

AGENDA

FRESNO LOCAL AGENCY FORMATION COMMISSION (LAFCo)

November 9, 2022 – 1:30 P.M.

Hall of Records, Room 301, 2281 Tulare Street, Fresno, California

COMMISSION MEMBERS

Mario Santoyo, Chair
Gary Yep, Chair Pro Tem
Nathan Magsig
Steve Brandau
Daniel Parra

ALTERNATE MEMBERS

Michael Lopez
Scott Robertson
Sal Quintero

LAFCo STAFF

Brian Spaunhurst, Executive Officer
Amanda Olivas, Clerk to the Commission
Amanda Castro, LAFCo Analyst
Jessica Gibson, LAFCo Analyst
Kenneth Price, LAFCo Counsel
Jessica Johnson, LAFCo Counsel
Bricen Beck, LAFCo Intern

LAFCo Office: 2607 Fresno Street, Suite B, Fresno, CA - 93721 - (559) 600-0604
Staff reports prepared for each item listed in this agenda may be viewed at www.fresnolafco.org.

1. **Call to Order and Roll Call**
2. **Pledge of Allegiance**
3. **Comments from the Public:** Any person wishing to address the Commission on a subject not listed on the agenda may do so at this time. (State your name and address and please keep your comments to three (3) minutes.
4. **Potential Conflict of Interest:** Any Commission member who has a potential conflict of interest shall now identify the item and recuse themselves from discussing and voting on the matter pursuant to Govt. Code sec 84308.

CONSENT AGENDA

All consent agenda items are considered routine in nature and will be enacted by one motion; there will be no individual discussion of these items unless requested by a member of the Commission or the public. Any item pulled from the consent agenda for discussion will be set aside until after approval of the consent agenda. Prior to taking any action the public will be given the opportunity to comment on any consent item. The consent agenda will be considered on or about 1:30 p.m.

5. **Recommendation:** Approve 5A-5D by taking the following actions:
 - A. **Consider Approval:** Minutes from the LAFCo meeting of August 10, 2022.
 - B. **Consider Approval:** 2023 LAFCo Office and Hearing Calendar.
 - C. **Consider Approval: City of Reedley "West Manning Reorganization"** A proposed reorganization consisting of the annexation of 58 acres to the City of Reedley and detachment from the Fresno County Fire Protection District, Kings River Conservation District, and the Consolidated Irrigation District for territory located along Manning Avenue and Kings River. (LAFCo File No. RO-22-02)
 - D. **Consider Approval: Westlands Water District Office Annexation"** A proposed annexation of approximately 1.15 acres to the Westlands Water District for territory located on West Cromwell Avenue between Blackstone Avenue and Ingram Avenue, north of El Paso Avenue and South Nees Avenue. (LAFCo File No. AD-22-01)

REGULAR AGENDA ITEMS

- 6. **Workshop:** Zalda Reclamation District No. 801 Dissolution Options.
Recommendation: Provide Staff Direction.
- 7. **Authorize Request:** Authorize the LAFCo Chair to Sign Waiver of Conflict of Interest.
Recommendation: Approve.
- 8. **Consider Adoption:** Municipal Service Review and Sphere of Influence Update for Coalinga-Huron Recreation and Park District (LAFCo File No. MSR 22-02/USOI-207).
Recommendation: Adopt.
- 9. **Authorize Request:** Authorize the EO to Sign New Lease Agreement and Utilize Contingency Funds.
Recommendation: Approve.
- 10. **Executive Officer Comments**
- 11. **Commission Comments/Reports**
- 12. **Adjournment**

THE NEXT LAFCO MEETING will be held on December 14, 2022, at 1:30 p.m. in the Board of Supervisors’ Chamber – Hall of Records, Room 301, Fresno, California.

PLEASE NOTE:

(1) If you are an applicant for, or a participant in, any proceeding on the agenda for a **land use entitlement** and have made **campaign contributions** totaling more than \$250.00 to any member or alternative member of the Commission **within twelve (12) months prior to the Commission considering your application**, please immediately inform the Commission of your contribution. State law **disqualifies** each Commissioner and alternative Commissioner from participating in and voting on land use entitlement decisions (which include changes of organization and reorganizations) if the Commissioner or alternative Commissioner has received campaign contributions from (i) an applicant for a land use entitlement, (ii) someone who lobbies the Commission or LAFCo staff regarding an application for land use entitlement, (iii) someone who testifies in person before the Commission regarding an application for land use entitlement, or (iv) someone who otherwise acts to influence the outcome of an application for land use entitlement. State law also prohibits applicants and participants from making campaign contributions to a Commissioner or alternate Commissioner within three (3) months **after** the Commission’s action. If you have any questions regarding these requirements (which are contained in the **California Political Reform Act** Government Code Section 84308 *et seq.*), please feel free to contact LAFCo staff at (559) 600-0604.

(2) In compliance with the Americans with Disabilities Act (**ADA**), if you need special assistance to participate at this meeting, please contact Ms. Amanda Olivas, Clerk to the Commission at 559-600-0604. Notification provided a minimum of 48 hours prior to the meeting will enable the Clerk to make reasonable arrangements to ensure accessibility to this meeting. Pursuant to the ADA, the meeting room is accessible to the physically disabled.



CONSENT AGENDA ITEM NO. 5-A

FRESNO LOCAL AGENCY FORMATION COMMISSION (LAFCo)

**MEETING MINUTES
August 10, 2022**

Members Present: Commissioners Brandau, Magsig, Parra, Yep, Santoyo

Members Absent: None

Staff Present: Brian Spauhurst, LAFCo Executive Officer
Amanda Olivas, Clerk to the Commission
Amanda Castro, LAFCo Analyst
Kenneth Price, LAFCo Counsel
Jessica Johnson, LAFCo Counsel

1. Call to Order and Roll Call

Chair Santoyo called the meeting to order at 1:33 p.m.

2. Pledge of Allegiance

Commissioner Yep 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 of interest.

CONSENT AGENDA

- 5. A. Minutes from the LAFCo Meeting of July 13, 2022.**
- B. Biennial Financial Audit for Fiscal Year 19-20.**

Motion: Approve
Moved: Commissioner Yep
Second: Commissioner Brandau
Ayes: Yep, Brandau, Magsig, Parra, Santoyo
Noes: 0
Absent: 0
Passed: 5-0

REGULAR AGENDA ITEMS

6. Dissolution of Westside Resource Conservation District.

Action 1:

Motion: CEQA Categorical Exemption

Moved: Commissioner Magsig

Second: Commissioner Parra

Ayes: Magsig, Parra, Brandau, Yep, Santoyo

Noes: 0

Absent: 0

Passed: 5-0

Action 2:

Motion: Dissolution and Distribution of Assets

Moved: Commissioner Magsig

Second: Commissioner Yep

Ayes: Magsig, Yep, Brandau, Parra, Santoyo

Noes: 0

Absent: 0

Passed: 5-0

7. Workshop: LAFCo Application Update.

No Action.

8. Workshop: Update Regarding the Final Budget and Work Plan for Fiscal Year 22-23.

No Action.

9. Executive Officer Comments.

No Action.

10. Commission Comments/Reports.

No Action.

11. Adjournment

Moved: Commissioner Parra


Second: Commissioner Yep

The meeting adjourned at 1:54 p.m.

Amanda Olivas
Clerk to the Commission

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

CONSENT AGENDA ITEM NO. 5-B

DATE: November 9, 2022
TO: Fresno Local Agency Formation Commission
FROM: Brian Spaunhurst, Executive Officer 
BY: Amanda Olivas, Clerk to the Commission
SUBJECT: 2023 Commission Hearing and Office Calendar.

RECOMMENDATION: Approve.

Background

Section 501-01 of the Commission’s Policies state “The Commission shall adopt a schedule for the forthcoming calendar year at such time as sufficient information is available to do so. The schedule shall indicate the time, date, and location for the meetings....”

Staff endeavors to find dates that will accommodate all the Commissioners’ busy schedules. Taking into consideration dates for the 2023 CALAFCO Staff Workshop (April 26-28), the League of California Cities 2023 Annual Conference and Expo (September 20-22), 2023 Annual CALAFCO Conference (October 18-20), and the California State Association of Counties Annual Meeting (November 13-17), staff presents these preliminary dates for the Commission’s consideration:

January 11	February 8	March 8	April 12
May 10	June 14	July 12	August 9
September 13	October 11	November 8	December 13

Section 56325 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 allows for an alternate city member, alternate county member, or alternate public member to serve and vote in place of any Commissioner who is absent or who disqualifies himself or herself from participating in a meeting of the Commission. If a hearing date conflicts with a commissioner’s schedule, their alternate will be asked to serve at that meeting.

Attachments

Attachment A – 2023 Hearing Calendar

2023 LAFCo Hearing Calendar

January						
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October						
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November						
Su	Mo	Tu	We	Th	Fr	Sa
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19	20	21	22	23	24	25
26	27	28	29	30		

December						
Su	Mo	Tu	We	Th	Fr	Sa
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31						

LAFCo Hearings are held in Room 301, Hall of Records,
2281 Tulare Street, Fresno, CA. Meetings begin at 1:30 PM.


- LAFCo Hearing Day
- Office Closures
- Staff Workshop and Conference

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

AGENDA ITEM No. 5-C

DATE: November 9, 2022

TO: Fresno Local Agency Formation Commission

FROM: Brian Spaunhurst, Executive Officer 

BY: Amanda Castro, LAFCo Analyst I

SUBJECT: Consider Approval - City of Reedley “West Manning Reorganization.” A proposed reorganization consisting of the annexation of 58 acres to the City of Reedley and detachment from the Fresno County Fire Protection District, Kings River Conservation District, and the Consolidated Irrigation District for territory located along Manning Avenue and the Kings River. (LAFCo File No. RO-22-02)
Applicant: City of Reedley

Landowners/Parties of Real Interest (100% consent): City of Reedley, Otani Properties, Hideki and Edward Otani, MD Peach Inc.

RECOMMENDATION: Approve by Taking the Following Actions:

Action 1:

A. Acting as Responsible Agency pursuant to California Environmental Quality Act (CEQA) Guidelines, find that prior to approving the proposed annexation, the environmental effects of the proposal as shown in the CEQA documents prepared, adopted, and submitted by the Lead Agency, were reviewed and considered, and determine these documents to be adequate pursuant to CEQA Guidelines section 15096.

Action 2:

B. Find that the proposed reorganization is consistent with LAFCo Policies, Standards, and Procedures and the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH).

C. Find pursuant to CKH and information in the record that:

- a. The territory is uninhabited; and
- b. All landowners and affected agencies have consented to the reorganization.

- D. Assign the distinctive short form designation “West Manning Reorganization” and approve the annexation and detachments subject to the following conditions of approval:
- a. Pursuant to Fresno LAFCo Policy 103-05, the Executive Officer shall record the approved application if all conditions have been satisfied and once he or she has determined that the facts pertaining to the application during the time of recording are materially similar to those facts considered by the Commission when the application was approved. Facts, as used in the proceeding sentence, is defined to include, but is not limited to, whether or not the proposed project is materially similar to the project described in any application before the Commission.
 - b. Submittal of corrected legal and map.
- E. Waive further Conducting Authority Proceedings and order the reorganization subject to the requirements of CKH.

Executive Summary

On June 2, 2022, the City of Reedley adopted Resolution No. 2022-076 requesting the Commission to begin proceedings for the “West Manning Reorganization”. A proposed reorganization consisting of the annexation of 58 acres to the City of Reedley and detachment from the Fresno County Fire Protection District, Kings River Conservation District and the Consolidated Irrigation District for territory located on the along Manning Avenue and the Kings River.

On September 12, 2022, the City of Reedley submitted the “West Manning Reorganization” Application (LAFCo File No. RO 22-02) to be processed.

Proposal/Land Use

- The proposal consists of the annexation of 58 acres to the City of Reedley and detachment from the Fresno County Fire Protection District, Kings River Conservation District and the Consolidated Irrigation District.
- Information related to the proposals affected territory, land use, proposed development, special districts, surrounding areas, and existing/proposed services can be found on **Attachment A**.
- The affected territory is within the City of Reedley sphere of influence (**Attachment B**) and is contiguous to city limits (**Attachment C**).
- The proposal is currently zoned AE-20 (Exclusive Agricultural) and has been pre-zoned to the Reedley Central and Commercial (CC), single-family residential (R-1-6), and Open Space Planned Land Use Designations (GPU) by Pre-zone Application No. 2020-01, City Ordinance No. 2000-004.
- The territory is uninhabited.
- The proposal is consistent with the 2030 Reedley General Plan Update.

Consistency with LAFCO Policies, Standards and Procedures

- The County has determined that the proposal is consistent with the Memorandum of Understanding (Master Tax Sharing Agreement) and the Standards for Annexation between the City of Reedley and County of Fresno.
- The City of Reedley and the Fresno County Fire Protection District have a transition agreement in place to provide fire protection services to the affected territory.
- The proposal is consistent with the CKH and LAFCo Policies, Standards, and Procedures, including, but not limited to, sections 100 and 200.
- All properties within the proposal have been rezoned to the City of Reedley as Central and Commercial (CC), single-family residential (R-1-6), and Open Space Planned Land Use Designations (GPU) by Pre-zone Application No. 2020-01, City Ordinance No. 2000-004.
- The City of Reedley is within the Kings River East GSA.

Relationship to Regional Housing Goals and Policies

This proposal will assist the City of Reedley in achieving its fair share of regional housing needs because the proposal is a single-family residential project that is anticipated to add 318 housing units to the City's housing inventory.

Sustainable Groundwater Management Act

Former Governor Edmund G. Brown Jr. signed the California's Sustainable Groundwater Management Act ("SGMA") into law on September 16, 2014. This three-part legislation requires local agencies to develop groundwater sustainability plans that are compatible with their regional economic and environmental needs. SGMA creates a framework for sustainable local groundwater management for the first time in California's history.

SGMA requires local agencies to form Groundwater Sustainability Agencies ("GSAs") in local groundwater basins by June 2017 and requires the adoption of Groundwater Sustainability Plans ("GSPs") for groundwater basins deemed high priority by year 2020. The Kings River East GSA will represent the City of Reedley.

The affected territory is within the Consolidated Irrigation District service area. After annexation, the surface water entitlement within the affected territory will be reassessed and managed by the City of Reedley. According to the City Engineer, the City has sufficient water supply to accommodate the water needs of the proposed development.

Environmental Determination

The City of Reedley, acting as "Lead Agency" under CEQA, adopted a Mitigated Negative Declaration for Environmental Assessment No. 2020-15 Annexation Application No. 2020-01, Pre-Zone Application No. 2020-01, and Tentative Subdivision Map No. 6408 filed with the Fresno County Clerk Office on June 2, 2022 consistent with the requirements of CEQA. The

Mitigated Negative Declaration determined the project would not have a significant impact on the environment including impact on matters such as air quality, water consumption, loss of agricultural and city service/infrastructure therefore the preparation of an Environmental Impact Report is not required.

As “Responsible Agency,” the Commission is required to review and consider the City’s environmental documents prior to taking its action. If the Commission determines that these documents are adequate, pursuant to CEQA, it may make the required findings provided under “Recommendations” above.

Costs and Other Changes Affecting Residents or Landowners

None reported by the City of Reedley staff.

Agencies and Individuals Submitting Comments

- County Administrative Officer
- Chufeng Vang, IT Analyst, Fresno County Elections Department
- Kevin Tsuda, Environmental Health Specialist II, Fresno County Environmental Health Division
- Fresno County Public Library
- Bobby Sanders, IT Manager, Fresno County Assessor-Recorder Office

Territory Boundaries

The boundaries of the proposed annexation **are not** definite and certain and the County Assessor has determined that the map and legal description **are not adequate** to file with the State Board of Equalization.

Registered Voter Data

The County of Fresno Elections Office reported that there were **zero** registered voters in the affected territory.

Compliance with the Requirements of CEQA

Lead Agency: City of Reedley

Level of Analysis: Initial Study

Finding: Mitigated Negative Declaration. (See Environmental Documents at www.fresnolaftco.org under the Hearing and Workshops tab in the November 9, 2022 file).

Individuals and Agencies Receiving this Report

- Jessica Johnson, LAFCo Counsel
- Bernard Jimenez, Deputy Director of Fresno Co. Public Works and Planning
- Paul Peschel, District Manager, Kings River Conservation District
- Chief Mark Johnson, Fresno County Fire Protection District
- Rodney Horton, MPA, Community Development Director, City of Reedley
- Ellen Moore, Associate Planner, City of Reedley

Attachments

Attachment A – LAFCo Application No. RO-22-02

Attachment B – Reedley Area Map

Attachment C – Affected Territory Map

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ATTACHMENT A

PROPOSAL INFORMATION

1. Affected Territory

Acreage:	58
Current Land Use:	AE-20 (Exclusive Agricultural)
Number of Residences/ Population:	Residents: 3 / Population: 0 estimated
Registered Voters:	Voters: 0
Assessor Parcel Number(s):	368-350-17, 368-350-31, 368-350-32, 368-350-33, 365-072-30T, 365-072-31

2. Proposed Development - The affected territory will be developed into mixed-use commercial, open space land use, and low-density housing. The proposal consists of 318 single-family homes, 6-10 commercial businesses, and open-space designations.

3. Surrounding Territory – Kings River and light industrial to the north, commercial and agriculture to the east, single family residential to the south and the Kings River to the west.

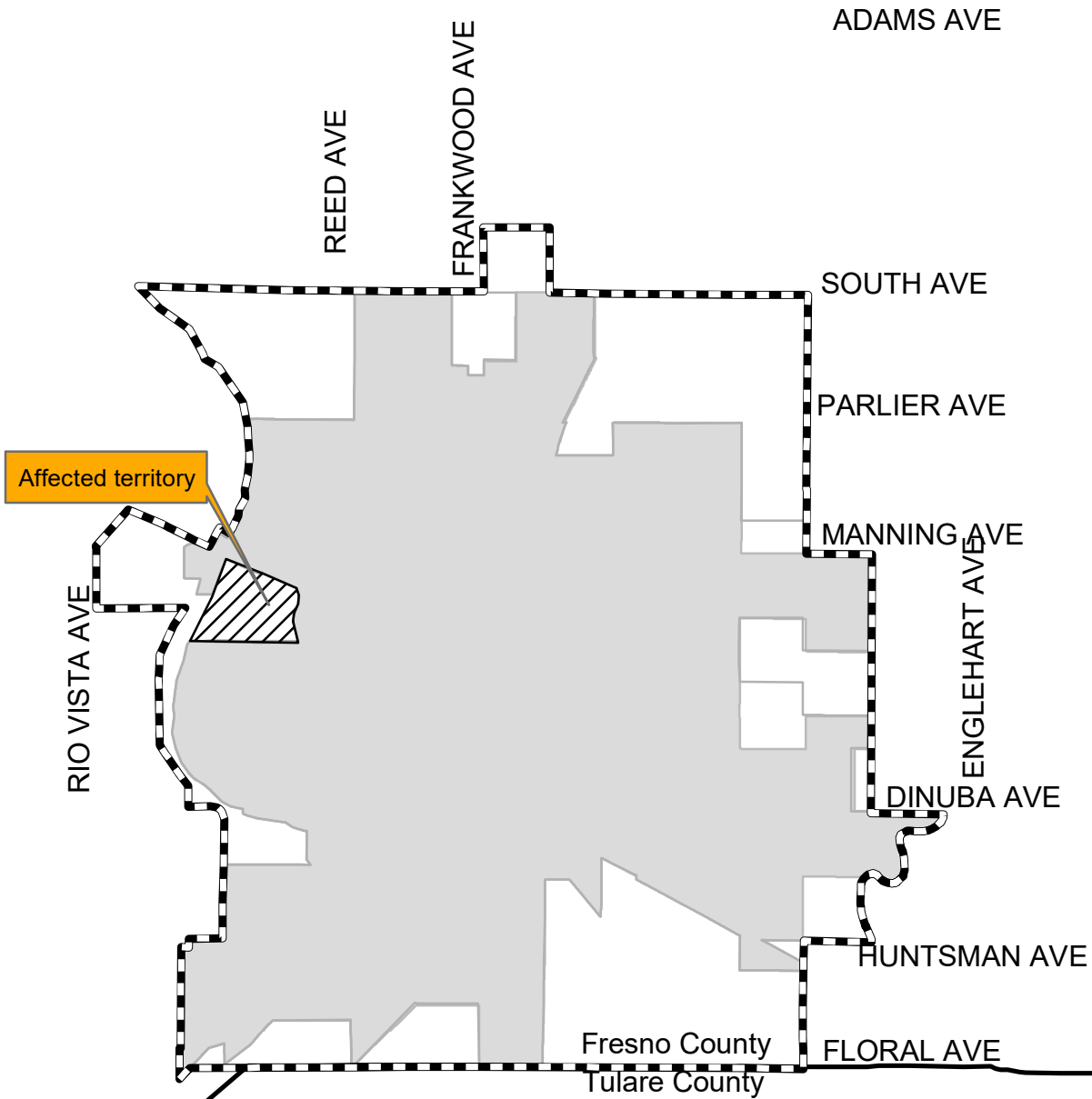
4. Existing Service Agencies and Proposed Service Changes

Service	Existing Service	Change
Water	Wells/ Groundwater	City of Reedley
Sewer	Private Septic	City of Reedley
Fire Protection	Fresno County Fire Protection District	Reedley Fire Department




5. Cities and Districts Included Wholly or Partially Within the Affected Territory

Fresno County	Fresno County Library
Reedley Cemetery	Fresno County Fire
County Service Area No. 35	Central Valley Pest Control District
Kings River Conservation Dist.	Consolidated Mosquito Abatement
Sierra-Kings Hospital District	Co. School Service
Kings Canyon Unified School District	Consolidated Irrigation District
State Center Community College	

ATTACHMENT B



Fresno Local Agency Formation Commission

-  Reedley sphere of influence
-  Reedley city limits
-  Affected territory

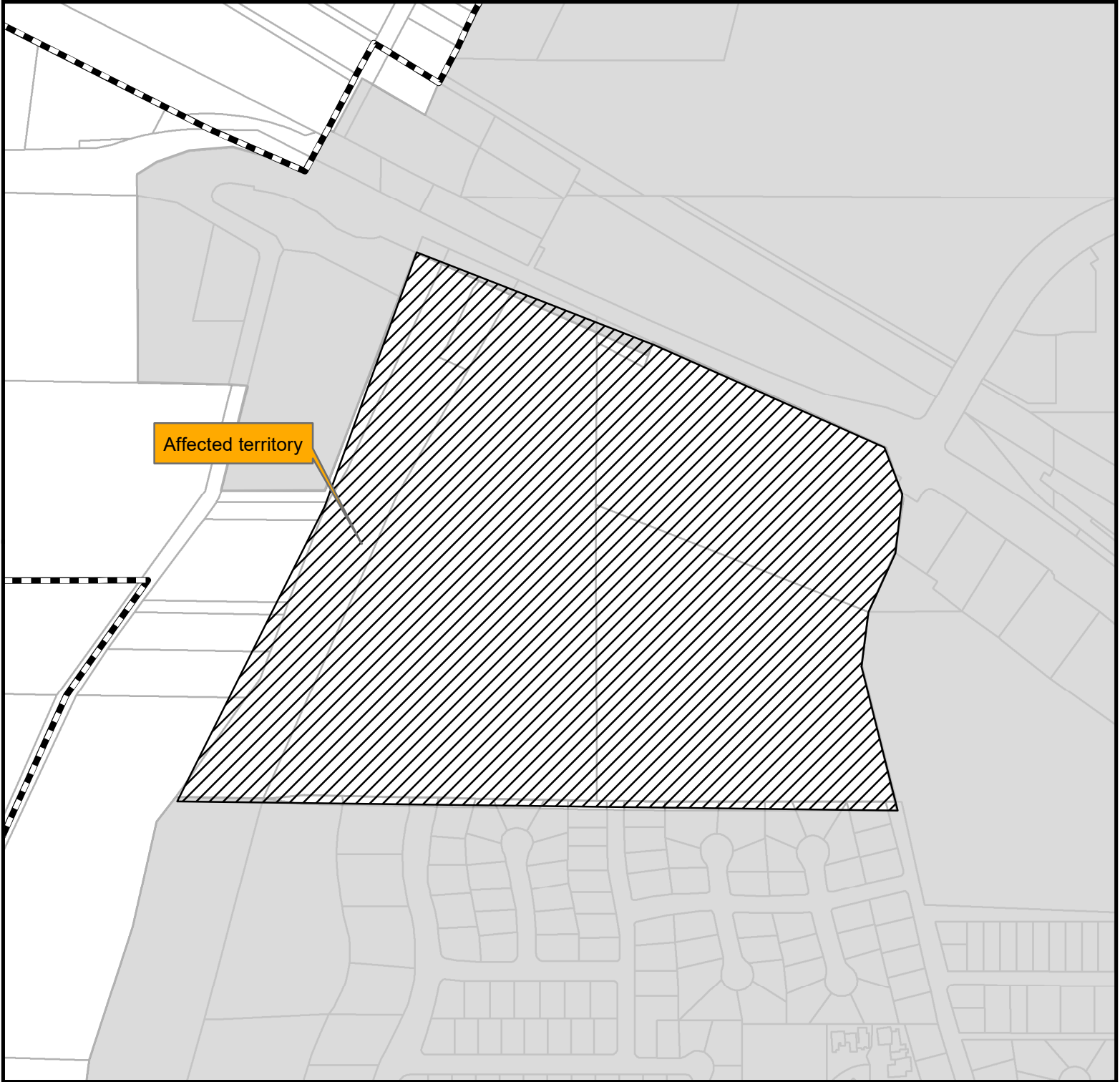


Map prepared: 11/02/2022




County of Fresno



ATTACHMENT C



Fresno Local Agency Formation Commission

-  Reedley sphere of influence
-  Reedley city limits
-  Affected territory



County of Fresno




Map prepared: 11/02/2022

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

AGENDA ITEM No. 5-D

DATE: November 9, 2022

TO: Fresno Local Agency Formation Commission

FROM: Brian Spaunhurst, Executive Officer 

BY: Amanda Castro, LAFCo Analyst I

SUBJECT: Consider Approval: “Westlands Water District Office Annexation.” A proposed annexation of approximately 1.15 acres to the Westlands Water District for territory located on West Cromwell Avenue between Blackstone Avenue and Ingram Avenue, north of El Paso Avenue and south of Nees Avenue. (LAFCo File No. AD-22-01)

Applicant: Westlands Water District.

Landowners/Parties of Real Interest: Westlands Water District

RECOMMENDATION: Approve by Taking the Following Actions:

Action 1:

- A. Acting as Responsible Agency pursuant to California Environmental Quality Act (“CEQA”) Guidelines, find that prior to approving the proposed annexation, the environmental effects of the Proposal as shown in the CEQA documents prepared, adopted, and submitted by the Lead Agency, were reviewed and considered, and determine these documents to be adequate pursuant to CEQA Guidelines section 15096.

Action 2:

- B. Find that the proposed annexation is consistent with LAFCo Policies and the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (“CKH”).
- C. Find pursuant to CKH and information in the record that:
 - a. The territory is unhabited; and
 - b. All landowners have consented to the annexation.
- D. Assign the distinctive short form designation “Westlands Water District Office Annexation” and approve the annexation subject to the following conditions of approval:

- a. Pursuant to Fresno LAFCo Policy 103-05, the Executive Officer shall record the approved application if all conditions have been satisfied and once, he or she has determined that the facts pertaining to the application during the time of recording are materially similar to those facts considered by the Commission when the application was approved. Facts, as used in the proceeding sentence, is defined to include, but is not limited to, whether or not the proposed project is materially similar to the project described in any application before the Commission.
 - b. Submittal of corrected legal description and map.
- E. Waive further Conducting Authority Proceedings and order the annexation subject to the requirements of CKH.

Executive Summary

Westlands Water District owns and operates a business building at 3130 Fresno Street, Fresno, California that was annexed in August of 1981. The District purchased a new building located at 286 W. Cromwell Avenue, Fresno, California in February 2022. An application to annex the newly purchased office was submitted to LAFCo on July 27th, 2022.

Proposal/Land Use

- The Proposal consists of the annexation of approximately 1.15 acres.
- Information related to the Proposal's affected territory, land use, proposed development, special districts, surrounding areas, and existing/proposed services can be found on **Attachment A**.
- No zone change is proposed as all affected territories are not proposed for development.
- The territory is unhabited.

Environmental Determination

The Westlands Water District, acting as "Lead Agency" under CEQA, determined that the proposal is categorically except pursuant to CEQA guidelines 15301,15061(b)(3), and 15319(a). The proposed annexation will not change existing land uses nor change the land use designations depicted by the City of Fresno. On April 21, 2022, the Westlands WD filed a Notice of Exemption with the Fresno County Clerk (#E202210000089).

As a "Responsible Agency" pursuant to CEQA Guidelines, the Commission is required to independently review and consider the environmental review for the proposed annexation. LAFCo finds that the proposal does not have the potential to result in a significant effect on the environment, and that the annexation is not subject to CEQA pursuant to CEQA Guidelines 15301,15061(b)(3), and 15319(a). Therefore, the proposal is exempt from environmental review.

Pursuant to CEQA Guidelines section 15096(i), if the Commission determines that these documents are adequate, A Notice of Determination will be prepared and filed with the County of Fresno Clerk's office in compliance with section 21152 of the Public Resources Code.

Costs and Other Changes Affecting Residents or Landowners – None reported by the District.

Agencies and Individuals Submitting Comments

- Kevin Tsuda, Environmental Health Specialist III, Fresno Co. Dept. of Public Health
- Chufeng Vang, IT Analyst, Fresno County Elections Department
- Bobby Sanders, IT Manager, Fresno County Assessor's Office

Territory Boundaries - The boundaries of the proposed annexation are definite and certain, and the County Assessor has determined that the map and legal description are **not** adequate to file/record with the Fresno County Records Office. A condition of approval that the District submit a corrected legal description and map will address this matter.

Registered Voter Data - The office of County of Fresno Elections reported that there are **0** registered voters in the affected territory.

Compliance with the Requirements of CEQA (Original Proposal)

Lead Agency: Westlands Water District

Level of Analysis: Exempt

Finding: Exception (see Environmental Documents at www.fresnolafco.org under the Hearing and Workshops tab in the November 9, 2022 file).

Individuals and Agencies Receiving this Report

- Jessica Johnson, LAFCo Counsel
- Jose L. Gutierrez, Chief Operating Officer, Westlands Water District
- City of Fresno
- City of Clovis
- Fresno County

Attachments

Attachment A - LAFCo Application No. AD-22-01

ATTACHMENT A

PROPOSAL INFORMATION

1. Affected Territory

Acreage:	1.15
Current Land Use:	Light Industrial
Number of Residences/ Population:	0/0
Registered Voters:	0
Assessor Parcel Number(s):	303-342-07

2. Proposed Development – The proposal does not involve the exercise of new or different functions or classes of service within the district. All affected territories are not proposed for development and currently developed to the density and intensity allowed by the City of Fresno.

3. Surrounding Territory – Light industrial to the north, east, west, and south.

4. Existing Service Agencies and Proposed Service Changes

Service	Existing Service	Change
Water	City of Fresno	No Change
Sewer	City of Fresno	No Change
Fire Protection	Fresno Fire Protection	No Change

(See Service Plan on our website at www.fresnolaftco.org)

5. Cities and Districts included wholly or Partially Within the Affected Territory


- City of Clovis
- City of Fresno
- Fresno County Library District
- State Center Community College District
- Fresno Metropolitan Flood Control District
- Fresno irrigation District
- West Fresno Red Scale Pest Control District
- Fresno County Fire Protection District

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

AGENDA ITEM No. 6

DATE: November 9, 2022

TO: Fresno Local Agency Formation Commission

FROM: Brian Spaunhurst, Executive Officer 

BY: Amanda Castro, LAFCo Analyst I

SUBJECT: Zalda Reclamation District No. 801 dissolution options.

Recommendation: Conduct additional analysis and research into the dissolution of the Zalda Reclamation District and provide direction as needed.

Purpose

To receive progress report and receive direction.

Background

In January 2022 LAFCo staff began discussions with the Kings River Conservation District (KRCD) to analyze options for the dissolution of the Zalda Reclamation District No. 801 (District). The District is a multicounty district extending into portions of Kings County, was formed in 1909 and operates pursuant to Reclamation District Act in the Water Code Section 50000.

The District has failed to provide consistent services and meet the determinations made in the most recent municipal service review. There is a contractual agreement between Zalda and KRCD to maintain a tile drain system. KRCD and LAFCo staff both support the dissolution of Zalda yet the applicant has not provided LAFCo with the necessary items to fulfil the District's request.

In August of 2022 KRCD and their counsel reached out to LAFCo staff again to continue discussions of dissolving Zalda.

Discussion / Analysis

A District can initiate its own dissolution through the adoption of a resolution to dissolve by the agency pursuant to Government Code Section 56654. LAFCo has the power to dissolve *inactive* districts through Government Codes 56375 and 56879 through special proceedings initiated by the State Controller.

KRCD is agreeable to dissolving the district through an application to consolidate the two districts pursuant to Government Code 56658(a).

In July 1, 2022 Senate Bill No. 938 was approved by the Governor to amend sections 56375, 56824.14, 57002, 57075, 57077.1, 57077.2-4, and 57090 to authorize the commission to initiate district dissolutions as stated,

This bill would also authorize a commission to initiate a proposal for the dissolution of a district, as described, if the commission approves, adopts, or accepts a specified study that includes a finding, based on a preponderance of the evidence, that, among other things, the district has one or more documented chronic service provision deficiencies, the district spent public funds in an unlawful or reckless manner, or the district has shown willful neglect by failing to consistently adhere to the California Public Records Act. The bill would require the commission to adopt a resolution of intent to initiate a dissolution based on these provisions and to provide a remediation period of at least 12 months, during which the district may take steps to remedy the stated deficiencies. The bill would authorize the commission, at the conclusion of the remediation period, to find that the district has failed to remedy the deficiencies and adopt a resolution to dissolve the district.

Conclusion


One of the fundamental goals of LAFCOs is to ensure the efficient and effective provision of municipal services in an accountable manner. The proposed dissolution will terminate a struggling and inactive district and relieve the landowners of government requirements.

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

AGENDA ITEM No. 7

DATE: November 9, 2022

TO: Local Agency Formation Commission

FROM: Brian Spaunhurst, Executive Officer 

SUBJECT: Authorize Request: Authorize the LAFCo Chair to Sign Waiver of Conflict of Interest

RECOMMENDATION: Approve Request

Background

Baker Manock and Jensen (BM&J), LAFCo's general counsel, also represents three special districts as special counsel. While BM&J LAFCo is represented by Jessica Johnson, the three special districts will be represented by Lauren Layne. The three special districts: Panoche Drainage District (PDD), Panoche Water District (PWD), and Mercy Springs Water District (MSWD) may submit project applications over the upcoming years that will require review by Fresno LAFCo.

Under the Rules of Professional Conduct of the State Bar of California, this commission has options to proceed that are outlined in detail in the attached letter from BM&J and summarized here:

Option 1 (Staff Recommended):

Authorize LAFCo Chair to sign the attached Waiver of Conflict of Interest which would allow BM&J to represent both Fresno LAFCo and the three special districts by providing counsel to Fresno LAFCo that is independent from the three special districts.

Option 2:

Provide direction to LAFCo staff to seek alternative legal options for LAFCo representation specific to any projects submitted by these three special districts.

Budget

Should the commission approve staff's recommendation, there is no anticipated impact to the current FY 22-23 budget.

Should the commission elect the second option, LAFCo staff would return with findings that would include estimated impacts to the current and/or future budget.

Findings

Staff has determined the years of ongoing service provided by BM&J have yet to yield any negative impacts to regular LAFCo business. The conclusions drawn in the attached letter from BM&J shows their careful consideration and their recommendation reflects a path forward that would not impact our future legal needs or our overall budget.

Attachments:

Attachment A – Letter from Baker Manock & Jensen

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October 24, 2022

ATTORNEY-CLIENT COMMUNICATION
PRIVILEGED AND CONFIDENTIAL

VIA ELECTRONIC MAIL AND UNITED STATES MAIL

Mr. Mario Santoyo, Chair
Fresno Local Agency Formation Commission
2115 Kern Street, Suite 310
Fresno, California 93721

Re: Potential Conflict of Interest/Panoche Drainage District, Panoche Water District and Mercy Springs Water District

Dear Chair Santoyo:

As you know, Baker, Manock & Jensen, P.C., represents, as general counsel, the Fresno Local Agency Formation Commission ("Fresno LAFCo"). My office, through my colleague, Lauren Layne, also represents, as special counsel, the following three special districts: Panoche Drainage District ("PDD"), Panoche Water District ("PWD"), and Mercy Springs Water District ("MSWD"). All three special districts are contemplating changes in organization and/or reorganizations in the coming years, which will have to be considered by Fresno LAFCo. Foremost is a potential annexation of land into PDD and/or an Out of Service Area Agreement with a local landowner. I write to inform you about this representation and to advise Fresno LAFCo of its options under the Rules of Professional Conduct.

The Rules of Professional Conduct of the State Bar of California ("Rules") limit our ability to represent multiple clients. We may not represent multiple clients who have conflicting interests without their informed written consent. This letter outlines your potential conflicts in dual representation, your respective rights and potential liabilities in a dual-representation arrangement, and how to consent to dual representation if you choose to proceed. You are, of course, welcome to review this letter with your own outside special counsel.

Applicable California Rules

Specifically, Rule 1.7 of the California Rules of Professional Conduct provides:

(a) A lawyer shall not, without informed written consent, from each client and compliance with paragraph (d), represent a client

Mr. Mario Santoyo, Chair
October 24, 2022
Page 2

if the representation is directly adverse to another client in the same or a separate matter.

(b) A lawyer shall not, without informed written consent from each affected client and compliance with paragraph (d), represent a client if there is a significant risk the lawyer's representation of the client will be materially limited by the lawyer's responsibilities to or relationships with another client, a former client or a third person, or by the lawyer's own interests.

(c) Even when a significant risk requiring a lawyer to comply with paragraph (b) is not present, a lawyer shall not represent a client without written disclosure of the relationship to the client and compliance with paragraph (d) where:

(1) the lawyer has, or knows that another lawyer in the lawyer's firm has, a legal, business, financial, professional, or personal relationship with or responsibility to a party or witness in the same matter; or

(2) the lawyer knows or reasonably should know that another party's lawyer is a spouse, parent, child, or sibling of the lawyer, lives with the lawyer, is a client of the lawyer or another lawyer in the lawyer's firm, or has an intimate personal relationship with the lawyer.

(d) Representation is permitted under this rule only if the lawyer complies with paragraphs (a), (b), and (c), and:

(1) the lawyer reasonably believes that the lawyer will be able to provide competent and diligent representation to each affected client;

(2) the representation is not prohibited by law; and

(3) the representation does not involve the assertion of a claim by one client against another client represented by the lawyer in the same litigation or other proceeding before a tribunal.

We also note that the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("LAFCo Law") states that if LAFCo's "legal counsel is subject to a conflict of

Mr. Mario Santoyo, Chair
 October 24, 2022
 Page 3

interest on a matter before the commission, the commission shall appoint alternate legal counsel to advise it.”¹

After giving this some thought, we have concluded that our firm’s representation of the aforementioned special districts in preparation of applications to Fresno LAFCo does not rise to the level of an actual conflict because it will not affect our ability to provide PDD, PWD, MSWD, or Fresno LAFCo competent and diligent representation in this matter. We have further concluded that this concurrent representation is not prohibited by law so long as PDD, PWD, MSWD and Fresno LAFCo each give their informed consent to the concurrent representation.

Waiver of Conflict

If you have any concerns, I recommend that Fresno LAFCo appoint and consult with an alternate independent attorney regarding the advisability of signing this waiver, consistent with LAFCo Law. I also recommend that you or your attorney contact me should you require additional information about the conflict or about possible adverse consequences that might accrue to you if we represent any of the aforementioned special districts in a reorganization application to Fresno LAFCo. If, after having read the foregoing discussion and, if you desire, seeking the advice of independent counsel, you agree to waive the any conflicts that exist as the result of our representation of PDD, PWD, and MSWD in their applications and Fresno LAFCo as general counsel, please sign and date the enclosed copy of this disclosure and waiver letter. Please e-mail me a copy and send the original to me in the enclosed return envelope.

Thank you for your assistance and cooperation. Please call me or have your independent counsel call me should you require additional information.

Very truly yours,



Jessica S. Johnson
 BAKER MANOCK & JENSEN, PC

JSJ:sdg

cc: LAFCo Commissioners
 LAFCo Executive Officer

¹ Gov. Code § 56384(b).

Mr. Mario Santoyo, Chair
 October 24, 2022
 Page 4

**WAIVER OF CONFLICT OF INTEREST AND CONSENT TO
 REPRESENTATION OF MERCY SPRINGS WATER DISTRICT, PANOCHÉ WATER
 DISTRICT, PANOCHÉ DRAINAGE DISTRICT AND FRESNO LOCAL AGENCY
 FORMATION COMMISSION**

I, Mario Santoyo, Chair of Fresno Local Agency Formation Commission (“Fresno LAFCo”), have read, understand and hereby agree to the terms and conditions of this letter agreement concerning representation by Baker Manock & Jensen, PC, of Panoche Water District (“PWD”), Panoche Drainage District (“PDD”) and Mercy Springs Water District (“Mercy Springs”) in preparing applications for submission to Fresno LAFCo and understand the potential conflict of interest of such representation in that we are concurrently representing PDD, PWD, and/or MSWD in the same applications and serving as general counsel to Fresno LAFCo. I am confident that I understand all negative repercussions that may accrue to me should Baker, Manock & Jensen represent Panoche with respect to this matter. I have consulted independent counsel about the advisability of waiving this conflict of interest or have freely decided to sign this waiver without the advice of independent counsel. I agree to waive any conflict of interest arising from Baker Manock & Jensen’s representation of PDD, PWD and MSWD in the preparation of an application to Fresno LAFCo.


FRESNO LOCAL AGENCY
 FORMATION COMMISSION

Dated: November __, 2022.

By: _____
 Mario Santoyo
 Its: Chair

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

AGENDA ITEM No. 8

DATE: November 9, 2022
TO: Fresno Local Agency Formation Commission
FROM: Brian Spauhurst, Executive Officer 
BY: Jessica Gibson, LAFCo Analyst

SUBJECT: Consider Adoption: Municipal Service Review and Sphere of Influence Update for Coalinga-Huron Recreation and Park District (MSR 22-02/USOI-207)

Recommendation: Adopt the Municipal Service Review update prepared for Coalinga-Huron Recreation and Park District and update the Sphere of Influence by taking the following actions:

Action 1:

- A. Acting as Lead Agency pursuant to California Environmental Quality Act ("CEQA") Guidelines find that the MSR prepared for Coalinga-Huron Recreation and Park District is Categorically Exempt from the provisions of CEQA under section 15306, "Information Collection."

Action 2:

- B. Find that the written determinations and recommendations included within the Municipal Service Review and Sphere of Influence update for Coalinga-Huron Recreation and Park District satisfy state law.
- C. Pursuant to Government Code sections 56425 and 56430 make the required determinations and recommendations for the Municipal Service Review and District Sphere of Influence update, adopt the Municipal Service Review prepared for the District, and update the Sphere of Influence by reaffirming its boundaries.
- D. Make the following recommendations:
 - a. Transfer jurisdiction of the Landscape and Lighting Maintenance District ("LLMD") from the District to the City of Coalinga by joint resolution with mutually agreed upon terms and conditions. In the short term, petition bids for local landscaping companies to maintain the LLMD for a reasonable fare.
 - b. Retain rental fees for Camp Yeager in a separate fund account from District tax generated revenues to avoid commingling funds. Camp Yeager is a tax-exempt property outside the district service area whereas the remainder of the District's revenue is tax generated from within the district service area.

Executive Summary

Coalinga-Huron Recreation and Park District was originally formed in 1971 to provide public parks and public recreation programs to its residents, and subsequently, maintain landscaped street medians in the City of Coalinga. The District is an independent special district governed by a five-member board of directors and is overseen by the General Manager.

The attached Municipal Service Review ("MSR") prepared for the District recommends affirmation of the existing District Sphere of Influence. Further background, analysis, determinations, and recommendations are presented in the draft MSR (**Attachment B**).

Coalinga-Huron Recreation and Park District General Manager Tyler Hensley actively participated in the development of the MSR and was provided a copy of this report.

Recreation and Park District Law

Recreation and Park Districts' statutory origins go back 90 years. In 1931, the Legislature passed a bill allowing for the creation of "Recreation Districts." In 1957, Legislature created new statute for "Recreation and Park Districts" which updated state law for governing regional park districts.¹ In 2001, state statutes governing California's Recreation and Park Districts were once again revised to reflect its current statutory construction, effective January 1, 2002.² The District operates under the authority granted by its principal act, the Recreation and Park District Act (Government Code section 5780 *et seq.*).

Recreation and Park Districts improve and protect the quality of life for all Californians. The Legislature further finds and declares that the provision of recreation, park, and open-space facilities and services are essential services which are important to the public peace, health, and welfare of California residents. Local officials have used this statutory authority to serve the diversity of California's communities and residents.

Municipal Service Reviews and Public Review Availability

In order to update the SOI for a local agency pursuant to Government Code ("GC") section 56425(g), LAFCo has prepared this service review consistent with GC section 56430. An MSR is a comprehensive study prepared by LAFCo to inform local agencies and the community about municipal services provided by local agencies.

LAFCo Policy section 112.05 requires that a draft MSR be posted on the Commission's website with a minimum 21-day public review period. The draft MSR was circulated and made available for review from October 19, 2022 through November 8, 2022. No official written comments were received as of the publishing date of this staff report.

Coalinga-Huron Recreation and Park District – Summary of Determinations

The District is an independent special district with a separate five-member board of directors, and functions independently from the County. The major functions of the board are to establish and enact policies, plans, programs, procedures, and continuous legislation for the operation of the District. The board has an appointed District General Manager to implement District policy, direct the agency's

¹ <https://sgf.senate.ca.gov/sites/sgf.senate.ca.gov/files/PPPReport.pdf>

² California Public Resources Code, Division 5 – Parks and Monuments, Chapter 4 – Recreation and Park Districts section 5780 *et seq.*

operations, provide daily supervision of staff and facilities, and administer the District's expenditures. The District's General Manager is assisted by 13 full-time, 22 part-time, and 2 contract employees.

The District's service area and Sphere of Influence ("SOI") are coterminous and encompass 550,006 acres in the southwest portion of the County of Fresno (**Attachment A**). In addition, the District owns and operates Camp Yeager, a 13.36 acre overnight rustic facility in San Luis Obispo County, neither located within the district service area nor the District's SOI.

Population concentrations within the District occur in the City of Coalinga and the City of Huron. A substantial portion of the District's service area lies in the unincorporated areas of Fresno County. Land uses outside the two cities are primarily agricultural and open space. Within the District's service area, the County of Fresno is the land use authority for unincorporated territory inside the District's service area, and the Cities of Coalinga and Huron are the land use authorities for its respective incorporated territories. According to the 2009 Master Plan, a population increase of 2.6% is expected within the District annually, although the current drought-induced water shortage is hindering growth and development. The U.S. Census County Division for Coalinga and Huron estimate a population of 25,889 within the District's boundaries.

The District owns and operates various public facilities including:

- Keck Park and Community Center
- Coalinga Fitness Center
- Welborn Recreation and Senior Center
- Coalinga Swim Complex³
- Olsen Park
- Coalinga Sports Complex
- Keenan Park and Community Center
- Chesnut Park and Recreation Center
- Camp Yeager

The District's primary source of revenue is the annual property tax charged to all parcels within the District's boundary. The District receives its share of the 1% property tax based on taxation through the Fresno County Auditor-Controller/Treasurer-Tax Collector. The District also receives supplemental revenue through facility rental fees and services, user fees, grants, contributions, impact fees, LLMD assessments, and proceeds from the sale of Measure N bonds. At the time this service review was prepared, the District reflected a total net positive position, with total assets exceeding total liabilities. For the 2021-22 fiscal year, the District reported a shortfall of \$83,623, as well as a fiscal deficit trend for the previous five years. The General Manager is taking preparatory actions to supplement the budget by looking to implement fee increases and by conducting a program assessment.

As of August 4, 2022, the City Council of Coalinga has increased its Water Conservation efforts for all Coalinga water customers, including Coalinga-Huron Recreation and Park District. The water restrictions are mandatory because of extreme, drought-related water shortages from the United States Bureau of Reclamation.⁴

³ Owned by Coalinga-Huron Unified School District and operated by Coalinga-Huron Recreation and Park District in the summer.

⁴ <https://www.coalinga.com/AlertCenter.aspx?AID=New-Water-Restrictions-Effective-August--12>

The MSR makes the following recommendations:

- Transfer jurisdiction of the Landscape and Lighting Maintenance District from the District to the City of Coalinga by joint resolution with mutually agreed upon terms and conditions. In the short term, petition bids for local landscaping companies to maintain the LLMD for a reasonable fare.
- Retain rental fees for Camp Yeager in a separate fund account from District tax generated revenues to avoid commingling funds. Camp Yeager is a tax-exempt property outside the district service area whereas the remainder of the District's revenue is tax generated from within the district service area.

Summary / Background

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires LAFCo to review and update, as necessary, special district SOIs every five years. Prior to, or in conjunction with an agency's SOI update, LAFCo is required to conduct an MSR for each agency. State law requires that the Commission adopt written MSR determinations for each of the following seven criteria:

1. Growth and population projections for the affected area.
2. Location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.
3. Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies.
4. Financial ability of agencies to provide services.
5. Status of, and opportunities for, shared facilities.
6. Accountability for community service needs, including governmental structure and operational efficiencies.
7. Any other matter related to effective or efficient service delivery, as required by commission policy.

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

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.

The attached MSR and SOI update present these determinations with District information and the analysis used in support of the Commission's determinations and recommendations.

Environmental Determination

MSRs 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." MSRs 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. There is no possibility that either

the MSR nor the SOI update may have a significant effect on the environment due to the absence of proposed land use changes or other changes to the environment.

Attachments

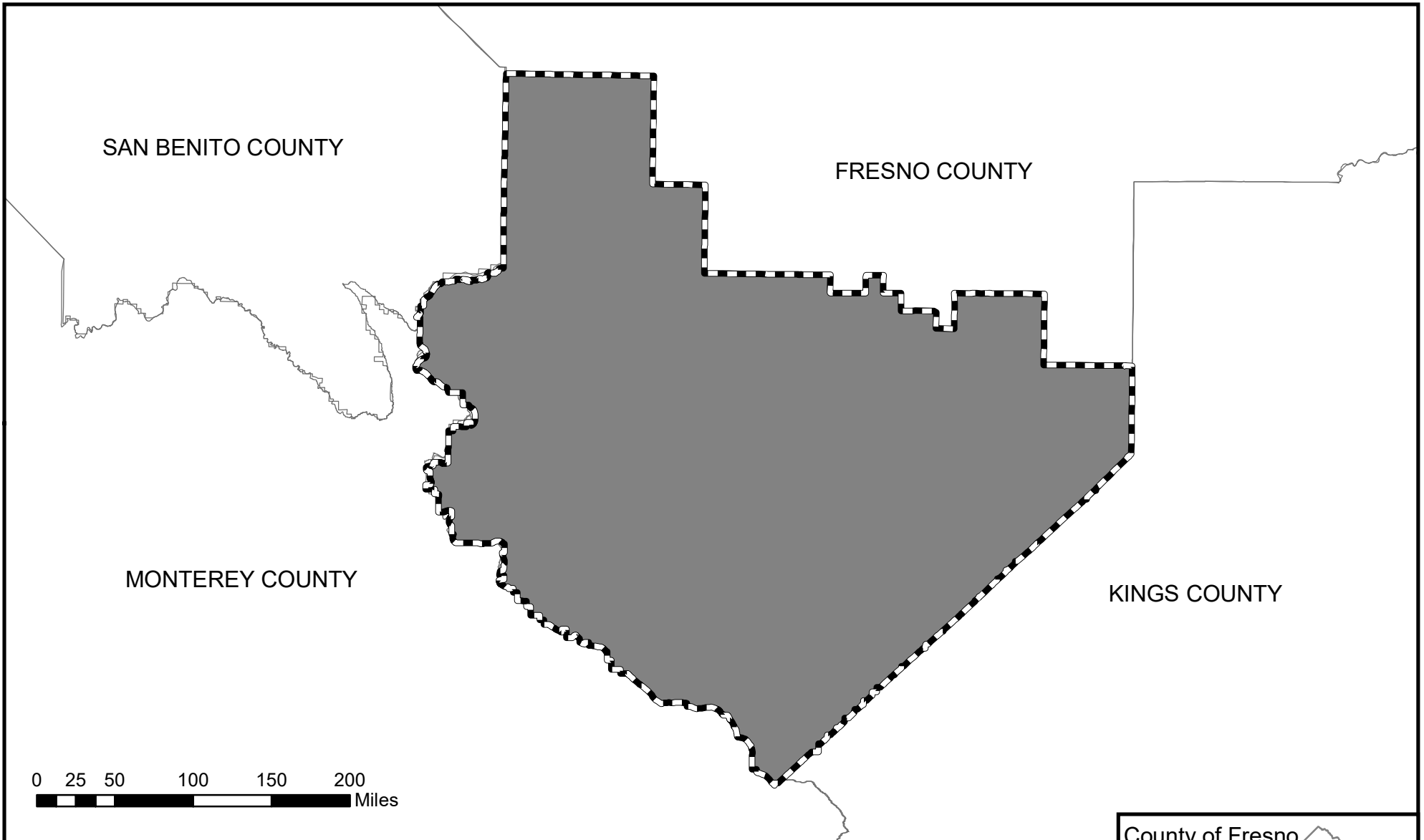
Attachment A – District Map

Attachment B – CHRPD Municipal Service Review

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Coalinga-Huron Recreation and Parks District

Authorized services: Recreation and park services to the Cities of Coalinga and Huron and Landscape and Lighting Maintenance District in the City of Coalinga



Fresno Local Agency Formation Commission



District sphere of influence



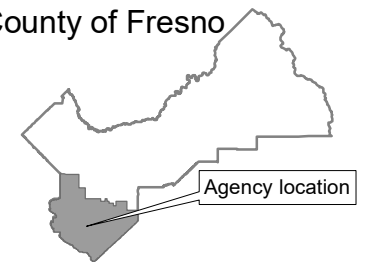
Distirct service area



Formation: 1971
Sphere updated:
District area: 550,006 acres
Sphere area: 550,006 acres

Map prepared: 10/25/2022

County of Fresno



**COALINGA-HURON RECREATION AND PARK
DISTRICT**

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

**REPORT TO THE
FRESNO LOCAL AGENCY FORMATION COMMISSION**

MSR 22-02/USOI-207

Brian Spaunhurst, Executive Officer
Amanda Castro, LAFCo Analyst
Jessica Gibson, LAFCo Analyst
Amanda Olivas, Commission Clerk
2607 Fresno Street, Suite B
Fresno, CA 93721

Public Review Period:
10/19/2022 - 11/8/2022

COALINGA-HURON RECREATION AND PARK DISTRICT

Recreation and park services to the Cities of Coalinga and Huron and
Landscape and Lighting Maintenance District in the City of Coalinga

District Contact

Manager: Tyler Hensley, General Manager
Address: 555 Monroe Street
 Coalinga, CA 93210
Phone: 559-935-0727
Websites: <https://chrpd.org/>; <https://www.facebook.com/chrpd/>

Management Information

District Formation: 1971 (Fresno LAFCo file no. FD-39)

Principal Act: Recreation and Park District Act (Public Resources Code Section 5780 *et seq.*)

District Powers: The District provides public parks and recreation programs and maintains landscaped street medians in the City of Coalinga

Governing Body: Five-member Board of Directors elected by district for four-year terms

Board Members:

Wendy Luna, President	term expires 12/02/2022, District 4
Michelle Martin, Vice President	term expires 12/04/2024, District 5
Monica Sigler, Treasurer	term expires 12/02/2022, District 2
Tim Rodrick, Director	term expires 12/04/2024, District 1
Joe Zavala, Director	term expires 12/04/2024, District 3

Board Meetings: Held on the second Thursday of each month at 6:00 p.m., alternating between the Keck Community Center, 555 Monroe Street, Coalinga, and the Chesnut Building, 16501 West Palmer Avenue, Huron

Staffing: A General Manager oversees the District with 13 full-time, 22 part-time, and 2 contract employees

Service Information

Population served: 26,180

Sphere of Influence and service area: 550,006 acres

Infrastructure: Various facilities in the Cities of Coalinga and Huron; Camp Yeager near the community of Cambria in San Luis Obispo County

Fiscal Information

Budget: \$2,104,319 (Adopted FY 2021-22)

Sources of Funding: Property taxes, Landscape and Lighting Maintenance District assessments, facility user fees, grants, contributions, impact fees, and proceeds from sale of Measure N bonds

Administrative Policies

Master Plan: Yes – 2009 **Policies/Procedures:** Yes **By-laws:** No **Employee Handbook:** Yes

Previous SOI update: 2013 **Other:** California Special Districts Association, CSDA
 Central Valley Local Chapter of CSDA, CVLC
 California Association of Recreation & Park Districts, CARPD

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MUNICIPAL SERVICE REVIEW

FRESNO LAFCo MSR POLICY

The Local Agency Formation Commission (“LAFCo”) is charged with determining and updating the spheres of influence (“SOI”) for local agencies (special districts and cities) within the County of Fresno. SOIs are planning tools used to provide guidance for individual boundary change proposals. They discourage duplication of services by local agencies, identify the need for specific reorganization studies, and provide the basis for recommendations to local agencies for potential government reorganizations. Every determination made by LAFCo must be consistent with the SOI for that local agency.

This Municipal Service Review (“MSR”) has been prepared pursuant to the Commission’s MSR program and presents data and analysis in support of the Commission’s determinations pursuant to Government Code sections 56425 and 56430, to evaluate the District’s services, service policies, and financial practices in place to provide services in its existing SOI.

An MSR is required to prepare or update a local agency’s sphere of influence.¹ While the Commission is not required by law to make any changes to an SOI, the Commission may, at its discretion, opt to reaffirm, expand, or shrink an 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.²

In accordance with GC section 56066, Fresno County is the principal county for the CHRPD. Therefore, Fresno LAFCo is responsible for updating the SOI for the District consistent with GC section 56425.

ENVIRONMENTAL REVIEW

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (“CKH”) directs LAFCos to comply with the California Environmental Quality Act (“CEQA”).³ An MSR gathers data to present an independent assessment of services provided within a defined geographic area in the County and provides a foundation that may support future LAFCo actions. Therefore, an MSR is exempt under CEQA Statute and Guidelines section 15306, “Information Collection.”

¹ California Government Code Section 56430.

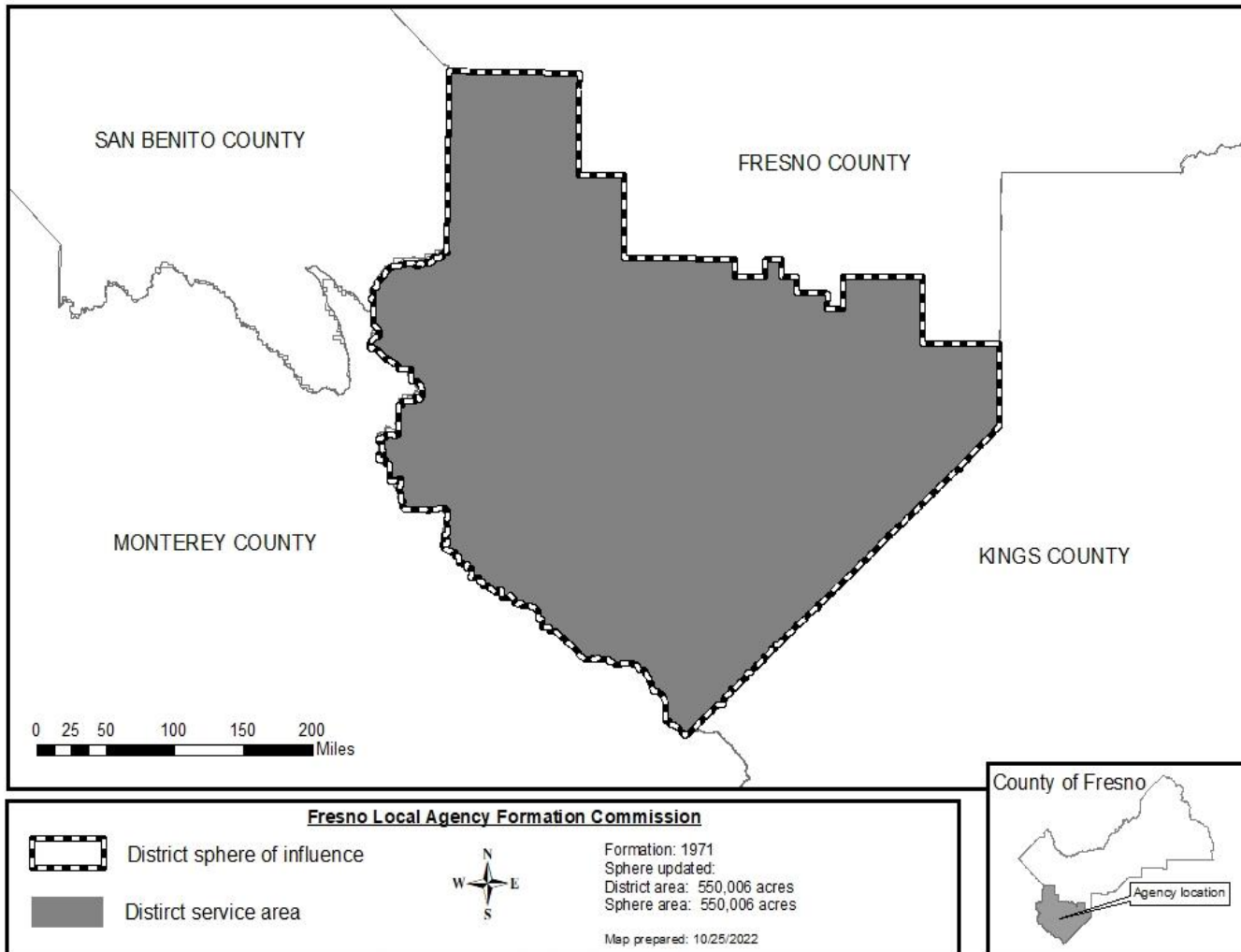
² Fresno Local Agency Formation Commission – Policies, Standards, and Procedures, Policy 112 - Municipal Service Review policy.

³ California Environmental Quality Act, Public Resources Code, Division 13, commencing with Section 21000.

FIGURE 1 – DISTRICT MAP

Coalinga-Huron Recreation and Parks District

Authorized services: Recreation and park services to the Cities of Coalinga and Huron and Landscape and Lighting Maintenance District in the City of Coalinga



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BACKGROUND

The Coalinga-Huron Recreation and Park District (“District”) was formed in 1971⁴ and became operational in July 1972.⁵ It operates pursuant to the Recreation and Park District Act (Public Resources Code Section 5780 *et seq.*, hereafter “PRC”). Prior to the formation of the District, recreation facilities and operations were administered by a commission created by a Joint Powers Agreement between the Coalinga-Huron Unified School District (“CHUSD”) and the City of Coalinga.⁶ It was found necessary to form a District to administer the recreation program.⁷

The District functions independently from the County of Fresno and is not governed by another legislative body (either a city council or a county board of supervisors). The District board members are responsible for exercising powers granted by statute and their independent judgment on behalf of the interests of residents, property owners, and the community.

DISTRICT MISSION STATEMENT

According to the District’s Master Plan,

The mission of the Coalinga-Huron Recreation and Parks District is to enrich the lives of the citizens of Coalinga and Huron by providing safe, welcoming parks and recreation facilities and affordable, diverse recreation and human services activities for people of all ages to play, learn, contemplate, build community spirit and be good stewards of the environment.

DISTRICT SERVICE AREA

The District was formed in 1971 to provide services originally provided by the Coalinga-Huron Unified School District and follows the boundaries of the school district for the area inside Fresno County.⁸

The District’s service area and sphere of influence are coterminous and encompass 550,006 acres in the southwest portion of the County of Fresno. The jurisdictional boundaries include the northern most alignment at Elkhorn Avenue, the Fresno County line to the west, south, and east, and various avenues to the north. The District includes the Cities of Coalinga and Huron (**Figure 1 – District Map**).

According to the California State Controller’s Office, there are 103 recreation and park districts in California and two within Fresno County, Coalinga-Huron Recreation and Park District and Calwa Recreation and Park District.⁹

⁴ Fresno LAFCo resolution no. FD-39, April 5, 1971.

⁵ CHRPD “Personnel Policies and Procedure Manual,” June 2000.

⁶ Minutes from LAFCo hearing April 5, 1971.

⁷ “Questionnaire on proposal to form a special district,” Ralston L. Courtney, March 8, 1971, Fresno LAFCo file no. FD-39.

⁸ Ibid.

⁹<https://districts.bythenumbers.sco.ca.gov/#!/year/2020/operating/0/activity/Recreation+and+Park/0/entityname?vis=barChart>.

AUTHORIZED DISTRICT SERVICES

The scope of District services is set forth in its principal act, Public Resource Code section 5786 *et seq.*, authorizing a recreation and park district to, among other things,

- Organize, promote, conduct, and advertise programs of community recreation, including, but not limited to, parks and open space, parking, transportation, and other related services that improve the community’s quality of life; and
- Establish systems of recreation and recreation facilities, including, but not limited to, parks and open space; and
- Acquire, construct, improve, maintain, and operate recreation facilities, including, but not limited to, parks and open space, both inside and beyond the district’s boundaries.¹⁰

The District functions under professional and legal standards for recreation and park agencies under the California Public Resources Code, the principal act for governance. The Fresno County Public Health Department establishes standards for the District’s public pool operations and food services.¹¹

The District currently provides public parks and public recreation programs to its residents. It also manages certain landscaped street medians in the City of Coalinga.¹²

District facilities are used by both District residents and those from other parts of the region such as Lemoore, Avenal, Firebaugh, and Five Points.¹³

The District purchased the 13.36-acre Camp Pinecrest in Cambria from the CHUSD in 1974.¹⁴ It was later renamed Camp Yeager and now provides overnight rustic facilities for families and groups. Although owned and operated by the District, Camp Yeager is not located within the district service area. An undated property analysis concluded that “the subject is a public district that is not subject to taxation, therefore, no real estate taxes are imposed on the subject while in public ownership.” The San Luis Obispo Assessor’s staff confirmed that this property is tax exempt.¹⁵

The District manages Landscape and Lighting Maintenance District 1993-1A in the City of Coalinga.¹⁶ This is discussed in a later section of this MSR.

¹⁰ Public Resources Code, Division 5, Chapter 4, Recreation and Park Districts.

¹¹ MSR questionnaire response by Scott Yeager, January, 2007.

¹² MSR questionnaire response by Tyler Hensley, August, 2022.

¹³ 2009 Master Plan, “Recreation Facilities: Inventory and Review” section.

¹⁴ San Luis Obispo Assessor’s Office, APN 013-111-004, September, 2022.

¹⁵ Aaronne Stoddard, Property Tax Manager, San Luis Obispo Assessor’s Office, October 1, 2021.

¹⁶ Unless noted otherwise, all information related to LLMD 1993-1A in this MSR comes from the “Engineer’s Report for Coalinga-Huron Recreation and Park District Landscape and Lighting Maintenance District 1993-1A (for) 2021-2022 Tax Year” by Tri City Engineering, Inc., June, 2021.

GROWTH AND POPULATION PROJECTIONS

The District does not have land use authority in its service area. It does not provide services that would directly affect the rate of population growth or induce population growth. Land uses in the District are regulated by the County of Fresno and the Cities of Coalinga and Huron for the portions of the District that are inside the cities' limits. The County of Fresno is the land use authority for the unincorporated land within the District and the Fresno County General Plan Land Use Element designates majority of the District's territory for agricultural use. The Coalinga and Huron general plans designate territory in their respective plan areas for a variety of urban density uses.

The 2020 Decennial Census reports that the Coalinga Census County Division ("CCD") has a population of 18,513 and the Huron CCD has a population of 7,376, resulting in a total population of the CCDs of 25,889.¹⁷ The two CCD boundaries do not entirely match the boundaries of the District, but provide an estimate for the population that benefits from the District's services.

According to the United States Census Bureau's QuickFacts, Coalinga's population in 2020 was 17,590; Huron's population in 2020 was 6,206.¹⁸ Population concentrations inside the District are focused within the City of Coalinga and within the City of Huron. Less populated areas exist in the unincorporated areas of the District.

The 2009 Master Plan was adopted to guide the District in parks and recreation planning on a long-term basis.¹⁹ This Master Plan was an update of the District's *1975-1990 Master Plan of Parks* and relied on significant public input from the Coalinga and Huron communities. Between 2006 and 2008, the needs assessment process included a special meeting of the board, interviews of affiliates and associates, informal public surveys, a community workshop, and a meeting of the senior advisory commission. Based on the community input, the Master Plan presented separate chapters detailing the results of the public outreach and presenting an inventory of recreation facilities and resources. The summaries were focused on recreation facilities and resources desired by the community.

The Master Plan analyses focused on the community's interest in future recreational needs rather than relying on population growth. Its goals, policies, and action items developed through a community-based planning process of the Master Plan, clearly align with growth of the two cities in the District as a metric to evaluate the total acreage of park facilities. The District used the standard set by the City of Coalinga's Draft 2007 General Plan of three total park acres per 1,000 residents. In 2009, the Master Plan's Facility Standards section estimated that current existing overall park land in the district reflects more than adequate total acreage in reference to standards for a combined population of approximately 25,000 but is low on developed park acreage (2.16 acres per thousand).

The Master Plan projected a population increase of 2.6% annually with a District population projected to reach approximately 41,700 by 2029. With three total park acres per 1,000 residents, the goal for parkland by 2029 is 125 acres.

¹⁷ According to the U.S. Census Bureau, a Census County Division (CCD) is a subdivision of a county used by the United States Census Bureau for the purpose of presenting statistical data. A CCD is a relatively permanent statistical area delineated cooperatively by the Census Bureau and state and local government authorities.

¹⁸ U.S. Census Bureau QuickFacts data for the cities of Coalinga and Huron; Population, Census, April 1, 2020.

¹⁹ CHRPD 2009 Master Plan.

The District set a goal to further increase improved parkland in the community with the construction of the Youth Sports Park. The Master Plan observed that when 16 acres of the Youth Sports Park are developed, there will no longer be a deficit in improved park acreage. In fact, total available parkland, improved and unimproved combined, is 140 acres.

The Master plan noted a prominent and highly active senior citizen population in the District, most of who live in the City of Coalinga. The Master Plan noted, “generally, the elder adults are a uniquely valuable asset to the district in that they often have the rare resource of time to contribute to charitable activities and social programs that would otherwise constitute a void in the community.”

The population of school attendees from Huron accounted for almost 40% of the 4,300 students in the Coalinga-Huron Unified School District in Autumn 2008. Twice annually, approximately seven thousand people converge upon and disperse from Huron during lettuce harvest season, bringing both adults and youth into the region for a concentrated period of time.²⁰ The result of this situation is an even greater demand for and impact to recreation facilities and programs during these times.

²⁰ CHRPD 2009 Master Plan.

DISADVANTAGED UNINCORPORATED COMMUNITIES

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (“CKH”) requires LAFCo to make determinations regarding disadvantaged unincorporated communities (“DUCs”) when considering a change of organization, reorganization, SOI expansion, and when conducting municipal service reviews.

For any updates to a SOI of a local agency (city or special district) that provides public facilities or services related to sewer, municipal and industrial water, or structural fire protection, the Commission shall consider and prepare written determinations regarding the present and planned capacity of public facilities and adequacy of public services, and infrastructure needs or deficiencies for any DUC within or contiguous to the SOI of a city or special district.

GC section 56033.5 defines a DUC as: i) all or a portion of a “disadvantaged community” as defined by section 79505.5 of the Water Code (community with an annual median household income (“MHI”) that is less than 80 percent of the statewide annual median household income); and a status of ii) “inhabited territory” as defined by GC section 56046 (12 or more registered voters), or as determined by Commission policy. Fresno LAFCo policy further refines the definition of a DUC as having at least 15 dwelling units at a density not less than one unit per acre.

In 2015, the Fresno LAFCo adopted a DUC database management and implementation guidelines (“DUC database”) to fulfill its responsibility to periodically identify DUCs pursuant to Senate Bill 244 (Wolk). The DUC database established a system to identify, record, and track DUC locations within Fresno County using Geographic Information Systems (“GIS”).

GIS files are derived from the U.S. Census Bureau’s American Community Survey (“ACS”) compiled for the five-year period 2016-2020 to identify the demographic composition for the various census geographies. Although the ACS provides single-year estimates, the five-year estimate between years 2016-2020 provide more precise data and mapping information for analyzing small populations. The five-year reports are the most reliable form of information generated by the U.S. Census Bureau.²¹

The statewide MHI reported for years 2016 through 2020 was \$78,672. Hence, the calculated threshold for a DUC is any geographic unit with a reported MHI that is less than \$69,938. The census block group data was utilized to provide the economic and population backgrounds for this section of the MSR.

A large portion of the District is located within census geographic units that exceeded the threshold for Disadvantaged Communities as defined by California Water Code section 79505.5. Based Fresno LAFCo’s updated DUC database, the District does not contain any DUCs.²²

²¹ [3. Understanding and Using ACS Single-Year and Multiyear Estimates \(census.gov\)](https://www.census.gov/programs-surveys/acs/data.html)

²² http://www.fresnolafco.org/documents/staff-reports/February%202020/Final_DUC%20Narrative_02122020.pdf, 2022.

DISTRICT INFRASTRUCTURE

The District owns and operates various public facilities and provides recreation and park services at the locations identified below. Facilities with an asterisk are identified on the 2016 Bond Project List as eligible for bond-funded repairs or upgrades.

COALINGA FACILITIES

Keck Park and Community Center, 555 Monroe Street*

- 16 acres
- Park with picnic tables, concrete pathways, basketball and racquetball courts, eight-acre disc golf course, restrooms
- 11,000 square feet community center
- Assembly room to accommodate 200 for dining and 400 for dancing
- Meeting room can accommodate a maximum of 48 seated
- Kitchen
- District headquarters

Coalinga Fitness Center, 191 East Forest Street*

- 7,700 square feet
- Gymnasium
- Reception
- Bathrooms and showers
- Outdoor sand volleyball court²³

Welborn Recreation and Senior Center, 220 East Forest Street*

- 5,500 square feet
- Multi-use room that can accommodate 120 people sitting or dancing
- Senior Center and programs including potluck bingo, yoga, Tuesday Quilters, nutritional program, exercise – low impact stretch/strength
- Meeting room
- Kitchen
- Concrete paved area with shuffleboard striping
- Turf
- Horseshoe pits

Coalinga Swim Complex, Cherry and Falcon Lanes

- Operated by CHRPD in the summer²⁴

Olsen Park, 400 North Garfield Street*

- 12 acres
- Canopy with 12 15-foot picnic tables and benches
- Veteran's softball field with bleachers and shade netting
- Canopy and Stage

²³ To be converted to a basketball court and striped for pickle ball and volleyball, CHRPD Bond series C.

²⁴ Owned by Coalinga-Huron Unified School District, District Master Plan, 2009.

- Kitchen
- Playground
- Turn area and shade trees
- Restroom facility

Coalinga Sports Complex, 340 West Cambridge Avenue*

- 87 acres
- Soccer fields
- Softball fields
- Skatepark
- Concession stand
- Restrooms, shelter picnic tables, maintenance shed

HURON FACILITIES

Keenan Park and Community Center, 17094 Myrtle Street*

- 10 acres
- Soccer fields
- Kitchen
- Concession stand
- Powerhouse gym
- 12,000 square foot community center
- Assembly room accommodates 300 dining and 450 dancing
- Meeting room accommodates a maximum of 65 seated
- Restroom facility
- Playground, basketball court
- Hardball field
- Turf area, two shade arbors
- Picnic area

Chesnut Park and Recreation Center, 16501 Palmer Street*

- 15 acres
- 25-yard by 33-meter swimming pool
- Recreation pool
- Softball/baseball field
- Soccer field
- Canopy
- Turf area, two shade arbors
- Restroom facility

CAMBRIA FACILITY

Camp Yeager, 525 Ashby Lane, Cambria*

- 13.36 acres

- 18 cabins: 10 cabins sleep eight in bunk beds; two cabins sleep 12 in bunk beds; six cabins have either bunk beds or a full size or a combination of both; 7 cabins have their own bathroom complete with shower attached to the sleeping area²⁵
- Dining hall
- Kitchen, refrigerators and freezer, automatic dishwasher and large stainless steel counters for food preparation
- Recreation hall – ping pong tables and ample room for dances or meetings while at camp
- Stage for skits and campfire songs
- Campfire pit

Programs and Activities:

- Community Easter Egg Hunt
- Father-Daughter Dance
- Halloween Carnival
- Luminary Festival in the Park with Santa Claus
- Santa Breakfast
- Christmas Carnival after the Huron Parade
- Turkey Shoot
- Youth Sports – Baseball, Flag Football, Basketball, Soccer, Karate

LANDSCAPE & LIGHTING MAINTENANCE DISTRICT 1993-1A IN THE CITY OF COALINGA

Maintenance of landscaping, trees, shrubs and ground cover, irrigation systems and water meters as described further in section **District Finances**.

EQUIPMENT AND VEHICLES

The District owns various vehicles distributed throughout its facilities, which consist of:²⁶

- 2002 Ford E350 XLT 12-Passenger Van
- 2012 Ford F-250 XL
- 2012 Ford F-250 XL
- 2014 Ford F-150 STX
- 2020 Ford F-250 Super Duty
- 2020 Ford Fusion Hybrid
- 2021 Ford F-250

²⁵ CHRPD website, September 12, 2022.

²⁶ Coalinga-Huron Recreation and Park District Vehicle Schedule, 2021-22.

DISTRICT FINANCES

This section of the MSR analyzes financial information provided by the District to determine the District's revenue and financial systems in place to provide services to its constituents. The analysis is based on available financial data, adopted budget for Fiscal Year ("FY") 2021-2022, the audited financial statement for year ending June 30, 2020, the Lighting and Landscape Maintenance District ("LLMD"), Measure N – Bond Series A, B, and C, and communication with the General Manager.

The District acquires revenue from non-enterprise services, receiving a substantial amount of its support as property tax revenue. During the year ending June 30, 2020, property tax and assessments represent 79% of total revenue. However, property tax-based revenue is not sufficient to fund the District's operation and capital improvement costs. The District therefore relies on revenue from user fees, facility rental fees and services, grants, contributions, impact fees, LLMD assessments, and proceeds from the sale of Measure N bonds to minimize the difference between revenue and expenditure.

The District regularly monitors grant opportunities and engages potential stakeholders and organizations to develop a strategic collaborative approach to pursue available grant funds. For the 2022-23 fiscal year, the District secured allocations from California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018 – Per Capita Grant Program, amounting to \$177,952.²⁷ Chevron Products Company contributed funds to the District in the amount of \$15,000 for the 2021-22 fiscal year.

ADOPTED BUDGET

Consistent with policy, the District adopts a preliminary budget on or before July 1st which includes anticipated revenue and expenditures for the forthcoming fiscal year (FY) from July 1st to June 30th of each year.²⁸ The final budget is adopted during a duly noticed public hearing on or before August 30th each fiscal year after making any changes to the preliminary budget. The District accounts for various revenues and expenditures in spreadsheet format.

This fiscal year, District staff intends to provide its board members with a mid-year report to monitor the District's financial trend throughout the year. The budget may be revised by District board members during the year to consider unanticipated income deficits and/or expenditures. For the preparation of this MSR, the District provided LAFCo with adopted budgets from FY 2018-19, FY 2019-20, FY 2020-21, FY 2021-22, and FY 2022-23.

²⁷ https://www.parks.ca.gov/pages/1008/files/Per_Capita_All_Allocations_Table_7.1.20_2.2.21.pdf.

²⁸ Pursuant to PRC Section 5788 *et seq.*

	Adopted Budget		
	Revenue	Expenses	Variance ²⁹
FY 2018-19	\$1,920,508	\$1,920,508	-0-
FY 2019-20	\$1,957,628	\$2,159,163	-\$201,535
FY 2020-21	\$1,913,250	\$2,079,404	-\$166,154
FY 2021-22	\$2,104,319	\$2,187,942	-\$83,623
FY 2022-23	\$1,952,000	\$2,122,100	-\$170,100

According to the District's adopted budget for FY 2021-22, total District revenue amounted to \$2,104,319, while total expenditures amounted to \$2,187,942, a deficit of approximately \$83,623. Additional information is provided later in this section referencing the District's audited financial statements for year ending June 30, 2020.³⁰

One factor contributing to the deficit is the Landscape and Lighting Maintenance District ("LLMD"), which has operated at a net loss for more than five years. Additional information is provided later in the LLMD section.

Adopted Budget Fiscal Year 21-22

Category	Revenue	Levy Rev	Expenses
Levy Revenue		\$1,600,000	
RDA		\$50,000	
Interest Levy Revenue		\$5,000	
Administration - #001	\$ 19,219		\$ 672,278
Olsen Park - #002	\$13,000		\$181,168
Keck Park and Community Center - #003	\$28,500		\$178,229
Chesnut Park and Recreation Center - #004	\$1,800		\$120,303
Keenan Park and Community Center - #005	\$13,500		\$166,603
Coalinga Youth Sports Complex - #006	\$13,000		\$157,816
Coalinga Fitness Center - #007	\$63,000		\$123,550
Coalinga Recreation Programs - #008	\$57,600		\$70,524
Welborn Recreation and Senior Center - #009	\$19,200		\$70,724
Huron Recreation Programs - #010	\$47,500		\$117,874
Camp Yeager - #011	\$105,000		\$135,260
Huron Pool - #013	\$7,000		\$97,325
Total Operating Budget	\$388,319		\$2,091,654
Landscape & Lighting Maintenance District (LLMD) - #035	\$61,000		\$96,288
Impact Fees - #036	\$50,000		-0-
Total	\$ 499,319	\$1,655,000	\$ 2,187,942

²⁹ FY 2018-19 had a YTD variance of -\$72,652 as of June 30, 2019.

³⁰ CHRPD FY 2021-22 budget provided by General Manager Tyler Hensley.

The County of Fresno levies a land-based tax for the District that accounted for an adjusted net levy of \$1,567,515 based on assessed property values.³¹ Property is subject to general property taxation at a rate of \$1.00 per \$100 of assessed value, or 1%.³² The adjusted net levy is an estimate of tax monies to be received based on lien date information after all adjustments have been made to the adjusted gross levy. The lien date basis traditionally has been used to provide agencies with a consistent method of estimating taxes as opposed to the actual tax charge since Assessor's roll changes are constantly adjusting the tax charge throughout the fiscal year.

AUDITOR'S REPORT

The District provided LAFCo a copy of its independent auditor's report for the FY ending June 30, 2020.³³ The District's financial audit was reviewed to determine the District's fiscal status, assess financial practices, and review pertinent management findings. The District General Manager plans to follow up with the auditor and CHRPD Board of Directors in order to maintain transparency.

The auditor's report indicates that at the time the financial audit was performed, the District's financial practices conformed with accounting principles generally accepted in the United States of America. According to the auditor's report, District accounts are organized on the basis of specific functions with each fund considered to be a separate accounting entity. The District reports the following governmental funds and District balance sheet:

- **General Fund** – the general operating fund used to account for all revenue and expenditures of the District except those required legally to be accounted for in another fund.
- **Capital Projects Fund** – established to account for all the bond proceeds for the acquisition, improvement, and/or construction of major capital facilities.
- **Debt Service Fund** – accounts for the accumulation of resources for, and the payment of, governmental long-term debt principal and interest, consisting of general obligation bonds issued in May 2017, August 2018, and June 2019.³⁴

Balance Sheet – Governmental Funds				
	General Fund	Capital Projects Fund	Debt Service Fund	Total June 30, 2020
Total Assets	\$1,216,176	\$8,426,239	\$588,584	\$10,230,999
Total Liabilities	\$117,561	\$67,538	\$308,179	\$493,278
Fund Balance	\$1,098,615	\$8,358,701	\$280,405	\$9,737,721

The District utilizes two banking depositories, first with Fresno County Treasury for collected property taxes, and second with Union Bank for general operating fund purposes and bond proceeds series A, B, and C. Each bond series is held in a separate account from the general revenue funds.

³¹ Schedule of Levies for Fiscal Year 2021-22, Fresno County Auditor-Controller/Treasurer-Tax Collector, March 25, 2022.

³² As required by Senate Bill 1656, Statutes of 1978.

³³ Coalinga-Huron Recreation and Park District, Financial Statements and Independent Auditor's Report for the Year ended June 30, 2020, Cuttone & Mastro, CPAs, December 30, 2020.

³⁴ Ibid.

LANDSCAPE AND LIGHTING MAINTENANCE DISTRICT 1993-1A

The District manages and operates Landscape and Lighting Maintenance District 1993-1A (LLMD) which is within the City of Coalinga.³⁵ According to the Engineer's Report,

The maintenance and incidentals for improvements consist of landscaping, trees, shrubs and ground cover, irrigation systems, irrigation controllers, valves, sprinklers and bubblers, two (2) inch meters and water services to all landscaping and trail with minor irrigation. The landscaping areas include medians consisting of Bordeaux Way, Chardonnay Lane, Merced Avenue, Burgundy Way, Lucille Avenue (north side only), and the minor trail along Warthan Creek serving Tract No. 5451 and El Rancho Boulevard serving Tract No. 5344 and Tract No. 5339.

The District's FY 2021-22 adopted budget estimates \$61,000 in revenue and \$96,288 in expenses for the LLMD, a deficit of \$35,288. Estimated costs include landscaping, irrigation, water, electrical, and incidentals for three tracts in Dorothy Allen Estates, Dorothy Allen Estates II, and Warthan Creek Estates I. A Fresno-based landscape company is contracted to maintain the medians.³⁶

Tax assessments are collected for the District's LLMD, amounting to \$63,307.04 with the following individual assessments:

- Tract No. 5451 – \$28,712.16
- Tract No. 5344 – \$11,738.88
- Tract No. 5339 – \$22,856.00

The District is concerned for the LLMD's recurring budgetary deficit where operating costs consistently exceed assessments. The LLMD initially formed in 1993 to establish an additional source of revenue for the District. As of FY 2018-19, it no longer generates a net gain. At its July 8, 2021, meeting, the District board adopted resolution 20/21-26. Meeting minutes read:

General Manager Lisa Gonzalez presented this resolution. President Luna is interested in finding out how to get out of this contract due to the loss [sic] the district takes every year, a motion was made by Vice President Michelle Martin to renew the Landscaping and Lighting Maintenance with the pending business of getting informed on how to get out of the contract for future years, seconded by Monica Sigler 5-0-0-0.

As a short-term solution, the District may petition bids from local landscaping companies to maintain the LLMD for a reasonable fare in order to reduce operating costs. As a long-term solution, the District may opt to relinquish LLMD services to the City of Coalinga. Discussions are underway between the District and the City of Coalinga to consider the feasibility of transferring LLMD services from the District to the City. For resolute action, both District and City must agree to "transfer jurisdiction over the district to the city council of the city by a joint resolution setting forth the mutually agreed upon terms and conditions under which the transfer is to take place."³⁷

³⁵ Engineer's Report for Coalinga-Huron Recreation and Park District Landscape and Lighting Maintenance District 1993-1A for 2021-22 tax year, Oscar M. Ramirez, P.E., Tri City Engineering, June, 2021.

³⁶ Correspondence with General Manager Tyler Hensley.

³⁷ Streets and Highway Code, Division 15, Part 2, Article 2, sec. 22612.

BOND MEASURE N

On November 8, 2016, voters in the District approved the Coalinga-Huron Recreation and Park District General Obligation Bond of 2016, or Measure N.³⁸ The measure authorized the governing board of the District to issue and sell bonds in the maximum amount of \$14,900,000. The bond proceeds were to be expended to renovate, repair, replace or upgrade existing park facilities, and construct and equip new facilities, including acquiring maintenance and operational equipment or the acquisition of rights to real property for completing any project. Bonds were to be utilized and spent within three years of acquisition.³⁹ However, extenuating circumstances from COVID-19 extended the bond terms without default. Isom Advisors of Walnut Creek was instrumental in securing the General Obligation Bonds for the District.⁴⁰

BOND PROJECT LIST

The Bond Project List in Measure N describes the specific projects the District proposes to finance with proceeds from the sale of the bonds. The District may only use bond proceeds for the purposes specified in the Measure. The projects identified on the List and authorized to be completed sites including Keck Park and Community Center, Olsen Park, Welborn Recreation and Senior Center, Coalinga Fitness Center, Coalinga Sports Complex, Camp Yeager, Keenan Park and Community Center, and Chesnut Park and Recreation Center.⁴¹

ACCOUNTABILITY SAFEGUARDS

Measure N includes two specific provisions in order that the District's voters and taxpayers may be assured that their money will be spent wisely to address specific facility needs of the District.⁴²

The first provision is establishment by the Board of an **Independent Citizens' Oversight Committee** to ensure bond proceeds are spent only for the projects listed in the Bond Project List.

The District provided LAFCo with a photocopy of a March 5, 2018 letter from the General Manager to the Oversight Committee thanking members for volunteering to serve on the Measure N Bond Oversight Committee and announcing its first meeting to be held on March 22, 2018 at the Keck Community Center in Coalinga.

According to the General Manager, members of the Oversight Committee expressed a lack of interest in holding annual meetings to report to the Board as terms and conditions of Measure N require.⁴³ Following the initial March 22, 2018 meeting, attempts to reconvene have been thwarted.

³⁸ Fresno County Election Summary Report November 8, 2016 Consolidated Presidential General Election, website: <http://www2.co.fresno.ca.us/2850/Results/Results20161108.htm>, 2021.

³⁹ PRC, Division 5, Chapter 4, sec. 5790.5

⁴⁰ Bryan Moore with Isom Advisors, a Division of Urban Futures Inc.

⁴¹ The full text of the measure and a complete list of District-wide projects are presented in Exhibit A-1, Ballot Measure.

⁴² Ibid.

⁴³ Ibid.

The second provision is establishment by the Board of a **bond proceeds account** in which of the proceeds of the sale of bonds were deposited. As long as any proceeds of the bonds remained unexpended, the General Manager or such other employee as may perform substantially similar duties, is directed by the Measure to report annually to the Board on the expenditure of the bond proceeds.⁴⁴

FURTHER SPECIFICATIONS

The Auditor's report delineates two governmental funds related to management of the 2016 Measure N bond proceeds:

Capital Projects Fund – A capital projects fund has been established to account for all of the bond proceeds for the acquisition, improvement and/or construction of major capital facilities by the District.

Debt Service Fund – A debt service fund accounts for the accumulation of resources for, and the payment of, governmental long-term debt principal and interest. The governmental long-term debt services by the Debt Service Fund consists of general obligation bonds issued in May 2017 (Series A), August 2018 (Series B), and June 2019 (Series C).

SERIES A, B, AND C BOND SALES AND BOND-FUNDED FACILITY IMPROVEMENTS

In May 2017, the District issued **Series A** general obligation bonds of \$4,000,000 with a net original issue premium of \$72,259.35 for total reportable proceeds of \$4,072,259.35. The bond proceeds are to be used to finance the renovation, repair, replacement or upgrade of facilities, construct new facilities, and pay costs of issuing the bonds. The bonds are payable from the levy of ad valorem taxes upon all property within the District subject to taxation. The bonds shall mature on August 1st in each of the years, 2018, 2019, 2029, 2032, 2033, 2034, 2035, 2037, 2039, 2042, and 2046. The bonds bear interest at rates 3.125% to 8.0% per annum.⁴⁵

The District provided LAFCo with Series A Bond Reports dated January 2, 2018, and June 18, 2018, that presented an engineer's opinion of probable construction costs for the Sports Complex. The project summary includes subtotals for general site improvements, a 225' Little League baseball field, and a 300' softball field, all of which require clearing and demolition, grading and drainage, site construction, utilities, irrigation and planting, and manufactured sports surfaces.

The State of California's Annual Debt Transparency Report provides a snapshot at the close of reporting periods coinciding with the fiscal year end. All Series A bond proceeds have been spent and applied to projects.

⁴⁴ Fresno County Counsel, "Coalinga-Huron Recreation and Park District Impartial Analysis," August 26, 2016.

⁴⁵ Coalinga-Huron Recreation and Park District, Financial Statements and Independent Auditor's Report for the Year ended June 30, 2020, Cuttone & Mastro, CPAs, December 30, 2020.

Reportable Proceeds Bond Series A			
Report Period End	Begin	Spent	Remain
06/30/2017	\$4,072,259.35	\$297,310.48	\$3,774,948.87
06/30/2018	\$3,774,948.87	\$573,452.06	\$3,201,496.81
06/30/2019	\$3,201,496.81	\$2,787,135.39	\$414,361.42
06/30/2020	\$414,361.42	\$414,361.42	\$0.00
06/30/2021	\$0.00	\$0.00	\$0.00

In August 2018, the District issued **Series B** general obligation bonds of \$5,500,000 with a net original issue premium of \$212,549.75 for total reportable proceeds of \$5,712,549.75. The bond proceeds are to be used to finance the renovation, repair, replacement or upgrade of facilities, construct new facilities, and pay costs of issuing the bonds. The bonds are payable from the levy of ad valorem taxes upon all property within the District subject to taxation by the District. The bonds are the second issuance pursuant to the Bond Authorization. The bonds shall mature on August 1st in each of the years, 2019, 2020, and 2028 through 2050. The bonds bear interest at rates 3.0% to 5.0% per annum.⁴⁶

The District provided LAFCo with a Series B Bond Report dated May 2021 that provides cost estimates and year-to-date expenditures for multiple projects as follows:

Project	Estimated Cost	YTD Expenditures
Sports Complex		\$1,243,902
Keenan Park -Soccer Field -Restroom Facility -Picnic Area -Exterior Paint -Playground (ADA)	\$1,060,000	\$1,556,736
Chesnut Park -Restroom Facility -Ball Field Upgrades -Equipment Upgrade -Picnic Area	\$1,026,000	\$1,594,273
Keck Park -Playground (ADA)	\$427,000	\$407,861
Olsen Park -Playground (ADA)	\$153,000	\$146,811
All Parks -Security Cameras	\$58,000	\$63,806
Camp Yeager -Rec Hall	\$375,000	\$387,274
Fitness Center	\$3,726	\$3,726
Total	\$3,102,726	\$5,403,395

⁴⁶ Coalinga-Huron Recreation and Park District, Financial Statements and Independent Auditor's Report for the Year ended June 30, 2020, Cuttone & Mastro, CPAs, December 30, 2020.

The State of California's Annual Debt Transparency Report provides a snapshot at the close of reporting periods coinciding with the fiscal year end. As of June 30, 2021, Series B bond proceeds have a remaining balance of \$333,721.98.

Reportable Proceeds Bond Series B			
Report Period End	Begin	Spent	Remain
06/30/2019	\$5,712,549.75	\$760,164.77	\$4,952,384.98
06/30/2020	\$4,952,384.98	\$1,731,016.58	\$3,221,368.40
06/30/2021	\$3,221,368.40	\$2,887,646.42	\$333,721.98

In June 2020, the District issued **Series C** general obligation bonds of \$5,400,000 with a net original issue premium of \$366,215 for total reportable proceeds of \$5,766,215. The bond proceeds are to be used to finance the renovation, repair, replacement or upgrade of facilities, construct new facilities, and pay costs of issuing the bonds. The bonds are payable from the levy of ad valorem taxes upon all property within the District subject to taxation by the District. The bonds are the third issuance pursuant to the Bond Authorization. The bonds shall mature on August 1st in each of the years, 2021, 2027, and 2047 through 2053. The bonds will bear interest at rates 3.0% to 4.0% per annum.⁴⁷

The State of California's Annual Debt Transparency Report provides a snapshot at the close of reporting periods coinciding with the fiscal year end. As of June 30, 2021, Series C bond proceeds have a remaining balance of \$4,338,014.

Reportable Proceeds Bond Series C			
Report Period End	Begin	Spent	Remain
06/30/2020	\$5,766,215.00	\$239,940.50	\$5,526,274.50
06/30/2021	\$5,526,274.50	\$1,188,260.50	\$4,338,014.00

In summary, proceeds from Bond Series A are wholly invested in infrastructure projects with a balance of \$0. Bond Series B proceeds remain at \$333,721 and Bond Series C proceeds remain at \$4,338,014 as of June 30, 2021.

⁴⁷ Coalinga-Huron Recreation and Park District, Financial Statements and Independent Auditor's Report for the Year ended June 30, 2020, Cuttone & Mastro, CPAs, December 30, 2020.

OPPORTUNITIES FOR SHARED FACILITIES

The Coalinga Swim Complex, owned by the CHUSD, is operated in the summer by the District and is used by many residents of Coalinga and Huron. The soccer fields at the Middle School in Huron are used for soccer programs. West Hills Community College allows the use of its tennis courts for District tennis lessons.⁴⁸ Kern County Superintendent of Schools formerly maintained a lease with the District for the use of Camp Yeager, however, the lease is now terminated.

The District maintains cooperative programs with the following organizations:

- American Youth Soccer Organization, Coalinga Girls Softball Association
- Youth Baseball
- Youth Football (including both football and cheerleading)
- Babe Ruth Baseball
- Economic Opportunity Commission Summer Lunch Program
- West Hills Community College
- Coalinga-Huron Library District⁴⁹

GOVERNMENT ACCOUNTABILITY

This section of the MSR considers various topics, such as compliance with state disclosure laws, the Ralph M. Brown Act, public participation, i.e. open meetings, accessible staff, election processes, and the agency's governing structure. Additionally, this considers the agency's level of participation with the Commission's MSR program.

Accountability for community service needs, including governmental structure and operational efficiencies is evaluated as part of the MSR Program to encourage the orderly formation of local government agencies, create logical boundaries, and promote the efficient delivery of services. This MSR is an informational document that will be used by LAFCo, other local agencies, and the public at large to examine the government structure of the District.

The District is an independent special district with a separate board of directors, and functions independently from the County of Fresno. The District is not governed by other legislative bodies, neither a city council nor a county board of supervisors.

The District operates under the authority granted by Recreation and Park District Act (Public Resources Code section 5780 et seq.), which requires each recreation and park district to have a board of directors comprised of five members. Each board member must be a voter of the district and serve for a fixed term of four years.

⁴⁸ Master Plan, Section II: Needs Assessment, "Alternative Recreation Facilities," 2009.

⁴⁹ MSR questionnaire response by Tyler Hensley, August, 2022.

Furthermore, consistent with Recreation and Park District Law, the District has adopted policies and procedures that provide a full disclosure for board members, employees, and the public about how the District conducts its business.

Revised and adopted in June 2000, the District has a *Personnel Policies and Procedure Manual* composed of the following sections:

- The community
- Goals and objectives
- Personnel policies
- Compensation and related benefits
- Disciplinary or corrective action
- Sexual harassment policy, and
- Organizational structure and job descriptions

Adopted in August 2009, the District has a *Master Plan 2009-2029* to,

- Provide a road map for the CHRPD to continue providing high-quality parks and recreation services to the communities of Coalinga and Huron;
- Prioritize recreation and park needs to the year 2029 for use as a framework for the expansion and improvements throughout the District; and
- Make recommendations for operations and maintenance, expansion, and improvements of recreation facilities and programs.⁵⁰

The District is governed by a five-member Board of Directors elected by district. For purposes of representation, the District is divided into five districts, each represented by a member of the Board of Directors. The most recent board election was held in 2020.⁵¹ Board members may receive compensation in one no-cost-rental at any District facility, not exceeding four days. Board members shall be compensated in 50% reduction of rental fees outside of the one free four-day rental of any facility and applies to two rentals.⁵²

The District board has appointed the acting General Manager to the role of finance officer pursuant to PRC sec. 5784.9 (e). An annual written report is provided from the finance officer to the Board of Directors.

Meeting agendas are posted a minimum of 72 hours before each meeting at the District office, the Keenan Community Center and Senior Center. A copy is published in the local paper and posted in the public libraries in Coalinga and Huron. Public notices are displayed outside of the District office. The District posts meeting agendas, hearing information, and general information on its website at <https://chrpd.org/>. Informal District information and community events can also be found on the District's social media account on Facebook.

District board meetings are open to the public. Opportunity to address the District board on items not on the agenda is provided on each meeting agenda.

⁵⁰ CHRPD 2009-2029 Master Plan, 2009.

⁵¹ District 2 board member was appointed mid-term after the unexpected passing of the previously elected board member. Elections for District 2 will be held in November 2022 and take effect in December 2022.

⁵² CHRPD Resolution 21/22-02, Board of Directors Compensation, October 14, 2021.

Meetings of the District board are conducted by the District president in a manner consistent with the policies of the District, and generally accepted Rules of Order. The District board biennially elects one of its members to serve as the District President, another member to serve as a Vice-President, and another to serve as Secretary to the Board.

The District President presides at all meetings of the board, announces decisions on all subjects, decides all questions of orders, subjects, and signs all board ordinances, resolutions, and contracts approved by the District board.

The District is an active member of the California Special District Association (CSDA), Central Valley Local Chapter of CSDA (CVLC), and California Association of Recreation and Park Districts (CARPD). CSDA provides a strong voice for all independent special districts in California by promoting legislative representation, educational resources, and special district support and collaboration. CVLC encompasses all of Fresno, Kings, and Tulare counties to provide a local forum for member districts to discuss and consider issues of importance to special districts.

As previously noted, the District has one appointed full-time General Manager responsible for the daily operations of the District with the support of 13 full-time employees, 22 part-time employees, 2 contract employees, and various volunteers. The General Manager reports directly to the District board, and oversees office staff and service contracts, monitors the recreation programs, schedules maintenance programs, and oversees the District's annual budget.

The District's legal counsel services are retained through Fennemore Dowling Aaron LLP, a full-service law firm with membership in the State Capital Law Firm Group, an organization comprised of top government relations legal professionals.

ANY OTHER MATTERS RELATED TO EFFECTIVE OR EFFICIENT SERVICE DELIVERY

As of August 4, 2022, the City Council of Coalinga has increased its Water Conservation efforts for all Coalinga water customers, including Coalinga-Huron Recreation and Park District. The water restrictions are mandatory because of extreme, drought-related water shortages from the United States Bureau of Reclamation.

MSR DETERMINATIONS

This portion of the report addresses the factors specified in the governing statute for MSRs and provides analysis in conformance with GC section 56425 and Fresno LAFCo policy. Pursuant to GC section 56430, the Commission has prepared the following written determinations:

GROWTH AND POPULATION PROJECTIONS FOR THE AFFECTED AREA

- Population concentrations within the District are focused within the City of Coalinga and the City of Huron. The unincorporated areas of the District are sparsely populated.
- According to the U.S. Census – Coalinga Census County Division and Huron Census County Division, 2020, there is an estimated population of 25,889 within the District’s boundaries.
- Commission policy for determining spheres of influence uses a 20-year planning horizon.⁵³
- District services do not directly facilitate or affect the rate of growth, location of population development, support or induce population growth.

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

- LAFCo did not identify any DUCs within the District’s boundaries as defined by Fresno LAFCo policy during the preparation of this report.
- For the purposes of this section, services provided by the District are not related to public facilities or services involving sewers, municipal and industrial water, or structural fire protection.

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

- The District owns various public facilities that include Keck Park and Community Center, Coalinga Fitness Center, Welborn Recreation and Senior Center, Olsen Park, Coalinga Sports Complex, Keenan Park and Community Center, Chesnut Park and Recreation Center, and Camp Yeager.
- The District’s facilities serve as host to local events, from youth sports to community Easter egg hunts.
- The District owns equipment, tools, and machinery needed to maintain adequate public facilities and fulfill its responsibility to the Coalinga-Huron area. The District’s management and board annually review and identify the District’s infrastructure needs, repairs, and improvement expenditures and allocate funding for the upcoming year.
- The District’s facilities are adequate to meet current demand. With the application of Measure N proceeds, facilities and services will be expanded and brought up to ADA standards.

⁵³ Fresno LAFCo policy 112.6.1, Municipal Service Review policy, June 8, 2022.

FINANCIAL ABILITY OF AGENCY TO PROVIDE SERVICES

- Consistent with District policy, the District prepares and adopts an annual budget before July 31st of each year. The District's budget includes anticipated revenues and expenditures for the forthcoming fiscal year which begins July 1st and concludes June 30th of each year. The budget includes the District's goals, objectives, and board of directors' supported projects for the upcoming year.
- The District's primary source of revenue is the annual property tax charged to all parcels within the District boundary. The District receives its share of the 1% property tax based on taxation through the Fresno County Auditor-Controller/Treasurer-Tax Collector.
- District staff provides its board members an annual report and comparison of its previous year's financial activities to monitor the District's financial trend during the year. The budgets may be revised by the District's Board during the year to consider unanticipated income deficits and/or expenditures.
- For Fiscal Year 2021-22, the District's revenue amounted to \$2,104,319 and expenditures amounted to \$2,187,942, a deficit of \$83,623. A portion of the deficit is due to the operating costs for the Landscape and Lighting Maintenance District.
- The District's annual tax-based revenue provides approximately 79% of the District annual financial support. The District's facility rental fees and services, user fees, and grants provide supplemental revenue for the District.
- The District has adopted a facility rental fee schedule. Rental fees have not increased since 2019.
- The District's practices, as reported by the District's audited financial statements, conformed to the generally accepted accounting principles (GAAP).
- At the time this service review was prepared, the District's total net position was positive, with total assets exceeding total liabilities. The District's financial management practices and revenue activity indicated a fiscal deficit based on fiscal year's 2018-19 through 2022-23. The proceeds from Measure N bonds apply to construct and improve facilities and generate increased revenue over time.
- The General Manager recognizes the District will need to take preparatory actions to supplement their budget. The General Manager is looking to implement fee increases, conduct a program assessment, and possibly a tax increase. If minimum wage increases to \$17/hour, the General Manager will look to hire more full-time employees and reduce the number of part-time employees.

STATUS OF, AND OPPORTUNITIES FOR, SHARED FACILITIES

- The District offers facility rentals to individuals and organizations both inside and outside the District.

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

- The District is governed by a five-member board of directors, elected by district, and functions independently from the County of Fresno.
- The District has adopted policies and procedures and a master plan in place that provide a full disclosure on how the District conducts business for board members, staff, and the public.
- Every two years, board members are required by District policy to participate in training that covers sexual harassment. In addition, general ethics principles and specific laws concerning conflict of interest are prerequisites for office and government transparency.
- District board members may receive compensation in one no-cost-rental at any District facility, not exceeding four days. Board members shall be compensated in 50% reduction of rental fees outside of the one free four-day rental of any facility and applies to two rentals.
- District's information is readily available and access to its public record can be easily attained through the District's website: <https://chrpd.org/>.
- Regular District board meetings are held on the second Thursday of each month at 6:00 p.m., alternating between the Keck Community Center, 555 Monroe Street, Coalinga, and the Chesnut Building, 16501 West Palmer Avenue, Huron. Each agenda is posted 72 hours in advance of a board meeting for public review at the Keck Community Center main entrance.
- Each board meeting agenda includes an opportunity for the public to address the board on items not on the agenda, and within the jurisdiction of the District. Individuals or organizations interested in addressing the District board are encouraged to contact District staff first so staff can identify a date to be placed on the agenda.
- The District has one appointed General Manager responsible to carry out the District's day-to-day operation, implement District policies, and oversee supporting staff and the District's public facilities. The General Manager is assisted by 13 full-time employees, 22 part-time employees, and 2 contract employees.
- The District is an active member of the California Special District Association (CSDA), Central Valley Local Chapter of CSDA (CVLC), and California Association of Recreation & Park Districts (CARPD).
- The District's government structure is appropriate to ensure adequate services are provided within its service area.

ANY OTHER MATTER RELATED TO EFFECTIVE OR EFFICIENT SERVICE DELIVERY, AS REQUIRED BY COMMISSION POLICY

- As of August 4, 2022, the City Council of Coalinga has increased its Water Conservation efforts for all Coalinga water customers, including Coalinga-Huron Recreation and Park District. The water restrictions are mandatory because of extreme, drought-related water shortages from the United States Bureau of Reclamation.

SPHERE OF INFLUENCE UPDATE

When Fresno LAFCo updates, amends, revises, or affirms a sphere of influence for a local governmental agency within its purview, it must adopt specific determinations with respect to the following factors:

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

- The City of Coalinga and the City of Huron are the land use authorities within the incorporated areas of the District's service area. Their respective land use plans show a mix of urban land uses. The Cities of Coalinga and Huron general plans designate urban land uses for areas identified within their SOIs, respectively.
- The County of Fresno is the land use authority for unincorporated land located within the District. The Fresno County General Plan designates the majority of unincorporated land within the District's service area for agricultural uses. No substantive population growth is planned within the unincorporated area.

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

- Existing District facilities have sufficient capacity to meet the District's current service demand.

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

- The District's facilities are adequate to continue supporting the District's mission to enrich the lives of the citizens of Coalinga and Huron by providing safe, welcoming parks and recreation facilities and affordable, diverse recreation and human services activities for people of all ages to play, learn, contemplate, build community spirit and be good stewards of the environment.

EXISTENCE OF ANY SOCIAL OR ECONOMIC COMMUNITIES OF INTEREST IN THE AREA IF THE COMMISSION DETERMINES THAT THEY ARE RELEVANT TO THE AGENCY

- As observed by LAFCo, there are no social or economic communities of interest that exist near the District relevant to the agency's service provisions.

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

- For the purposes of this section, services provided by the District do not support growth or induce population growth. Services provided by the District would not present a direct benefit to a disadvantage unincorporated community.

RECOMMENDATIONS

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

- Receive this report and any public testimony regarding the proposed Municipal Service Review and proposed Sphere of Influence update.
- Find that the Municipal Service Review is exempt from the California Environmental Quality Act pursuant to section 15306 (Information Collection).
- Approve the recommended Municipal Service Review determinations, together with any changes deemed appropriate.
- Approve the recommended Sphere of Influence determinations, together with any changes deemed appropriate.
- Affirm the existing Coalinga-Huron Recreation and Parks District SOI.
- Transfer jurisdiction of the Landscape and Lighting Maintenance District from the District to the City of Coalinga by a joint resolution with mutually agreed upon terms and conditions. In the short term, petition bids for local landscaping companies to maintain the LLMD for a reasonable fare.
- Retain rental fees for Camp Yeager in a separate fund account from District tax generated revenues to avoid commingling of funds. Camp Yeager is a tax-exempt property outside the district service area whereas the remainder of the District's revenue is tax generated from within the district service area.

ACKNOWLEDGMENTS

This Municipal Service Review update was prepared by Fresno LAFCO. General Manager Tyler Hensley provided substantial information included in this service review. Fresno LAFCo staff extends its appreciation to the staff of the District for their assistance in the development of this Municipal Service Review.

Available Documentation – documents used for the preparation of this report consist of public records and are available at the Fresno Local Agency Formation Commission Office located at:

Fresno Local Agency Formation Commission
2607 Fresno Street, Suite B
Fresno, California 93721

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


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

AGENDA ITEM No. 9

DATE: November 9, 2022

TO: Local Agency Formation Commission

FROM: Brian Spaunhurst, Executive Officer 

SUBJECT: Authorize Request: Authorize the Executive Officer to Sign New Lease Agreement with Uptown Investments, LP for Office Space Located in The Grand Tower and Utilize Contingency Funds for Moving Expenses

RECOMMENDATION: Approve Request

Background

Originally approved in 2016, the lease for LAFCo's current office space is set to expire at the end of January 2023. After engaging with the current property manager to renew our existing lease we received an offer to lease our current 1,812 square feet (sf) at \$1.82/sf. with a utility/janitorial charge of \$0.35/sf for a monthly total of \$3,933 for a maximum of 60 months. This option includes six on-site parking spaces at no additional cost.

Due to recent and ongoing issues relating to pests, climate control, and noise pollution from the adjacent street, staff has expressed interest in exploring alternative options.

The most appealing option identified is for 1,205 sf at \$1.85/sf with no additional charge for utility/janitorial charges for a monthly total of \$2,230. This space located on the 9th floor of the Grand Tower is available for a maximum of 60 months. Parking availability is offered through a combination of an adjacent lot rented out by the building and a privately owned parking lot less than a block away at a cost of \$70 per stall per month. The cost for 6 stalls per month would require an additional \$420 bringing the overall monthly total to \$2,650 per month.

In exchange for losing roughly 600 square feet of space, staff is confident the new floor plan would provide adequate space to operate efficiently and include additional benefits such as: closer proximity to new County Recorder's Office, equidistant to Commission Hearing location, open floor plan promoting efficient workflow, maintain LAFCo presence in Downtown Fresno, flexibility to add or remove square footage according to LAFCo's needs, and discounts on large meeting spaces.

Budget

The overall cost savings would be reflected in future budgets; however, our current budget does not have considerations for savings and expenses associated with a new office location. With our current lease expiring in January 2023, staff has prepared the following comparison between our current approved budget and the two lease option costs from January 2023 to June of 2023.

Our current budget accommodates \$23,500 to reach the start of our 2023-24 budget. The cost to renew our lease would have require \$23,428 to reach the new FY, less than \$100 under budget. The proposed lease would require \$17,015 to cover the last month of lease at our current location as well as the six months of lease costs at the new location. Not including moving related expenses, lease only savings are estimated at \$6,485 from our current budget.

There are a handful of costs associated with signing a new lease that include new stationery, business cards and moving expenses. Based off previous stationery and business card expenses, staff estimates no more than \$3,000 for full replacement however several cost saving measures are also being considered to reduce paper use around the office. A quote for moving expenses was provided by a local company for \$1,500. The reasonable cost is due to the new lease including roughly 80% of our furniture needs. With our current furniture fully depreciated, any piece that is not essential to move will be auctioned through the County per the requirements of our existing MOU and *Financial Accounting Procedures*.

The estimated \$4,500 moving and stationery replacement costs would be less than the \$6,485 in lease related savings which means there is no negative impact to the budget's bottom line however staff requests the approval of \$3,000 from LAFCo's contingency fund. This request would allow for clear accounting practices to separate moving related expenses from lease and stationery related expenses.

Findings

Staff has determined the pros and cons associated with moving to a new office location outweigh the those of renewing our existing lease. As staff continues to monitor and identify budget needs to operate efficiently, the estimated \$57,000 in savings over the next 60 months will assist in providing space for other aspects of our budget to grow while limiting the impact to the overall budget over the next five years.