

# FRESNO LOCAL AGENCY FORMATION COMMISSION (LAFCo)

## MEETING MINUTES JUNE 8, 2016

**Members Present:** Commissioners Brian Pacheco, Daniel Parra, Henry Perea, Mario Santoyo, and Robert Silva

**Members Absent:** None

**Staff Present:** David E. Fey, AICP, LAFCo Executive Officer  
Ken Price, LAFCo Counsel  
George Uc, LAFCo Analyst  
Candie Fleming, Clerk to the Commission

### 1. Call to Order and Roll Call

Chairman Pacheco called the meeting to order at 1:30 p.m.

### 2. Pledge of Allegiance

Chairman Pacheco led the Pledge of Allegiance.

### 3. Comments from the Public

There were no comments from the public.

### 4. Potential Conflicts of Interest

There were no conflicts reported.

## CONSENT AGENDA

### 5A. Minutes from the May 11, 2016, Meeting

### 5B. City of Selma “DeWolf-Floral-Fahrney Reorganization”

Commissioner Silva made a motion to approve the consent calendar and seconded by Commissioner Parra. The Commission approved the consent calendar by a vote of 5-0.

## REGULAR AGENDA ITEMS

### 6. Municipal Service Review and Sphere of Influence Revision Prepared for the Pinedale County Water District.

Executive Officer Fey reported that the Commission received a letter from the City of Fresno making comments and recommendations for changes to the MSR for the Pinedale County Water District, mostly associated with the District’s capacity to address the Sustainable Groundwater Management Act (SGMA). Fey said the District responded with a comment disagreeing with the City for additional information related to SGMA budget and capital

improvements for maintenance of the groundwater. Fey said based on the City's comments, discussion with the District, and a review of the SGMA, staff recommended that the Commission approve the addendum provided to the Commission related to information within the MSR. Staff said the addendum included data from the District regarding its annual groundwater pumping, which was not included in the original MSR, the discussion under the planned capacity will include water service information regarding SGMA, four new determinations related to this information will be added, and a recommendation that the District continue to participate in the SGMA process to develop a groundwater sustainability agency and participate as feasible in the implementation of groundwater sustainability plans.

Fey said this MSR was prepared to support a sphere revision which is to approve the Pinedale County Water District's reorganization proposal that is a refinement to the City's and District's boundaries. Fey said the reorganization is related to territory already being served by either the City or the District.

LAFCo Analyst George Uc presented staff's report. Uc said the District provides three types of services; water, wastewater, and solid waste services. Uc said the focus of the MSR was to formalize the agencies' respective water service areas. Uc said the proposed sphere revision as discussed in the MSR would detach 90 acres from the District's water service area and annex 126 acres into the District's water service area.

Commissioner Santoyo was concerned in the change in conditions regarding water supply and asked if there was a place for a water policy to be developed that could be applied to the MSR and SOI processes.

Fey responded that the Commission could integrate the contemporary and long-range groundwater management issues the Commission has the authority to make policies that reflect that. Fey said he has reviewed the SGMA and absent a groundwater plan and the sustainability agency and the work that comes from the agency, staff could begin to integrate a SGMA-like process into the MSRs and would be specifically under GC section 65352.5 – requirement to provide water-related documents to general plan agency which states that when a general plan update is being proposed, the Agency will then request information from other agencies related to water. Fey said that the Commission could take into account the same information for an MSR as when a general plan update is being proposed. Fey recommended that the Commissioners mind their limitations that without resource management in its portfolio and land-use authority the Commissioners are limited to boundary decisions.

Commissioner Santoyo said the valley has very significant water issues and should keep those types of issues in mind when making decisions. Commissioner Santoyo asked if the Commission should develop a water policy that should be considered during the preparation of MSR updates and with sphere of influence applications.

Fey said that if staff was given the direction and appropriate parameters staff could present a draft at the next meeting for review and feedback.

Commissioner Silva said he felt now was a good time to get started on a water policy. LAFCo Counsel Ken Price asked for clarification of the Commission's direction to staff. Price said the MSRs have several criteria that the Commission is required to consider including the present and planned capacity of public facilities, adequacy of public service and infrastructure needs or

deficiencies. Price said if the MSR is for a public agency that provides municipal services, then the Commission would already have to consider the provision of water, water pumping, and water quality, etc. Price said an MSR is necessary to revise an agency's sphere of influence. Price said that for reorganizations (annexations or detachments) the CKH under 56658 has other factors which require the Commission to consider which include the adequacy of water supplies. Price said there are two distinct areas where the subject of water will come up and asked for clarification and asked if the policy would apply to the preparation of MSRs and sphere amendments or annexations which uses a different factor. Commissioner Santoyo said the Commission would leave it up to staff to figure out where the policy would fit best.

Commissioner Perea agreed and asked if staff brought a draft policy to the next meeting and the Commission approved the policy the following month, would that policy be considered when the Commission looks at SEDA. Commissioner Santoyo said he didn't want to delay any decisions by the Commission but felt water was an important factor to consider.

Fey responded that staff could present a draft policy for the next Commission meeting, as well as a review of the statute and some additional context. Fey said he would like to reiterate what Counsel Price brought up about the difference between the MSR and an annexation and give the Commission an analog to consider. Fey said water quantity is the current theme that everybody is working under but there are also water quality issues. Fey said that section 56430(c) says in conducting a MSR the Commission may include a review of whether agencies including any public water supplier are in compliance with the California Safe Drinking Water Act. Fey said that in order to comply with the Act the Commission only needs to have the consumer confidence survey data which is the water quality report that the agencies provide. Fey said the statute requires the Commission to review water quality data for an agency but is not asking the Commission to render a technical judgment. Fey said that in the context of the MSR, the current and planned capacity is evaluated based on the information, adopted policy, and law that are in place. Fey said that unless otherwise directed, staff will prepare a water policy based on what's in place today and existing laws. Fey asked if the Commission wanted to get into the goals that they wish the SGMA to aspire to which if felt was getting into a grey area.

By consensus the Commission directed staff to draft a policy for discussion at the July hearing.

Commissioner Perea made a motion to approve the categorical exemption and Commissioner Santoyo seconded the motion. The motion passed by a vote of 5-0. Commissioner Perea made a motion to adopt the MSR, make findings and determinations and revise the sphere of influence as recommended by staff. Commissioner Silva seconded the motion and the motion passed by a vote of 5-0.

## **7. Pinedale County Water District "Pinedale County Water District Reorganization, 2014."**

Uc presented staff's report and explained that currently, the City of Fresno serves a small portion of the District's water service area and per an inter-agency agreement, the City of Fresno delivers water directly to these customers located in the Pinedale service area through City water mains for which the District bills the customers at the City of Fresno's water rate and retains 40% of the revenue to cover its costs. Uc said the District was proposing to detach approximately 90 acres of land currently identified in its water service area and/or SOI that is

being served by the City of Fresno. Uc said the District was also proposing to annex 126 acres into its service area and/or SOI which properties are already receiving District water service.

Commissioner Perea made a motion to approve the categorical exemption and Commissioner Parra seconded the motion. The motion passed by a vote of 5-0. Commissioner Perea made a motion to approve the reorganization and directed staff to conduct a protest hearing. Commissioner Silva seconded the motion which passed by a vote of 5-0.

## **8. Municipal Service Review and Sphere of Influence Update for the Mercy Springs Water District**

Uc presented staff's report. Uc reported that the District informed LAFCo that it does not provide direct services but functions as an administrator of Central Valley Project (CVP) water supplies to third-parties and addresses customer needs. Uc said the District's water transfers are subject to change on an annual basis and it depends on several factors such as, annual allocation percentage rating, water supply levels, and District water needs.

Chris Linneman, the District's engineer was in attendance to answer any questions the Commission may have regarding the District's operation or CVP water contract with the United States Bureau of Reclamation. Mr. Linneman expressed his support for the adoption of the MSR update.

Commissioner Silva made a motion to approve the categorical exemption and Commissioner Santoyo seconded the motion. The motion passed by a 5-0 vote. Commissioner Parra made a motion to adopt the MSR, make findings and determinations, and update the sphere of influence. Commissioner Perea seconded the motion and the motion passed by a vote of 5-0.

## **9. Executive Officer Comments/Reports**

Fey reported a legislative update

## **10. Commission Member Comments/Reports**

## **11. PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: Executive Officer**

No reportable action was taken.

## **ADJOURNMENT**

Commissioner Silva made a motion to adjourn the meeting and Commissioner Parra seconded the motion. The motion passed 5-0 and the meeting was adjourned at 2:32 p.m.