

SELMA-KINGSBURG-FOWLER COUNTY SANITATION DISTRICT

MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE

Report to the
Fresno Local Agency Formation Commission

MSR-17-04 / SOI-166

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Selma-Kingsburg-Fowler County Sanitation District

Sanitation Services

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Management Information

District formation: February 16, 1971
Principal act: County Sanitation District Act (Health and Safety Code 4700-4859)

District powers: Prescribed in Health and Safety Code Section 4738-4767.5
Authorized services:¹ Collect, treat, and dispose wastewater within the member cities boundaries and parts of unincorporated Fresno County

Governing body: Five-member board of directors

Board members:	Elected	Term Ends
David Cardenas, Chairman (Fowler)	2013	- 2019
Buddy Mendes, Vice-Chairman (County)	2015	- 2018
Nathan Magsig (County)	2017	- 2021
Yvette Montijo (Selma)	2015	- 2018
Michelle Roman (Kingsburg)	2011	- 2019

Board meetings: Second Thursday of each Month, at 4:00 p.m.
Meeting location: 11301 East Conejo Avenue, Kingsburg, Ca 93631
Staffing: 31 full-time employees

Service Information

Population served: 42,889, estimated	
Existing service area: 7,173 acres	Updated service area: 8,650 acres
Existing SOI: 17,330 acres	SOI Revision, via Selma: 17,245 acres

Infrastructure: Vehicles, truck haulers, a sewer collection system, lift stations and wastewater treatment plant

Fiscal Information

Budget: \$17,207,953
Sources of funding: User rates
Rate structure: Rate and fee schedule

Administrative Policies

Master plan: Yes	Policies/Procedures: Yes	Capital improvement program: Yes
SOI adopted: 1975	SOI Revision: 2017	Other: n/a

¹ Pursuant to Government Code Section 56425(i).

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Figure 1- District Map

Selma-Kingsburg-Fowler County Sanitation District

Authorized services: Sewer sanitation

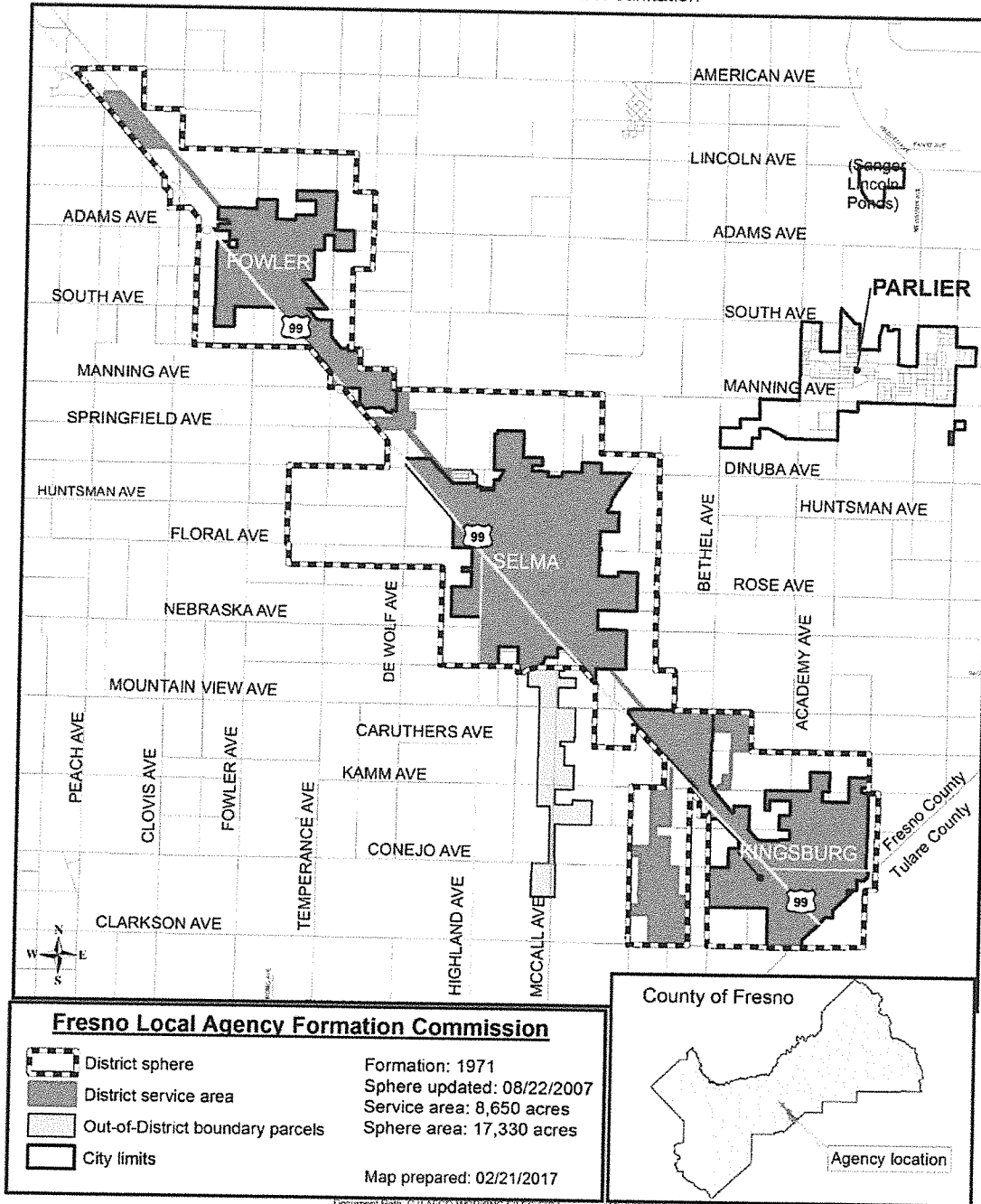
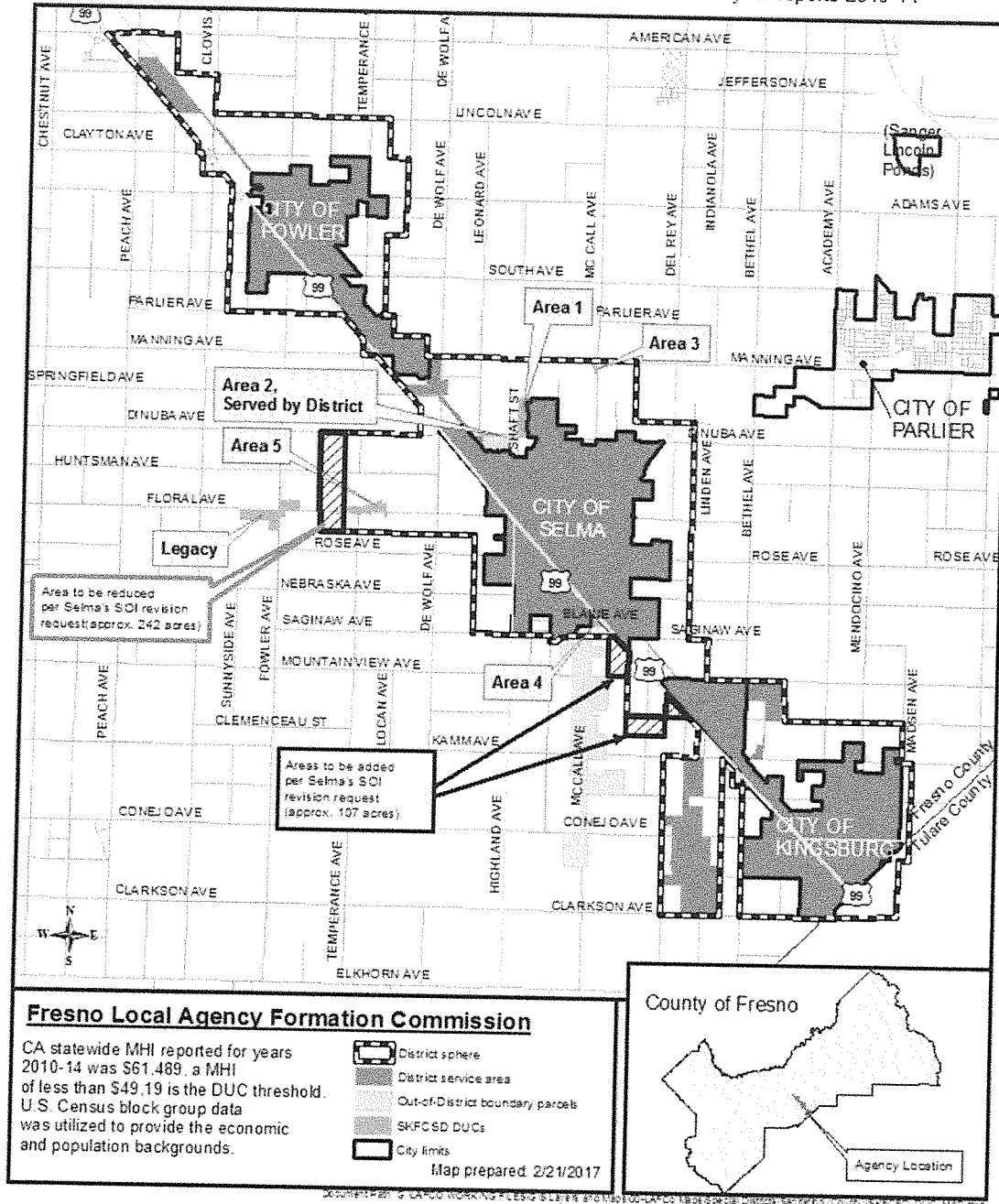


Figure 2- District DUC Map

Selma-Kingsburg-Fowler County Sanitation District

Disadvantaged Unincorporated Communities - U.S. Census ACS 5-year reports 2010-14



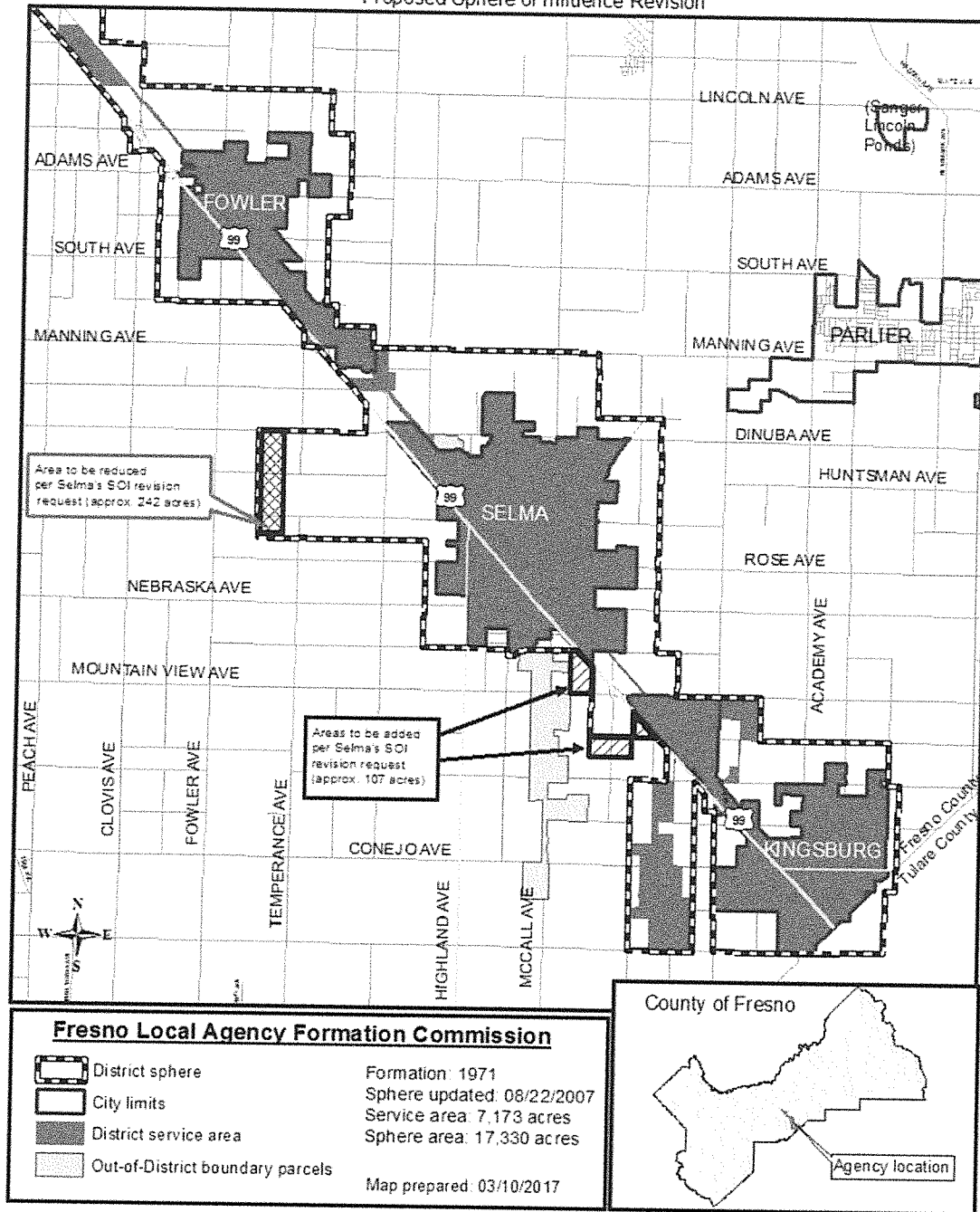
MSR and SOI update

Selma-Kingsburg-Fowler County Sanitation District

Figure 3- Selma SOI and SKFCSD SOI Revision Map

Selma-Kingsburg-Fowler County Sanitation District

Proposed Sphere of Influence Revision



1. MUNICIPAL SERVICE REVIEW

Principal Act

In 1971, Fresno LAFCo formed the Selma-Kingsburg-Fowler County Sanitation District (District) pursuant to the County Sanitation District Act, California Health and Safety Code section 4700 *et seq.* At that time, the District's objective was to address significant reoccurring sewage problems within the three member cities. The County of Fresno requested the formation of a sanitation district as a vehicle to pursue Federal and State aid to construct a regional treatment facility. Construction of the District's regional wastewater treatment plant unified the three benefitting cities with the fiscal responsibility to fund the District's long-term operation and administration costs. The District provides sewer service and wastewater treatment to its member cities through a mutual agreement.

The District owns, operates, and maintains a regional wastewater treatment plant that collects wastewater originating from the three cities and portions of unincorporated territory in Fresno County. Each city owns the portion of the wastewater collection system within their respective city limits, and the District manages operation and performs maintenance, refurbishment or replacement service on all parts of the sewer collection system.

The District is a dependent special district. Its governing body is comprised of five board members: one city council member from each of the three cities, and two Fresno County supervisors. Changes to the District's board occur as changes in the composition of the board of supervisors and city councils take place during local election years.

District Service Area and Sphere of Influence

The District's service area encompasses the incorporated boundaries of the three member cities, Selma, Kingsburg, and Fowler, as well as various out of District boundary customers outside the member city boundaries, and unincorporated land in Fresno County.

Based on LAFCo's previous records, the District's service area encompassed 7,173 acres. As of the preparation of this MSR, the District encompasses 8,650 acres.² The District's sphere of influence (SOI) generally follows the member cities' SOIs, and encompasses approximately 17,330 acres. The majority of the District's service area and SOI lies within Fresno County; however, a small portion of the District's SOI southeast of Kingsburg crosses into Tulare County line, which also coincides with the Kingsburg SOI.

The District's 2016 Collection System Master Plan update estimates the District's service area to encompass 8,650 acres. LAFCo observes a discrepancy of approximately 1,477 acres between the District's and LAFCo's estimates with regard to the District's existing service area. Additional

² SKF CSD 2016 Collection System Master Plan Update, adopted by District Board of Directors on August 4, 2016.

information on the mapping discrepancy is included in the “Mapping Information” section of this MSR.

The District’s service area is within south-central Fresno County. The District’s northern limits begin east of State Route (SR) 99 at the intersection of Golden State Boulevard with E. Jefferson Avenue and follows SR 99 south to the Fresno-Tulare County line. The District’s service area encompasses the incorporated boundaries of Selma, Kingsburg, and Fowler as well as unincorporated areas around those cities within their respective SOIs.

Main access to the District’s service area include SR 99 Golden State Highway and SR 43-Highland Avenue. SR 41 (Yosemite Highway) is located six miles west of the District, and SR 180 (Kings Canyon) is located less than nine miles north of the District.

Relationship of Member City Annexations to SKF’s Service Area

LAFCo’s 1975 SOI report on the District states that reorganizations involving any of the three cities shall be presumed to include a concurrent annexation to the District without requiring the City and District to undertake separate annexation proceedings.³

Scope of MSR and Sphere Revision

The MSR considers various factors associated with District services, as well as, Selma’s request to revise the City’s SOI in two areas: south and west. The City’s proposed southern SOI amendment would include an additional 105 acres for the Selma Crossings Commercial Project. The southern SOI revision is located near the Mt. View Avenue and SR 99 interchange.

Selma’s SOI revision also includes a reduction of the City’s western SOI to balance the southern SOI expansion. Selma’s western SOI realignment would reduce the SOI by approximately 190-acres. The existing western SOI is designated along the Armstrong Avenue alignment between Dinuba Avenue to the north and the Stillman Avenue alignment on the south. Selma’s west SOI revision moves the north-south SOI eastward to the Temperance Avenue alignment, as shown on **Figure 3**. Land uses within the west SOI area currently include unincorporated rural residential units and a farming operation. The 2035 Selma General Plan currently designates the affected territory for Light Industrial Reserve.

The Selma’s SOI amendments concurrently necessitate a revision of the District’s SOI. The District’s existing SOI encompasses 17,330 acres. The updated District SOI will encompass 17,245 acres.

Mapping Information

As noted earlier, during the MSR preparation the District and LAFCo learned that the agencies’ service area estimates were both inconsistent with each other. The following analysis provides a neutral resolution to the mapping discrepancy.

³ Fresno LAFCO 1975 Sphere of Influence Reports, SKF County Sanitation District.

LAFCo's 2007 MSR estimated the District's service area as 7,012 acres.⁴ The 2007 MSR also indicates that there were various District customers outside city limits and outside the District's jurisdictional boundaries. However, the 2007 MSR did not identify any of these out-of-district customers. Prior to that MSR, LAFCo's calculated the District's service area at approximately 7,173 acres which included only territory within the member cities' limits and the approximately 550 acres of unincorporated land, which hosts the District's wastewater treatment facility.

During the course of the 2017 MSR, the District completed a comprehensive update of its Collection System Master Plan (CSMP).⁵ On August 2016, the District's board of directors formally adopted the 2016 CSMP that also included new agency information, comprehensive updates of the District's service area, and District boundary maps. According to the 2016 CSMP, the District currently serves approximately 8,650 acres,⁶ a significant difference from LAFCo's calculations that prompted the need to update LAFCo's District map.

The 2016 CSMP recognized two additional unincorporated areas that were previously noted but not clarified in the 2007 MSR. As shown on Figure 4, Area 1 is an unincorporated residential area north of the City of Selma, near the intersection of Dinuba Avenue and Leonard Avenue. Area 2 is south of City of Selma along McCall Avenue between Saginaw Avenue and Conejo Avenue.

LAFCo researched its record and District staff and concluded that there was neither evidence that the subject areas had been formally annexed into the District, nor that the District was authorized to extend services outside of its service area (in the case of Area 1) and outside of its SOI (in the case of Area 2). Based on the District's 2016 CSMP, LAFCo staff supports the minor mapping corrections needed to illustrate data consistency between both agencies. As such, LAFCo's revised District map will identify the two subject areas as "out-of-District boundary customers" meaning, that these parcels are receiving District service without the benefit of LAFCo authorization.⁷

LAFCo encourages the District to annex the two subject areas, although there is little incentive since the District does not collect annual property tax revenues from properties inside the District. The District should consider a future SOI revision request to include into the District's SOI the out-of-District boundary customers along McCall Avenue.

The 2016 CSMP states that approximately 1,530 acres are outside the city limits and in unincorporated areas of the County, as shown on Figure 4. The 2017 MSR will depict a District of approximately 8,650 acres, of which 1,530 acres are unincorporated.⁸

⁴ Fresno LAFCo 2007 MSR, SKF CSD, District service area approximately 7,012 acres.

⁵ SKF CSD 2016 Collection System Master Plan Update, adopted by District Board of Directors on August 4, 2016.

⁶ Ibid.

⁷ Prior to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, LAFCo authorization to extend services outside of a special district boundary or SOI was not required. The District could not confirm the date of the service extension.

⁸ SKF CSD 2016 Collection System Master Plan Update, adopted by District Board of Directors on August 4, 2016.

Authorized District Services

Pursuant to GC section 56425(i), “when adopting, amending, or updating a sphere of influence for a special district, the commission shall establish the nature, location, and extent of any functions or classes of services provided by existing districts.” Under the County Sanitation District Act, California Health and Safety Code section 4700 *et seq*, a County Sanitation District may exercise all rights and powers, expressed or implied under HSC section 4738-4767.5.

The District provides a wide range of wastewater services including the collection, treatment, and disposal of wastewater originating from the residential, commercial, institutional, and industrial dischargers within the individual member cities and the unincorporated service areas. Additional services authorized by statute include, but are not limited to:

- Operation and maintenance of the wastewater treatment plant;
- Maintenance and management of sewer collection system;
- District refurbishes and replaces each city’s facilities and collection system; and
- Capital improvement project planning.

Each member city owns their respective sewer system within their incorporated limits. The District owns the interceptor sewer lines outside of cities’ limits and the wastewater treatment facility. Through a City-District service agreement, the District also manages the operation of the treatment plant and regulates the cities’ sewer system.⁹

Fresno LAFCo MSR Policy

Pursuant to Government Code (GC) 56430, in order to prepare or amend a local agency’s sphere of influence a Municipal Service Review is required. It is LAFCO’s observation that many special districts within Fresno County typically do not request or experience modifications to their service area or request an update or revision to the Commission-s adopted SOI for the subject local agency.

While the Commission is not required by law to make any changes to a SOI, the Commission may, at its discretion, opt to reaffirm, expand, or delete (‘zero’) an existing SOI; or it may approve, deny, or approve with conditions any change of organization or reorganization because of the information gathered during the MSR update process.¹⁰

In accordance with GC section 56066, Fresno County is the principal county, making Fresno LAFCO responsible for updating the SOI for the District consistent with GC section 56425(g). In order to update the agency’s SOI, Fresno LAFCO has prepared this service review consistent with GC section 56430.

District Growth and Population Projections

The Cities of Selma, Kingsburg, and Fowler are the land use authorities for incorporated territory in the District’s service area and the County of Fresno is the land use authority for the

⁹ LAFCo communication with District Engineer, February 10, 2017.

¹⁰ Fresno Local Agency Formation Commission – Policy 107 – Municipal Service Review Policy.

unincorporated portions of the District's service area. Each member city and the County maintains their respective general plans that guide future development decisions within their respective plan areas.

Though the District does not have land use authority, it forecasts its capital improvement projects to be consistent with the land use patterns depicted in its member cities' general plans. The District manages its capital improvement plans with participation of its member cities and County through technical advisory meetings with city and District staff. The District, County, and member cities stay current on all proposed developments through communication between the District's General Manager and District board members.

The District uses each member city's adopted land use maps, land use diagrams, and the cities' SOI to account for the District's growth and population projections. The District recently adopted its 2016 Collection System Master Plan update, which projects five-year, 10-year, and 20-year design flow projections to ensure that the wastewater projections and facilities required to serve its member cities adequately reflect each member city's growth plans.¹¹

The District maintains its population projections by considering annually adjusted growth rates provided by each member city. These data are used to update the District's Capital Improvement Program. The City of Selma has the largest population within the District at 22,411 residents; followed by Kingsburg with 11,237; and Fowler with 4,729.¹² The District estimates that it serves a population of 42,889, its population could reach 50,000 residents by 2020, and 60,000 by 2025.

The District coordinates all public and private development projects with its member cities and local agencies through the City-County application review process so that all new development is approved consistent with established development standards. Each annexation to a member city is approved concurrently with an annexation to the District in order to ensure that District growth occurs in tandem with the growth of its member cities.

Using the commission's 20 to 25-year planning horizon for SOIs, the District's SOI is appropriate and reflect the growth plans of its member cities and the County. Absent development proposals within the member cities' SOI, the District does not anticipate a need to revise its SOI in the next five to 10 years. LAFCo observes its practice/policy that future SOI revision requests made by any of the District's member cities will also include revision of the District's SOI without requiring a separate MSR specific for the District.

Selma Crossings Project and Sphere Revision

On August 19, 2013, the Selma City Council took various actions related to the Selma Crossings Commercial Project (Project) and other actions needed to amend the SOI and annex the Project into the City. On September 8, 2015, the Selma City Council adopted a resolution to initiate LAFCo proceedings for the proposal's annexation and SOI revision.¹³

¹¹ S-K-F CSD, 2016 Collection System Master Plan Update, October 2016.

¹² Ibid.

¹³ City of Selma City Council Resolution No. 2015-57R, September 8, 2015.

In 2015, consistent with GC sec. 56425(b), representatives from the City and County met to discuss the proposed new boundaries of the new SOI and explore methods to reach agreement on development standards, planning, and zoning requirements within the City's SOI. The County-City agreement is intended to ensure that development within the SOI occurs in a manner that reflects the concern of the City, and in a manner, that promotes the logical and orderly development of area within the SOI.

During these discussions, the parties agreed to a reduction of the western Selma SOI area by approximately 190-acres. Land uses within the west SOI area currently host unincorporated rural residential units and a farming operation. The existing west SOI boundary is designated along the Armstrong Avenue alignment between Dinuba Avenue to the north and the Stillman Avenue alignment on the south. The west SOI revision proposes to move the north-south SOI eastward to a point west of the Temperance Avenue alignment. The affected territory is currently designated for Light Industrial Reserve by the Selma 2035 General Plan. Collectively, the southern and western SOI revisions will be described in this MSR as the "proposed SOI revision."

City and County staff have reached a tentative agreement on the proposed SOI revision. The agreement will be formalized in an amendment of, or side letter to, the City/County MOU.

It is not necessary for the agreement to be approved by the City and County prior to LAFCo's consideration of the proposed SOI revision. Pursuant to GC sec. 56425(b), the Commission shall give great weight to the tentative agreement—to the extent that it is consistent with Commission policies—in its final determination of the Selma SOI, and SKF CSD SOI.

Once the Commission has approved the SOI revision, the agreement shall be adopted by both the city and county after a noticed public hearing. Once the agreement has been adopted by the affected local agencies and their respective general plans reflect that agreement, then any development approved by the county within the sphere shall be consistent with the terms of that agreement.¹⁴

Disadvantaged Unincorporated Communities

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH) requires LAFCOs to make determinations regarding "disadvantaged unincorporated communities" ("DUC") when considering a change of organization, reorganization, SOI expansion, and when conducting municipal service reviews.

For any updates to a SOI of a local agency (city or special district) that provides public facilities or services related to sewer, municipal and industrial water, or structural fire protection, the Commission shall consider and prepare written determinations regarding the present and planned capacity of public facilities and adequacy of public services, and infrastructure needs or deficiencies for any disadvantaged unincorporated community within of contiguous to the SOI of a city of special district.

¹⁴ GC section 56425(c).

Government Code sec. 56033.5 defines a DUC as i) all or a portion of a “disadvantaged community” as defined by sec. 79505.5 of the Water Code (territory with an annual median household income (MHI) that is less than 80 percent of the statewide annual median household income as defined in Government Code sec. 56046 and Water Code sec. 79505.5); and a status of ii) “inhabited territory” (12 or more registered voters), as defined by Government Code sec. 56046, or as determined by Commission policy. Fresno LAFCO policy further refines a DUC as having at least 15 dwelling units at a density not less than one unit per acre.

Geographic Information System (GIS) files were derived from the US Census Bureau’s American Community Survey (ACS) compiled for the five-year period 2010-2014 to identify the demographic composition for the various census geographies. Although the ACS provides annual and three-year estimates, the five-year reports between years 2010-2014 provide more precise data and mapping information for analyzing small populations. The five-year reports are the most reliable form of information generated by the US Census bureau.¹⁵ The statewide MHI reported for years 2010 through 2014 was \$61,489. Hence, the calculated threshold for a DUC is any geographic unit with a reported MHI that is less than \$49,191. The census block group data was utilized to provide the economic and population backgrounds for this sections of the MSR.

A substantial portion of the District’s service area is located within the city limits of Selma, Kingsburg, and Fowler. Additionally, District growth projections occur in sync with each of the member cities annexation activities and SOI boundaries. For the purpose of this section, it is Fresno LAFCO’s judgment that although sewer service is provided by the District, member cities are in the best position to become the municipal service providers to any potential DUCs within the District’s SOI due to a wider selection of municipal services that cities can provide than the District. The following description provides a DUC review with respect to the District’s SOI.

City of Fowler and vicinity:

A review of the US Census Bureau’s ACS compiled for the five-year period 2010-2014 near the City of Fowler SOI with respect to the District’s service area did not reveal any DUCs as defined by Fresno LAFCo policy 106 at the time this service review was prepared.

City of Selma and vicinity:

There are five DUCs between the city limits and the City of Selma’s/SKFCSD SOI that are consistent with two or more indicators of the Fresno LAFCo DUC policy 106. The following information identifies the characteristics of the areas of concern:

- Area 1 is located within Selma’s SOI north of East Dinuba Avenue at the intersection with South Shaft Avenue. The DUC consists of approximately 130 residential parcels located within US census tract 70.03-block group 1. The US Census ACS five-year estimate reports indicate that census tract 70.03-block group 1 had a MHI of \$45,921 between years 2010-2014. The entire census tract 70.03-block group 1 boundaries encompass approximately 698 households with a population of 2,632 people.
- Area 2 is located immediately west of Area 1 within Selma’s SOI south of East Dinuba Avenue and east of Leonard Avenue. The DUC consists of approximately 131 parcels

¹⁵ Fresno LAFCo, Policies, Standards, and Procedures – Policy 106 (05).

located within US census tract 70.03-block group 1. The District informed LAFCo that it currently provides sewer treatment services to this community.¹⁶

- Area 3 is located within Selma’s SOI south of East Manning Avenue and west of McCall Avenue. The DUC consists of approximately 17 parcels located within US census tract 70.03-block group 1.
- Area 4 is located within Selma’s SOI immediately near the city limits near the intersection of McCall Avenue and Blaine Avenue. The DUC consists of approximately 21 parcels located within US census tract 71.00-block group 3. The US Census ACS five-year estimate reports indicate that census tract 71.00-block group 3 had a MHI of \$36,111 between years 2010-2014. The entire census tract 71.00-block group 3 boundaries encompass approximately 200 households with a population of 539 people.
- Area 5 is located near the intersection of E. Floral and Temperance Avenues, approximately one mile and a half west of the City of Selma limits. The DUC consists of approximately 22 parcels located in census tract 73.00-block group 2. The US Census ACS five-year estimate reports indicate that census tract 73.00-block group 2 had a MHI of \$48,409 between years 2010-2014. Although the DUC is substantially smaller than the census geographic unit, the entire census tract 73.00 block group 2 boundaries encompass approximately 372 households with a population of 1,320 people.

City of Kingsburg and vicinity:

A review of the US Census Bureau’s ACS compiled for the five-year period 2010-2014 near the City of Kingsburg’s SOI with respect to the District’s service area did not reveal any DUCs as defined by Fresno LAFCo policy 106.

Legacy Community

Commission Policy defines a “legacy community” as a geographically isolated community that meets the DUC criteria, is at least 50 years old, and is within a mile of the adopted SOI of any city or special district. Consistent with SB 244, legacy communities located in the greater unincorporated areas in Fresno County should be identified by Fresno County. Based on available data, LAFCo has identified one potential legacy community within a mile distance of the District – Selma’s SOI.

The legacy community is located along Floral Avenue between Sunnyside Avenue alignment and slight east of Fowler Avenue. The legacy community consists of approximately 28 parcels located in two census tracts units; census tract 73.00-block group 2 and census tract 73.00 group 1. The US Census ACS five-year estimate reports indicate that census tract 73.00-block group 2 had a MHI of \$48,409 between years 2010-2014. Similarly, census tract 73.00-block group 1, had a MHI of \$41,250 between years 2010-2014. Although the legacy community is substantially smaller than the census geographic unit, the entire census tract 73.00 block group 2 boundaries encompass approximately 372 households with a population of 1,320 people, while tract 73.00-block group 1 encompasses approximately 254 households with a population of 714 people.

¹⁶ LAFCo communication with District Engineer, February 10, 2017.

The following (Figure 2) DUC map identifies the District's service area in relation to its SOI. For the purposed of this MSR, it is presumed all five identified DUCs and the legacy community could be considered inhabited in the absence of a complete application filed with Fresno LAFCo.¹⁷

District Infrastructure

The District owns and manages the operation of the wastewater treatment, disposal facilities, and percolation/evaporation ponds located on a 550-acre site south of East Conejo Avenue, approximately three-quarter mile west of the City of Kingsburg.

The wastewater collection system consists of approximately 167 miles of sewer lines ranging in size from eight inches to 42 inches in diameter plus 22 wastewater pump stations.¹⁸ As previously noted, each member city owns its respective sewer system within its city limits, while the District owns lines outside city limits, regulates the system, and manages the existing and future expansions of the sewer system and wastewater treatment plant.

The capacity of the District's collection system is evaluated by the District's 2016 Collection System Master Plan update (CSMP) based on various performance criteria. The District's Collection System Construction Standards (Construction Standards), as well as using typical industry criteria in sizing its collection system. According to the Master Plan, the hydraulic design flows used for the hydraulic capacity of the collection system consist of two key components: Peak Wet Weather Flows (PWWF) that are developed using (Average Dry Weather Flow (ADWF) and Peak Dry Weather Flows (PDWF). According to the Master Plan, the District's current estimated flow capacities are ADWF is 4.3 million gallons per day (mgd) and PDWF is 7.87 mgd.¹⁹ The District anticipates the sewer system will continue to be built out consistent with the Master Plan. The District estimates its 2020 flow capacities as 4.3 million gallons per day (mgd) ADWF and is 7.87 mgd PDWF.²⁰ The District's PWWF design flow has a capacity of 15.91 mgd.²¹

The California Regional Water Quality Control Board (RWQCB) regulates the District under order # 5-01-255. The District has generally met the parameters of the permit and has not received any notices of violation by the CRWQCB or the CRWQCB Waste Discharge Requirements for Collection Systems.

The District's infrastructure inventory also includes various vehicles used as part of the District's operation, these include but are not limited to:

- Ford Taurus Vehicle
- Chevy C1500
- Ford F700 Dump Truck
- Chevy C30 Small Dump Truck
- 2000 Ford SLT Explorer
- Trailer Jockey

¹⁷ Per GC sec. 56046, the number of registered voters is established as of the date a certificate of filing for an application is issued by the executive officer. "Inhabited territory" means territory within which there reside 12 or more registered voters. All other territory shall be deemed "uninhabited."

¹⁸ S-K-F CSD, 2016 Collection System Master Plan Update, October 2016.

¹⁹ Ibid.

²⁰ S-K-F CSD, 2016 Collection System Master Plan Update, October 2016.

²¹ Ibid.

- 2002 Ford E150 Cargo Van
- 2004 Ford F250XLT
- Ford F800 4 Ton Crane
- Chevy C2500 Service Body
- Ford F450
- Ford F800 4 Ton Crane
- 2004 Ford F150
- Ford L7000 Dump Truck

Additionally, the District's infrastructure includes tractors, backhoes, forklifts, lawn mowers, and utility carts, among its inventory of heavy equipment. The District owns two building facilities where its offices are located.

The District plans for on-going maintenance of its infrastructure and facilities in its annual ten-year Capital Improvement Program (CIP). The District reviews and budgets for CIP projects on an annual basis. Major projects in the CIP include refurbishment, replacement, and expansion of the wastewater treatment plant, interceptor sewers, lift stations, and building facilities. The District's annual budget reflects anticipated expenditures as detailed in the CIP for each year.

District Finances

This section of the MSR includes financial information provided by the District's management on behalf of the District. The District provided financial data to determine if the District has sufficient revenues and financial systems in place to continue its provision of services to its customers. The following information and analysis section is based on adopted annual budgets, and supportive documents available through the District's participation with the Commission's MSR Program.

The District's primary source of revenue is user fees charged to all customers receiving District service. All users pay the same rates per gallon of wastewater, per pound of household solids, and per pound of biochemical oxygen demand, whether the users are industrial, commercial, institutional, multiple residential, or single family residential. Domestic and commercial user fees account for over half of the District's annual operation revenue. Additionally, the District pursues state and federal grant funding when opportunities arise agreeable to the District.

The District has a Master Rate and Fee Schedule (MRFS) which was last revised in March 2016.²² The MRFS identifies District fees for various District services, such as, plan check, inspection fees, and district annexation fees; capacity charges; and service charges tiered by residential, commercial, and industrial customers.

The District's operating revenues for Fiscal Year (FY) 2015-16 were \$7,767,332, while the operating expenditures were \$7,789,275 for the same year. At the beginning of FY 2015-16, the District had a beginning cash balance of \$15,732,312. The District had a net revenue of \$820,161 during FY 2015-16.

At the beginning of FY 2016-17, the District had a beginning cash balance of approximately \$16,289,839. The District forecasts its operating revenues during FY 2016-17 to be \$7,950,454, while operating expenditures are anticipated to be \$13,408,721 by end of the FY. LAFCo

²² S-K-F CSD Rate and Fee Schedule, March 1, 2016 <http://www.skfcsd.org/wp-content/uploads/2014/11/rate-and-fee-schedule-03-02-16.pdf>.

observed an estimated net loss of approximately \$5,458,267. The District identifies major expenditures planned for FY 2016-17 in the District's CIP which accounts for major project expenditures such as sewer line refurbishment projects, lift station upgrades, equalization of ponds, replacement of floating aerators, and various vehicle fleet replacements. The District's budget also shows an annual ending balance amount that is carried forward at the beginning of each FY shown as beginning cash balance. As such, the District anticipates its ending cash balance for FY 2016-17 to be at approximately \$11,552,780.²³

The District maintains a cash reserve in the Operation and Management function of approximately \$2.2 million, which is slightly under the District's reserve policy, year-end balance. The District prepares and adopts an annual budget that projects its anticipated revenues and expenditures for the upcoming year. At the time this service review was prepared, the District showed its total operating revenues greater than its anticipated total operating expenditures.

LAFCo staff also was provided a copy of the District's most current independent auditor's report, financial report, and supplementary information for fiscal years ending June 30, 2015.²⁴

The auditor's report states that the District had a total net position of \$34,278,306 and \$38,791,933 at June 30, 2015 and 2014, respectively. The reported June 30, 2015 net position amount includes investment in capital assets, primarily property, plant and equipment, with a net book value of \$23,914,149.

During FY 2014-15, overall revenues were \$8,220,169, which was more than overall expenditures of \$8,067,654 and resulted in an increase in net position of \$152,515. For the year ending June 30, 2014, overall revenues were \$7,954,128, which was less than overall expenditures of \$8,441,007 and resulted in a decrease in net position of \$(486,879).

During FY 2014-15, the District transferred \$1,352,840 and \$1,308,800 in 2015 and 2014 respectively from the Operation and Maintenance sub-fund to the District sub-fund for future refurbishment or replacement of capital facilities in the treatment plant or interceptor systems.

The auditor's financial report states that during the FY 2012-13, the District discovered several issues with proper reporting processes and employees and retiree benefits under California Public Employees' Retirement Systems (CalPERS) that were unresolved at the end of the year. The District's financial statement reports that the District and CalPERS are independently reviewing the potential pension plan liability, although the District has not yet determined if in fact there is any liability on the District's part. CalPERS is scheduled to review this matter within the scope of its Asset Liability Management review cycle that is scheduled to be complete in February, 2018.

The District reports its financial actions using a proprietary fund which accounts for its activities using the economic resources measurement focus and the accrual basis of accounting; revenues

²³ S-K-F County Sanitation District, Adopted Budget for Fiscal Year 2016-17, <http://www.skfcsd.org/wp-content/uploads/2014/10/Adopted-Budget-FY-2016-17-Version-3-10-16-Final.pdf>.

²⁴ S-K-F County Sanitation District, Report on Audited Financial Statements and Supplementary Information, Year Ended June 30, 2015, prepared by Sampson, Sampson, & Patterson, LLP.

are recorded when earned and expenses are recorded at the time liabilities are incurred. The Auditor's report indicates that the District's annual budgets conform with generally accepted accounting principles (GAAP) which requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes.²⁵

The District prepares annual draft budgets, reviews the budgets through the public hearing process and annual budgets are adopted by resolution of the District's Board of Directors. The annual budget accounts for operation and maintenance of the District, capital expenses for equipment and facilities, and the revenues in support of the District's CIP plan. Amendments to the adopted budget require Board action, while daily budgeting control is maintained at District administration level. The District's governmental funds and annual budgets are managed and prepared consistent with GAAP, and estimates are provided in areas that differ from the agency's estimates.

The auditor's report states that as of June 30, 2015, the District had a total cash and investments of \$15,732,312.²⁶ All of the District's cash balances held by financial institutions are fully insured and collateralized. The District maintains substantially all of its cash in the Fresno County Treasury as part of the common investment pool, with the purview of GC section 53601. The District is a volunteer participant in the Fresno County Treasury Investment Pool that is regulated by state law under the oversight of the Auditor-Controller/Treasury-Tax Collector of Fresno County.

Opportunities for Shared Facilities

The District is the only County Sanitation District located within Fresno County. The 1971 formation of the District was needed to address significant reoccurring sewage problems within the member city areas. The member cities benefit from the District's regional wastewater treatment plant as it unifies the three benefitting cities with the fiscal responsibility to manage the wastewater treatment plant. The District's buildings are occasionally used by other public agencies for personnel trainings and meetings.

The District is a member of the California Wastewater Process Optimization Program (CalPOP), which identified energy saving and efficiency improvements. Additionally, the District participates in joint ventures for workers' compensation, liability, and property insurance under a joint powers agreement (JPA) with the California Sanitation Risk Management Authority (CSRMA). CSRMA arranges for, and provides insurance for the members who participate in four different insurance pools.

The District overlaps with the following special districts:

- Cities of Selma, Kingsburg, and Fowler;
- Selma, Kingsburg, and Fowler Cemetery Districts;
- Kings River Conservation District;
- Fresno County Fire Protection District;

²⁵ Ibid.

²⁶ S-K-F- County Sanitation District, Report on Audited Financial Statements and Supplementary Information, Year Ended June 30, 2015, prepared by Sampson, Sampson, & Patterson, LLP.

- Kingsburg Hospital District;
- Selma Health Care Hospital;
- Consolidated Irrigation District; and
- West Fresno County Red Scale Protective District.

Governmental Structure

Accountability for community service needs, including governmental structure options and operational efficiencies are evaluated as part of the MSR Program to encourage the orderly formation of local government agencies, create logical boundaries, and promote the efficiency delivery of services. This MSR is an informational document that will be used by Fresno LAFCo, other local agencies, and the general public to examine the government structure of the District.

One of the indicators that Fresno LAFCo utilized to determine accountability for community service needs, governmental structure, and operational efficiencies is the agency's level of transparency and its participation with the Commission's MSR program.

As mentioned earlier, the District operates under the County Sanitation District Act, California Health and Safety Code section 4700 *et. Seq.* County Sanitation Districts are authorized to exercise all rights and powers, expressed or implied, under HSC section 4738-4767.5.

GC section 56032.5 defines a "dependent special district" or "dependent district" includes any special district that has a legislative body that consists, in whole or part, of ex officio members who are officers of a county or another local agency, or who are appointees of those officers, and who are not appointed to fixed terms. The five members of the Board of Directors are elected officials, and appointed by their respective agencies to serve on the District's board. The chairman of the Fresno County Board of Supervisors and the Fresno County supervisor from District 4 represent the County on the District board. Each member city appoints one city council member to serve as a director on the District's board. Members of the Board may serve as long as they hold an elected office in either one of the cities or the County.

As such, the District is a dependent special district that has a separate board of directors comprised of two board of supervisors and one member of each City Council from the member cities. Up to the present time, changes in the board of directors have occurred as changes in the composition of the Fresno County Board of Supervisors and City Councils takes place.

The District Board of Directors holds its regular meetings on the second Thursday of every month, at 4:00 pm in the Boardroom at 11301 E. Conejo Avenue, Kingsburg, California.

The District informed LAFCo that each Board member receives training to ensure that each member is familiar with Brown Act compliance, ethics training, California Public Records Act, and conflict of interest. The District board members are compensated \$127.63 per meeting.

The Board meeting times and locations are posted on the front door of the administration building at the District offices, in the local newspaper, as well as being posted on the District's website, www.skfcsd.org. The District's office is located at 11301 East Conejo Avenue, Kingsburg, CA 93631. Meetings are noticed consistent with the Brown Act requirements and

there appears to be ample opportunities for public involvement and input at regularly scheduled meetings.

The District posts informational resources on its website such as Board meeting minutes, agendas, notices, master plans, financial statements, and contact information that provide general information for its customers and local agencies.

The District's daily operations are administrated by a General Manager and with assistance of 31 full-time employees. The District has adopted an organizational chart that identifies District officers, departments, and supporting personnel. Additionally, the District has adopted a Strategic Plan that identifies the District's Vision, Mission Statement, Core Values, and Goals and Objectives.²⁷ The District has a close relationship with the County of Fresno and its member cities. District staff regularly attends the County's and City's staff-level planning review committee, development review proposals, and economic development committee meetings. When the District prepares planning documents such as the recently adopted District 2016 Master Plan, growth projections are solicited from each member city so that the District's future CIP projects and planning efforts could complement the cities' urban growth projections.

²⁷ S-K-F County Sanitation District, Adopted 2016 Strategic Plan, <http://www.skfcsd.org/wp-content/uploads/2014/11/SKF-CSD-Strategic-Plan-2016-FINAL.pdf>.

2. MSR DETERMINATIONS

This portion of the report addresses the factors specified in the governing statute for Municipal Service Reviews and provides analysis in conformance with GC sec. §56425 and Fresno LAFCo policy. Pursuant to GC sec. §56430, the Commission has prepared the following written determinations.

1. GROWTH AND POPULATION PROJECTIONS FOR THE AFFECTED AREA

- Based on LAFCo's previous records, the District's service area encompassed 7,173 acres. As of the preparation of this MSR, the District encompasses 8,650 acres. The District's sphere of influence generally follow the member cities' SOIs, and encompasses approximately 17,330 acres. A small portion of the District's SOI southeast of Kingsburg crosses into Tulare County line consistent with the Kingsburg SOI.
- The Cities of Selma, Kingsburg, and Fowler are the land use authorities for incorporated territory in the District's service area. Territory in the cities is urbanized with various land uses including but not limited to commercial, open space/recreational, multi-family, and single family-residential uses.
- Though the District does not have land use authority, it forecasts its capital improvement projects to be consistent with the land use pattern depicted in its member cities' general plans. The District uses each member city's adopted land use maps, general plan land use diagrams, and cities SOI boundary to account for the District's growth and population projections.
- The District informed LAFCo that it serves an estimated population of 42,889. The District uses annual adjusted growth rate percentages given to the District by each member city. The District identifies each city's growth rate figure in its adopted Capital Improvement Program, SKF CSD Growth Projections. The District regularly consults with its member cities to stay current with its member cities' growth rate projections.
- Using the commission's 20 to 25-year planning horizon for SOIs, the District's boundaries are appropriate and reflect the growth plans of its member cities. The District does not anticipate a need to revise its SOI in the next five to 10 years.

2. THE LOCATION AND CHARACTERISTICS OF ANY DISADVANTAGED UNINCORPORATED COMMUNITIES WITHIN OR CONTIGUOUS TO THE SPHERE OF INFLUENCE

- A review of the US Census Bureau's ACS compiled for the five-year period 2010-2014 near the City of Fowler SOI with respect to the District's service area did not reveal any DUCs as defined by Fresno LAFCo policy 106 at the time this service review was prepared.
- As shown on figure two, there are five DUC areas between the outside the city limits and the City of Selma's and SKF CSD's SOIs that satisfy two or more indicators of the

Fresno LAFCo DUC policy 106. The District informed LAFCo that DUC Area two already received District services.

- A review of the US Census Bureau's ACS compiled for the five-year period 2010-2014 near the City of Kingsburg's SOI with respect to the District's service area did not reveal any DUCs as defined by Fresno LAFCo policy 106.
- There is one legacy community within a mile distance from the adopted District SOI.
- For the purposed of this MSR, it is presumed all five identified DUCs and one legacy DUC are considered inhabited in the absence of a complete application filed with Fresno LAFCo.

3. PRESENT AND PLANNED CAPACITY OF PUBLIC FACILITIES AND INFRASTRUCTURE NEEDS OR DEFICIENCIES

- The District owns and manages the operation of the wastewater treatment and disposal facilities and percolation/evaporation ponds located on a 550-acre site south of East Conejo Avenue, approximately three-quarter mile west of the City of Kingsburg.
- The District's wastewater collection system consists of approximately 167 miles of sewer lines ranging in size from eight inches to 42 inches in diameter plus 22 wastewater pump stations. Each member city owns its respective sewer system within its city limits, while the District owns lines outside city limits, regulates the system, and manages the existing and future expansions of the sewer system.
- The capacity of the District's collection system is evaluated by the District's 2016 Collection System Master Plan Update (CSMP). The District's current estimated flow capacities are ADWF is 4.3 million gallons per day (mgd) and PDWF is 7.87 mgd. The District anticipates the sewer system will continue to be built out consistent with the Master Plan.
- The District plans for on-going maintenance of its infrastructure and facilities in its annual ten-year Capital Improvement Program (CIP). The District reviews and budgets for CIP projects on an annual basis. Major projects in the CIP include refurbishment, replacement, and expansion of the wastewater treatment plant, interceptor sewers, lift stations, and building facilities. The District's annual budget reflects anticipated expenditures as detailed in the CIP for each year.
- The California Regional Water Quality Control Board (RWQCB) regulates the District under order # 5-01-255. The District has generally met the parameters of the permit and has not received any notices of violation by the CRWQCB or the CRWQCB Waste Discharge Requirements for Collection Systems.

4. FINANCIAL ABILITY OF AGENCY TO PROVIDE SERVICES

- The District's primary source of revenue is user fees charged to all customers receiving District service. All users pay the same rates per gallon of wastewater, per pound of household solids, and per pound of biochemical oxygen demand, whether the users are industrial, commercial, institutional, multiple residential, or single family residential.
- The District has a Master Rate and Fee Schedule (MRFS) which was last revised in March 2016.
- The District's operating revenues for Fiscal Year (FY) 2015-16 were \$7,767,332, while the operating expenditures were \$7,789,275 for the same year.
- The District identifies major expenditures planned for FY 2016-17 in the District's CIP which accounts for major project expenditures such as sewer line refurbishment projects, lift station upgrades, equalization of ponds, replacement of floating aerators, and various vehicle fleet replacements.
- The District maintains a cash reserve in the Operation and Management function of approximately \$2.2 million, which is slightly under the District's reserve policy, year-end balance.
- The District's governmental funds and annual budgets are managed and prepared consistent with generally accepted accounting principles (GAAP), and estimates are provided in areas that differ from the agency's estimates.
- The District prepares annual draft budgets, reviews the budgets through the public hearing process and annual budgets are adopted by resolution of the District's Board of Directors. The annual budget accounts for operation and maintenance of the District, capital expenses for equipment and facilities, and the revenues in support of the District's CIP plan.
- LAFCo observes that that District annually receives a steady stream of revenue that allows for its service levels and facilities to continue operating efficiently. The District demonstrates that on an annual basis its total revenues appear to exceed its liabilities. Supporting evidence indicates that the District is able to meet its financial obligations to provide service to its member cities, residents, and creditors.

5. STATUS OF, AND OPPORTUNITIES FOR, SHARED FACILITIES

- The District is the only County Sanitation District located within Fresno County. The member cities already benefit from the District's regional wastewater treatment plant as it unifies the three benefitting cities with the fiscal responsibility to manage the wastewater treatment plant.

- At the time this report was prepared, the District's operations appeared to be adequately managed and there are no other similar agencies that present an obvious opportunity to recommend additional shared facilities.

6. ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS, INCLUDING GOVERNMENT STRUCTURE AND OPERATIONAL EFFICIENCIES

- The District operates under the County Sanitation District Act, California Health and Safety Code section 4700 et. Seq. Health and Safety Code authorizes County Sanitation Districts are authorized to exercise all rights and powers, expressed or implied, under HSC section 4738-4767.5.
- The District is a dependent special district that has a separate board of directors comprised of two board of supervisors and one member of each City Council from the member cities. Changes in the board of directors occur as changes in the composition of the Fresno County Board of Supervisors and City Councils takes place.
- District Board of Directors holds its regular meetings on the second Thursday of every month, at 4:00 pm in the Boardroom at 11301 E. Conejo Avenue, Kingsburg, California. The District board members are compensated \$127.63 per meeting.
- The Board meeting times and locations are posted on the front door of the administration building at the District offices, in the local newspaper, as well as being posted on the District's website, www.skfcsd.org. Meetings are noticed consistent with the Brown Act requirements and there appears to be ample opportunities for public involvement and input at regularly scheduled meetings.
- The District posts informational resources on its website such as Board meeting minutes, agendas, notices, master plans, financial statements, and contact information that provide general information for its customers and local agencies.
- The District appears to make a good faith effort to ensure adequate public information is available on its website, as well as making official documents available for the public at the District's office.
- The District's daily operations are administered by a General Manager and with assistance of 31 full-time employees. The District has adopted an organizational chart that identifies District officers, departments, and supporting personnel.
- The District has adopted a Strategic Plan that identifies the District's Vision, Mission Statement, Core Values, and Goals and Objectives. The District has a close relationship with the County of Fresno and its member cities. District staff regularly attends the County's and City's staff-level planning review committee, development review proposals, and economic development committee meetings.

- The existing governance structure of the District is sufficient to allow it to continue service provision in the foreseeable future, as well as, able to provide adequate services within the District boundaries.

7. ANY OTHER MATTER RELATED TO EFFECTIVE OR EFFICIENT SERVICE DELIVERY, AS REQUIRED BY COMMISSION POLICY

- Reorganizations involving any of the three cities include a concurrent annexation to the District without requiring the City and District to undertake separate annexation proceedings.
- District growth occurs in tandem with the growth of its member cities. The District anticipates its growth to be consistent with the growth of City of Selma, Kingsburg, and Fowler. LAFCo observes its practice/policy that future SOI revision requests made by any of the District's member cities will also include revision of the District's SOI without requiring a separate MSR specific for the District.
- During the course of this MSR, the District completed a comprehensive update of its Collection System Master Plan (CSMP) which also included new updated agency information, comprehensive updates of the District's service area, and District boundary maps.
- After reviewing the District's 2016 CSMP, LAFCo acknowledges that new District information prompts a need to update LAFCo's map illustrating the District. Two additional unincorporated areas that were previously noted in LAFCo's 2007 MSR however not clarified or illustrated.
 - Area one, is an unincorporated residential area near the intersection of Dinuba Avenue and Leonard Avenue.
 - Area two, is south of City of Selma along McCall Avenue south of Saginaw Avenue and down to Conejo Avenue.
- LAFCo observes that any possible future annexation requests made to LAFCo for the two subject areas would likely need to be initiated by property owners or other jurisdictions.

3. SPHERE OF INFLUENCE REVISION AND DETERMINATIONS

In order to carry out the Commission's purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies subject to its jurisdiction, the Commission shall develop and determine the sphere of influence of each city and each special district within the County and enact policies designed to promote the logical and orderly development of areas within the sphere. A sphere of Influence is defined as "a plan for the probable physical boundaries and service area of a local agency, as determined by the commission."

In determining a sphere of influence, the Commission may assess the feasibility of governmental reorganization of particular agencies and recommend reorganization of those agencies when reorganization is found to be feasible and if reorganization will further the goals of orderly development and efficient and affordable service delivery. The Commission shall make all reasonable efforts to ensure wide public dissemination of the recommendations.

When adopting, amending, or updating a sphere of influence for a special district, the Commission shall establish the nature, location, and extent of any functions or classes of services provided by existing districts. The Commission may require existing districts to file written statements with the Commission specifying the functions or classes of services provided by those districts.

Chapter one of this report provides the foundation for the SOI determinations. As noted in the MSR, District growth occurs in tandem with the growth of its member cities. The MSR considers various factors associated with District services, as well as, Selma's request to revise the City's SOI in two areas, south and west. The City's southern SOI revision would include an additional 105 acres for the Selma Crossings Commercial Project site.

Selma's SOI revision also includes a request to revise the City's western SOI to balance the southern SOI expansion. Selma's western SOI realignment would reduce the SOI by approximately 190-acres, as shown on Figure 3. Land uses within the west SOI area currently host unincorporated rural residential units and a farming operation. The affected territory is currently designated for Light Industrial Reserve by the Selma 2035 General Plan.

City of Selma's SOI amendment request will concurrently necessitate a revision of the District's SOI. The District's existing SOI encompasses 17,330 acres. The updated District's SOI will encompass 17,245 acres. LAFCo acknowledges that new District information gathered during the MSR process prompts a need to update LAFCo's map illustrating the District service area to identify the two previously unknown unincorporated areas receiving District service. The District is encouraged to consider a future SOI revision to include the area south of City of Selma along McCall Avenue south of Saginaw Avenue and down to Conejo Avenue into the District's SOI; however, the District may need to consult with its member cities prior to moving forward.

In determining the sphere of influence of each local agency, the Fresno LAFCo shall consider and prepare a written statement of its determinations with respect to each of the following:

1. PRESENT AND PLANNED LAND USES, INCLUDING AGRICULTURAL AND OPEN-SPACE LANDS

- The Cities of Selma, Kingsburg, Fowler and County of Fresno are the land use authorities for territory in the District's service area. Territory in the cities is urbanized with various land uses including but not limited to commercial, open space/recreational, multi-family, and single family-residential uses. The District informed LAFCo that it serves an estimated population of 42,889.
- Though the District does not have land use authority, it forecasts its capital improvement projects to be consistent with the land use pattern depicted in its member cities' general plans. The District uses each member city's adopted land use maps, general plan land use diagrams, and cities SOI boundary to account for the District's growth and population projections.
- Using the commission's 20 to 25-year planning horizon for SOIs, the District's boundaries are appropriate and reflect the growth plans of its member cities. The District does not anticipate a need to revise its SOI in the next five to 10 years.

2. PRESENT AND PROBABLE NEED FOR PUBLIC FACILITIES AND SERVICES IN THE AREA

- The District uses annual adjusted growth rate percentages given to the District by each member city. The District identifies each city's growth rate figure in its adopted Capital Improvement Program, SKF CSD Growth Projections. The District regularly consults with its member cities to stay current with its member cities' growth rate projections.

3. PRESENT CAPACITY OF PUBLIC FACILITIES AND ADEQUACY OF PUBLIC SERVICES THAT THE AGENCY PROVIDES OR IS AUTHORIZED TO PROVIDE

- The District's wastewater collection system consists of approximately 167 miles of sewer lines ranging in size from eight inches to 42 inches in diameter plus 22 wastewater pump stations. Each member city owns its respective sewer system within its city limits, while the District owns lines outside city limits, regulates the system, and manages the existing and future expansions of the sewer system.
- The capacity of the District's collection system was evaluated by the District's 2016 Collection System Master Plan update. The District's current estimated flow capacities are ADWF is 4.3 million gallons per day (mgd) and PDWF is 7.87 mgd. The District anticipates the sewer system will continue to be built out consistent with the Master Plan
- The District plans for on-going maintenance of its infrastructure and facilities in its annual ten-year Capital Improvement Program (CIP). The District's annual budget reflects anticipated expenditures as detailed in the CIP for each year.

- The California Regional Water Quality Control Board (RWQCB) regulates the District under order # 5-01-255. The District has generally met the parameters of the permit and has not received any notices of violation by the CRWQCB or the CRWQCB Waste Discharge Requirements for Collection Systems.

4. EXISTENCE OF ANY SOCIAL OR ECONOMIC COMMUNITIES OF INTEREST IN THE AREA IF THE COMMISSION DETERMINES THAT THEY ARE RELEVANT TO THE AGENCY

- No community of interest, exclusive of the Disadvantaged Unincorporated Communities identified in this MSR, exist in the District's SOI.

5. THE PRESENT AND PROBABLE NEED FOR THOSE PUBLIC FACILITIES AND SERVICES OF ANY DISADVANTAGED UNINCORPORATED COMMUNITIES WITHIN THE EXISTING SPHERE OF INFLUENCE

- As shown on figure two of the MSR, there are five DUC areas between the outside the city limits and the City of Selma's and SKF CSD's SOIs that satisfy two or more indicators of the Fresno LAFCo DUC policy 106. The District informed LAFCo that DUC Area two already received District services.
- One legacy community is identified within and adjacent to the District's SOI.
- The District provides wastewater collection, treatment, and disposal services to properties within its boundaries, which includes the Cities of Fowler, Selma, and Kingsburg.
- The proposed reduced northwest SOI would continue to include part of the legacy community, and the remainder would continue to be within one mile of the SOI.
- Future planned growth of the City of Selma, and the District's member cities will include provision of municipal services, including wastewater services provided by the District, to all territory within the corporate limits.

4. RECOMMENDATIONS

In consideration of information gathered and evaluated during the Municipal Service Review, it is recommended the Commission:

1. Receive this report and any public testimony regarding the proposed Municipal Service Review and proposed Sphere of Influence update.
2. Find that the Municipal Service Review is exempt from the California Environmental Quality Act pursuant to section 15306 (Information Collection).
3. Approve the recommended Municipal Service Review determinations, together with any changes deemed appropriate.
4. Approve the recommended SOI determinations, together with any changes deemed appropriate.
5. Revise the southern and western SKF CSD SOI as described in this MSR.
6. Recommend that the District evaluate a possible SOI revision and annexation of the territory currently being service by the District south of City of Selma along McCall Avenue south of Saginaw Avenue and down to Conejo Avenue.

5. ACKNOWLEDGMENTS

This Municipal Service Review update was prepared by Fresno LAFCO. Selma-Kingsburg-Fowler County Sanitation District administration provided substantial information included in this service review. Fresno LAFCo staff extends its appreciation to the District staff for their assistance and active participation in the development of this Municipal Service Review.

Available Documentation – documents used for the preparation of this report consist of public records and are available at the Fresno Local Agency Formation Commission Office located at:

Fresno Local Agency Formation Commission
2607 Fresno Street, Suite B
Fresno, California 93721

The Municipal Service Review is available on Fresno LAFCo's website, <http://www.fresnolafco.org/default.asp>.