

# AGENDA

## FRESNO LOCAL AGENCY FORMATION COMMISSION (LAFCo)

April 10, 2024 – 1:30 P.M.

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

### COMMISSION MEMBERS

Gary Yep, Chair  
Buddy Mendes, Chair Pro Tem  
Nathan Magsig  
Daniel Parra  
Mario Santoyo

### ALTERNATE MEMBERS

Michael Lopez  
Scott Robertson  
Vacant

### LAFCO STAFF

Brian Spaunhurst, Executive Officer  
Amanda Olivas, Clerk to the Commission  
Jessica Gibson, LAFCo Analyst  
Juan Lara, LAFCo Analyst  
Jessica Johnson, LAFCo Counsel

LAFCo Office: 1401 Fulton Street, Suite 900, Fresno, CA - 93721 - (559) 600-0604  
Staff reports prepared for each item listed in this agenda may be viewed at [www.fresnolafco.org](http://www.fresnolafco.org).

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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-5B by taking the following actions:
  - A. **Consider Approval:** Minutes from the LAFCo meeting of March 13, 2024.
  - B. **Consider Approval: City of Kingsburg “Matoian Reorganization.”** A proposed reorganization consisting of the detachment of approximately 13 acres from the Fresno County Fire Protection District, the Kings River Conservation District, and the Consolidated Irrigation District and annexation of this territory to the City of Kingsburg

and the Selma-Kingsburg-Fowler County Sanitation District, said territory being located west of SR99, on the south side of east Stroud Avenue. (LAFCo File No. RO-24-02)

**REGULAR AGENDA ITEMS**

- 6. **Consider Dissolution:** SB 938 for the Zalda Reclamation District No. 801. (LAFCo File No. DOD-24-01)

**Recommendation:** Dissolve.

- 7. **Consider Approval: City of Fresno “Ashlan-Hayes No. 2, 3, and 4 Reorganization.”**  
A proposed reorganization to annex approximately 140 acres to the City of Fresno and detach from the North Central Fire Protection District and the Kings River Conservation District for properties generally located west of North Polk Avenue, east of North Bryan Avenue, and on the north and south side of West Ashlan Avenue. (LAFCo File No. RO-24-01)

**Recommendation:** Approve.

- 8. **Workshop:** Proposed Budget and Work Plan for FY 24-25.
- 9. **Consider Approval:** Authorize the Executive Officer to Sign New Lease Agreement with Tutelian for Office Space Located in The Grand Tower and Authorize Partial Expenditure of the Commission’s Contingency Fund for FY 23-24.

**Recommendation:** Approve.

- 10. **Executive Officer Comments**

- 11. **Commission Comments/ Reports**

- 12. **Adjournment**

**THE NEXT LAFCO MEETING** will be held on May 8, 2024, 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 totaling more than \$250.00 to a Commissioner or alternate Commissioner during the time of the proceeding is pending before the Commission and for twelve (12) months **after** the Commission’s final 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.



Fresno Local Agency Formation Commission  
1401 Fulton Street, Suite 900, Fresno, CA 93721, (559) 600-0604

**CONSENT AGENDA ITEM NO. 5A**

**FRESNO LOCAL AGENCY FORMATION COMMISSION (LAFCo)**

**MEETING MINUTES**

**March 13, 2024**

**Members Present:** Commissioners Magsig, Santoyo, Mendes

**Members Absent:** Commissioners Parra, Yep

**Staff Present:** Brian Spaunhurst, LAFCo Executive Officer  
Amanda Olivas, Clerk to the Commission  
Jessica Gibson, LAFCo Analyst  
Juan Lara, LAFCo Analyst  
Jessica S. Johnson, LAFCo Counsel

**1. Call to Order and Roll Call**

Chair Mendes called the meeting to order at 1:30 p.m.

**2. Pledge of Allegiance**

Commissioner Santoyo 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 January 10, 2024.**

**B. Authorize the Chair to Sign Letters of Support for AB 3277 and SB 1209.**

**C. City of Selma “Dewolf- Floral Reorganization.”**

Motion: Approve Item 5A-5C

Moved: Commissioner Magsig

Second: Commissioner Santoyo

Ayes: Commissioners Magsig, Santoyo, Mendes

Absent: Commissioner Parra, Yep

Passed: 3-0-2-0



## **REGULAR AGENDA ITEMS**

### **6. A Request by the City of Fresno to Waive the Application Fees for Extension of Services Request OS-24-02.**

Motion: Denied- Item 6

Moved: Commissioner Magsig

Second: Commissioner Santoyo

Ayes: Commissioners Magsig, Santoyo, Mendes

Noes: 0

Absent: Commissioner Parra, Yep

Passed: 3-0-2-0

### **7. Workshop: Preliminary Budget and Work Plan for FY 24-25.**

This is a workshop; no action is needed.

### **8. Executive Officer Comments.**

LAFCo Executive Officer Brian Spaunhurst provided comments.

### **9. Commission Comments/Reports.**

No Commission Comments.

### **10. Adjournment**

Moved: Commissioner Santoyo

Second: Commissioner Magsig

The meeting adjourned at 2:00 p.m.

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Amanda Olivas  
Clerk to the Commission

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

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**CONSENT AGENDA ITEM No. 5-B**

**DATE:** April 10, 2024

**TO:** Fresno Local Agency Formation Commission

**FROM:** Brian Spaunhurst, Executive Officer

**BY:** Juan Lara, LAFCo Analyst III

**SUBJECT:** Consider Approval - City of Kingsburg "Matoian Reorganization." A proposed reorganization consisting of the detachment of approximately 13 acres from the Fresno County Fire Protection District, the Kings River Conservation District, and the Consolidated Irrigation District and annexation of this territory to the City of Kingsburg and the Selma-Kingsburg-Fowler County Sanitation District, said territory being located west of SR99, on the south side of east Stroud Avenue. (LAFCo File No. RO-24-02)  
**Applicant:** City of Kingsburg

**Landowners/Parties of Real Interest (100% Consent):** City of Kingsburg, George & Darlene Matoian.

(This proposed reorganization has been placed on the consent agenda without notice pursuant to Govt. Code sec. 56662(a) because the territory is uninhabited, no affected local agency has submitted a written demand for notice and hearing, and all property owners have consented in writing to the annexation.)

**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 reorganization, 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 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 “Matoian Reorganization” and approve the reorganization subject to the following conditions of approval:
- a. Pursuant to Fresno LAFCo Policy 108-07, 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. Required fees shall be paid to the Selma-Kingsburg-Fowler County Sanitation District in accordance with District regulations. The City of Kingsburg shall submit satisfactory verification to the Executive Officer that said fees have been paid prior to the completion of the reorganization.
  - c. Submit a revised Map and Legal Description adequate to file with the State Board of Equalization.
- E. Waive further Conducting Authority Proceedings and order the reorganization subject to the requirements of CKH.

### **Executive Summary**

On September 18, 2023, the City of Kingsburg adopted Resolution No. 2024-009 requesting the Commission to begin proceedings for the “Matoian Reorganization” to detach approximately 13 acres from the Fresno County Fire Protection District, the Kings River Conservation District, and the Consolidated Irrigation District and annex it to the City of Kingsburg and the Selma-Kingsburg-Fowler County Sanitation District.

### **Proposal/Land Use**

- The proposal consists of the detachment of approximately 13 acres from the Fresno County Fire Protection District, the Kings River Conservation District, and the Consolidated Irrigation District and annexation to the City of Kingsburg and the Selma-Kingsburg-Fowler County Sanitation 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 Kingsburg sphere of influence (**Attachment B**) and is contiguous to the Kingsburg city limits (**Attachment C**).
- The affected territory is within the Selma-Kingsburg-Fowler County Sanitation District sphere of influence and is contiguous to the district service area (**Attachment D**).

- The proposal is currently zoned AE-20 (Exclusive Agricultural) and has been rezoned to the Kingsburg CH (Highway Commercial) zone district by Resolution No. 2024-009.
- The territory is uninhabited.
- The proposal is consistent with the Kingsburg General Plan.

### **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 Kingsburg and County of Fresno.
- The proposal is subject to the 10-year property tax allocation agreement between the City of Kingsburg and the Fresno County Fire Protection District set to expire on June 30, 2033.
- 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 Kingsburg CH (Highway Commercial) district by Resolution No. 2024-009.
- The city of Kingsburg is within the South Kings GSA and has a Groundwater Recharge Plan in place.

### **Revenue & Tax Code**

Fresno County has determined that proposed Matoian Reorganization involving the annexation of approximately 13 acres is consistent with the Standards of Annexation of the Amended and Restated Memorandum of Understanding (Master Tax Sharing Agreement) between the City of Kingsburg and County of Fresno, therefore, no further tax negotiations are necessary pursuant to Revenue and Tax Code section 99b.

### **Relationship to Regional Housing Goals and Policies**

The proposed project is within an area planned for commercial uses. No housing opportunities will be lost as the project is consistent with the Kingsburg General Plan.

### **Sustainable Groundwater Management Act**

California’s Sustainable Groundwater Management Act (“SGMA”) was signed into law by former Governor Edmund G. Brown Jr. 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 South Kings GSA will represent the City of Kingsburg.

## **Environmental Determination**

The City of Kingsburg, acting as “Lead Agency” under CEQA, adopted a Mitigated Negative Declaration for the Matoian Reorganization filed with the Fresno County Clerk’s office on February 23, 2024, Document No. E202310000315, consistent with the requirements of CEQA.

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.

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 City of Kingsburg staff.

## **Agencies and Individuals Submitting Comments**

- Paul Nerland, Fresno County Administrative Officer
- Bryant Vandervelde, Supervising Cadastral Tech, Fresno County Assessor’s Office
- Kevin Tsuda, Environmental Health Specialist II, Environmental Health Division

## **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 Kingsburg

**Level of Analysis:** Mitigated Negative Declaration

**Finding:** Mitigated Negative Declaration (See Environmental Documents at [www.fresnolaftco.org](http://www.fresnolaftco.org) under the Hearing and Workshops tab in the March 13, 2023, file).

## **Individuals and Agencies Receiving this Report.**

- LAFCo Counsel
- Bernard Jimenez, Planning and Resources Management Officer
- Kings River Conservation District
- Fresno County Fire Protection District
- Consolidated Irrigation District
- Selma-Kingsburg-Fowler County Sanitation District
- Holly Owen, Community Development Director, City of Kingsburg

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# Attachment A

## PROPOSAL INFORMATION

1. Affected Territory

<b>Acreage:</b>	13.2
<b>Current Land Use:</b>	AE-20 (Exclusive Agricultural)
<b>Number of Residences/ Population:</b>	Residents: 0/ Population: 0 estimated
<b>Registered Voters:</b>	Voters: 0
<b>Assessor Parcel Number(s):</b>	394-042-04

2. Proposed Development - The affected territory is the potential site for new public facilities with additional highway commercial uses.

3. Surrounding Territory – Highway to the north, commercial to the and south, Agricultural west.

4. Existing Service Agencies and Proposed Service Changes

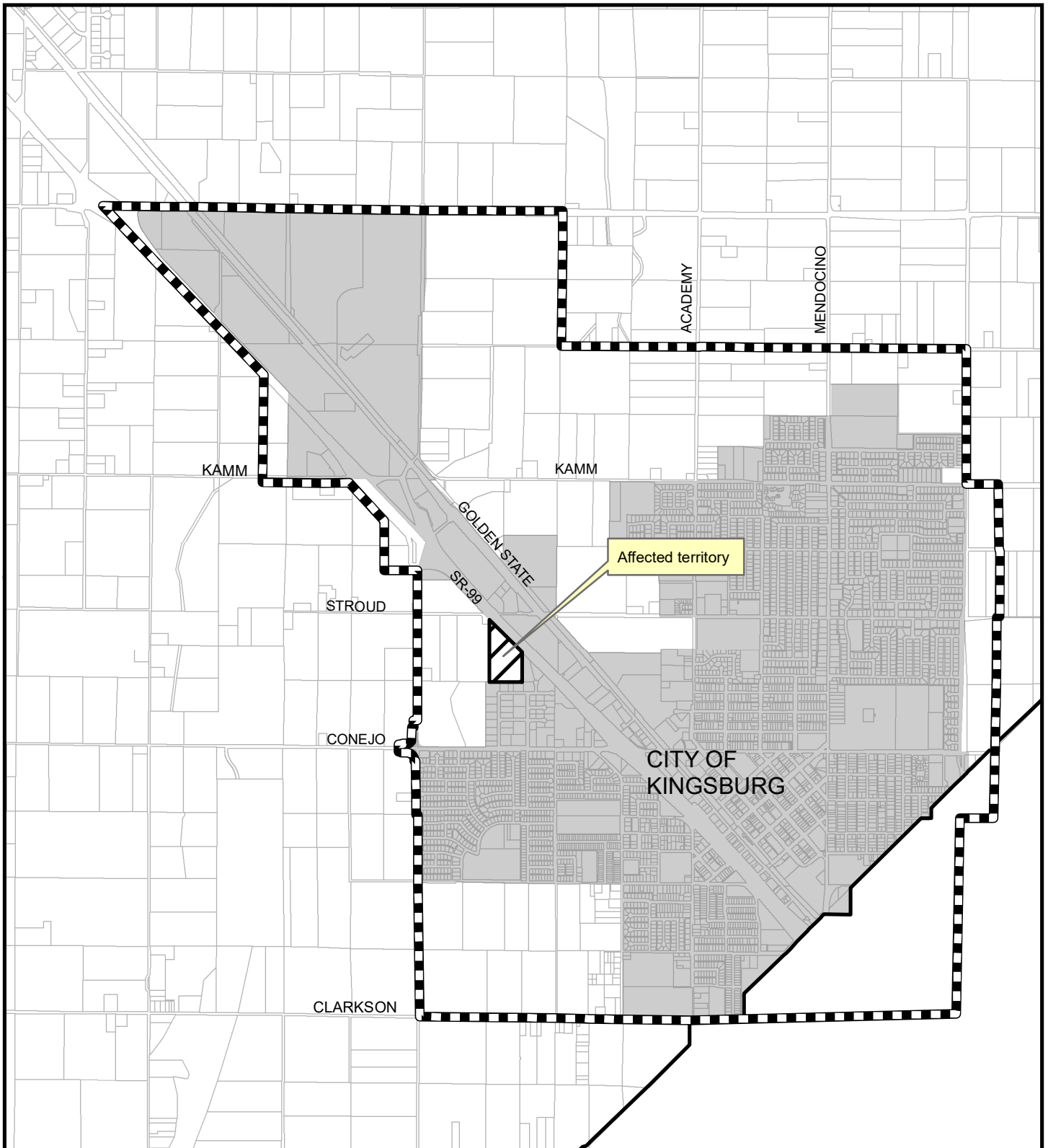
<b>Service</b>	<b>Existing Service</b>	<b>Change</b>
Water	Wells/ Groundwater	City of Kingsburg
Sewer	Private Septic	Selma-Kingsburg-Fowler County Sanitation District
Fire Protection	Fresno County Fire Protection District	Kingsburg Fire Department

(See Service Plan on our website at [www.fresnolaftco.org](http://www.fresnolaftco.org))



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

Fresno County	Fresno County Library
Kingsburg Cemetery District	Fresno County Fire Protection District
Kingsburg Elementary School District	Fresno Metropolitan Flood Control District
Kings River Conservation District	Consolidated Mosquito Abatement District
State Center Community College District	County School Service
Kingsburg High School District	Consolidated Irrigation District
Selma-Kingsburg-Fowler County Sanitation District	West Fresno Red Scale Pest Control District

# ATTACHMENT B



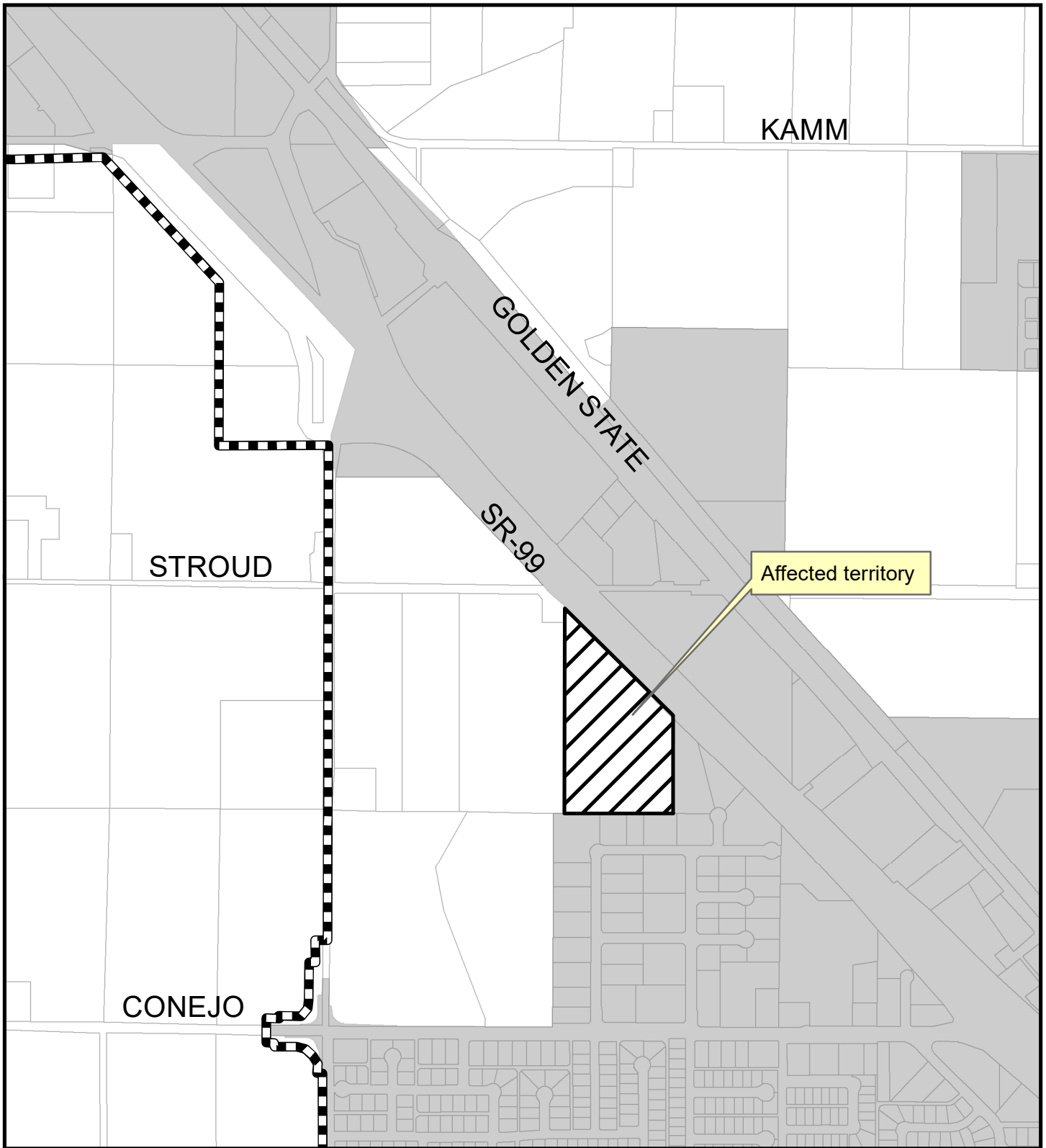
## Fresno Local Agency Formation Commission

-  Kingsburg SOI
-  Kingsburg city limits





# ATTACHMENT C



## Fresno Local Agency Formation Commission



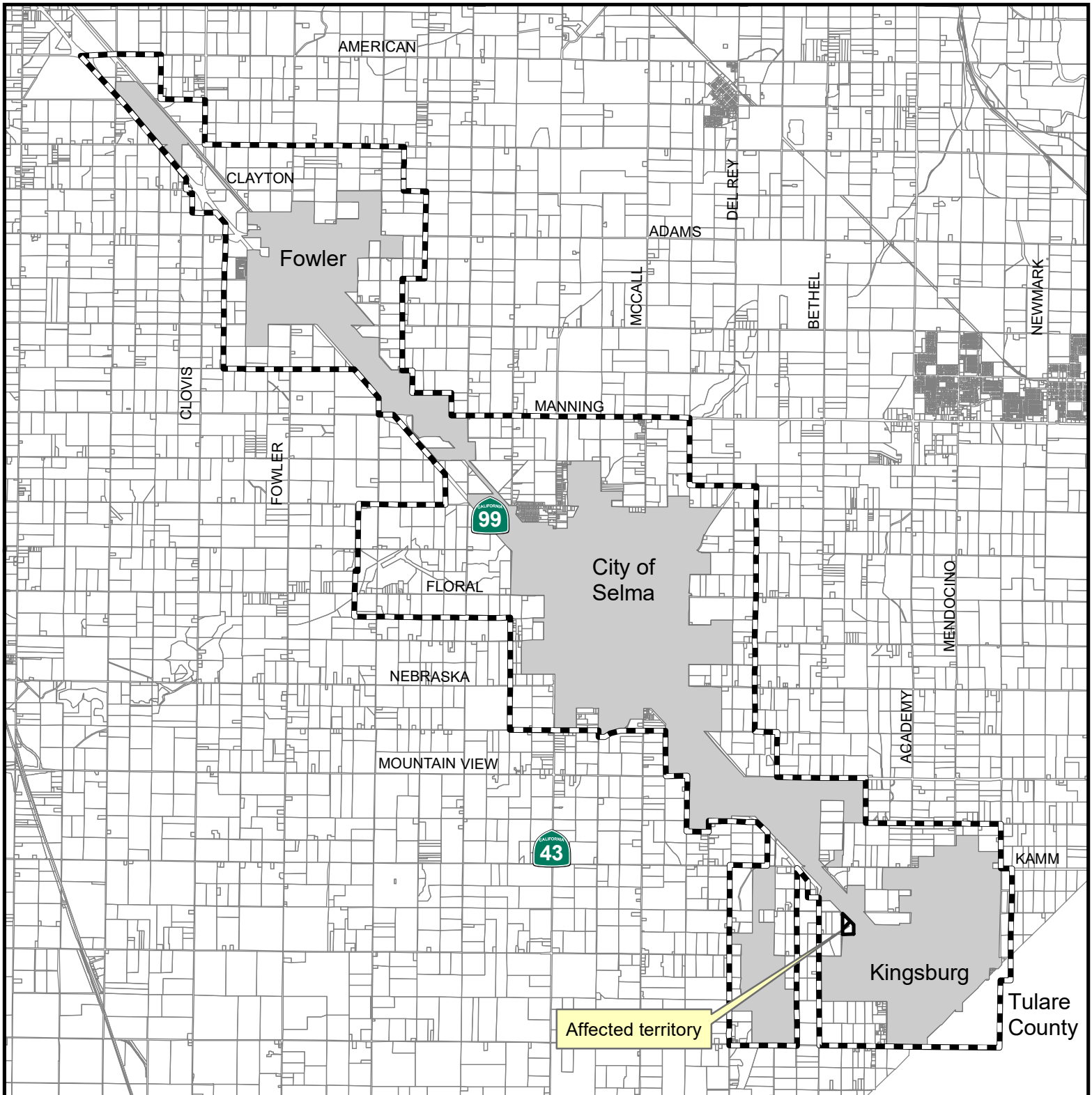
Kingsburg SOI






Kingsburg city limits



# Attachment D



## Fresno Local Agency Formation Commission

-  Affected territory
-  SKF County Sanitation District SOI
-  SKF County Sanitation District service area



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

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**AGENDA ITEM NO. 6**

**DATE:** April 10, 2024

**TO:** Fresno Local Agency Formation Commission

**FROM:** Brian Spaunhurst, Executive Officer

**BY:** Jessica Gibson, LAFCo Analyst II

**SUBJECT:** **Consider Dissolution** – SB 938 for the Zalda Reclamation District No. 801

**Attachment A –** Zalda Reclamation District No. 801 Service Area and Sphere of Influence Map

**Attachment B –** KRCD Service Area and Sphere of Influence Map

**Attachment C –** Fresno County Auditor-Controller/Treasurer-Tax Collector – Treasurer’s Office Fund Cash Balance for Zalda Reclamation District No. 801

**Attachment D –** Resolution No. DOD-24-01

**Attachment E –** KRCD comments

**RECOMMENDATIONS:**

**Action 1:**

- A. Approve the proposed dissolution of Zalda Reclamation District No. 801 subject to the following terms and conditions:
  - a. Kings River Conservation District is designated as the successor agency to the District pursuant to Government Code (“GC”) section 56886(m).
  - b. All remaining assets of the dissolved District shall be distributed to the Kings River Conservation District pursuant to GC sections 56886(h), (i), (m), (v) and 57451(d).
  - c. Pursuant to GC section 57462, Kings River Conservation District shall enter into landowner agreements for those landowners receiving services from the District Facilities and shall continue to operate and maintain the District Facilities for the benefit of such landowners within its service area, until the public trust use, or purpose of the District Facilities is properly vacated, abandoned, or terminated in the manner provided by law.

**Action 2:**

- B. Adopt a resolution to dissolve the Zalda Reclamation District No. 801 pursuant to Government Code (“GC”) section 56375.1(a)(2)(B)(ii) of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (“CKH”) per Senate Bill 938.

**Action 3:**

- C. Acting as Lead Agency pursuant to California Environmental Quality Act (“CEQA”) Guidelines, find that the dissolution under consideration for the Zalda Reclamation District No. 801 is Categorical Exempt from the provisions of CEQA under the common sense exemption, or the “General Rule Exemption,” in section 15061(b)(3).

## **Executive Summary**

Zalda Reclamation District No. 801 (“Zalda RD” or “District”) was formed to provide levee maintenance and drainage services with noted deficiencies dating back to the 2007 Municipal Service Review, including failure to provide consistent services. Per Senate Bill 938 (“SB 938”), enacted in 2022, the District appears to meet certain conditions of a deficient district enumerated under GC section 56375.1.

In consideration of continued District deficiencies and conclusion of the 12-month remediation period pursuant to SB 938, it is recommended that the Commission consider the dissolution of Zalda RD conditioned upon designation of the Kings River Conservation District as successor agency and entitled to Zalda RD’s remaining assets and property.

## **Senate Bill 938**

On July 1, 2022, SB 938 was signed into law and became effective on January 1, 2023. SB 938 added GC section 56375.1 to CKH which authorizes a commission to initiate a proposal for the dissolution of a district, based on a preponderance of the evidence that one or more statutorily-defined deficiencies are present.

SB 938 requires 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.

In order for the subject district to meet the condition of deficiency, the commission must approve, accept, or adopt a study prepared pursuant to GC section 56430 that includes a finding, based on the preponderance of evidence, that one or more conditions is met. The conditions under GC section 56375.1(a)(1) are as follows:

- (A) *The district has one or more documented chronic service provision deficiencies that substantially deviate from industry or trade association standards or other government regulations and its board or management is not actively engaged in efforts to remediate the documented service deficiencies.*
- (B) *The district spent public funds in an unlawful or reckless manner inconsistent with the principal act or other statute governing the district and has not taken any action to prevent similar future spending.*
- (C) *The district has shown willful neglect by failing to consistently adhere to the California Public Records Act (Division 10 (commencing with section 7920.000) of Title 1) and other public disclosure laws to which the agency is subject.*
- (D) *The district has failed to meet the minimum number of times required in its principal act in the prior calendar year and has taken no action to remediate the failures to ensure future meetings are conducted on a timely basis.*
- (E) *The district has consistently failed to perform timely audits in the prior three years, or failed to meet minimum financial requirements under section 26909 over the prior five years as an alternative to performing an audit.*
- (F) *The district’s recent annual audits show chronic issues with the district’s fiscal controls and the district has taken no action to remediate the issues.*

Additionally, a mid-point report on remediation efforts shall be provided to the commission at a regularly scheduled commission meeting pursuant to GC section 56375.1(a)(2)(A).

At the conclusion of the remediation period of no less than 12 months, the commission shall take one of the following actions: either (A) find the district has adequately remedied the deficiencies and rescind the

notice of intent to initiate dissolution; OR (B) find the district has failed to remedy the deficiencies and adopt a resolution to dissolve the district pursuant to GC section 56375.1(a)(2)(B).

A commission has the authority to designate a city, county, or district, as the successor to any local agency that is extinguished as a result of any change of organization or reorganization as a term and condition, and provide for the transfer of real property and funds pursuant to GC sections 56886(h), (i), (m), (v) and 57451(d).

### **Description**

Zalda Reclamation District No. 801 was originally formed in 1909 to provide levee maintenance and drainage services. The District's principal act is California Water Code section 50000 *et seq.* which enables reclamation districts to do all things necessary or convenient for accomplishing the purposes for which it was formed.

LAFCo records indicate the District's sphere of influence is coterminous with the District's service boundary, amounting to approximately 12,810 acres. A portion of the District extends into Kings County. The District's sphere of influence was previously updated in December 2007 in conjunction with a municipal service review.

Fresno LAFCo Policy 112.3 designates the District as a special district that provides "non-municipal" services to its constituency. Non-municipal special districts means that services provided do not in themselves facilitate or induce population growth.

The principal act for Zalda RD is Water Code section 50000 *et seq.* which provides for all things necessary or convenient for accomplishing the purposes for which it was formed, including levee maintenance and drainage services. The principal act for KRCD is the Kings River Conservation District Act (Assembly Bill No. 340 Chapter 931) which provides for the acquisition, construction, maintenance and operation of works and property for the purposes of the District, including the storage, conservation, distribution and sale of water, the development, distribution and sale of electric power, the drainage, reclamation and protection of land. The powers and duties of the KRCD coincide with the active powers of Zalda RD.

### **Discussion**

Zalda Reclamation District No. 801 has been noted as a deficient district dating back to the 2007 Municipal Service Review. The District has failed to provide consistent services and meet the determinations made in the 2007 municipal service review. Information related to facilities, infrastructure needs, financials, and board meetings was not provided and remains unknown.

For services rendered, Kings River Conservation District ("KRCD") operates under a contractual agreement with Zalda RD to maintain approximately 4.5 miles of tile lines and interceptor pumps along the North Fork channel. KRCD has a long-standing historical agreement with Zalda RD to support these facilities. KRCD sends utility invoices to the District's point of contact and the landowners are billed directly to reimburse KRCD.

On March 8, 2023, LAFCo commission commenced the SB 938 process by adopting a municipal service review prepared for the District, a study prepared pursuant to GC section 56430, and by adopting a resolution of intent to initiate dissolution, satisfying both conditions to initiate a proposal for the dissolution of a district pursuant to GC section 56375.1(a)(1)&(2)(A). The municipal service review was prepared with limited resources and information due to District inactivity.

On September 13, 2023, LAFCo staff provided a mid-point report on Zalda RD to the Commission on the District's remediation efforts, six months from the initial hearing as required by SB 938. The mid-point report noted that the District had not satisfied stated deficiencies based on a preponderance of evidence, and recommended to continue with SB 938.

Currently, at the conclusion of the 12-month remediation period, Zalda RD appears to have failed to meet the minimum number of times required in its principal act in the prior calendar year and has taken no apparent action to remediate the failures to ensure future meetings are conducted pursuant to GC section 56375.1(a)(1)(D). The District also appears to have failed to perform timely audits in the previous three years and appears to have failed to meet the minimum financial requirements over the previous five years pursuant to GC section 56375.1(a)(1)(E).

As designated successor district, KRCD will have the authority to take the necessary steps to transfer and secure Zalda RD's remaining assets, namely 10 parcels of real property in Fresno County, oil and mineral rights, and funds held in the Fresno County Treasurer's Pool amounting to \$271,668.91 as of December 31, 2023. The current reserves held with Fresno County was from prior oil rights that were sold. **(Attachment C)**

KRCD will enter into landowner agreements for those landowners receiving services from the operation and maintenance of 4.5 miles of tile line and interceptor pumps along the North Fork channel ("District Facilities") and will continue to operate and maintain the District Facilities for the benefit of such landowners within its service area, until the public trust use, or purpose of the District Facilities is properly vacated, abandoned, or terminated in the manner provided by law. **(Attachment E)**

Zalda RD's boundaries extend into Kings County; however, Fresno County is the principal county with no real property owned by the District in Kings County as confirmed by the Kings County Assessor's Office. The KRCD district service area boundaries and SOI encompass Zalda RD in entirety, and therefore no annexation of the dissolved territory is required.

### **Environmental Determination**

Pursuant to section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines, the proposed district dissolution qualifies for a general rule exemption from environmental review, which states, "the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA."

There is no possibility that this may have a significant effect on the environment because there are no associated land use changes. If the Commission approves the dissolution, LAFCo staff will prepare a notice of exemption as required by CEQA Regulation section 15062.

### **Recommendations**

Staff recommends that the Commission approve the proposal for dissolution of the Zalda Reclamation District No. 801 by making the following findings and approving the following actions:

- A. Approve the proposed dissolution of Zalda Reclamation District No. 801 subject to the following terms and conditions:
  - a. Kings River Conservation District is designated as the successor agency to the District pursuant to GC section 56886(m).
  - b. All remaining assets of the dissolved District shall be distributed to the Kings River Conservation District pursuant to GC sections 56886(h), (i), (m), (v) and 57451(d).
  - c. Pursuant to GC section 57462, Kings River Conservation District shall enter into landowner agreements for those landowners receiving services from the District Facilities and shall continue to operate and maintain the District Facilities for the benefit of such landowners within its service area, until the public trust use, or purpose of the District Facilities is properly vacated, abandoned, or terminated in the manner provided by law.

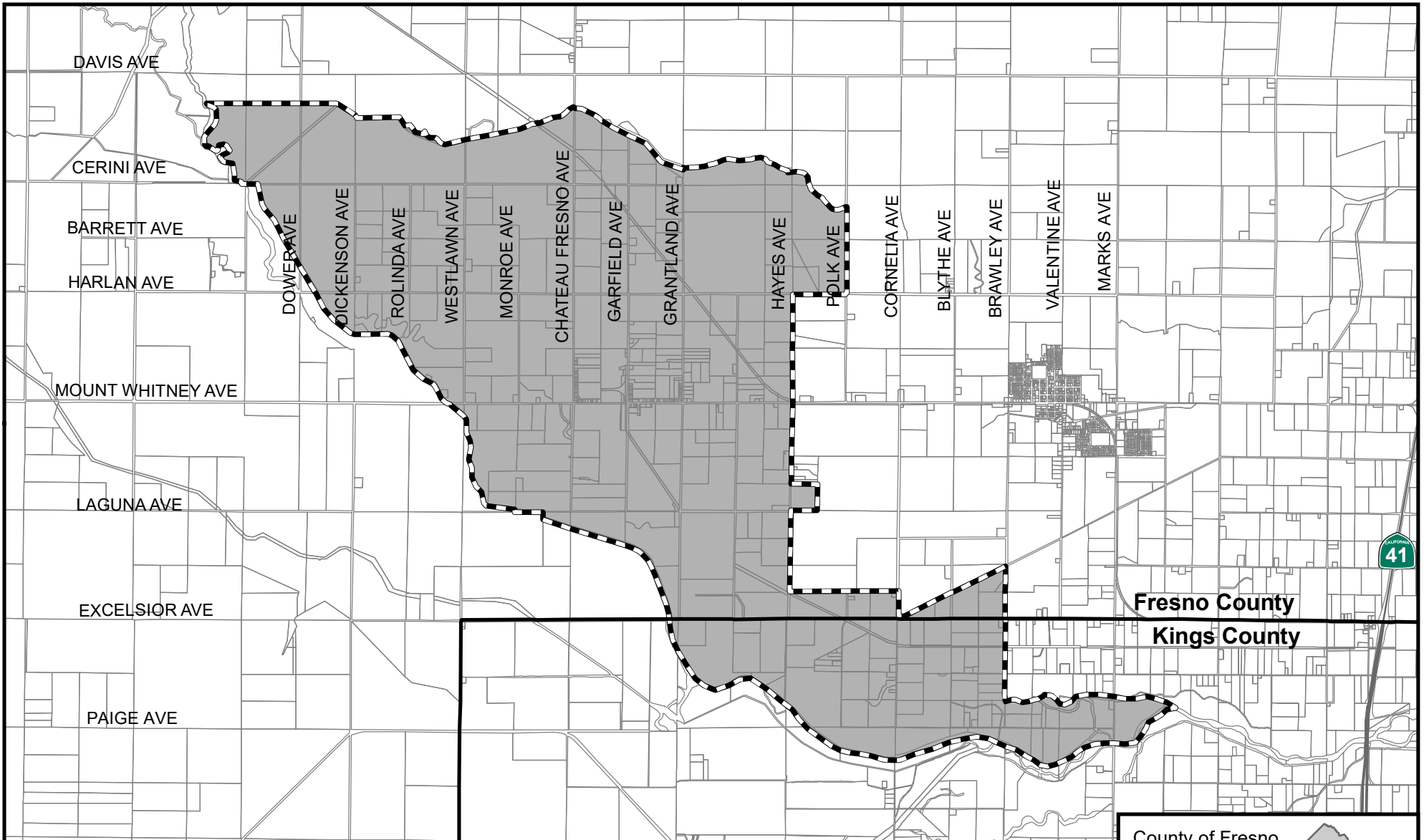
- B. Adopt a resolution to dissolve the Zalda Reclamation District No. 801 pursuant to GC section 56375.1(a)(2)(B)(ii) of CKH per Senate Bill 938. **(Attachment D)**
- C. Acting as Lead Agency pursuant to CEQA Guidelines, find that the dissolution under consideration for the Zalda Reclamation District No. 801 is Categorically Exempt from the provisions of CEQA under the common sense exemption, or the “General Rule Exemption,” in section 15061(b)(3).

**Individuals and Agencies Receiving this Report**

Jessica S. Johnson, LAFCo Counsel  
Bernard Jimenez, Fresno County Planning & Resource Management Officer  
David Merritt, Kings River Conservation District General Manager  
Alex Dominguez, Kings River Conservation District Counsel  
Marilyn Dutra, Zalda Reclamation District No. 801 Point of Contact  
Ray Carlson, Zalda Reclamation District No. 801 Counsel  
Chuck Kinney, Kings LAFCo Executive Officer



G:\LAFCo Projects\Districts\Reclamation Districts\Zalda No.801\Zalda Dissolution\Staff Report-Zalda\_SB 938.docx

# Zalda Reclamation District No. 801



Fresno County  
Kings County

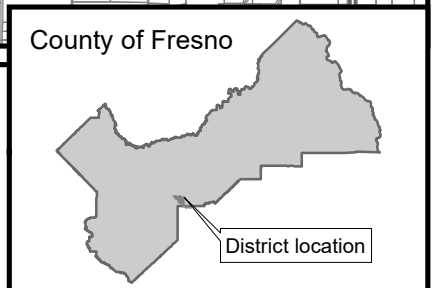
## Fresno Local Agency Formation Commission

-  Sphere of influence
-  District service area

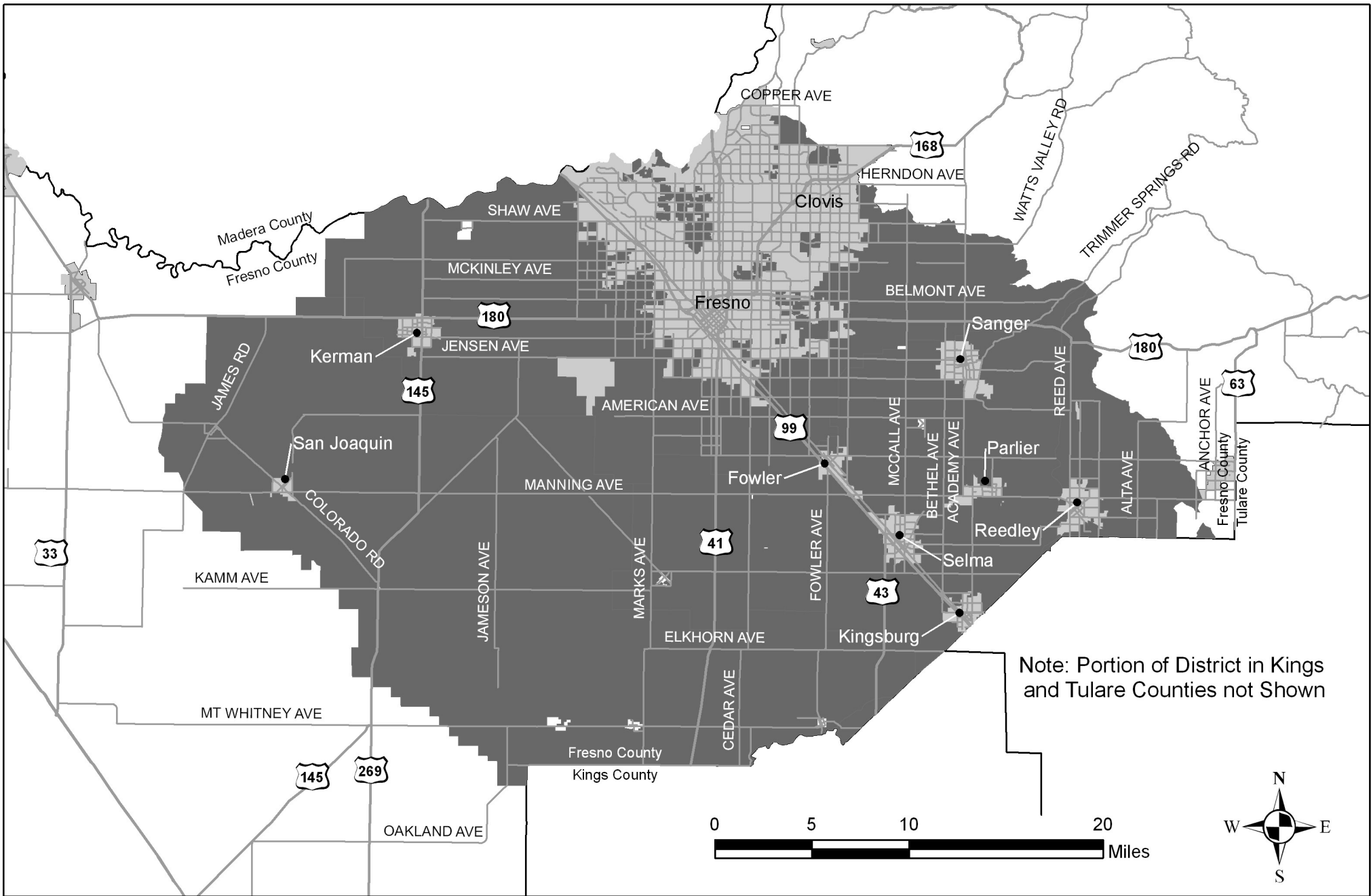


Incorporated: 1909  
 Sphere updated: 12/5/2007  
 District area: 12,810 acres  
 Sphere area: 12,810 acres

Map prepared: 03/02/2020







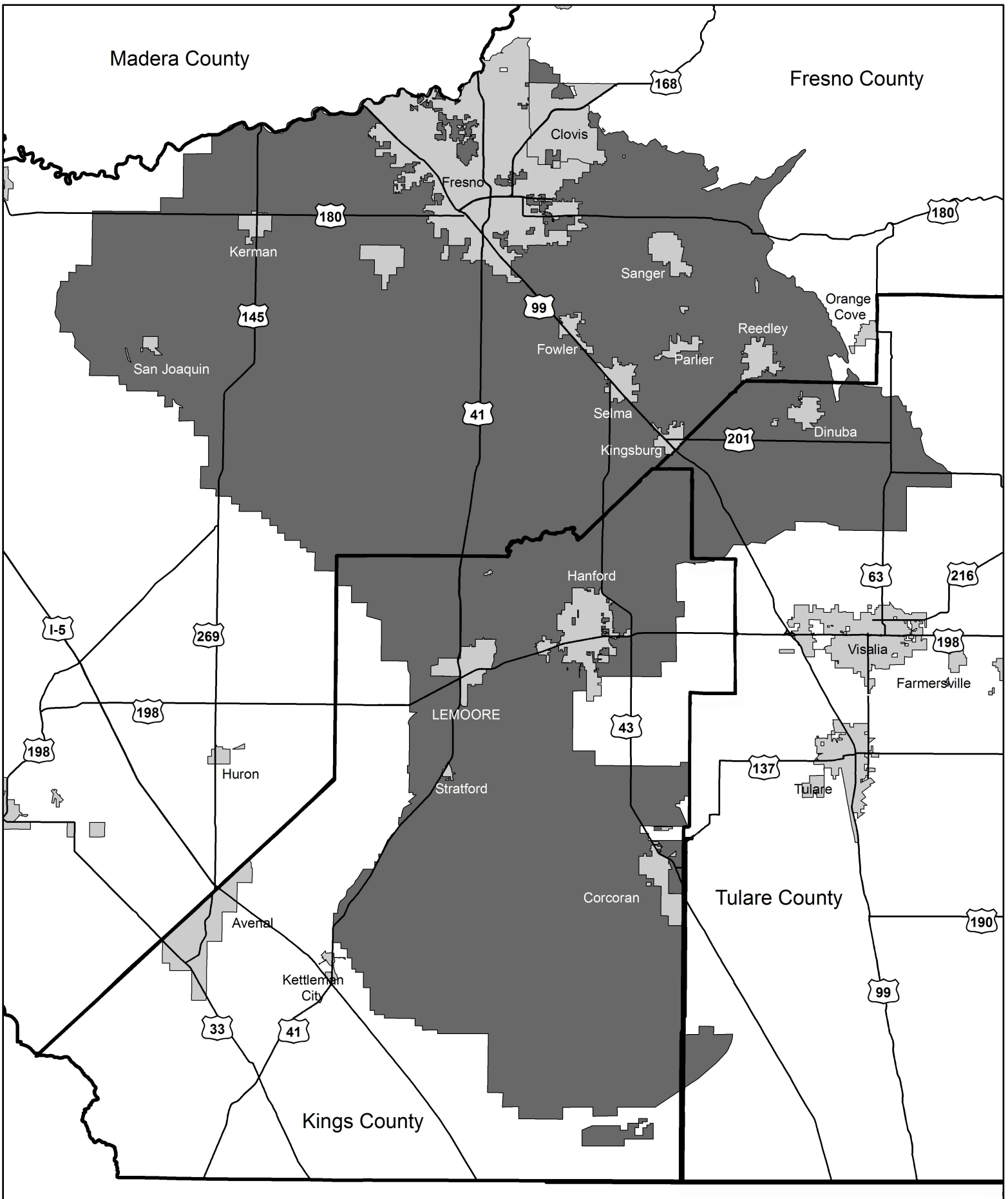
Note: Portion of District in Kings and Tulare Counties not Shown

## Fresno Local Agency Formation Commission Kings River Conservation District




- Legend**
- District Area and SOI
  - City Areas

District Formed: 1951  
 SOI Adopted: 3/24/1976  
 SOI Updated: 8/22/2007

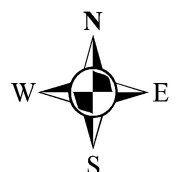
Map Date : September 2007  
 District Area: 1,311,163 Acres  
 Sphere Area: 1,311,163 Acres



**Legend**

-  District Boundary and SOI
-  County Boundaries
-  City Limits

Fresno Local Agency Formation Commission  
 Kings River Conservation District





## County of Fresno

**Oscar J. Garcia, CPA**  
Auditor-Controller/Treasurer-Tax Collector

January 30, 2024

Jessica Gibson  
Fresno LAFCo  
1401 Fulton Street, Suite 900  
Fresno, CA 93721

To Whom it May Concern,

The total amount held for fund 4450 Zalda Reclamation No. 801 in the County Treasurers Pool is \$271,668.91 as of December 31, 2023.

If you have any questions or comments, please contact Nely Pacheco Jimenez of our Treasurer Division at (559) 600-3487.

Sincerely,

Oscar J. Garcia, CPA  
Auditor-Controller/Treasurer-Tax Collector

OJG: npj

**RESOLUTION NO. DOD-24-01**

**A RESOLUTION OF THE FRESNO LOCAL AGENCY FORMATION COMMISSION MAKING DETERMINATIONS APPROVING THE DISSOLUTION OF ZALDA RECLAMATION DISTRICT NO. 801 IN ACCORDANCE WITH GOVERNMENT CODE SECTION 56881(b)**

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**WHEREAS**, on March 8, 2023, the Fresno Local Agency Formation Commission (“Commission”) initiated a proposal for the dissolution of Zalda Reclamation District No. 801 (“Zalda RD” or “District”) pursuant to California Government Code (“GC”) section 56375.1, which was added to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (“CKH”) by Senate Bill No. 938 (Stats. 2022, ch. 89) (“SB 938”) enacted on July 1, 2022 and effective January 1, 2023; and

**WHEREAS**, the Commission has duly considered and made the following determinations pursuant to GC section 56881(b):

1. Public service costs of the proposal that the Commission is authorizing are likely to be less than or substantially similar to the costs of alternative means of providing the service.
2. The change of organization or reorganization that is authorized by the Commission herein promotes public access and accountability for community services needs and financial resources.

**WHEREAS**, on March 8, 2023, the Commission held a duly noticed public hearing and commenced the SB 938 process by adopting a municipal service review for Zalda RD (a study prepared pursuant to GC section 56430) and by adopting a resolution of intent to initiate dissolution; and

**WHEREAS**, the municipal service review determined that, in addition to the District’s long-term failure to provide consistent services and its apparent inactivity, the District had met by a preponderance of evidence at least two of the deficiencies identified in GC section 56375.1(a)(1) as follows: (1) the District failed to meet the minimum number of times required in its principal act and taken no apparent action to ensure future meetings are conducted pursuant to GC section 56375.1(a)(1)(D); and (2) the District failed to perform timely audits in the previous three years, and failed to meet the minimum financial requirements over the previous five years pursuant to GC Section 56375.1(a)(1)(E); and

**WHEREAS**, on September 13, 2023, LAFCo staff provided a mid-point report on the District to the Commission on Zalda RD’s remediation efforts and noted the District had not taken action to remedy the stated deficiencies; and

**WHEREAS**, at the duly noticed public hearing, held at 1:30pm on April 10, 2024, the Commission heard, discussed, and considered all relevant evidence and all testimony, correspondence, and other information received during the public hearing process;

and

**WHEREAS**, at said April 10, 2024, public hearing, the Commission found the District failed to remedy the identified deficiencies; and

**WHEREAS**, the Commission has the authority to impose terms and conditions designating a city, county, or district as the successor to any local agency that is extinguished as a result of any change of organization or reorganization and provide for the transfer of real property, personal property and funds pursuant to GC sections 56886(h), (i), (m), and (v), and 57451(d); and

**WHEREAS**, the Kings River Conservation District (“KRCD”) has historically operated and maintained approximately 4.5 miles of tile line and interceptor pumps along the North Fork channel owned by the District (the “District Facilities”) by written agreement with the District; and

**WHEREAS**, the KRCD district service area boundaries and SOI encompass Zalda RD in entirety, and therefore no annexation of the dissolved territory is required.

**NOW, THEREFORE, BE IT RESOLVED that the Fresno Local Agency Formation Commission does HEREBY RESOLVE and DETERMINE as follows:**

**ACTION 1:**

- A. The Recitals above are true and correct, and this Commission so finds and determines.
- B. The Commission hereby orders the dissolution of Zalda Reclamation District No. 801 subject to the following terms and conditions:
  - a. Kings River Conservation District is designated as the successor agency to the District pursuant to GC section 56886(m).
  - b. All remaining assets of the dissolved District shall be distributed to the Kings River Conservation District pursuant to GC sections 56886(h), (i), (m), (v) and 57451(d).
  - c. Pursuant to GC section 57462, Kings River Conservation District shall enter into landowner agreements for those landowners receiving services from the District Facilities and shall continue to operate and maintain the District Facilities for the benefit of such landowners within its service area, until the public trust use, or purpose of the District Facilities is properly vacated, abandoned, or terminated in the manner provided by law.

**ADOPTED THIS 10th DAY OF APRIL 2024, BY THE FOLLOWING VOTE:**

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

**ACTION 2:**

C. Acting as Lead Agency pursuant to California Environmental Quality Act (“CEQA”) Guidelines, find that the dissolution under consideration for the Zalda Reclamation District No. 801 is Categorically Exempt from the provisions of CEQA under the common sense exemption, or the “General Rule Exemption,” in section 15061(b)(3).

**ADOPTED THIS 10th DAY OF APRIL 2024, BY THE FOLLOWING VOTE:**

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

**STATE OF CALIFORNIA)  
COUNTY OF FRESNO )**

**CERTIFICATION**

I, Brian Spaunhurst, Executive Officer of the Fresno Local Agency Formation Commission, hereby certify that the foregoing resolution was adopted by the Commission on the 10<sup>th</sup> day of April 2024.

---

Brian Spaunhurst, Executive Officer  
Fresno Local Agency Formation Commission



4886 East Jensen Avenue  
Fresno, California 93725

Tel: 559.237.5567  
Fax: 559.237.5560

www.krcd.org  
@kingsrivercd

March 27, 2024

Mr. Brian Spaunhurst, Executive Director  
Fresno Local Agency Formation Commission  
2607 Fresno Street, Suite B  
Fresno, CA 93721

**RE: Dissolution of Zalda Reclamation District No. 801**

Dear Mr. Spaunhurst:

The purpose of this letter to provide the Fresno Local Agency Formation Commission (LAFCo) with the comments of the Kings River Conservation District (KRC D) regarding the proposed dissolution of Zalda Reclamation District No. 801 (Zalda) and designation of KRC D as the successor agency.

Zalda was formed in 1909 to provide levee maintenance and flood control services within portions of Fresno and Kings counties. In more recent years, however, Zalda has been almost completely inactive. KRC D contacted numerous county offices including the Fresno County Assessor's Office, the Fresno County Registrar of Voters, the Kings County Assessor's Office, and the Kings County Registrar of Voters, among others. In communicating with these offices, KRC D discovered that they were not unwilling to provide information regarding Zalda, but rather that they did not have any information to provide. Further, KRC D contacted Zalda's last known attorney. He too did not have any useful information regarding Zalda. This lack of information is indicative of the issue at hand: Zalda is not only inactive, but unknown to the community. That is because KRC D is the primary agency for levee maintenance and flood control services within the region.

In fact, KRC D has historically maintained an agreement with Zalda for the operation and maintenance of the tile line interceptor along the North Fork Kings River Channel. Upon dissolution of Zalda, KRC D will enter into a new agreement with each landowner associated with this system. And, upon execution of such agreement, it will be recorded against the deed of each property related to the system. In sum, KRC D is committed to ensuring the continuation of services.

For these reasons, we request that LAFCo formalize Zalda's inactivity through dissolution and designate KRC D as the successor agency.

**BOARD OF DIRECTORS**

**Division I, CHRIS M. KAPHEIM, Dinuba · Division II, MASARU YOSHIMOTO, Fowler · Division III, ANTHONY NONINI, Fresno · Division IV, MARK McKEAN, Riverdale · Division V, D. PAUL STANFIELD, Hanford**  
**Division VI, CEIL W. HOWE, JR., Stratford · Division VII, JENIFER MARSHALL, Sanger**

**OFFICERS**

**D. PAUL STANFIELD, President · CHRIS M. KAPHEIM, Vice President · DAVID M. MERRITT, General Manager · BINU BRAR, Auditor**

Mr. Brian Spaunhurst, Executive Director  
Fresno Local Agency Formation Commission  
March 27, 2024  
Page 2

If you have any questions or require any additional information, please do not hesitate to contact me by email at [dmerritt@krcd.org](mailto:dmerritt@krcd.org) or by phone at 559-237-5567.

Sincerely,



David M. Merritt  
General Manager

DM/cm

CC: Jessica Gibson at [jgibson@fresnocountyca.gov](mailto:jgibson@fresnocountyca.gov)

File: 300.11.03  
L24-0033



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

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**AGENDA ITEM No. 7**

**DATE:** April 10, 2024

**TO:** Fresno Local Agency Formation Commission

**FROM:** Brian Spaunhurst, Executive Officer

**BY:** Juan Lara, LAFCo Analyst III

**SUBJECT:** Consider Approval - City of Fresno “Ashlan-Hayes No. 2, 3, and 4 Reorganization.” A proposed reorganization to annex approximately 140 acres to the City of Fresno and detach from the North Central Fire Protection District and the Kings River Conservation District for properties generally located west of North Polk Avenue, east of North Bryan Avenue, and on the north and south side of West Ashlan Avenue. (LAFCo File No. RO-24-01)

**Applicant:** City of Fresno

**Landowners/Parties of Real Interest:** City of Fresno, Landowner list attached (Attachment D).

**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 reorganization, 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 inhabited; and
  - b. Not all landowners or registered voters have consented to the reorganization.

- D. Assign the distinctive short form designation “Ashlan-Hayes No. 2, 3, and 4 Reorganization” and approve the annexation subject to the following conditions of approval:
  - a. Pursuant to Fresno LAFCo Policy 108-07, 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. Find that pursuant to CKH the territory is inhabited and not all registered voters have consented to the annexation.
- F. Find that the notice mailed on March 15, 2024, was given to all landowners and registered voters within the affected territory, as well as within 300 feet of the affected territory, disclosed that there is potential for the extension or continuation of any previously authorized charge, fee, assessment, or tax by the local agency in the affected territory, and that the Commission intends to waive protest proceedings pursuant to section 56663(a)(b)(c) unless written opposition is received before the conclusion of the Commission proceedings.
- G. Find that no written opposition to the proposal was received prior to the conclusion of the hearing and approve the proposal subject to the requirements of the CKH, the 30-day reconsideration period, and compliance with all of the above conditions, and waive further conduction Authority Proceedings.

-Or-

- H. If written opposition to the proposal was received prior to the conclusion of the hearing, approve the proposal subject to the requirements of CKH, the 30-day reconsideration period, and compliance with all of the above conditions, and direct staff to set a protest hearing pursuant to the requirements of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code section 57000 et seq.).

### **Executive Summary**

On May 15, 2023, the City of Fresno adopted Resolution No. 2023-335 requesting the Commission to begin proceedings for the “Ashlan-Hayes No. 2, 3, and 4 Reorganization” to detach approximately 140 acres from the North Central Fire Protection District Fire Protection District and the Kings River Conservation District and annex it to the City of Fresno.

## **Proposal/Land Use**

- The proposal consists of the detachment of approximately 140 acres from the Fresno County Fire Protection District and the Kings River Conservation District and annexation to the City of Fresno.
- 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 Fresno' sphere of influence (**Attachment B**) and is contiguous to the Fresno city limits (**Attachment C**).
- The proposal is currently zoned RR/NB (Rural Residential/Neighborhood Beautification) and has been rezoned to the Fresno RS-5/ANX (Single-Family Residential, Medium Density/Annexed Rural Residential Transitional Overlay), RM-2/ANX (Multi-Family Residential, Urban Neighborhood/Annexed Rural Residential Transitional Overlay) RS-1/ANX (Single-Family Residential, Low Density Density/Annexed Rural Residential Transitional Overlay), and OS/ANX (Open Space/Annexed Rural Residential Overlay)), by Pre-zone City Ordinance No 2023-035, Bill No. B-37.
- The territory is inhabited.
- The proposal is consistent with the Fresno General Plan Land Use Diagram.

## **Consistency with LAFCo Policies, Standards and Procedures**

- The City of Fresno and the North Central 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.

## **Protest Submitted**

### Landowner Protest

Valid protest has been submitted by 40 percent of the landowners in the affected territory who also own 17 percent of the land value within the affected territory.

### Registered Voter Protest

Valid protest has been submitted by 35 percent of the Registered Voters in the affected territory.

Pursuant to Government Code Section 57051, at any time prior to the conclusion of the protest hearing in the notice given by the executive officer, but not thereafter, any owner of land or any registered voter within inhabited territory that is the subject of a proposed change of organization or reorganization, or any owner of land within uninhabited territory that is the subject of a proposed change of organization or reorganization, may file a written protest against the change of organization or reorganization.

## **Revenue & Tax Code**

The County of Fresno and the Fresno City Council approved a standalone tax sharing agreement between the City of Fresno and the County of Fresno regarding the Ashlan-Hayes No. 2, 3, and 4 Reorganization.

### **Sustainable Groundwater Management Act**

Former Governor Edmund G. Brown Jr. signed 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 North Kings GSA will represent the City of Fresno.

The affected territory is within the Fresno Irrigation District service area. After annexation, the surface water entitlement within the area will be managed by the City of Fresno.

### **Environmental Determination**

The City of Fresno, acting as “Lead Agency” under CEQA, adopted a Mitigated Negative Declaration for Environmental Assessment No. P23-03757/P23-03758, Annexation Application No. P23-03757, and Pre-zone Application No. P23-03758, filed with the Fresno County Clerk Office on December 15, 2023, 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.

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 City of Fresno staff.

### **Agencies and Individuals Submitting Comments**

- Elections IT, Fresno County Elections Department
- Bryant Vandervelde, Supervising Cadastral Tech, Fresno County Assessor's Office
- Karen Coletti, Executive Secretary, Fresno County Public Library
- Kevin Tsuda, Environmental Health Specialist II, Environmental Health Division

### **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 **is adequate** to file with the State Board of Equalization.

### **Registered Voter Data**

The County of Fresno Elections Office reported that there were **126** registered voters in the affected territory.

### **Compliance with the Requirements of CEQA**

**Lead Agency:** City of Fresno

**Level of Analysis:** Mitigated Negative Declaration

**Finding:** Mitigated Negative Declaration (See Environmental Documents at [www.fresnolaftco.org](http://www.fresnolaftco.org) under the Hearing and Workshops tab in the April 10, 2024, file).

### **Individuals and Agencies Receiving this Report**

- LAFCo Counsel
- Bernard Jimenez, Planning and Resources Management Officer
- Kings River Conservation District
- Fresno County Fire Protection District
- Robert Holt, Supervising Planner, City of Fresno

## Attachment A

### PROPOSAL INFORMATION

1. Affected Territory

<b>Acreage:</b>	140
<b>Current Land Use:</b>	RR/NB (Rural Residential/Neighborhood Beautification)
<b>Number of Residences/ Population:</b>	Residents: 47/ Population: 47 estimated
<b>Registered Voters:</b>	Voters: 126
<b>Assessor Parcel Number(s):</b>	51101130, 51101102, 51101101 51105040S, 51105017S, 51105018S 51105019S, 51105020S, 51105021S 51105038S, 51105023S, 51105024S 51105032, 51105026S, 51105039S 51105013S, 51105033S, 51105011S 51105010S, 51105009S, 51105008S 51105007S, 51105006S, 51105034S 51105005S, 51105003S, 51105002S 51205005, 51205036, 51104008S 51205081, 51205023S, 51104009S 51101105, 51101104, 51104007S, 51104006S, 51104005S, 51104004S, 51104003S, 51104002S, 51104013, 51205022S, 51104010, 51104011, 51205075S, 51205025S, 51205024S, 51205035S, 51205034S, 51205078, 51205042, 51205041, 51205030, 51205074 51205073, 51205002, 51205001 51207044, 51207011, 51224327 51207043, 51207010, 51207021 51021003, 51021001, 51021002 51021006, 51021007, 51207020 51207051, 51207040, 51207027 51101103, 51101106, 51104012

2. Proposed Development – There is no proposed development for the affected territory.
3. Surrounding Territory – Residential to the north. Rural Residential to and vacant land to the east, west, and south.

4. Existing Service Agencies and Proposed Service Changes

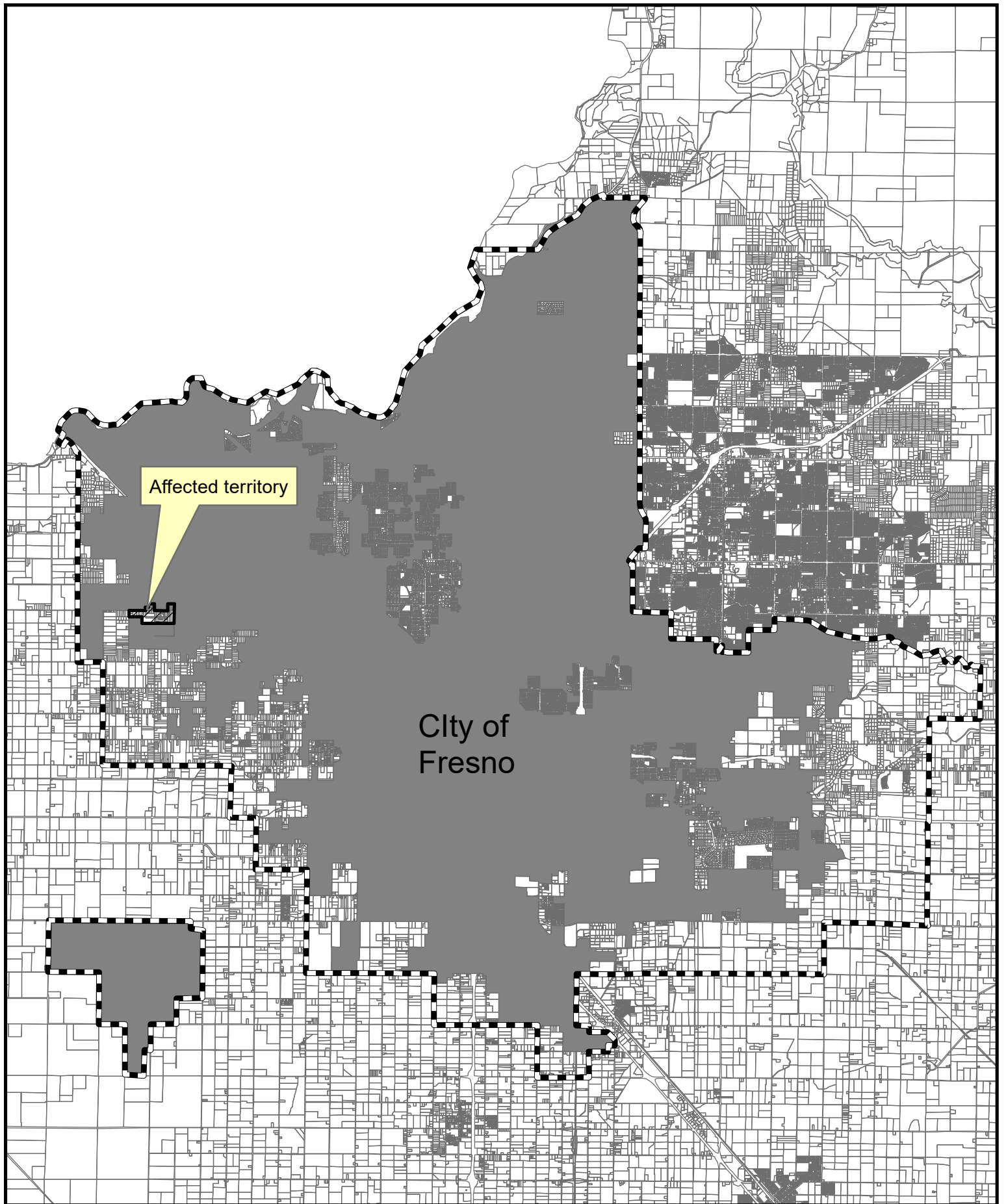
<b>Service</b>	<b>Existing Service</b>	<b>Change</b>
Water	Wells/ Groundwater	City of Fresno
Sewer	Private Septic	City of Fresno
Fire Protection	North Central Fire Protection District	Fresno Fire Department

(See Service Plan on our website at [www.fresnolaftco.org](http://www.fresnolaftco.org))

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

Fresno County	Fresno County Library
State Center Community College District	North Central Fire Protection District
County Service Area No. 35	Fresno Metropolitan Flood Control District
Kings River Conservation District	Fresno Vector and Mosquito Control District
West Fresno Red Scale Pest Control District	County School Service
Central Unified School District	Fresno Irrigation District

# Attachment B



City of  
Fresno

Affected territory

Fresno Local Agency Formation Commission



Fresno SOI

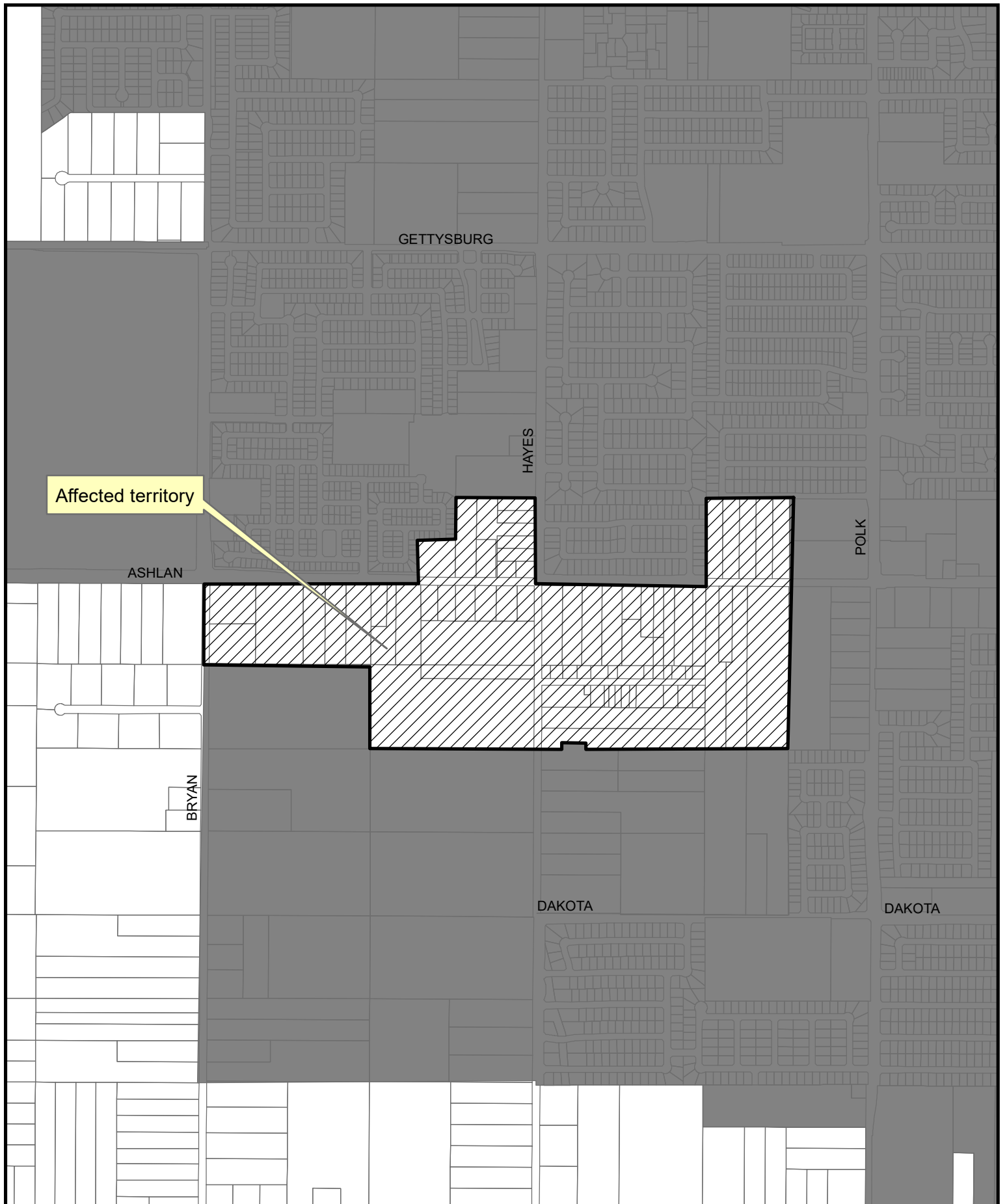


Fresno City Limit





# Attachment C



Fresno Local Agency Formation Commission



Fresno SOI



Fresno City Limit



# ATTACHMENT D

ARZATE DANIEL & PATRICIA  
AVILA PEDRO  
BAINS MANJINDER & SUKJIT DOSANJH  
BARRETO JUAN LUIS  
BECERRA JESUS RAMON  
BISTRAN JAMES TRUSTEE -  
BRACAMONTE ELIAS M  
BRAVO JUAN & THERESA  
BURTON KAY M FARRIS TRUSTEE -  
CANALES JOEL D SR & JULIE M  
CRUZ ARMANDO DEPAZ  
DEROBLES MARIA VICTORIA ESCOBAR  
DUNCAN ESTERLINE  
ENRIQUEZ GERALDINE T  
ESCALANTE ROSEMARY  
EVANGELIST TEMPLE CH OF GOD IN CHRIST  
FRANCO OSWALDO & MARLENE  
FRANCO REYDEZEL CABALLERO & ELVIRA RIOS  
FULL PIARA & JOGINDER KAUR  
GAMAZ EUSEBIO JR & GRISELDA TRS -  
GONZALEZ ELVIA  
GOODWIN CLARA R TRUSTEE -  
GRANADOS SERGIO  
GRAY SABRINA  
GUMBS AJI MASEO  
HERNANDEZ MICHAEL ANTHONY SR/CARMINA F  
HOVANNISIAN BRYCE D  
IROLA GERALDINE JOYCE TRUSTEE  
ISOM-BROWN LENA RUTH TRS -  
JOHNSON DAVID A  
KAUR SUKHJINDER  
KHUONG AL  
LANE BEATRICE TRUSTEE -  
LOPEZ RAUL  
LUIZ BETTYE TRUSTEE -  
LUU CUONG MINH  
MAYER STAN TRUSTEE -  
MCCOMBS KEITH & MELODY  
MCCONNELL THOMAS KEN & MARTA N  
MORENO ISMAEL MEZA  
MUNOZ EDUARDO G & CHRISTINA R  
NAME1  
NGO CHI  
NULPH WILLIAM M & MARIAN R  
ODENWELDER RICHARD  
PRICE JOSEFA B TRUSTEE -  
PULIDO PETER

RODRIGUEZ CARLOS & MARIA  
RODRIGUEZ DOMINIQUE T  
ROMANA KULWANT S & SUKHJINDER K TRS -  
S&B ENTERPRISES LLC -  
SCHOENAU MARK W & KATHLEEN R  
SIDHU DEVENDRA S & GURPREET  
SINGH GURMINDER  
SINGH JASVINDER  
SINGH MANRAJ  
SKY RUN LLC  
SOTO JOYCE M TRUSTEE -  
STEVENSON HARRIETT  
STIDHAM TOMMY RAY & PATRICIA ANN  
TURNER JEANETTE  
UPTON PATRICIA C TRUSTEE -  
VANG FA  
VANG XIONG  
VELASQUEZ JORGE A MARES  
WALLS EARL L & ANTONETTE M  
XIONG SEE  
YANG PANG  
YANG TONG XEE

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

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**AGENDA ITEM NO. 8**

**DATE:** April 10, 2024  
**TO:** Fresno Local Agency Formation Commission  
**FROM:** Brian Spaunhurst, Executive Officer  
**SUBJECT:** Proposed Budget and Work Plan for Fiscal Year 2024-25.

**RECOMMENDATION:** Receive Report and Provide Direction.

**Executive Summary**

The fiscal year (“FY”) 2024-25 LAFCo proposed budget estimate is summarized in Attachment “A” and the proposed 2024-25 work plan is presented in Attachment “B” for the Commission’s consideration and direction to staff.

The FY 2023-24 budget is \$665,158. Staff anticipates that fee revenue will close approximately \$37,000 above projections and expenses are projected to close approximately \$54,000 under budget at approximately \$605,158.

Staff estimates a proposed FY 2024-25 budget of approximately \$753,498, an increase of approximately \$88,340 from FY 2023-24. The proposed budget increases the Commission’s practice of maintaining an operational reserve of \$150,000 up to \$250,000 by utilizing left over funds from FY 2023-2024.

Based on Commission comments and direction from its consideration of the preliminary budget and work plan in March, the proposed budget and work plan is now presented to the Commission and a final budget and work plan will be presented to the Commission at its May hearing. In accordance with Government Code (GC) sec. 56381, the proposed and final budgets will be distributed to all local agencies and the County Administrative Officer.

**Overview of Budget Process**

GC section 56381(a) states, “The commission shall adopt annually, following noticed public hearings, a proposed budget by May 1 and final budget by June 15. At a minimum, the proposed and final budget shall be equal to the budget adopted for the previous fiscal year unless the commission finds that reduced staffing or program costs will nevertheless allow the commission to fulfill the purposes and programs of this chapter.”

The Commission's *Financial and Accounting Procedures* stipulate that "In order to get an early start on the budget and allow for careful consideration of the budget options, the Executive Officer will present a preliminary budget to the Commission in March of each year in order to obtain advance direction from the Commission." The Commission's budget is based on a July 1st to June 30th fiscal year.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("CKH") authorizes the operational costs of LAFCo to be shared one-half by the County and one-half by cities where only the County and cities are represented on the Commission. In the event that special districts choose to be represented on the Commission, LAFCo funding would then be shared one-third by the County, cities, and the special districts or by an alternative method approved pursuant to GC sec. 56381(b)(4).

LAFCo's operational expenses are augmented by fees established by the Commission in accordance with section 56383 of the GC for services rendered to process applications for annexations, reorganizations, and detachments, as well as other LAFCo actions.

### **Proposed Summary of FY 23-24 Budget to Close**

#### **Revenue**

FY 23-24 anticipated \$665,158 in revenue, comprised of a net allocation of \$645,158 (\$322,579 from both the County and the 15 cities, respectively), and \$20,000 anticipated in application fees. Staff anticipates that FY 23-24 fee revenue will close approximately \$37,000 higher than projected.

#### **Expense - Office Operations**

FY 23-24 budgeted office operations for \$122,064 and are estimated at this point to close at approximately \$90,064. Contributing factors include reducing Commission Hearing Expenses by only meeting when Agendas are full or as needed as well as Commissioners and one staff member limiting their attendance to the CALAFCO Conference and Staff Workshop.

#### **Expense - Personnel**

FY 23-24 personnel expenses were budgeted for \$467,384 and are estimated to close at approximately \$453,384. Contributing factors include reduced expenditures for part time intern and bookkeeper and one analyst position being vacated for the final two months of the FY.

#### **Expense - Consulting Services**

FY 23-24 consulting services expenses were budgeted for \$75,710 and are estimated to close at \$67,710. Contributing factors include minimized utilization of LAFCo Counsel and reduced Data Service charges.

## **Proposed FY 24-25 Budget and Work Plan**

Proposed FY 24-25 budget estimate is \$753,498, comprised of the following:

### **Revenue**

The proposed FY 2024-25 revenue forecast is approximately \$753,498, with an estimate of County and cities' contribution of approximately \$364,249, respectively, \$25,000 in application fees and no fund balance contribution.

### **Expenses – Personnel**

The proposed personnel expense forecast is \$518,860. This figure reflects the addition of one analyst, replacement of another analyst, merit-based step increases for permanent staff and funding part time student intern and bookkeeper.

### **Expense - Office Operations**

The proposed office operations expense forecast is \$168,928. This figure reflects the relocation of LAFCo's office to support additional staff and its increased Lease expenses, planned increases in: CALAFCO dues, liability insurance, and full staff and Commission participation in the Annual CALAFCO Conference.

### **Expense - Consultant Services**

The proposed consulting services expenses forecast is \$65,710. This figure includes minor increases to consulting services and anticipated legal expenses related to review of the County/LAFCo agreement expiring at the end of 2024.

## **Proposed FY 2024-25 Work Plan**

The proposed budget supports the Commission's role as an independent planning and regulatory agency whose purposes are to encourage the orderly formation of local governmental agencies, preserve agricultural land resources, and discourage urban sprawl. The Commission's work plan represents projects and activities that fulfill its goals and objectives. The budget represents the funding to accomplish projects important to the Commission.

A proposed FY 2024-25 work plan is attached as Attachment "B," consistent with the analysis presented in this report. It contains ongoing assignments such as the MSR program, application processing and consultation and facilitation to local agencies and the public.

This report has been distributed to:

- Paul Nerland, Fresno County Administrative Officer
- All city managers and special district general managers in Fresno County

**ATTACHMENT A**

<b>-- Proposed FY24-25 BUDGET --</b>			
Updated 4-02-2024			
<b>REVENUE SUMMARY</b>	<b>Adopted FY 23-24 Budget</b>	<b>Estimate to Close FY 23-24</b>	<b>Proposed FY 24-25 Budget</b>
ALLOCATION COUNTY	322,579	322,579	364,249
ALLOCATION CITIES	322,579	322,579	364,249
APPLICATION FEES	20,000	57,000	25,000
ACCOUNT INTEREST	0	9,000	0
AUTH. FUND BALANCE CONTRIBUTION	0	0	25,000
AUTH. CONTRIBUTION FROM RESERVES	0	0	0
<b>Total</b>	<b>665,158</b>	<b>711,158</b>	<b>753,498</b>
<b>EXPENDITURE SUMMARY</b>			
EXPENDITURE - OFFICE OPERATIONS	122,064	90,064	168,928
EXPENDITURE - PERSONNEL	467,384	453,384	518,860
EXPENDITURE - CONSULTING SERVICES	75,710	67,710	65,710
<b>Total</b>	<b>665,158</b>	<b>611,158</b>	<b>753,498</b>

**PROPOSED FY 2024-25 WORKPLAN**

**April 10, 2024**

**1. PROCESS APPLICATIONS, REORGANIZATIONS AND CITIES' SOI AMENDMENTS**

**Preliminary budget implication: application fees will fund this activity.**

Proposals under discussion but not submitted include a City of Clovis SOI Amendment and Annexation, City of Selma SOI Amendment and Annexation, City of Reedley SOI Amendment and Annexation, City of Kingsburg SOI Amendment and Annexation, City of Kerman Annexation, Raisin City Water District SOI Amendment and Annexation, and Panoche Drainage District SOI Amendment and Annexation.

**2. FRESNO LAFCO'S MUNICIPAL SERVICE REVIEW PROGRAM**

**Preliminary budget implication: this activity can be funded from LAFCo's operating account.**

On March 13, 2024, Staff was provided direction to determine how many years it takes for all MSRs to be completed. Based off projections from previous years, Staff anticipates around 18 years to complete MSRs for all 131 special districts and cities within Fresno County. In addition, Staff was directed to determine the costs associated with improving this to an estimated cycle of 10 years.

Existing staff, along with one extra Analyst and two extra interns should provide the staffing needed to initially improve the cycle to 13 years. As the years of training and development go on, Staff anticipates this to further improve to a 10 year cycle.

The proposed budget includes expenses related to the hiring and training of this additional staff along with increasing our lease square footage to provide adequate workspace.

**3. Review and update of Fresno LAFCo Policy Manual**

**Preliminary budget implication: Can be funded by operational funds.**

Fresno LAFCo's Policy Manual has undergone a complete and thorough examination to update policies consistent with CKH, and to reflect contemporary priorities and characteristics of the Commission's local agencies. Unless major changes to CKH occur, only minor annual amendments will be made as needed.

**BACKGROUND ON FRESNO LAFCO'S WORK PLAN**

Fresno LAFCo's Financial and Accounting Procedures specify that before July 1, the LAFCo Executive Officer shall prepare for the Commission's review and approval of an annual work plan. The work plan is prepared in conjunction with the 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 budget supports the work program.



This work plan reflects the Fresno LAFCo's Policies and Procedures and the current and the dynamic needs of the local agencies in Fresno County. The work plan is composed of projects to be undertaken directly by LAFCo staff during the year.

The work plan is developed to advance the goals and mission of Fresno LAFCo, consistent with state law.

**I. SCOPE OF WORK PLAN**

The scope of the work plan is consistent with the legislature's findings and declarations:

- It is the policy of the state to encourage orderly growth and development, which are essential to the social, fiscal, and economic well-being of the state.
- The logical formation and determination of local agency boundaries is an important factor in promoting orderly development and in balancing that development with sometimes competing state interests of discouraging urban sprawl, preserving open-space and prime agricultural lands, and efficiently extending government services.
- Providing housing for persons and families of all incomes is an important factor in promoting orderly development.
- This policy should be affected by the logical formation and modification of the boundaries of local agencies, with a preference granted to accommodating additional growth within, or through the expansion of, the boundaries of those local agencies which can best accommodate and provide necessary governmental services and housing for persons and families of all incomes in the most efficient manner feasible.
- The Legislature also finds that, whether governmental services are proposed to be provided by a single-purpose agency, several agencies, or a multipurpose agency, responsibility should be given to the agency or agencies that can best provide government services.

**II. PROJECTS OF THE WORK PLAN**

The projects are identified to address important issues identified by the Commission in its initial Policies, Standards, and Procedures Document, adopted in 1986 or as revised. Fresno LAFCo identified the following list of problems and needs locally, which pertain to the Commission's responsibilities, and developed policies, standards, and procedures in this document in order to help resolve the problems and meet needs within the Commission's jurisdiction:

1. Proliferation of overlapping and competing local agencies.
2. Need for more cooperation/coordination among local agencies.
3. Inadequate level or range of services in county/community.
4. Inadequate revenue base or adverse fiscal impacts for local agencies.
5. Illogical, gerrymandered agency boundaries, islands, surrounded areas.
6. Illogical agency service areas.

7. Conflicts between urban and rural/agricultural land uses.
8. Premature proposals and lack of development proposals.
9. Phasing of agency expansion/growth.
10. Determining environmental effects of proposals.
11. Determining consistency with city or county general plans.
12. Urban sprawl and leapfrog urban development.
13. Guiding urban growth away from prime agricultural lands.
14. Defining agricultural lands and open space lands.
15. Opposition of proposals by residents and popularity of proposals by landowners/developers.
16. Provision of adequate noticing of LAFCO hearing and conducting authority hearing.

On February 18, 2015, the following Special District issues were presented to the Commission:

1. No adopted annual budget, by-laws, or procedures.
2. No services.
3. District board nonfeasance.
4. Special district is the subject of a Grand Jury reports.
5. Lack of staff or staff lacks technological/managerial/financial (T/M/F) expertise.
6. Board members fulfill both policy and operational functions.
7. Lack of coordination of similar services between and among different special districts.
8. Lack of transparency and/or Brown Act compliance.
9. Changing demographics, antiquated mission.
10. The special district does not cooperate with LAFCo on the MSR.

Other special district issues have since emerged:

11. The district board frequently lacks a quorum.
12. Board members lack technical, managerial, and/or financial expertise.
13. Board members continue to serve after terms expire (though frequently permitted by the district's principal act).
14. District does not file annual financial statements with County Auditor Controller Treasurer Tax Collector.

### III. WORK PLAN CONFORMITY WITH FRESNO LAFCO GOALS

The work plan is refined annually to conform to Commission's adopted goals:

1. Encouraging orderly formation and development of agencies;
2. Encouraging consistency with spheres of influence and recommended reorganization of agencies;
3. Encouraging orderly urban development and preservation of open space patterns;
4. Encouraging conservation of prime agricultural lands and open space areas;
5. Providing public access to the Commission via the internet; and
6. LAFCo disadvantaged communities' policy.

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

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**AGENDA ITEM NO. 9**

**DATE:** April 10, 2024

**TO:** Local Agency Formation Commission

**FROM:** Brian Spaunhurst, Executive Officer

**SUBJECT:** Consider Approval: Authorize the Executive Officer to Sign New Lease Agreement with Tutelian for Office Space Located in The Grand Tower and Authorize Partial Expenditure of the Commission's Contingency Fund for FY 23-24

**RECOMMENDATION:**

- 1- Authorize an expenditure from the Commission's contingency fund to support moving related expenses; or
- 2- Authorize the Executive Officer to sign a new lease agreement with Tutelian, extending the current lease from ending in 2028 to ending in 2034 and Authorize an expenditure from the Commission's contingency fund to support moving related expenses.

**Background**

Originally approved in 2022, the lease for LAFCo's current office space is set to expire at the beginning of January 2028. During the March Hearing, the Executive Officer was directed to conduct an analysis on what it would take to increase staffing to improve the rate at which Municipal Service Reviews are completed. This increase in staffing would require additional office space as the current office space is already at maximum capacity. The existing lease does allow for relocation within the same building.

The building management team has assisted in identifying another suite that would accommodate the proposed staff expansion as well as offer additional amenities while maintaining the existing cost per square foot and annual escalations identified in our current lease term.

In addition to this, building management has also offered to lock the annual escalations of 3% by signing a new lease for 10 years. Historically, the LAFCO office has not been at any location longer than 10 years.

**Budget**

Any cost savings are speculative as the future market of downtown office space is unknown. While the historical inflation rate has been around 3%, recent and localized inflation rates have been much greater and trending upwards. The proposed move would keep both the price per square foot and annual escalations locked in until January of 2028. Alternatively, the Commission may authorize the Executive Officer to sign a new lease that would keep the same terms locked in until June of 2034.

Our current budget accommodates \$2,765 per month or \$33,182 per year for 1,202 square feet of office space. The cost to expand our office space to 2,753 square feet would require \$5,870 or \$70,443.

There are typically a handful of costs associated with signing a new lease that include new stationary, business cards and moving expenses. During the most recent move less than two years ago, staff implemented several cost saving measures including an update to our letterhead that allowed it to be printable and utilized on an as needed basis and switching from disposable business cards to identification cards that include a scannable QR code and internal NFC chip. Continued implementation of these measures would leave only moving costs to be considered.

During our last relocation, moving expenses were kept under \$1,500. As the proposed move is only one floor below our existing space, building management has offered to assist by providing desks, chairs, and conference tables in the new office space (estimated value of \$50,000) as well assist in moving our file cabinets and other small furniture. The printer is required to be moved by California Business Machines per the terms of the lease.

## **Findings**

The addition of LAFCo staff members required to improve Municipal Service Review output also requires additional office space. Our current building manager has identified space that would support:

- 1 Executive Officer
- 1 Clerk to the Commission
- 3 Analysts
- 1 paid intern
- 2 unpaid interns

In addition, the proposed space also includes a kitchen/break room and a larger conference room. Should there be an increase in projects, the three intern positions can be converted into analyst positions.

While the addition of staff and lease of a larger office space is contingent on approval of the FY 24/25 Budget, the Executive Officer requests authorization from the Commission to negotiate and approve the relocation of the existing lease. Alternatively, the Commission may also approve authorization for the negotiation and approval for the relocation, and extension of the current lease to lock in terms until 2034.

Both options presented include the request of authorization to utilize no more than \$1,500 to address any moving related expenses.