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

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AGENDA ITEM NO.   4  

**DATE:** July 13, 2022

**TO:** Fresno Local Agency Formation Commission

**FROM:** Brian Spaunhurst, Executive Officer 

**BY:** Jessica Gibson, LAFCo Analyst

**SUBJECT:** Consider a Request to Authorize a Conditional Waiver of LAFCo Filing Fees for the Dissolution of the Westside Resource Conservation District.

**Petitioner: Westside Resource Conservation District (“RCD”)**

**RECOMMENDATION: Authorize a Conditional Waiver of LAFCo Filing Fees (Requires a Four-Fifths Vote)**

**Background**

The Westside Resource Conservation District (“District” or “WRCD”) is in the western portion of Fresno County and partially extends into Kings County to the south.

The District was originally formed to provide information on water and soil resource conservation to landowners, develop conservation plans, participate in conservation projects, establish standards for conservation practices, and rent equipment for conservation projects to district landowners.

The District is inactive. It has not provided services in over a decade, does not have a legislative governing board, budget, employees, or a work program.

The District does not receive any property tax revenue or assessments. Past funding for projects was based on grant revenue and occasional financial support from the Westlands Water District.

In 2015 the WRCD board adopted Resolution 2015-01 authorizing the district dissolution and disposition of assets. On January 25, 2015, the Resolution was submitted to LAFCo without an application. On November 17, 2015, LAFCo notified the applicant that the application was deemed incomplete.

In 2017 a representative of the WRCD provided LAFCo with additional documents but no application fee.

In 2021 LAFCo staff attempted to contact the remaining known individuals from the District regarding progress and received no communication in return. The October and November 2021 hearings included a Westside Resource Conservation District workshop and progress report affirming the directive for District dissolution.

Given the evident inactivity of the WRCD, the Executive Officer has deemed the materials submitted to LAFCo—namely the Resolution adopted by the WRCD board—as sufficient to move forward with district dissolution proceedings provided that the Commission authorizes a conditional waiver of the \$2,400 application fee. Staff intends the conditional waiver to function as a deferral, with funds collected in arrears to avoid expending financial resources as well as staff time and resources. Supplementary fees incurred such as postage, notary, etc. will be added to the dissolution fee to be collected on the back end by LAFCo.

WRCD has remaining financial resources in the form of funds once held in the Fresno County treasury. These funds were turned over to the State Controller's Unclaimed Property Division, as required by law, for safekeeping until it can be claimed by the rightful owner or their heirs. California's unclaimed property law requires businesses to submit property, such as bank accounts, and other assets, to the state if there has been no activity on the account, generally for three years.

These fees would be collected pursuant to the Executive Officer filing an "Unclaimed Property Claim Affirmation Form" with the State Controller's Unclaimed Property Division to claim this property on behalf of the Fresno LAFCo. It is also staff's intent to claim the funds in order to fulfill the WRCD board's intent to pay the invoices of two accounting firms. Further, the WRCD resolution notes repayment to the Westlands Water District of project funds.

### **Statute and Policy Authorize the Commission to Reduce or Waive Fees**

Government Code 56383(d) of Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("CKH") states:

*The commission may reduce or waive a fee, service charge, or deposit if it finds that payment would be detrimental to the public interest. The reduction or waiver of any fee, service charge, or deposit is limited to the costs incurred by the commission in the proceedings of an application.*

LAFCo Policy on fee reduction or waiver from Fresno LAFCo Policy Manual 350.07 (Exceptions to Required Fees):

*The Commission may waive any processing fee by a four-fifths affirmative vote if the imposition of such fee would be detrimental to the public interest, as determined by the Commission. Any change specifically recommended by the Commission in a study approved by Commission may not require a fee.*