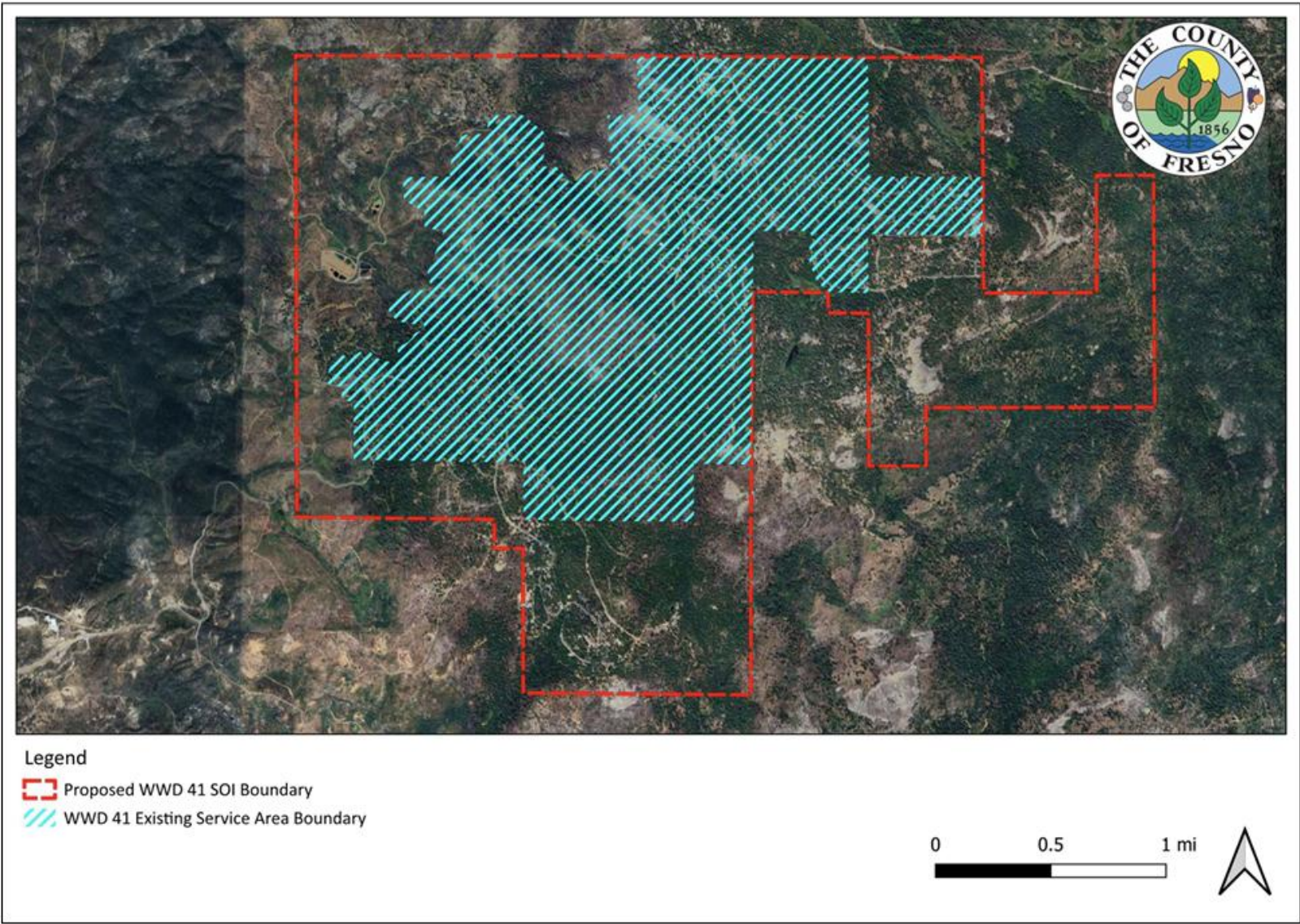


Waterworks District 41 SOI Update Map and Current Service Area



WATERWORKS DISTRICT NO.41

MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE

Report to the
Fresno Local Agency Formation Commission

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MSR-26-01/RSOI-219

August 12, 2026

AGENCY PROFILE: WATERWORKS DISTRICT NO. 41

Water and Sewer Services

Contact Information

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Management Information

District Formation: July 18, 1972
Principal Act: County Waterworks District Law, Division 16 of the Water Code of the State of California (CWD 55000 et seq.)
Governing Body: Fresno County Board of Supervisors

Board Members:

Luis Chavez	Appointed 2024-Expires 2029
Brian Pacheco	Appointed 2022-Expires 2027
Buddy Mendes	Appointed 2022 - Expires 2027
Nathan Magsig	Appointed 2022-Expires 2027
Garry Bredefeld	Appointed 2024-Expires 2029

Board Meetings: Held at 9:30 A.M on the first and third Tuesday of each month.
Meeting Location: Board Chambers located in the Fresno County Hall of Records, 2281 Tulare Street, Third Floor, Fresno, CA, 93721
Staffing: WWD 41 does not have any direct employees; the District is operated by Fresno County's Special Districts Administration, which includes 13 field staff and 9 administrative/office staff.

Service Information

Properties Served: Water and sewer services
Service Area and SOI: WWD 41W service area covers 1,975 acres and SOI is 2,962 acres. WWD 41S service area covers 1,585 acres and SOI is 2,962
Infrastructure: 33 water wells, storage tanks, distribution system for water (pipes, pumps), and aeration ponds for wastewater

Fiscal Information

Budget: \$977,100
Sources of Funding: Bimonthly service charges and property taxes. The district receives a percentage of ad valorem property taxes.
Rate Structure: Water and sewer user charges are collected bi-monthly and standby charges are collected annually along with property taxes

Administrative Policies

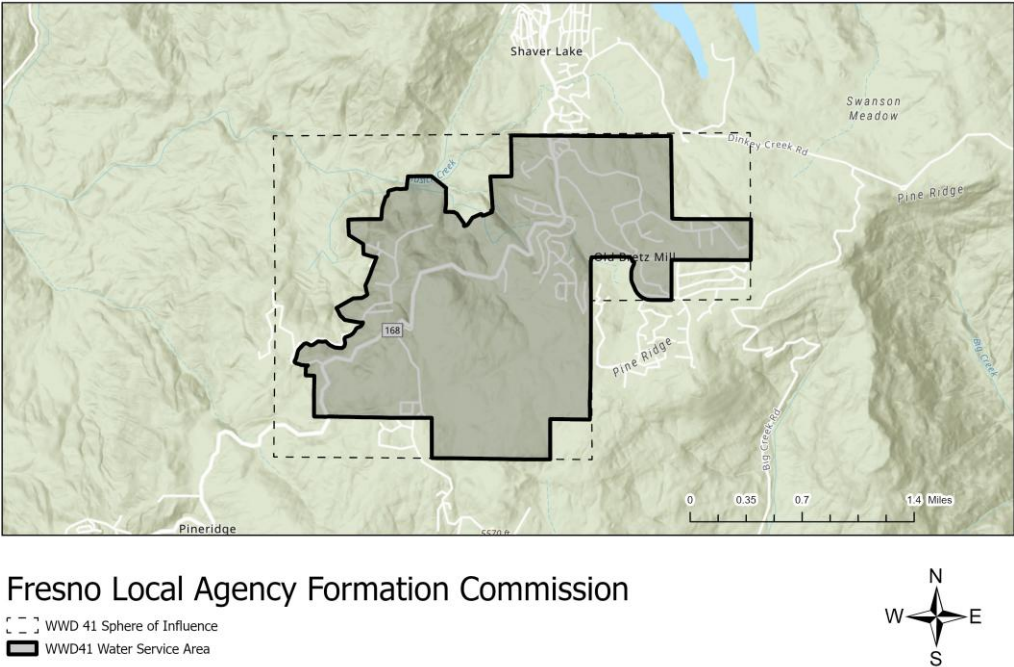
Master Plan: No	Policies/Procedures: Yes	By-laws: Yes
SOI established: 1972	SOI Last Updated: 2007	Others: No

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Figure 1-Waterworks District No. 41 Map

Waterworks District 41W



Waterworks District 41S

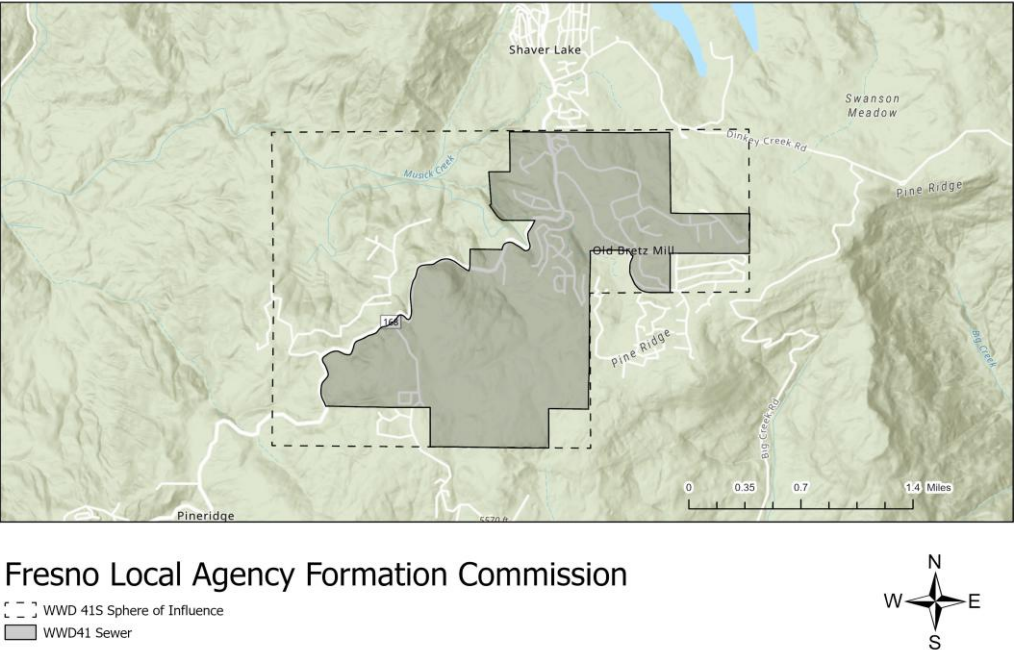


Figure 2- Waterworks District No. 41 Service Area and Proposed SOI boundary

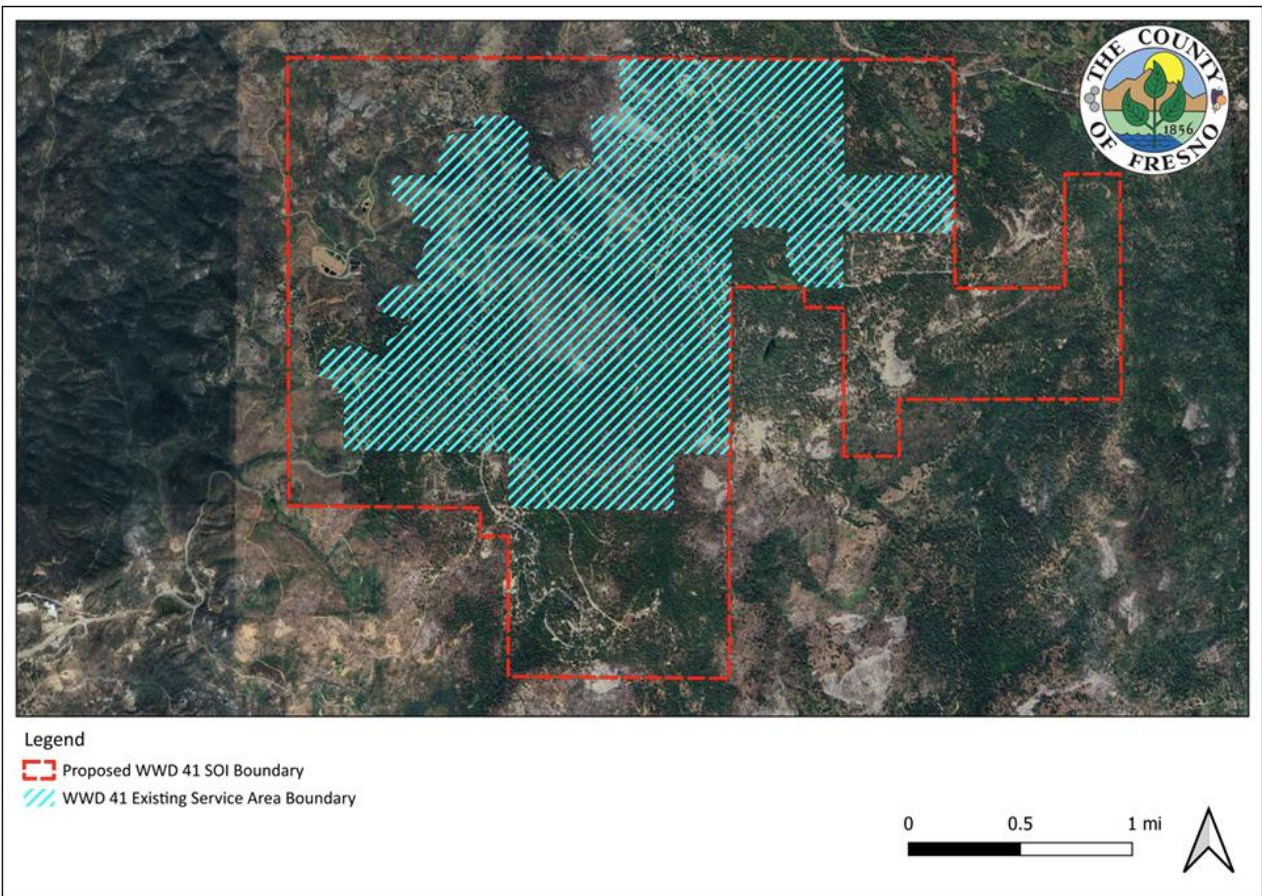
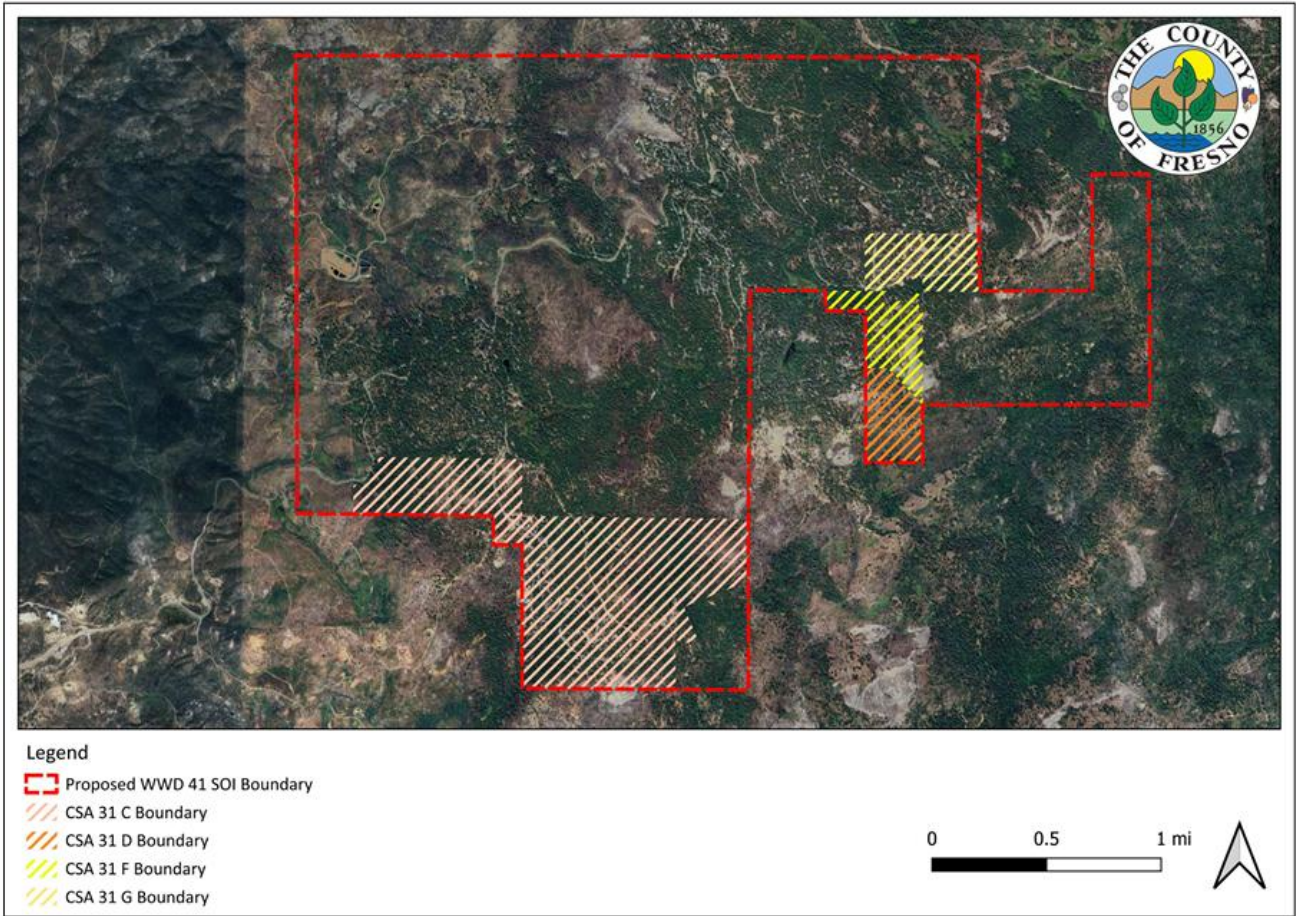


Figure 3- Location of CSAs to be Consolidated with WWD41



MUNICIPAL SERVICE REVIEW

Principal Act

Fresno County Waterworks District No. 41 (“District” or “WWD 41”) operates under the authority of the County Waterworks District Law, Division 16 of the California Water Code (Section 55000 et seq.). This principal act establishes the legal framework for the formation, governance, and powers of county waterworks districts throughout the state. Under this law, Waterworks Districts are empowered to acquire, construct, operate, and maintain works for the supply, treatment, and distribution of water, as well as facilities for the collection, treatment, and disposal of wastewater. The act also grants districts the ability to set rates, adopt regulations, issue bonds, and enter contracts necessary to carry out their responsibilities. In essence, the principal act defines both the scope of services the District may provide and the mechanisms it may use to finance and manage those services.

The District was established in 1972 to provide water and sewer services within its designated boundaries. The District’s formation was in response to the need for organized, reliable utility services in the Shaver Lake region, an area experiencing residential and recreational development. As a dependent special district governed by the Fresno County Board of Supervisors, WWD 41 functions as a local service provider with powers delegated through the principal act and administered at the county level. This governance structure ensures that the District’s operations remain aligned with countywide policies while still addressing the unique needs of the Shaver Lake community.

The County Waterworks District Law also provides the District with the authority to levy service charges, adopt ordinances, and undertake capital improvements to ensure continued service reliability. This statutory flexibility is particularly important in mountain communities such as Shaver Lake, where aging infrastructure, seasonal population fluctuations, and environmental constraints can create operational challenges. By operating under a well-defined principal act, WWD 41 can plan, finance, and implement the water and sewer services necessary to support both permanent residents and seasonal visitors while maintaining compliance with state and regional regulatory requirements.

District Service Area

The District is composed of two service areas that reflect the distinct infrastructure and service demands within its boundaries. According to representatives of the District, WWD 41W, the water service area, encompasses approximately 1,975 acres and includes the facilities and distribution systems necessary to deliver potable water to customers. WWD 41S, the sewer service area, covers roughly 1,585 acres and includes wastewater collection and treatment systems serving the community. The current Sphere of Influence is 3,197 acres and is not coterminous with the service area. The new proposed Sphere of Influence will be approximately 4,206 acres.

Currently the District is proposing a SOI expansion and annexation of Community Service Area (CSA) 31 C, D, F, & G. The District is currently servicing CSA 31 C, D, F, & G so there would be no changes to the staffing needs. There will be no extension of public services since WWD 41 already provides water and sewer to these CSAs.

When looking at the potential of expanding WWD41’s sphere, we must take into consideration that the current CSAs are communities that are established, and future boundaries must not separate

these communities. WWD 41 has plans of bringing the entire service area of these CSAs into the District's boundary with future annexations.

Authorized District Service Area

In order to promote timely and beneficial public services with integrity and accountability through providing water service and sewer service, the District conducts ongoing monitoring of system performance, regulatory compliance, customer feedback, and input from the Citizens Advisory Committee. The District also conducts routine inspections, testing, and maintenance to ensure water and sewer services meet operational and health standards. Legal authority for the formation and powers of the District and its function are found in the California Water Code § 55100 *et seq.*

Fresno LAFCo MSR Policy

A Municipal Service Review (MSR) is required in order to prepare or update a local agency's sphere of influence. 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 revisions to the Commission's adopted SOI for the subject agency.

While the Commission is not required by law to make any changes to a SOI, it may, at its discretion, opt to reaffirm, expand, delete a SOI, or approve, deny, or approve with conditions any changes of organization or reorganization impacting the governmental agency as a result of the information gathered during the MSR update process.¹

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

District Growth and Population Projection

The current total population of the district is estimated at 284 people in the service area. Approximately 59 people are within the County Service Areas (CSA) 31 C, D, F, and G in which receive services from WWD 41. Based on the District's estimated population, the District will have an approximately 343 people population when the future annexation of CSA 31 C, D, F, and G occurs. The District relies on the Shaver Lake Community Plan to get a population estimate but with the lack of comparative census data and a small permanent residency because of rental or vacation homes it becomes difficult for an accurate population projection.²

WWD 41 has a current service area of 1,975 acres. The SOI of the District is 3,197 acres and is not coterminous with the service area. However, the District is currently engaged in a proposed SOI boundary change. This SOI expansion would include County Service Areas (CSA) 31 C, D, F, and G to which the district already provides water and sewer services to but are not in the current District's SOI. This proposed SOI boundary change is paired with a proposed annexation and consolidation of the same territory to streamline administrative processes.

The service area of WWD 41 includes many parcels that are undeveloped but are marked for service connections and charged standby fees. Vacant parcels pay annual standby fees of \$35.28 for

¹ Fresno Local Agency Commission- Policy 107- Municipal Service Review Policy

² Shaver Lake Community Plan 3.01a. Population

water and \$32.82 for sewer, and there are small yearly charges for surveillance and water quality.³ As service demands are based on well productions in WWD 41W and monitoring sewage flows in WWD 41S, WWD 41W has seen an average increase of 17 new residential connections per year within the existing service area. This development rate is applied to the amount of vacant residential land and parcels to help plan for increased/expanded services.

Disadvantaged Unincorporated Communities

The purpose of Senate Bill 244 (Wolk, 2011) is to address the complex legal, financial, and political barriers that contribute to regional inequity and infrastructure deficits within disadvantaged unincorporated communities (“DUC”). Cities, counties, special districts, and LAFCo are all required by SB 244 to identify and include DUCs in their respective long-range planning. A DUC is defined as an inhabited unincorporated territory with an annual median household income that is less than 80 percent of the statewide annual median household income as defined by California Water Code section 79505.⁴

Pursuant to LAFCo Policy 111-03, when approving any new or updated SOI for a city or special district, the city or special district shall be required to identify DUCs within or contiguous to their boundaries in their applications for Commission action.⁵ In 2020, Fresno LAFCo mapped DUCs in Fresno County, and there were no DUCs identified within the General Plan planning area. Although there are no DUCs identified in WWD 41, there are some located nearby. Mostly in the lower foothills and valley areas of eastern Fresno County.

³ County Waterworks District 41 South of Shave Lake Sewer & Water FY 2025-2026 Budget

⁴ California Government Code section 56046 – definition of “inhabited territory”

⁵ Fresno LAFCo Policy 111-03, Page 6

District Infrastructure

Waterworks District No. 41 owns and operates a range of water and wastewater infrastructure necessary to serve the community. The District's water system includes 33 water wells, multiple storage tanks, and an interconnected distribution network consisting of pipelines and pumps. These facilities collectively support the extraction, treatment, storage, and delivery of potable water throughout the WWD 41W service area. The WWD 41S also maintains aeration ponds used for wastewater operations, which support effluent quality management and system reliability.

Overall, the District's infrastructure is considered adequate for current service demands, with existing facilities generally capable of meeting the needs of the residents they serve. However, the age of certain system components, particularly wells, pipelines, and mechanical equipment, requires ongoing maintenance and periodic replacement to ensure continued reliability. The mountain environment also presents operational challenges, including cold-weather impacts, variable water demand, and limited access during winter months, all of which necessitate proactive asset management. As part of an upcoming rate study and planning effort, the District is working on evaluating the long-term infrastructure needs. In order to avoid costly repairs, monitoring systems have been in place to identify issues before they become major problems. Systems such as shared services, strategic procurements and competitive bidding, and safety training for staff are currently on-going measures that are being implemented to help reduce the District's cost. The District has future plans of developing a new asset management and tracking program to help monitor infrastructure conditions and extend the useful life of facilities which would help reduce the long-term cost of maintenance.

Public Facilities, Opportunities for Shared Facilities

As a County-operated dependent special district WWD 41 shares resources with other agencies. Staffing and County-owned equipment including vehicles, tools, and operational resources are used across multiple County managed water and sewer Districts in Fresno County. WWD 41S also shares the wastewater treatment facility with CSA 31B.

In 2025 Special Districts entered into a Joint Powers Agreement with the California Association of Mutual Water Companies to ensure the most cost-effective insurance for all dependent county administrated special districts including WWD 41. By entering this Joint Powers Agreement, WWD 41 benefits from comprehensive and economical general liability, public liability, property damage, auto liability, boiler and machinery, directors' and officers' errors and omissions, employment practices, employee dishonesty, employee benefits liability coverage, workers' compensation coverage, and coverage for such other risks as the Board of Directors may determine from time to time.⁶ In addition, the District would gain access to risk assessments, contract review for indemnity and insurance sufficiency, and loss-prevention services, which help small districts avoid costly incidents and litigation. Members also receive the legal and financial protection of a separate public entity, meaning the Authority's debts and liabilities do not become the District's obligations.⁷ With the help of the Fresno County Department of Public Works and Planning, the District relies on the

⁶ Cal. Mutuals JPRIMA Agreement Page 3

⁷ Ibid

Special Districts Administration for all its administrative, financial, and operational functions.

Government Accountability

County Waterworks districts are dependent special districts formed pursuant to Division 16 of the California Water Code Section 55000, *et seq.* Waterworks districts are empowered to provide water for domestic, agricultural, industrial, and fire protection purposes. The District currently provides water services and sewer services to the members of the District. County Waterworks District No. 41 is a dependent special district which is run by the members of the County Board of Supervisors.

The five-member Fresno County Board of Supervisors is the governing body for the District. Each Board member may continue to run for election after his or her term. The Board of Supervisors meetings are generally held at 9:30 A.M on the first and third Tuesday of each month. The agenda contains a brief general description of each item to be considered. Although the District does not have a specific mission statement, they follow the mission statement of Fresno County: *To promote excellent, timely, and beneficial public services to our diverse community with integrity and accountability.* The District is administered by Fresno County's Special Districts Administration. This includes 13 field staff and 9 administrative/office staff.

A Citizens Advisory Committee was created in conformance with California Gov Code § 25212.4. The Committee contains nine members elected by the property owners within the District. No member shall serve for more than two full consecutive terms unless there are no nominees. If there are no nominees, the member will continue to serve until replaced.⁸ If no property owners are available or willing to serve, then the Committee can only operate as long as a quorum is present.

The FY 2024–2025 budget for Fresno County Waterworks District 41 reflects rising operational costs and the District's ongoing need to maintain and upgrade its water and sewer infrastructure. After completing major asbestos concrete pipe replacements in prior years and the Hydro tank was replaced in 2025, the District next major project is replacing a storage tank and a boundary/rate adjustment process to rebuild depleted reserves. The water budget totals \$1.31 million and relies heavily on the release of prior reserves, while the sewer budget totals \$660,000 with a small remaining reserve balance.⁹ Increases in liability insurance, utilities, and professional services are the primary cost drivers for both systems. Revenues continue to come from property taxes, standby fees, and service charges, but current income is insufficient to cover expenses without drawing down reserves, underscoring the District's need for future rate adjustments. The District is planning a Prop 218 rate study to address these funding shortfalls.

Waterworks District 41 is still providing service, but the new budget shows that the District is spending more money than it brings in each year. To make the numbers work, the District is using up its savings (called "reserves"). For the water system, those savings will be completely used up by the end of the year. The sewer system will have only a small amount left. Costs for things like insurance, electricity, and professional services have gone up, and

⁸ Bylaws of the County Service Area No.31 And Waterworks District No. 41 Citizen's Advisory Committee, Page 2

⁹ County Waterworks District 41 South of Shave Lake Sewer & Water FY 2025-2026 Budget

the District doesn't collect enough in rates and fees to cover those increases. Because of this, the District plans to adjust its boundaries and review its rates so it can rebuild savings and keep the system reliable. In short, the District is operating, but the current budget isn't sustainable without changes. A Prop 218 will be conducted but a rate adjustment process cannot begin until the annexation of CSAs 31 C, D, F, & G is complete. Depending on how long the annexation process takes, the Prop 218 process should be finished in FY 26-27 or FY 27-28.

Any Other Matters

The fee schedule for Fresno County Waterworks District 41 outlines the monthly water and sewer charges based on meter size, along with overuse rates and annual standby fees.¹⁰ For example, a 5/8" water line is billed at \$8.40 per month per developed parcel, which includes a monthly allowance of 7,500 gallons. A 3/4" line costs \$11.67 per month, and a 1"-line costs \$13.43 per month. Sewer charges range from \$11.42 to \$16.79 per month depending on service size. Overuse water rates increase in tiers, starting at \$1.03 per bimonthly billing period for the next 10,000 gallons and rising to \$4.12 per bimonthly billing period for usage over 20,000 gallons above the included allowance.

The District is planning to expand the SOI and encompass CSAs C, D, F, and G to which the District already provides water and sewer services. By expanding the District's SOI and encompassing these CSAs, the CSAs could be consolidated and annexed into the District. This would be a necessary step to help streamline administrative operations and budgeting more efficiently by consolidating services under one single district.

¹⁰ WWD 41 Master Fee Scale

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 Government Code §56425 and Fresno LAFCo policy. Pursuant to Government Code §56430, the Commission prepares the following written determinations.

1. GROWTH AND POPULATION PROJECTIONS FOR THE AFFECTED AREA.

- The District is located in eastern Fresno County, south of Shaver Lake along Highway 168, with the bulk of the District's area occurring to the east of the highway. The District service area spans across two general areas that combined amount to approximately 1,975 acres.
- The District's boundaries are irregular and include areas of development along Bretz Mill Road, Outcrop Road and Woody Lane, Littlefield Road, Ridge Road and Woodland Road.
- The District provides water and sewer services for the area. WWD 41W, the water service area, encompasses approximately 1,975 acres. WWD 41S, the sewer service area, covers roughly 1,585 acres.
- During 2020 to 2024 the District saw an average of 17 new residential connections per year within its existing service area.
- The District is proposing an SOI boundary change that would encompass County Service Areas (CSA) 31 C, D, F, and G. WWD 41 currently provides water and sewer services to the CSAs but they are not in the current SOI.

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

- The District does not have a disadvantaged unincorporated community within its boundary.

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

- The District owns 33 water wells, storage tanks, distribution system for water (pipes, pumps), and aeration ponds for wastewater.
- The District's current infrastructure is adequate to meet the current District needs.
- Staffing and County-owned equipment including vehicles, tools, and operational resources are used across multiple County managed water and sewer Districts in Fresno County.

4. FINANCIAL ABILITY OF AGENCY TO PROVIDE SERVICES.

- The majority of the District's finances are relying on the use of tax revenue. WWD 41W (Water) FY 26-27 estimated revenue: Tax Revenue \$611,000 and Reserves \$114,232 (\$179k in 25-26). WWD 41S (Sewer) FY 26-27 estimate revenue: Tax Revenue \$146,660 and Reserves \$200,008 (\$286k in 25-26)
- The water budget totals \$1.31 million and relies heavily on the release of prior reserves, while the sewer budget totals \$660,000 with a small remaining reserve balance.
- Revenues continue to come from property taxes, standby fees, and service charges, but current income is insufficient to cover expenses without drawing down reserves, underscoring the district's need for future rate adjustments.
- The district will be adjusting the rates to help rebuild the reserves that have been depleted after completing the asbestos concrete pipe project. Rates cannot be adjusted until after the annexation & subsequent Prop 218 Rate Study. Estimated completion FY 26-27 or 27-28.

5. STATUS OF, AND OPPORTUNITIES FOR, SHARED FACILITIES.

- Staffing and County-owned equipment including vehicles, tools, and operational resources are used across multiple County managed water and sewer Districts including WWD 41.
- In 2025 Special Districts entered into a Joint Powers Agreement with the California Association of Mutual Water Companies to ensure the most cost-effective insurance for all dependent county administrated special districts including WWD 41.

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

- California Water Code section 34000-38500 authorizes the formation of Water Districts 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.
- WWD 41's governing board consist of five (5) members – the Fresno County Board of Supervisors. The Board of Supervisors meetings are generally held at 9:30 A.M on the first and third Tuesday of each month.
- A Citizens Advisory Committee was created in conformance with California Gov Code § 25212.4. The Committee contains seven members elected by the property owners within the District.
- Waterworks District 41 is still providing service, but the new budget shows that the district is spending more money than it brings in each year. The District is intending to

address this issue by a Prop 218 rate study and rate adjustment. The annexation of CSAs 31 C, D, F, & G is the first step in this process to ensure all customers in the District are included within the District and incorporated into a district-wide rate structure.

- The District plans to adjust its boundaries and review its rates so it can rebuild savings and keep systems reliable.

7. ANY OTHER MATTER RELATED TO EFFECTIVE OR EFFICIENT SERVICE DELIVERY.

- The District is planning to expand the SOI and encompass CSAs C, D, F, and G which the District already provides water and sewer services.
- By expanding the District to encompass these CSAs, the District will be able to provide water and sewer services under a single administrative structure.

SPHERE OF INFLUENCE REVIEW AND UPDATE

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 the sphere of influence of each local agency, the commission shall consider and prepare a written statement of its determinations with respect 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;
5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

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. When Fresno LAFCo updates a sphere of influence it must adopt specific determinations with respect to the following factors:

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

- The County of Fresno is the land use authority for territory within the District's boundaries.

- The current land uses are primarily residential. The future land uses are expected to remain primarily residential.
- No significant changes to population within the District are anticipated.

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

- Current District facilities and services appear to be adequate. By using their current public facilities and services with other agencies the District will be able to continue providing services to the residents in the area.
- There is minimal growth anticipated by the District. The District is capable of addressing and adjusting its probable service needs for public facilities.
- The District will need to ensure that they are maintaining the necessary infrastructure needs as needed.

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

- Present capacity of District facilities and services appear adequate. District provides services consistent with its principal act and as authorized by the Fresno LAFCo.

4. 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 no relevant social or economic communities of interest relevant to the District's service provisions. The District informed LAFCo that it cannot support additional water demands due to the limits of its contracted water availability.
- The District is conducting a capacity analysis of its water and sewer systems and may pursue alternative water supplies, including potential surface-water rights, to strengthen long-term reliability.

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

- The District is designated by LAFCo policy as a non-municipal local agency, meaning that the District is authorized to provide non-municipal services. With no disadvantaged unincorporated community located within the area there is no present and probable need for those public facilities and services.

RECOMMENDATIONS

In consideration of information gathered and evaluated during the 2026 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. Recommend to the District to:
 1. Conduct a Prop 218 to ensure that the district has adequate funding to not use up all their reserves.
 2. Consolidate and annex CSAs C, D, F, and G to streamline services that the District provides.

ACKNOWLEDGEMENTS

This Municipal Service Review was prepared by Fresno LAFCo staff. The Waterworks District 41 provided information included in this evaluation of the agency's service provisions.

This document and supportive information is available in the Fresno LAFCo office located at:

Fresno Local Agency Formation Commission
1401 Fulton Street, Suite 800
Fresno, California 93721

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

CEQA Findings and Statement of Overriding Considerations

for the Fresno County General Plan Review and Zoning Ordinance Update

Pursuant to CEQA Guidelines Sections 15091 and 15093 and Public Resources Code Section 21081

The Final Environmental Impact Report (EIR) prepared for the Fresno County General Plan Review and Zoning Ordinance Update (SCH #2018031066) consists of errata to the Draft EIR and Response to Comments on the Draft EIR. The Final EIR identifies significant environmental impacts that will result from implementation of the Fresno County General Plan Review and Zoning Ordinance Update (GPR/ZOU). The County of Fresno (County) finds that the inclusion of certain mitigation measures as part of approval of the GPR/ZOU will reduce all but the following significant impacts to levels that are less than significant: agriculture (impacts related to the conversion of farmland or forestland to non-agricultural use), air quality (construction and operation-related emissions), cultural resources (built environmental historical resources and archaeological resources), geology and soils (paleontological resources), greenhouse gas emissions (project-specific efficiency thresholds), transportation (project-level and cumulative impacts related to vehicle miles traveled [VMT]), tribal cultural resources, utilities and service systems, and wildfire (impacts related to potential development in medium, high, or very high fire hazard severity zones). No feasible mitigation measures have been identified to reduce these impacts to a less-than-significant level or mitigation measures have been identified but would not reduce impacts to a level of less than significant; thus, these impacts will remain significant unavoidable impacts of the GPR/ZOU. These impacts will be overridden due to specific considerations that are described within this document.

As required by the California Environmental Quality Act (CEQA), the County, in adopting these CEQA Findings of Fact (Findings) and Statement of Overriding Considerations, also adopts a Mitigation Monitoring and Reporting Program (MMRP) for the GPR/ZOU. The County finds that the MMRP, which is incorporated herein by reference, meets the requirements of Public Resources Code Section 21081.6 by providing for the implementation and monitoring of measures intended to mitigate potentially significant effects of the GPR/ZOU. In accordance with CEQA and the *CEQA Guidelines*, the County adopts these findings as part of approval of the Fresno County GPR/ZOU. Pursuant to Public Resources Code Section 21082.1(c)(3), the County also finds that the Final EIR reflects the County's independent judgment as the lead agency for the Fresno County GPR/ZOU.

Consideration and Certification of the EIR

In accordance with CEQA, and on the formal recommendation of the Planning Commission following notice and public hearing, the Board of Supervisors certifies that the EIR has been completed in compliance with CEQA. The Board of Supervisors has independently reviewed the record and the EIR prior to certifying the EIR and approving the GPR/ZOU. By these findings, the Board of Supervisors confirms, ratifies, and adopts the findings and conclusions of the EIR as supplemented and modified by these findings. The EIR and these findings represent the independent judgment and analysis of the Board of Supervisors and the County. The Board of Supervisors recognizes the EIR

may contain clerical errors. The Board of Supervisors reviewed the entirety of the EIR and bases its determination on the substance of the information it contains. The Board of Supervisors certifies that the EIR is adequate to support the approval of the action that is the subject of the staff report to which these CEQA findings are attached. The Board of Supervisors certifies that the EIR is adequate to support approval of the GPR/ZOU described in the EIR, each component and phase of the GPR/ZOU described in the EIR, any variant of the GPR/ZOU described in the EIR, any minor modifications to the GPR/ZOU or variants of the GPR/ZOU described in the EIR and the components of the GPR/ZOU.

Absence of Significant New Information

The Board of Supervisors recognizes the Final EIR incorporates information obtained and produced after the Draft EIR was completed, and that the Final EIR contains additions, clarifications, and modifications. On the recommendation of the Planning Commission following notice and public hearing, the Board of Supervisors has reviewed and considered the Final EIR and all of this information. The Final EIR does not add significant new information to the Draft EIR that would require recirculation of the EIR under CEQA. The new information added to the EIR does not involve a new significant environmental impact, a substantial increase in the severity of an environmental impact, or a feasible mitigation measure or alternative considerably different from others previously analyzed that the Board of Supervisors declines to adopt and that would clearly lessen the significant environmental impacts of the GPR/ZOU. No information indicates that the Draft EIR was inadequate or conclusory or that the public was deprived of a meaningful opportunity to review and comment on the Draft EIR. Thus, recirculation of the EIR is not required. The Board of Supervisors finds that the changes and modifications made to the EIR after the Draft EIR was circulated for public review and comment do not individually or collectively constitute significant new information within the meaning of Public Resources Code section 21092.1 or the CEQA Guidelines section 15088.5.

Severability

If any term, provision, or portion of these Findings or the application of these Findings to a particular situation is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of these Findings, or their application to other actions related to the GPR/ZOU, shall continue in full force and effect unless amended or modified by the County.

"Attachment D"

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 Government Code §56425 and Fresno LAFCo policy. Pursuant to Government Code §56430, the Commission prepares the following written determinations.

1. GROWTH AND POPULATION PROJECTIONS FOR THE AFFECTED AREA.

- The District is located in eastern Fresno County, south of Shaver Lake along Highway 168, with the bulk of the District's area occurring to the east of the highway. The District service area spans across two general areas that combined amount to approximately 1,975 acres.
- The District's boundaries are irregular and include areas of development along Bretz Mill Road, Outcrop Road and Woody Lane, Littlefield Road, Ridge Road and Woodland Road.
- The District provides water and sewer services for the area. WWD 41W, the water service area, encompasses approximately 1,975 acres. WWD 41S, the sewer service area, covers roughly 1,585 acres.
- During 2020 to 2024 the District saw an average of 17 new residential connections per year within its existing service area.
- The District is proposing an SOI boundary change that would encompass County Service Areas (CSA) 31 C, D, F, and G. WWD 41 currently provides water and sewer services to the CSAs but they are not in the current SOI.

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

- The District does not have a disadvantaged unincorporated community within its boundary.

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

- The District owns 33 water wells, storage tanks, distribution system for water (pipes, pumps), and aeration ponds for wastewater.
- The District's current infrastructure is adequate to meet the current District needs.
- Staffing and County-owned equipment including vehicles, tools, and operational resources are used across multiple County managed water and sewer Districts in Fresno County.

4. FINANCIAL ABILITY OF AGENCY TO PROVIDE SERVICES.

- The majority of the District's finances are relying on the use of tax revenue. WWD 41W (Water) FY 26-27 estimated revenue: Tax Revenue \$611,000 and Reserves \$114,232 (\$179k in 25-26). WWD 41S (Sewer) FY 26-27 estimate revenue: Tax Revenue \$146,660 and Reserves \$200,008 (\$286k in 25-26)
- The water budget totals \$1.31 million and relies heavily on the release of prior reserves, while the sewer budget totals \$660,000 with a small remaining reserve balance.
- Revenues continue to come from property taxes, standby fees, and service charges, but current income is insufficient to cover expenses without drawing down reserves, underscoring the district's need for future rate adjustments.
- The district will be adjusting the rates to help rebuild the reserves that have been depleted after completing the asbestos concrete pipe project. Rates cannot be adjusted until after the annexation & subsequent Prop 218 Rate Study. Estimated completion FY 26-27 or 27-28.

5. STATUS OF, AND OPPORTUNITIES FOR, SHARED FACILITIES.

- Staffing and County-owned equipment including vehicles, tools, and operational resources are used across multiple County managed water and sewer Districts including WWD 41.
- In 2025 Special Districts entered into a Joint Powers Agreement with the California Association of Mutual Water Companies to ensure the most cost-effective insurance for all dependent county administrated special districts including WWD 41.

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

- California Water Code section 34000-38500 authorizes the formation of Water Districts 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.
- WWD 41's governing board consist of five (5) members – the Fresno County Board of Supervisors. The Board of Supervisors meetings are generally held at 9:30 A.M on the first and third Tuesday of each month.
- A Citizens Advisory Committee was created in conformance with California Gov Code § 25212.4. The Committee contains seven members elected by the property owners within the District.
- Waterworks District 41 is still providing service, but the new budget shows that the district is spending more money than it brings in each year. The District is intending to

address this issue by a Prop 218 rate study and rate adjustment. The annexation of CSAs 31 C, D, F, & G is the first step in this process to ensure all customers in the District are included within the District and incorporated into a district-wide rate structure.

- The District plans to adjust its boundaries and review its rates so it can rebuild savings and keep systems reliable.

7. ANY OTHER MATTER RELATED TO EFFECTIVE OR EFFICIENT SERVICE DELIVERY.

- The District is planning to expand the SOI and encompass CSAs C, D, F, and G which the District already provides water and sewer services.
- By expanding the District to encompass these CSAs, the District will be able to provide water and sewer services under a single administrative structure.

SPHERE OF INFLUENCE REVIEW AND UPDATE

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 the sphere of influence of each local agency, the commission shall consider and prepare a written statement of its determinations with respect 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;
5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

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. When Fresno LAFCo updates a sphere of influence it must adopt specific determinations with respect to the following factors:

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

- The County of Fresno is the land use authority for territory within the District's boundaries.

- The current land uses are primarily residential. The future land uses are expected to remain primarily residential.
- No significant changes to population within the District are anticipated.

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

- Current District facilities and services appear to be adequate. By using their current public facilities and services with other agencies the District will be able to continue providing services to the residents in the area.
- There is minimal growth anticipated by the District. The District is capable of addressing and adjusting its probable service needs for public facilities.
- The District will need to ensure that they are maintaining the necessary infrastructure needs as needed.

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

- Present capacity of District facilities and services appear adequate. District provides services consistent with its principal act and as authorized by the Fresno LAFCo.

4. 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 no relevant social or economic communities of interest relevant to the District's service provisions. The District informed LAFCo that it cannot support additional water demands due to the limits of its contracted water availability.
- The District is conducting a capacity analysis of its water and sewer systems and may pursue alternative water supplies, including potential surface-water rights, to strengthen long-term reliability.

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

- The District is designated by LAFCo policy as a non-municipal local agency, meaning that the District is authorized to provide non-municipal services. With no disadvantaged unincorporated community located within the area there is no present and probable need for those public facilities and services.

RECOMMENDATIONS

In consideration of information gathered and evaluated during the 2026 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. Recommend to the District to:
 1. Conduct a Prop 218 to ensure that the district has adequate funding to not use up all their reserves.
 2. Consolidate and annex CSAs C, D, F, and G to streamline services that the District provides.