

---

**FRESNO LOCAL AGENCY FORMATION COMMISSION (LAFCo)  
EXECUTIVE OFFICER'S REPORT**

---

**CONSENT AGENDA ITEM No. 9**

**DATE:**                   **October 10, 2007**

**TO:**                       **Fresno Local Agency Formation Commission**

**FROM:**                   **Rick Ballantyne, Executive Officer  
Darrel Schmidt, Deputy Executive Officer**

**SUBJECT:**               **Consider Adoption – Municipal Service Review and Sphere of  
Influence Update Prepared for the Fresno Slough Water District**

**Summary / Background**

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires LAFCo to review and update, as necessary, city and special district Spheres of Influence (SOI) before January 1, 2008, and every five years thereafter. Prior to, or in conjunction with an agency's SOI update, LAFCo is required to conduct a *Municipal Service Review* (MSR) for each agency.

On December 13, 2006, the Commission directed staff to enter into a contract with Pacific Municipal Consultants (PMC) to prepare MSRs and SOI Updates for numerous special districts. The attached MSR and SOI Update have been prepared for the Fresno Slough Water District.

Municipal Service Reviews provide a comprehensive review of the services provided by a city or special district and present recommendations with regard to the condition and adequacy of these services and whether or not any modifications to a city or district's SOI is necessary. MSRs can be used as informational tools by LAFCo and local agencies in evaluating the efficiencies of current district operations and may suggest changes in order to better serve the public.

SOI updates may involve an affirmation of the existing SOI boundary or recommend modifications to the SOI boundary. LAFCo is not required to initiate changes to an SOI based on findings and recommendations of the service review, although it does have the power to do so. Such updates are required by State law to be conducted every five years. MSRs are required to be prepared prior to, or in conjunction with SOI updates.

State law requires that the Commission in its consideration of the MSRs adopt written determinations for each of the following nine criteria:

1. Infrastructure needs or deficiencies
2. Growth and population projections for the affected area
3. Financing constraints and opportunities
4. Cost avoidance opportunities
5. Opportunities for rate restructuring
6. Opportunities for shared facilities
7. Government structure options, including advantages and disadvantages of the consolidation or reorganization of service providers
8. Evaluation of management efficiencies
9. Local accountability and governance

As part of the SOI update, the Commission is required to consider and make appropriate determinations in relationship to each of the following:

1. The present and planned land uses in the area, including agricultural and open-space lands
2. The present and probable need for public facilities and services in the area
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide
4. The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency

There are 18 California Water Districts operating within Fresno County. MSRs and SOI Updates for 12 of these Water Districts were adopted by the Commission at its August 22, 2007 hearing. The remaining Water Districts' MSRs and SOI Updates will be presented to the Commission at a later hearing.

California Government Code Sections 34000 thru 38500 enables the formation of water districts in order to acquire, plan, construct, maintain, improve, operate, and keep in repair the necessary works for the production, storage, transmission, and distribution of water for irrigation, domestic, industrial, and municipal purposes, and any drainage or reclamation works connected therewith or incidental thereto.

### **Environmental Determination**

The California Environmental Quality Act ("CEQA") requires that the Commission undertake and review an environmental analysis before granting approval of a project, as defined by CEQA. The MSR is categorically exempt from the preparation of environmental documentation under a classification related to information gathering (Class 6 - Regulation section 15306), which states: "Class 6 consists of basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. These may be strictly for information gathering purposes, or as part of a study leading to an action which a public agency has not yet approved, adopted, or funded." Indeed, this MSR collects data for the purpose of evaluating municipal services provided by the agency. There is no land use change or environmental impact created by such a study.

Furthermore, the MSR qualifies for a general exemption from environmental review based upon CEQA Regulation section 15061(b)(3), which states: "The activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Additionally, the SOI update qualifies for the same general exemption from environmental review based upon CEQA Regulation section 15061(b)(3).

There is no possibility that this MSR or SOI update may have a significant effect on the environment because there are no land use changes associated with either document. If the Commission approves and adopts the MSR and SOI update and determines that the project is exempt from CEQA, staff will prepare and file a Notice of Exemption with the County of Fresno, as required by CEQA Regulation Section 15062.

## **Discussion & Summary of Determinations**

The Fresno Slough Water District is located in northwest Fresno County and lies approximately 2 miles north of and approximately 4 miles west of the unincorporated community of Tranquillity. It is comprised of two distinct, non-contiguous areas totaling approximately 1,459 acres in size. One of the areas shares a common boundary with the Westlands Water District to the west while the other shares a common boundary with the Mid-Valley Water District's Sphere of Influence boundary to the north. The District's boundaries and Sphere of Influence are coterminous. Land within the District's boundaries is primarily used for agricultural purposes.

The District is governed by a five-member elected Board of Directors. The District employs a part-time manager/secretary and contracts with two contractors for provision of other services.

The District provides irrigation water to landholders within its service boundaries. Services are provided via District owned and maintained facilities including: 12 miles of canal conveyance facilities, 8 miles of drain conveyance facilities, and five lift pumps. Existing infrastructure is considered adequate for current and future needs as the District does not anticipate any growth. No growth is expected because landholders within the District, with the exception of Tranquillity Irrigation District, have sold their land to a singular landowner. According to the District, this landowner has voiced interest in petitioning the U.S. Bureau of Reclamation for the Bureau contract to be reassigned to them. If the Bureau approves this request, the water would then be transferred to other Districts within Fresno County and the land would be dry farmed or left fallow.

District revenues and expenditures for FY 2006-07 were projected to be \$229,500 and \$224,700, respectively. Revenues are primarily derived from water sales, which are currently \$57 per acre-foot. District expenditures include water purchases, maintenance and repairs, utilities, and salaries. The District does not have any outstanding debt. Based on review of financial data submitted by the District, the District appears to have sufficient financing mechanisms in place to support the continued provision of services to its residents. The District often finishes the year with a budget surplus.

The District engages in opportunities for cost avoidance and shared facilities by utilizing the offices of the Tranquillity Irrigation District for its board meetings and posting of notices and agendas. Additionally, in 2005 the Fresno Slough Water District and Tranquillity Irrigation District entered into a joint use agreement to work on joint distribution facilities to maximize the beneficial water use between the two districts.

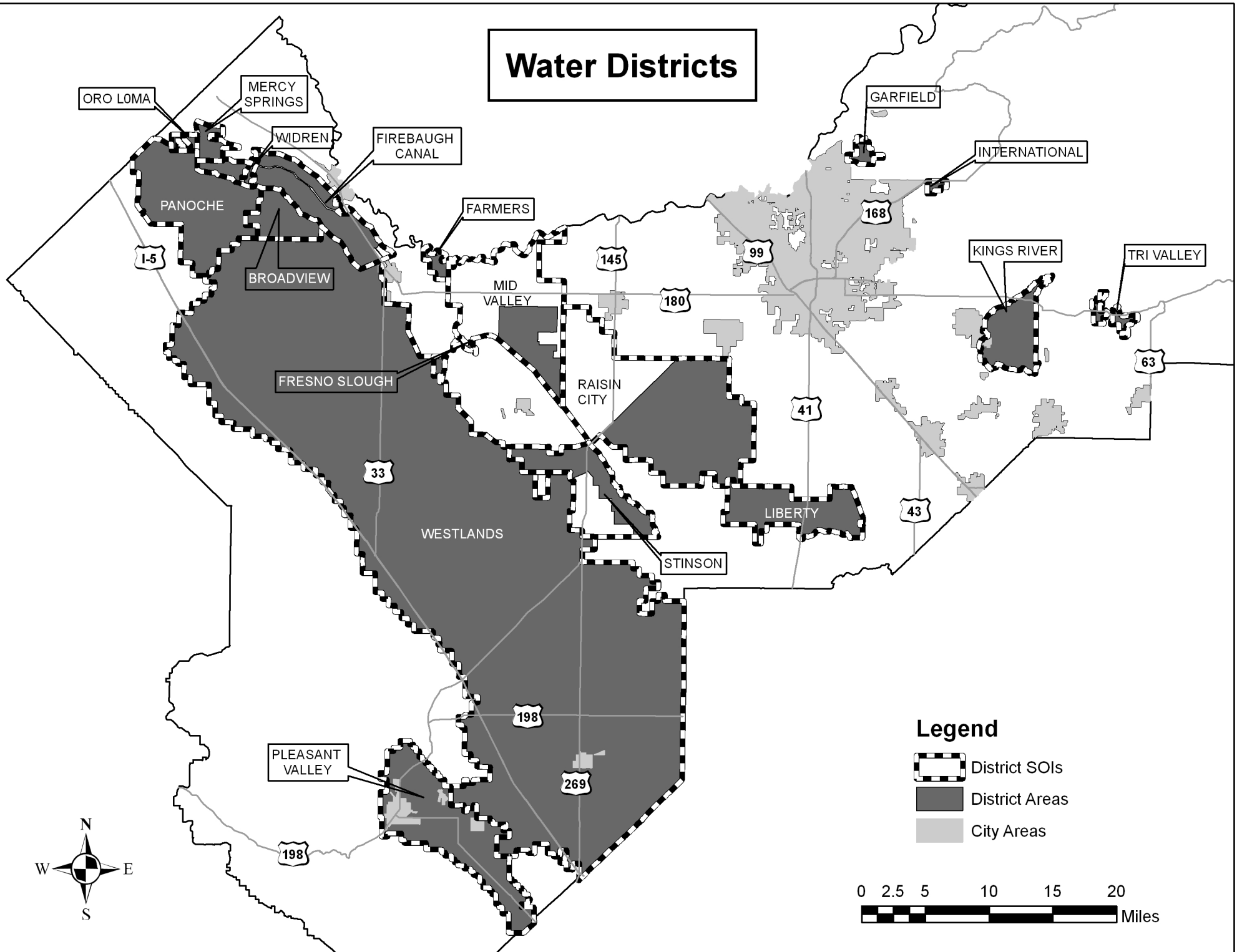
As indicated above, the District does not anticipate any growth or increased need for services. No changes in the District's Sphere of Influence or boundary have been proposed.

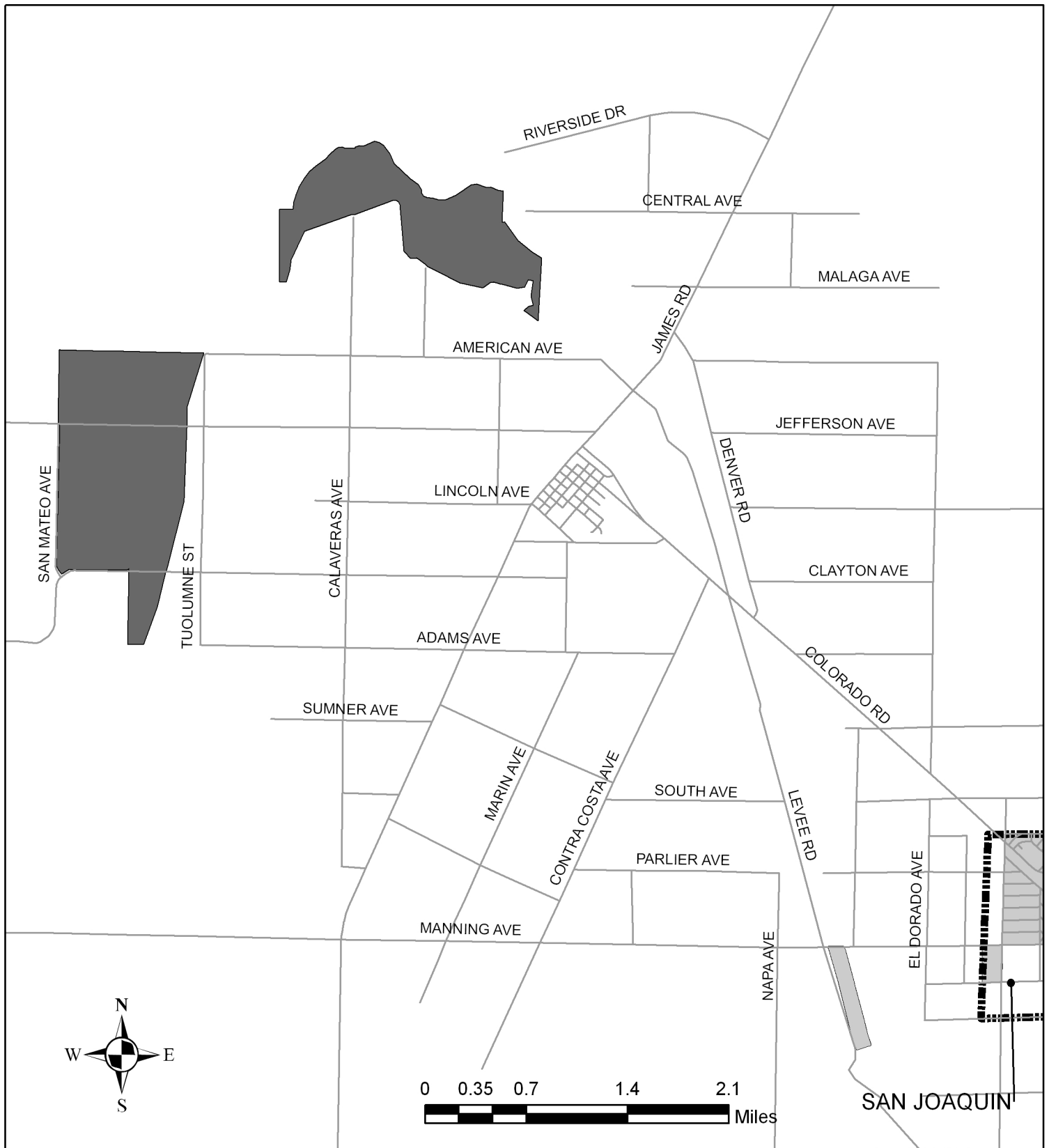
## **Recommendations:**

- A. Acting as Lead Agency pursuant to California Environmental Quality Act (CEQA) Guidelines, find that prior to adopting the written determinations, the Municipal Service Review and Sphere of Influence determinations under consideration are Categorical Exempt from the provisions of the California Environmental Quality Act (CEQA) under Section 15306, "Information Collection" and the general exemption from environmental review, CEQA Regulation Section 15061(b)(3), and find that the SOI Update qualifies for the same general exemption from environmental review based upon CEQA Regulation Section 15061(b)(3).

- B. Find the Municipal Service Review and Sphere of Influence Update prepared for the Fresno Slough Water District are complete and satisfactory.
- C. Find that the written determinations within the Municipal Service Review and Sphere of Influence Update satisfy State Law.
- D. Pursuant to Government Code Sections 56425 and 56430 make the required determinations for the Municipal Service Review and District Sphere of Influence, adopt the Municipal Service Review prepared for the Fresno Slough Water District by PMC, and update the Sphere of Influence for said District by reaffirming its current boundary.

# Water Districts





## Fresno Local Agency Formation Commission Fresno Slough Water District

### Legend

- District Area and SOI
- City SOI
- City Area

District Formed: 1955  
 SOI Adopted: 11/26/1975  
 Map Date: August 2007

District Area: 1,459 Acres  
 Sphere Area: 1,459 Acres

RESOLUTION NO. MSR-07-37

FRESNO LOCAL AGENCY FORMATION COMMISSION  
FRESNO COUNTY, CALIFORNIA

In the Matter of

LAFCo Determination

RESOLUTION MAKING	)	MAKE DETERMINATIONS AND ADOPT
DETERMINATIONS AND ADOPTING	)	MUNICIPAL SERVICE REVIEW; AND MAKE
MUNICIPAL SERVICE REVIEW; AND	)	DETERMINATIONS AND UPDATE SPHERE
MAKING DETERMINATIONS AND	)	OF INFLUENCE FOR THE FRESNO SLOUGH
UPDATING THE SPHERE OF	)	WATER DISTRICT
INFLUENCE FOR THE FRESNO	)	
SLOUGH WATER DISTRICT	)	

---

**WHEREAS**, pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56425 et. Seq.) the Fresno Local Agency Formation Commission is required to review and update, as necessary, Spheres of Influence of local agencies not less than once every five years; and

**WHEREAS**, Government Code Section 56430 directs the Commission to conduct a review of municipal services not later than the time it considers an action to establish or update a Sphere of Influence; and

**WHEREAS**, notice of this Commission's hearing of said request was duly given in a publication of general circulation as required by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 and State law, and at the time and in the form and manner provided by law; and

**WHEREAS**, the Commission has heard, discussed and considered all relevant evidence, including but not limited to the Executive Officer's *Municipal Service Review and Sphere of Influence Update Report*, environmental documentation, applicable land use plans and all testimony, correspondence and exhibits received during the public hearing process, all of which are included herein by reference.

**NOW, THEREFORE, BE IT RESOLVED** that the Local Agency Formation Commission of the County of Fresno does **HEREBY STATE, FIND, RESOLVE, DETERMINE, AND ORDER** as follows:

**Section #1.** Acting as Lead Agency pursuant to California Environmental Quality Act (CEQA) Guidelines, this Commission finds that prior to adopting the written determinations, the Municipal Service Review and Sphere of Influence determinations under consideration are Categorically Exempt from the provisions of the California Environmental Quality Act (CEQA) under Section 15306, "Information Collection" and the general exemption from environmental review, CEQA Regulation Section 15061(b)(3), and find that the Sphere of Influence Update qualifies for the same general exemption from environmental review based upon CEQA Regulation Section 15061(b)(3).

**Section #2.** This Commission finds the Municipal Service Review and Sphere of Influence Update prepared for the Fresno Slough Water District are complete and satisfactory.

**Section #3.** This Commission finds that the written determinations within the Municipal Service Review and Sphere of Influence Update satisfy State Law.

**Section #4.** Pursuant to Government Code Sections 56425 and 56430 make the required determinations for the Municipal Service Review and District Sphere of Influence, adopt the Municipal Service Review prepared for the Fresno Slough Water District by Pacific Municipal Consultants, and update the Sphere of Influence for said District by reaffirming its current boundary.

**Section #5.** Pursuant to Government Code Sections 56425 and 56430 this Commission hereby adopts the determinations as presented in the Municipal Service Review and Sphere of Influence Update documents.

**Section #6.** The Executive Officer is hereby authorized and directed to mail certified copies of this resolution as provided in Government Code Section 56882 and to file, as appropriate, in the office of the Fresno County Clerk all environmental documents, if any, pertaining to the approval of this Proposal, as required by State law.

\* \* \* \* \*

**ADOPTED THIS 10<sup>th</sup> DAY OF OCTOBER, 2007, BY THE FOLLOWING VOTE:**

**AYES: Commissioners Anderson, Fortune, Rodriguez, Larson, Lopez**

**NOES:**

**ABSENT:**

**STATE OF CALIFORNIA)  
COUNTY OF FRESNO )**

**CERTIFICATION**

I, Victor Lopez, Chairman of the Fresno Local Agency Formation Commission (LAFCo), Fresno County, State of California, hereby certify that the foregoing resolution was adopted by the Commission on the 10<sup>th</sup> day of October, 2007.

  
\_\_\_\_\_  
**Victor Lopez, Chairman  
Fresno Local Agency Formation Commission**



# **FRESNO SLOUGH WATER DISTRICT**

## **MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE**

Report to the  
**Fresno Local Agency Formation Commission**

Prepared by:

PMC  
1590 Drew Ave., Suite 120  
Davis, CA 95616

October 2007

## 0.1 EXECUTIVE SUMMARY

### I. ROLE AND RESPONSIBILITY OF LAFCO

The Cortese-Knox-Hertzberg (CKH) Local Government Reorganization Act (Government Code Section 56000 *et seq*) requires all Local Agency Formation Commissions (LAFCOs), including Fresno LAFCo, to conduct municipal service reviews (MSR) prior to updating the spheres of influence (SOI) of the various cities and special districts in the County, excluding community facility districts and school districts (Government Code Section 56430). The fundamental role of a LAFCo is to implement the CKH Act, providing for the logical, efficient, and most appropriate formation of local municipalities, service areas, and special districts. The focus of this MSR is to provide LAFCo with all necessary and relevant information related to the provision of services by Fresno Slough Water District.

### II. MUNICIPAL SERVICE REVIEW PROCESS

The Municipal Service Review (MSR) and Sphere of Influence Update (SOI Update) process is a comprehensive assessment of the ability of government agencies to effectively and efficiently provide services to residents and users. The form and content of the MSR/SOI Update is governed by requirements of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) and the State of California's LAFCo MSR Guidelines (Guidelines), published in August 2003.

This MSR/SOI Update evaluates the structure and operation of the service providers and discusses possible areas for improvement or coordination. Key sources for this study were information gathered through research and interviews, as well as the Municipal Service Review Guidelines published by the Governor's Office of Planning and Research (OPR). This MSR/SOI Update has been prepared for Fresno LAFCo in accordance with the requirements of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 as a means of identifying and evaluating public service providers within Fresno County and possible changes to their Sphere of Influence (SOI).

### III. PURPOSE OF THE MUNICIPAL SERVICE REVIEW

The MSR contains analysis and conclusions, referred in this document as determinations, regarding nine topic areas set forth in the CKH Act. These areas of analysis contain the essential operational and management aspects of each service provider, and together constitute a review of the ability of each provider to meet the service demands of the residents within their existing and potentially expanded boundary. The topic areas represent the nine required topic areas set forth in the CKH act. Each report contains the following sections:

#### **Growth and Population**

This section reviews projected growth within the existing service boundaries of the special district and analyzes the growth potential within the service area and surrounding areas.

#### **Infrastructure**

This section analyzes whether sufficient infrastructure and capital are in place, and reviews capabilities for accommodating future growth in service demands.

### **Financing Constraints and Opportunities**

This section evaluates the way the district is funded and possible opportunities to increase funding if needed.

### **Cost Avoidance Opportunities**

This section evaluates factors affecting the financing of needed improvements, including outstanding opportunities and utilized opportunities for service providers to reduce costs.

### **Rate Restructuring**

The fiscal history of the service provider and rate structure is evaluated to determine viability and ability to meet existing and expanded service demands.

### **Opportunities for Shared Facilities**

This section evaluates the existing sharing of facilities and the ability to share facilities with other service providers.

### **Evaluation of Management Efficiencies**

This section evaluates the overall managerial practices.

### **Government Structure**

This section evaluates the ability of the service provider to meet its demands under its existing government structure. This includes discussion of potential reorganizations or other forms of governance that may result in the more efficient provision of services to local residents. Consideration of boundaries and their adequacy is also a key component of this analysis.

### **Local Accountability**

This section examines how well the service provider makes its processes transparent to the public and invites and encourages public participation.

## **IV. SERVICE PROVIDERS**

This document contains MSRs/SOI Updates for various water and wastewater providers within Fresno County. The determinations and findings reached are based upon surveys of agency representatives, meetings, and assessments of existing documents.

### **Water Districts**

Water Districts are independent special districts formed pursuant to Division 12 of the California Water Code. The Fresno Slough Water District is analyzed in this MSR.

**FRESNO SLOUGH WATER DISTRICT**

*Irrigation water*

Contact Information

**Address:** P.O. Box 689  
Tranquility, CA 93668

**Phone:** (559) 698-7225

**Website:** None

Management Information

**Manager:** Board of Directors

**Governing Body:** Board of Directors

**Board Members:** Peter DelTesta  
Michael Carvalho  
Don Gragnani  
Sargeant Green  
Anthony Carvalho

**Board Meetings:** The second Monday of every month, 9:30 am

**Staffing:** Two outside contractors

Service Information

**Empowered Services:** Irrigation water

**Services Provided:** Irrigation water

**Latent Powers:** None

**Area Served:** 1,300 acres

**Population Served:** Agricultural users

**Infrastructure:** Canal conveyance facilities, drain conveyance facilities, and lift pumps

Fiscal Information

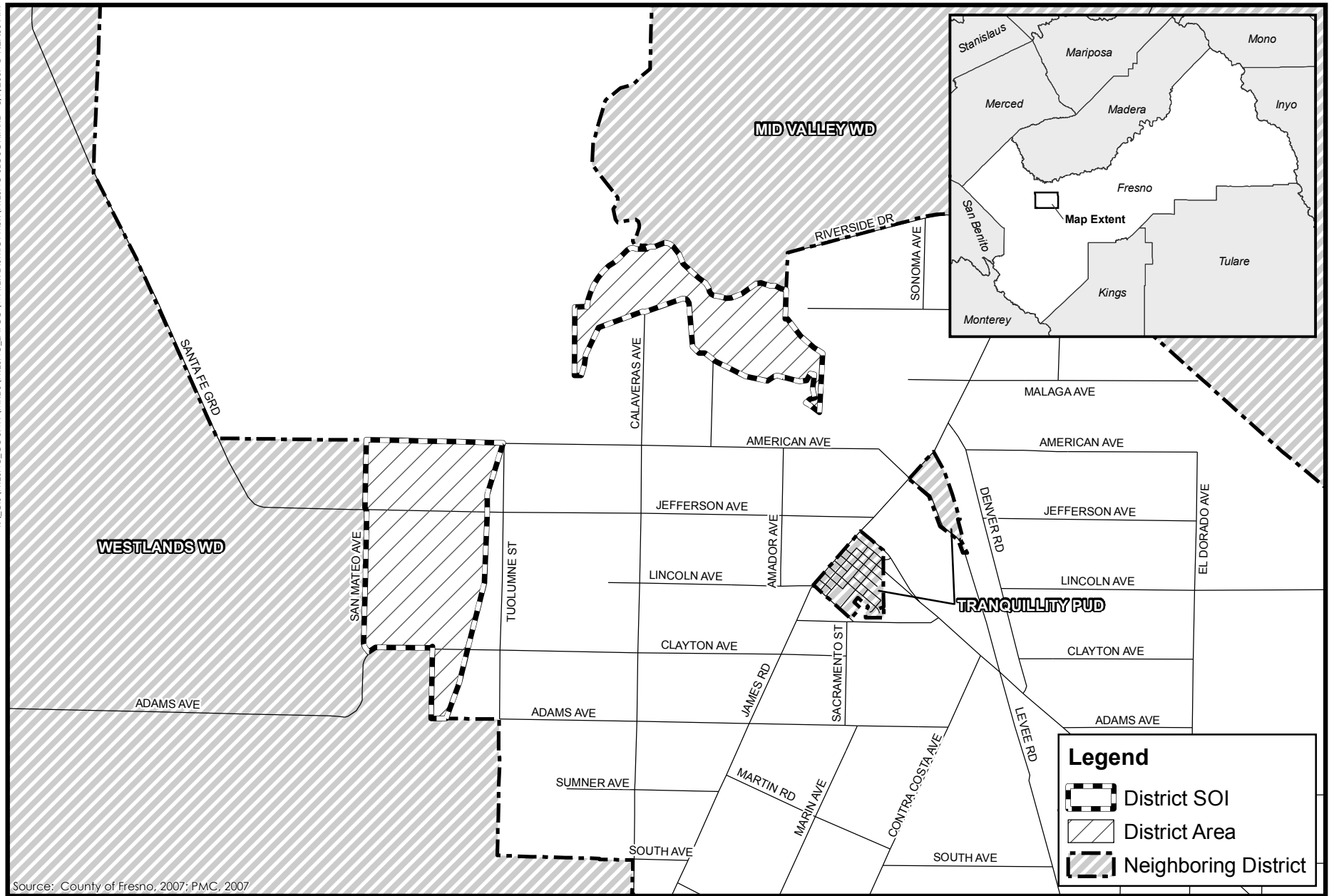
**Budget:** \$229,500

**Sources of Funding:** Fees from water, materials and services

**Rate Structure:** \$57.00 per acre foot of water

Administrative Policies

**Master Plan:** No                      **Policies/Procedures:** Yes                      **By-laws:**  
Yes                      **Boundary Updated:** Unknown                      **SOI Updated:**



Source: County of Fresno, 2007; PMC, 2007



Fresno Slough Water District



## 1.1 FRESNO SLOUGH WATER DISTRICT

### I. SETTING

The Fresno Slough Water District (District) is an independent special district located northwest of the unincorporated community of Tranquility in western Fresno County. The District encompasses approximately 1,300 acres of, primarily, agricultural uses. **Figure 1.1-1** shows the boundaries of the District. The District provides irrigation water to landholders within its service boundaries. The mission statement of the District is as follows:

*To work with the landholders and operators to secure sufficient and reliable water supplies and to operate and maintain the distribution system and facilities within District boundaries in an efficient and cost effective manner that provides for a reliable system.*

### II. GROWTH AND POPULATION

This section of the MSR addresses the expected growth of population and service demands within the District. Landholders within the District, with the exception of Tranquility Irrigation District, have sold their land to a singular owner. Services will continue to be provided to all properties within the District, including the Tranquility Irrigation District. The District landowner has voiced a potential interest in petitioning for the US Bureau of Reclamation (USBR) service contract to be re-assigned to them. Should the USBR approve this potential request, the water will then be transferred to other Districts within Fresno County as per sale agreement. The land will then be dry farmed, or operators will secure other sources of water, or the land will be left fallow. Therefore, no new development or population growth within the District is anticipated and service demands will not increase over current demands and historical use averages.

### III. INFRASTRUCTURE

This section of the MSR addresses the adequacy of the existing and planned infrastructure and its ability to serve customers within the District. The District currently owns and maintains 12 miles of canal conveyance facilities, 8 miles of drain conveyance facilities, and five lift pumps. This infrastructure is sufficient for existing and anticipated future demands. The District has no plans for future infrastructure upgrades, as no additional growth is anticipated to occur within the District.

### IV. FINANCING AND RATE RESTRUCTURING

Financial statements from fiscal year (FY) 2006-07 were reviewed to determine the fiscal status, assess financial practices, and review pertinent management findings. These financial statements include the District's operating budget for FY 2006-07 and an independent auditors' report for FY 2005-06.

The District receives income from fees for water, materials and services. The District's current water rates are \$57.00 per acre foot of water supplied. According to the District, fee revenues are considered sufficient for District operations. Primary expenditures of the District are water purchases, maintenance and repairs, utilities, and salaries. The District does not have any outstanding debt.

In FY 2005-06, the District's total revenues were \$346,760 and total expenditures were \$335,200 resulting in a surplus of \$11,560. Total revenues and expenditures for FY 2006-07 were projected to be \$229,500 and \$224,700, respectively. This budget anticipates a surplus of \$4,800 for FY 2006-07.

The independent auditors' report for FY 2005-06, prepared by Berry and Homen Accountancy Corporation, concluded that the District's financial statements fairly present the financial position of the District as of June 30, 2006 with one exception. The District has deviated from generally accepted accounting principles by excluding depreciation of fixed assets. The effects of this exclusion were not determined.

Based on review of financial data and budgetary information, the District appears to have sufficient financing mechanisms in place to support the continued provision of services to its residents. Revenues generated from user fees are sufficient to cover operational costs. The District does not have any long-term debt or other financial obligations which would limit its ability to continue to provide service.

INSERT FIGURE 1.1-1 DISTRICT BOUNDARY MAP



## V. COST AVOIDANCE OPPORTUNITIES

This section of the MSR considers the potential cost avoidance opportunities available to each service provider. Cost avoidance opportunities include any potential sources of reduction in costs associated with service provision, potential sharing of facilities, and any other capital or operational actions or programs which may result in a more efficient and streamlined provision of services to the properties within the service area. This analysis includes both potential and previously implemented cost avoidance measures.

The District utilizes the offices of the Tranquility Irrigation District for regular board meetings and for posting meeting announcements and agendas. The District and the Tranquility Irrigation District entered into a joint use agreement in February 2005 to work on joint distribution facilities to maximize the beneficial water use between the two districts. Additionally, the District utilizes County staff for recording of legal documents, filing of 'Oaths of Office,' and emergency services.

## VI. OPPORTUNITIES FOR SHARED FACILITIES

This section of the MSR considers the sharing of facilities utilized by the District, and identifies any additional opportunities which are known to the District but not currently utilized. As noted above, the District is party to a joint use agreement with the Tranquility Irrigation District to develop joint distribution facilities, which would be utilized by both districts.

There are no identified opportunities for facilities sharing with regards to office space. The District does not own any buildings or building space. District meetings are held at the offices of the Tranquility Irrigation District.

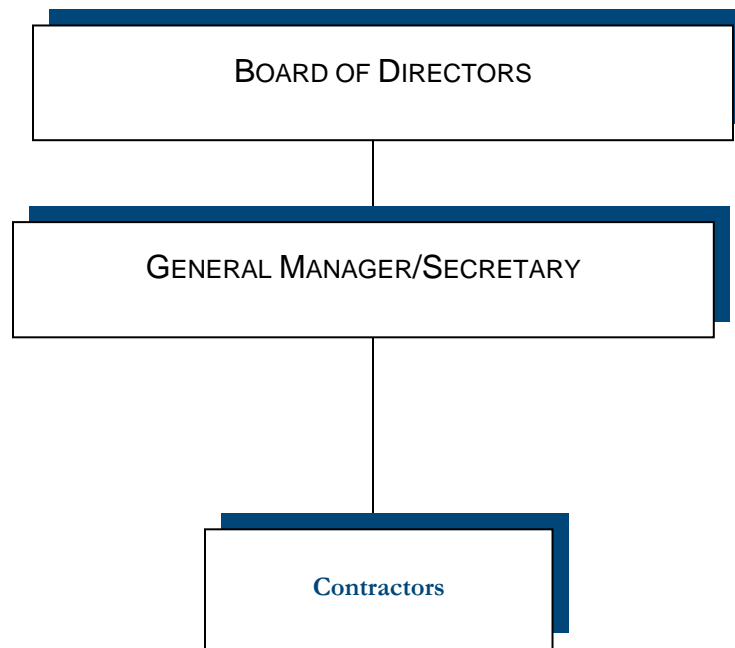
## VII. GOVERNMENT STRUCTURE AND MANAGEMENT EFFICIENCIES

This section of the MSR considers the appropriateness and adequacy of the legal structure of the service provider, as well as the adequacy of the existing physical boundaries and SOI of the District. The District was formed pursuant to California Water District Law, codified in Section 34000 *et seq.* of the Public Utilities Code. The current boundaries of the District are coterminous with the Sphere of Influence, represented by two distinct areas in northwestern Fresno County. The first area is bounded by American Avenue to the north, San Mateo Avenue to the west, Adams and Clayton Avenues to the south, and a meandering border just west of Tuolumne Street to the east. This portion of the District is immediately adjacent to the Westlands Water District. The second area is located to the northeast of the first, adjacent to the southwestern boundary of the Mid Valley Water District's SOI. The two portions of the District are separated by approximately one-half mile of land not contained within a water district.

The Fresno Slough Water District Board of Directors is made up of five members who are elected by voters of the District. Board members serve four year, staggered terms and are not compensated. Elections are held in odd years and in accordance with the Uniform District Election Law. Two member's terms will expire in 2007 and the remaining three will expire in 2009.

The District employs a manager/secretary and compensates this position at \$12,000 per year. The District also uses two outside contractors for services but does not use volunteers. **Figure 1.1-2** illustrates the government structure of the District.

**FIGURE 1.1-2  
FRESNO SLOUGH WATER DISTRICT**



#### VIII. LOCAL ACCOUNTABILITY

The District's Board meetings are held the second Monday of each month at 9:30 a.m. in the offices of the Tranquility Irrigation District at 25390 W. Silveira Street, Tranquility, California. Meeting locations, times, and agendas are also posted at this location. The District does not maintain a website; however, information regarding the District can be found on the Fresno County website.

#### IX. SPHERE OF INFLUENCE RECOMMENDATIONS

The Sphere of Influence (SOI) recommendations analyze the appropriateness of the District's SOI boundaries, relative to the capabilities of the service provider and future growth.

- 1) The present and planned land uses in the area, including agricultural and open space lands.

Present and planned land uses in the District are primarily agricultural.

- 2) The present and probable need for public facilities and services in the area.

There is no new development expected within the District in the near- or long-term. No additional need for public facilities or services is anticipated in the area. The District is working with the Tranquility Irrigation District to develop joint use distribution facilities to better serve existing residents.

- 3) The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

District facilities are adequate to provide irrigation water service to all of its customers.

- 4) The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

The local agricultural community of Tranquility is of interest as the primary recipient of services from the District.

## X. MUNICIPAL SERVICE REVIEW DETERMINATIONS

### **Growth and Population**

Fresno Slough Water District will be able to continue to meet service needs as there is no growth expected within the District.

### **Infrastructure**

Fresno Slough Water District has adequate facilities and infrastructure to serve the District's residents and maintains it sufficiently.

### **Financing Constraints and Opportunities**

Fresno Slough Water District recovers its annual costs from water fees levied on landholders within the District's service area and regularly operates on a surplus budget.

### **Rate Restructuring**

Fresno Slough Water District last updated its rates in June 2006. All of the District's operating costs are adequately funded by water fee revenues. No rate restructuring is needed or justified at this time.

### **Cost Avoidance Opportunities**

Fresno Slough Water District appears to utilize available cost reduction measures in its operations, as related to sharing of facilities, infrastructure, and personnel by utilizing the Tranquility Irrigation District facilities for meetings, participating in a joint use agreement for joint distribution facilities, and utilizing County staff for some District operations. No other opportunities for cost avoidance have been identified.

### **Opportunities for Shared Facilities**

Fresno Slough Water District shares facilities, including office space and water supply infrastructure with the Tranquility Irrigation District. No other opportunities for shared facilities have been identified.

### **Government Structure Options**

The structure of the Fresno Slough Water District needs no changes. There has been no interest expressed by the District to merge with any other district or alter the governmental structure as currently practiced.

### **Evaluation of Management Efficiencies**

The overall management structure of Fresno Slough Water District is sufficient to account for necessary services and maintain operations in an efficient and effective manner. The District's management is currently operating efficiently.

### **Local Accountability**

All aspects of the Fresno Slough Water District Board meetings are conducted in accordance with Brown Act procedures including public noticing of meeting times, locations and agendas. There are sufficient opportunities for local involvement in District activities.

## **XI. BIBLIOGRAPHY**

Fresno Slough Water District. Personal Correspondence, Jeannie Fairless, Secretary.

Fresno Slough Water District. 25 September 2006. Independent Auditors' Report. Prepared by Berry and Homen, Accountancy Corporation

Fresno County. 26 March 2007. Special Districts Board Members.