

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

AGENDA ITEM NO. 7

DATE: November 6, 2013
TO: Fresno Local Agency Formation Commission
FROM: David E. Fey, AICP, Executive Officer 
SUBJECT: Information Only: Work Plan Progress Report

Recommendation

Receive staff's report, provide direction as needed.

Background

Fresno LAFCo's Financial and Accounting Procedures specify that,
Before July 1st, the LAFCo Executive Officer shall prepare for the Commission's review and approval an annual work plan. The work plan is prepared in conjunction with the law and annual budget. The work plan identifies the purposes and plans of State Law and local policy, including requirements for service reviews, sphere of influence updates, and other mandated functions. The work plan will correspond to the adopted fiscal year budget.

The Commission last approved a work plan in September, 2012. Due to the change of executive management, the presentation of the July annual work plan was delayed. Several projects in the Commission's 2012 work plan have been completed; these are noted in the work plan (Exhibit A) and work plan summary (Exhibit B).

Staff has reviewed each work item and has prepared a comment updating the Commission on their status and suggested disposition of the item in the 2014 work plan.

Staff will provide the Commission with a revised and updated work plan in January, 2014, in conjunction with the mid-year budget review.

Discussion

A work plan is most efficient when it focuses staff resources on projects that balance the Commission goals with available staff resources. A work plan should be responsive to changing circumstances without losing sight of the larger priorities. In its 2014 work plan, staff will likely propose a shorter, more focused work plan that is more responsive to ongoing issues of interest to the Commission and seeks to gain efficiencies by consolidating similar work items.

The 2012 work plan currently employs a hierarchy of priorities that separates projects into high, medium, and low priorities. These do not indicate importance as much as when these projects would be addressed by staff; i.e., higher priority projects would be

worked on sooner, and lower priority projects would be worked on later. Staff finds that that it would be more appropriate to actually schedule projects, especially in concurrence with the Municipal Service Review (MSR) schedule.

A number of work items in the 2012 work plan reflect the recommendations of the first round of MSRs, in particular recommending consolidations of certain special districts. These consolidations may or may not have been supported by the respective districts at the time or may have once been favored but due to changing circumstances or new information are no longer considered feasible. Based on initial outreach to the subject districts, these work items will be reevaluated and recommended for removal or combination with other projects next year.

There were several work items associated with the city of Fresno that have had no recent significant staff work. This is due largely to changes in city management and lack of staffing. Staff has conferred with Fresno management and understands that many critical positions in the department will be filled in the near future. Staff will continue to coordinate with city staff and will likely propose amended work items that focus on annexation efficiencies.

Finally, the 2012 work plan does not include existing administrative tasks that also consume staff time and resources. These tasks include the processing, analysis, and administration of reorganization applications and scheduled updates of MSRs. Along these lines, staff is currently exploring with other LAFCos a range of MSR/SOI reviews options to evaluate local agencies that are inactive, are not contemplating SOI changes, or otherwise operating efficiently.

Staff finds that the work plan would be improved if staff's overall responsibilities and goals were incorporated and accounted for.

EXHIBIT 'A'

2012 LAFCO WORK PLAN STATUS

Notes:

- A. Text below is largely from the 2012 Report. Some out of date 'status' sections have been removed.
- B. Underlined text summarizes recent action.

1. **Agency:** City of Fresno

Work Item: Island Annexation Program

2012 Priority Level: Moderate

Description: Encourage City of Fresno to proceed with its Island Annexation Program. Support efforts in appropriate ways.

Action Taken: Completed two island annexations by 9/2012.

Status: City of Fresno completed two annexations under the island annexation provisions. One of the areas resulted in substantial and costly litigation with LAFCo.

Update: This item will be evaluated and likely combined with other City of Fresno work items in the 2014 work plan.

2. **Agency:** City of Fresno and Bluffs Community Service District

Work Item: City Annexation

2012 Priority Level: Moderate

Description: Support City annexation efforts of this County Island served by Bluff's Community Services District as part of the City of Fresno's Island Annexation Program.

Action Taken: The City of Fresno has proposed annexation of the Bluffs Community Services District (CSD) area as part of its island annexation program. This annexation effort would likely include dissolution of Bluffs CSD as the City could take over provision of services currently provided by the District. These include landscaping services to a small neighborhood park and street lighting services

Status: Annexation of this area has been complicated by a question concerning the disposition of the Bluffs CSD assets which include a small park and an easement area at the rear of a number of homes located within the District, as well as cash assets, following annexation. District residents have expressed a desire to maintain the park at a higher level of service than may be performed by the City as well as a desire to ensure that district cash assets will be used solely

for the benefit of the District area. The City of Fresno is working with the District to provide assurances that the District's concerns will be addressed to its satisfaction.

Update: Staff will evaluate the overall support for this work item by the City of Fresno and the CSD residents. This item will likely be combined with other City of Fresno work items in the 2014 work plan.

3. **Agency:** City of San Joaquin and Westside Mosquito Abatement District

Work Item: Annexation

2012 Priority Level: Low

Description: Encourage Fresno-Westside Mosquito Abatement District to pursue annexation of territory located within the City of San Joaquin. LAFCo fees associated with this annexation were waived by the Commission.

Action Taken: During 2008, staff sent written correspondence and left messages at the City requesting information as to whether the City is interested in pursuing annexation into the Fresno Westside Mosquito Abatement District, but did not receive any responses at that time. Staff has also been in contact with the District which states its desire to annex this area, but that it believes City support is necessary in order to be successful in annexing the area. Most recently (September 22, 2008) the District sent a letter to the City Manager and the City Council providing information related to the history of the District and why it believes annexing the remainder of the City would be of benefit to City residents.

Status: To date no progress from the city of City of San Joaquin or the Westside Mosquito Abatement District appears to have been made on this topic. The topic will be included in the MSR for the City in August, 2013 and for the Mosquito Abatement District in October, 2012. To date, the District continues to prefer to operate as separate units.

Update: Staff has been in contact with management of City of San Joaquin and the Fresno-Westside Mosquito Abatement District. Given the lack of support by affected San Joaquin residents this item will be evaluated for removal from the 2014 work plan.

4. **Agency:** Cities of Fowler, Kingsburg, Parlier, Sanger, and Selma; Consolidated Irrigation District

Work Item: Groundwater Preservation

2012 Priority Level: Low

Description: Work with local agencies and the Consolidated Irrigation District (CID) to implement feasible strategies to eliminate groundwater overdraft in the Southeast area of Fresno County.

Action Taken: Negotiations between CID and the representative for the five cities have occurred.

Status: To date, the cities of Parlier and Kingsburg have signed an agreement with CID. The remaining three cities are either in litigation or have not signed an agreement.

Update: Have contacted CID manager Phil Desatoff October 15, 2013 to discuss developments.

5. **Agency:** Fresno County Fire Protection District

Work Item: Financial Stability
2012 Priority Level: High

Description: Work with Fresno County Fire Protection District to continue reviewing options for the District to achieve financial stability.

Action Taken: LAFCo staff has met with Fresno County Fire Protection District staff a number of times since the adoption of the District's MSR in 2007 to discuss methods which LAFCo may facilitate and which may help to stabilize the District's long-term financial outlook. With the exception of ensuring a transition agreement between the District and the various cities is in place, however, LAFCo has little direct authority over methods in which the District may stabilize or increase revenues. The District's efforts to obtain an additional benefit assessment via an election did not receive majority approval of the voters in the fall of 2008.

Status: Cities and the Fire District are currently in negotiations. Fresno/Clovis litigation by the Fire District is pending. The MSR will be started in October 2012 and finished in December 2012 or January 2013.

Update: This item will be evaluated for removal from the 2014 work plan.

6. **Agency:** LAFCo

Work Item: Sphere of Influence Update Program

Description: Prepare a checklist for SOI Update applications
2012 Priority Level: High

Action Taken: LAFCo staff has been actively involved in the Valley Blueprint effort and the Model Farmland Conservation Program (MFCP) efforts undertaken by the Council of Fresno County Governments. Each of these efforts includes recommendations which would slow the growth of City Spheres of Influence through an increase in average density of new residential development. If these Blueprint and Model Farmland Conservation Program recommendations are adopted by Fresno COG, and subsequently by the County and the 15 cities, LAFCo staff would anticipate bringing similar recommendations to the

Commission for their adoption and inclusion in the Commission's Policies and Procedures.

Status: MSR/SOI discussions have been moved to 2013 to allow cities to complete general and specific plan updates.

Update: This item will be evaluated to reframe and combine with other work items in the 2014 work plan.

7. **Agency:** LAFCo

Work Item: Archiving

Description: Archive older LAFCo files.

2012 Priority Level: High

Action Taken: Electronic archiving of older files is necessary in order to allow destruction of hard copies, thus making space available for storage of future application and other files. At its July 9, 2008 hearing, the Commission adopted Policy Section 730 "Destruction of Records" pursuant to Government Code Section 56382.

LAFCo staff is in the process of electronically archiving files, readying them for destruction. Since adoption of this policy numerous files have been purged of duplicate documents and 153 files have been scanned, checked, converted from images to text, and bookmarked for easy searching.

Status: The Commission has authorized the archiving of files through 2008. Currently staff has archived most of the physical files up to 2007 and are working on 2007 and 2008 to present to the Commission at the November 7, 2012 LAFCo hearing.

Update: This work item has been completed.

8. **Agency:** City of Clovis, City of Fresno, Fresno Irrigation District, Fresno Metropolitan Flood Control District

Work Item: Groundwater Preservation

2012 Priority Level: Moderate

Description: Work with local agencies to implement feasible strategies to mitigate groundwater overdraft as required by CEQA, and to eliminate groundwater overdraft in the Fresno/Clovis Metropolitan Area.

Action Taken: Letters have been sent to both cities and both districts recognizing the importance of groundwater preservation and informing the agencies that LAFCo staff would be available to facilitate groundwater preservation as appropriate.

Status: There have been ongoing discussions with the cities, but no solutions have been offered. This area should be reviewed with any MSR and sphere update.

Update: This item will be evaluated to reframe and combine with other work items in the 2014 work plan.

9. **Agency:** LAFCo

Work Item: Land Use Buffers

2012 Priority Level: High

Description: LAFCo staff to participate via Fresno COG in the Valley Blueprint planning efforts in creating land use buffers; Consider Blueprint recommended actions when available.

Action Taken: The Fresno LAFCo Executive Officer has been an active participant in Blueprint efforts as they pertain to Fresno County. Objectives identified in the latest draft of the Blueprint include: *Promote the establishment of buffers between communities to maintain a visible 'edge' and preserve community identity.*"

The LAFCo Executive Officer has also been an active participant with the Model Farmland Conservation Program (MFCP) and Land Buffer Task Force sponsored by the Council of Fresno County Governments and facilitated by American Farmland Trust, which have also addressed the desire for land use buffers.

With completion of the Blueprint consideration needs to be given to dealing with areas between cities and developing a plan to allow cities to not be in completion for s between cities with premature growth and applications. Defining Planning area which are still subject to subsequent applications and MOU's with the county can give each city assume assurance of future direction and allow for some buffering between cities as needed.

Status: The Executive Officer will meet with the planners from the Cities of Fowler, Fresno, Kingsburg, Parlier, Sanger, and Selma on August 1, 2012.

Update: This item will be evaluated to reframe and combine with other work items in the 2014 work plan.

10. **Agency:** City of Kingsburg and City of Orange Cove

Work Item: Sphere of Influence Review

2012 Priority Level: Moderate

Description: The City of Kingsburg and the City of Orange Cove's respective Spheres of Influence both extend into Tulare County. LAFCo staff is to confer with the two cities and Tulare LAFCo regarding removing the cities' respective SOIs from Tulare County. Additionally, LAFCo staff will work with these other

agencies to develop ways to maintain the cities' influence on development in the adjacent Tulare County area.

Background & Action Taken: Staff has researched LAFCo records to determine why the Spheres of Influence for these two cities have included territory in adjacent Tulare County since their SOIs were established in 1974.

Update: The MSR Schedule calls for Kingsburg and Orange Cove to be prepared in 2014. Staff has contacted the city managers of Orange Cove and Kingsburg, and Tulare County staff to reactivate this work item for both cities.

11. Agency: Silver Creek Drainage District

Work Item: District Reactivation
2012 Priority Level: Moderate

Description: Report back to the Commission approximately one year from adoption of MSR (in December, 2007) regarding efforts of District staff to reactivate the District.

Action Taken: A letter has been sent and a voicemail message has been left to inquire as to the status of the District. The District never responded.

Status: LAFCo has not received any further information. A workshop to address the issue of consolidating or dissolving certain inactive or unresponsive districts should be considered.

Update: Staff will contact SCDD staff to determine what if any actions have been taken since 2007 MSR.

12. Agency: Firebaugh, James, Panoche, Poso, Tranquillity, and Westside Resource Conservation Districts (RCD)

Work Item: Consolidation
2012 Priority Level: Moderate

Description: The Commission adopted a single SOI for all six Districts and directed staff to work with the Districts in seeking consolidation, and waived associated LAFCo fees.

Action Taken: LAFCo staff met with four of the Districts in April 2008, along with the California Association of RCDs and staff from the USDA Natural Resources Conservation Service to discuss consolidation. Tranquillity and Westside RCDs have indicated a desire to consolidate. At this time, neither of these two Districts' respective Boards of Directors have enough members to form a quorum and initiate consolidation. They are in the process of having additional members appointed to their respective Boards so that they can take action. The remaining four Districts have indicated they are not interested in consolidation or have been otherwise unresponsive to LAFCo staff's inquiries.

Status: Not all of the RCDs in western Fresno County are interested in consolidating. All of them have had their second MSR approved by the Commission with the exception of Westside RCD so it might need to be brought before the Commission as a separate item instead of with the next round of MSRs which are not due for another five years.

Update: This item will be evaluated for removal from the 2014 work plan.

13. Agency: City of Clovis and Fresno County

Work Item: Management Options

2012 Priority Level: Low

Description: Encourage the County and the City of Clovis to participate in discussions investigating management options for Waterworks District No. 42 and County Service Area (CSA) No. 10, 10A, 44D, and 47, including possible management by Clovis, Fresno, and/or other appropriate agencies.

Action Taken: Letters have been sent to the County and City of Clovis to formally inquire whether they are interested in pursuing the identified management options. In previous discussions the City of Clovis had indicated there did not appear to be a benefit to the City with respect to assisting in operation of County Service Areas.

Fresno County has indicated it is interested in this possibility and that any efforts to consolidate the numerous County Service Areas in and around the Fresno/Clovis Metropolitan Area would be desirable.

Status: Neither the city or the county has expressed any interest; however, a discussion on this topic can occur during the MSR/SOI update in 2013.

Update: Staff has discussed this item with County staff and has reached out to Clovis and Fresno planning department to determine whether this remains a feasible project. Based on comments received, this item will be evaluated in the 2014 work plan.

14. Agency: City of Clovis

Work Item: County Island Annexation (Tarpey Village)

2012 Priority Level: Moderate

Description: Staff to contact City of Clovis recommending annexation of Tarpey Village area by the City.

Action Taken: The LAFCo Executive Officer sent a letter to the Clovis City Manager on October 17, 2007, requesting that the City consider annexation of the Tarpey Village area. No written response was received from the City, however, through discussions with City staff it was learned that the City had

made a previous effort to discuss annexation with the Tarpey Village residents. As a result of this meeting, it was determined by the City that many Tarpey Village residents held strong objections to being annexed into the City. Consequently the City has not made additional efforts to annex the area and did not indicate that any efforts would be made in the future.

The City also indicated that fees which would be due payable to the Fresno County Fire Protection District as a result of annexation pursuant to the transition agreement between the City and the District are prohibitive in that these fees must be paid upfront to the District. In this case these fees are especially prohibitive in that annexation would not result in any additional development, and therefore these fees could not be passed along to a developer or property owners.

Status: Clovis is completing its general plan update. LAFCo staff will comment on the need to annex islands to provide for more effective provision of municipal services.

Update: Based on a summary review of this project, the probable level of resident protest, and Clovis' lack of interest in incurring non-reimbursable expenses, this item will be evaluated for removal from the 2014 work plan.

15. Agency: City of Firebaugh

Work Item: SOI Revision

2012 Priority Level: Low

Description: Staff to confer with Firebaugh and Madera County regarding that portion of the Firebaugh SOI which is located within Madera County. The Commission waived applicable fees to revise the SOI if it is determined that the SOI should be revised so that it no longer extends into Madera County

Background & Action Taken: The City of Firebaugh's SOI, as established in 1974, included the community of East Firebaugh which was made up of approximately 75 residences located in Madera County. The SOI Report prepared for the Commission indicated East Firebaugh was included within the City of Firebaugh's SOI because of "*close socio-economic ties, existing and planned development within close proximity to the city, and existing and proposed urban service facilities. The city is also the most logical provider of needed urban services to that area.*" The SOI Report also stated that a sewer line had been proposed to be extended from the City to serve the East Firebaugh community by 1975. This line was extended to East Firebaugh and the City continues to provide sewer service to this community.

The SOI report recommended that the City of Firebaugh and Madera County work together to plan that area in Madera County adjacent to Firebaugh and that Madera County refer any development proposals to the City for review and comment until such time as the Fresno/Madera County Boundary might be

changed or the law would be amended to allow annexation across county boundaries.

The City of Firebaugh's General Plan includes the East Firebaugh community within its planning area, designating the area as residential.

A letter has been sent to the City asking whether it believes it is still appropriate to include this area within the City's SOI and stating there may be other mechanisms that are more appropriate to insure development within the area does not negatively impact the City of Firebaugh. It is noted, however, that any significant development would likely need the sewer services provided by the City and that this fact likely minimizes risk of any development taking place against the City's wishes.

A letter has also been sent to Madera County asking whether it has a policy or other mechanism in place which requires it to notify the City of Firebaugh of any development proposals within the City's SOI.

Status: Discussion should continue when the MSR's are considered in 2013. The Counties of Fresno and Madera should be included in any discussions and given the opportunity to offer solutions.

Update: This issue was not raised in the city's 2007 MSR but is similar to the SOI/growth issues of Kingsburg and Orange Cove. Evaluate the feasibility of this work item with the Firebaugh MSR update in 2014.

16. **Agency:** City of Fresno, Pinedale Public Utility District (PUD), and Pinedale County Water District (CWD)

Work Item: Potential Dissolution of Pinedale PUD and Pinedale CWD
2012 Priority Level: Low

Description: LAFCo staff to confer with the City of Fresno, Pinedale PUD, and Pinedale CWD regarding the best mechanism for providing services to the areas currently served by the respective Districts, including consideration of dissolution of Pinedale PUD and Pinedale CWD and transfer of their assets and service obligations to the City of Fresno.

Action Taken: The LAFCo Executive Officer has been in contact with the manager of Pinedale CWD concerning setting up a meeting between the District, the City of Fresno, and LAFCo staff. The Pinedale CWD manager states that it will not agree to meet with the City of Fresno as the City and District are currently engaged in a legal dispute. The District's manager has agreed to meet with the LAFCo Executive Officer, but has stipulated that, if LAFCo Counsel will be attending the meeting, the District requires that its attorney also be present. In response, the LAFCo Executive Officer has directed LAFCo Counsel to draft a letter to the District to request a meeting.

The LAFCo Executive Officer and staff have also met with the City of Fresno concerning potential dissolution of Pinedale PUD and Pinedale CWD. The City has indicated that it is interested in exploring whether or not the City might be better able to provide services to the areas currently served by the two Districts. Given staff limitations, the City has stated that it does not want to enter discussions simultaneously with the two Districts, but would prefer to focus its energies on only Pinedale CWD at this time, including potentially taking over District services as well as settling the above mentioned legal dispute.

Update: The MSR for the PPUD and PCWD have been scheduled for 2014. Feasibility of potential organizational changes will occur in these MSRs.

17. Agency: City of Fresno and Fresno County

Work Item: Transfer of Services

2012 Priority Level: Low

Description: Encourage the City of Fresno and Fresno County to participate in a joint investigation to determine the best mechanism to provide services to CSA Nos. 2, 7, 14, 18, 19, and 39 – areas within the vicinity of the City of Fresno. Considerations would include management of the CSAs by the Cities of Fresno or Clovis and/or other appropriate agencies.

Action Taken: Staff has been in contact with the County which has indicated it is interested in pursuing this possibility and that any efforts to consolidate the numerous County Service Areas in and around the Fresno/Clovis Metropolitan Area is most desirable. Staff has not yet contacted the City of Clovis or other agencies as the City of Fresno appears to be the most logical alternative management/service provider due to these CSAs being located within and nearest to the City of Fresno's SOI.

Status: Neither city has indicated an interest in providing services to the CSA's in or near their SOIs. This issue was mentioned in the CSA MSRs previously approved by the Commission and will be discussed in the city MSRs that will be presented in 2013.

Update: This item will be evaluated and likely combined with other City of Fresno work items in the 2014 work plan.

18. Agency: Lanare Community Services District (CSD), Sierra Cedars CSD, Fresno County, Malaga County Water District (CWD), and Pinedale CWD.

Work Item: Groundwater Preservation

Description: Municipal Service Reviews are encouraged for the identified Districts to mitigate groundwater overdraft as required by CEQA, eliminate overdraft as feasible, and to work to implement strategies which would result in a net increase in groundwater.

Action Taken: Letters have been sent to each of the identified agencies encouraging them to work toward eliminating groundwater overdraft within their respective areas and to work with other agencies toward this goal.

Status: The Lanare CSD MSR has been continued to a date uncertain while further investigation takes place. The remaining districts MSRs are scheduled to be presented in 2012 and 2013.

Update: Evaluate this work item to be addressed during MSR updates for respective districts (2014 for Lanare CSD, Malaga CWD and Pinedale CWD; 2016 for Sierra Cedars CSD).

19. Agency: Sierra Cedars Community Services District, Fresno County

Work Item: Consolidation

2012 Priority Level: Low

Description: Work with Sierra Cedars CSD, Waterworks District No. 41, and CSA No. 31 to investigate whether consolidation into CSA No. 31 would be beneficial to the respective agencies and the residents served by these agencies. LAFCo staff is to confer with these Districts.

Action Taken: The County has responded to LAFCo's inquiry, stating it is interested in pursuing potential consolidation of these districts. The County operates the Waterworks District and CSA No. 31. A letter has been sent to Sierra Cedars CSD to determine whether it is interested in potential consolidation and to set up a joint meeting between Sierra CSD, the County, and LAFCo staff.

Status: Although the County and LAFCo are interested in consolidating the districts, it would appear that the Sierra Cedars CSD is not interested. The next round of MSRs is due in 2016 and should consider at least the consolidation of CSA No. 31 and Waterworks District No. 41.

Update: Evaluate this work item to be addressed during MSR updates for respective districts (2016 for CSA No. 31, CWD No. 41, and Sierra Cedars CSD).

20. Agency: Fresno County and Waterworks District No. 18

Work Item: Consolidation

2012 Priority Level: Moderate

Description: Consolidate WWD No. 18 with WWD No. 38 and CSA Nos. 34 and 44.

Action Taken: LAFCo staff has contacted Waterworks District No. 18 and County staff regarding these potential consolidations and have been told by each agency that they are interested in pursuing consolidation. One complicating factor for consolidation is that, in addition to providing water and sewer services, the two CSAs also provide lighting, recreation, and road maintenance services.

Lighting, recreation, and road maintenance services are not included among the general powers allowed a waterworks district under the Water Code (Section 55000).

Status: No interest has been expressed by either party in 2012. Based on the number of items involving the Fresno and Fresno County, staff will schedule an update meeting in September.

Update: Staff will include a work item in the 2014 work plan to meet with County Resources staff to determine the feasibility of consolidation of these districts.

21. Agency: City of Fresno and Malaga County Water District

Work Item: City/District Boundaries

2012 Priority Level: Low

Description: LAFCo staff to confer with Malaga CWD and City of Fresno with respect to mutual areas of concern regarding City and District boundaries, including SOI boundaries

Action Taken: Letters concerning this issue have been sent to the City of Fresno and Malaga CWD. A meeting between LAFCo staff and the City, which will include discussion of this issue, has been set for February 5, 2009.

Status: Waiting for documents related to implementation and for the City of Fresno to complete their General Plan update.

Update: Contacted Malaga management and determined that there is no interest there to proceed with this work item. Will evaluate for removal from 2014 work plan.

22. Agency: Orange Cove Irrigation District, Hills Valley Irrigation District, and Tri-Valley Water District

Work Item: Consolidation

2012 Priority Level: Low

Description: Work with Orange Cove Irrigation District, Hills Valley Irrigation District and the Tri-Valley Water District in reviewing possible consolidation.

Action Taken: Letters concerning potentially consolidating the Districts have been sent to each District to determine whether they are interested in consolidation. These letters also note that the Commission waived LAFCo fees associated with consolidation.

Status: To date, the Districts have not expressed an interest in consolidation. The MSRs for the irrigation districts are scheduled to be presented to the Commission in September 2013, and the Water district presented in December 2012. Consolidation should be addressed at the same time.

Update: Contacted consulting engineer for all three districts, and recommend that this work item be removed from the 2014 work plan.

23. Agency: Tranquility Irrigation District and Fresno Slough Water District

Work Item: Annexation/Detachment

2012 Priority Level: Low

Description: Review possible advantages of Tranquility Irrigation District's annexation of land within Fresno Slough Water District boundaries or consolidation of the Districts.

Action Taken: Letters concerning potential reorganization have been sent to Tranquility Irrigation District and Fresno Slough Water District to determine if there may be potential advantages of reorganizing and whether the Districts may be interested in reorganization.

Status: The MSRs are scheduled for September 2013 and December 2012 respectively and this issue should be addressed at that time.

Update: have Contacted TID manager who expressed no further interest in this work item. Recommend that this work item be removed from the 2014 work plan.

24. Agency: City of Fresno and Pinedale Public Utility District

Work Item: Service Outside Boundary

2012 Priority Level: Low

Description: LAFCo staff to confer with Pinedale PUD and the City of Fresno regarding the status of Pinedale PUD's continuing provision of service outside its boundary.

Action Taken: A meeting between LAFCo staff and the City had been set for February 5, 2009, which included discussion as to whether the City wants to pursue this issue at this time, and whether the City has the capacity and necessary infrastructure to take over provision of services to the area currently served by Pinedale PUD.

2008 Status: On hold pending outcome of the meeting with the City. If the City is interested in pursuing this issue at this time, LAFCo staff will then contact the District to discuss the issue and arrange a meeting between the two agencies, lending whatever assistance is possible and appropriate.

Status: This item needs to be revisited when the Pinedale and Fresno City MSRs are reviewed. The MSR for the City has been rescheduled for 2013 and discussion will occur at that time.

Update: Evaluate this work item for removal from 2014 work plan.

25. Agency: Broadview Water District

Work Item: Dissolution

2012 Priority Level: Moderate

Description: LAFCo recommended dissolution of the District upon finalization of its business obligations.

Action Taken: In 2005, Westlands Water District purchased all of Broadview Water District's lands and annexed these lands into Westlands Water District. As a result, Broadview has no territory and does not have a Sphere of Influence. At the time Broadview's MSR was completed in 2007, Westlands Water District staff reported that, while Broadview no longer had any lands and did not provide any services, Broadview as an entity was still necessary in order to finalize certain business obligations. LAFCo staff has contacted Westlands Water District, which states that these business obligations have not yet been completed, but that it does plan for Broadview Water District to be dissolved at some point in the future. When this will occur is uncertain, however.

Status: The MSR for both districts is scheduled to be presented to the Commission in December 2012. The status of Broadview's business obligations and a timeline for dissolution will be discussed at that time.

Update: Broadview Water District General Manager reports that there are presently no plans for the dissolution of Broadview Water District. Remove this work item from 2014 work plan.

26. Agency: Garfield Water District, Cities of Fresno and Clovis, Fresno County

Work Item: Water rights and usage

2012 Priority Level: Moderate

Description: Cities of Fresno and Clovis and the County of Fresno to work with the Garfield Water District to resolve water rights/water usage related issues.

Action Taken: Letters have been sent to the County, City of Fresno, and City of Clovis concerning these issues. A meeting has been set between LAFCo staff and the City of Fresno for February 5, 2009, which will include discussion of these issues. The County has indicated it is interested in pursuing these issues.

Status: Garfield Water District's MSR is scheduled to be presented to the Commission in December 2012, and will include an update on how each agency wishes to proceed. The use of Garfield's water in the potential development of the northwest portion of Clovis also needs to be discussed in the City of Clovis' MSR.

Update: According to the District's consulting engineer, some district reorganization is anticipated in the near future but can be handled through the

application process rather than as a separate work item. This work item will be removed from the 2014 work plan.

27. Agency: International Water District, City of Clovis, and County of Fresno

Work Item: Water rights and usage

2012 Priority Level: Moderate

Description: City of Clovis and County of Fresno to work with International Water District to resolve water rights/water usage related issues.

Action Taken: Letters have been sent to the County of Fresno and the City of Clovis concerning these issues. The County has indicated it is interested in pursuing these issues.

2008 Status: On hold pending a response from the City of Clovis. Once it is determined how each of these agencies desires to proceed, LAFCo staff will contact International Water District to arrange a meeting between the affected agencies and will lend whatever assistance is possible and appropriate.

Status: The International Water District's MSR is scheduled to be presented to the Commission in December 2012, and will include an update on how each agency wishes to proceed. Any potential use of International's Class 1 water also needs to be included in the next Clovis MSR at such time as the City of Clovis requests a sphere of influence update to accommodate the Clovis Northeast Village area.

Update: No changes by the District are anticipated until such time in the future as this area urbanizes. According to the draft Clovis General Plan, development in the city's northeast growth area has a lower priority than other city growth areas until 2017. This item will be evaluated for removal from the 2014 work plan and any proposed changes will be handled on an application basis.

28. Agency: LAFCo and International Water District

Work Item: Research

2012 Priority Level: Moderate

Description: The Commission directed staff to conduct research to determine whether the District is necessary to provide water services to lands within the District's boundary.

Action Taken: The District was formed in 1952. As a result, LAFCo does not have any records related to its formation. A letter has been sent to the District requesting additional information concerning its formation as well as under what type of agreement or other means the District obtains water for irrigation use.

Status: Discussion on any findings should be reported to the Commission at the December 2012, Commission hearing as part of the MSR/SOI update.

Update: Documentation has been placed in the administrative record. Complete.

29. Agency: Mercy Springs Water District and Panoche Drainage District

Work Item: Consolidation

2012 Priority Level: Moderate

Description: LAFCo staff to confer with Mercy Springs Water District and Panoche Drainage District concerning potential consolidation.

Action Taken: Letters have been sent to Mercy Springs Water District and Panoche Drainage District to determine whether either District is interested in consolidation.

Update: Waiting for information from the District whether consolidation remains a feasible action.

30. Agency: Pleasant Valley Water District

Work Item: Dissolution or other change of organization.

2012 Priority Level: Low

Description: The Commission encouraged Pleasant Valley Water District to confer with LAFCo staff, the City of Coalinga, and/or Westland's Water District concerning the possibility of dissolution of Pleasant Valley Water District and/or consolidation, or other reorganization with the City of Coalinga and/or Westland's Water District.

Action Taken: A letter has been written to Pleasant Valley Water District to determine whether it would be in favor of a change of organization such as those proposed. Copies were also sent to the City of Coalinga and Westland's Water District.

Update: Waiting for information from the District whether consolidation remains a feasible action.

31. Financial Procedures

Work Item: Develop a written financial procedures plan.

2012 Priority Level: High

Description: Develop written policy for paying bills invoices, inputting funds in the system, preparing monthly, semi-annual and yearly financial statements. A policy needs to be in place before LAFCo's first audit is done.

Update: Fresno LAFCo Financial and Accounting Procedures were amended to include these policies and procedures. Complete.

32. Financial Audit

Work Item: Engage services of independent auditor to perform the first audit of LAFCo as independent agency.

2012 Priority Level: High

Description: Employ an independent financial auditor with experience in reviewing governmental entities and making suggestions for the establishment of practices for LAFCo to following the future.

Update: An independent audit was performed and presented to the Commission. Complete.

33. Islands and Peninsulas Workshop

Work Item: Develop a “white paper” on the impacts of existing LAFCo policy and CKH law as it relates it issues surrounding islands and peninsulas that impact the ability of the 15 cities and special districts to expand.

2012 Priority Level: High

Description: Draft White Paper on islands and peninsulas

Action Taken: Completed the first draft and will be meeting with various communities of interest including county staff, BIA, and the 15 cities.

Update: This item will be evaluated and likely combined with other City of Fresno work items in the 2014 work plan.

34. Workshop on District Dissolutions and Mergers

Work Item: Analyze issues and obligation related to LAFCo requiring special districts to merge or dissolve.

2012 Priority Level: Moderate

Description: Develop a report dealing with impacts to LAFCo relating to requiring districts to merge or dissolve. Many of the MRS's have suggestions that districts either merge with other districts and/or dissolve. While LAFCO has the power to innate such an action under CKH, a discussion needs to take place before any further action related to the districts in discussed.

Action Taken: LAFCo staff has prepared several MSRs that include these suggestions and have completed a list of districts that are inactive or unresponsive.

Status: Nearly all of the smaller districts will be completed by December 2012, and the workshop will be scheduled in the spring of 2013.

Update: Schedule this workshop in the 2014 Work Plan.

35. Special Districts on the LAFCo Commission

Work Item: Process for seating Special Districts on LAFCo

2012 Priority Level: High

Description: CKH provides for the seating of two special districts on LAFCo subject to a provision in CKH which requires the districts to pass a resolution establishing their intent. Previously several of the districts have indicated an interest being seated on LAFCO. Many of the districts would like to know what their approximate financial obligation would be with a 1/3 share of the LAFCo budget as can be required under CKH. This calculation requires the cooperation of the districts and unfortunately some do not want to cooperate in providing a current budget to LAFCo.

Action Taken: LAFCo staff has attended several meetings with special districts related to this topic and has discussed the issue with the California Special District Association. LAFCo staff has collected some the budgets needed to do the calculations. However, some of the districts have refused to provide budget information despite several public records act requests. Staff is looking for a consultant to do the financial analysis, in an effort to be completely neutral.

Status: LAFCo staff has sent letters and sample resolutions to each qualified district to start the one year process.

Update: Based on lack of interest from most special districts, this item will be evaluated for removal from the 2014 work plan.

36. Establishment of Financial Reserve Accounts

Work Item: Establish two reserve accounts for LAFCo

2012 Priority Level: High

Description: When LAFCo separated from Fresno County all funds were placed in a single operating account. Previously LAFCo held some funds in a county reserve account as opposed to normal operating expenses. In both the mid-year financial report and by specific action the LAFCo commission authorized establishing two reserve accounts. One account is to be for general reserve and the other will be a separate account for legal reserves.

Status: Two reserve accounts have been established. One is for general reserves and one is for legal reserves. The 2012-2013 budget provides funding for both reserve accounts. However, this item needs to be revisited at the mid-year budget review in January or February 2013.

Update: Two reserve accounts have been established. Complete.

Tentative 2014 Work Plan Projects

- 1. New Work item: Workshop on Changes of organization**
Agency: LAFCo
Description: workshop to brief Commission on CKH provisions to change organization (consolidate, dissolve, etc.); logistics and statutory requirements for each option; discussion of a range of policy options to determine if the Commission should initiate a change of organization, or support an application by agencies.
- 2. New Work item: Disadvantaged Unincorporated Community Analysis Process**
Agency: LAFCo
Description: Create an administrative process to implement Commission's DUC policy. Policy is currently not clear whether staff or applicant or third party should perform initial outreach to subject DUC.
- 3. New Work item: Municipal Service Review Workshop**
Agency: LAFCo
Description: Workshop to review to following MSR components:

 - MSR/SOI update program, influenced by EO's review of other LAFCo's procedures and treatment of local agencies.
 - funding, including funding by non-responsive agencies: Currently shown as aging in the Commission's Accounts Receivable detail;
 - Creating standing recommendations and/or performance measures that would result in the Commission initiating a change of organization.
- 4. New Work Item: Facilitate Fire Transition Policy**
Agencies: LAFCo, all cities and fire districts
Description: Develop Commission's County-wide Fire Transition Plan based on an agency-by-agency evaluation of service plans, location of resources, emergency response times, and whether a city's annexation provides 'equal or better levels of service.'
- 5. New Work Item: LAFCo Independence: staffing/operations/policy planning.**
Agency: LAFCo
Description: Review whether LAFCo is sufficiently independent or if additional measures should be taken to separate from County; consider long-term goals and operational options to adequately serve the interests of Fresno LAFCo and whether changes to salaries, position descriptions, number of staff, special district representation, etc. are recommended.

2013 Priority	2012 # in List	Work Item	Agency 1	Agency 2	Agency 3	Agency 4	Agency 5	Agency 6
Second	1	Island Annexation Program	Fresno					
Second	2	City Annexation	Fresno	Bluffs CSD				
Third	3	Annexation	San Joaquin	Westside MAD				
Third	4	Groundwater Preservation	Fowler	Kingsburg	Parlier	Sanger	Selma	Consolidated ID
First	5	Financial Stability	Fresno County FPD					
First	6	Sphere of Influence Update Program	LAFCo					
First	7	Archiving LAFCo Documents --COMPLETED--	LAFCo		Done			
Second	8	Groundwater Preservation	Fresno	Clovis	Fresno ID	FMFCD		
First	9	Land Use Buffers	LAFCo					
Second	10	Sphere of Influence Review	Kingsburg	Orange Cove				
Second	11	District Reactivation	Silver Creek DD					
Second	12	Consolidation	Firebaugh	James RCD	Panoche RCD	Poso RCD	Tranquillity RCD	Westside RCD
Third	13	Management Options	Fresno County	Clovis				
Second	14	County Island Annexation (Tarpey Village)	Clovis					
Third	15	SOI Revision	Firebaugh					
Third	16	Potential Dissolution of Pinedale PUD and Pinedale CWD	Fresno	Pinedale PUD	Pinedale CWD			
Third	17	Transfer of Services CSA Nos. 2, 7, 14, 18, 19, and 39	Fresno County	Fresno				
First	18	Groundwater Preservation	Fresno County	Sierra Cedars CSD	Lanare CSD	Malaga CWD	Pinedale CWD	
Third	19	Consolidation	Fresno County	Sierra Cedars CSD				
Second	20	Consolidation of WWD No. 18 with WWD No. 38 and CSA Nos. 34 and 44	Fresno County	WWD No. 18				
Third	21	City/District Boundaries	Fresno	Malaga CWD				
Third	22	Consolidation	Orange Cove ID	Hills Valley ID	Tri-Valley WD			
Third	23	Annexation/Detachment	Tranquillity ID	Fresno Slough WD				
Third	24	Service Outside Boundary	Fresno	Pinedale PUD				
Second	25	Dissolution	Broadview WD					
Second	26	Water rights and usage	Fresno County	Fresno	Clovis	Garfield WD		
Second	27	Water rights and usage	Fresno County	Clovis	International WD			
Second	28	Research --COMPLETED--	LAFCo	International WD				
Second	29	Consolidation	Mercy Springs WD	Panoche DD				
Third	30	Dissolution or other change of organization.	Pleasant Valley WD					
First	31	Develop written financial procedure --COMPLETED--	LAFCo		Done			
First	32	Independent audit of LAFCo --COMPLETED--	LAFCo		Done			
First	33	Develop Island and Peninsula "white paper"	LAFCo					
Second	34	Workshop on District Dissolutions and Mergers	LAFCo					
First	35	Special District Representation the LAFCo	LAFCo					
First	36	Establish two reserve accounts for LAFCo --COMPLETED--	LAFCo		Done			