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

AGENDA ITEM No. 12

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 Reviews and Sphere of
Influence Updates Prepared for the following Districts:**

- 1. Coalinga Hospital District**
- 2. Kingsburg Hospital District**
- 3. Selma Health Care District**
- 4. Sierra-Kings Hospital District**

Summary / Background

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires LAFCo to review and update, as necessary, special district Spheres of Influence (SOIs) 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 Braitman & Associates to prepare MSRs and SOI Updates for numerous cities and special districts. The attached MSRs and SOI Updates have been prepared for the Coalinga, Kingsburg, and Sierra-Kings Hospital Districts and the Selma Health Care District.

Municipal Service Reviews provide a comprehensive review of the services provided by a city or district and present recommendations with regard to the condition and adequacy of these services and whether or not modifications to a city or district's SOI are 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.

Sphere of Influence updates may involve an affirmation of the existing SOI boundaries or recommend modifications to the SOI boundaries. 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.

State law requires that the Commission adopt written MSR 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 an SOI update, or adopting an SOI, the Commission is required to consider the following four criteria 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.

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’s are 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, these MSR’s collect data for the purpose of evaluating municipal services provided by the agencies. There are no land use changes or environmental impacts created by such studies.

Furthermore, the MSR’s qualify 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 updates qualify for the same general exemption from environmental review based upon CEQA Regulation section 15061(b)(3).

There is no possibility that these MSR’s or SOI updates may have a significant effect on the environment because there are no land use changes associated with the documents. If the Commission approves and adopts the MSR’s and SOI updates and determines that the projects are 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

1. Coalinga Hospital District

- A. Maintain the District’s Existing Sphere of Influence Boundary.

The Coalinga Hospital District encompasses approximately 561,124 acres (876 square miles) in southwest Fresno County including the Cities of Coalinga and Huron. The District’s boundary and SOI are coterminous.

The District provides hospital and health care services for over 20,000 patients annually. The District is governed by a five-member Board of Directors who are elected at large. A Chief

Executive Officer administers the District. It has 123 full-time, 16 part-time, and 34 contract employees.

The District provides service from the Coalinga Regional Medical Center, located on 21 acres in the City of Coalinga. It should be noted that the District had previously maintained a facility in the City of Huron, but such facility was sold.

The District's FY 2006-07 Budget totaled \$22,463,488. Ninety percent (90%) of the revenues were generated from patient charges. A general obligation bond, property tax revenues, and other miscellaneous revenues comprise the rest of the District's budget.

The District has a total bond debt of \$13,860,000. The District did file for Chapter 9 to allow a reorganization of debt in 2003. The situation was resolved when the bankruptcy was closed in 2006.

The District has addressed cost avoidance measures by implementing computer software upgrades which have resulted in timely reporting of information with less effort and faster registration of patients.

No opportunities for shared facilities or other government structure options were identified in the MSR. These opportunities are limited in that the District is located a substantial distance from other hospital or healthcare districts in the County.

The District reports that its boundary and Sphere of Influence are correct at this time and that no changes are proposed. Staff recommends updating the District's SOI through approval of the SOI Update determinations and affirmation of the existing SOI boundary.

2. Kingsburg Hospital District

- A. Maintain the District's Existing Sphere of Influence Boundary.
- B. Direct LAFCo staff to assist and participate in discussions with District representatives should a regional approach to providing health care be pursued by the District.

The Kingsburg Hospital District encompasses approximately 20,291 acres (32 square miles) in central Fresno County and includes the City of Kingsburg within its boundary. Portions of the District are also located in Tulare and Kings Counties. The District shares common boundaries with the Selma Health Care District to the north and the Sierra-Kings Hospital District to the northeast. That portion of the District's SOI within Fresno County extends west of the District's boundary.

The District owns and operates a public hospital and provides inpatient and outpatient medical care. The hospital provides care for approximately 44,000 people annually. The District is governed by a five-member Board of Directors and administered by a Chief Executive Officer. The District has 71 full-time, one part-time, 66 per diem, and seven contract employees.

District facilities include a hospital, health clinic, and administration building located in the City of Kingsburg.

The District's FY 2005-06 Budget of \$7,521,827 was funded primarily by patient revenues and property taxes. Grants and donations were also received by the District. The District's Budget was balanced. The District has \$2,110,553 in long-term debt, primarily for limited tax hospital notes. These obligations are being repaid with annual payments.

In 1997, the District filed Chapter 9 bankruptcy for a reorganization of debt. It is presently in a structured plan to satisfy all debt and will be released from bankruptcy in 2013. The District is operating within its means and appears to be able to meet all of its financial obligations.

In an effort to reduce costs, the District has incorporated such cost saving measures as streamlining registration, billing, and collection procedures, cross training staff, and renegotiating service contracts to obtain lower rates from vendors.

The MSR did not identify any opportunities for shared facilities. The District reports that it does serve patients from outside of its boundaries and provides laboratory services for two healthcare facilities located outside its boundaries.

The District reports that consolidation with one or more of the other hospital districts located in Fresno County is a possibility. The District participates in the Central Valley Regional Healthcare Authority, a Joint Powers Authority that is giving consideration to development of a regional healthcare system, allowing hospitals to work together and possibly consolidate some operations to provide more comprehensive case management to patient care. The District also reports that it is considering expanding its service area to include Selma, Fowler, Sanger, and Dinuba.

However, no action has been taken on the part of the District to formally initiate a consolidation or other reorganization with LAFCo. Staff believes that it would be appropriate to assist and participate in discussions between the different Hospital and Healthcare Districts, should they determine to pursue a regional approach to healthcare.

3. Selma Health Care District

- A. (1) Maintain the District's Existing Sphere of Influence Boundary; or
- (2) Adopt a "zero" Sphere of Influence, indicating the Commission would support dissolution of the District if it were proposed.
- B. Authorize staff to assist and participate in discussion should a regional approach to providing health care be pursued by the District.

The Selma Health Care District encompasses approximately 33,979 acres (53 square miles) in central Fresno County and includes the City of Selma and a portion of the City of Parlier within its boundary. The District shares common boundaries with the Kingsburg Hospital District to the south and the Sierra-Kings Hospital District to the east. The District's boundary and SOI are not coterminous.

The District previously owned and operated a public hospital in Selma, which has been sold to a private health care provider. The District does not own any facilities, nor does it have plans for facilities. The District reports that it only provides health care services that do not compete with the Selma Community Hospital. The primary services offered by the District in recent years have been donations to Selma Ambulance and donations to a junior high school for teen pregnancy education.

The District is governed by a three-member Board of Directors, elected at large. It does not have any employees.

The District does not have an adopted budget. The District receives approximately \$100,000 in property taxes annually, which are used to provide funding for the health related services described above.

Since Selma Hospital District no longer provides hospital or direct health care services within the District, the Kingsburg Hospital District has indicated it may be interested in serving the City of Selma in the future.

Dissolution of the District is a potential government structure option, though the District does provide health related services in that it provides funds for ambulance service and teen pregnancy education. The District's allocation of property taxes could be reallocated to another agency that has territory within the District.

The Commission may wish to adopt a "zero" Sphere of Influence for the District. This would indicate that the Commission would support dissolution of the District, if proposed. Alternatively, the Commission may wish to affirm the District's current Sphere.

4. Sierra-Kings Hospital District

- A. Maintain the District's Existing Sphere of Influence Boundary.
- B. Authorize staff to assist and participate in discussion should a regional approach to providing health care be pursued by the District.

The Sierra-Kings Hospital District encompasses approximately 247,188 acres (386 square miles) in southeastern Fresno County and includes the City of Reedley and a portion of the City of Parlier. Area within the District's boundaries is separated into two non-contiguous sections located at the eastern and western ends of the District. Intervening land between these areas is included within the District's SOI. The District shares a common boundary with the Kingsburg and Selma Hospital Districts to the west and Inyo County to the east.

The District provides hospital and health care services from its public hospital, birthing center, and several medical office buildings. It also owns nine acres of vacant land on which it intends to construct a regional hospital in the future. The District served approximately 126,000 patients during the year ending June 30, 2006.

The District is governed by a five-member Board of Directors, elected by division. A Chief Executive Officer administers the District. It has 166 full-time, 31 part-time, and 89 per diem employees.

The District's FY 2005-06 Budget totaled \$24,630,000. District revenues are comprised of patient revenues and property taxes. The District has nearly \$13,000,000 in long-term debt, primarily for construction of its birthing center and to equip the recent hospital expansion. District finances appear to be adequate to meet all of its obligations.

In its response to staff's request for information, the District described the difficult situation faced by hospitals including unfunded mandates from the State and Federal levels, payment below cost by Medicare and Medi-Cal, difficulties recruiting staff to serve in rural areas, and seismic safety guidelines instituted by the State. Though outside the scope of this report, as described in the MSR, many rural area hospitals face significant challenges in continuing to provide quality care to those in need.

As part of its efforts to reduce costs, the District participates in a "Group Purchasing Organization" that has allowed the District annual purchase savings estimated at \$250,000. The District also recently eliminated five staff positions. The District regularly reviews fees and charges for service to recover costs with recognition that many allowable fees are set by State and Federal regulations.

The MSR did not identify any opportunities to share facilities with other agencies.

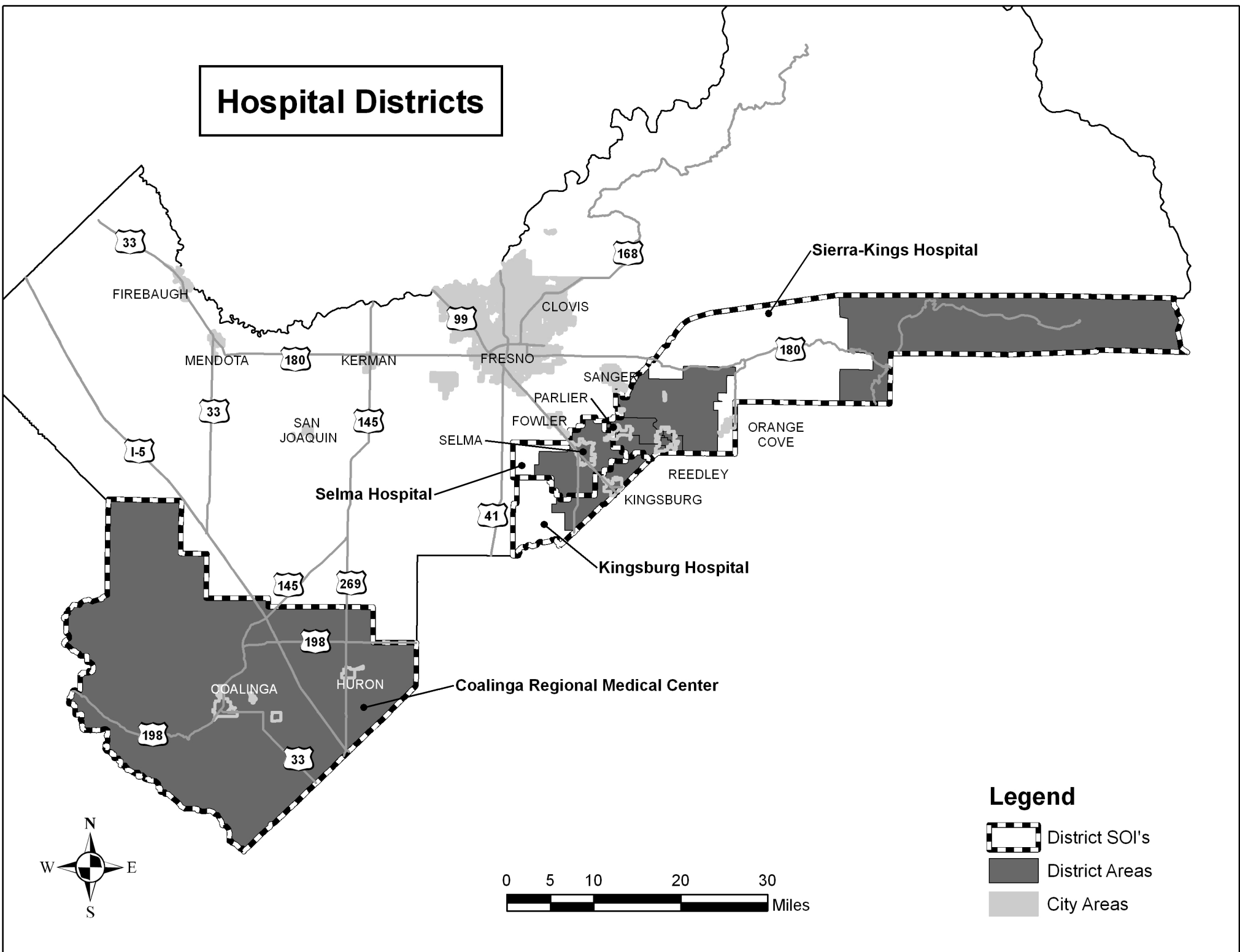
The District participates in the Central Valley Regional Healthcare Authority, a Joint Powers Authority that is addressing regional health care issues and service concerns. Consolidation of the District with one or more of the adjacent Hospital Districts is a possibility, although the District has not indicated present interest in reorganizing. The District indicates a possible desire to serve areas outside its current boundaries. These areas include Orange Cove, Dinuba, Squaw Valley, and Sanger.

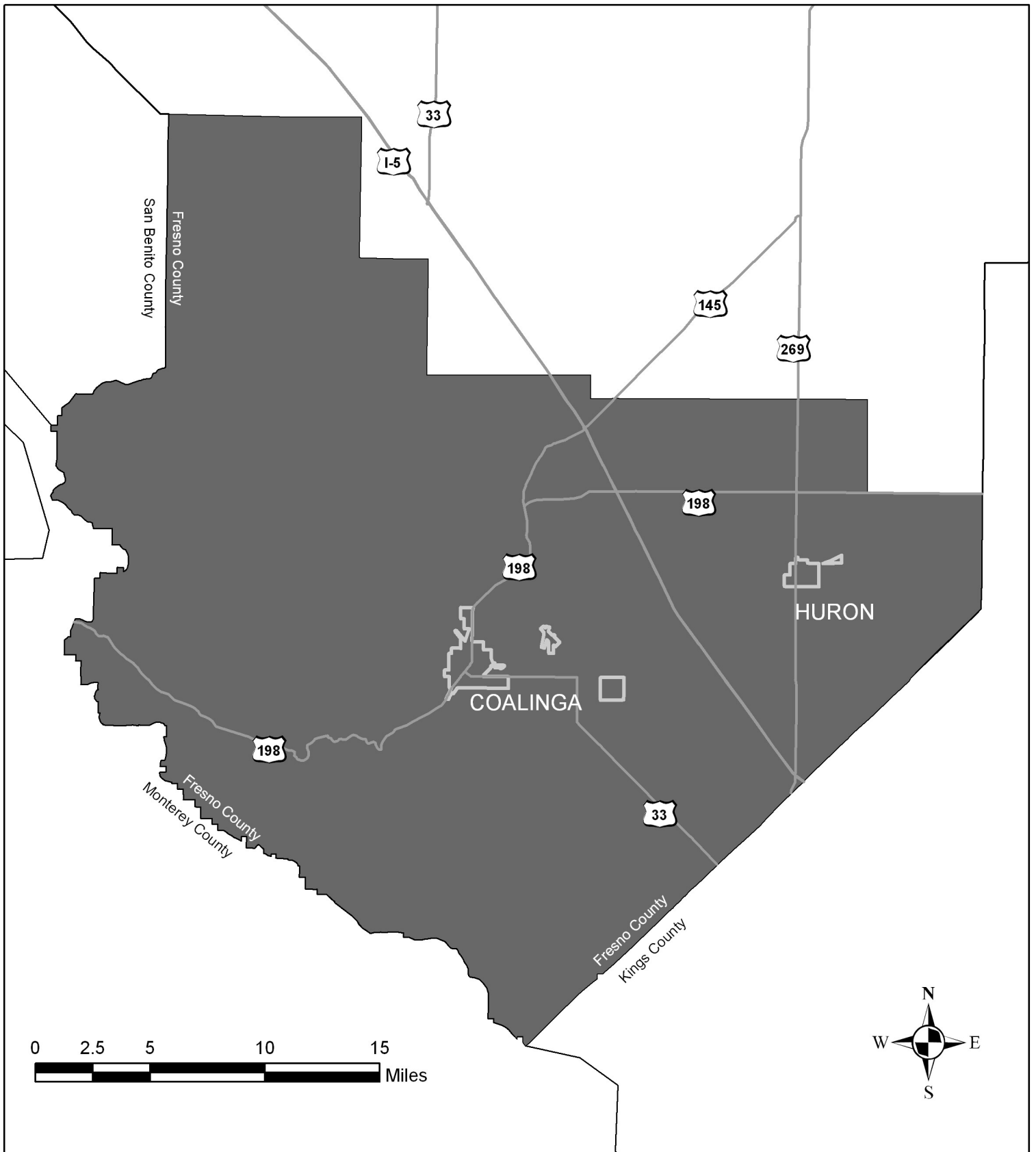
No action has been taken by the District to formally initiate a change of organization with LAFCo. It would be appropriate for staff to assist and participate in discussions between the different Hospital and Healthcare Districts, should they determine to pursue a regional approach to healthcare.

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 Updates qualify for the same general exemption from environmental review based upon CEQA Regulation Section 15061(b)(3).
- B. Find the Municipal Service Reviews and Sphere of Influence Updates prepared for the Coalinga, Kingsburg, and Sierra-Kings Hospital Districts and the Selma Health Care District are complete and satisfactory.
- C. Find that the written determinations within the Municipal Service Reviews and Sphere of Influence Updates satisfy State Law.
- D. Pursuant to Government Code Sections 56425 and 56430 make the required determinations for the Municipal Service Reviews and Sphere of Influence Updates, adopt the Municipal Service Reviews prepared for the Coalinga, Kingsburg, and Sierra-Kings Hospital Districts by Braitman and Associates, and update the Spheres of Influence for said Districts by reaffirming their current boundaries.
- E. Pursuant to Government Code Sections 56425 and 56430 make the required determinations for the Municipal Service Review and Sphere of Influence Update for the Selma Health Care District, adopt the Municipal Service Review prepared for the Selma Health Care District by Braitman & Associates, and update the Sphere of Influence for said District by:
 - (1) Affirming the District's existing Sphere of Influence boundary; or
 - (2) Adopting a "zero" Sphere of Influence, indicating the Commission would support dissolution of the District if it were proposed.
- F. Authorize staff to assist and participate in discussions with the Kingsburg and Sierra-Kings Hospital Districts and the Selma Health Care District should the Districts decide to pursue a regional approach to health care through consolidation or other change of organization or reorganization, or other means, as appropriate.

Hospital Districts





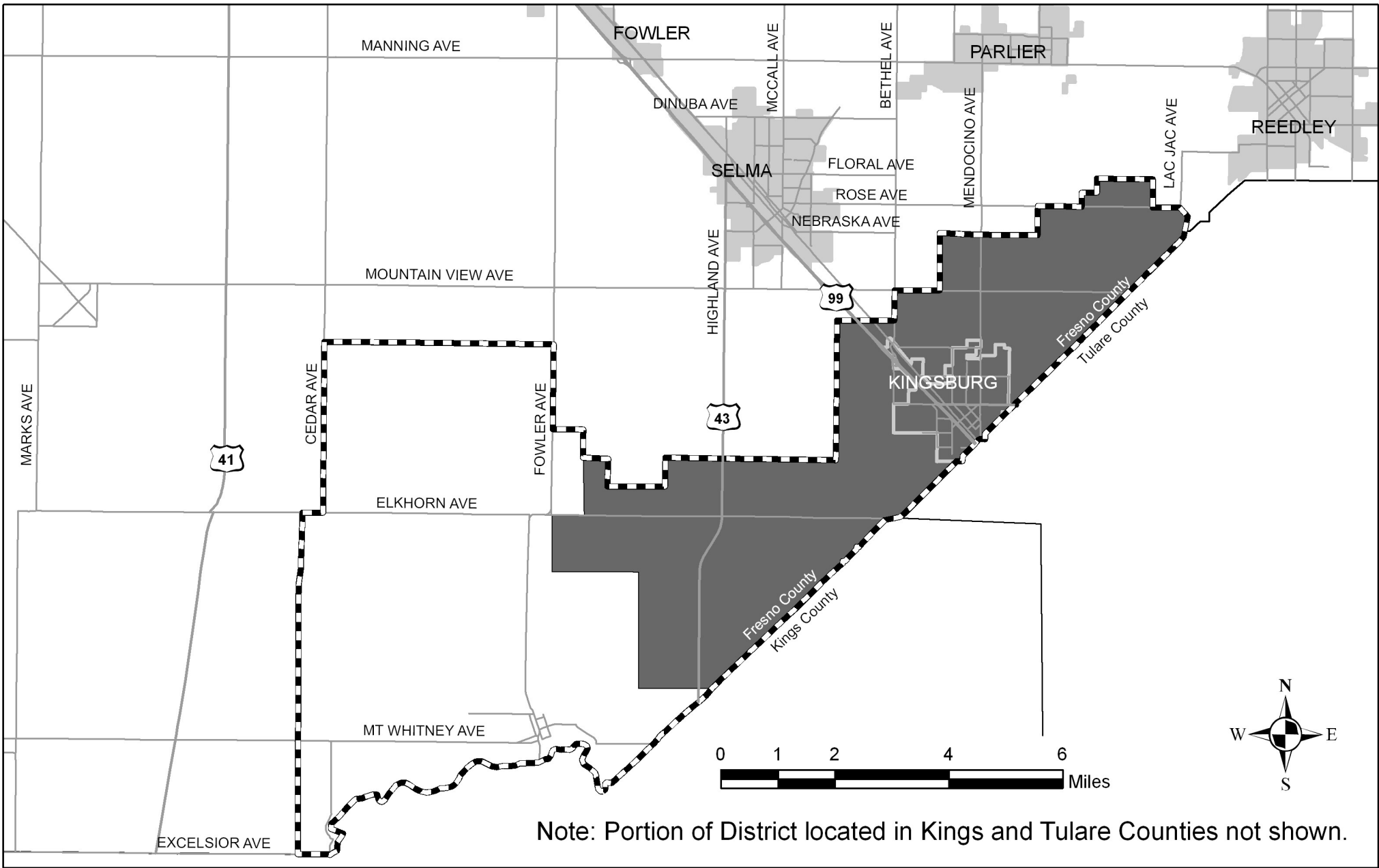
Fresno Local Agency Formation Commission Coalinga Hospital District

Legend

- District Area and SOI
- City Areas




District Formed: 1946
 SOI Adopted: June 23, 1976
 Map Date: August 2007

District Area: 561,124 Acres
 Sphere Area: 561,124 Acres



Note: Portion of District located in Kings and Tulare Counties not shown.

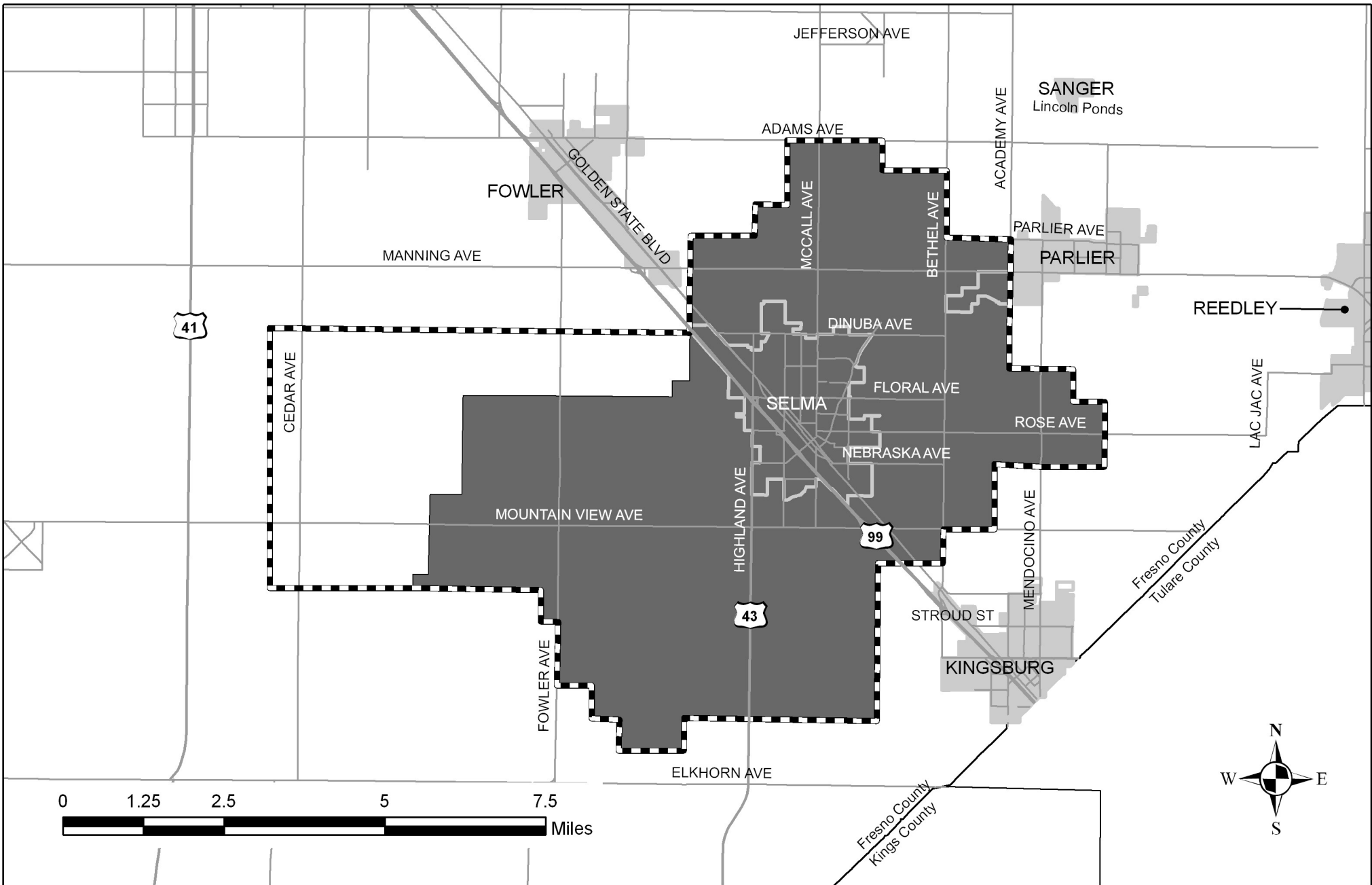
Legend

-  District SOI
-  District Area
-  City Areas




**Fresno Local Agency Formation Commission
Kingsburg Hospital District**

District Formed: 1959
 SOI Adopted: May 19, 1976
 SOI Updated: November 24, 1976

Map Date: August 2007
 District Area: 20,291 Acres
 Sphere Area: 43,637 Acres
 In Fresno County



Legend

-  District SOI
-  District Area
-  City Areas

Fresno Local Agency Formation Commission

Selma Health Care District

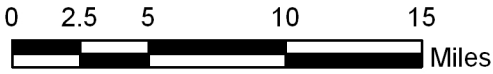
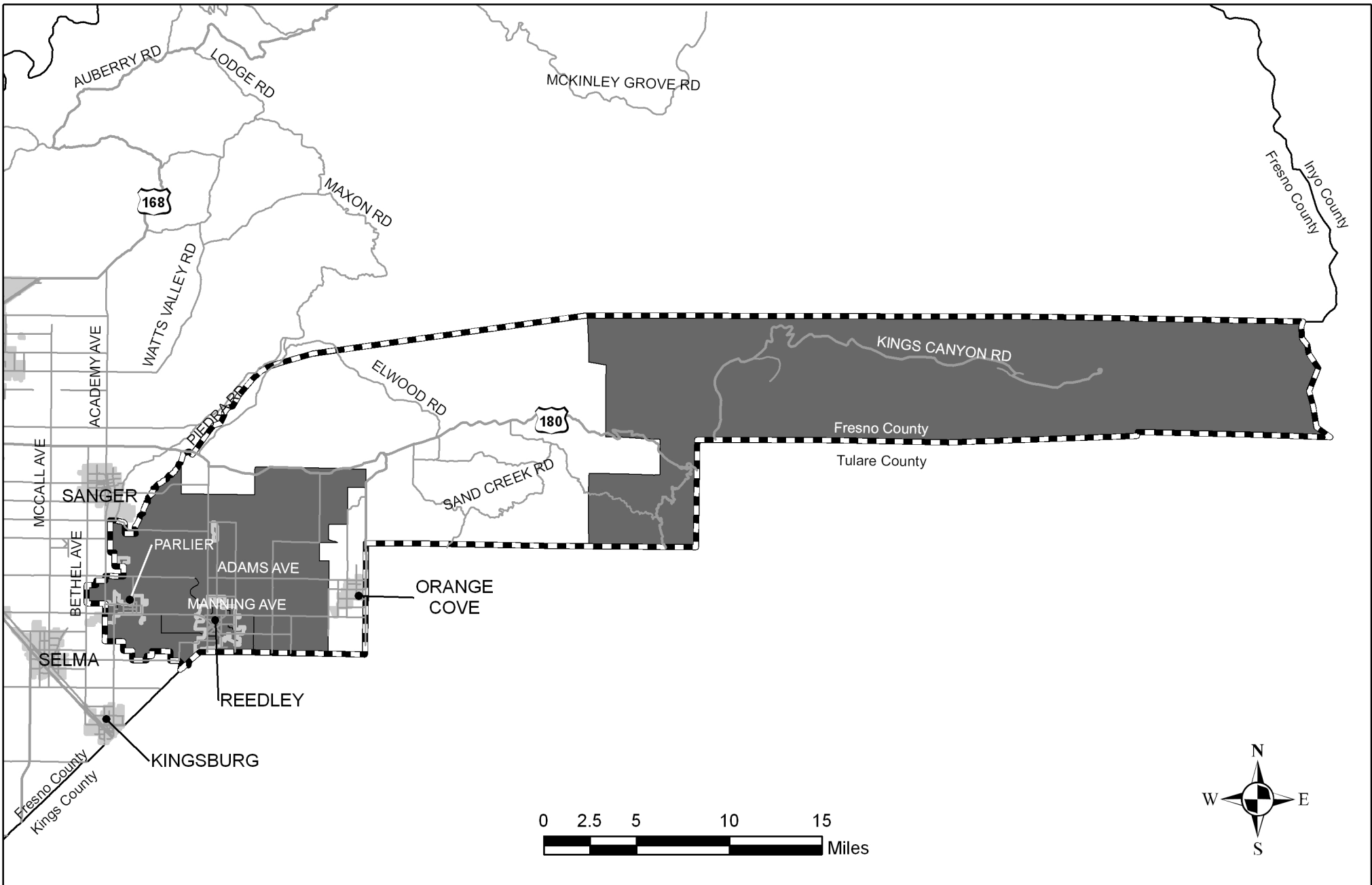
District Formed: 1969

SOI Adopted: May 19, 1976




Map Date: August 2007

District Area: 33,979 Acres

Sphere Area: 41,062 Acres



Legend

-  District SOI
-  District Area
-  City Areas

**Fresno Local Agency Formation Commission
Sierra Kings Hospital District**

District Formed: 1962
 SOI Adopted: May 19, 1976
 Map Date: August 2007

District Area: 247,188 Acres
 Sphere Area: 375,284 Acres

RESOLUTION NO. MSR-07-32B

**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
MUNICIPAL SERVICE REVIEW; AND)	MAKE DETERMINATIONS AND UPDATE
MAKING DETERMINATIONS AND)	SPHERE OF INFLUENCE FOR THE KINGSBURG
UPDATING SPHERE OF INFLUENCE)	HOSPITAL DISTRICT
FOR THE KINGSBURG HOSPITAL)	
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 (SOI); and

WHEREAS, the Executive Officer prepared a Municipal Service Review and Sphere of Influence Update Report (MSR) for the Kingsburg Hospital District; and

WHEREAS, notice of this Commission's public hearing to consider adoption of the MSR 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 Kingsburg Hospital District is 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. This Commission, pursuant to Government Code Sections 56425 and 56430, makes the required determinations for the Municipal Service Review and Sphere of Influence Update, adopts the Municipal Service Review prepared for the Kingsburg Hospital District by Braitman and Associates, and updates the Sphere of Influence for said District by reaffirming its current boundaries.

Section #5. This Commission authorizes staff to assist and participate in discussions with the Kingsburg and Sierra-Kings Hospital Districts and the Selma Health Care District should the Districts decide to pursue a regional approach to health care through consolidation or other change of organization or reorganization, or other means, as appropriate.

* * * * *

ADOPTED THIS 10th DAY OF OCTOBER, 2007, BY THE FOLLOWING VOTE:

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

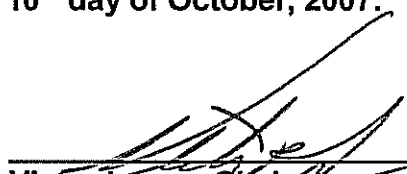
NOES: None

ABSENT: None

**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 10th day of October, 2007.



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

HOSPITAL AND HEALTH CARE DISTRICTS

MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE

Report to the
Fresno Local Agency Formation Commission

Prepared By:

Braitman & Associates
8277 Cheshire St.
Ventura, CA 93004

October 2007

HOSPITAL AND HEALTH CARE DISTRICTS

This report was prepared for the Fresno Local Agency Formation Commission (LAFCO) in accordance with Section 56430 of the California Government Code. It responds to the requirement that LAFCO conduct a Municipal Service Review (MSR) to study the delivery of municipal services and update spheres of influence.

There are four Hospital or Health Care Districts in Fresno County. The enclosed reports provide MSR determinations and SOI Updates for the following districts:

- Coalinga Hospital District
- Kingsburg Hospital District
- Selma Health Care District
- Sierra-Kings Hospital District

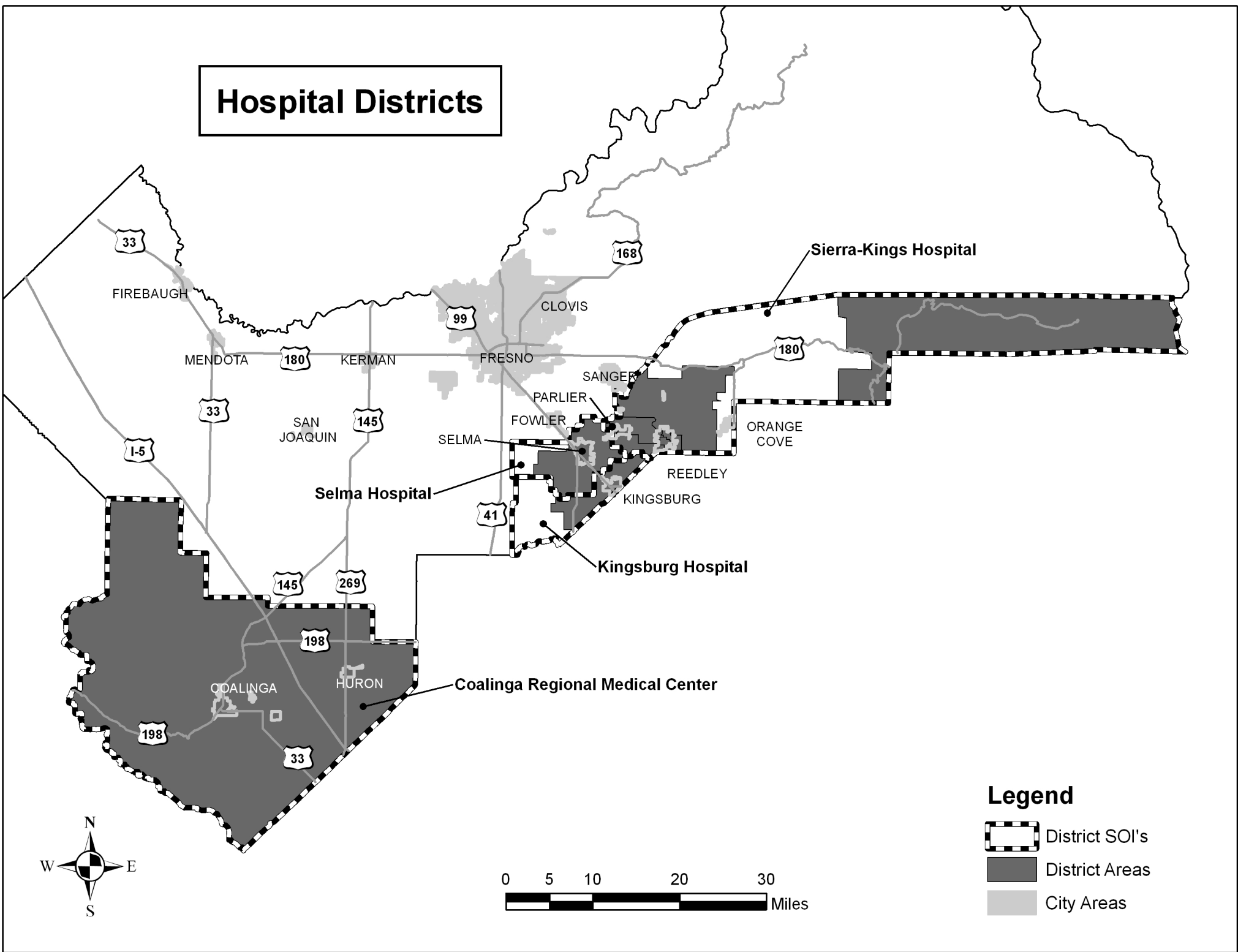
Written determinations regarding the MSR and Sphere of Influence Updates are proposed for the Commission's consideration. This report is an informational document and does not substitute for discretionary decisions that can only be made by the Commission. The decision to approve or disapprove any determinations rests entirely with the Commission.

This report is subject to reconsideration and revision as directed by the LAFCO staff or by the Commission during the course of its deliberations.

MSR Guidelines prepared by the State Office of Planning and Research were referred to in developing information, performing analysis and organizing these studies.

MSR and Sphere Update	Hospital and Health Care Districts
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Hospital Districts






Sierra-Kings Hospital

Selma Hospital

Kingsburg Hospital

Coalinga Regional Medical Center

Legend

-  District SOI's
-  District Areas
-  City Areas

0 5 10 20 30 Miles



KINGSBURG HOSPITAL DISTRICT

MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE

Report to the
Fresno Local Agency Formation Commission

Prepared By:

Braitman & Associates
8277 Cheshire St.
Ventura, CA 93004

October 2007

1. MUNICIPAL SERVICE REVIEW

Description of District

The Kingsburg Hospital District was formed in 1959 and operates pursuant to Health and Safety Code, Sections 32000-32492.

The District includes portions of Fresno, Kings and Tulare Counties. Within Fresno County the District encompasses the City of Kingsburg and agricultural lands to the east and west. The District boundaries and Sphere of Influence are not coterminous, as shown on the enclosed map.

The District is governed by a five-member Board of Directors elected at large. A Chief Executive Officer administers the District. It has 71 full-time, one part-time, 66 per diem and seven contract employees.

The District's Mission Statement is:

To provide high quality patient-focused health care that is readily accessible, cost effective and meets the needs of the community we serve.

District Services and Background

The District owns and operates a public hospital and provides inpatient and outpatient medical care. The hospital provides medical and health care services for over 44,000 patient visits annually.

2. MSR DETERMINATIONS

This portion of the report addresses the factors specified in the governing statute for Municipal Service Reviews.

Infrastructure Needs and Deficiencies

The District owns a three-acre parcel at 1200 Kings Street in Kingsburg. It includes three buildings: the main Hospital, a Rural Health Clinic and an Administration Building. There are no plans to acquire or construct additional facilities.

Growth and Population Projections

District services do not directly facilitate or affect the rate or location of population development, though the District responds to changes in the population by providing hospital facilities and services based on actual needs.

Financing Constraints and Opportunities

As a health care agency, District finances are dependent on State and Federal statutes governing distribution of certain types of revenues and services and issues include credit risk, Medicare, Medi-Cal, insurance policies, self-pay and third-party payors.

The District FY 2005-06 budget of \$7,521,827 is funded primarily by patient revenues (\$6,461,844), property taxes (\$450,000) and grants and contributions (\$205,000).

Budgeted costs include \$3,721,677 in Salaries and Benefits, \$2,667,444 in Operating Expenses and \$1,132,706 for other expenses.

The District has \$2,110,553 in long-term debt, primarily for limited tax hospital notes. These obligations are repaid in annual payments and appear to be within the District's financial capabilities.

The District filed under Chapter 9 for a reorganization of debt in 1997. It is presently in a structured plan to satisfy all debt and will be released from bankruptcy in 2013. The hospital is operating within its current means and financing sources are sufficient to meet obligations to provide services.

The State Department of Health Services sets standards under which the facility operates. Additionally the District governing board and a Medical Executive Committee establish internal Medical and Patient Care Standards.

Cost-Avoidance Opportunities

The District reports that cost saving strategies include streamlining registration, billing and collection procedures, consolidation of staff in non-patient care areas, cross training to allow coverage in multiple patient care areas and renegotiation of service contracts to obtain lower, more competitive rates from vendors.

The District reports that development of a Regional Health Care System might result in cost savings for this and other participating hospitals. Consideration of such a regional health care system is beyond the scope of this Municipal Service Review, but may be an appropriate subject for future study by the potentially affected agencies.

Opportunities for Rate Restructuring

The District regularly reviews fees and charges for services to recover expenses with recognition that many allowable fees are established by State and Federal regulations.

Opportunities for Shared Facilities

There are no obvious opportunities for shared facilities in current operations due partly to the distance between the District hospital and other communities. The District reports

that some out-of-District patients are referred to one of its specialty programs, and that it provides laboratory services for two healthcare facilities outside of its boundaries.

Government Structure Options

Consolidation with the other hospital districts in the County is a possibility. The District reports that areas it is considering plans to serve in the future would be Selma, Fowler, Sanger and Dinuba.

Studying a consolidated or regional approach to provide local hospital and health services is beyond the scope of this Municipal Service Review but may be appropriate and timely for the affected agencies to consider.

One way in which attention is being given to regional health care services and issues is through the Central Valley Regional Healthcare Authority, a joint powers authority (JPA) in which the District participates. The District reports that as part of the discussion in this JPA, consideration is being given to developing a regional healthcare system to allow all hospitals to work with each other and possibly consolidate some operations to provide a more comprehensive case management approach to patient care.

Management Efficiencies

The District exhibits the characteristics of a well-managed agency operating efficiently and serving its customers effectively.

Local Accountability and Governance

A five-member Board of Directors elected at large governs the District. The Board meets monthly. Board agendas are posted in the local newspaper, at businesses and by mailings. The District maintains a website: <http://kingsburgdh.org>

3 . SPHERE OF INFLUENCE REVIEW AND UPDATE

Government Code Section 56076 defines Sphere of Influence as “A plan for the probable physical boundaries and service area of a local agency, as determined by the commission.”

Description of Current Sphere of Influence

The District boundaries and Sphere of Influence are not coterminous. As shown on the attached map, the Sphere extends beyond the District to the west.

The District reports its Sphere is correct at this time and no changes are proposed, but notes that should it be determined to provide service to communities outside of the District, it would be necessary to amend the Sphere.

Sphere of Influence Recommendation and Determinations

It is recommended the Commission approve the following determinations and affirm the existing Sphere of Influence as depicted on the map.

1. Present and planned land uses in the area, including agriculture and open-space.

Land uses within the District are mix of residential, commercial, industrial, public uses, agriculture and open space. Planned uses include similar designations.

2. Present and probable need for public facilities and services in the area.

The mixture of land uses within the District requires a broad array of public services and facilities including hospital and health care services. The probable need for services reflects land use plans of the City of Kingsburg and the County.

3. Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

The capacity of District facilities is sufficient for services currently provided.

4. Existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.

Territory within the District represents a community of interest for District services.

4. ACKNOWLEDGEMENTS & REFERENCES

This draft Municipal Service Review was prepared by Braitman & Associates working at the direction of the Fresno LAFCO staff. Responsibility for any errors or omissions rests with those who prepared the report.

The Kingsburg Hospital District provided information on which the evaluation is based. Chief Operating Officer Stephen Ramirez MPH was instrumental in providing data.

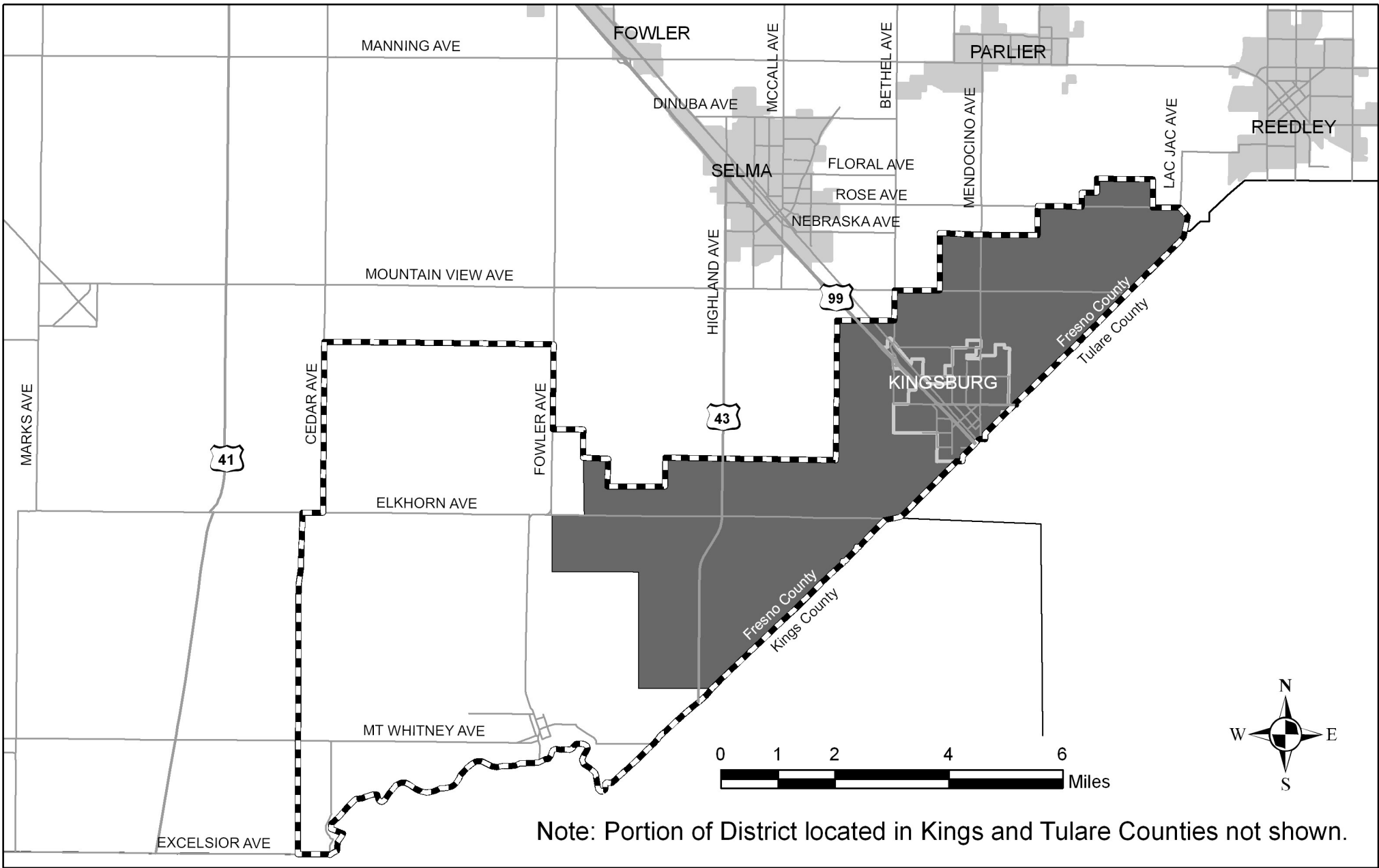
Available Documentation

The “Request for Information for Municipal Service Reviews” submitted by the District and supporting documents referred to therein are available in the LAFCO office.

5 . R E C O M M E N D A T I O N S




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

1. Accept public testimony regarding the proposed Municipal Service Review.
2. Approve the recommended Municipal Service Review determinations, together with any changes deemed appropriate.
3. Approve the recommended Sphere of Influence determinations and affirm the existing Sphere of Influence.
4. Authorize the Commission staff to assist and participate in discussions should a regional approach to providing health care be pursued by the affected local agencies.



Note: Portion of District located in Kings and Tulare Counties not shown.

Legend

-  District SOI
-  District Area
-  City Areas

**Fresno Local Agency Formation Commission
Kingsburg Hospital District**

District Formed: 1959
 SOI Adopted: May 19, 1976
 SOI Updated: November 24, 1976

Map Date: August 2007
 District Area: 20,291 Acres
 Sphere Area: 43,637 Acres
 In Fresno County