According the 2009 CCR, board meetings take place on the 3rd Tuesday of each month at the Ducor Fellowship Hall.
2. Meeting agendas are posted at the Ducor post office and the Ducor telephone company.
3. Due to water quality concerns, a community association was formed under the name "Si Se Puede in Ducor". This organization claims that several meetings they intended to attend to express their concerns regarding the quality of system water were canceled without adequate notice. Attempts to obtain a response from the DCSD to these allegations were unsuccessful.
4. As previously mentioned, the State Controller's Office has requested board and employee salary/compensation information from all cities and special districts. The DCSD has not submitted the requested staff salary information. Section 61047 of the CSD Law provides that board members are not to receive compensation in an amount to exceed \$100 per day of service and shall not receive compensation for more than 6 days of service per month (i.e. a CSD board member cannot receive compensation in excess of \$7,200 annually).
5. The Tulare County Environmental Health Services Division has been granted primacy by the California Department of Health Services and regulates the District's system. The division is responsible for the ensuring that the DCSD complies with the Safe Drinking Water Act regulations. In order to accomplish this, the division conducts the following analysis:

Analysis	Frequency
Bacteriological	Monthly
General Mineral & Physical	Every 3 years
Secondary Standards	Every 3 years

Organic Chemical	
Volatile Organic	Every 6 years
MTBE	Every 6 years
Inorganic Chemical	
Nitrate	Quarterly
Synthetic Organic	
Alachlor	Every 9 years
Atrazine	Every 9 years
DBCP & EDB	Every 3 years
Simazine	Every 9 years
Radiological	
Gross Alpha	Every 4 years
Lead & copper (point of use)	Annually

6. As previously mentioned, the State's Safe Drinking Water Act requires that a Consumer Confidence Report (CCR) be prepared and distributed to all customers before July 1 of the year after the year for which the CCR is prepared. In addition to sample test results, the CCR also details the effects of drinking contaminated water, the effect of common contaminants and instructions on what to do in case of illness or poisoning due to consumption of contaminants. According to Environmental Health records, the District has provided proof that a CCR has been distributed to district customers each of the last 5 years.
7. Environmental Health's Sanitary Survey Report found that the system is capable of providing reliable drinkable water and recommended that the DCSD be issued a domestic water supply permit. This permit was issued in 2009 and then reissued in June of 2010 due to the addition of a Chlorinator to the system.
8. The DCSD does not maintain a webpage.
9. The 2006-2007 Tulare County Grand Jury Report contained an investigation of DCSD efficiency. The report concluded that the systems infrastructure was adequate and the service delivery is efficient. No issues were discovered.

It is determined that County Environmental Health records and Consumer Confidence Reports distributed to customers, collectively provide enough information to gain insight into district service quality and effectiveness. However, requesting public records and analyzing the sometimes highly technical data can be time consuming and difficult for the average district customer. In addition, an understanding of pertinent statutes and how federal and state regulations are enforced locally is needed to put all data analyzed in proper context. The CCR only provides raw sample testing data and general information of what should be done in case of illness resulting from consumption of contaminants; an explanation of raw data or identification of district violations is not provided.

Concerns have been raised regarding inadequate notice of meeting cancellations, allegedly in an attempt to stymie public participation by some customers. Meeting minutes and previous meeting agendas are not readily available and the District does not maintain a website where such information is archived and can be easily accessed. Without these documents, it is difficult to substantiate these allegations or to refute them. It is determined that the DCSD must establish a website where basic information can be archived, such as meeting minutes, agendas, cancellation notices and also notices of violation. This will not only promote district transparency and accountability, but also minimize the health risk to customers by providing a means of informing them of contamination violations in a timely manner. The cost of creating and maintaining a webpage is a legitimate obstacle that must be considered. Financially strapped districts like the DCSD; however, can work with districts in a similar situation to combine their resources and raise the funds necessary to create and maintain a very simple, no-frills webpage that will house basic information for each district such as minutes, agendas, notices of violation and cancellation notices. Alternatively, these districts can use their consolidated resources to pay another governmental agency (such as LAFCO or Tulare County) to house basic information for each district on their own website.

It is also determined that additional efforts must be conducted by the DCSD to educate customers on how to interpret information contained in the annual CCR; otherwise, the report is not much more than a compellation of raw numbers and general statements regarding contamination and preventative measure.

According to a Self-Help Enterprises Inc. representative, the District keeps copies of all Environmental Health correspondences (notices of violation, compliance orders, etc.) and has them available for viewing at the District office upon request. All efforts for transparency and customer education/noticing should take into account that large segment of the community that does not read or speak English. All documents and customer correspondences should be translated to Spanish whenever possible. CCRs include the contact info of a Spanish-speaking District Board member who they can call with questions.

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

Recommendations:

As determined above, the possibility of the DCSD entering into an agreement with the Terra Bella ID for use of treated surface water is a logical and feasible approach. Alternatively, one or both districts could dissolve and a larger CSD formed, which would encompass both Ducor and Terra Bella and possibly the Richgorve and Earlimart CSDs, although this not highly feasible. These approaches would give all communities an expanded supply of water and increase their economies of scale, thereby addressing the two long-term issues that plague the DCSD.

This approach is in line with USDA and California Department of Public health efforts to encourage water system consolidation and with CSD Law. Section 61000 (7) (c) (2) of CSD Law states that in enacting this division, it is the intent of the Legislature to encourage formation commissions (LAFCOs) to use their MSR, SOIs and boundary powers where feasible and

appropriate, to combine special districts that serve overlapping or adjacent territory into multifunction services districts.

As mentioned in the informational section preceding these reports, MSR recommendations are not binding, but are rather intended to initiate a conversation about how best to approach the various challenges and discrepancies identified in the MSR. Recommendations are general in nature; detailed action plans will result from more focused feasibility studies or other planning documents.

Therefore, based on the data and determinations detailed above, the following general recommendations are provided:

- Some form of collaborative effort between the Terra Bella ID and the DCSD (either a JPA or Consolidation) should be examined. As mentioned above, the topic has already been discussed indicating that feasibility has already been examined to some degree.
- The process should begin by conducting stakeholder meetings and workshops facilitated by Tulare LAFCO. Stakeholders include, but are not limited to, district board members and management, citizens groups, Tulare County Community Development Department and non-profit organizations such as Self-Help Enterprises Inc.
- Depending on the general consensus reached during stakeholder meetings, conduct a more detailed feasibility study that not only examines financial feasibility, but also infrastructural and governance hurdles.
- The goals of any approach must include system efficiency, improved water quality, long term viability and given the communities low-income condition, a reduction in water rates charged to customers must also be a prominent goal of the process.

Initial discussions regarding a DCSD and Terra Bella ID partnership were characterized by resistance on the part of Terra Bella ID officials to the proposal. Specifically, Terra Bella ID holds deep reservations about sharing its federally allocated supply of water. Terra Bella ID; however, did not entirely dismiss the possibility of a partnership with the DCSD, but indicated that a partnership would have to include procurement by the DCSD of its own surface water supplies and the DCSD would have to be responsible for funding of necessary infrastructure.

One of the major obstacles to consolidation is the governance structure of the resulting entity; in particular, existing governing boards fear that the interests of their respective constituencies will no longer be advanced with the same vigor and empathy as before. This issue cannot be adequately addressed within the parameters of an MSR; however, it should be noted that Section 61030 (a) of the CSD law allows LAFCO to increase the number of members to serve on the initial board of directors of the resulting entity from 5 to 7, 9 or 11. Terms to be served by the new board of directors can also be set by LAFCO in accordance with Section 56886 (n). The expanded board of directors can be elected by division, with division boundaries being drawn according to community boundaries to ensure that customers of existing districts continue to have adequate representation on the new board.

Ducor

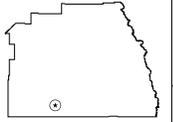
Community Services District

(as of 3/1/2007)

 District

No Sphere

 Parcels



0 1000 2000 Feet



Created by Tulare County LAFCO



Avenue 64

Orange

Fig

Braly

Road 236

Road 240

Avenue 56

CA-65

Fountain Springs

Divizich

Avenue 52

East Orosi Community Services District Municipal Services Review

The East Orosi CSD (EOCSD) Municipal Service Review report was prepared pursuant to Section 56430. The report begins by providing district background information and then summarizes data collected and analyzed for the purpose of supporting written statements of determination with respect to each of the following: 1) Growth and population projections for the affected area; 2) Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies; 3) Financial ability of agencies to provide services; 4) Status of, and opportunities for, shared facilities; 5) Accountability for community service needs, including governmental structure and operational efficiencies; 6) Any other matter related to effective or efficient service delivery, as required by commission policy. Data was provided by the Tulare County Environmental Health Division (Environmental Health), Community Water Center (CWC) and Self-Help Enterprises. Visalia Times Delta and Fresno Bee articles as well as Tulare County Grand Jury (Grand Jury) reports were also reviewed for pertinent information. A thorough review of stated responsibilities to be effected, procedures followed and legislative intent specified in the CSD Law was also conducted. An informational survey was mailed to the EOCSD on three separate occasions, no response has been received. The MSR report format used in the Group 1,2 and 3 MSR reports has been changed to reflect the amendments to CKH Section 56430 as a result of AB 1744 (Ch. 244, Stats 2007).

Background

The East Orosi Community Services District is located approximately .5 miles east of the community of Orosi. District boundaries are bordered by Avenue 416 to south, Ione Avenue to the east, Fruitvale Avenue to the west and the District's northern boundary is south of Avenue 420. The EOCSD boundaries encompass a 53-acre area while its LAFCO established Sphere of Influence (SOI) covers a 145-acre area. The District last amended its SOI in 1998 (LAFCO Resolution 98-016). The District's 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 systems in Tulare County with less than 200 connections.

The EOCSD was formed in December of 1954. Formation of the District was not subject to LAFCO approval. According to Board of Supervisors Resolution 54-2011, which authorized formation of the District, the EOCSD was authorized to provide water for domestic use, irrigation, sanitation, industrial use, fire protection, and recreational use upon formation. The EOCSD was providing water supplies for the aforementioned uses prior to January 1, 2006; thus, the District does not possess any latent power whose activation is subject to LAFCO Commission approval or disapproval. Sewer service is provided under contract by the Cutler Public Utilities District (PUD). The Cutler PUD also provides service to Orosi PUD and Sultana CSD customers and the CSA No. 1 Yetttem and Seville Zones of Benefit.

Written Determinations

1) Growth and Population Projections

1. As of January 2011, the EOCSD serves approximately 130 residential connections and 1 food service facility.
2. Environmental Health estimates the total population within the District's boundaries to be 700 persons. Environmental health estimates are based on an approximation ascertained by the District manger using the total number of connections served and what the manger believes to be the average household density. The Community of East Orosi; however, is a Census Designated Place for which detailed population and demographic information is available. The 2010 Census estimates the community's population to be 386 persons. The average household size is 4.28 persons per unit and approximately 41% of individuals residing within the community live below the federal poverty line. Meanwhile, the 2000 Census estimated the community's population to be 426 persons, 24.6 years of age as the community's median age and approximately 30% of community residents living below the federal poverty line.
3. According to the Tulare County planning department there are no permits currently issued for construction of new dwelling units or expansion of existing residential developments within the District's boundaries.

Based on the absence of building permits issued for construction of new dwelling units or expansion of existing residential developments within district boundaries, the fact that the District has not proposed an annexation since its formation and the limited capacity of the District's community water system, it can be logically determined that the District's population will remain at substantially the same level for the next 5 years (next MSR update is scheduled to be conducted in 2016).

Furthermore, a comparison of 2010 Census estimates to those compiled in 2000 indicates that the EOCSD is in almost the exact situation as the Ducor CSD. East Orosi residents possessing higher upward mobility potential (an individual's capacity or facility to attain a higher social or economic position), compared to other community residents, tend to move out of the community once they are able. This reduction in total population coupled with the increase in the community's high concentration of poverty have an effect whereby a reduced pool of customers that is less able to bear the economic burden of traditional revenue generating mechanisms (rate hikes, benefit assessments, special taxes or bond debt) effectively force the District to rely almost exclusively on State and Federal funds to cover infrastructure upgrades or even basic maintenance/operating costs for an aging system. Like Ducor, the lack of economic opportunity in the region, in effect, ensures that this cycle will continue. Outside funding sources are awarded through a lengthy process. The length and uncertainty of securing outside funding in conjunction with the District's inability to generate revenue using its customer pool make it likely that a crisis situation will occur that puts an inordinate financial strain on customers and creates dangerous risks to their health.

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

1. The EOCSD community water system relies entirely on groundwater supplies pumped from the Kings River Sub Basin. The system consists of (2) drilled wells, which use 7.5 hp submersible pumps to funnel water through a single check valve and into (2) corresponding pressure storage tanks. The distribution system further contains galvanized (4) inch mains and (1) inch laterals.
2. Well 01, located at the eastern end of the District, acts as the primary source of water during the months of October through March. Well 02, located at the District's western boundary, acts as the primary source of water April through September.
3. EOCSD's water system contains no method of treatment such as coagulation and flocculation, sedimentation, filtration or disinfection.
4. The District's Sanitary Survey conducted in January of 2011 by Tulare Environmental Health found that the EOCSD's source and distribution facility are capable of providing a reliable water supply and recommended that a water supply permit be issued subject to an ongoing water quality monitoring schedule, clearing of vegetation near wells 01 and 02 and near their respective storage tanks and replacement of Well 01 vent pipe screen with fine mesh screen.
5. EOCSD's December 2010 sample test results for bacteriological contaminates (required each month) resulted in a single positive sample for total Coliforms, one absent sample, and (3) positive repeat samples. A notice of violation was rendered to the EOCSD of the positive results. The notice directed EOCSD management to provide the legally required notice to district customers advising them of this total Coliform violation. Proof of customer notice must be submitted to Tulare Environmental Health. The EOCSD's Environmental Health File does not contain proof of customers notice.
6. Lead and copper samples (required annually) must be collected in the months of June, July, August and September only; thus, no results are available for 2011.
7. Chemical sample test results, which determine Nitrate levels, are required to be submitted on an annual basis; however, once in violation, community water system operators must submit test results to Tulare County Environmental Health on a quarterly basis. In addition, water system operators must notify customers of the violation and submit proof of notice to Tulare Environmental Health. Records indicate May 2009 sample test results showed Nitrate levels exceeding the maximum level contaminants (MCL) allowed by law. A December 10, 2009 notice of violation for failure to provide quarterly sample test results was provided by Tulare Environmental Health requesting that management submit chemical Nitrate testing results for both wells 01 and 02. A July 20, 2010 letter provided by Tulare

Environmental Health indicates that the District was in violation of the aforementioned proof of notice requirement in the first 2 quarters of 2010; this notice seems to stem from the May 2009 Nitrate MCL violation. A July 20, 2010 notice of violation once again indicates sample test results exceeded Nitrate MCL and a subsequent January 27, 2011 notice of violation for failure to provide quarterly sample test results was also provided. Proof of customer notice for this specific violation was not found.

8. The California Safe Drinking Water Act requires each public water system operators to prepare a Consumer Confidence Report (CCR) on an annual basis and mail/deliver a copy to each customer by July 1 of the year following the year for which the CCR is prepared. Proof of CCR distribution must be provided to Tulare Environmental Health. The CCR contains a key defining the terms used in the report, list of common contaminants found in drinking water, tables listing raw sample test results followed by a brief description of common contaminant sources. The abovementioned Nitrate violations were not identified in the 2006-2009 CCRs. A July 15, 2010 notice of violation provided by Tulare Environmental Health to the EOCSD indicates that the EOCSD failed to provide proof that a CCR was prepared and distributed for the 2009 calendar year. A similar notice was also submitted on July 15, 2009 for the 2008 CCR. Proof of 2008 and 2009 distribution was found in the EOCSDs file, which signifies that these CCRs were not provided to customers in a timely manner.
9. A Compliance Order provided by Tulare Environmental Health, dated April 15, 2010, cites the following EOCSD violations of law: system operating a well that produces water not in compliance with primary drinking water standards (H & S Code Section 116555 (a) (1)), failure to ensure a pure, wholesome, healthful and potable supply of water (H & S 116555 (a) (3) and Nitrate levels exceeding the MCL allowed by law (CCR 64431 (a)). The order requests the EOCSD provide a plan to address the violations, complete with timeline, and sets forth compliance requirements, including the aforementioned quarterly submittal of chemical sample test results and notices of violation to District customers on a quarterly basis.
10. A January 2008 Tulare Environmental Health notice advises the District to continue to adhere to all reporting requirements, sustain efforts to address nitrate violations, and continue to provide customer notice requirements so long as violations continue. This notice indicates that the District has been in violation of Nitrate MCLs allowed by law since at least 2008.
11. In accordance with the State's Safe Drinking Water Act, each water supplier must have a certified operator on staff. A Tulare Environmental Health notice of violation indicates that as of 12-9-2009, the EOCSD is in violation of this provision and does not have a certified operator on staff.
12. CCR's were prepared for the years 2006, 2007, 2008 and 2009 (no further CCRs were found in the EOCSD Environmental Health file). Sample data is provided, but no explanation is provided regarding what raw data means.

13. The EOCSD office consists of a mobile home that sits on land donated by a local property owner. Both day-to-day operations and district public meetings are conducted in the mobile home. It is estimated that the mobile home can only accommodate approximately 5 people at one time.

Based on the records examined, it is determined that the EOCSD water system is chronically in violation maximum Nitrate levels allowed by law. It is further determined, based on the multiple notices of violation for failure to provide sample test results, CCRs, and customer notices of violation, that it is very likely system customers are not even aware of the serious contamination issues facing their water system. Without being properly informed, district customers cannot safeguard against the health hazards posed by water contamination thereby putting their health and safety at risk.

Staffs determinations are further substantiated by a series of news reports that have recently examined potable water quality in small Tulare County communities, East Orosi included. A Fresno Bee article published March 16, 2011 details a recent study conducted by the Oakland think tank, Pacific Institute. The study found that it would cost approximately \$150 million to address Valley-wide water contamination issues. The study also determined that low-income residents living within communities served by small water systems use approximately 4.6 % of their income for water supplies (this includes both system user fees and bottled water); the federal standard for affordability is 1.5%. The study further found that regulatory agencies do not adequately inform customers when system contamination does occur. A news report that aired on KPMH Fox 26, a local Fox affiliate, also examined the issue of poor water quality within the Valley's small unincorporated communities. In timely fashion, the news report focused on the community of East Orosi. An EOCSD customer interviewed explained that she has been dealing with high Nitrate levels in her water since 2002 and must purchase bottled water for drinking and cooking, an expense that drastically drains her financial resources. Another EOCSD customer interviewed explained that there is no alternative for water used to shower and that system water commonly causes rashes and severe discomfort.

It is determined that a mobile home only able to accommodate 5 people at one time is an inadequate facility in which to hold public meetings, particularly for a district containing 386 customers.

It is also determined that the scenario described above, in which the District's exclusive reliance on outside funding sources creates an undue economic burden on district customers and/or exposes them to severe health risks, seems to already be taking place. State and federal grants/loans only offer short-term solutions and simply mask the larger structural forces behind continual service/infrastructure needs and deficiencies. This makes clear that a new approach must be pursued. Consolidation of the EOCSD with the various CSD's and Public Utilities Districts (PUDs) in the Cutler-Orosi region is a logical and highly feasible option.

3) Financial Ability of the Agency to Provide Services

1. The EOCS D's funding comes exclusively from user fees. Rate information was not provided by the District.
2. A Sacramento Bee article published on February 16, 2008, quotes an East Oro si CSD customer as saying that her water bill averages \$57 per month in addition to the cost of bottled water she must purchase because of the highly contaminated water the EOCS D wells produce. In this same article, an EOCS D meeting was described during which EOCS D customers in attendance requested that district water rates be reduced because customers can hardly use the water provided by the District. EOCS D board members present at the meeting indicated that there is a fixed cost to pumping the water and distributing to customers; thus, there is little that can be done to lower the rates. As previously mentioned, this results in district customers, 60% of which live below the federal poverty line, using a proportion of their income for the purchase of water that's three times the federal guideline of affordability.
3. Several requests were submitted by Tulare LAFCO to EOCS D management for district information, including their most recently adopted budget. None of the requests were answered. However, the State Controller's Office does post special district revenue, expense and debt totals on its website, but unfortunately the most recent data is from fiscal year 2007-2008. According to the information submitted by the EOCS D FY 2007-2008 operating revenues totaled \$54,584, operating expenses totaled \$67,892, total non-operating revenues totaled \$1,735 and total non-operating expenses totaled \$2,775. All told, the EOCS D reported a net income loss of \$14,348.

As previously mentioned, given the community's high concentration of poverty, the disproportionate level of discretionary income customers pay for water and the trend of reduced economies of scale, the District has no choice but to rely on outside funding sources in order to address the high levels of Nitrates documented above. Furthermore, as evidenced by the \$14,348 net income loss reported in FY 2007-2008, much of the funding the District is able to procure will go to basic maintenance and operation of the system rather than improvements at crux of contamination issues. Thus, it is determined that the system's current financial ability to provide potable water to its customers is extremely delicate while its ability to provide service in the long-term is almost certainly infeasible. It is further determined that the District can take steps now in order to ensure that the quality of water received by district customers in the future improves and that service provision itself continues. Again, consolidation of the various districts in the Cutler-Orosi area can address the issues that plague the EOCS D water system in an enduring and effective manner.

4) Status of, and Opportunities for, Shared Facilities

1. The EOCS D's public water system infrastructure and facilities are not shared with any other entity, public or private. The EOCS D does have a contractual agreement with the Cutler PUD for the provision of sewer service. Since the service is managed

by the Cutler PUD staff and it is the Cutler PUD's infrastructure that's used for this service, sewer service to EOCS D customers should be assessed as part of a comprehensive assessment of the Cutler PUD.

2. The EOCS D is located within proximity to three other domestic water providing special districts, Orosi PUD, Cutler PUD and the Sultana CSD as well as the hamlets of Seville and Yett em, which contain significant populations and are served by mutual water companies. Additionally, the Alta Irrigation District is in the process of preparing a feasibility study that will examine provision of treated surface water to Cutler-Orosi area water purveyors for distribution to area customers. This is an ideal situation for shared infrastructure and facilities that will expand the number of sources from which to extract water and increase the resulting district's economies of scale.

Given the District's seemingly intractable Nitrate contamination issues, inadequate facilities and its inability to fund long-term solutions, EOCS D consolidation with surrounding special districts (most of which face the same issues) as part of an area-wide consolidation effort is determined to be imperative.

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

1. The EOCS D has a 3-member board of directors. Board members are elected at large. Meetings are scheduled every last Wednesday of the month at 6:30 PM and take place at the district's office. According to the Community Water Center (CWC), which has conducted extensive organizational/educational efforts within the community of East Orosi, the EOCS D board has failed to meet quorum for a majority of 2010. LAFCO Staff has also found it difficult to speak with a district representative during multiple attempts. Other agencies, such as Environmental Health echo the difficulty in contacting EOCS D officials.
2. According to the CWC, there is also concern among residents regarding the District's billing and record keeping system. The crux of the issue is that most customers can only make payment in cash. If the receipt issued by the District is lost, customers have no proof that payment was provided in a timely manner. There have been several instances where the District's poor record keeping has led to customers being billed again for charges already paid. In those instances where customers no longer have their receipt, they are forced to pay the charges yet again. Given the financial strain the average EOCS D customer is under, this situation can have a severe impact on those forced to pay a bill twice.
3. As mentioned in the previous section, the State has requested financial information from the District, specifically staff salary information. The EOCS D has yet to provide this information.

4. The Tulare County Environmental Health Services Division has been granted primacy by the California Department of Health Services and regulates the District's system. The division is responsible for the ensuring that the EOCS D complies with the Safe Drinking Water Act regulations. In order to accomplish this the division conducts the following analysis:

Analysis	Frequency
Bacteriological	Monthly
General Mineral & Physical	Every 3 years
Secondary Standards	Every 3 years
Organic Chemical	
Volatile Organic	Every 6 years
MTBE	Every 6 years
Inorganic Chemical	
Nitrate	Quarterly
Synthetic Organic	
Alachlor	Every 9 years
Atrazine	Every 9 years
DBCP & EDB	Every 3 years
Simizine	Every 9 years
Radiological	
Gross Alpha	Every 4 years
Lead & copper (point of use)	Annually

(Note: water samples are tested for Nitrates on an annual basis; however, the EOCS D continues to be in violation of Nitrate standards and must provide sample test results on a quarterly basis)

5. As previously mentioned, the State's Safe Drinking Water Act requires that a Consumer Confidence Report (CCR) be prepared and distributed to all customers before July 1 of the year after the year for which the report was prepared. The CCR defines the terms used in the report, list of common contaminants found in drinking water, tables listing raw sample test results followed by a brief description of common contaminant sources. Thee CCR; however, offers no explanation of what raw testing data means and fails to identify violations discovered during the subject year (the Nitrate level violations detailed above were not mentioned in any of the EOCS D CCRs on record).
6. The Tulare Environmental Health's Sanitary Survey Report found that the system is capable of providing reliable drinkable water and recommended that the EOCS D be issued a domestic water supply permit.
7. The EOCS D does not maintain a webpage.

8. The 2006-2007 Tulare County Grand Jury Report contained an investigation of EOCSD efficiency. The report concluded that the systems infrastructure was adequate and the service delivery is efficient. However, the mobile home that acts as the EOCSD office building was cited as inadequate and it was recommended that more seating be provided.

The District's inability to meet quorum makes it impossible for the District to make vital administrative, fiscal, personnel and purchasing decisions, some of which are necessary to address the serious issues facing district customers (e.g. follow-through on grant funding applications or examination of options available to address issues). This means that district customers essentially lack an official governing board who listens to their concerns and ideas and advocates on their behalf. As a result, it is determined that the District's current governing structure is inefficient and further compounds the District's chronic contamination issues, which has saddled district customers with an undue financial burden and put their health at risk.

Based on the numerous notices of violation citing failure to provide proof that customers were notified of contamination violations and the lack of detail in the District's annual CCR, it is further determined that District customers are not adequately informed of system contamination violations thereby increasing the risk to their health.

It is determined that the EOCSD must establish a website where basic information can be archived, such as meeting minutes, agendas, cancellation notices and also notices of violation. This will not only promote district transparency and accountability, but also minimize the health risk to customers by providing a means of informing them of contamination violations in a timely manner. The cost of creating and maintaining a webpage is a legitimate obstacle that must be considered. Financially strapped districts like the EOCSD; however, can work with districts in a similar situation to combine their resources and raise the funds necessary to create and maintain a very simple, no-frills webpage that will house basic information for each district such as minutes, agendas, notices of violation and cancellation notices. Alternatively, these districts can use their consolidated resources to pay another governmental agency (such as LAFCO or Tulare County) to house basic information for each district on their own website.

The District should also keep copies of all Environmental Health correspondences (notices of violation, compliance orders, etc.) and have them available for viewing at the District office, this way customers do not have to travel to Visalia to view these documents and are able to avoid the hassle of making a public records request. All efforts for transparency and customer education/noticing should take into account that large segment of the community that does not read or speak English. All documents and customer correspondences should be translated to Spanish whenever possible.

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

Recommendations:

The EOCSD is located in proximity to the Sultana CSD, Cutler PUD, Orosi PUD, the communities of Yettem and Seville (which possess their own wells and mutual water companies) and the Alta Irrigation District. The Alta ID is in the process of preparing a feasibility study examining the logistics and cost of providing treated surface water to the Cutler-Orosi area via area special district systems. The high concentration of special single-service districts makes consolidation logical and highly feasible.

Consolidation of the various districts would drastically increase the economies of scale of each, potentially reducing the rate charged to customers of the newly formed entity (386 EOCSD customers would join a pool of 15,000 to 20,000 customers). Consolidation would also expand the number of well sites available to all communities and Alta ID infrastructure could potentially be used to treat surface water, further expanding water supplies available to the region.

This approach is in line with USDA and California Department of Public Health efforts to encourage water system consolidation and with CSD Law. Section 61000 (7) (c) (2) of CSD Law states that in enacting this division, it is the intent of the Legislature to encourage formation commissions (LAFCOs) to use their MSR, SOIs and boundary powers where feasible and appropriate, to combine special districts that serve overlapping or adjacent territory into multifunction services districts.

As mentioned in the informational section preceding these reports, MSR recommendations are not binding, but are rather intended to initiate a conversation about how best to approach the various challenges and discrepancies identified in the MSR. Recommendations are general in nature; detailed action plans will result from more focused feasibility studies or other planning documents.

Therefore, based on the data and determinations detailed above, the following general recommendations are provided:

- Consolidation should be examined. Some analysis is already being conducted by the Alta ID as part of their treated surface water feasibility study. Also, the Cutler PUD provides sewer service to the Sultana CSD, East Orosi CSD, and Orosi PUDs through a JPA agreement. This agreement can provide a framework for how consolidation could be implemented.
- Amending the current JPA to include water service should also be examined as an alternative to consolidation.
- Either approach should begin by conducting stakeholder meetings and workshops facilitated by Tulare LAFCO. Stakeholders include, but are not limited to, district board members and management, citizens groups, Tulare County Community Development Department and non-profit organizations such as Self-Help Enterprises Inc.

- Depending on the general consensus reached during stakeholder meetings, conduct a feasibility study that not only examines financial feasibility, but also infrastructural and governance hurdles.
- The goals of any approach must include system efficiency, improved water quality, long term viability and given the communities low-income condition, affordable water rates charged to customers must also be a prominent goal of the process.

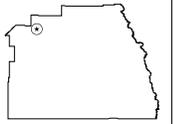
One of the major obstacles to consolidation is the governance structure of the resulting entity; in particular, existing governing boards fear that the interests of their respective constituencies will no longer be advanced with the same vigor and empathy as before. This issue cannot be adequately addressed within the parameters of an MSR; however, it should be noted that Section 61030 (a) of the CSD law allows LAFCO to increase the number of members to serve on the initial board of directors of the resulting entity from 5 to 7, 9 or 11. Terms to be served by the new board of directors can also be set by LAFCO in accordance with Section 56886 (n). The expanded board of directors can be elected by division, with division boundaries being drawn according to community boundaries to ensure that customers of existing districts continue to have adequate representation on the new board.

East Orosi

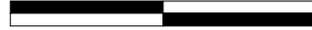
Community Services District

(as of 3/1/2007)

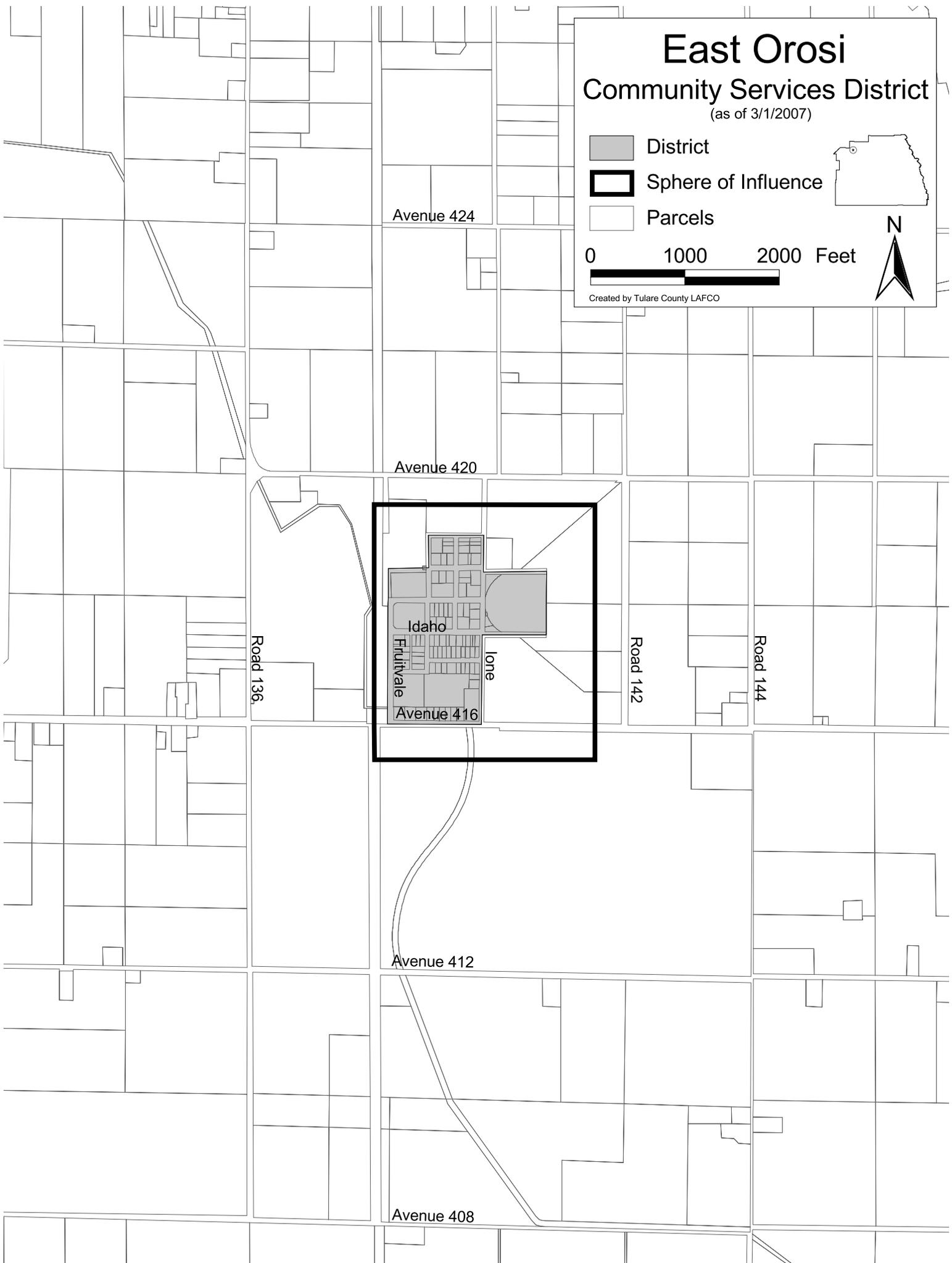
-  District
-  Sphere of Influence
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Patterson Tract Community Services District Municipal Services Review

The Patterson Tract CSD (PTCSD) Municipal Service Review report was prepared pursuant to Section 56430. The report begins by providing district background information and then summarizes data collected and analyzed for the purpose of supporting written statements of determination with respect to each of the following: 1) Growth and population projections for the affected area; 2) Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies; 3) Financial ability of agencies to provide services; 4) Status of, and opportunities for, shared facilities; 5) Accountability for community service needs, including governmental structure and operational efficiencies; 6) Any other matter related to effective or efficient service delivery, as required by commission policy. Data was provided by the Tulare County Environmental Health Division (Environmental Health), Community Water Center (CWC), Self-Help Enterprises and Tulare County Community Development Department. Visalia Times Delta and Fresno Bee articles as well as Tulare County Grand Jury (Grand Jury) reports were also reviewed for pertinent information. A thorough review of stated responsibilities to be effected, procedures followed and legislative intent specified in the CSD Law was also conducted. An informational survey was mailed to the PTCSD on three separate occasions, no response has been received. The MSR report format used in the Group 1,2 and 3 MSR reports has been changed to reflect the amendments to CKH Section 56430 as a result of AB 1744 (Ch. 244, Stats 2007).

Background

The PTCSD is located approximately .75 miles northeast of the City of Visalia. The District's jurisdictional boundaries encompass a 78 acre area. Its Sphere of Influence is coterminous to with its jurisdictional boundaries and was established in 1998. The District was formed in 1962 and is bounded by Avenue 324 to the south, Avenue 328 to the north, Road 124 on the west and its eastern boundary is approximately 200 meters west of Road 127. The District's community water system is regulated by Tulare Environmental Health, which has been granted primacy by the California Department of Public Health and is responsible for enforcement and administration of the Safe Drinking Water Act for systems within Tulare County with fewer than 200 connections.

As mentioned above, the PTCSD was formed in 1966. According to Board of Supervisors Resolution 62-165, at the time of formation the PTCSD was authorized to provide water for domestic use only. The PTCSD was providing this service prior to January 1, 2006. Therefore, the District has no latent power whose activation is subject to LAFCO Commission approval or disapproval.

Written Determinations

1) Growth and Population Projections

1. The most recent PTCSD Sanitary Survey Report, prepared in June of 2006 by Tulare Environmental Health, indicates that the District's water system serves approximately 144 connections, 137 residential and 7 commercial.

2. According to the 2010 U.S. Census, the Patterson Tract community has a population of 1,752 persons. The PTCSD; however, only encompasses a little less than half of the entire Patterson Tract. According to the 2006 Environmental Health Sanitary Survey, the total population being served by the PTCSD is approximately 550 persons. Using 2000 U.S. Census estimates, LAFCO's City and Special Districts Inventory estimated the District's population to be approximately 710 persons in 2000. This doesn't necessarily indicate a decline in PTCSD population. District boundaries only cover a portion of a single, undivided housing Tract, making population estimates subject to disparity depending on the method used. Since no new annexations have been approved and no new housing units have been added to the Tract, it is safe to say the Tract's population remains largely the same and is somewhere between 550 and 710 persons.
3. According the Tulare County planning department there are no permits currently issued for construction of new dwelling units or expansion of existing residential developments within the District boundaries.

Based on the absence of building permits issued for construction of new dwelling units or expansion of existing residential developments within district boundaries, the fact that the District has not proposed an annexation since its formation, an SOI (20-year growth boundary) that does not extend beyond the District's current boundaries and the limited capacity of the District's community water system, it can be logically determined that the District's population will remain at substantially the same level for the next 5 years (next MSR update is scheduled to be conducted in 2016).

Unlike other Group 4 CSDs, no information is available regarding PTCSD average household income. Therefore, it is unknown how the size of the District's customer pool and income of its customer base restrict, if at all, the District's ability to generate the revenue necessary to fund general maintenance and operation of the system, address unexpected costs and fund scheduled capital projects (e.g. replacement of pipes and conveyances).

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

1. The PTCSD community water system consists of (2) wells, each drilled to a depth of 255'. Each well is equipped with an oil lubricated turbine pump that pumps water through a single check valve and into a single 5,000 gallon storage tank that sends water supplies out to distribution. The water system's distribution system consists of 8" mains and 3/4" and 1 and 1/4" laterals and PVC construction. The Kaweah River Sub-Basin is the primary source of water for this system.
2. The water system contains no treatment method.
3. There are no records of recent infrastructure or facility upgrades.

4. Records indicate that notices of violation for high levels of Coliform bacteria (samples tested on a monthly basis) were provided to the District in January of 2011 (samples extracted in December 2010) and September of 2010 (for samples extracted in August 2010). Subsequent documentation indicates that notice of these violations was provided to district customer. In regard to the August 2010 sample violation, records indicate that the problem was addressed by chlorinating system water and as a result, repeat samples tested negative for bacterial contamination. It should be noted that a Chlorinator was not installed.
5. The 2009, 2008 and 2007 Consumer Confidence Report (CCR), which summarizes system monitoring results and the system's condition and is required to be distributed on an annual basis to system customer, indicated that the system was free of bacterial contamination each of those years.
6. The California Health and Safety Code sets the Nitrate maximum contaminant level (MCL) at 45 parts per million (ppm). Whenever sample results produce Nitrate levels at half the MCL (22.5 ppm) quarterly testing must be conducted by the District and notice of violation must be provided to customer on a quarterly basis for as long as the violation continues. The 2006, 2008 and 2009 CCRs indicate that district well samples tested had Nitrate levels well below 45 ppm. However, the CCR for 2007 shows that samples tested contained Nitrate levels at 98 ppm, more than double the MCL allowed by law. There is no record of quarterly sample test results or customer notification that should have been triggered by this violation. A notice of violation was also issued to the District for not providing proof that the 2007 CCR was distributed to customer.
7. Records show that the PTCSD failed to provide annual sample results for Nitrate testing for 2009, 2008 and 2007.
8. The District was sent a notice of violation by Environmental Health in March of 2008 and September of 2009 for not having a certified operator on staff. A response letter from the PTCSD advises Environmental Health that a district employee obtained certification soon after the 2008 notice and that all pertinent documentation was forwarded. The letter goes on to request that fees associated with the 2009 notice of violation be removed from the District's account.

Although samples tested in 2007 were found to have an extraordinarily high level of Nitrates (98 ppm), subsequent CCRs show that system sample test results have remained well below the MCL for Nitrates since 2007. Based on the limited amount of information available, it is determined that the PTCSD system is performing at an adequate level and that infrastructure is in adequate condition. Aside from sporadic bacteriological contamination (E. Coli and Coliform) that has been addressed in a timely manner, it is determined that the quality of the water produced by the system is also adequate. Failure to inform customer of Nitrate violations will be addressed in section 5 of this report.

3) Financial Ability of the Agency to Provide Services

1. The PTCSD receives its revenue solely from the sale of water to customers. Customers are charged \$17.50 for the first 14,000 gallons used, .25 cents is charged for every 1,000 gallons used above 14,000.
2. Construction of the water system was funded by a bond measure approved by district customers in 1966. The debt was paid off in 2004. There doesn't seem to be any other assessment levied on property owners.
3. The State Controller's 2010 Annual Special Districts Report indicates that for FY 2007-2008 the PTCSD reported \$42,604 in revenues, \$35,769 in expenditures and no debt.
4. The District staffs two part-time employees, a maintenance man and a general manger/district secretary that oversees the day to day operations of the District.
5. Several requests were submitted by Tulare LAFCO to SCSD management for district financial information. None of the requests were answered. Similarly, the SCSD has not submitted district staff salary information to the State Controller's office.

No evidence was found that the District has ever been in a fiscal crisis that forced it to depend on outside funding sources. Furthermore, according to the most recent budget information available, the District is operating at a profit and although small, excess revenues can be applied toward building a healthy reserve fund that can be used to upgrade system infrastructure. It is determined that the PTCSD is in stable financial condition and the fact that it is operating at a positive profit margin strengthens its ability to continue providing service well into the future.

4) Status of, and Opportunities for, Shared Facilities

1. The PTCSD's public water system infrastructure and facilities are not shared with any other entity, public or private.
2. As mentioned in the background section, the PTCSD is within $\frac{3}{4}$ of a mile from the City of Visalia. The California Water Company (Cal Water) provides water to Visalia residents. Further analysis is needed regarding the feasibility of city/district sharing of water infrastructure, but the District is located close enough to the City that a merger of the District's smaller water system with that of the city's would be a logical consideration if district infrastructure were to become damaged beyond repair or water supplies be contaminated or compromised.

It is determined that as the City of Visalia continues to grow northward, issues such as environmental justice and the potential for shared facilities will become increasingly important

for the Commission to address in context of change of organization proposals and environmental documents for general plan updates and amendments.

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

1. The PTCSD has a 5-member board of directors. Board members are elected at-large. Board meetings are held on the second Tuesday of each month at 7:00 PM and meetings rotate between the homes of the various directors.
2. The State Controller’s Office has requested financial information, specifically staff salary information, from the District, which has yet to be submitted.
3. The Tulare County Environmental Health Services Division has been granted primacy by the California Department of Health Services and regulates the District’s system. The division is responsible for the ensuring that the PTCSD complies with the Safe Drinking Water Act regulations. In order to accomplish this, the division conducts the following analysis:

Analysis	Frequency
Bacteriological	Monthly
General Mineral & Physical	Every 3 years
Secondary Standards	Every 3 years
Organic Chemical	
Volatile Organic	Every 6 years
MTBE	Every 6 years
Inorganic Chemical	
Nitrate	Well (3) annually & Well (2) Quarterly
Synthetic Organic	
Alachlor	Every 9 years
Atrazine	Every 9 years
DBCP & EDB	Every 3 years
Simizine	Every 9 years
Radiological	
Gross Alpha	Every 4 years
Lead & copper (point of use)	Annually

4. As previously mentioned, the State’s Safe Drinking Water Act requires that a Consumer Confidence Report (CCR) be prepared and distributed to all cutomers before July 1 of the year following the year for which the report is prepared. In addition to sample test results, the CCR also details the effects of drinking

contaminated water, the effect of common contaminants and instructions on what to do in case of illness or poisoning due to consumption of contaminants. The CCR for 2007 shows that samples tested contained Nitrate levels at 98 ppm, more than double the MCL allowed by law. There is no record of quarterly sample test results or customer notification that should have been triggered by this violation. A notice of violation was also issued to the District for not providing proof that the 2007 CCR was distributed to customers.

5. Records show that the PTCS D failed to provide annual sample results for Nitrate testing for 2009, 2008 and 2007.
6. The Tulare County Environmental Health Department's Sanitary Survey Report found that the system is capable of providing reliable drinkable water and recommended that the SCSD be issued a domestic water supply permit. This permit was issued in 2006.
7. The PTCS D does not maintain a webpage.

It is determined that holding meetings at the homes of the various board members cannot possibly accommodate maximum public participation for a 550-710 person district. It is further determined that meetings should take place at a public forum, not in the private home of a public representative, as this could prove intimidating and unwelcoming to many customers. Due to its proximity to the City of Visalia, the District should explore holding meetings at public a facility owned by the city or at a county owned facility located in Visalia in exchange for a discounted fee.

In addition, the fact that customers were not notified of the District's 2007 Nitrate violation, no evidence of quarterly tests and the failure to distribute the 2007 CCR to customers indicate that the District must improve the way in which it communicates with district customers. It is determined that the PTCS D should establish a website where basic information can be archived, such as meeting minutes, agendas, cancellation notices and also notices of violation. This will not only promote district transparency and accountability, but also minimize the health risk to customers by providing a means of informing them of contamination violations in a timely manner. The cost of creating and maintaining a webpage is a legitimate obstacle that must be considered. Financially strapped districts like the PTCS D; however, can work with districts in a similar situation to combine their resources and raise the funds necessary to create and maintain a very simple, no-frills webpage that will house basic information for each district such as minutes, agendas, notices of violation and cancellation notices. Alternatively, these districts can use their consolidated resources to pay another governmental agency (such as LAFCO or Tulare County) to house basic information for each district on their own website.

The District should also keep copies of all Environmental Health correspondences (notices of violation, compliance orders, etc.) and have them available for viewing at the District office, this way customers do not have to travel to Visalia to view these documents and are able to avoid the hassle of making a public records request. All efforts for transparency and customer education/noticing should take into account that large segment of the community that does not

read or speak English. All documents and customer correspondences should be translated to Spanish whenever possible.

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

Recommendations:

The PTCSD seems to be in far better condition than other Group 4 CSDs, both in terms of infrastructure and financially. It is recommended that the PTCSD search for a feasible and cost effective alternative venue in which to hold public meetings. The venue should also be accessible to all district customers.

As the City grows closer to the Patterson Tract, environmental justice, the potential for shared facilities and other issues pursuant to GC section 56668, et al and Commission policy will need to be addressed. This recommendation includes providing comment on General Plan and change of organization environmental documents pursuant to PRC section 21153, et al.

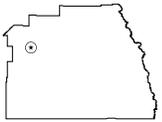
Avenue 336

Patterson Tract

Community Services District

(as of 3/1/2007)

-  District
-  Sphere of Influence
-  Parcels



0 1000 2000 Feet

Created by Tulare County LAFCO



Avenue 328

Road 124

Lincoln

Grandview

Road 127

Road 132

Avenue 326

Avenue 324

CA-63

Avenue 322

Avenue 320

Marlin

River Way

Ponderosa Community Services District Municipal Services Review

This section provides an overview of the determinations of the Ponderosa Community Services District (PCSD) 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 determinations with respect to each of the following: 1) Growth and population projections for the affected area; 2) Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies; 3) Financial ability of agencies to provide services; 4) Status of, and opportunities for, shared facilities; 5) Accountability for community service needs, including governmental structure and operational efficiencies; 6) Any other matter related to effective or efficient service delivery, as required by commission policy. These requirements are established by Section 56430 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH). The following determinations were largely derived from a questionnaire submitted by the PCSD in 2007. CKH Section 56430 has since been amended by AB 1744 (Ch. 244, Stats 2007). The MSR format used in the Group 1 and 2 MSR's has been revised to reflect the new requirements of CKH 56430 as amended.

Background

The Ponderosa Community Services District provides snow-removal service to a 252-acre area located in the Tulare County foothills, 23 miles northwest of the community of Springville. The area is located 7200 feet above sea level. The PCSD also owns, operates, and maintains the water system used by residents of the Ponderosa subdivision. The PCSD was formed on November 16, 1977 through the adoption of LAFCO Resolution 77-99 (LAFCO Case 640).

Board of Supervisors Resolution 77-3560 authorizes the District to collect and remove storm water by snow removal; no additional latent powers were afforded (District operation of a water system will be addressed later)

Written Determinations

1) Growth and Population Projections

1. According to district estimates, the PCSD's full-time population in 2007 was 22 persons. Ponderosa is a Census Designated Place whose boundaries may vary from PCSD boundaries. The 2010 U.S. Census estimates Ponderosa's population to be 16 persons. According to the District, approximately half of its full-time residents are retirees. In addition, the District estimates that an additional 30 residents live within district boundaries during the summer months, most of which are Forest Service employees.
2. The district estimates that two to four new cabins are constructed within district boundaries each year. There were 2 new cabins constructed in 2008.

The area within the PCSD accommodates a population comprised predominantly of retirees and seasonal federal employees; thus, the District's population experiences virtually no change.

Based on the District's demographics, its isolated location and the slow rate of development caused by the economic downturn it is determined that the District's population will remain substantially the same well into the future.

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

1. The PCSD defines a snow removal customer as any owner of an assessed parcel located within district boundaries. Water service customers are defined as property owners with a water system connection on site. The PCSD indicates that it has 329 snow-removal customers and 134 water customers.
2. The District operated water system has a current capacity of 80,000 gallons per day. The systems actual flows are 30,000 gallons per day.
3. The PCSD owns one 1 office building, located in the Community of Springville, three 3 well sites (4 wells total) and a single water storage tank.
4. In their 2007 MSR questionnaire the District cited a lack of water storage capacity as an infrastructure inadequacy. The District recently converted one of their well sites from a pressure tank to a water storage tank. This added an additional 10,000 gallons of water storage capacity to the PCSD water system. Another storage tank has been added but is not in use due to cleaning and repair procedures.
5. The District does not prepare population and service demand estimates. However, the District does prepare a strategic long-range planning document. Planning document outline various service provision components, such as setting of rates and grant preparation, and identifies the PCSD employee responsible for preparation of periodic reports regarding each component. (*Copy of the strategic long-range planning document is available upon request*).
6. The District annually allocates \$10,000 for acquiring new or replacing existing capital equipment.
7. The PCSD sub-contracts its snow removal service to a private company.
8. Snow removal service is triggers once snowfall reaches 4 inches. Snow is removed only from public streets within the Ponderosa Subdivision. The District tracks the date of first snowfall each year. According to district records, the season's first snowfall can occur as early as October and as late as December. Domestic water service is provided throughout.
9. Snowfall data collected from 1997 through 2008 indicates that the average annual snowfall is approximately 15 feet. The high for this 12-year period is 34 feet in 1997 and the low is 11 feet in 2002 and 2006.

10. The PCSD's water manager is responsible for operation and maintenance of the water system as well as submitting all required samples for testing. Water service is provided once a property owner installs the appropriate infrastructure and the connection is activated. A one time connection fee is paid to the District. The property owner is then charged an annual assessment fee.
11. Capital improvement projects are funded using revenues collected via the one time connection fee.

Because the PCSD provides snow removal service by contract with a private company it is only responsible for maintenance of the water system infrastructure. Based on average annual snowfall data, the amount of annual snowfall remains consistent, indicating that unexpected increases in demand for service do not occur often. Water system capacity versus actual flows demonstrates that the system has adequate capacity to meet current demand and accommodate unexpected increases in demand water service demand.

The PCSD has demonstrated vigilance of infrastructure inadequacies and has taken appropriate and timely steps to address them. The District's long-range planning document ensures accountability in regard to key service and infrastructure components through frequent review. According to the Tulare County Environmental Health Division, which has been granted primacy over the PCSD system by the California Department of Public Health, the District is currently meeting all regulatory standards and no contaminant violations have been found. It is determined that the District's system capacity and infrastructure is adequate to meet both current service demand and future demand for service.

3) Financial Ability of the Agency to Provide Services

1. The District's fiscal year begins on July 1st of each year. Water and snow removal service rates are flat rate assessments. Only properties with active connections are charged an assessment for water service, while all property owners owning land within district boundaries are charged a snow removal assessment. The District also charges a one-time fee for water system connection. As previously mentioned, connection fee revenues are used to fund capital projects. During FY 2007-2008 the PCSD levied an assessment on 329 parcels, generating \$70,884 in total snow removal assessment revenues (the charge is levied without regard to property valuation). In FY 2007-2008 the PCSD levied a water service assessment on 134 properties containing active water system connections. Water assessment charges totaled \$58,790.
2. The District began the 2007-2008 FY with a total of \$6,971 in cash available. The District reported earning \$500 in revenue from investment interest and \$11,971 in other revenues for a total of \$12,471 in total miscellaneous revenues.

3. For FY 2007-2008 the District reported \$12,471 in total expenditures. This includes \$2,071 in building improvement expenditures and \$10,400 in equipment purchasing and maintenance expenditures.
4. Water rates are based on a review of the Consumer Price Index prepared by the Bureau of Labor Statistics. Snow removal assessment rates are based on data reported in the annual Los Angeles Engineering New Record cost index.
5. Through voter approval of Measure J, the PCSD Board of Directors can annually increase the assessment fee schedule for snow removal if it is determined that an increase is necessary. The increase shall not exceed the cost increase reported in the June edition of the Construction Cost Index of the Los Angeles Engineering New Record.
6. The water assessment rate schedule is reviewed on an annual basis. Any increase shall not exceed the annual cost of living increase as determined by the national Consumer Price Index.

From the information available the District has appropriate mechanisms in place that ensure funding is available to accommodate a sudden service demand increase or to fund both unexpected and scheduled capital expenditures. The District's annual review of appropriate indices and the rate increase flexibility allowed by passage of Measure J allow the PCSD Board to adjust service rates as needed in order to continue efficient service provision by avoiding funding shortfalls.

4) Status of, and Opportunities for, Shared Facilities

1. The PCSD does not belong to any JPA and does not coordinate with any other governmental agency in order to provide services. Furthermore, the District is the only provider of snow removal and potable water service in the isolated Ponderosa area.

Based on the limited amount of services provided by the District and the community's isolated location, no feasible opportunity for shared facilities can be identified.

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

1. The PCSD has a 5-member board of directors. Board members are elected at large. Regular Board meetings are held on the second Thursday of each month at 9:00 AM at the District building located in Springville. Meeting Agendas and previous meeting minutes are posted on the community mail building bulletin board. PCSD board vacancies and board election announcements are also posted on the bulletin board and are additionally published in the local newspaper.

2. As previously mentioned, the Tulare County Environmental Health Division monitors water quality for the PCSD system. The California Department of Public Health establishes drinking water quality regulations. Monitoring results for all California water systems, including the PCSD, are published in the annual California Consumer Confidence Report (CCR). A copy of the CCR must be provided to each district customer on an annual basis.
3. In regard to snow removal, as winter approaches the PCSD provides a letter to district property owners reminding them to park their vehicles so as to allow snow removal equipment to operate. The letter also offers tips on how to winterize cabins to avoid damage to system infrastructure. The letter additionally contains information about PCSD board meetings and district contact information.
4. The District has 3 employees that receive a monthly salary:
 - Water Manager- this position must be Water Distribution Grade 1 Certified by the State of California and is required to take part in continual education and training.
 - District Manager/Office Manger/Secretary to the Board- one person fills all three positions.
 - Finance Manger or BookkeeperHourly labor is hired when necessary.
5. In addition to this Municipal Service Review, operation of the PCSD water system is also subject to review by the Tulare County Environmental Health Services Division, which is responsible for enforcing several federal and state water regulations, including the Safe Drinking Water Act.
6. District staff has expressed concern over the small number of candidates seeking election to vacant board seats. In 2008, only two individuals sought election to two vacant board seats. The two individuals were appointed in lieu of election because no other individuals sought to fill the vacant seats. The individuals appointed are married and two of the other three board members are also married. District staff has expressed concern about conflict of interest issues that could arise as a result of this type of board composition. LAFCO has determined that there is no current law explicitly prohibiting a married couple or multiple married couples from serving on a community services district's governing body at once. Closer examination of the PCSD bylaws is needed in order to conclusively determine that the current board composition is in compliance with all district regulations.

The PCSD serves a limited area and a small number of customers; thus, posting meeting agendas, meeting minutes and district contact information at a frequented local establishment and publishing notices in the local paper provides for adequate notice to district customers. The annual letter sent out to both water and snow removal customers and CCR further keep district

customers informed. Basing rates on independent indices that are readily available promotes transparency and accountability. Service itself is adequately regulated by Tulare Environmental Health, while LAFCO's district MSR provides for additional accountability of district service quality and efficiency. It is determined that there are adequate mechanisms in place to ensure district accountability and efficiency; however, the District's current governmental structure requires further examination to ensure that the interests of district customers are adequately being considered.

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

Recommendations:

Authority, either active or latent, to provide potable water service is not listed in the District's enacting resolutions. LAFCO should determine when the District began providing this service. If service was not being provided prior to January 1, 2006, the PCSD must seek authorization from LAFCO to provide potable water service in accordance with Section 56824.10.

Ponderosa

Community Services District

(as of 3/1/2007)

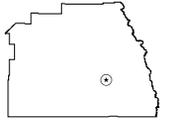


District

No Adopted Sphere



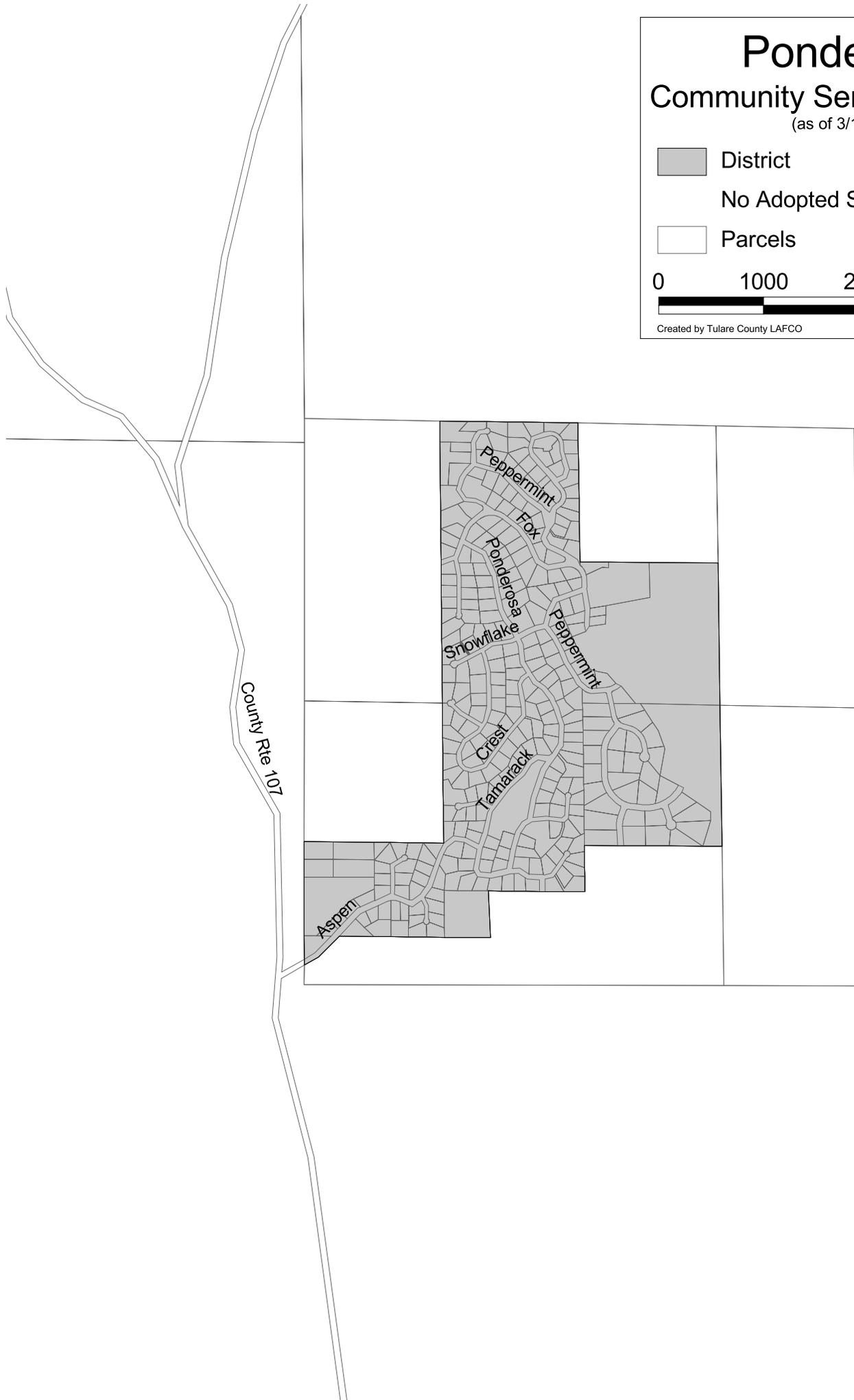
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Created by Tulare County LAFCO



Sultana Community Services District Municipal Services Review

The Sultana CSD (SCSD) Municipal Service Review report was prepared pursuant to Section 56430. The report begins by providing district background information and then summarizes data collected and analyzed for the purpose of supporting written statements of determination with respect to each of the following: 1) Growth and population projections for the affected area; 2) Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies; 3) Financial ability of agencies to provide services; 4) Status of, and opportunities for, shared facilities; 5) Accountability for community service needs, including governmental structure and operational efficiencies; 6) Any other matter related to effective or efficient service delivery, as required by commission policy. Data was provided by the Tulare County Environmental Health Division (Environmental Health), Community Water Center (CWC), Self-Help Enterprises and Tulare County Community Development Department. Visalia Times Delta and Fresno Bee articles as well as Tulare County Grand Jury (Grand Jury) reports were also reviewed for pertinent information. A thorough review of stated responsibilities to be effected, procedures followed and legislative intent specified in the CSD Law was also conducted. An informational survey was mailed to the SCSD on three separate occasions, no response has been received. The MSR report format used in the Group 1,2 and 3 MSR reports has been changed to reflect the amendments to CKH Section 56430 as a result of AB 1744 (Ch. 244, Stats 2007).

Background

The SCSD is located approximately 5 miles east of the City of Dinuba and approximately 4 miles west of the unincorporated community of Orosi. The District is bisected by Avenue 416, and is located east of Road 100, west of Road 112, south of Avenue 424 and is bounded by Avenue 412 to the south. The District boundaries encompass a 317-acre area. A Sphere of Influence (SOI) has not yet been established for the SCSD. The District currently provides domestic water and sewer service is provided under contract with the Cutler Public Utilities District (PUD). The Cutler PUD also provides service to Orosi PUD and East Orosi CSD customers and the CSA No. 1 Yettum and Seville Zones of Benefit. The District's 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 systems in Tulare County with fewer than 200 connections.

The District was formed in 1977 (LAFCO Resolution 77-06, LAFCO Case 579). According to BOS Resolution 76-3480, at the time of its formation, the SCSD was authorized to provide the following services:

- Water for several uses included domestic use, irrigation, sanitation, industrial use, fire protection and recreation
- Sewage collection, treatment and disposal
- Collection of storm water
- Solid Waste
- Equipping and maintenance of police a department

The District was providing water and sewer service only prior to January 1, 2006; thus, the solid waste, collection of storm water and equipping and maintenance of a police department are SCSD's latent power whose activation is subject to LAFCO Commission approval or disapproval.

Written Determinations

1) Growth and Population Projections

1. The most recent SCSD water system Sanitary Survey Report (SSR), dated March 21, 2006, indicates that the District's water system serves approximately 150 residential connections, 2 retail connections with food service, a convenience store, post office and at least 3 packing houses.
2. According to the 2010 U.S. Census, the community of Sultana has a population of 775 persons. The 2000 U.S. Census estimated the District's population to be 525 persons indicating that the District experienced a 4.7 % population growth rate over the last 10 years.
3. According the Tulare County planning department there are no permits currently issued for construction of new dwelling units or addition of units to already existing developments within the District's boundaries.

Based on the absence of building permits issued for construction of new dwelling units or expansion of existing residential developments within District boundaries, the fact that the District has not proposed an annexation since its formation, the lack of an SOI (20-year growth boundary) and the limited capacity of the District's community water system, it can be logically determined that the District's population will remain at substantially the same level for the next 5 years (next MSR update is scheduled to be conducted in 2016).

Despite the robust 4.7% population growth rate experienced over the last Census period, the District's pool of customers will remain small. There is no information available regarding PTCSD customer average household income. Therefore, it is unknown how the size of the District's customer pool coupled with the income of its customer base will restrict, if at all, the District's ability to generate the revenue necessary to fund general maintenance and operation of the system, address unexpected costs and fund scheduled capital projects (e.g. replacement of pipes and conveyances).

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

1. The SCSD community water system consists of (2) wells: Well No. 3 (Main Primary) and Well No. 2 (South Back-up) and Well No. 3 (North Emergency).

2. Wells No. 3 (Main) is drilled to a depth of 430', is equipped with a 60 hp turbine pipe that funnels water through a single check valve and into a 5500 gallon steel pressure storage tank. Well No. 3 (Main) is also equipped with a back-up propane engine in case of power failure. Well No. 2 (South Back-up) is drilled to a depth of 358' and contains a 75 Hp turbine pump that also funnels water through a single check valve and into a 5500 gallon storage tank and then on to distribution.
3. Well No. 3 (Main) is equipped with a Chlor-tec chlorine generator system that injects chlorine into the system as water is funneled through the check valve into the storage tank.
4. Well No. 2 (South) has not been used for approximately 8 years, but can be put into service at any time if Well No. 3 (Main) ever becomes contaminated or compromised.
5. Over the last 7 years, at least 2 other wells have been abandoned due to contamination (contaminants unknown).
6. Nitrates can be associated with septic systems, agricultural use of fertilizers and concentrated animal facilities. At least two dairies are located within the District's boundaries and the District is surrounded by agricultural uses, making the system vulnerable to high Nitrate levels. The District's 2009 Consumer Confidence Report (CCR) reiterates that leaks in the distribution plumbing, the presence of underground petroleum tanks, known contamination plumes, agricultural activity and sewer and drainage lines are the primary threats to Well No. 3 (Main) and Well No. 2. The 2009 CCR further indicates that the Sultana area has a history of DBCP contamination, a pesticide banned in the 1970s, but that the most recent sample test results for DBCP were non-detect.
7. In order to protect the system from vulnerabilities, the latest CCR indicates that the well system should be kept clean and free of weeds and debris to prevent contamination. The report further directs that cement surface seals need to be checked for cracks and immediately repaired or sealed if needed.
8. Sample test results for Nitrates are to be submitted each year. If a well sample is found to have at least 50% of the maximum contaminate level (MCL) allowed, which is 45 parts per million (ppm), the District must submit quarterly test results until the issue is resolved. The District must also provide notice of the violation to customer on a quarterly basis and proof of this notice must be submitted to Environmental Health, also on a quarterly basis. The District was notified that Well No. 2 samples exceeded the 50% threshold in 2006 and 2007. Proof of customer notification for these violations were not found in the District's Environmental Health file. The record shows that annual Nitrate testing results were not submitted for the year 2005. The 2009 CCR indicates that test samples showed Nitrate levels well below the 50% threshold.
9. The County's Environmental Health Department provided notice of violation to the District for exceeding total Coliform MCL on 5 separate occasions in the last 5 years

(bacteriological samples are tested on a monthly basis). No evidence was found in the District's Environmental Health file indicating whether a notice of this violation was mailed to district customers as required by law.

Based on the information available, the system's well, storage, and distribution apparatus are reliable and not in need of major repair, only standard maintenance as suggested in the District's 2009 CCR. The water provided seems to be of good quality with minimal contamination, especially when compared to similar size districts surrounded by similar land uses.

It is also determined; however, that based on the dairy operations within district boundaries and the agricultural uses that surround it, the system is highly vulnerable to contamination, in particular Nitrates. This is evidenced by the number of district wells that have been abandoned over the last 7 years due to contamination. Although the District can rely on Well No. 2 if Well No. 3 (Main) is forced offline, as more wells are abandoned, the number of feasible well sites diminishes. In the future, this could put district customers in a situation where they must rely on bottled water for consumption and boiled water for all other uses while the prolonged process of securing a new well site takes place. Accordingly, the SCSD must consider long-term solutions that will expand water supplies available to the District.

3) Financial Ability of the Agency to Provide Services

1. The SCSD revenue comes from the following sources: User fees of approximately \$23.45 per month and connection fees, \$1,000 for new systems and \$500 for existing systems.
2. The State Controller's 2010 Annual Special Districts Report indicates that for FY 2007-2008 the SCSD reported \$61,664 in revenues, \$84,404 in expenditures and \$76,721 in debts.
3. There doesn't seem to be any assessment levied on property owners in the District.
4. According to the 2006-2007 Tulare County Grand Jury Report, the District has a single part-time paid employee who acts as district manager/secretary and tends to the District's day-to-day business.
5. Several requests were submitted by Tulare LAFCO to SCSD management for district financial information. None of the requests were answered. Similarly, the SCSD has not submitted district staff salary information to the State Controller's office.

The District charges a reasonable user fee rate, especially considering the District's low economies of scale. Other districts with a similar size pool of customers charge up to \$75 per month. An income survey has not been conducted for the community served by this district, but it can be reasonably assumed that the median household income for the community of Sultana is similar to that of other communities with similar population demographics and primary industry,

such as Ducor and Allensworth with median household incomes of \$23,000 and \$22,000 respectively.

The community's high concentration of poverty and marginal economies of scale force it to rely on outside funding sources in order to address frequent contamination and replacement of wells. Furthermore, as evidenced by the \$22,740 net income loss and large amount of debt reported in FY 2007-2008, much of the funding the District is able to procure will be used for basic maintenance and operation of the system rather than necessary improvements. Thus, it is determined that the system's current financial ability to provide potable water to its customers is extremely delicate while its ability to provide service in the long-term is in question. It is further determined that the District must take steps now in order to ensure that the quality of water received by district customers in the future improves and that service provision itself continues. Consolidation of the various districts in the Cutler-Orosi area can address the issues that plague the SCSD water system by increasing its economies of scale and expanding the water supplies available to the District (this alternative is discussed in more detail below). The current approach will drive the District further into debt by forcing it to continue the costly process of replacing contaminated wells until no viable site can be secured at which point water will have to be pumped from greater depths, which is also costly.

4) Status of, and Opportunities for, Shared Facilities

1. The SCSD's public water system infrastructure and facilities are not shared with any other entity, public or private.
2. As previously mentioned, sewer service is provided by the Cutler PUD via contract with the SCSD.
3. Monthly SCSD board meetings are held at the Monson-Sultana School office.
4. The SCSD is located within proximity to the Cutler PUD, Orosi CSD, East Orosi CSD and wells serving the communities of Yettem and Seville. This creates an ideal and feasible situation for the sharing of infrastructure and facilities.

The high concentration of special districts in the Sultana and Cutler-Orosi area and the fact that the SCSD is already working with one of the Districts to provide sewer service to its customers make consolidation of the various districts a logical and feasible option. As a result of consolidation, the Sultana CSD customers would become part of a 20,000-person pool of customer. The increased economies of scale would give the resulting entity greater revenue generating potential and possibly reduce the current rate paid by SCSD customers. It is determined that consolidation should be examined.

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

1. The SCSD has a 5-member board of directors. Board members are elected at-large. Board meetings are held on the first Thursday of each month at 6:00 PM in the Monson-Sultana School office. Meeting agendas are posted at the Sultana post office and made available at the meeting.
2. The State Controller’s Office has requested financial information from the District, specifically district staff salary information, which has yet to be submitted despite the threat of fine.
3. The Tulare County Environmental Health Services Division has been granted primacy by the California Department of Health Services and regulates the District’s system. The division is responsible for the ensuring that the SCSD complies with the Safe Drinking Water Act regulations. In order to accomplish this, the division conducts the following analysis:

Analysis	Frequency
Bacteriological	Monthly
General Mineral & Physical	Every 3 years
Secondary Standards	Every 3 years
Organic Chemical	
Volatile Organic	Every 6 years
MTBE	Every 6 years
Inorganic Chemical	
Nitrate	Well (3) annually & Well (2) Quarterly
Synthetic Organic	
Alachlor	Every 9 years
Atrazine	Every 9 years
DBCP & EDB	Every 3 years
Simazine	Every 9 years
Radiological	
Gross Alpha	Every 4 years
Lead & copper (point of use)	Annually

4. As previously mentioned, the State’s Safe Drinking Water Act requires that a Consumer Confidence Report (CCR) be prepared and distributed to all customers before July 1 the year following the year for which the report was prepared. In addition to sample test results, the CCR also details the effects of drinking contaminated water, the effect of common contaminants and instructions on what to do in case of illness or poisoning due to consumption of contaminants.

5. The Tulare County Environmental Health Department's Sanitary Survey Report found that the system is capable of providing reliable drinkable water and recommended that the SCSD be issued a domestic water supply permit. This permit was issued in 2004.
6. The SCSD does not maintain a webpage.
7. The 2006-2007 Tulare County Grand Jury Report contained an investigation of SCSD efficiency. The report concluded that the systems infrastructure was adequate and the service delivery is efficient. No issues were discovered.

As mentioned above, records indicate that the SCSD was notified that Well No. 2 test samples exceeded the 50% threshold in 2006 and 2007. Proof of customer notification was not found in the District's Environmental Health file. Documents show that the annual Nitrate testing results were not submitted for the year 2005. Nitrates can be extremely toxic and ingestion could have devastating results, especially in children (e.g. Blue Baby Syndrome). It is not known beyond a reasonable doubt whether notice of the aforementioned violation was provided to district customers, but proof of notice is required to be provided to Environmental Health and no such document was found in the file. Failure to provide violation notices would risk the health of SCSD customers.

It is determined that the SCSD should establish a website where basic information can be archived, such as meeting minutes, agendas, cancellation notices and also notices of violation. This will not only promote district transparency and accountability, but also minimize the health risk to customers by providing a means of informing them of contamination violations in a timely manner. The cost of creating and maintaining a webpage is a legitimate obstacle that must be considered. Financially strapped districts like the SCSD; however, can work with districts in a similar situation to combine their resources and raise the funds necessary to create and maintain a very simple, no-frills webpage that will house basic information for each district such as minutes, agendas, notices of violation and cancellation notices. Alternatively, these districts can use their consolidated resources to pay another governmental agency (such as LAFCO or Tulare County) to house basic information for each district on their own website.

The District should also keep copies of all Environmental Health correspondences (notices of violation, compliance orders, etc.) and have them available for viewing at the district office, this way customers do not have to travel to Visalia to view these documents and are able to avoid the hassle of making a public records request. All efforts for transparency and customer education/noticing should take into account that large segment of the community that does not read or speak English. All documents and customer correspondences should be translated to Spanish whenever possible.

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

Recommendations:

The SCSD is located in proximity to the East Orosi CSD, Cutler PUD, Orosi PUD, the communities of Yettem and Seville (which possess their own wells and mutual water companies) and the Alta Irrigation District. The Alta ID is in the process of preparing a feasibility study examining the logistics and cost of providing treated surface water to the Cutler-Orosi area via area special district systems. The high concentration of special single-service districts makes consolidation logical and highly feasible.

Consolidation of the various districts would drastically increase the economies of scale of each, potentially reducing the rate charged to customers of the newly formed entity (775 SCSD customers would join a pool of 15,000 to 20,000 customers). Consolidation would also expand the number of well sites available to all communities and Alta ID infrastructure could potentially be used to treat surface water, further expanding water supplies available to the region.

This approach is in line with USDA and California Department of Public Health efforts to encourage water system consolidation and with CSD Law. Section 61000 (7) (c) (2) of CSD Law states that in enacting this division, it is the intent of the Legislature to encourage formation commissions (LAFCOs) to use their MSR, SOIs and boundary powers where feasible and appropriate, to combine special districts that serve overlapping or adjacent territory into multifunction services districts.

As mentioned in the informational section preceding these reports, MSR recommendations are not binding, but are rather intended to initiate a conversation about how best to approach the various challenges and discrepancies identified in the MSR. Recommendations are general in nature; detailed action plans will result from more focused feasibility studies or other planning documents.

Therefore, based on the data and determinations detailed above, the following general recommendations are provided:

- Consolidation should be examined. Some analysis is already being conducted by the Alta ID as part of their treated surface water feasibility study. Also, the Cutler PUD provides sewer service to the Sultana CSD, East Orosi CSD, and Orosi PUDs through a JPA agreement. This agreement can provide a framework for how consolidation could be implemented.
- Amending the current JPA to include water service should also be examined as an alternative to consolidation.
- Either approach should begin by conducting stakeholder meetings and workshops facilitated by Tulare LAFCO. Stakeholders include, but are not limited to, district board members and management, citizens groups, Tulare Resource Management Agency and non-profit organizations such as Self-Help Enterprises Inc.

- Depending on the general consensus reached during stakeholder meetings, conduct a feasibility study that not only examines financial feasibility, but also infrastructural and governance hurdles.
- The goals of any approach must include system efficiency, improved water quality, long term viability and given the communities low-income condition, affordable water rates charged to customers must also be a prominent goal of the process.

One of the major obstacles to consolidation is the governance structure of the resulting entity; in particular, existing governing boards fear that the interests of their respective constituencies will no longer be advanced with the same vigor and empathy as before. This issue cannot be adequately addressed within the parameters of an MSR; however, it should be noted that Section 61030 (a) of the CSD law allows LAFCO to increase the number of members to serve on the initial board of directors of the resulting entity from 5 to 7, 9 or 11. Terms to be served by the new board of directors can also be set by LAFCO in accordance with Section 56886 (n). The expanded board of directors can be elected by division, with division boundaries being drawn according to community boundaries to ensure that customers of existing districts continue to have adequate representation on the new board.

Sultana

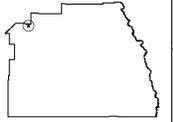
Community Services District

(as of 3/1/2007)

 District

No Sphere

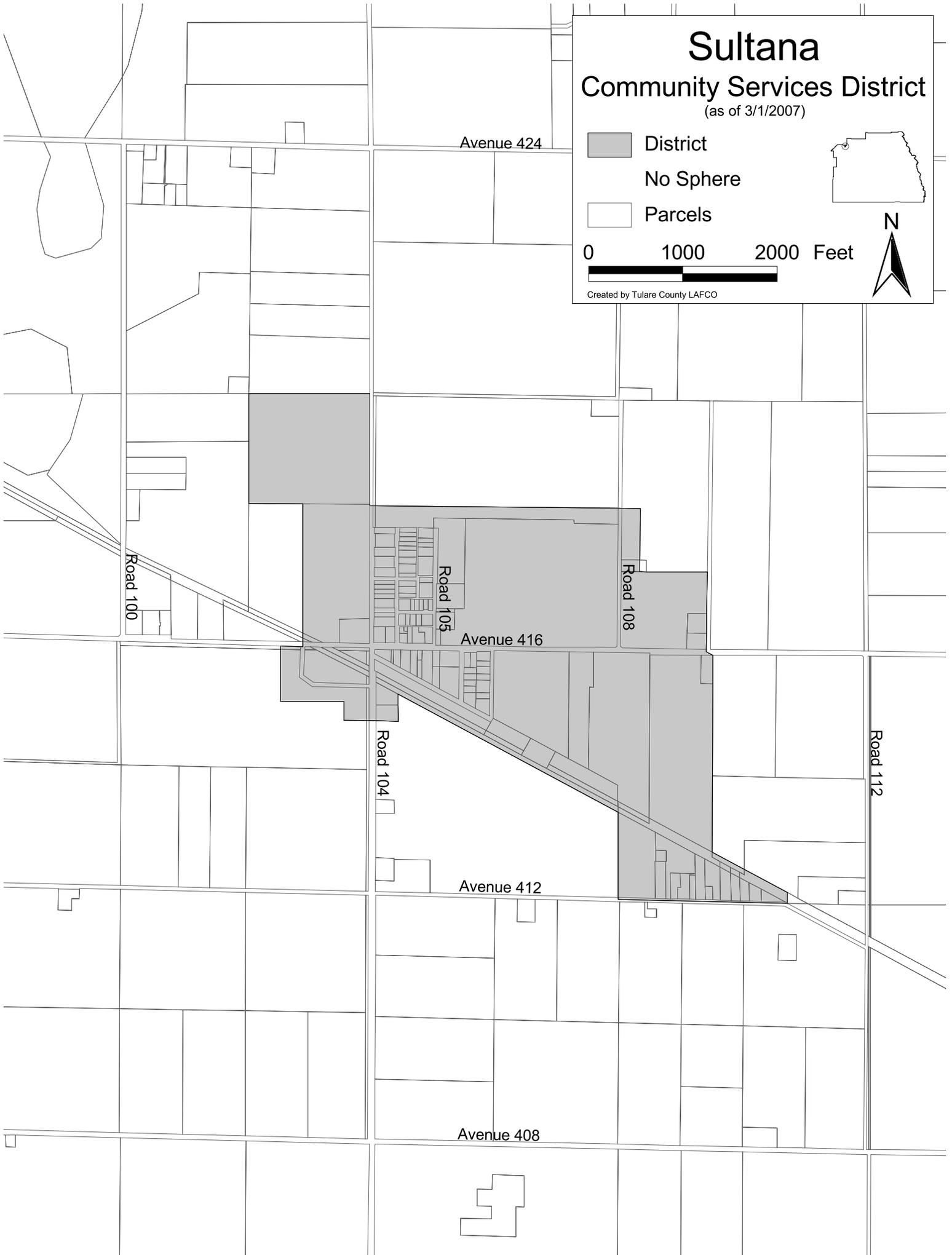
 Parcels



0 1000 2000 Feet



Created by Tulare County LAFCO



Three Rivers CSD Municipal Services Review

The Three Rivers CSD (TRCSD) Municipal Service Review report was prepared pursuant to Section 56430. The report begins by providing district background information and then summarizes data collected and analyzed for the purpose of supporting written statements of determination with respect to each of the following: 1) Growth and population projections for the affected area; 2) Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies; 3) Financial ability of agencies to provide services; 4) Status of, and opportunities for, shared facilities; 5) Accountability for community service needs, including governmental structure and operational efficiencies; 6) Any other matter related to effective or efficient service delivery, as required by commission policy. Data was provided by Tulare County RMA's planning division and the District itself and Tulare County Grand Jury Reports (Grand Jury) were also reviewed. A thorough review of stated responsibilities to be effected, procedures followed and legislative intent specified in the CSD Law was also conducted. The MSR report format used in the Group 1,2 and 3 MSR reports has been changed to reflect the amendments to CKH Section 56430 as a result of AB 1744 (Ch. 244, Stats 2007).

Background

The Three Rivers CSD is located approximately 11.7 miles east of the City of Woodlake. The District's jurisdictional boundaries encompass a 5,937 acre area that is spread out along Highway 198. The District was formed in 1973 (LAFCO Resolution 73-036, LAFCO Case 459). The District's Active Powers include:

1. Preparation of project reports for sewer systems
2. Trash pick up
3. Monitoring of potable water sources
4. Monitoring of individual septic systems

According to BOS Resolution 73-2662, the District's Latent Powers include:

- Provision of water for various uses
- Collection and disposal of refuse matter
- Operation of recreational facilities
- Street Lighting
- Maintain and equip a police force
- Acquire facilities for public use
- Maintenance/improvement of roads
- Flood Protection

- Conversion of overhead electric and communication facilities to underground installations
- Ambulance service through contract

If not provided prior to January 1, 2006, the District must seek LAFCO approval in order to activate any of its latent powers.

Written Determinations

1) Growth and Population Projection

1. The TRCSD was formed in 1973 (BOS Resolution 73-2662). It consists of 5,397 acres. The estimated population provided by the 2000 Census was 2,248 persons. The 2010 Census estimates the Three Rivers population to be 2,182 persons, indicating that the population has remained substantially the same over the last Census period.
2. The Three Rivers CSD provides service outside of its boundaries. The additional area serviced by the CSD is considered sparsely populated. A Sphere of Influence (SOI) has not been established for the CSD.
3. The Three Rivers CSD boundaries contain approximately 1350 parcels (the number of residential units is used to determine number of customers). According County planning staff, there are no subdivisions in progress in the Three Rivers area.
4. The District has indicated that it plans to expand its jurisdictional boundaries to include the South Fork Estate Development. As mentioned above; however, subdivision proponents have not sought approvals from Tulare County RMA.

Based on the fact that district population has remained substantially the same over the last Census period, it is determined that the District's population will only increase marginally in the foreseeable future. The District's population could experience a significant population increase (relative to its current size) if construction of the proposed South Fork Estates Development actually takes place; however, due to the downturn in the economy, construction of this development won't take place any time soon, if at all. This will afford district management ample time to plan for increased demand of its services.

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

1. The District's web page lists the following as service provided by the TRCSD:
 - Frequent monitoring of rivers and wells
 - Provide low cost drinking water testing
 - No charge septic system inspections
 - Responds to environmental complaints (site is tested if not monitored already)

2. All landowners within the area are considered customers and they are tracked according to assessors parcel number (APN). There are currently 1350 parcels being serviced by the Three Rivers CSD.
3. The Three Rivers CSD reported no infrastructure deficiencies.
4. The District does not plan to expand or acquire new infrastructure in the foreseeable future.

Upgrade and maintenance of equipment and supplies or capacity expansion associated with district services does not require costly capital expenditures like those associated with sewer or potable water service. Additionally, equipment and supplies used to provide services are not susceptible to sudden failure or being compromised in any other way. It is determined that the District's facilities and infrastructure are in adequate condition and that the District's current capacity is sufficient to serve the District's existing population. It is further determined that future increased demand can be accommodated in a timely and adequate manner based on the limited services the District provides.

3) Financial Ability of the Agency to Provide Services

1. The District prepares an annual budget that describes various expenditures. Budget documents do not clearly indicate the individual amounts allocated for provision of water, rivers/wells and septic system monitoring service or for response to environmental complaints.
2. The State Controller's 2010 Annual Special Districts Report indicates that for FY 2007-2008 the TRCSD reported \$100,646 in revenues, \$81,769,703 in expenditures and no debt from operation of their sewer monitoring enterprise. \$253,214 in revenues, \$42,389 in expenditure and debts were reported from operation of their water monitoring enterprise.
3. The majority of the District's revenue is derived from a \$40.00 annual fee charged to each landowner per APN. There are currently 1350 APN's within the CSD boundaries. Other revenue sources include: general tax revenue, interest on CD's/savings, water test fees, and fees charged to Improvement District No. 1.
4. The Three Rivers CSD is required to make sure that septic tank systems are not contaminating the watershed. If this service were not provided a wastewater collection and treatment system would have to be installed and operated. This alternative would exceed the cost of the current service provided by the CSD.

Three Rivers CSD revenues exceed their expenditures, allowing them the flexibility to fund facility upgrades or purchase of additional supplies and equipment if needed. It is determined that the District is financially able to provide quality service and to accommodate increased demand.

4) Status of, and Opportunities for, Shared Facilities

1. The District has indicated that it is satisfied with its current office situation. The District rents its current office location for approximately \$450 per month.
2. The District facilities are also used by Improvement District No. 1, the Playground Committee and serves as a meeting place for other local organizations.
3. The District did apply for and was awarded a grant to build a visitor's center. However the grant was rescinded after Cal Trans determined that construction of a visitor's center was not an appropriate project for the funds. There was also an attempt to rent the vacant Tulare County Fire Station in Three Rivers, but that too was unfeasible.

It is determined that the District is already exercising the most logical and feasible opportunity for shared facilities given the District's isolated location.

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

1. There are eight 8 to ten 10 private mutual water companies that deliver potable water to the various TRCSD subdivisions. A total of 400 resident volunteers help to manage and operate the various systems. Although privately owned, these mutual water companies are required to maintain certain water quality standards. TRCSD services help area mutual water companies monitor system water quality.
2. The Tulare County Grand Jury Report (2006-07) Recommended that all public water systems within CSD boundaries be consolidated and that the CSD serve as the agency responsible for oversight of the consolidated systems.
3. In its response to the Grand Jury recommendation, the District notes the complexity of regulatory requirements and recognizes the need for certified operators and full time management to oversee the various mutual water companies. The District further indicates their willingness to oversee the consolidated water systems within its boundaries, but also indicates that lack of funding prevents them from taking on this role. Prop 84 Grant funds are being sought to fund further analysis of the consolidation feasibility.
4. Based on information obtained through community outreach efforts, the CSD reports that it would be hard to pass a tax increase to fund management and operation role of consolidated mutual water companies by the District, predominately because water system consolidation would only benefit about 1/3 of the taxpayers with the entire district.

5. Acquisition of the various water systems was also attempted by Cal Water, but failed because the systems are too far apart and too many improvements are needed.
6. Based on the information available, it seems the District provides water monitoring services in a cost effective manner that also meets the needs of its customers.
7. The Three Rivers CSD is governed by a five (5) member Board of Directors elected at large from within the CSD boundaries. It is responsible for setting policy and for administrative procedures.
8. The CSD has one full-time position (CSD Manager). On occasion the District contracts out for other services it is authorized to provide such as trash pick up and preparation of sewer system reports.
9. The District complies with Brown Act open meeting law by holding regularly scheduled public meetings. Meetings are held on the first Wednesday of each month and agendas are posted on at the local post office, district office and on the District's website.

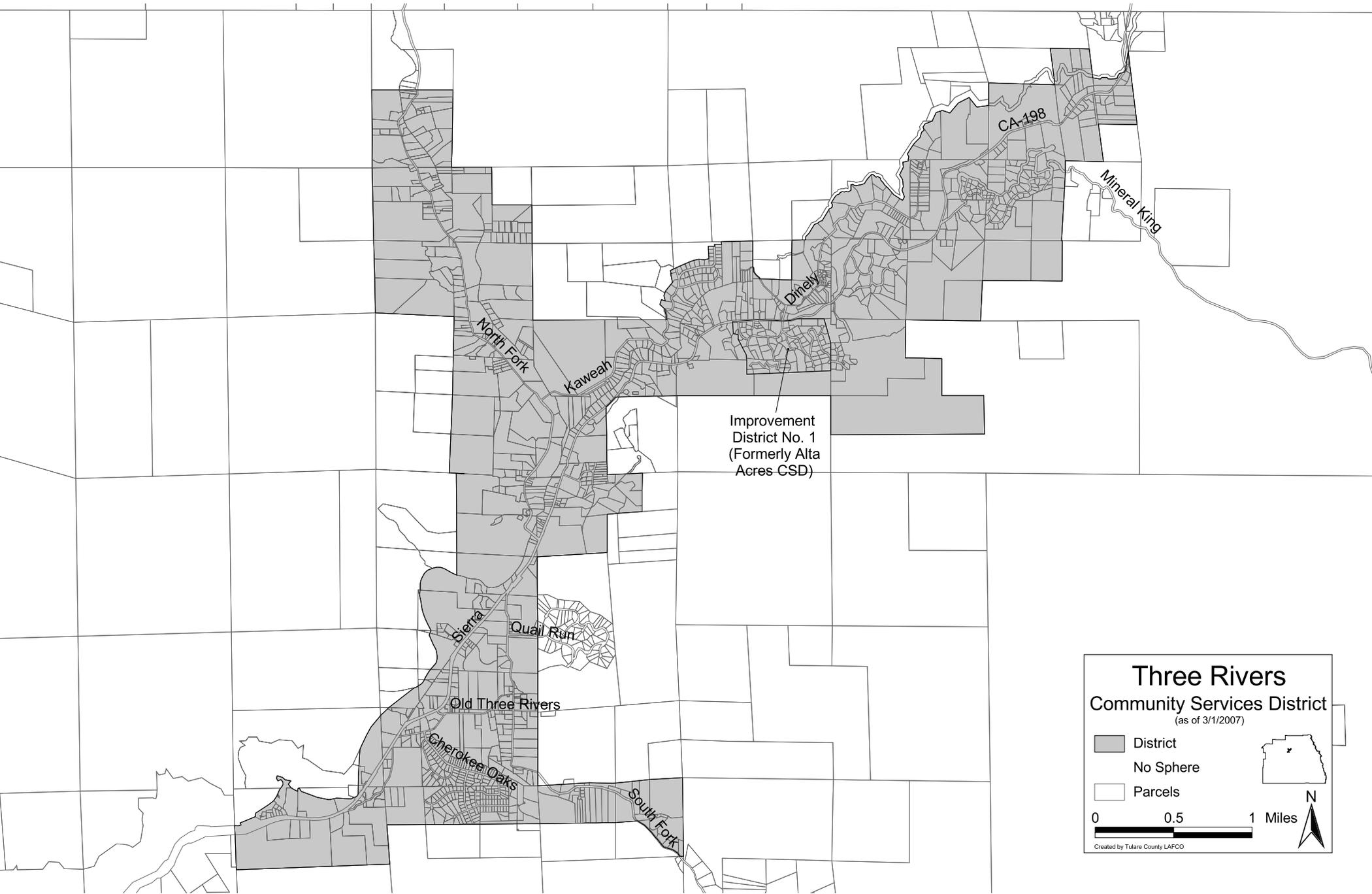
The services provided by the District are limited to monitoring the water quality of sources throughout district boundaries. The ultimate gauge of efficiency for this service is whether widespread degradation of water quality occurs within district boundaries. LAFCO found no record of water quality degradation in the Three Rivers area. It is determined that there are adequate controls in place for accountability and efficiency of service provision, given the limited scope of district services.

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

Recommendations:

At the time of its formation, the District was afforded numerous latent powers. LAFCO should determine which of the latent powers listed above, if any, are currently being provided by the District that were not being provided prior to January 1, 2006. The District must go through the process of seeking LAFCO approval in accordance with Section 56824.10, if LAFCO determines that a latent power was exercised after January 1, 2006.

If consolidation of the various area mutual water companies does occur and the District takes on management and/or operational control of the consolidated system, the District must seek approval to provide this service from LAFCO, also in accordance with Section 56824.10.



Three Rivers
Community Services District
(as of 3/1/2007)

■ District
□ No Sphere
□ Parcels

0 0.5 1 Miles

Created by Tulare County LAFCO



Tract 92 Community Services District Municipal Services Review

The Tract 92 CSD (TCSD) Municipal Service Review report was prepared pursuant to Section 56430. The report begins by providing district background information and then summarizes data collected and analyzed for the purpose of supporting written statements of determination with respect to each of the following: 1) Growth and population projections for the affected area; 2) Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies; 3) Financial ability of agencies to provide services; 4) Status of, and opportunities for, shared facilities; 5) Accountability for community service needs, including governmental structure and operational efficiencies; 6) Any other matter related to effective or efficient service delivery, as required by commission policy. Data was provided by the Tulare County Environmental Health Division (Environmental Health), Community Water Center (CWC), Self-Help Enterprises and Tulare County Community Development Department. Visalia Times Delta and Fresno Bee articles as well as Tulare County Grand Jury (Grand Jury) reports were also reviewed for pertinent information. A thorough review of stated responsibilities to be effected, procedures followed and legislative intent specified in the CSD Law was also conducted. An informational survey was mailed to the TCSD and all requested information was provided. The MSR report format used in the Group 1,2 and 3 MSR reports has been changed to reflect the amendments to CKH Section 56430 as a result of AB 1744 (Ch. 244, Stats 2007).

Background

The Tract 92 Community Services District is located approximately 1.5 miles southeast of the City of Visalia at 14837 Oscar Avenue, Visalia CA. with a mailing address of P.O. Box 276 Farmersville, CA. 93223. The CSD boundaries include 97 parcels. The TCSD currently provides domestic water to an estimated 500 persons via 93 active connections. The District's 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 systems in Tulare County with fewer than 200 connections.

The TCSD was formed in 1961. According to Board of Supervisors Resolution 61-1924, which formed the District, the TCSD was authorized to provide water for irrigation, sanitation, industrial use, fire protection, and recreation in addition to potable water. The District was providing water for the uses listed under BOS Resolution 61-1924; thus, the District does not possess any latent powers subject to LAFCO approval or Disapproval.

Written Determinations

1) Growth and Population Projections

1. The population within the District boundaries is estimated to be 500 persons (District Estimate based on number of connections and estimate of persons per household). The typical CSD customer lives fulltime in the tract. Most of the dwellings are owner occupied with approximately 10% of them serving as rental units. The majority of residents are over 45 years of age.

2. According to the Tulare County planning department there are no permits currently issued for neither construction nor expansion of new dwelling units within the District boundaries.
3. Population rate for the small region is difficult to ascertain. The TCSO falls within the Census 2000 Tract 16.02 that includes a large swath of unincorporated land and the southern half of the City of Farmersville. The most reliable estimate is that of the District cited above.

Based on the absence of building permits issued for construction of new dwelling units or expansion of existing residential developments within district boundaries, the fact that the district has not proposed an annexation since its formation, an SOI (20-year growth boundary) that does not extend beyond the District's current boundaries and the limited capacity of the District's community water system, it can be logically determined that the District's population will remain at substantially the same level for the next 5 years (next MSR update is scheduled to be conducted in 2016). Furthermore, TCSO management indicated that an expansion of their current boundaries or SOI was not desired at the moment.

Like Patterson Tract located north of it, no information is available regarding TCSO average household income. Therefore, it is unknown how the size of the District's customer pool and income of its customer base restrict, if at all, the District's ability to generate the revenue necessary to fund general maintenance and operation of the system, address unexpected costs and fund scheduled capital projects (e.g. replacement of pipes and conveyances).

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

1. The TCSO currently provides potable water to 93 connections (approximately 500 persons).
2. The District water capacity has a maximum capacity of .002 million gallons per day (mgd). Current average demand is 850 gallons per day, which represents about 42% of maximum capacity.
3. The system currently consists of (2) drilled vertical wells, Well 1 (east) and Well 2 (West), both located with the same locked chain-link enclosure. Well 1 is 248 feet deep with a 40 hp oil-lubricated tribune pump, pressure relief valve and sample tap. Well 2 is 180 feet deep with a 15 hp submersible pump, single check valve and sample tap. Both wells empty into a single 5,000-gallon pressure storage tank. The wells are rotated on a constant basis to ensure equal usage during each month except July and August when only one pump is in use. Water is distributed via 6-inch mains from the well, to a 4-inch main from the storage tank to 2-inch laterals for connection distribution.
4. A single certified D-1 PWS Operator operates the system.

5. The financial documents provided by the District indicate that the district has not allocated any funds for the specific purpose of infrastructure improvements or expansion. All expenses were itemized as salaries or services/supplies.
6. In April and May of 2007 the TCSD system was found to be in violation of the Total Coliform Rule. The system underwent replacement of a faulty pressure relief valve for one of its wells and repair of the sanitary seal for the other well. Since then the system has been tested by the Tulare County Department of Environmental Health and found to be in compliance.
7. In October of 2007 district water samples tested positive for total Coliforms. Repeat samples extracted over the course of the ensuing 5 months were also found to be in violation. The continual violations prompted the District to install a system chlorinator. Raw water samples (samples not treated by the system chlorinator) were found to exceed Coliform MCL only once in each of the last 3 years. Samples are tested for bacteriological contaminants each month.
8. According the 2007 TCSD Sanitary Survey Report prepared by the Tulare Environmental Health the system has been deemed to be vulnerable to contamination from leaking underground storage tank, residential septic systems petroleum and chemical storage, drainage, and ag activity. The leaking tank was removed and the system has been tested several times with no trace of contaminants.
9. The 2007 TCSD Sanitary Service Report prepared by the Tulare County Environmental Health Services Division also concludes that the system is properly constructed and maintained. The report further concludes system is capable of providing reliable potable water.

Based on the fact that the Tract 92 population does not fluctuate very much (and when it does the fluctuation is typically negative) and the fact that the system is currently operating at under 50% capacity, it is determined that the TCSD has an adequate amount of capacity to meet any unexpected spike in demand within the next 5 years. Although irregularities were cited above there were proper mechanisms in place to identify them and steps to remedy the situation were taken in a short amount of time. As indicated above, regular maintenance of the system is conducted and thus the infrastructure of the system is adequate at this time.

3) Financial Ability of the Agency to Provide Services

1. The District's fiscal year begins on July 1st of each year. The District had an estimated cash balance of \$61,061 as of July 1, 2007.
2. The District is completely funded through user fees. A rate schedule provided by the District indicates that the TCSD charges \$12.00 per one-unit parcel that is 1 acre or

smaller. It charges \$15.00 per 1 unit parcel for parcels larger than 1 acre. Customer are billed quarterly.

3. For fiscal year 2007-2008, the TCSD estimated revenues to total \$16,740, generated exclusively from service charges, and estimated its total available resources to be \$82,801. Salaries and employee benefits along with services and supplies account for the entirety of the TCSD's FY 2007-2008 expenditures. Expenditures totaled \$19,000 (salaries and employee benefits totaled \$6000 while services and supplies totaled \$13,000).
4. Equipment totaling \$49,000 in value accounted for the TCSD's total fixed assets.
5. In their MSR questionnaire the TCSD cited the use of volunteers as a cost saving measure. Specifics as to the duties and responsibilities of volunteers were not provided.
6. In a letter dated March 25, 2008 the TCSD expanded on its finances. It noted that the District's only source of funding is service charges (i.e. sale of water) and that a rate structure change would be discussed during their July 2007 meeting.

From the information available the District has appropriate mechanisms in place that ensure that funding is available for any increase in demand and for capital expenditures. The TCSD limits its expenditures to salaries/benefits and supplies and seeks grant monies for any infrastructure improvements. This further ensures that the TCSD is in a good position, by having enough cash on hand available, to absorb any shock in demand increases or other unforeseeable changes.

4) Status of, and Opportunities for, Shared Facilities

1. The TCSD is located approximately 1.5 miles southeast of the City of Visalia and approximately 1 mile west of the city of Farmersville both of which provide domestic water service within their city limits using the California Water Company (Cal Water) as their water purveyor. Likewise, the TCSD can request service from Cal Water. Cal Water will have to determine the feasibility of service extension.
2. The closest special district that also provides domestic water service is the Patterson Tract CSD located approximately 5 miles north of the TCSD. Extension of water service from the Patterson CSD to the TCSD would be unfeasible, both logistically and economically.
3. The TCSD does not form part of any JPA and does not engage in joint functions with other agencies in order to improve services or reduce costs.
4. The TCSD does not plan to take part in any joint effort with any other agency, become part of a JPA, or consolidate with any district in the future.

The TCSD location makes it difficult to consolidate or share facilities with another district that provides the same service. LAFCO therefore determines that there is no opportunity now, or in the near future for opportunities for shared facilities involving the TCSD.

As with the Patterson Tract, it is determined that as the City of Visalia continues to grow toward Tract 92, issues such as environmental justice and the potential for shared facilities will become increasingly important for the Commission to address in context of change of organization proposals and environmental documents for general plan updates and amendments.

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

1. The TCSD has a 5-member board of directors. Board members are elected by division within district boundaries. Regular Board meetings are held on a quarterly basis in the months of January, April, July, and October.
2. Meeting agendas are mailed out to each customer along with their quarterly billing statement.
3. As previously mentioned the Tulare County Environmental Health Services Division, which has been granted primacy by the California Department of Health Services, regulates the District’s system. The division is responsible for the ensuring that the TCSD complies with the Safe Drinking Water Act regulations. In order to accomplish this the division conducts the following analysis:

Analysis	Frequency
Bacteriological	Monthly
General Mineral & Physical	Every 3 years
Secondary Standards	Every 3 years
Organic Chemical	
Volatile Organic	Every 6 years
MTBE	Every 6 years
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Alachlor	Every 9 years
Atrazine	Every 9 years
DBCP & EDB	Every 3 years
Simazine	Every 9 years
Radiological	
Gross Alpha	Every 9 years
Lead & copper	Every 3 years

4. As previously mentioned, the State’s Safe Drinking Water Act requires that a Consumer Confidence Report (CCR) be prepared and distributed to all customers before July 1 of the year following the year for which the report is prepared. In addition to sample test results, the CCR also details the effects of drinking

contaminated water, the effect of common contaminants and instructions on what to do in case of illness or poisoning due to consumption of contaminants.

5. The Tulare County Environmental Health Department's Sanitary Survey Report found that the system is capable of providing reliable drinkable water and recommended that the TCSD be issued a domestic water supply permit.
6. The TCSD does not maintain a webpage.

The TCSD is tested on a regular basis and according to the most recent Sanitary Survey report prepared by Tulare Environmental Health and conversations with its staff the TCSD is not categorized as a "violation" meaning it has successfully passed each test listed above and continues to be in compliance with the Safe Drinking Water Act regulations. In addition the TCSD has fully cooperated with LAFCO while preparing this MSR. LAFCO does recommend, as with all other Group 4 CSDs, that TCSD establish a website where basic information can be archived, such as meeting minutes, agendas, cancellation notices and also notices of violation. This will not only promote district transparency and accountability, but also minimize the health risk to customers by providing a means of informing them of contamination violations in a timely manner. The cost of creating and maintaining a webpage is a legitimate obstacle that must be considered. Financially strapped districts like the TCSD; however, can work with districts in a similar situation to combine their resources and raise the funds necessary to create and maintain a very simple, no-frills webpage that will house basic information for each district such as minutes, agendas, notices of violation and cancellation notices. Alternatively, these districts can use their consolidated resources to pay another governmental agency (such as LAFCO or Tulare County) to house basic information for each district on their own website.

The District should also keep copies of all Environmental Health correspondences (notices of violation, compliance orders, etc.) and have them available for viewing at the district office, this way customers do not have to travel to Visalia to view these documents and are able to avoid the hassle of making a public records request.

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

Recommendations:

The TCSD seems to be in far better condition than other Group 4 CSDs, both in terms of infrastructure and financially.

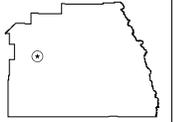
As the City grows closer to the Tract 92, environmental justice, the potential for shared facilities and other issues pursuant to GC section 56668, et al and Commission policy will need to be addressed. This recommendation includes providing comment on General Plan and change of organization environmental documents pursuant to PRC section 21153, et al.

Tract 92

Community Services District

(as of 3/1/2007)

-  District
-  Sphere of Influence
-  Parcels



0 1000 2000 Feet



Created by Tulare County LAFCO



Avenue 280

Oscar

Water

Road 150

TID Canal

Avenue 272

Road 148

Road 156

County Service Areas

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

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

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

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

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

Services Provided

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

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

(g) "Latent power" means any service or facility authorized by Article 4 (commencing with Section 25213) that the local agency formation commission has determined, pursuant to Subdivision (h) Section 56425, that the county service area was not authorized to provide prior to January 1, 2009.

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

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

CSA No.1 & No. 2 Latent Powers:

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

Additional CSA No.2 Latent Powers:

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

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

Sewer Service Overview

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

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

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

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

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

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

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

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

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

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

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

Measuring the Effectiveness of a Treatment Plant

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

pH

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

Bio-Chemical Oxygen Demand (BOD)

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

Dissolved Oxygen

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

Suspended Solids

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

Total Phosphorous and Nitrogen

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

Chlorine

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

Coliform Bacteria Count

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

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

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

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

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

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

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

Background

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

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

CSA No.1 ZOBs:

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

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

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

Written Determinations

1) Growth and Population Projections

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

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

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

established entity in place to receive the funding, oversee system operation, and oversee construction projects. The system has 114 water connections.

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

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

1. The following is a breakdown of the average amount of dry weather wastewater influent produced by each ZOB, as measured by lift station meters and expressed in terms of thousand gallons per day. The percentage it represents of lift station maximum capacity is also included:
 - Delft 39,136 (68%)
 - Tooleville 23,695 (68%)
 - Traver 57,383 (65%)
 - Yettem 53,343 (45%)
 - Seville 34,388 (69%)
 - Tonyville 19,195 (32%)
 - El Rancho (no meter)
 - Wells Tract 24,380 (128 %)
2. The design and structure of the sewer systems serving the communities of Delft Colony, Tooleville and Traver are largely the same as are the collection systems for the remaining ZOBs.
3. ZOB wastewater influent is collected by a collection system consisting primarily of 6" PVC gravity collectors and 4" house laterals that transport influent to terminal lift stations. From there wastewater enters the sewer system distribution infrastructure consisting of submersible pumps rated at 235 gallons per minute (gpm) that are driven by 3 HP pumps that transfer the incoming sewage to the headworks. Before entering the headworks, the flow is measured by a Fischer-Porter magnetic flow meter, which transmits data to flow display panel and recorder in the control building. Sewage then flows through a grinder driven by a 2 HP motor. A bypass panel equipped with a bar screen is also provided. From the headworks, wastewater flows by gravity to facultative ponds and percolation ponds. After percolation ponds, wastewater enters an outlet structure from where it can either continue to other percolation ponds or be returned to the lift station for recirculation through the plant.

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

Delft Colony Water System

11. The Delft Colony Water system has been in operation since 1992. The system consists of two drilled wells and a single 10,000 gallon steel pressure storage tank. Well No. 1 consists of 40-Hp water lubricated turbine pumps, check valve. Well No. 2 consists of 12" diameter casing equipped with 15 Hp water lubricated turbine pump and check valve. The system's distribution infrastructure consists of steel and PVC piping, 6" mains and 1 1/2" laterals. Permanent chlorination is provided at Well. 2.
12. Tulare County Resource Management Agency (RMA) is listed as the systems owner. RMA is required to conduct bacteriological testing (Total Coliforms) on a monthly basis, chemical testing (nitrates) on an annual basis and lead and copper testing every

three years. Testing samples for all ZOB systems are collected by Water Dynamics Inc. and all ZOB sample testing is conducted by Moore Twinning Laboratory.

13. According to Tulare County Environmental Health (Environmental Health) records, the system has been absent of Total Coliforms since February of 2009. Nitrate sample testing was last performed in February of 2009 with results of 18 mg/L for Well No. 1 and 19 mg/L for Well No. 2. The maximum contaminant Nitrate level allowed (MCL) is 45 mg/L. Last Lead and copper testing (2008) showed lead and copper levels below regulatory MCLs.
14. In 2007, RMA initiated the process of destroying approximately 30 abandoned wells in the Delft Colony area.

Yetter Water System

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

Seville Water System

17. Tulare County Superior Court is listed as the owner of the Seville water company. The County of Tulare was appointed as the receiver of the system on June 16, 2009 and is responsible for system compliance with state and federal regulations.
18. The Seville water system consists of a single well (no back-up well exists). The system well is equipped with 7.5 Hp submersible pump, one 5 Hp booster pump, check valve and two 550 gallon pressure water storage tanks. The system's distribution infrastructure consists of 4" iron and galvanized main and 3" galvanized laterals.
19. Pressure testing of various system distribution points was conducted in 2007 (pressured measured in terms of pounds per square inch):
 - Well head with pump running 46 psi

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

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

20. The Seville water system has had two reported breakdowns, 1998 (nature of breakdown unknown) and 2002 (pump replacement needed). The system is also voluntarily shutdown from time to time in order to repair equipment.
21. Seville system bacteriological test results were absent total coliforms from January 2006 through July 2008. The system has provided positive bacteriological samples sporadically since July of 2008.
22. RMA is required to submit quarterly Nitrate tests results for the Seville water system. An examination of the system's Nitrate test result history from 2002 to the present shows that system test samples continually contain large amounts of Nitrate contaminants at or only a few mg below the established MCL of 45 mg/L (results range from 42 mg/L to 45 mg/L). Records also show that Nitrate test results were not submitted from 2002 through 2007 and submitted only once from 2007 through 2009. Results continually containing high Nitrate contaminants prompted Environmental Health to submit Compliance Order No. 2011-01, in February of 2011. The Order indicates that the system produces water that does not comply with primary drinking water standards and failed to ensure that water is pure, wholesome and healthful, all as a result of high Nitrate levels. The Order requests that RMA submit a plan to address the issue that additionally contains a timeline. This plan has yet to be submitted.
23. Based on a site inspection of the Seville water system, Environmental Health provided a letter to RMA requesting that RMA repair the leak at the valve stem at the 3" distribution line between the well head and pressure tank and additionally replace the inoperable booster pump in order to maintain appropriate pressure standards.
24. Each fiscal year Tulare County RMA prepares a list of proposed infrastructure projects for each ZOB. Several projects are proposed for each system and prioritized. Most of the proposed projects are deferred due to budget constraints.

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

Based on the data examined, it is determined that the Delft Colony water system infrastructure is in adequate condition, is able to meet current demand and provides water supplies of good quality

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

3) Financial Ability of the Agency to Provide Services

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

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

2. Operation and maintenance costs are to be covered in full through monthly user fess. As mentioned, user fees are calculated dividing total operating and maintenance costs with a ZOB by the number of single-family unit connections. When their systems first became operational, user fees were \$24/month, \$19/month and \$24/month for the Delft Colony, Tooleville, Traver ZOBs respectively. If deprecation is not factored in, only the Seville and Wells Tract systems are operating in the black., To cover the budgetary gap, the County of Tulare provides an annual loan using funds from the County’s Service Area Revolving Loan Fund that is serviced by the County’s General Fund. The loan amount for fiscal year 2009/2010 is \$128,128 and a total of \$690,000 has been loaned to date.
3. Pursuant to BOS Resolution No. 94-0356 rates cannot be increased by more than 10% per year and all rate increases are subject to Prop 218 procedures.
4. As part of the Proposition 218 process, a public hearing to consider increasing sewer and water user fees for all ZOBs, with the exception of Seville, was held on July 10, 2010 by the Tulare County Board of Supervisors. During the public hearing there were written protests submitted by residents of the Seville, Tonyville, and Tooleville ZOBs. The hearing was continued to allow County staff to assess the validity of the protests submitted. The number of protests submitted by El Rancho residents did not

meet the protest threshold and some of the written protests submitted by Tonyville residents were deemed invalid and consequently the number of Tonyville protests also failed to meet the threshold. Protests submitted by Tooleville residents met the threshold and all were upheld.

5. The following is a summary of the CSA Nos. 1 and 2 fee schedule that includes the fee amount required to establish a zero net cost for operation/maintenance of each system in parenthesis:

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

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

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

Based on a thorough analysis of financial documents provided by Tulare County, including a breakdown of administrative services provided by the County and operating/maintenance costs charged by private contractors, it is determined that there are no significant steps that can be

taken to lower the cost of operating/maintaining these systems or the user fees charged to customers. It is further determined that the economies of scale of these systems are simply too small to absorb the high costs associated with operating/maintaining sewer infrastructure. Other factors further compound the problem. The topography in the subject areas is such that lift stations are needed to be installed, an added component that is expensive to install, operate (electrical power) and maintain. Additionally water rates were increased by the City of Lindsay whose system serves the El Rancho and Tonyville ZOBs, as well as the City of Woodlake whose system serves the Wells Tract. Other expenditures include increased RWQCB fees and San Joaquin Valley Unified Air Pollution Control Board permitting fees needed to install emergency generators.

4) Status of, and Opportunities for, Shared Facilities

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

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

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

The Wells Tract, served by CSA No. 2, is not only connected to the City of Woodlake's WWTF, the tract is adjacent to City's boundaries. Annexation of the site into the City is a highly feasible and logical solution. Further analysis is needed to determine how annexation might impact current sewer rates charged to Wells Tract residents and how connection to the City's community water system will impact Wells Tract water rates. It should be noted that the Commission does not have the authority to initiate annexation proposals. Annexation of this site must be initiated through city council adoption of a resolution of application or through a registered voter/landowner petition.

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

Another solution that has been actively pursued is the formation of Community Services Districts (CSD) that would take control of system operations and governance, including ownership of assets and liabilities. This approach; however, only serves to transfer responsibility from one local agency to another and does not address the issues driving ZOB fiscal insolvency.

Without the annual County Revolving Fund loan amount that is now used to close annual budgetary gaps, systems would continue to incur similar expenses and would inevitably become insolvent and non-operational. In case of CSD insolvency and subsequent dissolution, the County would become the successor agency and would take on the defunct agency's likely larger debt, leaving both the County and the community in the same situation.

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

1. The Tulare County Board of Supervisors governs CSA Nos. 1 and 2. District matters are discussed during BOS public hearings, which are held each Tuesday at 9:00 AM. Notices are provided to service customers and posted on all County forums available including the County website.
2. The individual systems are subject to oversight by the following agencies:
 - All the systems have fewer than 200 water connections. As such the County of Tulare Environmental Health Agency is the permitting agency for each CSA 1 and 2 water system and each system is subject to agency inspections.
 - All sewer systems collection systems that are more than 1 mile in length are subject to the State Water Resources Control Board (SWRCB) regulatory mechanisms. This includes Statewide General Waste Discharge Requirements (WDRs) that mandate a Sanitary Sewer Management Plan (SSMP), which must include spill response plan. The County operates (4) wastewater treatment facilities and (5) sewer lift stations.
 - System emergency generators require a permit issued by the San Joaquin Valley Air Pollution Control District.
 - Part VIII of the Tulare County Ordinance Code addresses policies and procedures for County CSAs. This document can be obtained online at http://www.co.tulare.ca.us/government/clerk_of_the_board/ordinance.asp
3. An Operations and Maintenance Manual was prepared by John Carollo Engineers in 1990.
4. As previously mentioned all rate increases must undergo Prop 218 procedure.

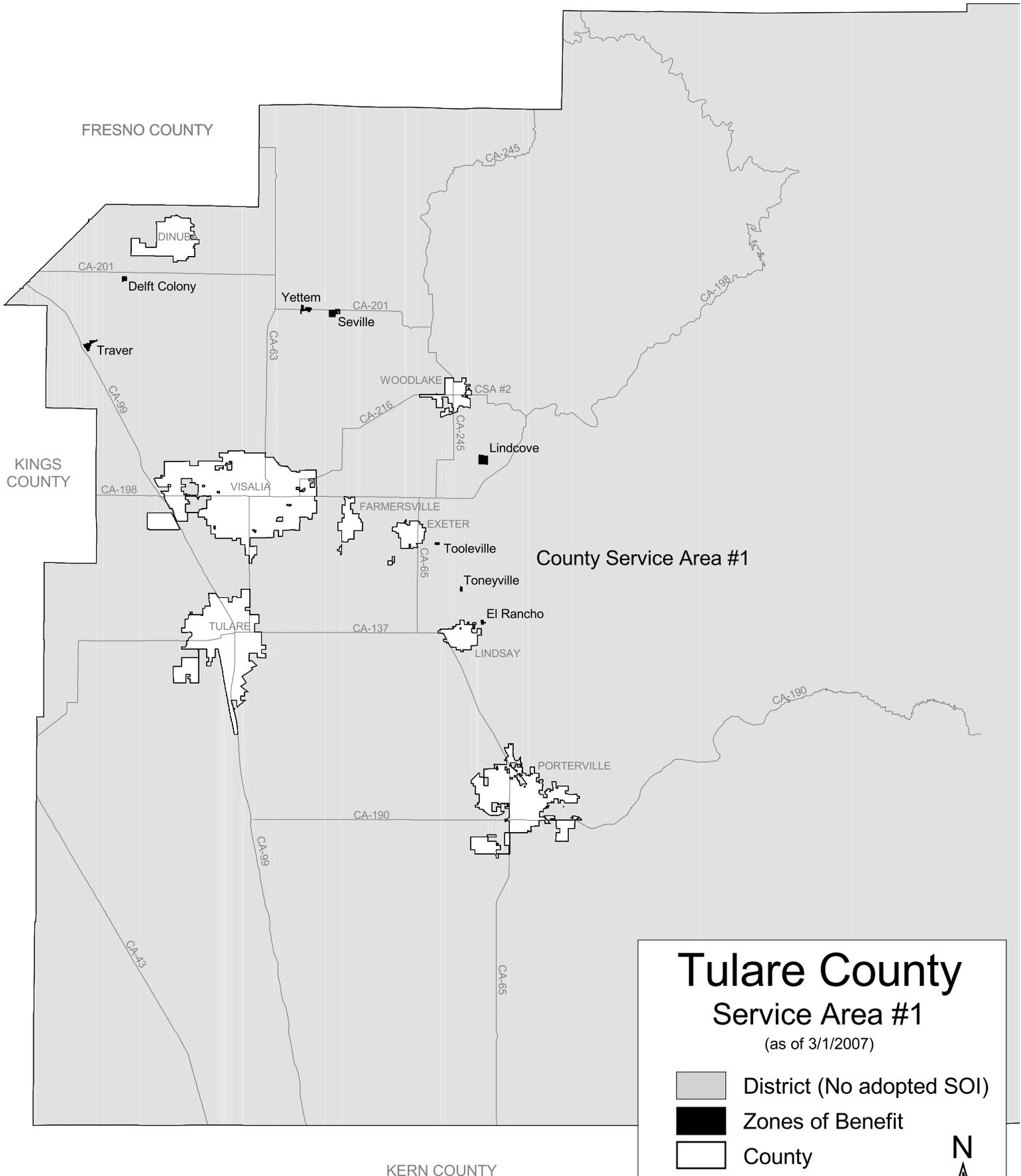
It is determined that there is adequate oversight of service quality and accountability.

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

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

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

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



County Service Area #1

Tulare County

Service Area #1

(as of 3/1/2007)

- District (No adopted SOI)
- Zones of Benefit
- County

0 5 10 Miles

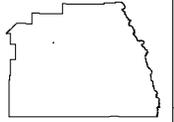
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Created by Tulare County LAFCO

County Service Area #2 (Wells Tract)

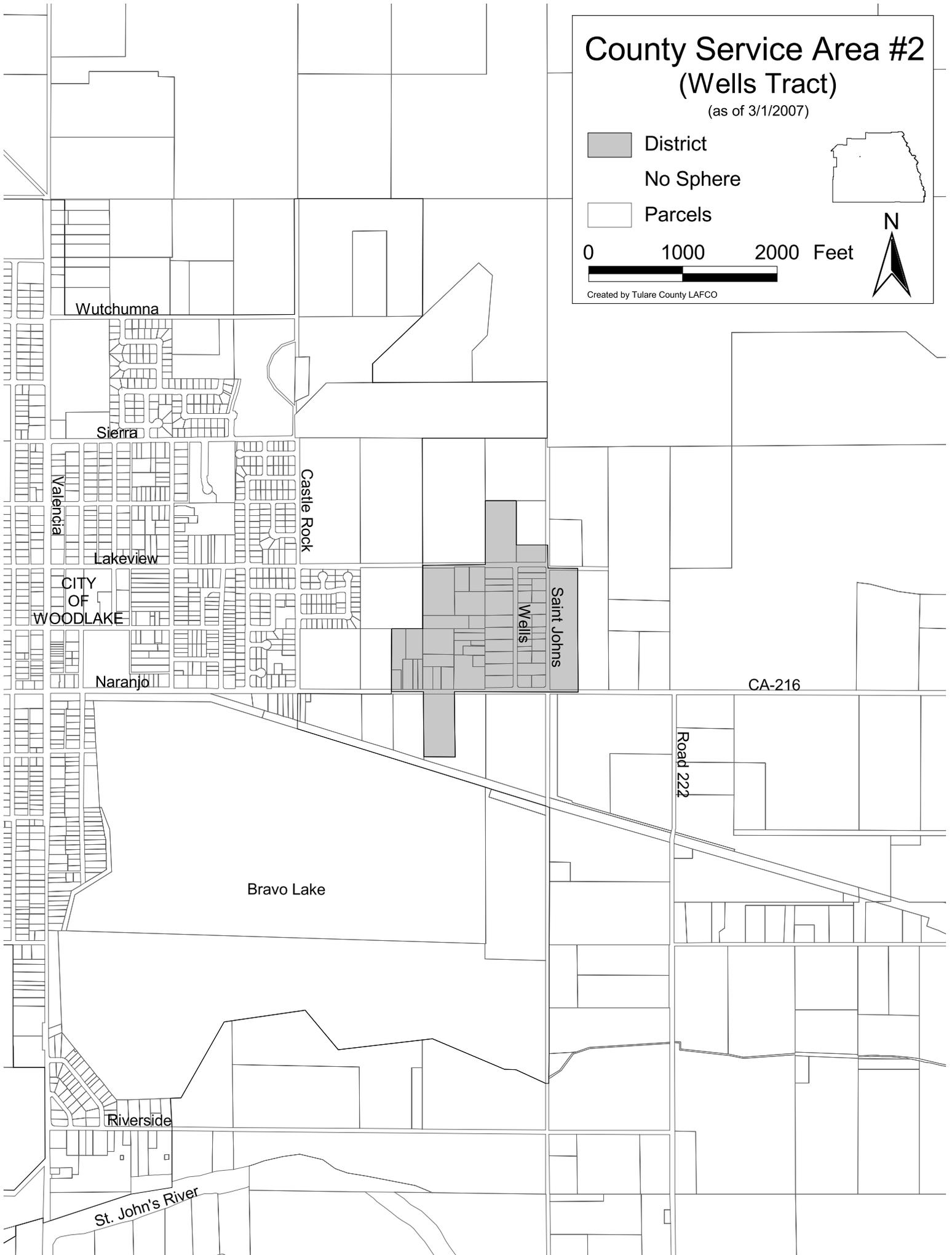
(as of 3/1/2007)

-  District
-  No Sphere
-  Parcels



0 1000 2000 Feet

Created by Tulare County LAFCO



County Service Area #1 Zones of Benefit

(as of 3/1/2007)

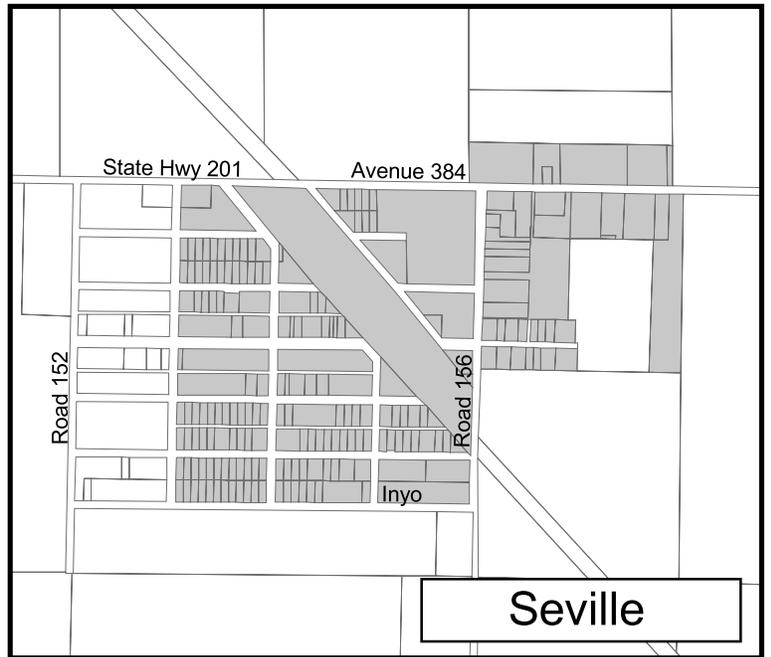
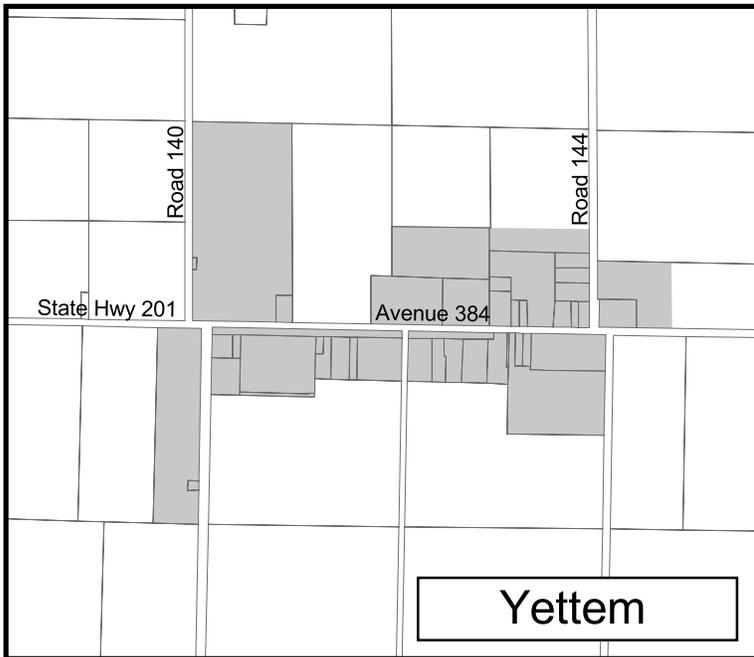
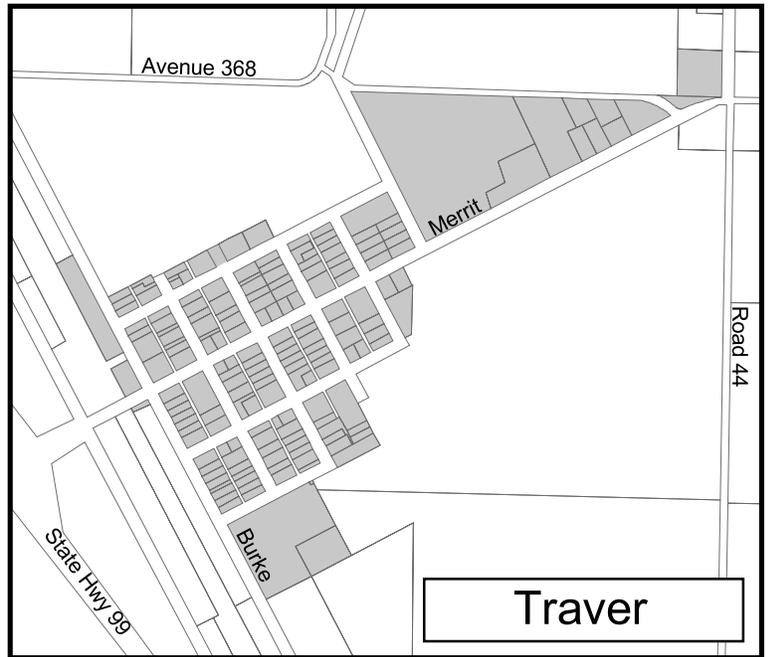
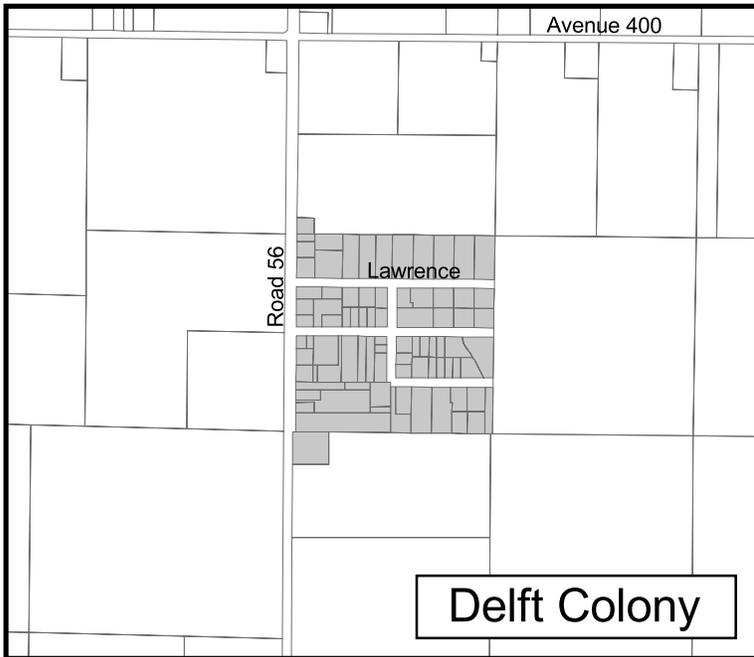
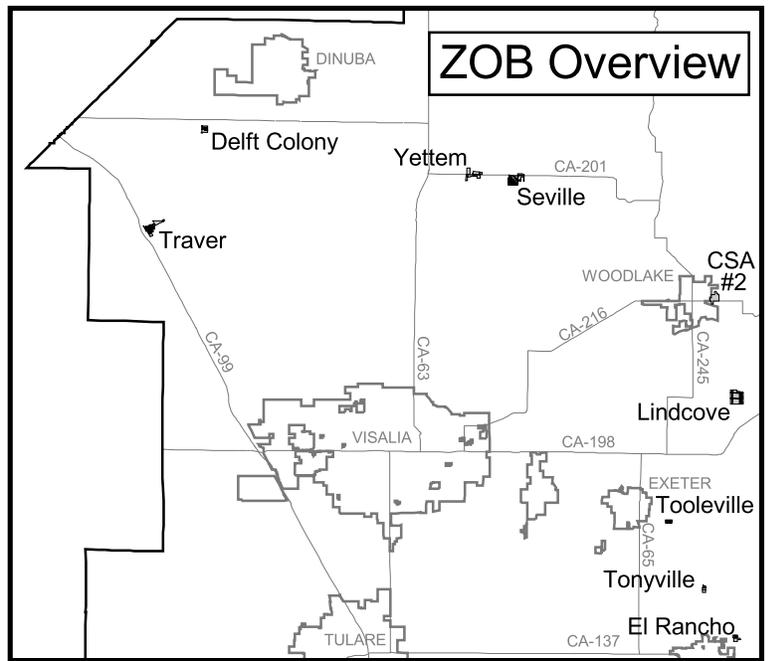
 Zone of Benefit

 Parcels

0 1000 2000 Feet

 (Scale for ZOB inset maps)

Created by Tulare County LAFCO



County Service Area #1 Zones of Benefit

(as of 3/1/2007)

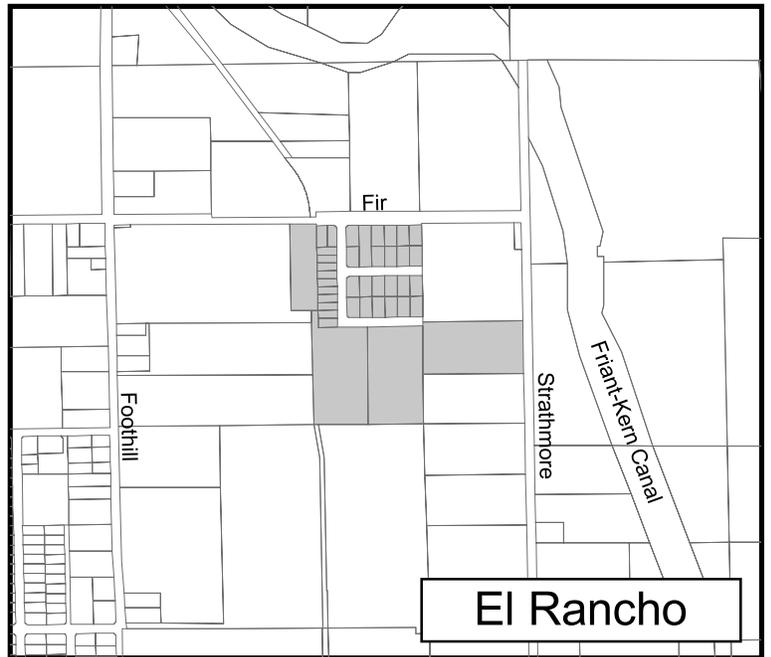
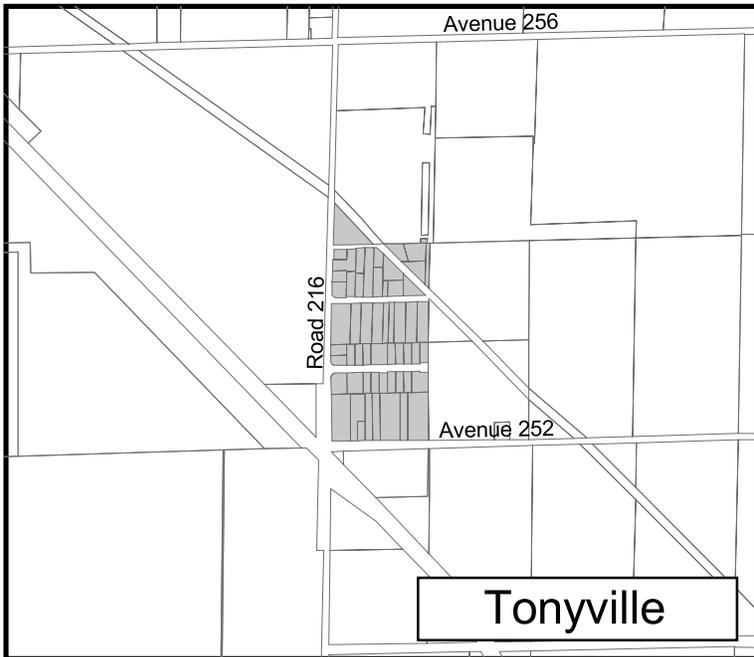
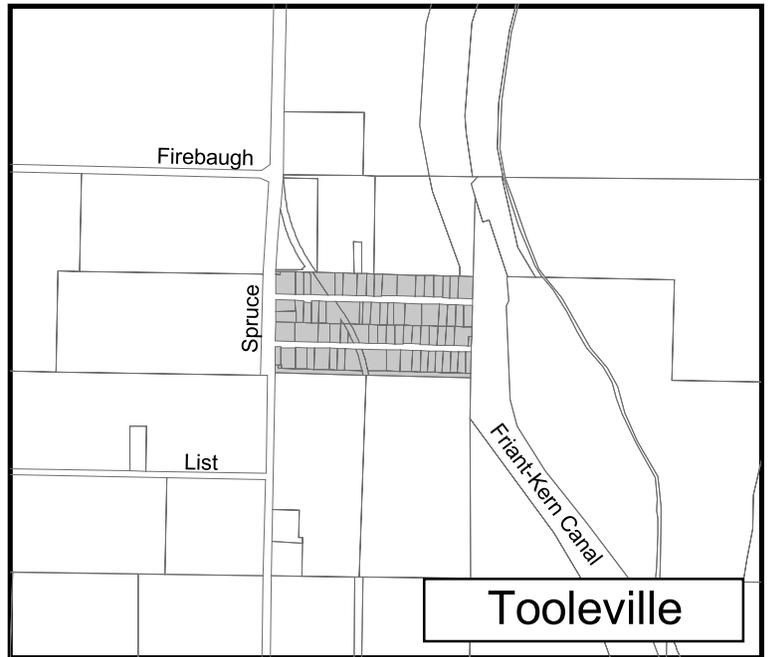
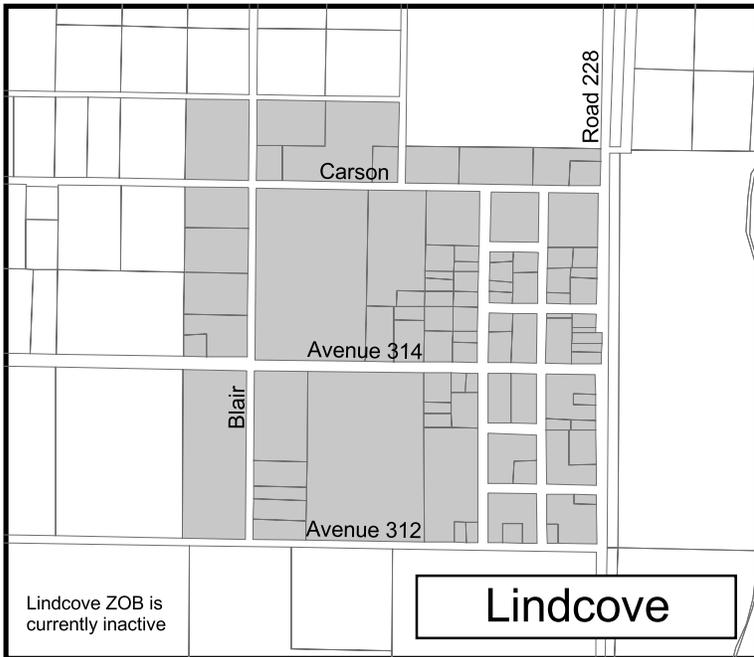
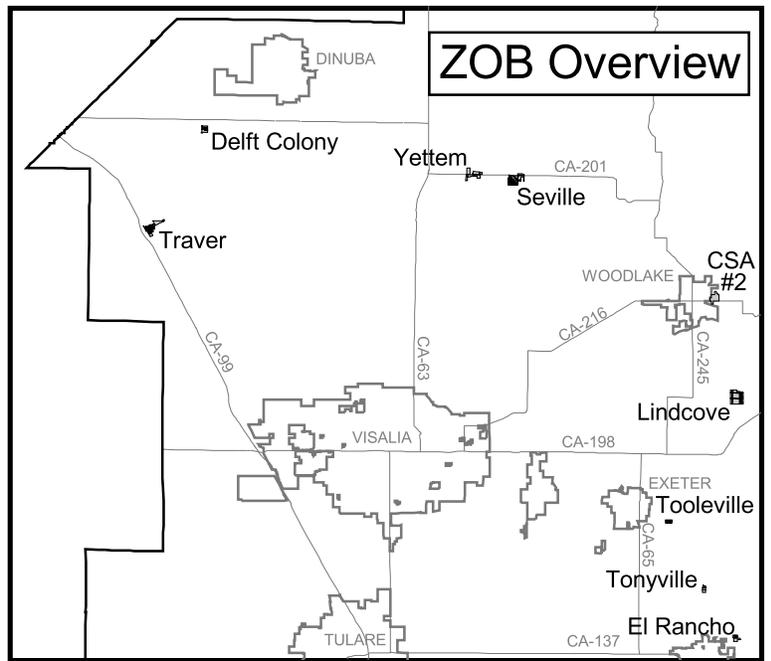
 Zone of Benefit

 Parcels

0 1000 2000 Feet

 (Scale for ZOB inset maps)

Created by Tulare County LAFCO



Public Utility Districts

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

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

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

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

Porter Vista Public Utility District Municipal Service Review

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

Background

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

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

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

As a result of this agreement, PVPUD is primarily in charge of wastewater collection for distribution into the City's WWTF system, collection of sewer rates, and enforcement of adopted

sewer ordinance and other regulations. Thus, the PVPUD MSR is largely an analysis of the Porterville WWTF, particularly in regard to the factor dealing with sewer service infrastructure.

Written Determinations

1) Growth and Population Projections

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

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

Additionally, the upward mobility potential phenomenon described in previous Group 4 MSRs seems to also be taking place within PVPUD boundaries. The significant increase in both individuals and families living below the Federal poverty line and reduction in occupied households seem to indicate that those individuals able to attain a higher socioeconomic position, compared to other community residents, tend to move out of the community once they are able. In combination, household vacancies and an increase in the community's concentration of poverty produce a reduced pool of customers that is less able to bear the economic burden of traditional revenue generating mechanisms (rate hikes, benefit assessments, special taxes). This forces the District to rely almost exclusively on State and Federal funds to cover infrastructure upgrades or even basic maintenance/operating costs. Like other impoverished rural communities, the lack of economic opportunity in the region, in effect, ensures that this cycle will continue. Suppressed wages, underemployment or unemployment, results of the severe recession experienced in 2008, might also be drivers of the data produced by the 2010 Census.

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

1. The City of Porterville's sewer collection system consists of approximately 150 miles of 6" through 36" diameter sewers and includes 18 sewage lift stations and associated force mains. The conveyance of raw sewage depends on the system's series of gravity trunk sewers, generally 12 inches in diameter and larger, which function to convey the wastewater collected to the City's WWTF, located on the corner of Grand Avenue and North Prospect Street, west of Highway 65 in Porterville. Due to the relative flat topography of the area, lift stations were incorporated in the sewer trunk system at locations where the sewer elevation needs to be raised.
2. The City's WWTF is an activated sludge treatment plant consisting of a headworks with mechanical and manual screens, aerated grit chambers, two clarators with primary aerator and aeration chambers, two primary clarifiers, two aeration basins, four secondary clarifiers, a chlorine contact tank, a blower room, two sludge thickeners (Dissolved Air Flotation units), four anaerobic sludge digesters, and a bio-solids transfer station. The design capacity of the WWTP is 8.0 million gallons per day (mgd). The permitted monthly average daily discharge flow is 6.7 mgd, with actual flows of 4.85 mgd.
3. The WWTF generates undisinfected secondary treated water effluent that is discharged to a City reclamation area where it is used to irrigate approximately 620 acres of feed and fodder crops. Effluent not used for irrigation is discharged directly to about 60 acres of percolation basins. Old percolation ponds, located on the WWTF site, are now used as emergency storage ponds in the event that the effluent pumps are without power or become inoperable. Emergency storage capacity is required by California Code of Regulations Title 22.
4. Solids and biosolids, otherwise referred to as sludge, are thickened and stored in the sludge digesters then transferred via an underground pipeline to the various agricultural fields where they are used as a soil amendment. Current sludge production is at 1,100 tons of dried sludge per year, which requires an estimated 65 to 70 acres of land each year.
5. The WWTF does not chlorinate to disinfect the treated effluent unless required to deal with algae blooms.
6. The City's WWTF conveyance system includes two diversions, Grand Avenue Diversion and Union Avenue Diversion, which serve to route flows to alternative trunk sewers in order to relieve sewer trunk capacity limitations.
7. The PVPUD owns and operates the sewage collection system that carries flows from within its boundaries to the City's sewage system. Approximately 80% of the flows from the PVPUD are pumped from a lift station located on the east side of Park

- Street. The pumped flows are routed south along Park Avenue and west along Date Avenue, via the City's 18" trunk sewer on Date Avenue. The remaining 20% of PVPUD flows are routed via a 12" gravity pipe to the lift station located on Jaye Street, south of the Tule River. These flows are then pumped northward across the Tule River into the City's existing 18" trunk sewer along Jaye street.
8. Flows from the PVPUD are not currently metered and flow estimates contained in the City's Sewer System Management Plan for the pump/lift stations that handle District flows only provide flow rates in the aggregate, not by jurisdiction. However, based on the per capita flow rate of 117 gallons per day per housing unit, contained in the Riverwalk Market Place Draft EIR (2011), the 1,785 housing units within PVPUD boundaries produce flows of approximately .21 mgd.
 9. According to City of Porterville Public Works Staff, over the last 23 years the PVPUD has helped fund the cost of City system infrastructure upgrades only once. City Staff further indicated that there are no infrastructure needs or deficiencies that require action by the PVPUD at this time.
 10. Based on existing demand factors and City 2030 General Plan build out estimates, the City estimates system wide flows to reach 12.5 mgd by 2030. Planning for the expected WWTF capacity increase projected to be required will begin in 2012. The District is also in the process of updating its Sewer System Management Plan (SSMP), a document that helps plan, develop, and fund required sewer infrastructure upgrades and replacements. As detailed in the population section of this report, the District is not expected to grow by any significant level in the future; thus, most of the expected increase in flows will come from new development and population growth within the City of Porterville and vacant land surrounding the City.
 11. Depth-to-groundwater in the vicinity of the WWTF and the Reclamation Area varies considerably. Regional groundwater in the area is encountered between 50 and 100 feet below ground surface (bgs), and flow is to the southwest.
 12. In 1993, the City of Porterville established a groundwater monitoring network around the WWTF and reclamations area. 14 additional monitoring wells were added in 2002.

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

3) Financial Ability of the Agency to Provide Services

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

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

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

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

Based on the District financial data available, it seems current sewer rates and connection fees do not generate sufficient revenues to cover the costs of both collection system operation and maintenance and meeting district debt obligations, debt carried for 33 years. It is determined that the District currently has the financial capacity to provide an adequate level of service and is taking appropriate step, through the Proposition 218 process, to ensure that it continues to possess the ability to provide service and meet debt obligations into the future.

4) Status of, and Opportunities for, Shared Facilities

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

Given the fact that the District only provides sewer collection service, it is determined that the District is already exercising the most feasible and logical opportunity to share facilities and infrastructure with another local agency. It is also Determined the current agreement between the City and the District continues to be implemented in an efficient manner that results in adequate treatment and disposal of PVPUD wastewater and protection of area drinking water. It is further

Determined that there does not exist any other feasible and logical opportunities for shared facilities that will result in more efficient, higher quality and more affordable service provision.

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

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

Influent Monitoring

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

Effluent Monitoring

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

4. In accordance with the MRP, samples extracted from the City's groundwater test well network, ponds, pretreatment effluent, sludge, and reclamation area must be analyzed for the abovementioned constituents. Reports summarizing sample test results must be submitted to the RWQCB on a quarterly basis. An annual report must also be prepared.
5. An examination of the most recent annual report submitted by the City of Porterville (2009) and all quarterly reports submitted for 2010 (reports involve a lengthy list of monitoring wells set in various areas), groundwater quality in the area surrounding the WWTF is generally of good to excellent quality except for nitrates. Samples extracted from monitoring wells MW 05, 06, 103, 105, 106, 107 consistently exceeded groundwater limitations or MCL's for EC, TDS, and/or nitrates.
6. Sewer System Management Plans (SSMP) is required to be prepared by the State Water Resources Control Board (Order No. 2006-0003) and Statewide General Waste Discharge Requirements for Sanitary Sewer Systems (Order No. 06-03). The SSMP serves to assist system staff in planning, developing and financing required sewer infrastructure. The City of Porterville is currently in the process of updating their SSMP and will outline sewer needs and upgrades for a 20-year period.
7. The PVPUD does not maintain a website where meeting notices, agendas and minutes can be made readily available. Notices are posted at two District facilities and the City of Porterville's Administration Office.
8. Government Code Section 16191 limits the maximum time of labor or service required of any laborer, workman, or mechanic employed upon any work of the district, whether employed directly by the district and its officers, or by a contractor or subcontractor, shall be eight hours during any one calendar day, except in case of emergency.
9. Government Code Section 16035 requires the District's Board of Directors to appoint a clerk, accountant, general manager, and treasurer. The District does employ a Clerk and General Manager, both of whom have worked for the District over 20 years. The County of Tulare's Auditor/Controller acts as the District's Treasurer and a private firm is contracted to provide the District with accounting services.
10. Government Code Section 16002 dictates that each member of the board shall receive such compensation as the board by ordinance provides, not exceeding four thousand eight hundred dollars (\$4,800) a year.

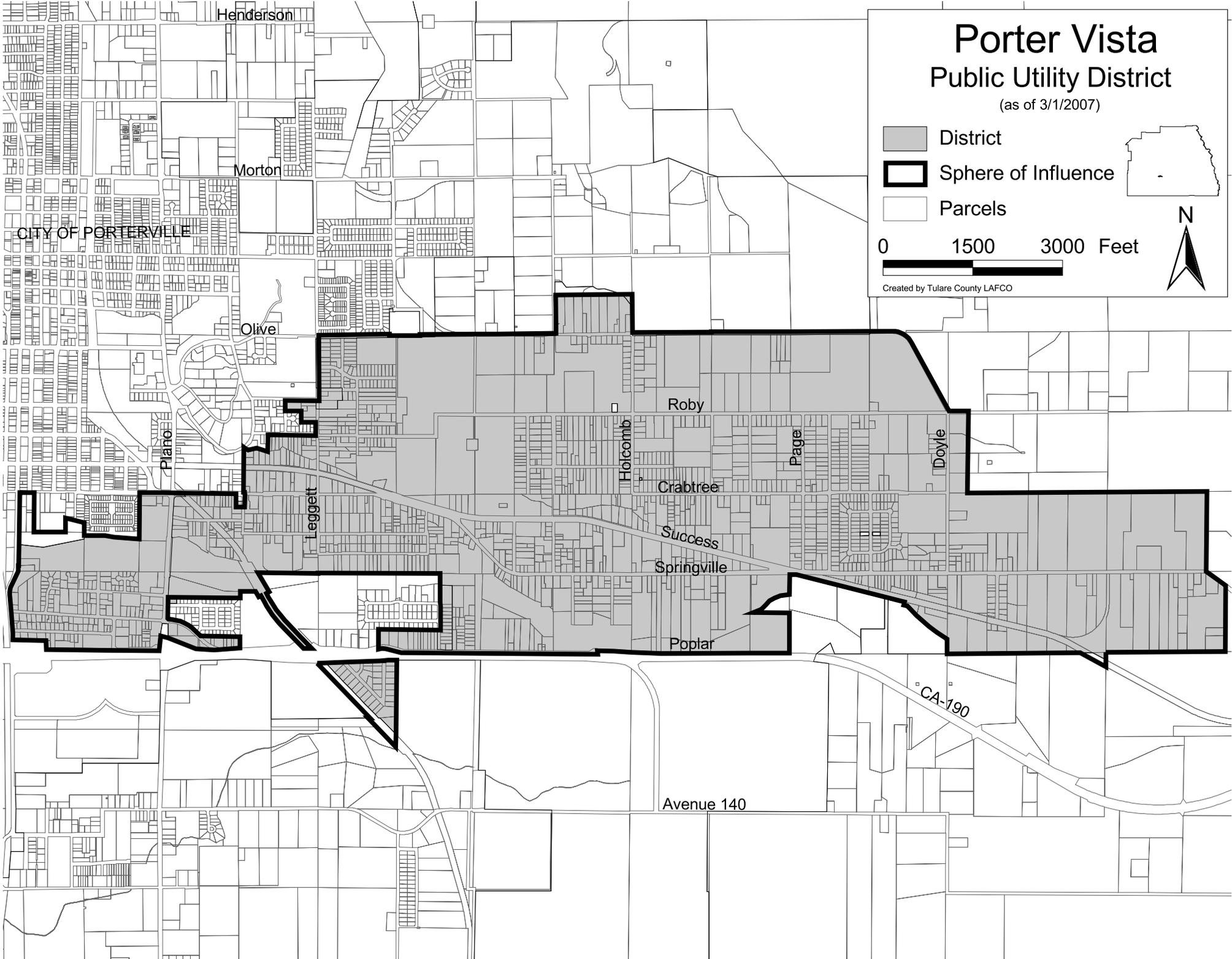
It is determined that there are adequate regulatory controls in place to ensure that wastewater from all sources is collected, treated and discharged properly and efficiently and that the integrity of area groundwater supplies is maintained. It is further determined that the Public Utilities Law requires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

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

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

Recommendations:

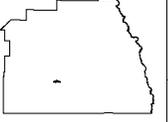
There are overlaps between the Porter Vista PUD boundaries and SOI and the City of Porterville city limit boundaries and SOI. Since the PUD is almost completely surrounded by the City and relies on the City for the completion of its one existing service, its determined that the PUD should wholly be included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



Porter Vista Public Utility District

(as of 3/1/2007)

-  District
-  Sphere of Influence
-  Parcels



0 1500 3000 Feet

Created by Tulare County LAFCO

CITY OF PORTERVILLE

Henderson

Morton

Olive

Piano

Leggett

Roby

Hoicomb

Page

Doyle

Crabtree

Success

Springville

Poptar

CA-190

Avenue 140

Healthcare Districts

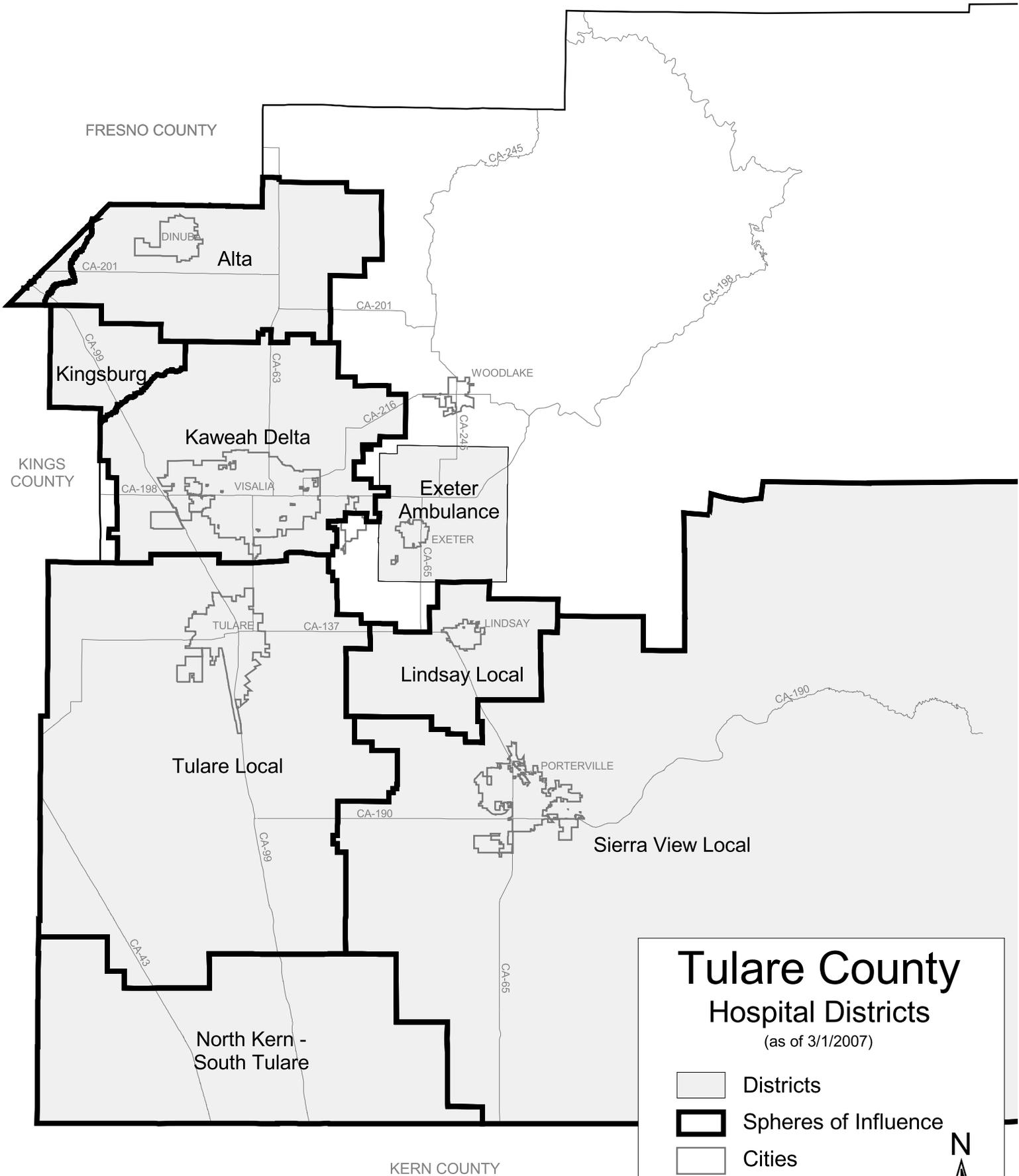
Healthcare Districts are established in accordance with the Local Hospital District Law, Health and Safety Code Section 32000 et seq.

Each district is governed by a 5-member board of directors elected at large, by division or from division by the voters of the district. Each director must be a registered voter residing within the district.

In addition to its general powers, a Hospital District has the following specific powers provided by statute: (Numerical references are to sections of the Health and Safety Code)

- Establish, maintain, and operate one or more health facilities or health services within or without the district for the benefit of the district and the people served by the district (§32121[j]).
- Acquire, maintain and operate ambulances or ambulance service within and without the district (§32121[l]).
- Establish a nurses' training school in connection with the hospital (§32124).
- Fix and establish such rates of charge that so far as possible will permit the hospital to be operated on a self-supporting basis. Make and enforce all rules, regulations and bylaws necessary for the administration of the hospital (§32125).
- Establish, maintain, and operate free clinics, diagnostic and testing centers, health education programs, wellness and prevention programs, rehabilitation, aftercare and any other health care services provider, groups and organizations that are necessary for the maintenance of good physical and mental health in the communities served by the district. (§32121[m])

There are currently eight Hospital Districts within Tulare County of which two are in multiple counties (Kingsburg, North Kern-South Tulare). Fresno is the principal county for Kingsburg and Kern is the principal county for North Kern-South Tulare.



Principal Counties:
 Fresno: Kingsburg HD
 Kern: North Kern-South Tulare HD

Tulare County Hospital Districts

(as of 3/1/2007)

- Districts
- Spheres of Influence
- Cities

0 5 10 Miles

N

Created by Tulare County LAFCO

Kaweah Delta Health Care District Municipal Services Review

Background

Kaweah Delta Health Care District (KDHCD) is a general medical and surgical hospital located at 400 W. Mineral King Avenue in Visalia, CA. It is accredited by the Joint Commission (JC), the Commission on Accreditation of Rehabilitation Facilities (CARF) and licensed by the California Department of Public Health (CDPH). The KDHCD began as the Kaweah Delta Hospital District, formed in March of 1961 by a vote of citizens residing within the District's original boundaries. The Tulare County Board of Supervisors appointed the first governing board. After the establishment of the District's physical boundaries and years of planning, operation of Kaweah Delta District Hospital commenced July 1, 1963. Originally, the Board of Directors leased the former Visalia Municipal Hospital, a 68-bed facility, and provided basic health care needs to the local community. This building, constructed in 1936, was in use until a new hospital was completed in 1969. The Kaweah Delta Healthcare District, as it is now known, is still in operation at this site and in various other sites throughout the County. Kaweah Delta Health Care District is a political subdivision of the State of California and is governed by an elected board of directors elected by division (in the case of the KDHCD, these divisions are dubbed zones).

Written Determinations

1) Growth and Population Projection

1. The KDHCD's current Sphere of Influence (SOI) was last amended in 1975 (LAFCO Resolution 75-038). The KDHCD boundaries encompass 115,569 acres (180.6 square miles). The City of Visalia, a portion of the City of Farmersville and the unincorporated communities of Goshen, Ivanhoe, Lemon Cove, London, Patterson Tract and West Goshen, are all located within the District's current boundaries. Based on census block-level data, the District's population was 114,986 in 2000 and 146,020 in 2010. This represents a 27 % increase in population over the last Census period.
2. According to a survey conducted in 2009 by the American Hospital Association (AHA), KDHCD reported that its emergency room received 103,627 visits, its hospital admitted 20,986 patients and that its physicians performed 4,379 inpatient and 3,083 outpatient surgeries. The hospital's clinics located throughout the county (including areas not within the District's SOI) and other outpatient facilities support 449,000 visits annually. The District estimates that approximately 50% of its inpatient admissions consist of patients who reside outside of the District's jurisdictional boundaries.
3. The KDHCD is not proposing to expand its boundaries but would like to change their SOI to more accurately reflect the vast area it serves. In its response to LAFCO's request for comments, the District indicates that it regards its primary service area to include 19 zip codes and its secondary service area to include 25 zip codes. The region

that the District considers to be its secondary service area includes all of Tulare County, the eastern portion of Kings County and southern portions of Fresno County.

4. The Alta Hospital District (AHD), whose boundaries encompass the city of Dinuba and the entire Cutler-Orosi area, became financially insolvent and filed for bankruptcy some years ago. In accordance with the ultimate structure of the District's bankruptcy agreement, the AHD does not provide a single service, but must remain a legal tax collecting entity until all debts are repaid. The District additionally continues to have 3 board members, but has not met quorum in several years. With the Alta HD no longer able to meet the health care needs of residents within its boundaries, the KDHCDC is likely providing healthcare services to the vast majority of residents within the AHD boundaries.
5. In addition to providing a wide range of health care services to people within and beyond its boundaries, the KDHCDC is under contract with the City of Visalia to provide health care services to City employees as part of an Employee Assistance Program. Many city employees reside in areas outside of the county that are served by their own healthcare district or other health care provider.

Based on the 2.7% average annual population increase within district boundaries, the vast population outside district bounds that regards the KDHCDC as its primary source of healthcare and the various health programs the District extends to companies and other government agencies, it is determined that demand for the various healthcare services offered by the KDHCDC will continue to grow well into the future. It should be noted that the aforementioned factors are only some of the drivers of increased demand. Population ethnic and age demographics are also reliable indicators of demand for healthcare services; older populations place a higher demand on healthcare services while some ethnicities suffer higher incidences of certain types of illnesses and diseases. Having large populations of either or both indicate that future demand for healthcare services will increase.

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

1. The KDHCDC manages 581 licensed beds across four facilities: an acute care hospital, a mental health hospital, a rehabilitation center, and a long-term care facility. The KDHCDC hospital has a bed capacity of 474 with a daily average occupancy rate of 72.5%. The KDHCDC also has an affiliation with a 119-bed assisted living campus that includes independent living cottages, a large skilled nursing facility, and a 12-bed dementia care unit.
2. As mentioned above, the American Hospital Association (AHA) estimates that the KDHCDC's emergency room received 103,627 visits, its hospital admitted 20,986 patients and that its physicians performed 4,379 inpatient and 3,083 outpatient surgeries. Altogether, all hospital clinics and other outpatient facilities support 449,000 visits annually.

3. The District owns or leases land and buildings in various locations including Visalia, Porterville, Exeter, Lindsay and Woodlake.
4. The District has completed a \$142 million six-story north expansion project known as the Acequia Wing of the Kaweah Delta Medical Center. The first four floors of the 6-floor expansion are now in use. When the 5th and 6th floors become fully operational, an additional 48 beds of capacity will be added to the District's current 581 bed capacity, bringing total hospital bed capacity to 629 once the entire expansion area is fully operational. Construction of a new \$6 million outpatient dialysis center has been completed and a new \$7 million dementia center is expected to be completed in 2012. The dementia center is slated to replace the 12-bed unit currently in use for treatment of dementia patients.
5. The North Expansion project is a 20-year plan to replace the existing hospital with a new facility that meets state seismic safety standards. The project includes more space for Kaweah Delta's ER, which recently received Level III trauma designation; an expansion to the hospitals ORs and ICU; and a completely renovated and updated post-partum unit. The project also allowed the District to overhaul its cardiovascular program with new cardiac intensive care and telemetry units, four cath labs, an electro physiology cardiology lab, three cardiovascular-surgical suites, and an endovascular suite complete with ZeeGo Philips' diagnostics and therapeutic system. The plan is expected to be fully implemented by 2030.
6. The District annually allocates \$10 million for acquiring new or replacing existing capital equipment.
7. Plans and funding for the remaining 2 floors of the District's Acequia Wing were recently approved by the District's Board. The Board has also approved plans and funding for expansion of the District's ambulatory surgery center and its operating room capacity. Funding has also been secured for improvements to the District's Mineral King Wing and for construction of the building that houses the District's Kaweah Delta Graduate Medical Education programs.
8. The KDHCDC is in the process of applying for Magnet status; has implemented a hire-right program to better review potential hires for interpersonal and clinical competencies, has an effective service excellence program, and launched a clinical skills lab in the hospital for nurses and physicians to learn how to use new equipment. Kaweah Delta will also be launching a graduate medical education program with support from the University of California Irvine. The District plans to start with family practice and emergency medicine residencies in 2013 and roll out programs in surgery, psychiatry, and OB/GYN by 2015.
9. The District entered into a joint exercise of powers agreement with the City of Visalia. The JPA is known as the Visalia Area Hospital Authority (VAHA) and has the power to exercise jointly only those powers common to both the KDHCDC and the

City. The primary purpose of the JPA is for the acquisition of land and the construction of infrastructure projects. The JPA has the ability to issue bonds to fund projects. The JPA then leases property to the City for an amount sufficient to pay the principle and interest of bonds issued and the City then subleases the facilities to the KDHCDC for an amount equal to the City's obligation to the JPA.

Based on the District's ability to raise significant capital and its aggressive approach toward implementing capital projects, it is determined that the KDHCDC presently has the capacity needed to accommodate current demand of healthcare services and has taken adequate steps to ensure that expected demand is accommodated well into the future. It is further determined that the District's investment in technology, professional development support and efforts to attract high quality medical personnel ensure that demand for a wide array of healthcare services is met, such as the new dementia center that reflects an aging population, and that services provided are of the highest quality and efficiency.

3) Financial Ability of the Agency to Provide Services

1. For FY 2010/2011 the KDHCDC projects net revenue from patient services to be \$405,274,000 and projects its net operating revenue (items like non-patient food sales, Lifestyles Fitness Center membership fees, etc.) to total \$435,077,000. Operating expenses, which include items like payroll, employee benefits, supplies, services and fees to the District are expected to total \$437,707,000. The District's net revenues and expenses give the District a positive operating margin of \$5,070,000. For FY 2010/2011, investment income is projected at \$2,770,000 and the District's excess margin is projected to be \$7,840,000.
2. Some of the surplus will be spent to pay the principal amount of debt (such as bonds), self insurance trust, general capital contingency fund, enterprise capital and the annual \$10 million set aside for acquisition/construction of infrastructure. Items like the First 5 Grant and amortization/depreciation will offset some of those expenses. Once all of this is accounted for the KDHCDC projects \$11,232,00 in surplus funds for FY 2007/2008.
3. The District sets its rates according to the revenue necessary to sustain operations, provide for new and replacement capital equipment, payment of debt, maintain strong levels of liquidity and access to capital markets while being mindful of cost of care to the patient. A list of all services offered by the KDHCDC and its fees for each would require hundreds of pages of print. It is available upon request.
4. The KDHCDC is highly dependent on reimbursement agreements with Medi-Cal and Medicare programs and is subject to regulations set by various State and Federal regulatory, permitting and accrediting agencies. This stringent regulation also applies to the adequacy of facilities. Facility inadequacies could lead to decertification by State and Federal agencies as well as loss of reimbursement for services. Periodic reviews are conducted by the various agencies. The material available indicates that

the KDHCDC remains in good standing with all regulatory entities and continues to receive funds in accordance with reimbursement agreements suggesting that KDHCDC public facilities are adequate.

5. The KDHCDC derives less than one-half of one percent of its operating budget from local taxes. The remainder of its budget is raised from patient charges. The KDHCDC listed the following items as the primary sources of funds for the District.
 - Funds Collected for services rendered to patients
 - Property Tax Revenue
 - Cafeteria Revenue
 - Management Services Revenue
 - Grants
 - Philanthropy
6. The robust projected amount of surplus funds derived after all expenses and fees have been accounted for and the fact that much of that amount will be reinvested to expand capacity, replace equipment and generally make sure the KDHCDC meets all regulations and codes indicates that the District is in stable financial condition and is able to provide health care services well into the foreseeable future. (Exhibit D: 10-Year Financial Forecast)
7. Planning and fundraising for the relative to the acquisition of daVinci Robotic Surgical technology which is now in active use by urologists and OB/GYN physicians operating at the District's facilities.

4) Status of, and Opportunities for, Shared Facilities

1. As previously mentioned the District leases or owns land/buildings in several locations through out the County.
2. The District is also part of a second JPA that includes the Sierra View District Hospital District and the Tulare District Hospital District and was intended for the purpose of sharing services and/or joint purchasing. Since its formation the JPA has not been utilized.

It is determined that the District is already exercising the most logical and feasible opportunities for shared facilities. As previously mentioned; however, the financial insolvency of the Alta Hospital District (AHD) has in all likelihood made the KDHCDC the service provider of choice for AHD residents. Accordingly, the District may consider acquiring and upgrading AHD facilities or purchase land for the eventual construction of new facilities in order to better serve AHD area residents and capture some of the patient services revenue that would otherwise go to Fresno County medical facilities.

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

Accountability for Community Services

1. The KDHCDC's productivity and overall performance is monitored by various Local, State and Federal agencies. Regulation includes: accreditation from the Joint Commission on Accreditation of Healthcare Organizations; certification from the Medicare and Medi-Cal programs; permits for building, conditional use, expansion, renovation or replacement of major equipment from the Office of Statewide Health Planning and Development, the City of Visalia and from the San Joaquin Valley Air Pollution Control District; licensure from the State Department of Public Health Services; and must register its vehicles with the DMV.
2. The State Department of Public Health levies penalties on hospitals for administrative violations that jeopardize the health or safety of a patient (e.g. botched surgeries and disabilities associated with medication error) and for breach of a patient's confidential medical information. Penalties can be as high as \$100,000 per violation. The list of hospitals cited is published each year on the State Department of Public Health's website. The KDHCDC does not appear on the list for 2010.
3. The KDHCDC makes available various publications to inform the public of its services, activities and accomplishments. The KDHCDC also engages in health screenings and health education.
4. Operational benchmarks are set continually, both agency-wide and by department, and compared against other similar organizations throughout the country to ensure efficient operations and provide contacts for best practices utilized by others.
5. As detailed in the background portion of this MSR, in accordance Government Code 56430 LAFCO is required to conduct a Municipal Service Review and make determinations. The KDHCDC has complied with this local governance mechanism by providing detailed answers to LAFCO's MSR Questionnaire, a detailed organizational chart and detailed financial documents including a 10-year forecast of various financial items.
6. The Tulare County Grand Jury conducted an investigation into whether area hospitals are fulfilling the requirements set by the Emergency Medical Treatment and Labor Act (EMTALA), Section 1867 of the Social Security Act. The act proposes to protect those seeking emergency treatment from hospitals transferring, discharging, or refusing to treat patients coming to hospital emergency rooms. These practices are commonly referred to as "dumping". The act applies to Medicare participating hospitals but protects all patients, not just Medicare beneficiaries. A detailed list of the EMTALA requirements is attached to this MSR.

The investigation was prompted by the extensive media coverage regarding physician/surgeon shortages in Tulare County. The Grand Jury investigation focused on hospital emergency service and scheduling of surgical personal.

Procedures followed:

- Visited all areas hospitals
- Interviewed relevant witnesses
- Reviewed relevant documents

Findings of relevance:

- The KDHCD has established its own procedures to make sure that emergency personal is available 24 hours per day, 7 days per week and 365 days per year.
- The KDHCD has on-call lists and schedules in place with nursing supervisors, trained in emergency procedures, who will call a physician/surgeon who then assembles a team to deal with the emergency. The process may take over an hour.
- The KDHCD treats approximately 78,000 emergency patients each year (the hospitals own records, cited above, give a lower estimate).
- KDHCD has put in place an incentive fee schedule designed to attract local physician/surgeons for unscheduled medical duty.
- The Kaweah Delta, Tulare District and Sierra View hospitals can call on each other to help in times of shortages.

Governmental Structure and Operational Efficiencies

1. The KDHCD Board of Directors is comprised of 5 members who are registered voters and reside within the District. The KDHCD boundaries are divided into five zones and each board member represents a specific zone.
2. Regular Board meetings are held on the second Monday of each month. Meeting agendas are posted in the hospital and are also faxed and emailed to the Visalia Times-Delta, the Fresno Bee and the Valley Voice newspapers. Agendas are also posted on the District's webpage: www.kaweahdelta.org.
3. The KDHCD has over 3,500 full-time and part-time employees.

Full-Time Employees

- 8 executive positions
- 153 management positions
- 1,164 professional positions
- 1,011 operational positions

Part-Time Employees

- 4 management positions
- 397 professional positions
- 155 operational employees

The KDHCDC also employs 140 professional employees who provide their services to the District under contractual agreements.

The KDHCDC operates within a highly regulated industry. It is determined that the sheer number of regulatory and permitting agencies the KDHCDC must report to, along with the rigor of oversight, ensure adequate accountability for the provision of healthcare services by the District. It is also determined that the District's governmental structure and staff levels provide for quality and efficient provision of service as well as open and transparent government.

The health care industry as a whole is being compelled to be more transparent, with quality and efficiency measures becoming much more publicly available. Based on the data cited above, that the KDHCDC falls in line with this positive trend. Some of the challenges that management faces on an ongoing basis are: manpower shortages in areas like nursing and numerous technical and professional fields. Providing healthcare services to uninsured and underinsured patients while remaining financially viable and the rapidly changing demographics of the community are a challenges that must be met head-on, only for reasons of compassion and quality of life, but also because of the economic consequences that accompany inaction.

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

Recommendations:

The original draft of this MSR, submitted to the Commission on June 1, 2011, contained the following recommendation:

It is recommended that the District's SOI be expanded to include the additional area it likely serves, in particular, the area once served by the Alta Hospital District. Inclusion of the area into the District's SOI could also be accompanied by annexation of the area into the District's jurisdictional boundaries. Dissolution of the Alta Hospital District will need to take place first.

Since the original MSR was submitted to the Commission, LAFCO Staff has prepared a summary of Alta Hospital District operations since it filed for bankruptcy protection. The District continues to receive property taxes for the purpose of repaying debt obligations as directed by the Federal Bankruptcy Court. District officials indicated that once all debt obligations have been met, the District may still continue to provide services allowed under the Healthcare District Law. If this is the course the District takes after the bankruptcy plan is fully effected, the District will most likely maintain its existing SOI, making inclusion of the area into an expanded Kaweah Delta HD SOI impossible; CKH prohibits overlapping SOI boundaries.

The KDHD, in its reply to LAFCO's request for comment, requested that its SOI be expanded to include all of Tulare County, since it provides services to individuals from the entire region. However, this is impossible to accommodate because such a request would naturally cause an overlap of all county healthcare district SOIs.

Accordingly, it is now recommended that the KDHD SOI be expanded as much as possible without causing an overlap with other healthcare district SOIs in order to reflect a much more accurate service area for the District, to the largest degree possible.

Exeter District Ambulance Municipal Services Review

This section provides an overview of the determinations of the Exeter District Ambulance (EDA) 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 determinations with respect to each of the following: 1) Growth and population projections for the affected area; 2) Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies; 3) Financial ability of agencies to provide services; 4) Status of, and opportunities for, shared facilities; 5) Accountability for community service needs, including governmental structure and operational efficiencies; 6) Any other matter related to effective or efficient service delivery, as required by commission policy. These requirements are established by Section 56430 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH). The following determinations were largely derived from a questionnaire submitted by the EDA in 2007, Central California Emergency Medical Service Agency (CEMS) policies and procedures manual, and the Sun-Gazette newspaper. CKH Section 56430 has since been amended by AB 1744 (Ch. 244, Stats 2007). The MSR format used in the Group 1 and 2 MSR's has been revised to reflect the new requirements of CKH 56430 as amended.

Background

Exeter District Ambulance (EDA) was established in October 1977 and provides emergency ambulance treatment and transportation service to 25,000 people in a 300 square mile area. The district encompasses all of Exeter and Lindcove and extends west to Road 176, east to Road 236, north to Avenue 320 and south to avenue 256. The CEMS and the County Board of Supervisors authorize ambulance provider agencies within Tulare County. Each provider agency is limited to provide service within a specific geographic area (with some exceptions) called Ambulance Service Areas. The EDA provides service within Tulare County Ambulance Service Area 5.

Written Determinations

1) Growth and Population Projections

1. As mentioned above the EDA boundaries include the City of Exeter the unincorporated area west to Road 176, east to Road 236, north to Avenue 320 and south to avenue 256. According to U.S. Census data, the population within district boundaries was 10,086 in 2000 and 14,621 in 2010.
2. The District has no intension to request an expansion of its current Ambulance Service Area.
3. A costumer is defined by the district as any person to which care is provided to by district EMT's or paramedics and/or persons transported by EDA ambulances.
4. In addition the district serves costumers outside of the established Ambulance Service Area in cases where the EDA is the nearest provider agency.

5. Call frequency and volume is used to determine staffing. The District defines this as unpredictable.

Population fluctuations within district boundaries are not necessarily a good indicator of fluctuations in service demand. Demographic and medical data such as population by age, income, gender, race and the susceptibility of these groups to certain diseases would provide a better picture of the demand for services. However, LAFCO Staff does not have the medical background to analyze such data and make such determinations. Based on the population data listed above, the lack of building permits for the unincorporated area within the district, and no annexation requests made by the City of Exeter, it can be determined with a high degree of certainty that the population within district boundaries will remain steady for the new 5-years.

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

1. The EDA defines a customer as any person who is treated by district EMT's or paramedics or any person who is transported to a hospital by a district ambulance.
2. The primary service areas for the EDA are Ambulance Areas 3, 5, and 13. This includes the cities of Exeter, Farmersville, Woodlake and the surrounding unincorporated areas. A map of Tulare County Ambulance areas is attached to this MSR. The EDA also staffs an ambulance on Tuesday, Friday, and every 3rd Thursday of each month in the City of Lindsay. Pursuant to the contract between the EDA and Tulare County the District can respond to calls in any other area in the County.
3. The EDA operates out of 2 stations and owns/operates 4 ambulances. In addition the EDA owns 1 administration building. The District's administration building is located at 302 East Palm in Exeter.
4. EMS equipment standards as well as EMS drug and solution standards are determined by the CCEMS Agency's policies and procedures manual. This equipment is subject to inspection by CCEMS Agency personnel for compliance with policies.
5. Response time standards and reporting requirements are also determined by CCEMS Agency policy. Response time is measured by the amount of time that elapses from the time a dispatcher receives a Code 3 call to the time an EDA ambulance reaches the scene. The response time standard for Tulare County providers is 13 minutes within a 5-mile radius of the ambulance base. The set standard of time must be met in 90 % of the cases that are reported to the CCEMS Agency. The EDA indicated that the average response time within the district is less than 7 minutes.
6. Responses that exceed 150% of the standard will be reviewed and documented as to cause and submitted to CCEMS by ambulance providers. The ambulance provider

must submit monthly performance reports due within 15 days of the following calendar month.

7. In addition to response times exceeding set limits, the monthly performance report must also indicate the number of Code 3 calls received, percentage of calls meeting the standard, responses to calls outside service area and number of calls that were turned over to another zone.
8. The District indicated that there are no types of infrastructure and/or service that it considers inadequate.
9. The District indicated that it had no plans to upgrade infrastructure or expand service.

According to the latest EDA monthly performance report, the District has met the required standard response time in the minimum required number of cases. Furthermore, the CCEMS indicates that there have been no reports of substandard EDA EMS equipment or drugs and solutions. This information suggest that the EDA has an adequate amount of ambulances, EMS equipment and trained personnel to meet current demand for emergency service within its designated Ambulance Service Area within the minimum required amount of time. However, LAFCO cannot make as determination as to the quality of care provided by the district as data such as number of deaths due slow transportation, inadequate pre-hospital medical care, or patient surveys is unavailable.

3) Financial Ability of the Agency to Provide Services

1. District operations are funded by a special property tax approved by voters in 1977.
2. According to the 2008/09 FY budget (most recent budget available)\ the EDA began the fiscal year (July 1, 2008) with a cash balance of \$541,581 and \$309,331 in reserves. Revenue sources include:
 - i. secured property tax
 - ii. bad debt collection
 - iii. service charges
 - iv. interest earned
3. For FY the 07/08 the EDA estimated that it would spend approximately \$1 million on employee salary and benefits. Other expenses include services and supplies, long-term debt payments.
4. Based on budget information from FY 2008/09, FY 2007/2008 and EDA Board Presidents comments in the Sun-Gazette article published ion July 23, 2009 (before adoption of the 2009/10 budget) the EDA maintains a reserve of approximately \$500,000 from year to year. Board President Kunkell stated in the same article that the general rule followed by the Board is to have a reserve amount sufficient to keep operations going for at least 4 months.

5. On July 22, 2009 the RDA Board voted unanimously to enter into a contract with Lifestar a Tulare based company to act as executive management overseeing personnel in both EDA operations management and paramedics. Lifestar would evaluate district personnel, policies and procedures and make recommendations to the board. Substantial cost savings were cited as the reason for this action.
6. The EDA has a rate schedule for the following services:
 - Advanced Life Support (ALS)
 - Basic Life support (BLS)
 - Mileage
 - Oxygen
 - Night Fee
 - EKG
7. The EDA has had a number of instances in the past where it was close to financial insolvency:
 - 1985- citizens raised \$17,000 to prevent the EDA from dissolving.
 - 1990- an unexpected charge for service previously provided for free by the CA Dept. of Fire that dwindled reserves.
 - 2003- By this time service had been extended to Woodlake, Farmersville, Lindsay, and Three-Rivers but had to be withdrawn due to budget constraints that forced layoffs.
 - 2008- The County of Tulare was considering the establishment of a single ambulance provider Countywide. This would have forced the EDA to close because it would no longer have the funding to support operations.

The District is primarily dependant on property taxes. This coupled with the fact that the state will be withholding a larger portion of local agency tax revenues to address the state's budget shortfall makes it likely that the EDA will once again face financial hardship. The Board President is aware of this fact and was quoted as saying that FY 2009/2010 district reserves may have to be used to supplement a potential budget shortfall. It is determined that reserves will be sufficient to cover the projected budget shortfall projected for FY 2009/10. However, based on the large amount of employee benefits and salaries paid each year as compared to it district revenues, if the current economic conditions continue, a reduction in district staff or service may be necessary in order for the EDA to remain operational.

4) Status of, and Opportunities for, Shared Facilities

1. As mentioned above on July 22, 2009 the EDA Board of Directors voted to enter into a contract with the Lifestar, a Tulare based company, for the sole purpose of managing operations. EDA EMT and paramedic staff will continue to work for the EDA. However, Lifestar does have EMT and paramedic staff that is available to provide support in case current EDA medical staff is unavailable.

2. The EDA has entered into an agreement with Tulare County that allows it to respond to calls from outside its service area.
3. If all EDA staff is unavailable the closest available ambulance provider can provide ambulance and pre-hospital care service to calls with the EDA's Ambulance Service Area.

Lifestar has worked with ambulance providing agencies similar to EDA such as the ambulance service provider for the Pixley, Tipton, and Earlimart areas. This indicates that the contract that was entered into will result in cost savings for the district and the tax payers within the district. Although, there's no written agreement or contract the fact that other agencies are able to provide service with the EDA when needed ensure that district residents have ambulance serve at all times.

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

1. The EDA is governed by a 5-member board of directors. Members are elected at large. The Board holds public meetings held the third Thursday of each month at 4:00 PM. Agendas are posted outside the district office.
2. The EDA staff and equipment must meet local and state licensing. Staff is required to take part in continued education training, EDA must submit monthly performance reports to the CCEMS, and all equipment drugs and solutions must also be inspected on a periodic basis.
3. Every patient transported requires a Patient Care Report which must be kept for 7 years.
4. Each EDA ambulance is staffed with a licensed paramedic (pursuant to its contract with the County). Each paramedic must abide by Title 22 of the California Code of Regulations which list the scope and practices of a paramedic. A copy of Title 22 is attached to this MSR.
5. The board's decision to enter into a contract with Lifestar proved to be controversial. Many area residents complained that the not enough people were made aware of the potential action in a timely manner. In addition, the district president indicated that minutes for the March and June 2009 meeting were not taken.
6. The EDA does not operate a website.

7. In the Sun-Gazette article several board members indicated that applicants for board positions are rare. As of July 2009 they have one on file.

Because of the nature of the service the EDA provides it must meet a higher number of standards and is subject to authorization and inspection more often than many special districts. That is why LAFCO determines that there are sufficient mechanisms in place to ensure that a high quality of service is maintained and monitored properly. However, LAFCO does recommend that minutes be taken at each meeting and that the District should post on the internet materials including monthly performance reports, agendas, minutes, and rate schedule. The cost of creating and maintaining a webpage is a legitimate obstacle that must be considered. However, the District could work with other districts in a similar situation to combine their resources and raise the funds necessary to create and maintain a very simple webpage that will house basic information for each district or these districts can use their consolidated resources to pay another governmental agency (such as LAFCO or Tulare County) to house basic information for each district on their own website.

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

Recommendations:

There are no recommendations.

Sierra View Local Health Care District Municipal Service Review

Background

The Sierra View Local Health Care District (SVLHCD) was formed by resolution of the Tulare County Board of Supervisors on October 21, 1947. In February 1957, hospital construction began and was completed one year later. The new 42-bed hospital opened its doors on March 1, 1958. For nearly 30 years, the hospital remained virtually unchanged until a three-story patient tower was added in 1985. The past 20 years have seen significant growth. In 1990 a new Cancer Treatment Center was added to the campus. 1995 marked a major expansion for the hospital as the four-story patient tower with full basement opened. In 2003, Sierra View opened its Medical Office Building (MOB) on Pearson Drive just north of the main campus. This building houses hospital outpatient services along with office space for support staff. In 2005 the Cancer Treatment Center completed a ten thousand square feet extensive expansion and remodeling project that saw the facility nearly double in size. Most recently, Sierra View completed its new outpatient Dialysis Center located just north of the MOB. Recent enhancements include the addition of a new state of the art MRI and CT scan, an expanded full service Cancer Care facility and a seven-bed pediatric unit operated in collaboration with Children's Hospital of Central California. The SVLHCD is a political subdivision of the State of California and is governed by an elected Board of Directors

Written Determinations

1) Growth and Population Projections

1. The SVLHCD's current Sphere of Influence (SOI) was last amended on August 20, 1975 (LAFCO Resolution 75-038) and contains an area of 1,389,970 acres (2,172 square miles). The SVLHCD boundaries are coterminous with its SOI. The City of Porterville and the unincorporated communities of Strathmore, Ducor, Terra Bella, Springville, California Hot Springs, Porterville, Poplar and Plainview as well as several Census Designated Places (CDP) are all located within the District's current boundaries. Based on census block-level data, the District's population was 80,142 in 2000 and 92398 in 2010. This represents a 15% increase in population over the last Census period.
2. According to a survey conducted in 2009 by the American Hospital Association (AHA), SVLHCD reported that its emergency room received 44,131 visits, with 7,948 patients admitted and that its physicians performed 1,940 inpatient and 2,839 outpatient surgeries and 2,004 births. The hospital's clinics and other outpatient facilities support 166,117 total visits each year. The SVLHCD owns and leases two facilities located outside its main campus; one on Kessing Street and at the MOB on North Pearson Drive.
3. Fitch Ratings, a global ratings agency that provides bond ratings through prospective and independent credit opinions, research and data, conducted an analysis of bonds issued to fund the District's West Wing Expansion Project (discussed below). According to their research, the SVLHCD has a 60% market share within its service area (i.e. within its district boundaries). This indicates that approximately 40% of healthcare customers choose another healthcare provider, either within the county or out of the region, for healthcare services.

4. SVLHCD does not plan to expand their jurisdictional boundaries or their SOI.

Based on the District's healthy 1.5 % population growth rate experienced over the last 10 years, steady increase in the need for added capacity over the District's 53-year existence, the limited population outside district bounds that regards the SVLHD as its primary healthcare provider and its low patient volume, it is determined that demand for the healthcare services offered by the SVLHCD will increase at a steady rate, a sharp increase in demand for District services is not expected. Population increase; however, is only one driver of increased demand for medical services. The ethnic and age demographics of a given population are also reliable indicators of demand for healthcare services; older populations place a higher demand on healthcare services while some ethnicities suffer higher incidences of certain types of illnesses and diseases. Having large populations of either or both indicate that future demand for healthcare services will increase. According to the 2010 Census, Tulare County's population is 60% Hispanic and 9.4% of the County's population is 65 years of age or older, a small but significant proportion. These two groups are vulnerable/high-risk populations for certain illnesses such as diabetes and other cardiovascular conditions. The SVLHCD must invest in technology and professional development geared toward procedures that are likely to be in high demand based on the District's population demographics, which the District has done by building a 32 Station Outpatient Dialysis Center.

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

1. The SVLHCD is a 163-bed general acute care hospital licensed by the California Department of Public Health.
2. As mentioned above, the American Hospital Association (AHA) estimates that in 2009 the SVLHCD emergency room received 44,131 visits, its hospital admitted 7,948 patients and that its physicians performed 1,940 inpatient and 2,839 outpatient surgeries. Total, the District accommodates 166,117 outpatient visits. Unlike the other two major hospitals in the region, the SVLHCD does not own or lease any facilities outside of its main campus.
3. In 2007, the District opened a 32-station outpatient dialysis center.
4. The District's Master Plan and Hospital Expansion Project proposed a 125,000 square foot 4-story west wing addition that is intended to replace hospital visits currently housed in the original hospital building, increase the hospital's acute bed capacity from 85 to 170, expand hospital services and meet new state seismic safety regulations. Construction was expected to begin in 2009 and the District has already issued approximately \$54 million dollars in bonds; however, in late 2008 the District was notified by the state that, under revised criteria, the District's hospital facility was seismically complaint for use through the year 2030. As a result, the project was postponed and the District is in the process of reevaluating its master facility plan in light of this development.
5. In accordance with a federal program, most U.S. hospitals now survey recently discharged patients regarding their stay. SVLHCD patients were asked whether they

would recommend the hospital to friends and family. Only 44% of respondents said definitely compared to the state average of 67% and national average of 68%.

6. In order to ensure that the District can rely on adequate staff levels, it implemented the Salary Stipend 20/20 Program, which allowed eligible full-time nurse employees to work half-time (20 hours per week) and attend school, while the District continued to pay their full-time salary.

According to a California Healthcare Foundation 2010 report that explored the financial efficacy of several healthcare Districts in the state, SVLHCD management has a goal to remain a small healthcare provider that provides limited healthcare services that are in high demand within its boundaries. District management's approach to growth, the District's "A" bond credit rating for, which reflects the District's solid ability to raise revenues for capital projects, modest customer base and the slow population growth rate within district boundaries, it is determined that the SVLHCD presently has the capacity needed to accommodate current demand of healthcare services and has taken adequate steps to ensure that expected demand is accommodated well into the future. In the past year SVLHCD has upgraded its CT Scan, MRI and Interventional Radiology Technology. SVLHCD is in the process of updating the Medical Staff Development Plan, which identifies community need for physicians within various specialties. This plan is then utilized the recruit needed physician specialties to the area.

It should be noted that the hospital's service area is a Primary Care Health Profession Shortage Area and serves a medically underserved population. These areas experience higher demand for ER services.

3) Financial Ability of the Agency to Provide Services

1. The District has issued approximately \$73.2 million in bonds, \$18.7 million in 1998 and \$54.5 million in 2007 in order to fund various expansion and other capital projects. These bonds were given an "A" rating by Fitch Ratings, affirmation that reflects a balance sheet marked by very strong liquidity, operating profile that exhibits very good and sustained profitability margins coupled with good debt service coverage and a dominant market share (60% of service area). Fitch Rating's credit risk analysis of the District also points out that Fiscal Year 2008-2009; the SVLHD reported \$127.7 million in unrestricted cash and investment (17 times the cushion ratio), a 146% debt-to-cash position and \$7 million in operating income. The fact that 40% and 35% of the Districts gross revenue comes from Medicare and Medi-Cal respectively was pointed out by Fitch Ratings as a credit concern. This most likely because having such a substantial proportion of its revenue dependant in these programs subjects the District to reimbursement risk from state and federal agencies, a risk that is magnified by California's budget deficit and the overall economic downturn.
2. The budget submitted to the State Controllers Office by the District shows that it had \$127, 5000,717 in revenues, \$111,618,630 in expenditures and \$73,270,473 in debt.
3. The District is one of eleven Challenging Payer Mix hospitals (CPM) used as a case study in a 2010 California Healthcare Foundation report for meeting or exceeding performance criteria on at least five of ten standard financial measures. Some of these

measures include operating margins, operating cash flow, cash to debt and debt coverage ration. According to the report, the robust financial performance of the District is a result of a budgeting process focused on revenue cycle improvement, recouping payments for services rendered, reducing costs of temporary staffing, and maintaining an adequate volume of patients through careful service line development (a narrow scope of what services are most needed in the region rather than a wide array of services), and recruitment of physicians to the community.

4. The District is eligible to receive funding from several federal and state hospital subsidiary programs, including the Disproportionate Share Hospital and hospital outpatient services and adult day health services (AB 915) programs. The District received approximately \$4.5 million, \$1.6 million and \$1.8 million respectively; approximately two-thirds from Federal DSH, Med-CSH and AB 915.
5. Like other area healthcare districts, the SVLHCD derives one percent of its operating budget from local taxes. The remainder of its budget is raised from patient charges and medical program reimbursements. The SVLHCD listed the following items as the primary sources of funds for the District:
 - Funds collected for services rendered to patients
 - Property tax revenues
 - Cafeteria revenue
 - Interest revenue
 - Grants

Based on SVLHCD's management's goal of remaining a small and focused healthcare provider, the District "A" bond credit rating and its exemplary cost saving measure, it is determined that the District is in satisfactory financial health and is financially able to provide healthcare services to its residents now and into the foreseeable future.

4) Status of, and Opportunities for, Shared Facilities

1. As previously mentioned, the District only owns or leases facilities within its campus. This is a reflection of the focus placed by district leaders on excelling in being a community hospital, focus growth on service lines of greatest value to residents and to avert becoming a large regional medical center that offers many services at higher operational costs.
2. The District forms part of a second JPA that includes the Tulare Regional Medical Center and the Kaweah Delta Healthcare District, which was intended for the purpose of sharing services and/or joint purchasing. Since its formation the JPA has not been utilized.

It is determined that the District is already exercising the most logical and feasible opportunities for shared facilities.

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

Accountability for Community Services

1. SVLHCD's productivity and overall performance is monitored by various Local, State and Federal agencies. Regulation includes: certification from the Medicare and Medi-Cal programs; permits for building, conditional use, expansion, renovation or replacement of major equipment from the Office of Statewide Health Planning and Development, the City of Tulare and from the San Joaquin Valley Air Pollution Control District; licensure from the State Department of Public Health Services; and must register its vehicles with the DMV.
2. The District received accreditation from the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) in 2003; and again in 2007. In October, 2010, Sierra View Local Health Care District received a 39-month accreditation from The Joint Commission (TJC).
3. The State Department of Public Health levies penalties on hospitals for administrative violations that jeopardize the health or safety of a patient (e.g. botched surgeries and disabilities associated with medication error) and for breach of a patient's confidential medical information. Penalties can be as high as \$100,000 per violation. The list of hospitals cited is published each year on the State Department of Public Health's website. SVDH does not appear on the list for 2010.
4. The District maintains a website which informs the public of its services, activities and accomplishments. Unlike other healthcare districts in the region, the SVLHCD does not offer many publications that highlight district activities and accomplishments, most likely because of its intent to remain a small, limited service community hospital.
5. In 2005, the District implemented its "Journey to Excellence" program, which provided opportunities to staff members to travel to other hospitals to learn how to implement organizational and cultural changes in order to improve the quality of care and patient safety provided by the District.
6. As detailed in the background portion of this MSR, in accordance Government Code 56430 LAFCO is required to conduct a Municipal Service Review and make determinations. SVLHCD has responded to the request received in 2011.
7. A 2006-2007 Tulare County Grand Jury conducted an investigation into whether area hospitals are fulfilling the requirements set by the Emergency Medical Treatment and Labor Act (EMTALA), Section 1867 of the Social Security Act. The act proposes to protect those seeking emergency treatment from hospitals transferring, discharging, or refusing to treat patients coming to hospital emergency rooms. These practices are commonly referred to as "dumping". The act applies to Medicare participating hospitals but protects all patients, not just Medicare beneficiaries. A detailed list of the EMTALA requirements is attached to this MSR.

The investigation was prompted by the extensive media coverage regarding physician/surgeon shortages in Tulare County. The Grand Jury investigation focused on hospital emergency service and scheduling of surgical personal.

Procedures followed:

- Visited all areas hospitals
- Interviewed relevant witnesses
- Reviewed relevant documents

The investigation found:

- That the SVLHCD has established procedures to make sure that emergency personnel is available 24 hours per day, 7 days per week and 365 days per year.
- The SVLHCD has on-call lists and schedules in place with nursing supervisors, trained in emergency procedures, who will call a physician/surgeon who then assembles a team to deal with the emergency. The process may take over an hour.
- The SVLHCD treats approximately 50,000 emergency patients each year (the hospitals own records, cited above, give a lower estimate).
- The SVLHCD has put in place an incentive fee schedule designed to attract local physician/surgeons for unscheduled medical duty.
- The Kaweah Delta, Tulare District and Sierra View hospitals can call on each other to help in times of shortages.

Based on the fact that the District operates within a heavily regulated industry, is currently undergoing the rigorous accreditation process through the Joint Commission on Accreditation of Healthcare Organization and the fact that the District has not been cited for any regulatory violations, it is determined that there adequate controls to ensure District accountability and transparency.

Governmental Structure and Operational Efficiencies

1. The SVLHCD Board of Directors is comprised of 5 members who are registered voters and reside within the District. District board members are elected at large and do not represent specified zones, districts or regions.
2. Regular Board meetings are held on the fourth Tuesday of each month at 8:00 AM. Meeting agendas are posted in the hospital and are also faxed and emailed to the Porterville Recorder and KTIP Radio Station.
3. The District employs 214 full-time, 1 part-time Registered Nurses (RNs) and 46 full-time and 2 part-time Licensed Vocational Nurses (LVNs). The number of healthcare practitioners and administrative staff employed by the District is unknown.
4. As mentioned above, the SVLHD was highlighted in a 2010 report prepared by the California Healthcare Foundation for its robust financial performance as compared to

other CPM hospitals. The following are some the efficiency factors that led to the District's success:

- Full use of hospital units
- Management of supply costs through supply chain and inventory management and standardization of supplies and equipment
- Use of new product committees and similar structures to advise leadership on the necessity of purchasing new equipment and products and assessing the value and effectiveness alternatives
- CFO approval of any expenditure above \$10,000
- Flexible nurse staffing
- Reduced use of temporary employees through staff recruitment and retention programs
- Vigorous pursuit of payment for services rendered
- Implementation of electronic medical records, picture archiving and communication systems and other information technology

Based on the exemplary cost saving measures that the District has implemented and the fact that no regulatory violations were discovered, it is determined that the District is operated with a high degree of efficiency. Little is known about the actual governance of the District, but the District seems to hold regular meeting that are adequately noticed; thus, giving district residents the opportunity to provide comments and raise concerns regarding District services.

Some of the challenges that management faces on an ongoing basis are: manpower shortages in areas like nursing, clinical and numerous technical and professional fields. Providing healthcare services to uninsured and underinsured patients while remaining financially viable and the rapidly changing demographics of the community are challenges that must be met head-on, not only for reasons of compassion and quality of life, but also because of the economic consequences that accompany inaction.

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

Recommendations:

The SVLHCD should exercise the JPA along with the KDHCD and the TRMC for the purpose of purchasing equipment and supplies thereby reducing costs to the JPA's participants.

Tulare Local Health Care District Municipal Service Review

Background

The Tulare Local Health Care District (TLHD) operates a general acute care hospital located at 869 Cherry Avenue in Tulare, CA. It is accredited by the Joint Commission (JC), DNV, Healthcare, Inc., College of American Pathologists (CAP) and the Commission on Accreditation of Rehabilitation Facilities (CARF). In January 1946, voters within the District's original boundaries passed two consecutive bond measures and with Federal government aid the Tulare Local Health Care District was formed. The original Board of Directors was appointed by the County Board of Supervisors. Construction of a new \$1.1 million, 86-bed hospital began on May 23, 1949 and was completed on February 18, 1951. In December of 1989 the hospital broke ground on the \$12 million front expansion and renovation project. This project was completed in 1993 and included remodeled patient rooms, lobby, expanded ICU and new pediatric unit. In 1998 the TLHD purchased an x-ray center to expand medical imaging services and in 2005 the hospital opened Evolutions Fitness and Wellness Center and began outpatient rehabilitation services with a stated mission to support and encourage wellness behaviors in the community. In 2009 the District began operating and doing business under the name of Tulare Regional Medical Center (TRMC). That same year, the TRMC opened three Rural Health Clinics that provide access to primary and specialty medical care. Currently, TRMC operates the Hillman Healthcare Center, Kingsburg Healthcare Center, Lindsay Healthcare Center, and Woodville Healthcare Center. Plans are currently underway to open a fifth Rural Health Clinic in Earlimart. These clinics provide services to nearly 42,000 patients each year. Tulare Regional Medical Center is also licensed to provide clinical services through a Mobile Unit in Alpaugh, and Pixley.

In May of 2010 TRMC broke ground on a 115,000 square foot expansion project and Medical Tower. More than 83% of the District's Voters approved an \$85 million General Obligation bond to help fund the Medical Tower expansion.

The TLHD is a political subdivision of the State of California, recognized under the California Local Health Care District Law and is governed by a 5-member elected Board of Directors

Written Determinations

1) Growth and Population Projections

1. The TLHD's current Sphere of Influence (SOI) was last amended on August 20, 1975 (LAFCO Resolution 75-038). The TLHD boundaries encompass 63,509 acres (430.4 square miles). The City of Tulare and the unincorporated communities of Tipton, Pixley and several other Census Designated Places (CDP), are all located within the District's current boundaries. Based on census block-level data, the District's population was 63,509 in 2000 and 80,649 in 2010. This represents a 27% increase in population over the last Census period.

2. According to a survey conducted in 2009 by the American Hospital Association (AHA), TLHD reported that its emergency room received 32,493 visits, its hospital admitted 5,736 patients and that its physicians performed 1,216 inpatient and 2,160 outpatient surgeries and 1,226 births. The hospital's clinics located throughout the county (including areas not within the District's SOI) and other outpatient facilities support 74,493 total visits each year.

Based on the District's healthy 27% population growth rate experienced over the last 10 years, steady increase in the need for added capacity over the District's 62-year existence (from 86 beds in 1949 to its current 112-bed capacity), the limited population outside district bounds that regards the TLHD as its primary healthcare provider, it is expected that demand for the various healthcare services offered by the TLHD will increase at a steady rate, a sharp increase in demand for District services is not expected. Population growth rate; however, is only one driver of increased demand for medical services. The ethnic and age demographics of a given population are also reliable indicators of the demand for healthcare services; older populations place a higher demand on healthcare services while some ethnicities suffer higher incidences of certain types of illnesses and diseases. Having large populations of either or both indicate that future demand for healthcare services will increase. According to the 2010 Census, Tulare County's population is 60% Hispanic and 9.4% of the County's population is 65 year of age or older, a small but significant proportion. These two groups are vulnerable/high-risk populations for certain illnesses such as diabetes and other cardiovascular conditions. Due to recent changes in administrative leadership and a regional approach to healthcare delivery and added Rural Health Clinics, TRMC has experienced an increase in patient volume. The District has conducted recruitment of a new Emergency Department Physician Group, Radiology Group and Anesthesiology Team in 2009 in an attempt to increase the quality and range of care and service provided in the District. The District has also investment in state-of-the-art technology to further improve the quality and range of service, also in attempt to serve a wider group and more diverse group of healthcare patients.

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

1. The TLHD manages 112 licensed beds.
2. As mentioned above, the American Hospital Association (AHA) estimates that in 2009 the TLHD emergency room received 32,493 visits, its hospital admitted 5,736 patients and that its physicians performed 1,216 inpatient and 2,160 outpatient surgeries. Altogether, all hospital clinics and other outpatient facilities support 74,493 visits annually.
3. The District owns or leases land and buildings in Tulare, Lindsay and the community of Woodville as well as Kingsburg, just outside of Tulare County.
4. In 2005, voters approved Measure D, an \$85 million bond for the construction of 115,000 square foot Medical Tower expansion on the hospital's main campus.

Construction began in May 2010 and is expected to be completed in 2012. The expansion will include 26-bed emergency department (a 400% increase in emergency department capacity), five new surgery suites-including robotic capabilities, 16 private birthing rooms, a new nursery and NICU, 27 private medical surgical rooms and a state-of-the-art imaging center.

5. In February of 2011, the TRMC opened its most recent rural clinic, the Woodville Healthcare Center. The center offers approximately 1,700 residents of the isolated rural community basic healthcare services such as flu shots and will soon have an OB-GYN on staff. The clinic also offers bilingual staff. TRMC officials estimate that the Woodville Healthcare Center will serve about 1,200 patients each month. The project cost approximately \$230,000.
6. In accordance with a federal health care program, most U.S. hospitals now survey recently discharged patients regarding their stay. TRMC patients were asked whether they would recommend the hospital to friends and family. 62% of respondents said they would definitely recommend TRMC; the statewide average is 67%.

Based on the District's ability to raise adequate capital to fund infrastructure projects, modest customer base and steady population growth rate within district boundaries, it is determined that the District presently has the capacity needed to accommodate current demand of healthcare services and has taken adequate steps to ensure that expected demand is accommodated in the future. The District is pursuing technology upgrades, professional development support and efforts to attract high quality medical personnel to ensure that demand for a wide array of healthcare service is met in the future.

It should be noted that the hospital's service area is a Primary Care Health Profession Shortage Area (MUA) and serves a Medically Underserved Population (MUP). The District's new Woodville Healthcare Clinic illustrates that district management is in tune with the needs of district residents and implements solutions intended to the healthcare challenges faced by primarily rural areas.

3) Financial Ability of the Agency to Provide Services

1. The most recent budget information that could be independently located for the District is from FY 2007-2008. For FY 2007-2008, the TLHD reported \$73,214,370 in revenues, \$71,431,808 in expenditures and \$34,367,984 in debt. This indicates that the District was operating at a profit margin. In 2008, a new CEO was appointed in an attempt to change the District's business model. According to the District's 2010 Annual Report, there have been marginal increases in patient volume and a subsequent increase in patient service revenues. The District's operating margin has also increased.
2. 71% of hospital patients are on Medicaid or Medicare, making the TLHD highly dependent on reimbursement agreements with Medi-Cal and Medicare programs and

making it subject to regulations set by various State and Federal regulatory, permitting and accrediting agencies. This stringent regulation also applies to the adequacy of facilities. Facility inadequacies could lead to decertification by State and Federal agencies as well as loss of reimbursement for services. Periodic reviews are conducted by the various agencies. The material available indicates that the TLHD remains in good standing with all regulatory entities and continues to receive funds in accordance with reimbursement agreements suggesting that TLHD public facilities are adequate.

3. The District is an early adopter of electronic medical records and as such, stands to receive \$1,000,000 in federal stimulus funds.
4. The TLHD derives less than one-half of one percent of its operating budget from local taxes. The remainder of its budget is raised from patient charges. The TLHD listed the following items as the primary sources of funds for the District:
 - Funds Collected for services rendered to patients
 - Property Tax Revenue
 - Cafeteria Revenue
 - Management Services Revenue
 - Grants
 - Philanthropy

Although the District's financial performance prior to 2008 was poor (according to a 2010 California Healthcare Foundation report, the District was projected to incur \$2,000,000 more in expenditures and than revenues generated for FY 2007-2008), the District's financial performance has been steadily strengthening. So long as the District's goal of becoming a large, multi-service healthcare provider results in a greater market share of the region, the District will be able to meet service demand with quality service in the future due to the increased revenues that come with such an approach.

4) Status of, and Opportunities for, Shared Facilities

1. As previously mentioned, the District owns facilities throughout the County in order to provide healthcare service to isolated rural communities.
2. The District was chosen in March 2010 by the Kingsburg Healthcare District to act as a conservator for its hospital license through a management agreement to maintain the medical services and care to the Kingsburg community members through the continued operation of a Rural Health Care Clinic. (The Kingsburg District's emergency room and acute care operations were closed in 2008 and its skilled Nursing facility was closed in January 2010.)

3. The District forms part of a JPA that includes Sierra View District Hospital District and Kaweah Delta Healthcare District, which was intended for the purpose of sharing services and/or joint purchasing. Since its formation the JPA has not been utilized.

It is determined that the District is already exercising the most logical and feasible opportunities for shared facilities.

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

Accountability for Community Services

1. The TLHD's productivity and overall performance is monitored by various Local, State and Federal agencies. Regulation includes: accreditation from the Joint Commission on Accreditation of Healthcare Organizations; certification from the Medicare and Medi-Cal programs; permits for building, conditional use, expansion, renovation or replacement of major equipment from the Office of Statewide Health Planning and Development, the City of Tulare and from the San Joaquin Valley Air Pollution Control District; licensure from the State Department of Public Health Services; and must register its vehicles with the DMV.
2. The State Department of Public Health levies penalties on hospitals for administrative violations that jeopardize the health or safety of a patient (e.g. botched surgeries and disabilities associated with medication error) and for breach of a patient's confidential medical information. Penalties can be as high as \$100,000 per violation. The list of hospitals cited is published each year on the State Department of Public Health's website. The TLHD does not appear on the list for 2010.
3. The TLHD makes available various publications to inform the public of its services, activities and accomplishments.
4. Operational benchmarks are set continually, both agency-wide and by department, and compared against other similar organizations throughout the country to ensure efficient operations and provide contacts for best practices utilized by others.
5. As detailed in the background portion of this MSR, in accordance Government Code 56430 LAFCO is required to conduct a Municipal Service Review and make determinations. LAFCO made three separate requests for information from the District, none of which were answered. However, it was determined the request for information was addressed to an individual no longer employed by the District.
6. The Tulare County Grand Jury conducted an investigation into whether area hospitals are fulfilling the requirements set by the Emergency Medical Treatment and Labor Act (EMTALA), Section 1867 of the Social Security Act. The Act proposes to protect those seeking emergency treatment from hospitals transferring, discharging, or refusing to treat patients coming to hospital emergency rooms. These practices are

commonly referred to as “dumping”. The Act applies to Medicare participating hospitals but protects all patients, not just Medicare beneficiaries. A detailed list of the EMTALA requirements is attached to this MSR.

The investigation was prompted by the extensive media coverage regarding physician/surgeon shortages in Tulare County. The Grand Jury investigation focused on hospital emergency service and scheduling of surgical personal.

Procedures followed:

- Visited all areas hospitals
- Interviewed relevant witnesses
- Reviewed relevant documents

Findings of relevance:

- The TLHD has established its own procedures to make sure that emergency personal is available 24 hours per day, 7 days per week and 365 days per year.
- The TLHD has on-call lists and schedules in place with nursing supervisors, trained in emergency procedures, who will call a physician/surgeon who then assembles a team to deal with the emergency. The process may take over an hour.
- The TLHD treats approximately 50,000 emergency patients each year (the hospitals own records, cited above, give a lower estimate).
- TLHD has put in place an incentive fee schedule designed to attract local physician/surgeons for unscheduled medical duty.
- The Kaweah Delta, Tulare Regional and Sierra View hospitals can call on each other to help in times of shortages.

Governmental Structure and Operational Efficiencies

1. The TLHD Board of Directors is comprised of 5 members who are registered voters and reside within the District. District board members are elected at large and do not represent specified zones, districts or regions.
2. Regular Board meetings are held on the fourth Wednesday of each month at 4:00 PM. Meeting agendas are posted in the hospital, posted on their website and are also faxed and emailed to the Visalia Times-Delta, the Fresno Bee and the Valley Voice newspapers.
3. Tulare Regional Medical Center employs approximately 700 full-time and part-time employees.

The TLHD operates within a highly regulated industry. It is determined that the sheer number of regulatory and permitting agencies the TLHD must report to, along with the rigor of oversight, ensure adequate accountability for the provision of healthcare services by the District. It is also determined that the District's governmental structure and staff levels provide for quality and efficient provision of service as well as open and transparent government.

Some of the challenges that management faces on an ongoing basis are: manpower shortages in areas like nursing and numerous technical and professional fields. TRMC has addressed the need for ongoing staff training and support in technical and professional areas of healthcare operations through partnerships with staffing companies leading their field of healthcare expertise. Providing healthcare services to uninsured and underinsured patients while remaining financially viable and the rapidly changing demographics of the community are challenges that must be met head-on, only for reasons of compassion and quality of life, but also because of the economic consequences that accompany inaction.

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

Recommendations:

It is recommended that the District pursue joint purchasing ventures of supplies and equipment whenever feasible through use of the JPA comprised of area hospitals.

Healthcare Districts with Inactive Hospital Facilities

In the late 1990s and early 2000s, increasing payroll costs, reduced Medicare reimbursements and the tremendous cost associated with retrofitting hospital facilities as required by seismic safety regulations established by the State Office of Statewide Health Planning and Development led many Healthcare Districts to cease hospital operations. Such is the case of the Lindsay Local Hospital District (LLHD) and the Alta Hospital District. In the case of the AHD, the mounting costs led the District to seek bankruptcy protection under Chapter 9 of the U.S. Bankruptcy Code.

Both the LLHD and the AHD no longer directly provide healthcare services or maintain infrastructure, their roles have been reduced to the administration of property tax revenues, grants and other revenues for the purpose of providing for the health and safety of the communities they serve and for repayment of debt obligations.

Alta Hospital District

The AHD was formed in October of 1946. Its jurisdictional boundaries encompass an 84,660-acre area that includes the City of Dinuba and the Cutler-Orosi region. At the time the District ceased operations, it served an estimated population of 41,172 persons. The District's Sphere of Influence (SOI) boundary is coterminous with its jurisdictional boundaries. The District provided inpatient and outpatient hospital procedures by contract with the Dinuba Surgery Center LLC (DSC). The DSC leased the District's hospital facilities at a cost of \$8,700 per month.

As mentioned, the high costs of medical staff, healthcare technology and equipment, decreased Medicare reimbursement amounts and required retrofitting of hospital facilities put a financial strain on the District that forced it to initiate Chapter 9 Bankruptcy proceedings on August 21, 2001.

In the ensuing years, several hearings were held regarding this bankruptcy case (Case No. 01-17857) in order to sort out claims and establish a repayment plan. One of the major issues to arise involved the sale of the District's hospital facility. The City of Dinuba, contracted by the District to provide bankruptcy services, brokered sale of the hospital building to the DSC in the amount of \$1,812,500. As part of the agreement between the City and the District, a portion of the sale proceeds was due to the City for services rendered and District property taxes would now be paid directly to the City. The sale was approved by the court and affirmed by the voters. Bank of the Sierra, one of the entities holding claim to District assets and/or revenues, initiated adversary proceedings against the City of Dinuba asserting various lien determinations and claims, including security (portion of loan contractually obligated to be paid from specific revenue source) from interests in the Districts property taxes. The fact that the DSC reneged on the purchase, although they continued to lease the facilities, further complicated the issue. The Court eventually decreed a settlement agreement under which Bank of the Sierra established \$108,000 in secured claims and \$698,404 in unsecured claims; the City of Dinuba was transferred ownership of the hospital building at no net cost; and the District received \$640,140 from the hospital facility sale. Hospital ceased operations on October 10, 2001 and physically vacated the facility in 2004.

Court records indicate that the District has 207 creditors with valid claims (last claim was filed in 2004). A repayment plan became effective in April of 2003 and was amended in 2004 to allow creditors to change classification status if they wish.

Creditors are classified in one of the three following ways: those with claims under \$500 (Class 1), those with claims of between \$500 and \$26,000 (Class 2) and those with claims in excess of \$26,000. On the effective date of the plan, the District estimated 100 Class 1 creditors with claims totaling \$20,000. Class 2 claims totaled \$20,000-\$350,000, depending upon the ultimate settlement amount (creditors can choose to reduce their claim in exchange for payment in full of at least 50% of their claim). Class 3 creditors can change to their classification status to Class 2 by agreeing to reduce the amount of their claim to \$26,000 or less in exchange for 50% of their claim being repaid in full. Class 3 claims were estimated to be \$3,467,657 total. The majority of this amount, \$1,927, 024, is owed to the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid.

Attorney Clifford E. Bressler was appointed as the administrator in this bankruptcy case by the Court on December 30, 2002 and his appointment was approved by the District on January 27, 2003. Mr. Bressler is responsible for the preparation of quarterly reports of all District receipts and expenditures and providing these reports to creditors and their counsel. Mr. Bressler is also responsible for submitting reports no less than every 6 months to the court which detail work done to date and debts repaid. The last progress report was submitted on January 21, 2011.

The plan prescribes that Class 3 debts be repaid within 7-15 years in quarterly disbursements. The interest rate established by the court is 5%, unless debts are repaid in full, then a 3.5% interest rate is applied. A 6% interest rate will be applied to any debts remaining after 13 years.

According to the most recent progress report submitted by the administrator, Quarterly disbursements total \$50,000 to \$60,000. All Class 1 claims have been paid in full. Class 2 and 3 disbursements total \$1,971,004 to date.

According to the State Controller's 2010 Special Districts Report, the AHD reported \$353,795 in total revenues for fiscal year 2007-2008 and \$260,987 were reported in fiscal year 2009-2010. The District is allowed to hold a maximum of \$50,000 in reserves.

The current Board of Directors consists of four members (the fifth member recently passed away), all appointed by other board members. Two appointments were made in 2008 and one was made in 2010. Board meetings take place at the Dinuba Public Library and are held on an as needed basis. The last Board meeting was held on November 30, 2010. Quarterly reports required to be submitted to the creditors and their counsel are also submitted to Board members and interested parties via fax, email or regular mail.

During a phone interview, the estates administrator indicated that the Board is not interested in dissolving the District once obligations are met. The district can provide a wide array of healthcare services afforded by its governing act, which extend beyond hospital services.

Lindsay Local Hospital District

The LLHD was formed in October of 1958 and its boundaries encompasses a 47,066-acre area (its SOI is also coterminous to its jurisdictional boundaries). Operation of the LLHD hospital was contracted out to the Sierra-View Local Hospital District in 1995. Sierra view went on to spend \$15 million over a 5-year period to renovate the hospital building and upgrade hospital equipment. Like the AHD, the increased operational and regulatory costs forced the Sierra View LHD to cease hospital operations and transfer control back to the LLHD. Under an agreement executed in 1995, ownership of the hospital facility was transferred from the LLHD to the City of Lindsay. The LLHD, however, did not seek bankruptcy protection, but rather shifted its focus to providing for the health and safety of District residents through other healthcare programs.

In the wake of the hospital closure, a Board meeting was held on January 30, 2001 to discuss how the estimated \$300,000 in annual property tax revenues could be used. District and City officials in attendance suggested that remaining facilities could be used to establish health lifestyle centers through a joint City/District venture.

The City of Lindsay was able to procure a \$3 million Rural Development loan from the USDA for construction of a health center to serve the residents of rural Tulare County. The center was initially envisioned as a 21,000 square-foot, three-story building that included an indoor Olympic sized swimming pool, senior daycare facility, a fitness gym, physical therapy facility, demonstration kitchen and café and multi-purpose meeting rooms. The ambitious project has since been scaled down. The Lindsay Wellness Center, as it is now known, consists of a 14,000 square-foot facility intended to house workshops and seminars on healthcare topics and includes a nutritional demonstration kitchen and rehab facilities. The cost of the scaled down facility is estimated at \$5 million, down from the original estimated cost of \$7 million.

The facility is owned and operated by the City of Lindsay; the LLHD only serves the role of helping to fund a portion of Center costs. The LLHD provides \$233,000 each year toward City repayment of the \$3 million USDA loan. This type of agreement is expressly allowed under GC Section 32121 (m), which states in part that a healthcare district has the power to establish, maintain, and operate or provide assistance in the operation of free clinics, diagnostic and testing centers, health education programs, wellness and prevention programs, rehabilitation, aftercare, and any other healthcare services provider, groups, and organizations that are necessary for the maintenance of good physical and mental health in the communities served by the district. Government Code Section 32126.5 (a) (2) further allows a healthcare district to provide assistance or make grants to nonprofit provider groups and clinics already functioning within the community. Several statutes in the Healthcare District Act allow for service to be provided outside of District boundaries.

In a phone interview with a District Board member Bobbie Velasquez, Mrs. Velasquez indicated that the District adopted a role of a public agency that helps fund various programs and activities that provide for the good physical and mental health of district residents and residents of surrounding areas. Based on an examination of State Controller financial reports for the LLHD conducted by the Visalia-Times Delta, since hospital operations were ceased in 2000, the District has collected approximately \$4 million in property tax revenues (\$440,702 annually on average).

Over a 10-year period, the District has made approximately \$1.72 million in expenditures and approximately \$1.91 million has been put away in reserves. The District has helped fund the following activities/programs:

- Equipment for the Lindsay High School football team
- A portion of the salary for a nurse staffed by Lindsay's Healthy Start Program
- Matching funds for a Agricultural Worker Health and Housing Program grant awarded by the Rural Communities Assistance Corporation
- City Wellness Center Solar Panels

The expenses accrued by the District include \$60,000 for Board member salaries, an average of \$1,200 per member per year. Government Code Section 32103 details Board member compensation. The statutes state that the board of directors shall serve without compensation except that the board of directors, by resolution adopted by majority vote of members of the board, may authorize the payment not to exceed \$100 per meeting not to exceed 5 meetings per month as compensation to each member. Based on the statute and the financial data available, it seems District Board members are collecting the highest compensation amount allowed under the law (provided that additional special meetings were not held) and that the board meets each month and has a full board present at each meeting. LAFCO Staff needs to review District meeting minutes to verify that this in fact the case.

The LLHD Board of Directors meets on the third Monday of each month at 7:00 PM at the Lindsay City Hall.

Mosquito and Vector Control Districts

Vector-Borne Diseases

Mosquito-borne viruses belong to a group of viruses commonly known as arboviruses. There are 12 mosquito-borne diseases that are known to occur in California but only West Nile Virus (WNV), western equine encephalomyelitis virus (WEE) and St. Louis encephalitis virus (SLE) are significant causes of human diseases. In 2007 there 380 human cases of WNV reported state wide with 21 resulting in death. These viruses are maintained in wild bird and mosquito cycles that do not depend upon infections of humans or domestic animals to persist. The California Mosquito-Borne Virus Surveillance & Response Plan drafted by the California Dept. of Public Health Mosquito & Vector Control Association of California recommends that surveillance and control activities focus on this maintenance cycle, which involves primarily culex mosquitoes, such as the western encephalitis mosquito, culex tarsalis and birds such as house finches and house sparrow.

Immature stages of the culex mosquito (known as larvae and pupae) can be found in a wide variety of aquatic sources, ranging from clean to polluted waters. The majority of aquatic sources are associated with irrigation of agricultural lands or urban wastewater.

There are no known specific treatments or cures for diseases caused by these viruses and vaccines are not available for public use. WEE infections tend to be more serious in young children while infections caused by WNV and SLE viruses most seriously affect the elderly.

An effective way of providing abatement service is through well-planned integrated pest management commonly referred to as an IPM program. The primary components of such a program include education, surveillance and actual control of adult and immature mosquito populations.

Integrated Pest Management (IPM) Components

Education

Residents and Farmers need to be informed of the various things they can do in order to prevent the development or eliminate prime breeding grounds for carriers of vector-borne diseases. Examples include properly disposing of discarded tires, cans, or buckets; emptying plastic or unused swimming pools; and unclogging blocked rain gutters. Farmers and ranchers can be instructed to use irrigation methods that do not allow water to stand around for long periods of time. Other information that should be provided to the public includes curtailing outdoor activities during peak mosquito biting times, use of insect repellent and the use of long sleeved clothing that will help reduce exposure to mosquitoes.

Surveillance

This component of IPM includes the monitoring and analysis of climate data, estimating immature and adult mosquito populations (commonly referred to as abundances) and assessing virus activity by testing samples of mosquitoes and other vector-borne disease carriers as well as humans.

Sample Collection Methods

Sample collection and testing is a major focus of surveillance. Both immature and adult samples are collected in order to provide a comprehensive level of surveillance.

Samples of larvae and pupae are collected from known and new aquatic sources. Careful records are kept of the number of adult occurrences, if the habitat from which the sample was obtained was treated (physical, biological or chemical) and at what development stage the population was in when treatment was applied and source size. This data can be used to forecast the size of the adult population and to guide control operations.

The adult and immature mosquito samples are collected using the following tools: New Jersey light traps, carbon dioxide-baited traps, gravid (egg-laying) traps and resting adult mosquito collection. The pros and cons of each sampling method, design guidelines, operation and process are summarized in the California Mosquito-Borne Virus Surveillance & Response Plan Appendix A.

Samples are sent to the Arbovirus Research Unit of the Center for Vector-borne Diseases (CVEC) at UC Davis for testing.

Mosquito Control

The problems detected by surveillance are mitigated through larvae and adult control. The chemical compounds currently approved for larvae and adult control are listed in appendix H of the California Mosquito-Borne Virus Surveillance & Response Plan.

Environmental management, biological control, chemical control or a combination of some or all of these methods can control larvae and adult mosquito populations. Environmental management consists of habitat removal and water management through evaporation, percolation, recirculation, or drainage of stagnant water sources. An even distribution of irrigation water is also encouraged along with removal of vegetation conducive to mosquito breeding. Biological control involves the use of natural mosquito predators such as mosquito-fish (*Gambusia Affinis*) and other microbial control agents.

Chemical control is used to suppress populations of infected mosquitoes or interrupt an epidemic. These chemicals are applied in ultra low volume (ULV) dosages and formulations. The following are common agents used: organophosphates such as malathion and naled, pyrethroids such as resmethrin, sumithrin, and permethrin, and pyrethrins such as Pyrenone crop spray.

Determining Response Levels

The California Mosquito-Borne Virus Surveillance & Response Plan was developed to provide a semi-quantitative measure of virus transmission risk that could be used by local agencies to plan and modulate control activities. The following are the 8 factors that the State recommends should be measured and analyzed to determine the potential for virus transmission and thereby gauge the appropriate response level:

1. Environmental Conditions
2. Adult Mosquito Vector Abundance
3. Virus Infection rate in mosquito vectors
4. Sentinel chicken seroconversions
5. Fatal infections in birds
6. Infections in equids and ratites (e.g. emus and ostriches)
7. Infections in humans
8. Proximity of detected virus activity to urban or suburban regions

Each factor is scored on a scale from 1 to 5 with 5 being the highest level of severity. The mean score corresponds to a response level as follows:

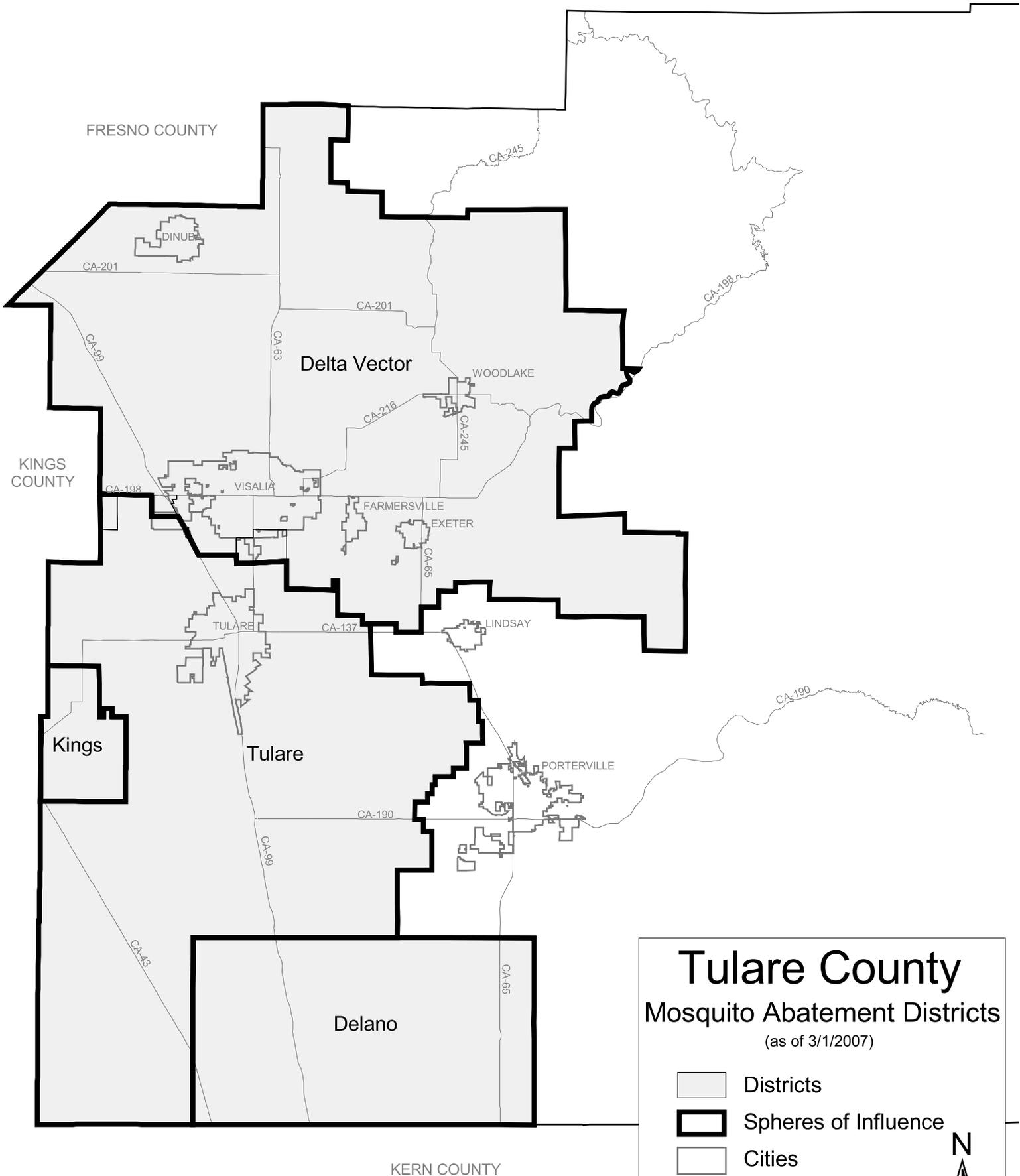
- (1.0 to 2.5) – normal season
- (2.6 to 4.0) – emergency planning
- (4.1 to 5.0) – epidemic

Appendix B of the California Mosquito-Borne Virus Surveillance & Response Plan provides a worksheet that assists local agencies in determining the appropriate rating for each risk factor for viruses of concern.

Key Agency Responsibilities for Local Mosquito and Vector Control Agencies

The following are the key responsibilities of local mosquito and vector control districts as outlined by the California State Public Health Agency:

- Gather, collate, and interpret regional climate and weather data.
- Monitor abundance of immature and adult mosquitoes.
- Collect and submit mosquito pools to CVEC for virus detection.
- Maintain sentinel chicken flocks, obtain blood samples and send samples to VRDL.
- Pick-up and ship dead birds for necropsy and WNV testing, or test oral swabs from American crows locally via rapid antigen screening assays.
- Update CDPH weekly of all birds that are independently reported and/or tested by VecTest, RAMP or immunohistochemistry via their email arbovirus@dhs.ca.gov
- Conduct routine control of immature mosquitoes.
- Conduct control of adult mosquitoes when needed.
- Educate the public on mosquito avoidance and reduction of mosquito breeding sites.
- Coordinate with local Office of Emergency Service personnel.
- Communicate regularly with neighboring agencies.



Tulare County

Mosquito Abatement Districts

(as of 3/1/2007)

- Districts
- Spheres of Influence
- Cities

0 5 10 Miles

N

Created by Tulare County LAFCO

Kings MAD included within Tulare MAD SOI (Kings MAD SOI adopted by Kings LAFCO)
 Tulare & Delta Vector SOIs are not coterminous with shared District boundaries

Delta Vector Control District Municipal Service Review

This section provides an overview of the determinations of the Delta Vector Control 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 determinations with respect to each of the following: 1) Growth and population projections for the affected area; 2) Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies; 3) Financial ability of agencies to provide services; 4) Status of, and opportunities for, shared facilities; 5) Accountability for community service needs, including governmental structure and operational efficiencies; 6) Any other matter related to effective or efficient service delivery, as required by commission policy. These requirements are established by Section 56430 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH). The following determinations were largely derived from a questionnaire submitted by the DVCD on October 4, 2007. CKH Section 56430 has since been amended by AB 1744 (Ch. 244, Stats 2007). The MSR format used in the Group 1 and 2 MSR's has been revised to reflect the new requirements of CKH 56430 as amended. Other sources that were used include published articles from the Visalia-Times Delta, Porterville Recorder, State Department of Public Health website, the Tulare County General Plan Update and the State's Department of Finance.

District Background

The Delta Vector Control District (DVCD) has provided comprehensive mosquito-borne disease control in northern Tulare Co. since 1922. The district encompasses an area of 712 square miles.

The provision of service by the DVCD is a collective effort conducted along with the Mosquito & Vector Control Association of California (MVCAC), California Department of Health Services (DHS) and the University of California at Davis (UCD) and Berkeley (UCB).

As previously mentioned the California Arbovirus Program recognizes that the western equine encephalomyelitis virus (WEE; St. Louis encephalitis virus (SLE) and West Nile virus (WNV) are significant causes of human disease. The viruses are maintained in nature in the wild bird and mosquito cycles that do not depend upon infection of humans or domestic animals to persist. The district's surveillance and control activities focus on this maintenance cycle, which involves primarily the western encephalitis mosquito, *Culex tarsalis*.

The components of the DVCD's IPM program are addressed in the CEQA Preliminary Assessment of Integrated Pest Management Practices Used to Reduce the Risk of Mosquito-Associated Disease and Annoyance, adopted January 14, 2004. The primary aspects of the program include education, surveillance and mosquito control. Surveillance efforts include monitoring of climate data, estimating immature and adult mosquito populations and assessing the virus activity by testing mosquitoes and sentinel chickens. The district also collects and tests dead birds.

Written Determinations

1) Growth and Population Projection

1. Based on 2010 census block data, the current population within the District's boundaries is 240,150 persons and includes 57,488 households.
2. The district covers an area of 453,173 acres (708.1 squared miles). The district's Sphere of Influence (SOI) and its service boundaries are contiguous
3. Included within the district's boundaries are the cities of Dinuba, Visalia, Woodlake, Exeter and Farmersville.
4. The District defines a customer as any person residing within its boundaries or residing in an area it has served (the District sometimes provides service outside of its boundaries). Using this definition the district estimates to have approximately 250,000 customers (2008).
5. The DVCD does not have a comprehensive planning document that addresses projected population growth and how the corresponding level of demand will be addressed. The district uses the California Mosquito-Borne Virus Response Plan as a guide to determine the threat level of disease transmission (level of need for its services) and provide an appropriate response. The California Department of Public Health- Division of Communicable Diseases Control Vector-borne Disease Section outlines service practices.
6. The District indicates that it is in the process of developing a strategic plan that examines population growth trends and outlines a strategy to deal projected growth.
7. The District tracks weather conditions such as snow pack, spring rainfall, spring temperature and winter freeze conditions to project the potential level of demand for abatement services.
8. In order to gauge the level of future urban development that will take place within its boundaries and how much agricultural/open space land will remain, the District gathers data from and communicates with the following County agencies:
 - a. Tulare County Ag Commission
 - b. Tulare County Health and Human Services
 - c. Tulare County Resource Management Agency
 - d. Unincorporated Communities

The Tulare County General Plan Update calls for development within the District's unincorporated area. The approximate 2.7% population growth rate experienced within district boundaries over the last Census period indicates that the District's population will continue to grow at a steady rate. Despite the projected increase in population and development, the area

with district bounds will remain substantially rural. Mosquitoes thrive in rural areas comprised of agricultural/open space lands because irrigation of these lands produces sedentary water sources creating a prime breeding area for mosquitoes. Sedentary water sources coupled with increased urban wastewater from the increased population will increase prime mosquito breeding habitats. The increases in population will also increase the number of potential bite victims; thus, higher potential rate of infection. It is determined with a high degree of certainty that demand for mosquito control service will increase in the future. From the information available the District does not have a comprehensive planning document that projects the impact of these changes and outlines methods to address them. The District; however, is in the process of preparing such a plan, one that will focus on further developing the District's surveillance program.

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

1. The district owns and operates a single building located at the following address:
1737 W. Houston Avenue Visalia, CA. 93279-0310
2. 13 New Jersey Light Traps are maintained throughout the district and are used as a tool to monitor adult mosquito populations. New Jersey Light Trap Locations: Visalia (3), Woodlake (2), Along Kings River (2), Cutler, Dinuba, Exeter, Farmersville, Goshen, Ivanhoe (1 each).
3. Samples collected are sent for testing at the State Center for Vector-borne Disease Research UC Davis at a cost of \$20/sample (12-15 mosquitoes equal one sample). From the information available, sample testing is not conducted at the DVCD's facility.
4. The most recent data indicates that DVCD lab staff has processed over 50,000 immature mosquito species through use of CO2 and Gravid traps set throughout the County in 2008. The following are sample results from various types of traps:
 - New Jersey Light Traps- 3,186 male and 5113 female adult mosquitoes.
 - CO2 Traps- 51,896 adult mosquitoes. 53 tested positive for WN.
 - Gravid Traps- 3032 adult mosquitoes. 9 tested positive for WN.
5. In 2008, 489 dead birds were reported to the District. 138 were submitted for testing. Of those 138 dead birds submitted 45 tested positive for the West Nile Virus (WNV).
6. The district owns the following equipment:
 - 33 Vehicles
 - 1 Bobcat Skid Steer Loader
 - 1 4 X 4 Quad
 - 2 Argo All Terrain Vehicles (Conquest 8 X 8)
 - 2 Utility/Car Trailers
 - 2 Beecomist ULV Fogger

- 2 London Fog ULV Fogger
- 1 Leco ULV Fogger
- 1 110-gallon A-1 Mist Blower
- 1 500-gallon skid mounted spray system
- 1 5 hp Honda Outboard motor
- 2 Echo Powered Backpack Mister Duster
- 4 Maruyama Powered backpack mister/ duster
- 2 Maruyama Power backpack sprayer
- 1 Solo Power backpack sprayer

All equipment is stored at the District's Visalia location

- 7. The DVCD's single Visalia location is not only used to store district equipment, chemical and biological agents but also for the design/construction of new equipment and district board meetings.
- 8. In 2007 the District began using electronic Geographical Information System to track and map 49,752 district activities including personnel contracts, service request, locations where mosquito eating fish were planted, source inspections, physical control projects, herbicide applications and chemical control efforts. This eliminated two (2) full-time positions that were filled 4 months out of each year.
- 9. The District has begun a 3-year project to build a new laboratory. Construction of the new lab will be completed in three phases. Phase 1 will be the concept phase (1st year). Phase 2 will be the design phase (2nd year). Phase 3 will be the building phase (3rd year). The project is expected to be completed during the 2010/2011 fiscal year and the goal is to expand the District's surveillance program capacity.
- 10. Infrastructure and facilities used for mosquito abatement include buildings and labs and various form of equipment placed throughout the district. The District seems to have adequate capacity to provide surveillance service to residents within its boundaries as well as areas outside of the district. The District's single location seems adequate for storage of the various traps and equipment used for its surveillance efforts. The District recently provided service to the southeastern portion of the County through a contractual agreement with Tulare County. The planned lab construction will allow the district to keep up with an expected increase in demand for service.

3) Financial Ability of the Agency to Provide Services

- 1. Michael L. Oxenreider, CPA conducted the District's financial audit for the Fiscal Year ending June 30, 2007.
- 2. The District's budget is approved in July of each year by the Districts board of directors.

3. Primary Sources of Revenue:
 - Ad-Valorem Property Taxes (87%)
 - Interest from Investment Capital (4%)
 - Other Charges (9%)
4. The average Ad-Valorem rate tax (pre ERAF) for the district is .024.
5. Total revenues for FY 2007/08 were \$2,171,973, up from \$1,891,957 in FY 2006/07.
6. FY 2007 expenditures dropped from \$ 1,855,901 in 2006 to \$1,686,931. The \$175,648 decrease is a result of restructuring the districts operational program.
7. The primary expenditures listed below are in order from most costly to least costly:
 - Salaries and employee benefits
 - Service and Supplies
 - Contingencies
 - Capital Outlay
8. The District has a current reserve fund balance of \$2,383,863.

Assets:

 - Land (\$8,776)
 - Building and Improvements (\$1,009,515)
 - Vehicles (\$683,394)
 - Equipment (368, 156)
 - Accumulated Depreciation (-\$1,264,298)
 - Net Capital Assets (\$805, 543)

The District has a consistent source of revenues and possesses a robust reserve fund as well as several assets. There is no evidence that service has been hindered due to financial constraints. The District is in good financial health and has the ability to provide service into the future.

4) Status of, and Opportunities for, Shared Facilities

1. The DVCD operates and owns a single facility and does not share or jointly operate any other facility.
2. The district receives testing support, chemical application guidelines and biological implementation methods from the following agencies:
 - U.S. Fish and Wild Life Service
 - State Department of Fish and Game
 - Department of Pesticides Regulation
 - Ag Commission

- State and County Department of Public Health
 - State and County Department of Environmental Health
 - University of CA. Davis and Berkeley
3. A portion of their southern boundary, which encompasses the south Visalia area, was identified by the DVCD as a region with overlapping/duplicate service. The area is within the boundaries of the Tulare MAD but both districts provide surveillance and response service to the area. All chemical and biological service requests received by the DVCD are referred to the Tulare MAD.
 4. The District has provided abatement service to the southeastern portion of the County pursuant to a contract for services between the DVCD and the Tulare County Health and Human Services Agency.
 5. The DVCD is part of the Vector Control Joint Powers Authority. The JPA was formed in order to exercise joint purchasing power for the following items:
 - Liability coverage
 - Excess liability coverage
 - Employment practices liability coverage
 - Workers compensation coverage
 - Excess workers comp coverage
 - Auto physical damage coverage
 - Public entity property insurance program
 6. The DVCD also participates in the South San Joaquin Valley Mosquito and Vector Control Joint Chemical Purchase Agreement. This joint purchasing effort reduces the districts costs ensuring that the district has access to all chemicals necessary to provide efficient chemical control service.

Through its participation in joint powers authorities and joint purchasing agreements, the District is already pursuing the most logical and feasible cooperative opportunity. No other opportunity for shared facilities can be identified.

However, the existence of overlapping service in the Visalia Area should be examined further to ensure that area residents are provided quality service in a timely and efficient manner.

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

1. A 7-member board of directors governs the DVCD. Members are appointed by the Tulare County Board of Supervisors and the city councils of the cities located within district boundaries. Members are appointed to 2 year staggered terms.

2. The Board meets on the second Wednesday of each month. Regular meeting time is 7:00 pm and regular meetings are held at the District's facility in Visalia.
3. All board meetings comply with the rules and regulations of the Brown Act.
4. The District is divided into 6 zones. Each zone is a 160 squared mile area. Certified vector control technicians are assigned to each area and conduct the full range of abatement services as needed.
5. Part of the district's integrated pest management (IPM) includes public outreach and resident education consisting of:
 - School presentations
 - Service Club presentations
 - Homeowner groups
 - Government Agencies
6. A Safety Committee has been formed and meets on a monthly basis. The Committee is comprised of employees from the various district departments. The purpose of the committee is to monitor employee practices and implement safety measures such as the District's safety incentive program.
7. Integrating the Districts service data into a comprehensive electronic format, which eliminated two full-time positions that were manned during a 4-month period each year, saved the District a thousands of dollars. In addition the new format makes service information more accessible to the public and public agencies.
8. The District also responds to phone inquiries and complaints.
9. The District operates a web page www.dltavcd.com . The page contains Safety Committee meeting notices, Board meeting notices and information on what residents can do to reduce the threat of vector-borne diseases.
10. The District employs 2 professionals with a science degree. The following is a break down of district personnel:

	Executive	Management	Professionals	Operational
Full-Time	1	-	2	10
Part-Time	-	-	-	2
Seasonal	-	-	-	10
Contract	-	-	-	-
11. A mailing list of people who receive a board meeting agenda packet is maintained electronically.
12. The District maintains a spray notification email list.

13. The District has received various awards for provision of its abatement service.
14. In 2007, a reorganization of personnel resulted in the reduction of 2 full-time positions. This action corrected a negative spending trend, which increased both revenues and efficiency of service provision.
15. The California Department of Public Health- Mosquito-Borne Virus Surveillance and Response Plan governs the District's activities.

District board meetings comply with all public hearing legislation. The District makes all board meeting and district administrative activities readily available via its web page. The web page is up to date and easy to use. In addition, the District uses geographical information systems software (GIS) to keep track of district fieldwork such as trap locations and treatment of mosquito breeding sources and continually updates the information. It is determined that there adequate controls in place to provide for District accountability, transparency and efficiency.

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

Recommendation: As mentioned above, a portion of the District's southern boundary, which encompasses the south Visalia area, was identified by the DVCD as a region with overlapping/duplicate service. The area is within the boundaries of the Tulare MAD but both districts provide surveillance and response service to the area. It is recommended that the issue be examined in more detail to determine if district lines must be adjusted in order to end the duplication of mosquito abatement service in the area.

Tulare Mosquito Abatement District Municipal Service Review

This section provides an overview of the determinations of the Tulare Mosquito Abatement District (Tulare MAD) 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 determinations with respect to each of the following: 1) Growth and population projections for the affected area; 2) Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies; 3) Financial ability of agencies to provide services; 4) Status of, and opportunities for, shared facilities; 5) Accountability for community service needs, including governmental structure and operational efficiencies; 6) Any other matter related to effective or efficient service delivery, as required by commission policy. These requirements are established by Section 56430 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH). The following determinations were largely derived from a questionnaire submitted by the Tulare MAD on September 10, 2008. CKH Section 56430 has been amended by AB 1744 (Ch. 244, Stats 2007). The MSR format used in the Group 1 and 2 MSRs has been revised to reflect the new requirements of CKH 56430 as amended. Other sources that were used include published articles from the Visalia-Times Delta, State Department of Public Health website and the State Department of Finance website.

District Background

The Tulare Mosquito Abatement District was formed in January of 1943. It covers 359,680 acres (562 square miles) located mostly in the southwestern portion of Tulare County. The District's boundaries are contiguous and this area is the District's Sphere of Influence (SOI). The District has a six member Board of Trustees. Trustees are appointed by the County Board of Supervisors and the cities of Tulare and Visalia. The Board of Trustees meet on the 2nd Tuesday of each month at 1:00 pm at the District's operating site located on the City of Tulare's Mefford Field Airport, 6575 Dale Fry Road.

The District also coordinates its service provision efforts with the Mosquito & Vector Control Association of California (MVCAC), California Department of Health Services (DHS) and the University of California at Davis (UCD).

The District uses the DHS's California Mosquito-Borne Virus Surveillance and Response Plan and Operational Plan for Emergency Response to Mosquito-Borne Disease Outbreaks as guidelines in the District's operations. These guidelines for mosquito control are used by all districts in California to effectively accomplish surveillance, biological control, and chemical control in their service areas.

Written Determinations

1) Growth and Population Projection

1. The approximate population within the District boundaries is 195,000. This estimate was provided by the District using their GIS Census Tract information.
2. There are 273 dairies that operate within the District's boundaries. New dairies continue to be added and existing operations continue to expand. Dairy waste water retention ponds located on dairies are a prime breeding source for mosquitoes in the District's service area. Controlling this source of mosquito breeding requires a large expenditure of funds from the District's operating budget
3. The district received 90 service calls from residents in their service area in 2010.
4. Incorporated cities in the district include the City of Tulare and a portion of the south side of the City of Visalia.
5. The District's Annual Operational Report prepared by the district manager and adopted by the District's Board of Trustees serves as a source of planning for the new year. The Annual Operational Report examines operational costs and service area functions. District management uses this information to review overall operational needs and review the District's ability to meet the California Department Of Health Service's criteria for effective mosquito control.
6. The District also uses the correlation between increases in population and an increase in service requests to aid in forecasting service demand levels.
7. The District's management maintains communication with officials in the cities of Tulare and Visalia as well as unincorporated towns in the district to stay informed of their growth and development. District management also works closely with the Tulare County Resource Management Agency, Code Enforcement Department. Dairy operators are required by their Tulare County Operating Permits to maintain waste water retention ponds with adequate roads for inspection, spray treatment and weed control to allow effective treatment of mosquito breeding in this source.

The approximate 2.7% population growth rate experienced within district boundaries over the last Census period indicates that the District's population will continue to grow at a steady rate. Despite the projected increase in population and development, the area within district bounds will remain substantially rural. Mosquitoes thrive in rural areas comprised of agricultural/open space lands because irrigation of these lands produces sedentary water sources creating a prime breeding area for mosquitoes.

The expected increase in population both within and near the district will most likely increase the demand for its services due to the increase in potential infection victims and an increase in urban wastewater sources, which are a prime mosquito breeding habitat. Approval of new dairies

within the District will also increase the number of water sources increasing the probable demand for mosquito abatement control services.

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

1. The District's operational facilities are located on Mefford Field airport in the City of Tulare at, 6575 Dale Fry Road. The District leases a site on the airport from the City of Tulare. The lease is a 15 year lease with a right for 15 year renewal upon the expiration date. The lease rate is \$774 per month with a built in CPI adjustment. This site serves as the District's only fixed location for support facilities and equipment storage.
2. Infrastructure owned by the District includes the following:
 - The operational facility at Mefford Field includes, office space, Board of Trustee meeting room, laboratory, shop, hanger, and vehicle storage
 - Yard area with building and tanks for insecticide storage
 - 13 vehicles varying in size from 1 to ½ ton units available for inspection and treatment of mosquito breeding sources.
 - One aircraft configured for both normal and Ultra Low Volume spray applications.
 - Miscellaneous hand-held equipment for spray applications.
3. There are 9 New Jersey Light Traps set throughout the district and they are used as a tool to monitor adult mosquito populations. They are located in Tipton, Pixley, Alpaugh, Woodville, West Tulare, South Tulare, Creighton Ranch, Allensworth and South Visalia.
4. The District also collects adult mosquitoes for testing using CO2 traps. Placing CO2 traps in various locations in the district provides early detection of mosquito borne viruses in the service area. During the 2010 season 110 mosquito pools were submitted to the Center for Vector-Borne Disease (CVEC) for testing. Confirmation was received that 14 of these pools tested positive for the West Nile Virus. This information allows district personnel to increase surveillance and spray treatment in critical areas.
5. The District collects dead birds to send in for testing through the CDHS Dead Bird surveillance program. During the 2010 season 18 birds were collected and sent to the UC Davis Center for Vector-Borne Diseases (CEVEC). Twelve birds tested positive for the West Nile Virus.
6. In 2010 the Tulare MAD treated a total of 17,852 acres of land for mosquito control. Ground applications were made on 11,751 acres using spray vehicles and other hand held equipment. The district aircraft was used to treat 6,101 acres.

7. The District is divided into 4 zones and each zone is assigned a full-time technician. In addition the District hires 3 seasonal operators to work throughout the District during the season.
8. The District has highlighted an unprecedented outbreak of a deadly mosquito-borne virus as its main threat. Funding is available for this unexpected occurrence through Contingency Funding in the District's budget. In fiscal year 2009/2010 the budget allocation for Contingency Funding was \$234,045.
9. The District shares the domestic water supply for its facilities with four other tenants on Mefford Field. The four tenants share joint maintenance and operation of the domestic water supply infrastructure.
10. During 2010 the District worked with Tulare County LAFCO's East County Abatement Steering Committee to extend service on the Eastern border of Tulare County. A survey was completed by the District working with a consultant, the SCI Consulting Group, to determine if the cities of Lindsay, Porterville and County wide areas in Eastern Tulare County would be willing to vote for a service charge via Proposition 218 for mosquito control. A sample survey was sent to a cross section of property owners. Results from this survey did not show support for passage of a full ballot measure under Proposition 218 to fund mosquito control in this area. Any expenditure beyond the \$20,631 made by the District to extend service to this area is not feasible at this time. However the Tulare MAD remains concerned regarding lack of service in this area of Tulare County. The District has been contacted by residents from this area for service in past seasons and this will obviously continue.

The infrastructure and facilities of mosquito abatement districts is not limited to buildings, equipment used to provide service should also be examined in this section as the majority of the Districts operation takes place away from district facilities. The District has traps set throughout a large and varied portion of the district, which indicates it has the capacity to adequately provide the surveillance component of its abatement service. The District's Mefford field facility, which includes office space, shop, hanger, yard area and tanks for insecticide storage is secure with a long term lease with the City of Tulare. This space meets present operational needs and provides room for any unforeseen expansion requirements. The District is the only mosquito abatement district in the County with an aircraft at its disposal. The aircraft is available at cost to other districts if needed in the County and is invaluable to the TMAD District when large areas require spray treatment for mosquito control.

3) Financial Ability of the Agency to Provide Services

1. The District's 2009/2010 fiscal year audit was conducted by the Certified Public Accounting firm Adair & Evans.
2. The District's primary source of revenue is derived from ad-valorem property taxes. The District's share of ad-valorem property taxes for the 2009/2010 fiscal year totaled \$1,083,613. Miscellaneous revenue sources that include City of Tulare and City of

Visalia redevelopment tax increments totaled \$50,662. Total district revenues for 2009/2010 were \$1,134,275.

Primary Sources of Revenue:

- Ad-Valorem Property Taxes (96%)
 - Miscellaneous Revenue Sources (4%)
3. The beginning Tulare MAD balance for 2009/2010 was \$2,978,933. The ending balance for 2009/2010 was \$3,354,061.
 4. The District divides its direct expenditures into two categories, salaries and employee benefits and services and supplies. For the 2009/2010 fiscal year, employee salaries and employee benefits totaled \$391,563 and includes items such as wages, social security, insurance and extra help. Services and supplies totaled \$365,067. This category includes such items as mosquito larvicides, traps and infrastructure maintenance.
 5. The District categorizes new equipment as fixed assets. In 2010 this included one ½ ton pickup truck for \$19,932.
 6. Total expenditures in 2009/2010 was \$895,246 for salaries and employee benefits, Services and Supplies.
 7. Following direct expenditures of \$895,246 for 2009/2010 and receipt of funds received there was an ending balance of \$3,354,601 available for 2010/2011. This funding is available for direct expenditures, Salaries and Benefits, Services and Supplies, Contingency Funding, Designated Reserves and General Reserves for the 2010/2011 Budget. The funds available are adequate for all anticipated operational needs of the District and provides funding for unforeseen emergencies.
 8. Based on the amount of acres that were treated in 2010 for mosquito control, the cost per acre for ground applications was \$89.86. The cost per acre for aerial treatment was \$2.90. The cost per acre when using the aircraft is much lower since it is only used to treat large areas.

The District has a consistent source of funding and is well positioned with reserve funds. This indicates the district will remain financially healthy in the long term and have funds for normal operations as well as emergency outbreaks for additional service as required. Breaking down all expenses in the District's Operational Report allows accurate tracking of expenses and allows management to effectively plan for the next season's service expenses. A large carryover of funds available allows district management to establish designated reserves for anticipated expenses, plan for equipment purchase, hire personnel, increase surveillance of district areas and meet any additional needs that may occur.

4) Status of, and Opportunities for, Shared Facilities

1. The Tulare MAD as previously stated leases their operating site from The City of Tulare on a long term lease. All of the buildings and equipment are owned by the district. Operating from a site on The City of Tulare's Mefford Field Airport allows the convenience of operating the District's aircraft from their main operating site on the airport. As previously mentioned the District shares a domestic water supply with four other Mefford Field tenets. This is also a convenient arrangement since large amounts of water are needed for loading equipment to accomplish spray applications on sources in the District's service area.
2. Mosquito pools collected for testing to detect the presence of mosquito-borne viruses in the district are sent to the State Center for Vector-borne Disease Research UC Davis in coordination with the Department of Public Health Services. The convenience and availability of this state of the art testing facility is essential as well as cost effective versus the District's creation of its own virus testing facility.
3. A portion of the Tulare MAD's northern service area extends into the City of Visalia's southern boundary. The District's service area now in the City of Visalia's has occurred over time as the city has extended its boundary into the District's service area. When the Tulare MAD was formed this area was not a part of the City of Visalia. However there is no duplication of service in regard to Delta Vector Control's service of the major portion of the City of Visalia. Tulare MAD will service this area of the District included in the City of Visalia's boundary and additional areas of the city as they become part of their service area.
4. In 1999 the Tulare MAD provided surveillance and treatment of sources in the southeastern portion of the City of Porterville. This was done through an agreement with the Tulare County Agricultural Commissioner. The district as previously mentioned in this report in 2009/2010 explored extending service to this area working with the Tulare County LACO East County Abatement District Steering Committee. However this survey indicated property owners would not vote to support a fee for service in their area.
5. The District provides service of its aircraft at cost to other mosquito abatement districts that serve Tulare County. Using an aircraft allows a district to cover larger areas more efficiently than ground spraying and eliminates the need for additional manpower and resources.
6. The District is part of a Continuation Education Program coordinated through the California Mosquito and Vector Control Association (CMVCA) and the State Department of Public Health so that district personnel maintain California Certified Technician status.
7. The Tulare MAD forms part of the Special District Risk Management Authority (SDRMA) which works together to purchase the following types of insurance at a reduced price:

- General Liability
 - Public Officials and Employee Errors
 - Personal Liability Coverage for Board Members
 - Employment Practices Liability
 - Employee Benefits Liability
 - Employee Dishonesty Coverage
 - Auto
 - Property Coverage
 - Machinery Coverage
 - Aircraft Hull and Liability
 - Worker's Comp
8. The District also forms part of the South San Joaquin Valley Mosquito and Vector Control Joint Chemical Service Plan, which allows for savings on all district chemical purchases.
 9. Over the past few years the District has purchases of replacement vehicles through the California Multiple Award Schedule (CMAS), which has saved the District up to one-third of the price per vehicle purchased.

Through its participation in joint powers authorities and joint purchasing agreements the District is obtaining insurance and chemicals at a high level of cost effectiveness. Coordination with State agencies, such as the State Center for Vector-borne Disease Research UC Davis, California Mosquito and Vector Control Association and the State Department of Public Health, provides the District with, timely cost effective testing of the District's mosquito pools collected, and dead birds collected for Mosquito-Borne viruses. The district will continue to work with all agencies to create a more effective and cost effective agency.

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

1. A 6-member board of directors governs the Tulare MAD. Members are appointed by the Tulare County Board of Supervisors and the City Councils of Tulare and Visalia.
2. Audrey Dooley, Charles Pitigliano, Robert Clark and Clyde Stagner are Board of Supervisors appointees. Patrick Nunes is a City of Tulare appointee. The City of Visalia's appointee position is vacant at the moment pending the City of Visalia appointing a Trustee for their area.
3. The Board meets on the 2nd Tuesday of each month. Regular meeting time is 1:00 pm and these meetings are held at the district's Mefford Field facility.
4. Public hearing notice is posted at the District office and published in the Tulare Advance Register. Agendas are also posted at the District facility.

5. All board meetings comply with the rules and regulations of the Brown Act.
6. The District is divided into 4 zones and a certified vector control technician is assigned to each area to conduct the full range of mosquito control services as needed. During the height of mosquito season 3 additional technicians are hired.
7. Part of the District's integrated pest management (IPM) includes public outreach and resident education consisting of:
 - Handouts mailed to land owners and residents informing them of steps they can take to eliminate mosquito breeding sources.
 - Presentations to community groups upon request.
 - Published information of immediate threats in the Visalia - Times Delta and the Tulare - Advance Register.
8. The District's Annual Operational Report provides detailed information regarding revenue sources, expenditures, service requests, surveillance results and acres treated. The report is prepared by the district manager on an annual basis and is reviewed by the District's Board of Trustees. The report is available to the public upon request
9. The District responds to service request from residents living within the District and as necessary in bordering areas if they are not serviced by an existing District.
10. Residents in the District's service area and other interested parties can refer to the District's web site, *tularemosquito.com* for any information regarding District operations. In addition they can also gain information from the CA Department of Public Health Services web page, *westnile.ca.gov* regarding sample test results for Mosquito-Borne Virus testing for all of California including the TMAD District. The district's phone number is also in the current Tulare telephone directory listing.
11. District personnel are licensed through the CA. Department of Public Health through an MOU with the CA. Department of Pesticide Regulation. Personnel are required to pass an initial exam for licensing and receive annual continuation training through the CMVCA.

12. District Positions:

	<u>Executive</u>	<u>Management</u>	<u>Professionals</u>	<u>Operational</u>
Full-Time	-	1	-	4
Part-Time	-	-	-	-
Seasonal	-	-	-	3
Contract	-	-	-	-

Professional staff are trained and certified to test samples for various viruses. This service is provided by the University of California's Kearney Center. Operational employees spray, set traps, extract samples, etc.

13. The California Department of Public Health- Mosquito-Borne Virus Surveillance and Response Plan governs the District's activities including threat levels and response.

The District complies with all public hearing legislation and provides notice to affected parties of public hearings through newspapers of wide circulation in the area and makes all information available upon request. In addition the District's web site *tularemosquito.com* is available to view information regarding the District. The District ensures that its personnel maintain an appropriate level of knowledge regarding mosquito abatement techniques through State certification programs and State agency continuing education programs. District management has indicated that public education presentations are done by request and that a staff person is designated and trained for such presentations.

6) Other Matters Related to Effective or Efficient Service Delivery, As Required by Recommendation:

As mentioned previously in this MSR the District's service area includes the southern portion of the City of Visalia. This service area is an integral part of the District's financial base.

The Delta Vector Control District (DVCD) and TMAD share a common boundary along this portion of Visalia and the DVCD has indicated that they have been responding to service calls within this area for several years. The DVCD additionally requested that LAFCO conduct an MSR of both districts to determine which is better equipped and trained to provide service to the subject territory.

After conducting an MSR analysis for each district, LAFCO Staff determines that each district possesses adequate financial resources, staff and equipment to provide service to the area within their respective boundaries, now and in the future. Accordingly, LAFCO Staff determines that there is no need to change the boundaries of either district and that doing so could threaten TMAD's financial ability to provide effective service to its remaining customers. It is thus recommended that County mosquito abatement district boundaries remain the same and that the Delta Vector Control District forward all service calls it receives from within TMAD boundaries to TMAD, unless otherwise prescribed by an agreement between the two districts.

California Fire Protection Districts

Fire Protection Districts (FPD) can be established under one of three State statutes:

Local Fire District Law, Chapter 1, Section 14000 et seq., Part 3, Division 12 of the Health and Safety Code.

Act 1174 of the General Laws of the State of California.

Fire Protection District Law of 1961, Section 13801 et seq. of the Health and Safety Code.

Fire districts are governed by a 3-member board of directors elected by registered voters residing within the district on an at-large basis. Fire Protection Districts have the following powers provided by statute: (Numerical references are sections of the Health and Safety Code)

- Establish, equip and maintain a fire department (§13852[d]).
- Provide any special service function necessary for fire prevention and protection (§13852[h]).
- Acquire and construct facilities for development, storage, and distribution of water for the purpose of providing fire protection. (§13852[i])
- Acquire and maintain ambulances and operate ambulance service (§13853). Establish, maintain and operate first aid services (§13854). Clear or order the clearing of inflammable growths or materials from lands within the district which cause fire hazards (§13867; 13868).
- Adopt and enforce ordinances for the prevention and suppression of fires and for protection of life and property against fire hazards. (§13869)
- Levy and collect a portion of the \$1.00 per \$100.00 assessed value ad valorem tax on property within the district. (§13907)

Three separate fire protection districts provide service within Tulare County. The Woodlake and Strathmore FPDs are located entirely within Tulare County, while the Orange Cove FPD is almost entirely with Fresno County and only provides service to small area located in the northeast section of Tulare County.

Fire Safety Structure in California

Fire protection in California is divided between local agencies and the State. Service responsibility areas are established according to the type of fire response required. While the legal responsibilities are distinct, the California Department of Forestry and Fire Protection (CalFire) and local agencies work cooperatively to assist one another with fire response. Roughly 50 percent of California's land area is federally owned. There, fire crews from the U.S. Forest Service and other agencies have responsibility.

Local fire protection responsibilities are focused on structural protection and emergency medical response. Within incorporated areas or areas of sufficient housing density, local governments are responsible for providing wild land fire protection.

Under statute, the state is responsible for wild land fire protection in state responsibility areas (SRAs). The state has no statutory obligation to provide structural fire protection or emergency medical response, although CalFire may do so within existing resources. Under statute, SRAs exclude areas within incorporated cities, federal lands, and irrigated agricultural lands. The Board of Forestry (BOF) has the authority to designate the boundaries of SRAs, and has determined administratively that SRAs exclude areas where housing density exceeds three units per acre. There are about 31 million acres of SRAs in the state of which about 500,000 acres belong to local governments and about 1.4 million acres belong to the state. The federal government is responsible for the remaining 29 acres.

Realignment of State Fire Protection Structure

Increasing development in SRAs carries with it increased fire risks and consequent increased costs to the state associated with fighting wild land fires. Local governments have the authority to make land use decisions, but the state pays for the fire protection that benefits new development in SRAs. Accordingly, the state is considering changing SRA criteria in a way that serves to encourage local planning agencies to give more consideration to the dangers of wild land fire hazards when making decisions regarding new development. In other words, local governments could be made more accountable for the fiscal consequences of their planning decisions as SRAs are reverted to local responsibility. Additionally, it is estimated that CalFire spends about 25 percent of its time responding to other emergencies that are primarily a local responsibility, particularly emergency medical response. Development with SRAs also limits CalFire's traditional firefighting tactics such as controlled burns and aircraft use, which in turn requires the agency to rely on more costly methods.

Increasing workload due to changing wild land fuel conditions, which make wild fire more intense and difficult to control, is an added financial burden on CalFire. These factors and the associated costs have prompted a realignment of the fire protection service structure within the State's 2011/2012 budget. The realignment plan calls for reducing the number of firefighters on CalFire engine crews from four to three, putting them back to staffing levels that existed before massive wildfires affected the state in 2003. It would also shift a significant amount of fire fighting responsibility that CalFire now oversees to cities and counties, mostly through a SRA reclassification effort. The plan calls for \$250 million to be shifted from the state fire budget to

local agencies, and CalFire's service area reduced. If that money were shifted, it would represent nearly one-third of CalFire's fire fighting budget.

Potential issues

The level of funding that would ultimately be transferred to local governments under the budget plan is highly uncertain as it depends on the uncertain outcome of the proposed SRA reclassification effort. In any event, since development in SRAs is clustered, it appears unlikely that realignment based solely on the level of development will result in enough land taken out of the SRA designation to result in a realignment of \$250 million in CalFire program costs. This according to the state's Legislative Analyst's Office.

Development often occurs in watershed areas, areas for which CalFire's Natural Resource Program is designed to protect and be responsible for. Depending on what land is reclassified, new SRA boundaries could result in diminished state protection over watershed resources, unless otherwise addressed.

CalFire, local agencies, and the federal forest service operate mutual aid agreements with reimbursements for incident response outside of their respective areas of jurisdiction, and local and state agencies contract with each other for services. While it is unlikely that these agreements will disappear in the event of realignment, new SRA boundaries may trigger a need to revise some interagency agreements and may change the incentives for these agreements.

Realignment would likely place some CalFire infrastructure in local responsibility areas rather than in SRAs. The state; however would remain responsible for the repayment of lease-revenue bonds used to finance this infrastructure. As such, CalFire will need to enter into agreements with local agencies regarding the rental, use, maintenance, and ultimate replacement of such infrastructure.

Assessing Fire Protection Service

When responding to an emergency situation, the goal of any fire protection agency is to minimize the threat to life and property. As such, all fire protection agencies must strive to arrive on the scene of an emergency as quickly as possible, with adequate equipment and well trained safety personnel.

The National Fire Protection Association (NFPA) develops, publishes, and disseminates more than 300 consensus codes and standards intended to help local governments provide quality fire protection service. NFPA standards are adopted by virtually all local governments, including Tulare County and Tulare County fire protection districts.

NFPA sets a six-minute standard for all "career" fire departments, departments whose firefighting force consists of full-time paid employees. For such departments, NFPA recommends that a six-minute emergency response time be achieved 90 percent of the time.

Volunteer departments, on the other hand, are allotted a much longer response time, as most volunteer firefighters are sometimes not readily available. If a volunteer fire department is in an

urban area (1,000 or more people per square mile) the department should dispatch 15 people within nine minutes 90 percent of the time. Suburban areas, consisting of 500-1000 people per square mile, should respond to a fire in 10 minutes with 10 fire fighters 80 percent of the time. Rural areas of less than 500 people per square mile should respond with six people in 14 minutes 80 percent of the time.

Time Points & Time Intervals

All emergency events follow a specific series of events. Emergency systems primarily intercede after the “point of awareness” of the emergency event. An emergency response time continuum is composed of the following time points and intervals for all emergencies.

Emergency Event

The emergency event begins at the point when the need for an emergency response system is identified. Identifiers may include an individual that recognizes or witnesses a need for an emergency response or an electrical or mechanical system such as a smoke or heat detector.

Notification

Notification begins when the fire dispatcher receives the call or alarm.

Alarm Processing

Alarm processing is defined as the interval of time between the notification of alarm to the dispatcher and the receipt of the alarm by the emergency responders. This is the first point at which the actual recording of time begins in the response time continuum.

Turnout Time

Turnout or “prep time” is from when the alert tones in the station until units indicate they are responding to the call. The NFPA sets the standard at 90 seconds (30 seconds for answering the call and 60 seconds for dispatch).

Travel Time

This is the point at which the units indicate they are responding to the call until they indicate arrival at the scene of the emergency. Travel time is affected by the location of the emergency equipment within the district. Factors that effect travel time include weather, traffic and time of day.

On-Scene Time

On-scene time is the point at which the responding unit arrives at the emergency and ends recording of the total response time.

Initiation of Action

This is the point at which operations to mitigate the incident begins. Actions may include size-up (lead responders identification and verbalization of various aspects of the emergency), resource deployment or when patient contact is initiated.

Termination of Incident

Termination is the time at which the emergency units have completed the assignment and are available to respond to another request for service or the “available” time.

Total Response Time

Total response time is calculated from the notification point until the first units arrive on-scene.

Woodlake Fire Protection District Municipal Service Review

The Woodlake Fire Protection District (WFPD) Municipal Service Review (MSR) report was prepared pursuant to GC Section 56430. The report begins by providing district background information and then summarizes data collected and analyzed for the purpose of supporting written statements of determination with respect to each of the following: 1) Growth and population projections for the affected area; 2) Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies; 3) Financial ability of agencies to provide services; 4) Status of, and opportunities for, shared facilities; 5) Accountability for community service needs, including governmental structure and operational efficiencies; 6) Any other matter related to effective or efficient service delivery, as required by commission policy.

The information used in the MSR analysis is largely derived from a questionnaire submitted by the WFPD in 2007. Information was also extracted from other County and State department publications, newspaper articles, the State Controller's Annual Special District financial report and the Fire Districts Association of California web page (www.fda.org). The MSR format used in the Group 1 and 2 MSR's has been revised to reflect the new requirements of GC 56430 as amended (AB 1744, Ch. 244, Stats 2007).

Background

The WFPD was established in 1928 and provides fire protection to the City of Woodlake and areas just outside of the City's jurisdictional boundaries. The District's jurisdictional boundaries are largely coterminous to Woodlake's city limits, with the exception of a few small and largely un-urbanized areas located just outside of the City's boundaries. The WFPD boundaries encompass a 2,400-acre area, while its current Sphere of Influence has an area of 4,464 acres. The District's boundaries extend west to the Friant-Kern Canal, south to Avenue 332, east to Avenue 222, and north to Avenue 356 (3.7 square miles). In addition to fire service, the WFPD also responds to a variety of emergency situations including floods, wild fires, mudslides, and earthquakes. WFPD headquarters are located at 216 E. Naranjo Boulevard. The WFPD's firefighting force is predominately comprised of volunteers. Full-time district personnel are also trained to administer basic first aid; however, the district does not provide ambulance service nor basic or advanced life support services. Consequently, the District is not subject to Central California Emergency Medical Agency policy and procedures as required by the California Code of Regulations Title 22 (Pre-hospital Emergency Medical Services Chapter 7, Trauma Care Systems section)

Written Determinations

1) Growth and Population Projections

1. As mentioned above, the District's jurisdictional boundaries are largely coterminous to Woodlake's city limits, with the exception of a few small and largely un-urbanized areas located just outside of the City's boundaries. One of these areas is known as the Wells Housing Tract, which receives sewer and water service from County Service Area (CSA) No. 2. Although population estimates are not available for this Tract, using the number of connections reported by CSA No. 2 (67) and the 2010 U.S.

Census estimated average household size for the unincorporated portion of Tulare County (3.36 persons), the Tract has an estimated population of 225 persons. Adding this population to Woodlake's 2010 Census estimated population of 7,279 persons, the total WFPD population is approximately 7,504 persons. This is a slight increase from the District's estimated population in 2000 (6,994).

2. The Claritas 2008 demographic report used in the 2009 Comprehensive Economic Development Strategy plan, developed by the Tulare County Economic Development Corporation for Tulare County, projects that the City of Woodlake will have a population of 8,121 in 2013.

Based on the population estimates and projections available, it is determined that the population within the WFPD's boundaries increases at a low and steady rate. This allows the District adequate time to acquire the infrastructure, equipment and supplies they project will be needed to meet service demand levels associated with population increases.

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

1. The WFPD currently owns and operates 3 fire engines.
2. The WFPD does not provide basic or advance pre-hospital life support services; thus, the District does not own or lease the equipment needed to provide these services. All district staff and volunteers; however, are trained and certified to provide first aid assistance. Accordingly, the District owns and operates basic first aid equipment.
3. In 2008, the District constructed a new garage at its headquarters. The garage is used house two district fire engines and a single support vehicle. Garage construction was funded by a grant awarded to the District by the City of Woodlake.
4. In 2007 the WFPD proposed Tulare County Ballot Measure W. An impartial measure analysis conducted by the Tulare County Elections Office described Measure W as a special tax that, if approved, would increase the already existing special annual tax levied on real property within District boundaries. Measure funding was intended to help preserve existing district equipment and staff levels in order to maintain emergency response, fire protection, fire fighting and hazardous materials services. The measure passed with 72.51% of the vote and took effect during the 2008/2009 fiscal year.
5. The United States Department of Agriculture, in its capacity to help implement provisions of the American Recovery and Reinvestment Act (ARRA) of 2009, awarded the WFPD a \$120,000 loan and \$50,000 grant through its Community Facilities Program. The funds awarded will help the district purchase a new fire truck equipped with medical and extrication equipment. As of this date the district has not purchased any equipment with the funds.

6. The WFPD responds to an average of 400 medical calls, 100 fire calls, and 10 false alarms on an annual basis. Some of these calls are to areas outside the District's boundaries in accordance with a mutual aid agreement between the District and Tulare County.

It is determined that because the WFPD serves a small area, the current equipment and support vehicles that it possesses are sufficient to service its designated area efficiently. This is evidenced by the District's 3-4 minute emergency response time to 90% of emergency calls dispatched (9 minutes is the standard set by the NFPA for urban volunteer fire agencies). In addition, due to the ARRA funds awarded to the District and its ability to raise revenues via revenue-generating mechanisms, such as Measure W, the WFPD has the capacity to upgrade its infrastructure and equipment in order to meet unexpected increase in emergency service demand.

3) Financial Ability of the Agency to Provide Services

1. 31% of the WFPD's funding is derived from its fire tax (special tax levied each year on the annual tax roll) and 61% is derived from an assessment levied on real property within district boundaries. Grants and fees charged for services provided by the WFPD to other jurisdictions account for the remainder of the District's funding.
2. As mentioned above, district voters approved Measure W in 2007, which increased the annual special tax levied on real property within district boundaries to \$22.60 per single-family dwelling unit.
3. The Fire Districts Association of California wrote a letter of support to its members for SB 78 and AB 196, also known as The Emergency Response Initiative. This initiative proposes a 4.8% emergency response surcharge on all new or renewed commercial and residential fire insurance policies or multi-peril insurance in California. The revenue that is generated would be allocated to state fire and emergency service agencies as well as local governments for the purpose of funding critical emergency mutual aid response, equipment, and other needed resources. This was a 2-year bill that died pursuant to State legislative rules.
4. According to the State Controller's Annual Special District Report, the WFPD reported \$476,349 in total revenues and \$333,758 in expenditures.

It is determined the District currently has a reliable and adequate source of funding; however, it is unclear how the 2011/2012 state budget and the fire protection service realignment will impact the District. If the District is forced to provide service to a larger area and funds redirected to local agencies by the state fall short of projections, the District could face a budget shortfall of its own. It is determined that the impacts of the fire protection service realignment plan will not be known until the state determines new SRAs.

4) Status of, and Opportunities for, Shared Facilities

1. Tulare County Agreement No. 13944 (effective December 17, 1985), between the District and the County, allows the Tulare County Fire Department to provides

emergency dispatch and communication services to the District. The agreement was amended on January 17, 1995 (agreement amendment 13944-A) in order to modify the payment structure to a flat rate of \$600 per month. On July 26, 2007 the Tulare County Board of Supervisors further amended the agreement. Pursuant to the amended agreement, the County continues to provide emergency dispatch services; however, rather than charging the WFPD \$600 fee, the service is provided in exchange for the District allowing the Tulare County Fire Department to utilize its westerly 2 bays of the most northerly building in the WFPD compound located in Woodlake. The space is used by the County for office space and space for associated equipment.

2. The aforementioned mutual aid agreement also allows one agency to provide additional staff and equipment to the other during calls where supplies and staff are unavailable or insufficient.
3. As part of its 2009-2010 budget package, the California Legislature suspended the local agency protections established in Proposition 1A and proceeded to withhold more than \$2 billion of property tax revenue from cities, counties and special districts in order to close its budget gap. These funds were withheld with the intent to repay local government agencies, commencing in 2013. As an alternative, the budget package also permitted the establishment of a third-party securitization program that local governments could use to relieve the burden of “loaning” their property tax revenues to the state. California Communities was appointed by the California Legislature a type of Joint Powers Authority (JPA) that would administer the securitization program. Under the program, local agencies are able to purchase receivables from the state, which allows them to maintain their planned revenue streams and critical services. The WFPD forms part of this JPA along with 803 other local agencies.
4. As previously mentioned, all district staff, both paid and volunteer, are trained to provide first aid care, but not life support services typically provided by EMTs or paramedics. The WFPD has indicated that they nonetheless respond to calls that require more advanced pre-hospital treatment when calls are dispatched to their emergency personnel. The Exeter District Ambulance (EDA) is the nearest local government ambulance service provider, but its jurisdictional boundaries do not encompass the areas served by the WFPD. According to District Staff, EDA provides service to the Woodlake area in accordance with a mutual aid agreement between The EDA and Tulare County. American Ambulance, a privately owned and operated ambulance service provider, also provides ambulance service to the Woodlake area. The County of Tulare provides dispatch service for the area and determines which ambulance service is contacted.

It is determined that the current agreement between the District and the County allows both agencies to provide faster response times: the County is now closer to northeast county emergencies, while the District receives more efficient dispatch services. The agreement also ensures that emergency personal will always be available at adequate levels should the staffing

levels of either agency ever prove insufficient. The mutual aid agreement between the two agencies additionally reduces the cost to each.

It is further determined that by becoming part of the statewide JPA, the WFPD has put itself in a stronger position to reclaim the withheld property tax revenues in full. Lack of these services creates the potential for loss of life that could have otherwise been prevented. It is determined that ambulance service to the City of Woodlake and surrounding areas needs to be examined. The goal of this analysis should be on determining which approach will result in the fastest response time possible. This approach could be to expand the EDA's boundaries to include the Woodlake area or perhaps the current structure produces the most efficient ambulance service possible; information from American ambulance and Woodlake specific information from the EDA is needed to make this determination.

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

1. The WFPD is governed by a 3-member board of directors. Each board member is elected and serves a 4-year term.
2. Public hearings are held on the 4th Tuesday of each month at 6:30 PM at the district headquarters. Agendas are posted outside of the district headquarters.
3. The WFPD has 3 paid staff members. That includes 1 fire captain and 2 firefighters with California State Board of Fire Services certification. The District also has 14 volunteer firefighters. Volunteers need not have state certification, but they are required to undergo a local training program administered by the WFPD.
4. Each year the WFPD must submit a wide range of data to the Homeland Security Federal Emergency Management Agency via the National Fire Incident Reporting System. Some of the data provided includes number of structure fires, firefighter casualties, civilian casualties, hazardous material incidents, wild land fires and apparatus and personnel inventory.
5. The WFPD is listed on the City of Woodlake's website as a city department. However, the link on the site only provides a brief description of the District's history and geography as well as telephone contact information. The WFPD does not maintain a web page.

Based on the fast emergency call response times analyzed in previous sections, it is determined that, from a service provision standpoint, the District is operating at an efficient level.

Based on the fact that the District has adopted national response standards, which it exceeds, and that fact that it must report to a Federal agency, adhere to various state codes and regulations as well as local ordinances, it is further determined that their sufficient regulatory controls in place to ensure service provision accountability.

Staff recommends that the WFPD and City of Woodlake consider including additional information such as meeting minutes, agendas, fire safety guidelines, and other public information on the City website. Without such information it is difficult for district residents to become engaged and provide input regarding district services and operations.

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

Recommendation:

The state fire protection service realignment plan has the potential to adversely impact smaller fire protection agencies who possess only limited resources and hinder their ability to provide service at adequate levels. As mentioned in the report; however, it is impossible to determine what the exact impact will be before the state reconfigures SRA boundaries. Until then, its is recommended that Tulare LAFCO monitor the situation and seek to provide input, either through the California Association of LAFCOs (CALAFCO) or of its own accord, in order to protect the interest of the County's fire protection districts and their residents.

It is also recommend that LAFCO further examine ambulance service provision to the Woodlake area in order to determine if there is an opportunity to improve service efficiency. In order to conduct the analysis, ambulance service response time to the Woodlake area specifically, must be procured from both the EDA and the American Ambulance service.

As with other Group 4 special districts, it recommended that the WFPD establish a webpage where basic information can be archived. The District can alternatively pool its resources with other small special districts and have another public agency upload and maintain WFPD information on its own webpage. The County of Tulare, City of Woodlake and LAFCO are all good and feasible alternatives.

Woodlake

Fire Protection District

(as of 3/1/2007)

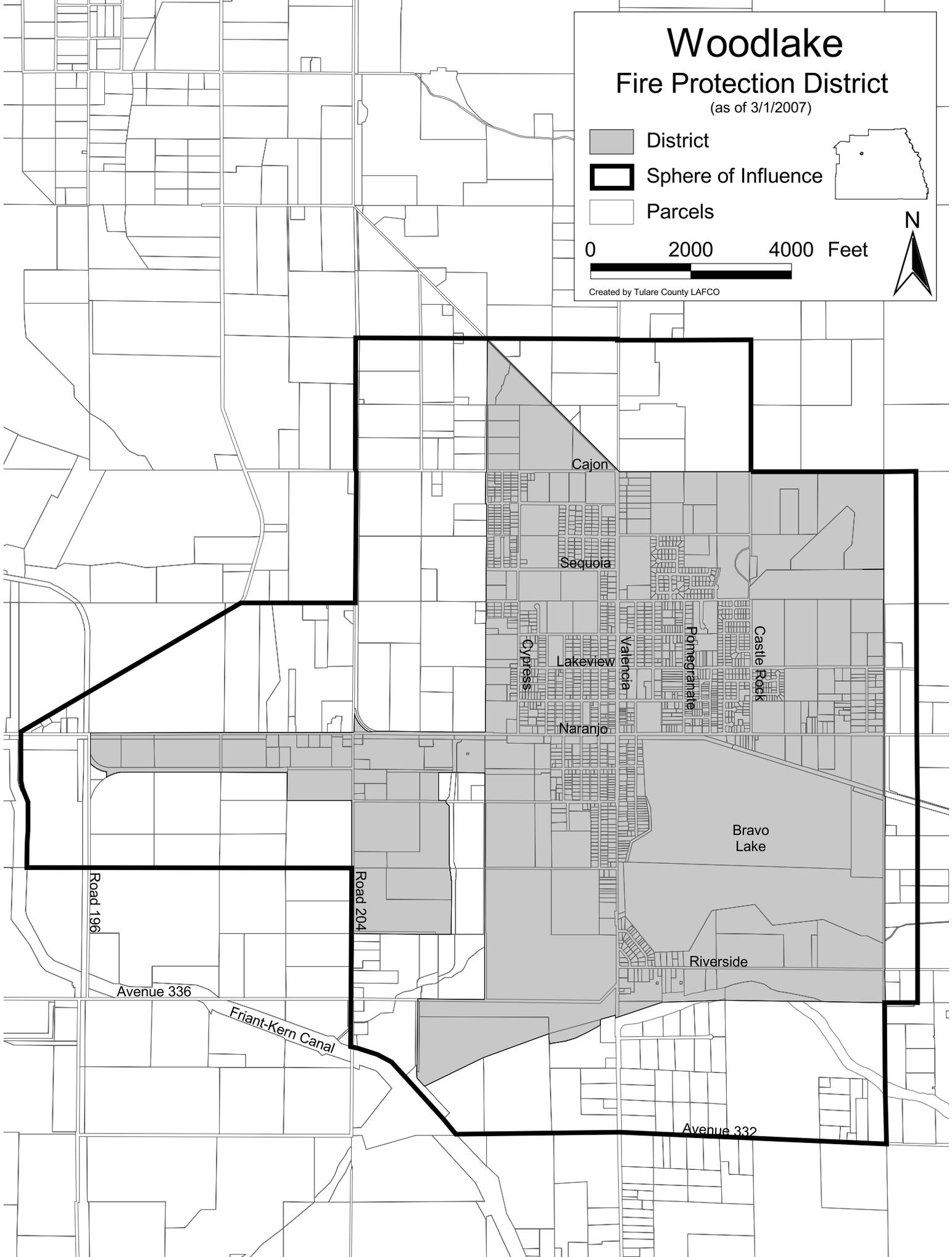
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Created by Tulare County LAFCO



Strathmore Fire Protection District Municipal Service Review

The Strathmore Fire Protection District (SFPD) Municipal Service Review (MSR) report was prepared pursuant to Section 56430. The report begins by providing district background information and then summarizes data collected and analyzed for the purpose of supporting written statements of determination with respect to each of the following: 1) Growth and population projections for the affected area; 2) Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies; 3) Financial ability of agencies to provide services; 4) Status of, and opportunities for, shared facilities; 5) Accountability for community service needs, including governmental structure and operational efficiencies; 6) Any other matter related to effective or efficient service delivery, as required by commission policy.

The information used in the MSR analysis is largely derived from answers provide by the SFPD's Battalion Chief to a LAFCO inquiry conducted in 2011. Information was also extracted from other County and state department publications, newspaper articles, the State Controller's Annual Special District Financial Report for the Fiscal Year 2008/2009 and the Fire Districts Association of California web page (www.fda.org) and Tulare County Board of Supervisors agenda items. The MSR format used in the Group 1 and 2 MSRs has been revised to reflect the new requirements of CKH 56430 as amended (AB 1744, Ch. 244, Stats 2007).

Background

The SFPD was established in 1961 by the Tulare County Board of Supervisors. The District's jurisdictional boundaries encompass a 268-acre area that includes only a portion of what is considered the community of Strathmore. The County established Urban Development Boundary (UDB), which serves as the community's official boundary, additionally includes approximately 210 parcels containing structures, mostly located southeast of the SFPD's boundaries. The District's Sphere of Influence (SOI) includes a larger area, 1,064 total acres, that does encompass the entire community of Strathmore, but still excludes approximately 43 parcels containing structures (also southeast of the SOI). The District's current boundaries extend out to Road 232 to the east, Avenue 200 to the north, Avenue 194 at its southernmost end and its western border is approximately 400 meters east of Road 224.

Through a contract with Tulare County and using County personal, the SFPD responds to a variety of emergency situations including structural fires, floods, wild fires, mudslides, and earthquakes. Full-time personnel serving the District and surrounding areas are also trained to administer basic first aid and pre-hospital medical care; thus, the District's contractual service provider is subject to Central California Emergency Medical Agency policy and procedures as required by the California Code of Regulations Title 22 (Pre-hospital Emergency Medical Services Chapter 7, Trauma Care Systems section). SFPD's fire station serves as County Fire Station No. 16 and is located at 22908 Avenue 196, in Strathmore.

Written Determinations

1) Growth and Population Projections

1. Using 2010 U.S. Census tract information, the County's Geographic Information Systems (GIS) department estimates the population within the SFPD's boundaries to be 1,892 persons.
2. As mentioned in the introduction section of this report, through a contractual agreement, the Tulare County Fire Department provides fire and medical emergency services to the area within the SFPD boundaries, which only encompasses a portion of the community of Strathmore. The County Fire Department; however, additionally provides the same range and level of service to the remainder of the community and surrounding areas. According to 2010 U.S. Census estimates, Strathmore has a population of 2,819 persons. The SFPD is reimbursed for services provided by the County using District staff and/or equipment to areas outside of SFPD boundaries.

Based on available population estimates and projections and the fact that the area within the District's existing bounds is virtually fully developed, it is determined that the population within the SFPD's boundaries will remain largely unchanged in the foreseeable future. This allows the County, who provides fire and medical emergency services to the District and surrounding areas, to continue providing service in an efficient manner using existing infrastructure, equipment and supplies.

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

1. The SFPD has 2 fire apparatus assigned to it: one incident command system fire (ICS) fire engine, purchased in 2008, and one ICS patrol vehicle that was purchased in 2010 using a \$50,000 grant awarded by the United States Department of Agriculture (USDA) in its capacity to help implement provisions of the American Recovery and Reinvestment Act (ARRA) of 2009, through its Community Facilities Program.
2. According to Tulare County's Operations Division Chief, who over sees the SFPD/Tulare County service contract, the District has no immediate plans to purchase new equipment or vehicles.
3. The County, via a contractual agreement with the District, provides the full range of medical emergency services. Accordingly, the County owns and maintains an automatic external defibrillator, "Jaws of Life" apparatus and other pre-hospital equipment, as well as basic first aid equipment for use within District boundaries.
4. From January 2009 through December 2010, the County responded to 227 calls within the SFPD's boundaries. The vast majority of incidents were medical in nature. The County responded to only 16 structural fires during the almost 2-year period. The

SFPD Secretary has indicated that no fire emergency calls have been received in the last 6 months.

5. District staff indicated that a response time of 4.9 minutes is achieved 90% of time within SFPD boundaries.

It is determined that because the SFPD serves a very limited area and receives a very low number of fire emergency calls, the current equipment and support vehicles owned and operated by the County for use within District boundaries is sufficient to service the designated area efficiently.

3) Financial Ability of the Agency to Provide Services

1. The SFPD's 2010-2011 final budget indicates the District received approximately \$19,352 in revenues from assessments charged on real property within district boundaries, a \$50,000 USDA Grant mentioned in the previous section and \$5,000 from the sale of an old fire truck that was replaced by the most recently purchased patrol vehicle. Along with other revenue sources and \$18,224 from the District's cash-on-hand account, the SFPD reported a total of \$93,792 in available resources for fiscal year 2010-2011.
2. For fiscal year 2010-2011, the District reported \$19,100 in expenditures. Expenditures include District salaries and benefits (\$9,720), insurance (\$4,000) and maintenance and equipment (\$6,000). The District also reported \$6,000 in legal fees. The Special Districts Annual Report, prepared by the California State Controller's Office, indicates that the District received \$20,697 in taxes levied on real property for fiscal year 2009-2010.
3. Rather than charging the District a monetary fee for the services it has contractually agreed to provide to the District, the District-County agreement stipulates that the ICS patrol vehicle purchased in 2010 using USDA grant funds will be given to the County and will serve as full payment for services rendered during the entire life of the contract (15 years if all renewal options are exercised).
4. The District lists its fire station building (County Fire Station No. 16 per the County/District agreement) as its only asset with an estimated value of \$54,972.

It is determined the District currently has a reliable and adequate source of funding to finance services being provided by the County's fire department within SFPD boundaries. It is further determined that the District's total resources available (e.g. property tax revenues, interest earned, cash-on-hand etc.) are sufficient to pay for County emergency services provided using equipment not assigned to the SFPD or staff levels beyond that allotted to the District; as per the County-District agreement, the District must reimburse the County in full in such instances.

The SFPD is too small for the 2011/2012 state budget and the fire protection service realignment plan to have much of an impact on the District. The realignment proposal could have a significant impact on the County; however, which could result in diminished resources available to the SFPD should an emergency arise within District boundaries which requires equipment and/or staff levels beyond those allotted to the District. It is determined that the impacts of the fire protection service realignment plan will not be known until the state determines new SRAs.

4) Status of, and Opportunities for, Shared Facilities

1. As alluded to above, the SFPD and the Tulare County Fire Department entered into a Fire Service Protection Agreement in November 2010, an agreement that is allowed under Government Code 55603 et. al. Under the terms of the agreement, the County is responsible for providing the full range of fire and medical emergency services within the SFPD's boundaries. The County is also responsible for maintaining and operating all necessary equipment, as well as providing and training emergency response personnel. In exchange, the SFPD has transferred ownership to the County of the ICS patrol vehicle purchased in 2010 using USDA grant funds. The District also allows the County use of its fire house, County Fire Station No. 16, to house emergency response equipment and personal that not only serves the area within the SFPD, but also areas outside the District that are completely within the County's jurisdiction. The contract is for the duration of one year, but automatically renews each year, unless SFPD board action is taken, and the contract can be renewed for a maximum of 15 years.
2. As part of its 2009-2010 budget package, the California Legislature suspended the local agency protections established in Proposition 1A and proceeded to withhold more than \$2 billion of property tax revenue from cities, counties and special districts in order to close its budget gap. These funds were withheld with the intent to repay local government agencies, commencing in 2013. As an alternative, the budget package also permitted the establishment of a third-party securitization program that local governments could use to relieve the burden of "loaning" their property tax revenues to the state. California Communities was appointed by the California Legislature a type of Joint Powers Authority (JPA) that would administer the securitization program. Under the program, local agencies are able to purchase receivables from the state, which allows them to maintain their planned revenue streams and critical services. The SFPD forms part of this JPA along with 803 other local agencies.

The current agreement between the District and the County allows both agencies to provide faster response times: the County now can now house personnel and equipment closer to southeast county emergencies, while the District receives more fire and medical emergency response services; thus, it is determined that the District is exercising the most logical and desirable opportunity for shared facilities and operations.

It is further determined that by becoming part of the statewide JPA, the SFPD has put itself in a stronger position to reclaim the withheld property tax revenues in full. Lack of these services creates the potential for loss of life that could have otherwise been prevented.

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

1. The SFPD is governed by a 3-member board of directors. Each board member is elected and serves a 4-year term.
2. Public hearings are held on the 2nd Monday of each month at 4:15 PM at the district fire house. Agendas are posted outside of the fire house.
3. As mentioned in the previous section, the County provides all emergency response personal that serves the area within the SFPD. Emergency services are made available 24 hours per day, seven days per week and emergency personnel are assigned to one of three shifts. The County has assigned 1 station captain and 2 lieutenants to the SFPD fire house, County Fire Station No. 16. The size of the firefighting force, both volunteer and paid, was not available as of the time this report was completed.
4. The SFPD still operates as an independent local government: As mentioned above the District is governed by an elected board of directors that holds regular meetings to discuss budgetary issues, intra-agency contracts and adopt District policies and procedures or adopt policies and procedures of partner agencies. The District additionally employees its own District Secretary and contracts legal services for its own use and benefit.
5. The County has adopted the emergency response procedures and standards set by the National Fire Protection Association (NFPA) and all safety response personnel are trained and certified in accordance with the NFPA.

Based on the fact that the District is served in accordance with national response standards by an agency that is subject to oversight by several regulatory and governmental agencies, it is determined that there is sufficient oversight in place to ensure efficient fire and medical response service to residents living within the District's bounds. The fact that the District is still governed as an independent agency completely dedicated to overseeing service provision within the District, further ensure quality, reliable service provision.

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

Recommendation:

As stated above, the District's boundaries are far too limited to be affected by the State's proposed fire protection service realignment plan. The County of Tulare; however, will almost certainly have to rearrange its current fire protection structure in order to serve areas

previously served by the State of California. This could potentially strain County staff and equipment resources, creating the potential for staff and equipment shortages available to areas currently under the County's responsibility, such as the SFPD. As mentioned in the report; however, it is impossible to determine what the exact impact will be before the state reconfigures SRA boundaries. Until then, it is recommended that Tulare LAFCO monitor the situation and seek to provide input, either through the California Association of LAFCOs (CALAFCO) or of its own accord, in order to protect the interest of the County's fire protection districts and their residents.

As with other Group 4 special districts, it is recommended that the SFPD establish a webpage where basic information can be archived. The District can alternatively pool its resources with other small special districts and have another public agency upload and maintain SFPD information on its own webpage. The County of Tulare and LAFCO are all good and feasible alternatives.

There are minor inconsistencies between the District boundary and the SOI along the Friant-Kern Canal. The SOI boundary should be made consistent with the District boundary in this area.

