

AGENDA

FRESNO LOCAL AGENCY FORMATION COMMISSION (LAFCo)

January 8, 2025 – 1:30 P.M.

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

COMMISSION MEMBERS

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

ALTERNATE MEMBERS

Tom Chaney
Scott Robertson
Vacant

LAFCO STAFF

Brian Spaunhurst, Executive Officer
Amanda Olivas, Clerk to the Commission
Jessica Gibson, LAFCo Analyst
Joel Matias, LAFCo Analyst
Monica Leon, LAFCo Analyst
Jessica Johnson, LAFCo Counsel

LAFCo Office: 1401 Fulton Street, Suite 800, Fresno, CA - 93721 - (559) 600-0604
Staff reports prepared for each item listed in this agenda may be viewed at 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-D by taking the following actions:
 - A. **Consider Approval:** Minutes from the LAFCo meeting of September 11, 2024.
(Continued from November 13, 2024, Hearing)
 - B. **Consider Approval:** Minutes from the LAFCo meeting of November 13, 2024.
 - C. **Consider Approval:** Request Authorization for the Destruction of LAFCo Public Records.
 - D. **Receive and File:** Consider Biennial Financial Audit for Fiscal Year 2021-2022.

REGULAR AGENDA ITEMS

6. **Consider Approval:** Amendment of Sections 303 and 525 of the Commission's Policies.
Recommendation: Approve, Subject to Legal Counsel Review.
7. **Informational Item:** LAFCo Response to the Fresno County Civil Grand Jury Report No. 1 for Fiscal Year 2023-2024 on the Clovis Cemetery District.
Recommendation: Receive, File, and Provide Direction.
8. **Workshop:** Mid-Year Budget Review and Work Program Status for Fiscal Year 2024-2025.
Recommendation: Receive, File, and Provide Direction.
9. **Informational Item:** Staff Salary Analysis.
Recommendation: Receive, File, and Provide Direction.
10. **Executive Officer Comments**
11. **Commission Comments/ Reports**
12. **Adjournment**

THE NEXT LAFCO MEETING will be held on February 12, 2025, 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 \$500.00 to any member or alternate 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 alternate Commissioner from participating in and voting on land use entitlement decisions (which include changes of organization and reorganizations) if the Commissioner or alternate 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 (as well as their agents) from making campaign contributions totaling more than \$500.00 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 800, Fresno, CA 93721, (559) 600-0604

CONSENT AGENDA ITEM NO. 5-A

FRESNO LOCAL AGENCY FORMATION COMMISSION (LAFCo)

**MEETING MINUTES
September 11, 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
Joel Matias, LAFCo Analyst
Monica Leon, LAFCo Analyst
Jessi 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 August 14, 2024.

B. Appointment of Fresno Voting Delegate and Alternate Voting Delegate at the CALAFCO Board of Directors Elections.

Motion: Approve Item 5A-5B

Moved: Commissioner Magsig

Second: Commissioner Santoyo

Ayes: Commissioners Magsig, Santoyo, Mendes

Noes: 0

Absent: Commissioners Parra, Yep

Abstain: 0
Passed: 3-0-2-0

REGULAR AGENDA ITEMS

6. City of Clovis “Behymer- Sunnyside Southwest Reorganization.”

Action 1: CEQA
Motion: Approve
Moved: Commissioner Magsig
Second: Commissioner Santoyo
Ayes: Commissioners Magsig, Santoyo, Mendes
Noes: 0
Absent: Commissioners Parra, Yep
Abstain: 0
Passed: 3-0-2-0

Action 2: Recommendations A-H, as listed in Staff Report
Motion: Approve
Moved: Commissioner Magsig
Second: Commissioner Santoyo
Ayes: Commissioners Magsig, Santoyo, Mendes
Noes: 0
Absent: Commissioners Parra, Yep
Abstain: 0
Passed: 3-0-2-0

7. Executive Officer Comments.

LAFCo Executive Officer Brian Spaunhurst provided comments.

8. Commission Comments/Reports.

There were no comments from the Commission.

9. Adjournment.

Moved: Commissioner Santoyo
Second: Commissioner Magsig
The meeting adjourned at 1:47 p.m.

Amanda Olivas
Clerk to the Commission



Fresno Local Agency Formation Commission
1401 Fulton Street, Suite 800, Fresno, CA 93721, (559) 600-0604

CONSENT AGENDA ITEM NO. 5-B

FRESNO LOCAL AGENCY FORMATION COMMISSION (LAFCo)

MEETING MINUTES

November 13, 2024

Members Present: Commissioners Robertson, Yep, Santoyo
Members Absent: Commissioners Magsig, Mendes
Staff Present: Brian Spaunhurst, LAFCo Executive Officer
Amanda Olivas, Clerk to the Commission
Jessica Gibson, LAFCo Analyst
Joel Matias, LAFCo Analyst
Monica Leon, LAFCo Analyst
Jessi Johnson, LAFCo Counsel

1. Call to Order and Roll Call

Chair Pro Tem Santoyo called the meeting to order at 1:30 p.m.

2. Pledge of Allegiance

Commissioner Robertson led the Pledge of Allegiance.

3. Comments from the Public

North Central Fire District, Fire Chief, Timothy Henry addressed the Commission on the Ashlan-Hayes No. 2, 3, and 4 Reorganization.

4. Potential Conflicts of Interest

There were no Conflicts of Interest.

CONSENT AGENDA

5. A. Minutes from the LAFCo Meeting of September 11, 2024.

B. 2025 LAFCo Hearing and Office Calendar.

5A: Minutes will be moved to the next hearing for voting.

Motion: Approve Item 5B

Moved: Commissioner Yep

Second: Commissioner Robertson

Ayes: Commissioners Yep, Robertson, Santoyo

Noes: 0

Absent: Commissioners Magsig, Mendes

Abstain: 0
Passed: 3-0-2-0

REGULAR AGENDA ITEMS

6. Professional Services Agreement by and Between the County of Fresno and the Fresno Local Agency Formation Commission.

Action 1:
Motion: Approve
Moved: Commissioner Robertson
Second: Commissioner Yep
Ayes: Commissioners Robertson, Yep, Santoyo
Noes: 0
Absent: Commissioners Magsig, Mendes
Abstain: 0
Passed: 3-0-2-0

7. Ashlan- Hayes Nos. 2, 3, and 4 Reorganization Election Results.

This was a receive and file item, no action was needed.

8. Executive Officer Comments.

LAFCo Executive Officer Brian Spaunhurst provided comments.

9. Commission Comments/Reports.

There were no comments from the Commission.


10. Adjournment.

Moved: Commissioner Robertson
Second: Commissioner Yep
The meeting adjourned at 1:46 p.m.

Amanda Olivas
Clerk to the Commission

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

CONSENT AGENDA ITEM NO. 5-C

DATE: January 8, 2025
TO: Fresno Local Agency Formation Commission
FROM: Brian Spaunhurst, Executive Officer 
BY: Amanda Olivas, Clerk to the Commission
SUBJECT: Request Authorization for the Destruction of LAFCo Public Records.

RECOMMENDATION: Approve the request to archive and destroy LAFCo proposal files listed on Attachment A.

Background

At its July 9, 2008, hearing, the Commission adopted Policy Section 730 "Destruction of Records" pursuant to Government Code Section 56382. Such action was taken because sufficient filing space was becoming a problem, and it was desired to have electronic copies made for easier access. In July 2024, the Commission adopted an update of the Commission Policies such that the Destruction and Retention Policy is now under Section 700. This new policy allows certain documents more than two years old to be archived and the files destroyed.

Discussion

LAFCo staff is continuing the process of electronically archiving files and preparing them for destruction. In accordance with the Commission's Policies, the Commission may authorize the destruction of original records more than two years old if a photographic or electronic copy of the original record is made and preserved, provided that the following conditions are met:

- A. Following review by LAFCo Counsel, the Executive Officer places on the Commission's agenda an item that describes the types of records to be destroyed and identifies the years in which they originated, and permission to destroy said records is granted by the Commission.
- B. The records are reproduced on a medium that does not permit additions, deletions, or changes to the original document, or reproduced in compliance with the minimum standards or guidelines, or both, as recommended by the American National Standards Institute or the Association for Information and Image Management.
- C. The device used to reproduce the records is one that accurately and legibly reproduces the original thereof in all details and that does not permit additions, deletions, or changes to the original document images.

- D. The reproductions are made as accessible for public reference as the original records were.
- E. A true copy of archival quality of the reproductions shall be kept in a safe and separate place for security purposes.

Additionally, **all original signed resolutions will be retained.** Recorded documents will also be stored on “flash” or USB drives and placed within LAFCo’s fire safe vault to be maintained within its office.

The records proposed to be destroyed, after maintaining secure electronic copies of the same, are listed on Attachment A hereto.

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Attachment A

| <u>File #</u> | <u>Applicant</u> | <u>Name of Proposal</u> | <u>Date of Completion</u> |
|---------------|--------------------------------|--|---------------------------|
| MSR-17-09 | Dunlap Cemetery District | MSR/SOI | 6/21/2017 |
| NOE-17-09 | Dunlap Cemetery District | MSR Notice of Exemption | 7/12/2017 |
| MSR-17-07 | Reedley Cemetery District | MSR/SOI | 6/21/2017 |
| MSR-10 RCD | Reedley Cemetery District | MSR/SOI | June 2010 |
| MSR-17-08 | Sanger Del Rey Cem Dist. | MSR/SOI | 7/5/2017 |
| PFIS SDRC-08 | Sanger Del Rey Cem Dist. | Public Facilities Impact Study 2008 | 7/16/2008 |
| NOE-17-08 | Sanger Del Rey Cem Dist. | MSR Notice of Exemption | 7/12/2017 |
| FCGJ-10-9 | County of Fresno | Grand Jury Final Report #9 2009-2010 | 5/17/2010 |
| OCFPD PB-16 | Orange County Fire Prot. Dist. | Proposed Budget 2015-2016 | 7/30/2016 |
| OCFPD FS-14 | Orange County Fire Prot. Dist. | Financial Statements through 6/30/14 | 6/30/2014 |
| EOM F-15-3 | County of Fresno | LAFCo Financial Statements March 2015 | 5/6/2015 |
| EOM F-15-2 | County of Fresno | LAFCo Financial Statements February 2015 | 4/1/2015 |
| EOM F-15-1 | County of Fresno | LAFCo Financial Statements January 2015 | 2/18/2015 |
| EOM-F-15-12 | County of Fresno | LAFCo Financial Statements November and December 2015 | 1/13/2015 |
| EOM-F-15-5 | County of Fresno | LAFCo Financial Statements May 2015 | 7/8/2015 |
| EOM-F-15-4 | County of Fresno | LAFCo Financial Statements April 2015 | 6/3/2015 |
| EOM-F-15-2 | County of Fresno | LAFCo Financial Statements February 2015 | 4/1/2015 |

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|-------------|-----------------------------------|--|----------------|
| EOM-F-15-1 | County of Fresno | LAFCo Financial Statements January 2015 | 2/18/2015 |
| MSR-7 PVWD | Pleasant Valley Water District | MSR/SOI | December 2007 |
| MSR-17-05 | Fowler Cemetery District | MSR/SOI | 5/24/2017 |
| MSR-17-06 | Clovis Cemetery District | MSR/SOI | 5/24/2017 |
| MSR-21-07 | City of Firebaugh | MSR/SOI | NA |
| MSR-15-06 | Orange Cove Irrigation Dist. | MSR/SOI | 9/21/2015 |
| MSR-18-04 | Riverdale Memorial Dist. | MSR/SOI | 12/12/2018 |
| MSR-17-13 | Selma Cemetery Dist. | MSR/SOI | 9/20/2017 |
| MSR-18-03 | Clovis Veterans Memorial Dist. | MSR/SOI | 6/13/2018 |
| MSR-15-3a | Raisin City Water Dist. | MSR/SOI | October 2015 |
| MSR-17-12 | Coalinga-Huron Cemetery Dist. | MSR/SOI | 8/23/2017 |
| MSR-17-14 | Squaw Valley Cemetery District | MSR/SOI | 9/20/2017 |
| MSR-18-02 | Tranquillity Public Utility Dist. | MSR/SOI | 1/24/2018 |
| EOM-F-16-6 | County of Fresno | LAFCo Financial Statements May 2016 and June 2016 | 7/13/2016 |
| EOM-F-20-10 | County of Fresno | LAFCo Financial Statements October 2016 | 12/16/2020 |
| CSA-2 | County of Fresno | County Service Area no. 2 | March 2011 |
| MSR-17-11 | Parlier Cemetery District | MSR/SOI | 8/23/2017 |
| RO-15-8 | Bald Mountain Fire Prot. Dist. | MSR/RO | September 2015 |
| UI-07 | Consolidated Irrigation Dist. | Urban Impacts | November 2007 |
| AD-16-1 | Consolidated Irrigation Dist. | ESK Farm's Inc to Annex to CID | 6/22/17 |
| DD-15-1 | Sierra RCD | Sierra Resource conservation District Detachment | 3/13/16 |
| RSOI-195 | City of Reedley | Frankwood-South SOI Revision | April 2020 |
| PA-17-4 | AYC Construction | Caruthers CSD Extension of Services | N/A |
| USOI-194 | Tranquillity RCD | Tranquillity RCD SOI Update | 5/12/21 |
| RO-18-13 | City of Fresno | Shepherd-Willow No.3 Reorganization | 7/24/2019 |

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|----------|---------------------------------|--|------------|
| RO-18-8 | City of Clovis | Nees-Armstrong NE No.2 Reorg. | 2/21/2019 |
| RO-18-9 | City of Fresno | Locan Avenue Annexation | 3/20/2019 |
| RO-18-1 | City of Clovis | Shaw-Leonard NE Reorganization | 3/19/2019 |
| RO-18-7 | City of Clovis | Teague-Fowler NW Reorg | 9/8/2019 |
| RO-18-5 | City of Fresno | Gettysburg-Bryan No.1 Reorg | 9/17/2018 |
| RO-18-4 | City of Fresno | Willow-Alluvial No.4 Reorg | 10/10/18 |
| RO-18-3 | City of Fresno | Belmont-Fowler No.1 Reorg | 8/15/2018 |
| RO-16-7 | City of Fresno | Central Cherry No.1 Reorg | 12/15/2016 |
| RO-17-12 | City of Fresno | Jensen-Armstrong No.1 Reorg | 2/23/2018 |
| RO-17-11 | City of Fresno | Bullard-Van Ness No.2 Reorg | 1/12/2018 |
| RO-11-1 | City of Fresno | Clinton-Polk No.2 Reorganization | ? |
| RO-18-10 | City of Clovis | Shepherd-Sunnyside NW | 12/19/2001 |
| RO-18-2 | City of Clovis | Ashlan Highland SW Reorg | 4/16/2018 |
| RO-18-12 | City of Fresno | Clinton-Fowler No.2 Reorg. | 8/6/2019 |
| RO-19-2 | City of Selma | V-5 Dinuba Mini-Storage | 11/22/2019 |
| RO-19-3 | City of Reedley | Buttonwillow-Duff Reorg | 7/17/2019 |
| RO-19-1 | City of Kingsburg | Kamm-Academy NW No.2 | 7/11/2019 |
| RO-15-8 | City of Selma | Mt. View-Highway 99 | 2/21/2017 |
| OS-16-1 | City of Kerman | Outside Service Request (Water) La Fe Properties | 4/29/2016 |
| OS-16-2 | City of Fowler | Extension of Sewer and Water (Munoz) | 5/24/2016 |
| OS-14-1 | Malaga County Water Dist. | Outside Service Req (water Service) | 9/9/2014 |
| OS-18-3 | Fresno Humane Animal Service | Extension of Service | 5/17/2018 |
| OS-18-2 | SKF County Sanitation Dist. | Extension of Service | 3/26/2018 |
| OS-18-4 | City of Fresno | Extension of Service to CUSD | 5/17/2018 |
| OS-18-1 | City of Coalinga | Extension of Water Service | 4/16/2018 |
| OS-17-3 | City of Reedley | Extension of Service – George Cox Consolidation Project | 1/18/2018 |
| OS-17-2 | CSA#32 | Extension of Service – Cantua Creek | 6/30/2017 |

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|----------|-----------------------------|---|--------------|
| OS-17-1 | City of Clovis | Outside Service Request (Water Service) | 3/27/2017 |
| OS-16-4 | City of Kerman | Outside Water Service Extension (Double L MRP) | 7/19/2016 |
| OS-16-3 | City of Fresno | Outside Service Request (Water Service) | 5/24/2016 |
| OS-11-2 | Sanger Unified School Dist. | Extension of Municipal Sewer and Water Service | 7/20/2016 |
| OS-19-2 | City of Coalinga | Extension of Water Service | 2/28/2019 |
| OS-20-1 | City of Fresno | Extension of Water and Sewer Service – 6639 N. Parkway | 4/6/2020 |
| OS-20-2 | City of Fresno | Extension of water and Sewer Service 385 S. Peach Ave | 4/6/2020 |
| OS-11-1 | City of Fresno | Extension of Municipal Water Service Simonian Farms | 6/22/2011 |
| OS-14-1 | City of Fresno | Malaga County Water District | NA |
| R-15-006 | | | 9/30/2014 |
| PA-17-9 | City of Fresno | Shields-Polk Reorganization | NA |
| | CID | Consolidated Irrigation District Issues | NA |
| | Big Creek CSD | Big Creek CSD Annexation | NA |
| | City of Fresno | City of Fresno – Fluoridation | NA |
| | City of Mendota | Initial Study No.6243 / EIR Preparation | NA |
| | City of Fresno | District Formations (FD): Dissolution (DOD): Detachment (DD): Merger (MOD) | NA |
| | City of Fresno | Fig Garden Fire Prot. Dist. | 1/18/2017 |
| | NA | County Service Area no. 49 | January 2007 |
| | City of Fresno | Fresno Metropolitan Flood Control Dist. | June 2017 |
| | City of Firebaugh | Preliminary City of Firebaugh Proposals | NA |
| | City of Mendota | Preliminary City of Mendota Proposals | NA |
| | City of Coalinga | Preliminary City of Coalinga Proposals | NA |


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|-------------------------|--------------------------------------|------|
| City of Kerman | Preliminary City of Kerman Proposals | NA |
| City of Coalinga | 2025 General Plan/EIR Update | NA |
| Consolidated Irrigation | Five Cities Negotiations | 2009 |
| City of Fowler | Preliminary City of Fowler Proposals | NA |
| City of Fowler | Initial Study Documents | NA |
| City of Clovis | Preliminary City of Clovis Proposals | NA |
| City of Kerman | EIR Preparation Docs | 2012 |
| City of Fresno | Island Annexation Misc. | NA |
| City of Fresno | Fort Washington Estates | NA |

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

CONSENT AGENDA ITEM NO. 5-D

DATE: January 8, 2025

TO: Fresno Local Agency Formation Commission

FROM: Brian Spaunhurst, Executive Officer 

BY: Amanda Olivas, Clerk to the Commission

SUBJECT: Consider Biennial Financial Audit for Fiscal Year 2021-2022.

RECOMMENDATION: Receive and File.

Background

On April 14, 2010, the Commission established the policy to perform a financial audit biennially or with the change of each executive officer. Fresno LAFCo is not required to conduct a financial audit since it does not receive funding from State and/or Federal governments and there is no statutory mandate; however, LAFCo is still responsible for ensuring that public funds are appropriately accounted for. The Commission found that regular financial audits support the transparency of its operations.

Copies of the *Report on Audited Financial Statements for the fiscal year ending June 30, 2022*, and the companion *Report to Management*, performed by Sampson, Sampson & Patterson, LLP, are attached to this report.

The *Report to Management* presented no comments for the subject fiscal year audit.

FRESNO LOCAL AGENCY FORMATION COMMISSION

REPORT ON AUDITED
FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

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The Board of Commissioners
Fresno Local Agency Formation Commission
Fresno, California

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the accompanying financial statements of Fresno Local Agency Formation Commission (the Commission) as of and for the year ended June 30, 2022, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above presented fairly, in all material respects, the financial position of the Commission as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Adoption of New Accounting Standard

As discussed in Note 1 to the financial statements, the Commission has adopted new accounting guidance, Government Accounting Standards Board (GASB) Statement No. 87, Leases. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charge with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Required Supplementary Information (cont.)

Management has omitted the management’s discussion and analysis that accounting principals generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the financial statements are not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2024, on our consideration of the Commission’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission’s internal control over financial reporting and compliance.

Sampson & Sampson, LLP

Clovis, California

November 14, 2024

FRESNO LOCAL AGENCY FORMATION COMMISSION
STATEMENT OF NET POSITION
JUNE 30, 2022

| | |
|--|-----------------------|
| ASSETS: | |
| Current assets: | |
| Cash | \$ 329,391 |
| Prepays | 5,280 |
| Deposit | <u>1,705</u> |
| Total current assets | 336,376 |
| Non-current assets: | |
| Capital assets, net of accumulated depreciation | |
| Right-to-use assets, net of accumulated amortization | <u>12,632</u> |
| Total non-current assets | 12,632 |
| Total assets | <u>\$ 349,008</u> |
| LIABILITIES: | |
| Current liabilities: | |
| Accounts payable | <u>\$ 17,396</u> |
| Total current liabilities | 17,396 |
| Long-term liabilities: | |
| Lease liability – due within one year | 17,783 |
| Compensated absences | <u>13,534</u> |
| Total non-current liabilities | 31,317 |
| Total liabilities | <u>48,713</u> |
| NET POSITION: | |
| Unrestricted | <u>300,295</u> |
| Net Position | <u>300,295</u> |
| Total liabilities and net position | <u>\$ 349,008</u> |

See independent auditor's report and
notes to financial statements.

FRESNO LOCAL AGENCY FORMATION COMMISSION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

| | |
|---|-------------------|
| EXPENSES: | |
| Salaries and benefits | \$ 383,020 |
| Services and supplies | <u>162,268</u> |
| Total expenses | <u>545,288</u> |
| PROGRAM REVENUES: | |
| Intergovernmental revenues: | |
| County of Fresno Allocation | 160,716 |
| Cities' Allocations | 160,716 |
| Other | <u>82,064</u> |
| Total program revenues | <u>403,496</u> |
| Change in net position | <u>(141,792)</u> |
| NET POSITION – BEGINNING OF YEAR | 456,320 |
| Cumulative effect on prior years retroactive restatement for accounting change | <u>(14,233)</u> |
| NET POSITION – BEGINNING OF YEAR as restated | <u>442,087</u> |
| NET POSITION – END OF YEAR | <u>\$ 300,295</u> |

See independent auditor's report and
notes to financial statements.

FRESNO LOCAL AGENCY FORMATION COMMISSION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

| | |
|---------------------------------------|-------------------|
| ASSETS: | |
| Cash | \$ 329,391 |
| Prepays | 5,280 |
| Deposit | <u>1,705</u> |
| Total assets | <u>\$ 336,376</u> |
| | |
| LIABILITIES: | |
| Accounts payable | \$ 17,396 |
| Total liabilities | <u>17,396</u> |
| | |
| FUND BALANCE: | |
| Nonspendable for prepaids and deposit | 6,985 |
| Assigned for legal reserves | 50,000 |
| Unassigned | <u>261,995</u> |
| Total fund balance | <u>318,980</u> |
| Total liabilities and fund balance | <u>\$ 336,376</u> |

See independent auditor's report and
notes to financial statements.

FRESNO LOCAL AGENCY FORMATION COMMISSION
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

Total fund balance - governmental funds \$ 318,980

Amounts reported for governmental activities in the statement
of net position are different because:

Non-current assets: In governmental funds, only current assets are reported.
In the statement of net position, all assets are reported, including
capital assets, right-to-use assets, and accumulated depreciation /
amortization.

| | | |
|-----------------------------------|------------------|--------|
| Office equipment | 6,738 | |
| Accumulated depreciation | <u>(6,738)</u> | |
| Right-to-use asset – office lease | 303,162 | |
| Accumulated amortization | <u>(290,530)</u> | 12,632 |

Long-term liabilities, including compensated absences and lease liabilities,
are not due and payable in the current period and therefore are not
reported as liabilities in the funds. Long-term liabilities at year end
consisted of:

| | | |
|----------------------|--|-----------------|
| Compensated absences | | (13,534) |
| Lease liability | | <u>(17,783)</u> |

Total Net Position \$ 300,295

See independent auditor’s report and
notes to financial statements.

FRESNO LOCAL AGENCY FORMATION COMMISSION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

| | |
|---|-------------------|
| REVENUES: | |
| Fees – County contribution | \$ 160,716 |
| Fees – City contributions | 160,716 |
| Other Fees | <u>82,064</u> |
| Total Revenue | <u>403,496</u> |
| EXPENDITURES: | |
| Fresno County Assessor | 3,825 |
| LAFCo Counsel | 13,074 |
| Executive officer salary and benefits | 204,358 |
| Salaries and benefits | 189,541 |
| Insurance | 16,320 |
| Professional membership | 10,760 |
| Office operations | 1,668 |
| Data processing service and fees | 36,951 |
| Office lease | 46,387 |
| Transportation, travel and education/conference | 6,199 |
| Mileage reimbursement | 27 |
| Publication and legal notices | 2,948 |
| Postage | 762 |
| Maintenance | 765 |
| Fresno County Health | |
| Accounting | 4,062 |
| Consultants | 19,027 |
| Independent financial audit | <u>8,575</u> |
| Total Expenditures | <u>565,249</u> |
| CHANGES IN FUND BALANCE | (161,753) |
| FUND BALANCE, BEGINNING OF YEAR | 480,733 |
| FUND BALANCE, END OF YEAR | <u>\$ 318,980</u> |

See independent auditor's report and
notes to financial statements.

FRESNO LOCAL AGENCY FORMATION COMMISSION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT
OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

| | |
|---|---------------------|
| Change in fund balance - governmental funds | \$ (161,753) |
| Amounts reported for governmental activities in the statement of activities are different because: | |
| Amortization expense on right-to-use assets was included in the Statement of Activities and changes in Net Position, but did not require the use of current financial resources. | (25,263) |
| Compensated absences: In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amounts earned. The difference between compensated absences paid and those earned was: | 10,879 |
| Repayment of debt principal is an expenditure in the funds but is not an expense in the statement of activities. This is the amount principal paid on lease liability: | <u>34,345</u> |
| Change in net position of governmental activities | <u>\$ (141,792)</u> |

See independent auditor's report and notes to financial statements.

FRESNO LOCAL AGENCY FORMATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Reporting Entity

The Fresno Local Agency Formation Commission (LAFCo) was created by the California Legislature in 1963. There is a LAFCo in each of California's 58 counties. Fresno LAFCo's objectives are to encourage the orderly formation of local governmental agencies, preserve agricultural land resources, and to discourage urban sprawl. LAFCo is under the direction of the Commission which is composed of two County Supervisors and one alternate, two city council members from the County's 15 cities and one alternate, and one member from the public that is appointed by the other four seated Commissioners and one alternate public member.

The Commission is responsible for coordinating logical and timely changes in local governmental boundaries, conducting special studies that review ways to reorganize, simplify, and streamline governmental structure and preparing a sphere of influence for each city and special district within each county.

As of June 30, 2022, there are 15 cities and 117 special districts under the jurisdiction of the Commission in Fresno County.

B. Basis of Presentation and Accounting

Government-Wide Statements

The statement of net position and statement of activities display information about the primary government (Commission). These statements include the financial activities of the overall Commission.

The statement of activities presents a comparison between direct expenses and program revenues for the Commission's governmental activity. Direct expenses are those that are specifically associated with the Commission. Program revenues are restricted to meeting the operational or capital requirements of the Commission. Revenues that are not classified as program revenues, including all taxes and investment income, are presented as general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of when the related cash flows take place. Unearned revenues are recorded for fees received that have not yet been earned.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when measurable and available (susceptible to accrual). Taxes, interest, certain state and federal grants, and charges for services revenues are accrued when their receipts occur within sixty days after the end of the accounting period so as to be measurable and available. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and lease liabilities, are recorded only when payment is due.

The General Fund is the Commission's primary operating fund. It accounts for all financial resources of the general government.

FRESNO LOCAL AGENCY FORMATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-(cont.):

C. Adoption of GASB Statement 87 Leases for the Year Ended June 30, 2022

For the year ended June 30, 2022, the Commission implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. GASB Statement No. 87 enhances the relevance and consistency of information for the Commission's leasing activities. It established requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The effect of the adoption of this statement was to decrease net position by \$14,233 in 2022.

D. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

E. Accounts Receivable

Accounts receivable consists primarily of MSR fees billed but not collected. The Commission does not enforce payment by the cities and districts for the services they have provided. However, the Commission keeps a list of cities and districts that have been billed but have not paid and plans to request payment of their outstanding bill when these entities request services from the Commission in the future. The Commission utilizes the direct write-off method for bad debts. At June 30, 2022, the Commission had no accounts receivable outstanding.

F. Prepays

Prepaid expenditures represent payments made to vendors for services that will benefit periods beyond June 30, 2022.

G. Property and Equipment

Property and equipment are recorded at cost less accumulated depreciation. It is the Commission's policy to capitalize property and equipment over \$5,000, lesser amounts are expensed. Repairs and maintenance and minor alterations are charged to expense as incurred. Costs which are considered improvements are added to the appropriate capital asset account. Depreciable assets are depreciated over their estimated useful lives using the straight-line method. Estimated useful lives are as follows:

| | |
|------------------|---------|
| Office equipment | 3 years |
|------------------|---------|

FRESNO LOCAL AGENCY FORMATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-(cont.):

H. Compensated Absences

Full-time employees paid directly by the Commission with less than two years of continuous service accrue paid time off at the rate of 21 working days per year. Upon completion of two continuous years of service, the employee shall earn one additional day of paid time off each year of service thereafter, until the end of the tenth year. Part-time employees paid directly by the Commission who work 20 hours or more currently accrue paid time off benefits on a pro rata basis. Employees paid directly by the Commission can accrue a maximum of three times their annual accrual rate. The Executive Officer has a separate contract that includes different benefits, but must comply with the employee handbook.

The Commission accounts for compensated absences in accordance with Governmental Accounting Standards Board Statement No. 16 *Accounting for Compensated Absences*. An employee whose employment terminates will be paid for accrued unused vacation on a pro-rata basis. There is no payout of sick leave upon termination from the Commission.

NOTE 2 - CASH:

Cash balances at June 30, 2022 consist of the following:

| | |
|------------------|------------------|
| Checking | \$279,296 |
| Business savings | <u>50,095</u> |
| | <u>\$329,391</u> |

Investments Authorized by the California Government Code

The Commission does not have an investment policy independent of what is allowed under the California Government Code.

The table on the next page identifies the investment types that are authorized for the Commission by the California Government Code. The table also identifies certain provisions of the Code that addresses interest rate risk, credit risk, and concentration of credit risk.

FRESNO LOCAL AGENCY FORMATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 2 – CASH (cont.):

| <u>Authorized Investment Type</u> | <u>Maximum Maturity</u> | <u>Maximum Percentage of Portfolio</u> | <u>Maximum Investment in One Issuer</u> |
|---------------------------------------|-----------------------------|--|---|
| Local Agency Bonds | 5 years | None | None |
| U.S. Treasury Obligations | 5 years | None | None |
| U.S. Agency Securities | 5 years | None | None |
| Banker's Acceptances | 180 days | 40% | 30% |
| Commercial Paper | 270 days | 25% | 10% |
| Negotiable Certificates of Deposit | 5 years | 30% | None |
| Repurchase Agreements | 1 year | None | None |
| Reverse Repurchase Agreements | 92 days | 20% of base value | None |
| Medium-Term Notes | 5 years | 30% | None |
| Mutual Funds | N/A | 20% | 10% |
| Money Market Mutual Funds | N/A | 20% | 10% |
| Mortgage Pass-through Securities | 5 years | 20% | None |
| County Pooled Investment Funds | N/A | None | None |
| Local Agency Investment Fund (LAIF) | N/A | None | None |
| JPA Pools (other investment pools) | N/A | None | None |
| Supranationals | 5 years | 30% | None |

Required disclosures for the Commission's deposit and investment risks at June 30, 2022, were as follows:

| | |
|------------------------------|----------------|
| Credit risk | Not rated |
| Concentration of credit risk | Not applicable |
| Interest rate risk | Not applicable |

Custodial Credit Risk

Custodial credit *risk* for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provisions for deposits: The California Government Code requires that financial institution secure deposits made by the state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California laws also allows financial institutions to secure district deposits by pledging the first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2022, none of the Commission's deposits with financial institutions in excess of FDIC limits were held in uncollateralized accounts.

FRESNO LOCAL AGENCY FORMATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 3 – CAPITAL ASSETS:

Capital assets consists of the following:

| | June 30, 2022 |
|--------------------------|---------------|
| Office equipment | \$ 6,738 |
| Accumulated depreciation | (6,738) |

NOTE 4 – RIGHT TO USE LEASED ASSET & LEASE LIABILITY:

In January, 2011, the Commission entered into a lease agreement for an office space. The lease has been renewed multiple times. The current term commenced February, 2022 and ends January, 2023. An initial lease liability was recorded in the amount of \$303,162. The Company used an interest rate of 3% to discount the lease payments to present value.

| December 31, 2022 | Beginning Balance | Additions/ Transfers | Deletions/ Transfers | Ending Balance |
|------------------------------------|----------------------|-------------------------|-------------------------|-------------------|
| Right to use leased asset: | | | | |
| Office lease | \$ 303,162 | \$ _____ | \$ _____ | \$ 303,162 |
| Less accumulated amortization for: | | | | |
| Office lease | (265,267) | (25,263) | _____ | (290,530) |
| Total right of use asset, net | \$ 37,895 | \$ (25,263) | \$ _____ | \$ 12,632 |

Changes in lease liability activity for the year ended December 31, 2022 was as follows:

| December 31, 2022 | Beginning Balance | Additions | Retirements | Ending Balance | Due Within One Year |
|------------------------|----------------------|-----------|-------------|-------------------|---------------------------|
| Office lease liability | \$ 52,128 | \$ _____ | \$ (34,345) | \$ 17,783 | \$ 17,783 |

At June 30, 2023, the future minimum lease payments were as follows:

| Year Ending June 30, | Principal | Interest | Total |
|-------------------------|-----------|----------|-----------|
| 2024 | \$ 17,783 | \$ 156 | \$ 17,939 |
| Total | \$ 17,783 | \$ 156 | \$ 17,939 |

FRESNO LOCAL AGENCY FORMATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 5 - NET POSITION/FUND BALANCE:

Net Position

Net position comprises of the various net earnings from operating and non-operating revenues, expenses and contributions of capital. Net position is classified in the following three components: Invested in capital assets (net of related debt), restricted and unrestricted. The Commission has unrestricted funds. Unrestricted net position represents net position not included in the above categories.

Fund Balance

Governmental funds report fund balance in classifications based primarily on the extent to which the Commission is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2022, fund balances for governmental funds are made up of the following:

- *Nonspendable fund balance* – amounts that are not in spendable form (such as inventory) or are required to be maintained intact.
- *Restricted fund balance* – amount constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- *Committed fund balance* – amounts constrained to specific purposes by the Commission itself, using its highest level of decision-making authority. To be reported as committed, amounts cannot be used for any other purpose unless the Commission takes the same highest level of action to remove or change the constraint.
- *Assigned fund balance* – amounts the Commission intends to use for a specific purpose. Intent can be expressed by the Commission’s board or by an official or body to which the Commission’s board delegates the authority.
- *Unassigned fund balance* – amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The Commission establishes fund balance commitments by adopting a final budget no later than June 15th and approving amendments as needed throughout the fiscal year. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund.

FRESNO LOCAL AGENCY FORMATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 6 - RELATED PARTY TRANSACTIONS:

During the fiscal year ended June 30, 2022, the Commission paid Fresno County, a related party, \$43,682 for support services.

In addition, the Commission received \$160,716 the fiscal year ended June 30, 2022, from Fresno County, a related party, pursuant to Government Code Section 56381. The County provides half of the intergovernmental revenue to the Commission. The other half is funded by the 15 cities in Fresno County

NOTE 7 - PENSION PLAN:

The Commission participates in a qualified defined contribution plan for its full-time employees, which the Commission contributes 10% of its employees' gross salary to the retirement plan, ICMARC. Employees are fully vested in the Commission's contribution upon the completion of three years of service. The contribution for the fiscal year ended June 30, 2022 was \$27,605.

NOTE 8 - CONTINGENCY:

The Commission is subject to legal proceedings and claims which arise in the ordinary course of business. In the opinion of management, the amount of ultimate liability with respect to these actions will not materially affect the financial position or results of operations of the Commission.

NOTE 9 - SUBSEQUENT EVENTS:

The Commission has reviewed the results of the operations and evaluated subsequent events for the period of time from its year ended June 30, 2022 through the date of the auditors' report.

In December 2022, the Commission entered into an office lease agreement with a different lessor and subsequently moved to a new location. The new lease commenced February 1, 2023, has a five-year term.

The Commission has determined that no adjustments are necessary to amounts reported in the accompanying financial statements., and no other subsequent events have occurred, the notice of which would require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

FRESNO LOCAL AGENCY FORMATION COMMISSION
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2022

| | Original Budget | Final Budget | Actual Amounts | Variance With Final Budget Positive (Negative) |
|--|--------------------|------------------|-------------------|--|
| REVENUES | | | | |
| Fees – County contribution | \$ 160,716 | \$ 160,716 | \$160,716 | \$ |
| Fees – City contributions | 160,716 | 160,716 | 160,716 | |
| Other Fees | <u>85,000</u> | <u>85,000</u> | <u>82,064</u> | <u>(2,936)</u> |
| Total revenues | <u>406,432</u> | <u>406,432</u> | <u>403,496</u> | <u>(2,936)</u> |
| EXPENDITURES: | | | | |
| Fresno County Assessor | 4,500 | 4,500 | 3,825 | 675 |
| LAFCo Counsel | 20,000 | 20,000 | 13,074 | 6,926 |
| Executive officer salary and benefits | 182,724 | 182,724 | 204,358 | (21,634) |
| Salaries and benefits | 272,452 | 272,452 | 189,541 | 82,911 |
| Insurance | 14,500 | 14,500 | 16,320 | (1,820) |
| Professional membership | 10,760 | 10,760 | 10,760 | |
| Office operations | 3,500 | 3,500 | 1,668 | 1,832 |
| Data processing service | 28,500 | 28,500 | 36,951 | (8,451) |
| Office lease | 45,504 | 45,504 | 46,387 | (883) |
| Office move | 5,000 | 5,000 | | 5,000 |
| Transportation, travel and education/conference | 22,936 | 22,936 | 6,199 | 16,737 |
| Mileage reimbursement | 200 | 200 | 27 | 173 |
| Publication and legal notices | 2,500 | 2,500 | 2,948 | (448) |
| Postage | 2,000 | 2,000 | 762 | 1,238 |
| Maintenance | 750 | 750 | 765 | (15) |
| Fresno County Health | 2,000 | 2,000 | | 2,000 |
| Fresno County Elections | 250 | 250 | | 250 |
| Accounting | 4,400 | 4,400 | 4,062 | 338 |
| Consultants | | | 19,027 | (19,027) |
| Independent financial audit | 10,000 | 10,000 | 8,575 | 1,425 |
| Contingencies | <u>3,000</u> | <u>3,000</u> | | <u>3,000</u> |
| Total Expenditures | <u>635,476</u> | <u>635,476</u> | <u>565,249</u> | <u>70,227</u> |
| CHANGE IN FUND BALANCE | <u>(229,044)</u> | <u>(229,044)</u> | (161,753) | <u>67,291</u> |
| FUND BALANCE – BEGINNING OF YEAR | | | <u>480,733</u> | |
| FUND BALANCE – END OF YEAR | | | <u>\$318,980</u> | |

FRESNO LOCAL AGENCY FORMATION COMMISSION
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022

BUDGET AND BUDGETARY REPORTING:

The Commission prepares and legally adopts a final budget on or before June 15th of each fiscal year.

After the budget is approved, the appropriations can be added to, subtracted from or changed only by Commission resolution. All such changes must be within the revenues and reserves estimated as available in the final budget or within revised revenue estimates as approved by the Commission.

An operating budget is adopted each fiscal year on the modified accrual basis. Additionally, encumbrance accounting is utilized to assure effective budgetary control. The budget is presented in the accompanying general purpose financial statements on a basis consistent with accounting principles generally accepted in the United States of America.

OTHER REPORT



The Board of Commissioners
Fresno Local Agency Formation Commission
Fresno, California

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Fresno Local Agency Formation Commission (the Commission) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated November 14, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Commission's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that may have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the the Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sampson & Sampson, LLP

Clovis, California

November 14, 2024

FRESNO LOCAL AGENCY FORMATION COMMISSION

REPORT TO MANAGEMENT

YEAR ENDED JUNE 30, 2022

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Commissioners
Fresno Local Agency Formation Commission
Fresno, California

We have audited the financial statements of the governmental activities of the Fresno Local Agency Formation Commission (the Commission) for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 3, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Commission are described in Note 1 to the financial statements. As described in Note 1 to the financial statements, the Commission changed accounting policies related to leases by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 87, Leases, during the year ended June 30, 2022. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in the Statement of Activities. We noted no transactions entered into by the Commission during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Commission's financial statements were the estimates for accounts receivable, and the lease liability and related right-to-use asset.

- The Commission's estimate of accounts receivable consists primarily of MSR fees billed but not collected. The Commission does not enforce payment by the cities and districts for the services they have provided. However, the Commission keeps a list of cities and districts that have been billed but have not paid and plans to request payment of their outstanding bill when these entities request services from the Commission in the future.
- The Commission's estimate of the lease right to use asset and lease liability were based on present value calculation using the term of each lease, estimated monthly lease payments, and the discount rate.

We evaluated the key factors and assumptions used to develop those estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statements are neutral, consistent, and clear.

Fresno Local Agency Formation Commission

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 14, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Commission's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Commission's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the budget comparison schedule, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Fresno Local Agency Formation Commission

Restriction on Use

This information is intended solely for the use of the Commissioners and management of the Commission and is not intended to be, and should not be, used by anyone other than these specified parties.

Sampson & Sampson, LLP

Clovis, California

November 14, 2024

FRESNO LOCAL AGENCY FORMATION COMMISSION

REPORT TO MANAGEMENT

CURRENT YEAR COMMENTS

None

FRESNO LOCAL AGENCY FORMATION COMMISSION

REPORT TO MANAGEMENT

PRIOR YEAR COMMENTS

2020-1 – PAYROLL

Finding:

During our test of internal controls over payroll, we selected three pay periods for testing. Currently the Commission has three salaried employees and one part-time hourly employee. Salaried employees use Outlook calendars and part-time employees use timesheets for payroll reporting purposes. We requested the above documents. Out of twelve documents requested, staff was only able to locate one timesheet. Of the one timesheet provided, the Executive Officer signature approval was missing.

According to Commission Policy, employees must clock out during meal periods and whenever they leave the building for any other reason other than Commission business. The building did not indicate any time clock on the premises.

Status:


The Commission has taken steps to maintain time tracking records in a more effective way and improvement was noted.

**FRESNO LOCAL AGENCY FORMATION COMMISSION
EXECUTIVE OFFICER'S REPORT**

AGENDA ITEM NO. 6

DATE: January 8, 2025

TO: Fresno Local Agency Formation Commission

FROM: Brian Spaunhurst, Executive Officer 

BY: Amanda Olivas, Clerk to the Commission

SUBJECT: Amendment of Sections 303 and 525 of the Commission's Policies.

RECOMMENDATION: Approve Amendments, Subject to Legal Counsel Review.

Background

A. Legal Indemnification- Section 303

At its August 13, 2008, hearing, the Commission adopted Policy Section 303 "Indemnification of the Commission by Applicant". In 2012, another update was proposed, and the Commission's current policy was adopted.

On Saturday, September 28th, 2024, Governor Newsom signed SB 1209, which is the bill authorizing indemnification for LAFCOs. It has now been chaptered and will take effect on January 1, 2025.

This bill is in response to a 2022 decision of the Second District Court of Appeals, which found that existing State law does not provide LAFCOs with the explicit authority needed to require indemnification. Consequently, SB 1209 will allow LAFCOs to use indemnification agreements which, in turn, will ensure they can meet their statutory obligations and make decisions without being hindered by the potential costs of defending lawsuits.

Specifically, SB 1209 added new language to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 that authorizes LAFCOs to enter into indemnification agreements with applicants. Counties and cities already have broader powers to enter into, and require, indemnification and routinely do so with respect to discretionary land use approvals. SB 1209 provided LAFCOs with explicit authority in this situation.

LAFCo Legal Counsel prepared the necessary changes to the "Legal Indemnification" in the Commission's Policies for the Commission's approval.

Attachment A: Current Policy
Attachment B: Proposed Policy Amendment

Attachment C: Updated Final Commission Policies

B. Conflict of Interest Code GC 84308 (Levine Act)- Section 525

Updates to the Levine Act effective January 1, 2025, including:

- 1) The increased contribution threshold (now \$500 instead of \$250);
- 2) New definitions of “agent”, “participant”, and “proceeding”;
- 3) Extended cure period (from 14 days to 30 days); and
- 4) Other minor changes.

Request approval to amend Section 525, subject to Legal Counsel review.

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ATTACHMENT A

303 Indemnification of the Commission by applicant

To further good government practices and policies of the Commission, and protect the Commission from the costs associated with legal challenges, the Commission requires that:

1. All applicants shall sign a standard short-form legal indemnity agreement before an application is certified for filing by the Executive Officer. This agreement shall provide that the applicant shall indemnify, defend, and hold harmless the Commission, its agents, officers, attorneys, and employees from any legal challenges or appeals brought to challenge the review or approval as a result of the application.
2. At the discretion of the Executive Officer, the Commission may also require the applicant to enter into a comprehensive legal indemnity agreement providing for the terms of such indemnification and the reasonable costs incurred by the Commission associated with the preparation of such agreement shall be borne by the applicant. The comprehensive legal indemnity agreement shall be approved by the Executive Officer in consultation with LAFCo counsel.
3. In the event that a lawsuit has been filed, or if LAFCo Counsel or the Executive Officer have reasonable grounds to believe that a lawsuit will soon be filed, with the court to challenge the Commission's review or approval of a proposal, the Executive Officer shall submit an invoice to the applicant for a deposit to be held by the Commission to offset its litigation-related expenses. The amount of the deposit will be based upon the complexity of the matter as reasonably determined by the Executive Officer in consultation with LAFCo counsel.
4. The Executive Officer shall not issue a Certificate of Filing for an application unless a short-form or comprehensive indemnification agreement is executed by the applicant and all preparation fees have been paid.

Reference: August 13, 2008; August 8, 2012

ATTACHMENT B

1. LEGAL INDEMNIFICATION

A. Should the Fresno Local Agency Formation Commission ("Fresno LAFCo") be named as a party in any litigation (including but not limited to a "validation" action under CCP sec. 860 *et seq.*) or administrative proceeding in connection with the Approval of the Project defined below, as it may be amended from time to time, Applicant agrees to defend, indemnify, hold harmless, and promptly reimburse Fresno LAFCo for:

(i) All reasonable expenses and attorney's fees in connection with the defense of Fresno LAFCo, its agents, officers, and employees from any claim, action, or proceeding brought against any of them, the purpose of which is to attack, set aside, void, or annul an Approval of the Project; and

(ii) Any damages, penalties, fines or other costs imposed upon or incurred by Fresno LAFCo, its agents, officers, attorneys, and employees from any claim, action, or proceeding brought against any of them, the purpose of which is to attack, set aside, void, or annul an Approval of the Project.

B. For the purposes of this agreement, "Approval" shall be construed to mean Fresno LAFCo's consideration and approval, wholly, partially, or conditionally, of the Project pursuant to the Cortese Knox Hertzberg Local Government Reorganization Act of 2000 (Gov. Code sec. 56000 *et seq.*), and any findings made pertaining to the Project, including findings for any environmental documents as provided under the California Environmental Quality Act (Public Resources Code sec. 21000 *et seq.*).

C. Pursuant to the provisions of Government Code section 56383.5, Fresno LAFCo shall promptly notify Applicant of any claim, action, or proceeding to attack, set aside, void, or annul an Approval of the Project.

D. The Fresno LAFCo Executive Officer may require Applicant to deposit funds sufficient to cover estimated expenses of the litigation.

E. Fresno LAFCo shall reasonably cooperate in Applicant's defense pursuant to this Agreement; provided that Fresno LAFCo shall have the right to appoint its own counsel to defend it and conduct its own defense in the manner it deems in its best interest at its own cost.

F. Applicant shall not be required to pay or perform any settlement resulting from indemnification under this Agreement unless the Applicant approves the settlement, which

approval shall not be unreasonably withheld.

G. Applicant may be required by Fresno LAFCo to execute an additional indemnity agreement as a condition of approval for this Application for the Project. Such an agreement in no way limits the effect of the obligations provided for herein.

Application Identifier: _____ (the "Project")

City/District Application

-or-

Land Owner Petition Application

City/District Representative
Signature

Land Owner Signature

Print Name

Print Name

Date

Date

Attachment C

FRESNO LOCAL AGENCY FORMATION COMMISSION
POLICIES, STANDARDS, AND PROCEDURES MANUAL

Adopted April 3, 1986
Last revised January 8, 2025

COMMISSIONERS

Buddy Mendes, Chair, County of Fresno
Mario Santoyo, Chair Pro Tempore, Public Member
Nathan Magsig, County of Fresno
Daniel Parra, City of Fowler
Gary Yep, City of Kerman

ALTERNATE COMMISSIONERS

Vacant, County of Fresno
Scott Robertson, City of Selma
Tom Chaney, Public Member

COMMISSION STAFF

Brian Spaunhurst, Executive Officer
Amanda Olivas, Clerk to the Commission
Jessica Gibson, LAFCo Analyst
Joel Matias, LAFCo Analyst
Monica Leon, Analyst
Jessica Johnson, LAFCo Counsel

Fresno Local Agency Formation Commission Office
1401 Fulton Street, Suite 800, Fresno, CA 93721 - (559) 600-0604

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Fresno Local Agency Formation Commission

January 8, 2025

To interested parties,

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH) establishes a local agency formation commission (LAFCo) in each county to implement procedures for local government changes of organization, including city incorporations, annexations to a city or special district, and city and special district consolidations.

LAFCos have numerous powers under CKH, but those of primary concern are the power to act on local agency boundary changes and to adopt spheres of influence for local agencies.

CKH authorized LAFCo to carry out municipal service reviews and special studies of local agencies (cities and special districts) prior to adopting a sphere of influence for these agencies.

Pursuant to Government Code section 56300(a), on December 19, 2001, the Fresno LAFCo established the written policies and procedures contained in this policy manual to exercise its powers pursuant to CKH in a manner consistent with those policies and procedures and that encourages and provides planned, well-ordered, efficient urban development patterns with appropriate consideration of preserving open-space and agricultural lands within those patterns.

All procedures, regulations, and requirements of the CKH are hereby incorporated by reference into this Manual.

Amendments pursuant to CKH concerning specific sections of this policy manual supersede existing Commission policies, standards, and procedures.

Unless otherwise noted, all statutory references herein are to the California Government Code.

Sincerely,

Buddy Mendes
Chair

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SECTION 000 PURPOSE

Discussion

It is the policy of Fresno LAFCo to encourage orderly growth and development of cities and special districts in Fresno County.

The logical formation and determination of city and special district boundaries promotes orderly development and balances that development with sometimes competing state interests of discouraging urban sprawl, preserving open-space and prime agricultural lands, providing housing for persons and families of all incomes, and efficiently extending government services.

Fresno LAFCo policies promote the logical formation and modification of the boundaries of cities and special districts, 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.

In order to carry out its purposes and responsibilities for planning and regulating orderly, logical and efficient growth and development, which includes the coordination of local governmental agencies subject to the jurisdiction of the commission, and advantageously providing for the present and future needs of the county and its communities, the Fresno Lafco has developed and determined the sphere of influence of each city and each special district within the county and enacted policies designed to promote the logical and orderly development of areas within the sphere.

State law provides for the basic purposes of the Commission powers and duties, establishment of policies, procedures, and regulations, in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code sec. 56000 *et seq.*, also “CKH”), as amended. Other sections of the Government Code (hereafter “GC”) also describe the Commission responsibilities. In many cases, the pertinent GC sections are cited in this Manual to explain the authority for a particular policy, standard, and procedure.

Reference: December 19, 2001

SECTION 100 COMMISSION POLICIES

Discussion

LAFCo’s policies and procedures have been established to permit the Commission to exercise its powers in a manner that encourages orderly, logical, and efficient growth, development, and services.

Reference: February 26, 1992; December 19, 2001

101 Encourage orderly, logical, and efficient development of local agencies in their sphere of influence.

1. A sphere of influence is a plan determined by the commission for the probable physical boundaries and service area of a local agency.
2. The Commission will determine the probable physical boundaries of the agency using a planning horizon that forecasts expansion of the local agency's service area within 20 years of the SOI approval.
3. The Commission shall consider the affected local agency's capacity to provide an adequate level and range of services when considering amendments of the agency's sphere of influence.
4. The Commission will evaluate sphere of influence amendments in light of the local agency's adopted plans and policies including, but not limited to, its general or master plan and related CEQA documents, service plans, and the financial ability of the affected local agency to provide services.
5. All proposals for a change of organization or reorganization shall conform with the affected local agency's sphere of influence.
6. The Commission encourages changes of organization such as consolidations, mergers, dissolutions, where the result will be better service, reduced cost, and/or more efficient and visible administration of services to public.

102 The Commission discourages formation of new local agencies.

1. To reduce and minimize the number of agencies providing services, proposals for formation of new special districts are discouraged unless:
 - a. There is evidence from the landowners and/or residents of a clear need for the proposed special district's services;
 - b. There are no existing agencies that are able to annex and provide similar services; and
 - c. The proposal demonstrates the financial ability of the new agency to provide services.

103 Local agencies are responsible for annexation planning in their spheres of influence.

1. Each local agency is encouraged to implement an orderly, phased annexation program pursuant to the Annexation Program Guidelines (Appendix A).
2. A proposed annexation should not be approved solely because the affected territory falls within the sphere of influence of a local agency. The sphere of influence is one factor among several that the Commission considers when reviewing proposals.

104 The Commission discourages service extensions.

1. Pursuant to GC sec. 56133 *et seq.*, a city or district may provide new or extended services by contract or agreement outside its jurisdictional boundary only if it first requests and receives written approval from the commission.
2. Extension of services by a local agency outside its sphere of influence is prohibited unless it

is in response to an existing or impending threat to the health or safety of the public or the residents of the affected territory.

3. The Commission requests that extensions of service be granted to those parties that agree to not protest a future annexation.

105 Cities should be the provider of municipal services within their sphere of influence.

1. Cities should be the provider of municipal services within their sphere of influence due to their higher visibility, their substantially broader sources of revenue, and their historical and legal right to provide services to citizens within their boundaries, particularly land use planning services and controls.

106 The Commission supports transition agreements where a special district's service area is within a city's sphere of influence.

Discussion

The following policies apply where a special district's service area is within a city's sphere of influence, and it is reasonably foreseeable that the special district's service area will be reduced over time by detachments when territory is annexed to a city. If a special district relies on funding from general purpose *ad valorem* property tax revenue from property in its service area, detachments will lower its tax base and property tax revenue. Although the special district would no longer directly provides services to detached properties, its district-wide and inter-agency service obligations may not be reduced commensurately and may, in fact, increase. The consequence of reduced revenue and increasing service obligations is of concern to the Commission.

1. Cities whose sphere of influence includes a special district's service area are encouraged to develop comprehensive annexation policies that anticipate the total inclusion of the district's territory into a city's limits.
2. These policies should support agreements between cities and special districts to address the local agencies' respective interests to orderly transition services and revenue between agencies.
3. The city's proposed services in the affected territory to be annexed to the city should be of equal or higher quality than the detaching special district's services provided in that territory.
4. When a reorganization proposes to annex territory to a city and detach from a fire protection district (hereinafter, a "City/Fire Protection District Reorganization"), evidence of a current transition agreement to provide for the orderly transition of services from the district to the city shall be required as a part of a complete application.
5. The Commission may impose its own conditions of approval to ensure an orderly transition of services. Such conditions shall be deemed to satisfy this policy.

The Commission is not a party to these agreements and other than the terms specified in section 1, above, will not dictate the terms of the transition agreement. The intent of the transition agreement is to provide for the orderly transition of services. Therefore, the Commission expects the parties to negotiate the transition agreements in good faith and to obtain terms and conditions in such agreements that are reasonable under the circumstances.

6. Applicants for a City/Fire Protection District Reorganization—whether by application of the city, by a private party, or by petition—shall include a copy of the transition agreement as part of their complete application.
7. The Commission's imposition of conditions shall be consistent with GC sec. 56886 and may include, but not be limited to, the transfer of fire stations, personnel, equipment, and/or property tax revenues. The Commission may at its discretion include additional conditions of approval not otherwise contained in the staff report.

107 The Commission encourages annexation of developed and developing land within cities' spheres of influence.

1. All developed land inside a city's sphere of influence is encouraged to annex to the city.
2. Each city shall develop plans, procedures, or standards to annex developed or developing territory in its sphere of influence.
3. All unincorporated islands and substantially surrounded areas within a city sphere of influence are encouraged to annex to the city.

108 Encourage orderly urban development and preservation of open space.

1. The Commission encourages well-planned, orderly, and compact urban development patterns for all developing areas.
2. Local agencies that provide municipal services are encouraged to develop and implement plans and policies which will provide for well-planned, orderly, and compact development patterns, with consideration of preserving permanent open space lands within those urban patterns.
3. Development of existing vacant non-open space and non-prime agricultural land within an agency's boundaries is encouraged.
4. Annexation proposals to cities shall demonstrate that planned development is imminent for all or a majority of the proposal area by either demonstrating that existing use of the proposal is consistent with the affected city's general plan or by providing evidence of an approved site plan review or tentative subdivision map with an annexation application.
5. Proposals resulting in non-contiguous urban or rural residential development patterns are discouraged.

6. Orderly growth of cities is supported by applications for change of organization and reorganization that demonstrate development of the affected territory is imminent by evidence of an approved tentative map, site plan review, or other land use permit.
7. The Executive Officer shall record the approved change of organization or reorganization 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 not be limited to, whether or not the proposed project is materially similar to the project described in any application before the Commission.

Amended: February 18, 2015

109 Encourage conservation of prime agricultural lands and open space areas.

1. Proposals that conflict with a city's general plan to maintain the physical and economic integrity of open space lands, agricultural lands, or agricultural preserves, are discouraged.
2. Annexation of existing vacant within an agency's sphere of influence is encouraged prior to expansion of a city sphere of influence.
3. Development shall be guided toward areas containing non-prime agricultural lands, unless such action will promote unplanned, disorderly, inefficient development of the community or area.

110 Provide public access to the commission via the internet.

1. The Commission has established and will maintain, or otherwise provide access to notices and other Commission information for the public through an Internet website. Notice of all public hearings and Commission meetings shall be made available in electronic format on that site. The Commission's web site is <http://www.fresnolafco.org>
2. The commission encourages all cities and special districts to establish and maintain websites pursuant to AB 949.

Reference: December 19, 2001

111 LAFCo Disadvantaged Unincorporated Communities Policies

1. For the purposes of this policy, a DUC is an inhabited unincorporated territory with an annual median household income that is less than 80 percent of the statewide annual median household income as defined in GC sec. 56046 and Water Code sec. 79505.5, all as amended, and presents at least 15 dwelling units at a density not less than one unit per acre.
2. LAFCo has determined that, as of the date of the adoption of this policy, there may be a deficiency in census data to accurately assess median income in unincorporated communities. As a result, LAFCo shall consider various sources of information to determine

whether a DUC exists.

3. Cities and special districts are required to identify DUCs within or contiguous to their boundaries in their applications for Commission action.
4. An MSR conducted by LAFCo for a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, shall identify any DUCs within or contiguous to the sphere of influence of that city or special district and describe the present and probable needs or deficiencies for the provision of those public facilities or services to such DUC.
5. For any updates to a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the Commission shall consider and prepare written determinations regarding the present and probable needs and deficiencies for those public facilities and services for any DUC within or contiguous to the sphere of influence of the city or special district.
6. The Commission shall not approve an annexation to a city of any territory greater than 10 acres, where there exists a DUC that has been identified and evaluated in any MSR or Sphere of Influence Update for that city or has been subsequently identified by staff to be contiguous to the area of the proposed annexation unless an application to annex the DUC to the subject city has been filed with the LAFCo Executive Officer.
7. Pursuant to Government Code 56375(a)(8)(B), an application to annex a contiguous DUC shall not be required if either of the following facts are present: (i) a prior application for annexation of the same DUC has been made in the preceding five (5) years; or (ii) the Commission finds, based upon written evidence sufficient to the Commission, that a majority of the residents within the affected DUC are opposed to annexation.

"Written evidence" may be in the form of annexation survey results from residents of the DUC. The Commission shall be provided a copy of any mailing list used to collect this survey. The survey must be completed no longer than eighteen (18) months before the filling of underlying annexation proposal. The following must be included as part of the survey:

- a. Survey Cover Letter;
- b. Survey;
- c. Map of proposed annexation area and DUC in relation to existing city boundaries;
- d. Information about city services (a review of the types of services, timing of when the services would be provided and financing of the services), effects of city/zoning/land use and city elections.

All information sent to residents in DUCs should be in English and Spanish, and any other languages reasonably calculated by LAFCo to be understood by a majority of the residents of a household in the area.

8. A DUC that is identified to be within 300 feet of the underlying annexation is sufficient to start the annexation proceedings for a DUC.

9. The processing costs for DUC annexation, including but not limited to application fees and fire transition expenses, are the responsibility of the applicant.

Reference: January 9, 2013

112 Municipal Service Review policy

Discussion

Pursuant to GC sec. 56430, in order to prepare and to update spheres of influence (SOI) in accordance with GC sec. 56425, the Commission shall conduct a review of the municipal services provided by a local agency. A municipal service review (MSR) is a comprehensive study prepared by LAFCo to inform local agencies, the public, and LAFCo about municipal services provided by local agencies within a designated geographic area. LAFCo evaluates the municipal services provided by one or more local agencies, makes determinations based upon this information and may recommend actions to promote the efficient provision of those services.

An MSR need not be prepared if no action to prepare or update a SOI is proposed, though LAFCo may choose to prepare a MSR at its discretion.

Pursuant to GC sec. 56430, LAFCo must make the following written determinations regarding the following areas:

- Growth and population projections for the affected area.
- The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence (see Policy 106, LAFCo DUC Policies).
- Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.
- Financial ability of agencies to provide services.
- Status of, and opportunities for, shared facilities. Accountability for community service needs, including governmental structure and operation efficiencies.
- Any other matter related to effective or efficient service delivery, as required by commission policy.

An MSR concludes with adoption of the determinations by the Commission. While the Commission is not required by law to make any changes to a SOI based upon MSRs, the Commission may at its discretion opt to shrink or expand an SOI, or approve, deny, or approve with conditions any change of organization or reorganization impacting the governmental agency as a result of the information contained in the MSR. The Commission's determinations may result in recommendations to the subject local agency regarding the areas specified by the statute. When recommendations are made, they will be conveyed to the local agency for response and/or action.

1. The goal of the Fresno LAFCo MSR program is to provide cities and special districts with an assessment on their provision of services, make recommendations regarding areas of improvement, and determine whether an agency is equipped to effectively provide services within its existing or expanded SOI.

2. In order to achieve this goal, MSRs will:
 - a. Evaluate a local agency—including, but not limited to, services delivered by the agency or other agencies, the agency’s compliance with its principal act, activities of its legislative body, the agency’s managerial practices, sufficiency of its annual budget, presence of an agency’s long-range plan for services, opportunities for public participation at its legislative body’s meetings, and the agency’s compliance with "sunshine" laws, such as the Brown Act—in order to present thoughtful and accurate information in support of Commission determinations;
 - b. Provide recommendations to encourage effective and efficient municipal service delivery;
 - c. Build and maintain effective relationships between LAFCo and local agencies; and
 - d. LAFCo actively encourages local agencies affected by these policies to include LAFCo at the beginning of any city planning application that may result in an annexation or SOI amendment or extension of services.
3. The term “municipal services” relates to services provided by cities and many special districts to relatively dense populations at comparatively high levels of service, including:
 - Public safety (police, fire, building inspection, etc.);
 - Public utilities including solid waste collection and disposal, wastewater collection and treatment, domestic water production, treatment and distribution, and electricity;
 - Land use authority including planning, code enforcement, and building code enforcement;
 - Parks and recreation;
 - Public facilities;
 - Airports;
 - Public transit;
 - Improvement, maintenance, repair, and operation of streets and highways;
 - Flood control; and
 - Water supply, drainage, storage, and conservation.

“Municipal service” also encompasses a service or function provided to one local agency by a contract with another local agency, as permitted by GC sec. 54981.

There are other types of services provided by local agencies that may not be considered “municipal,” and do not in themselves facilitate or induce growth. However, LAFCo deems it appropriate to include the local agencies that provide these services in the MSR program as their services were deemed necessary when the local agency was formed and are provided within a specified geographic area under the authority of the California Code. Further, performance of a MSR for a non-municipal service provider permits the full expression of LAFCo goals with all local agencies under its jurisdiction.

4. Environmental Determination. Local agencies that request a SOI amendment that is consistent with the agency’s general or master plan are expected to be the lead agency as defined by the California Environmental Quality Act (CEQA, PRC sec. 21067). The lead agency has the principal responsibility for carrying out or approving a project which may have a significant affect upon the environment. The lead agency will conduct all necessary environmental determinations as appropriate under CEQA (i.e., notice of exemption, negative declaration, environmental impact report). Under this circumstance, LAFCo will be

a responsible agency as defined by CEQA (PRC sec. 21069). This relationship should be clearly identified in the lead agency's CEQA documentation, as well as the requested actions (annexations and/or detachments) anticipated by the lead agency in its environmental analysis.

When LAFCO initiates an MSR, it will be the lead agency and will prepare the appropriate documentation pursuant to CEQA.

5. MSR Preparation. The Commission shall conduct a programmatic update of a local agency's MSR before, or in conjunction with, but no later than the time it is considering an action to update a sphere of influence.

The Executive Officer will assess local agencies' spheres of influence as necessary, by reviewing the current MSR, and contacting the local agency to determine the following:

- the local agency's progress on the Commission's earlier MSR recommendations,
- the adequacy of its current SOI, and
- whether the current SOI is consistent with its long-range plans.

If staff determines that an amendment to a sphere of influence may be necessary and would necessitate an update of that agency's MSR, it may provide local agencies with an MSR questionnaire for them to complete and may request additional information. Once this information is received, staff will prepare a draft MSR.

A local agency may also be provided with a MSR template to complete and submit as an administrative draft document subject to LAFCo staff's review for documentation, completeness, and thorough analysis.

The adoption of a MSR is not subject to a statutory public hearing (GC sec. 56430). However, to allow for public participation that demonstrates a transparent decision-making process, the following actions will take place:

- The draft MSR shall be posted on the Commission's website for a 21-day public review period;
- Notice of the public review period will be posted at the offices of Fresno LAFCo and the Clerk of the Board of Supervisors and on the Commission's website; and
- Notice will be mailed or e-mailed to the subject local agency to be posted in its jurisdiction.

6. The following MSR policies will assist LAFCo staff in preparing MSRs and complying with CKH. These policies are based on circumstances unique to Fresno LAFCo and as such will ensure that municipal services are evaluated in an orderly, logically, and efficient manner.

1. The SOI should reflect a 20 -year planning horizon and may include additional areas that may relate to the agency's planning. This boundary shall be reviewed and either affirmed or, if necessary, updated on average of every five years thereafter.
2. The Commission will evaluate proposed SOI amendments in light of many of the local agency's own adopted plans and policies including, but not limited to, its general or master plan and related CEQA documents, service plans, annual budgets, fee structure, and capital

improvement plans.

3. MSRs may be updated independently from an SOI modification, either to facilitate review of an agency's service deficiencies or in response to other LAFCo actions.
4. The Commission reserves the right to have an MSR prepared by a consultant under contract with the Commission and associated expenses may be borne by the requesting local agency.

Adopted: November 5, 2014

Reference: December 14, 2016, September 11, 2019

SECTION 200 STANDARDS FOR CHANGES OF ORGANIZATION

As authorized by State law, the Commission has adopted the following standards to review proposals. Each standard is developed from the factors to be considered presented in GC sec. 56668 and the preceding Commission policy statements. Standards are developed for review of proposals for city annexation, district annexation, city incorporation, and district formation.

The purpose of these standards is to give indication of how the staff and Commission will evaluate a proposal and make recommendation and determination.

Generally, proposals should meet all standards to be approved. However, when appropriate, the Commission may waive a standard where evidence of overriding circumstances presented in the application and at the hearing warrant such a waiver.

Reference: February 26, 1992

210 Standards for annexation to cities and special districts that provide municipal services.

Proposals shall be evaluated in light of following standards:

1. A proposal is consistent with the affected agency's sphere of influence and does not conflict with the goals and policies of the Commission.
2. A proposal to annex to a city is consistent with the affected City's land use plan by rezoning and approval of planning entitlement applications. Proposal to annex to a special district has been deemed consistent with the affected special district's service plan.
3. Proposal mitigates any significant adverse effect on continuing agricultural operations on adjacent properties by execution of a right-to-farm covenant.
4. Proposal is consistent with the affected city's general plan, is contiguous to the affected city, and demonstrates in its service plan that it will result in logical, orderly, and efficient service delivery.
5. Proposal shows that there is existing substantial development or gives an indication of imminent development in the form of an approved tentative subdivision map or site plan review, requiring municipal services.
6. Proposal's service plan demonstrates that development can be provided all necessary services, public improvements, and facilities.
7. Proposals that would create islands are discouraged. Boundaries should minimize creation of peninsulas and corridors and should include any developed islands or substantially surrounded area with the proposed developing area.
8. There is a timely availability of water supplies adequate for projected needs as specified in GC sec. 65352.5.

9. Prezoning Requirement
 - a. Prior to the affected city or petitioner submitting an application to the Commission for a proposed annexation the affected territory must be prezoned consistent with the city's general plan.
 - b. When territory has been prezoned, a copy of the enacted ordinance bill verifying that required prezoning has been applied to territory included in an annexation proposal shall be submitted to the Executive Officer as a part of a complete application. An application for annexation to a city will be deemed incomplete without submission of certified copies of the prezoning ordinance or a Clerk's Certification indicating the prezoning has occurred.
 - c. The Commission shall not specify how, or in what manner, territory shall be prezoned nor shall the Commission impose any conditions that would directly regulate land use density or intensity, property development, or subdivision requirements (GC sec. 56886).
 - d. The applicant for a proposed annexation must participate in at least one pre-application meeting with LAFCo staff (or in the case of landowner petition a representative from the city) prior to applying for annexation to LAFCo. All territory to be included in a proposed annexation shall be determined at the pre-application meeting(s). As a general rule, inclusion of additional territory (if any) by LAFCo staff may be determined at the pre-application meeting(s).
 - e. As a general rule, including additional territory (if any) by LAFCo staff may be determined at the pre-application meeting(s). However, the Commission may determine to add additional territory to a proposed annexation to prevent the creation of unincorporated islands and/or peninsulas of land, to create more logical boundaries, or for any reason necessary to ensure orderly, logical, and efficient boundaries.
 - f. No subsequent change may be made to the general plan or zoning for territory included in an annexation to a city that has been prezoned or rezoned that is not in conformance with the city's general plan or zoning designations for a period of two years after the completion of the annexation. Changes to the land use designation or zoning can only be made if the legislative body for the city makes a finding at a public hearing with written notice provided no less than 21 days to the commission that a substantial change has occurred in circumstances that necessitate a departure from the prezoning in the application to the Commission (GC sec. 56375(e)).

Reference: August 27, 2003

220 Standards for annexation to special districts

1. The proposed annexation to a special district is consistent with the affected special district's sphere of influence.
2. Services can be provided by the annexing special district as shown by the district's service plan and district annexation is the most economical and practical method of supplying services.
3. Proposal would not have a significant adverse operational or economic effect on subject or affected agencies, and on adjacent areas.
4. Proposal shows a benefit to landowners and residents in the affected territory.

Reference: December 19, 2001

230 Standards for evaluation of proposals in the unincorporated portion of cities' spheres of influence.

Discussion

The Commission recognizes that cities and the County are considered "planning agencies" under GC sec. 65300 (Planning and Zoning Law) and are therefore responsible to prepare and adopt comprehensive, long-term general plans for the physical development of the territory under their respective jurisdiction, and of any land outside the cities' incorporated area which in their judgment bears relation to their long-term growth and development.

GC sec. 56425 requires that the Commission develop and determine the sphere of influence of each city and special district within the County and enact policies designed to promote the logical and orderly development of areas within those spheres. The SOIs typically include territory outside of a city's limits that is also planned for growth by its general plan.

Though the Commission does not adopt a SOI for the County, the County has land use jurisdiction over all unincorporated territories including those that are also within a SOI adopted by the Commission for a city or special district that provides municipal services.

The County's general plan land use diagrams are not frequently coordinated with that of the underlying city. In most cases known to LAFCo, the County's land use plans for territory in a city's SOI are obsolete, meaning that they have not been comprehensively updated in the current century and were not updated during a city's most recent general plan update.

As a consequence, even though both the cities and the County are complying with their respective planning and zoning obligations under law, there is a general disagreement between their respective land use plans in the unincorporated territory within cities' SOIs. The general disagreement being that County plans rely on historical land use practices related to agricultural or rural uses and, in contrast, the cities plan for future urban level residential, commercial, and industrial uses. Further, there is a marked difference between agricultural/rural development standards and those needed for urban uses.

The effect of this disagreement between land use plans is that the County's evaluation of planning and building activities in a city's unincorporated SOI can be at odds with the planning and development vision of a city's general plan.

When the Commission adopts a city's SOI, it does so to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies. These responsibilities endure long after a SOI is adopted.

The following policies reflect LAFCo's continued interests in orderly and logical growth and development.

1. LAFCo will provide comment as it deems necessary on a range of development, planning, and building activities proposed in unincorporated territory within cities' spheres of

influence.

2. When development is proposed within the unincorporated portion of a city's sphere of influence the Commission recommends that such development be annexed to the city and in the event that this is not possible, that development standards applied by the County be consistent with the respective city's general plan and development standards.

SECTION 300 PROCEDURES FOR EVALUATION OF APPLICATIONS

The Commission has adopted the following procedures in compliance with GC sec. 56375(g).

1. Information to be submitted.

Any proposal for a change of organization or reorganization shall contain sufficient information to determine that adequate services, facilities, and improvements can be provided and financed by the agencies responsible for the provision of such services, facilities, and improvements.

2. Pre-application review

The Commission recommends that each applicant participate in a pre-application review with LAFCo staff to provide applicants with information related to LAFCo laws, adopted policies, standards, and procedures, and provide a preliminary evaluation of the applicant's proposal.

Any staff comments associated with a pre-application review shall not bind the Commission in its consideration of any formal application.

A LAFCo pre-application review processing fee may be paid in accordance with Section 350. The fee shall be credited toward the formal application fee, should one be filed within one year from the date that the pre-application review processing fee was paid.

3. Complete Applications

All applications initiated by either petition or resolution shall not be considered as complete until submitted to the Commission together with the appropriate application requirements in the form required by the Commission and Executive Officer, and as provided by GC sec. 56652.

The minimum application requires are:

- a. A petition or resolution of application initiating the proposal.
- b. A statement of the nature of each proposal.
- c. A map and description, acceptable to the executive officer and the County Assessor, of the boundaries of the affected territory for each proposed change of organization or reorganization.
- d. Any data and information as may be required by any regulation of the commission.
- e. Any additional data and information, as may be required by the executive officer, pertaining to any of the matters or factors which may be considered by the Commission.
- f. The names of the officers or persons, not to exceed three in number, who are to be furnished with copies of the report by the executive officer and who are to be given mailed notice of the hearing, their physical addresses and email addresses.
- g. If the applicant is a local agency serving as the CEQA lead agency, the application will contain all pertinent environmental documents. If the applicant intends that LAFCo will serve as the lead agency a complete application will include the commission's adopted CEQA processing fee.
- h. Evidence of a property tax revenue sharing agreement pursuant to Revenue and Taxation Code.
- a. LAFCo application fee as presented in section 350.

4. Applications for a change of organization or reorganization submitted pursuant to this part, shall also include:

- a. A plan for providing services within the affected territory enumerating the information in GC sec. 56653.
 - b. Evidence that a required rezoning has been applied to territory included in an annexation;
 - c. Evidence of a current transition agreement between a city and a fire protection district
5. Additional information as may be deemed necessary by the executive officer.
 6. Within 30 days of the receipt of the application, the Executive Officer will make one of the following findings:
 - a. The application is complete and may be accepted for processing.
 - b. The application is not complete and will not be accepted for processing.
 7. In the event that an application is not accepted as complete, the applicant shall be notified in writing of the determination. The notice shall specify the additional information necessary to make the application complete.

1. 303 LEGAL INDEMNIFICATION

A. Should the Fresno Local Agency Formation Commission (“Fresno LAFCo”) be named as a party in any litigation (including but not limited to a “validation” action under CCP sec. 860 *et seq.*) or administrative proceeding in connection with the Approval of the Project defined below, as it may be amended from time to time, Applicant agrees to defend, indemnify, hold harmless, and promptly reimburse Fresno LAFCo for:

(i) All reasonable expenses and attorney's fees in connection with the defense of Fresno LAFCo, its agents, officers, and employees from any claim, action, or proceeding brought against any of them, the purpose of which is to attack, set aside, void, or annul an Approval of the Project; and

(ii) Any damages, penalties, fines or other costs imposed upon or incurred by Fresno LAFCo, its agents, officers, attorneys, and employees from any claim, action, or proceeding brought against any of them, the purpose of which is to attack, set aside, void, or annul an Approval of the Project.

B. For the purposes of this agreement, "Approval" shall be construed to mean Fresno LAFCo's consideration and approval, wholly, partially, or conditionally, of the Project pursuant to the Cortese Knox Hertzberg Local Government Reorganization Act of 2000 (Gov. Code sec. 56000 *et seq.*), and any findings made pertaining to the Project, including findings for any environmental documents as provided under the California Environmental Quality Act (Public Resources Code sec. 21000 *et seq.*).

C. Pursuant to the provisions of Government Code section 56383.5, Fresno LAFCo shall promptly notify Applicant of any claim, action, or proceeding to attack, set aside, void, or annul an Approval of the Project.

D. The Fresno LAFCo Executive Officer may require Applicant to deposit funds sufficient to

cover estimated expenses of the litigation.

E. Fresno LAFCo shall reasonably cooperate in Applicant’s defense pursuant to this Agreement; provided that Fresno LAFCo shall have the right to appoint its own counsel to defend it and conduct its own defense in the manner it deems in its best interest at its own cost.

F. Applicant shall not be required to pay or perform any settlement resulting from indemnification under this Agreement unless the Applicant approves the settlement, which approval shall not be unreasonably withheld.

G. Applicant may be required by Fresno LAFCo to execute an additional indemnity agreement as a condition of approval for this Application for the Project. Such an agreement in no way limits the effect of the obligations provided for herein.

Application Identifier: _____ (the "Project")

City/District Application

-or-

Land Owner Petition Application

City/District Representative
Signature

Land Owner Signature

Print Name

Print Name

Date

Date

Reference: August 13, 2008; August 8, 2012; January 8, 2025

304 Meeting and notice requirement

1. Proponents of inhabited proposals shall conduct an informational meeting for the affected landowners and residents prior to the Commission’s consideration of the proposal. For uninhabited proposals, similar information may be provided by mail. In both cases, notices to landowners and residents shall also be provided to LAFCo. If available, such notice shall include information of the LAFCo hearing.

Written documentation of the concerns and responses will be included in the LAFCo staff report to the Commission, with alternative boundaries and/or conditions, which will respond to the concerns of residents.

Reference: June 16, 1993

305 Affected agencies and interested parties' review.

Agencies whose boundaries or sphere of influence are affected, county departments, affected local agencies, and other reviewing agencies will be provided by the executive officer with an opportunity to review and comment on the matter.

306 Revision of proposal boundaries

1. The full width of contiguous public rights of way may be added to a proposal at the discretion of the executive officer.

2. Request for Revision.

An affected agency, landowner, or interested party may request a revision of the boundaries of any proposal to add or remove contiguous territory. Such a request in writing must be received by the executive officer at least 15 days prior to the hearing and shall clearly justify and give reasons for the requested revision and include a map of the revision. A revision may be subject to a fee, in accordance with the LAFCO Fee Schedule and may be subject to County review and rezoning by affected city.

3. Review of Revision

In the event of a revision, affected agencies and landowners shall be mailed a notice by LAFCO of the revision at least ten days prior to the hearing unless their consent is provided. Requests or revisions shall be reviewed in the same manner as the original proposal by the Executive Officer and the Commission and may be continued by the Commission from time to time.

4. Approval of Revision

When the Commission approves a revision of the boundaries from those proposed by the petition or resolution of initiation, a revised map and description shall be prepared and submitted to the Executive Officer, subject to approval by the County Assessor, prior to certification of completion.

Reference: January 24, 1990

307 Amendments to/reconsideration of Commission resolution

In accordance with GC sec. 56895, a request to amend or reconsider a Commission resolution shall comply with the provisions of that section. A written request to request amendments to or reconsideration of a resolution shall be accompanied by the fee adopted by the Commission in section 350.

308 Extension of time to complete proceedings.

1. Extensions of time to complete proceedings are generally disfavored by the Commission.
2. Prior to the date of expiration, staff shall notify the proponent of the pending termination of the proceedings.

3. The proponent may request an extension of time to be considered by the Commission at a public hearing. The request for an extension of time shall be comprised of the following, including any additional information deemed necessary by the executive officer:
 - a. Written request for an extension of time, including the requested period of time and appropriate fee as described in Commission fee schedule section 350.
 - b. Description of the changed circumstances of the project that have delayed completion of proceedings.
 - c. An explanation of the project's feasibility and what progress will be made to complete conditions of approval and all necessary prerequisite actions by any party.
 - d. Written confirmation from the city or district representative to which annexation is proposed supporting the extension request; a district located within the unincorporated area, written correspondence in support of the extension request shall also be provided from the County of Fresno.
4. A copy of the Commission agenda and the Executive Officer report on the request for an extension shall be conveyed via US Mail at least five days prior to the hearing to the Commission and alternates, the persons named in the original application, each affected agency, and any person or landowner requesting notice of hearing for the application.
5. The Executive Officer's report shall indicate when the application was initially approved, how many previous extensions have been granted, and discuss any other factors that bear on the viability of the proposal.
6. No more than one extension of time will be authorized by the Commission. Notwithstanding, any project in furtherance of the provision of governmental services on property owned by a governmental agency shall be eligible for additional extensions at the discretion of the Commission.

Reference: June 16, 1993; April 5, 1995; June 23, 1999; January 9, 2008; April 15, 2009; November 3, 2010; February 18, 2015

320 Extension of Service Procedures

Pursuant to GC sec. 56133 *et seq.*, a city or district may provide new or extended services by contract or agreement outside its boundaries only if it requests and receives written approval from the Commission.

On October 1, 2014, by resolution no. 127, the Commission delegated to the Executive Officer the authority to approve, disapprove, or approve with conditions applications for extended service.

Requests for approval of extension of service shall be by application in the form provided by the Commission. All requests will be reviewed for consistency with Commission policies and spheres of influence.

Pursuant to GC sec. 56133(e), contracts or agreement solely involving two or more public agencies are exempt from these procedures. A service enumerated in instant aid agreements, mutual aid agreements, or similar agreements for emergency response is also exempt from these procedures.

The following policies shall be used to evaluate applications for extended services.

1. It is the policy of Fresno LAFCo that authorization of an extension of a city service shall be conditioned on the property owners' agreement to not protest annexation.
2. "Extended service" is defined as either an extension of physical infrastructure (service mains or facilities), or the provision of one or more municipal services (including but not limited to solid waste or enhanced levels of fire or police services) by a public agency to territory is outside of the agency's city limit, service area, or sphere of influence.
3. The Executive Officer may deny applications for extended service if, in his/her opinion, the service is more appropriately provided through annexation or some other reasonable solution rather than by extended service.

The following procedure shall apply to applications for extended services:

- a. Within 30 days of receipt of an application for extended service the Executive Officer shall determine whether the application is complete and acceptable for filing or whether the application is incomplete.
- b. If the application is determined to be incomplete, the Executive Officer shall immediately transmit that determination to the applicant, specifying those parts of the application that are incomplete and the elements necessary to make the application complete.
- c. Applications for extended service outside of the affected local agency's sphere of influence shall include documentation of actual impending threat to public health and safety of the residents of the affected territory. Upon receipt of such an application, the executive officer shall notify any alternate service provider, including any water corporation as defined in Section 241 of the Public Utilities Code, or sewer system corporation as defined in Section 230.6 of the Public Utilities Code that has filed a map and a statement of its service capabilities with the Commission.
- d. When the application is deemed complete by the Executive Officer, the Executive Officer shall, within 90 days, approve, disapprove, or approve with conditions the contract for extended services.
- e. The Executive Officer may require as part of his or her conditioning authority a condition of approval that the property owner benefitting from the extended service shall covenant to not protest future annexation of the subject property.
- f. The Executive Officer's decision regarding an application for extended service shall be conveyed by letter to the applicant in a timely manner.
- g. If the application is disapproved or approved with conditions, the applicant may request reconsideration pursuant to the criteria and time requirements specified in GC sec. 56895, citing the reasons for reconsideration.
- h. The Executive Officer shall provide a summary report to the Commission at the next available meeting.

See Appendix "D," Extension of Services Worksheet

Reference: August 24, 1994; December 19, 2001; October 1, 2014

330 Sphere of influence updates and revisions

1. In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies so as to advantageously provide for the present and future needs of the County and its communities, the Commission shall develop and determine the sphere of influence of each local agency under its jurisdiction within the County pursuant to these policies. This will promote the logical and orderly development of areas within the sphere (GC sec. 56425).
2. Under CKH, prior to a city submitting an application to the Commission to update its sphere of influence, representatives from the city and representatives from the County shall meet to discuss the proposed new boundaries of the sphere and explore methods to reach agreement on development standards and planning and zoning requirements within the sphere to ensure that development within the sphere occurs in a manner that reflects the concerns of the affected city and is accomplished in a manner that promotes the logical and orderly development of areas within the sphere. If an agreement is reached between the city and County, the city shall forward the agreement in writing to the Commission, along with the application to update the sphere of influence. The Commission shall consider and adopt a sphere of influence for the city consistent with the policies adopted by the Commission pursuant to this section, and the Commission shall give great weight to the agreement to the extent that it is consistent with Commission policies in its final determination of the city sphere.
3. If the Commission's final determination is consistent with the agreement reached between the city and County, CKH provides that the agreement shall be adopted by both the city and County after a noticed public hearing.
4. If no agreement is reached between the city and County, the application may be submitted to the Commission and the Commission shall consider a sphere of influence for the city consistent with the policies adopted by the Commission pursuant to this section.
5. In determining the sphere of influence for each local agency, the Commission shall consider and prepare a written statement of its determinations with respect to those specific items set forth in GC sec. 56425 or as amended, which are summarized as follows:
 - The present and planned land uses in the area, including agricultural and open-space lands.
 - The present and probable need for public facilities and services in the area.
 - The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
 - The existence of any social or economic communities of interest in the area.
 - For a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.
6. Upon determination of a sphere of influence, the Commission shall adopt that sphere, and shall review and update, as necessary, the adopted sphere not less than once every five years.
7. Upon determination of a sphere of influence of a special district, the Commission shall

establish the nature, location, and extent of any functions or classes of services provided by the affected special district.

8. The Commission's determination of a local agency's sphere of influence update shall be comprehensive, based on historical growth patterns, and use a twenty to twenty-five year planning horizon.
9. The local agency's request for a sphere of influence update shall be supported by its long-range planning document: for a city, its general plan; for a special district, its master plan.

Reference: June 16, 1993; August 24, 1994; December 19, 2001; March 5, 2008

SECTION 350 FEE SCHEDULE

Discussion

The commission has established a schedule of fees and service charges pursuant to GC sec. 56383, including, but not limited to, the following:

- Filing and processing applications filed with the commission,
- Amending or updating a sphere of influence,
- Reconsidering a resolution making determinations,
- Proceedings undertaken by the commission and any reorganization committee.

GC sec. 56021 defines a "change of organization" as any of the following:

- a. A city incorporation.
- b. A district formation.
- c. An annexation to a city.
- d. An annexation to a district.
- e. A detachment from a city.
- f. A detachment from a district.
- g. A disincorporation of a city.
- h. A district dissolution.
- i. A consolidation of cities.
- j. A consolidation of special districts.
- k. A merger of a city and a district.
- l. Establishment of a subsidiary district.
- m. The exercise of new or different functions or classes of services, or divestiture of the power to provide particular functions or classes of services, within all or part of the jurisdictional boundaries of a special district.

GC sec. 56073 defines a "reorganization" as two or more changes of organization contained within a single proposal. For example, an annexation to a city may require detachment from an underlying special district. If a reorganization consists of annexations and detachments only, the fee for only one change of organization, whichever is larger, is charged. If other types of changes of organization are included, fee for each change of organization may be charged at the discretion of the executive officer.

1. Application Processing Fees

GC sec. 56069 defines a "Proposal" as a desired change of organization or reorganization initiated by a petition or by resolution of application of a legislative body or school district for which a certificate of filing has been issued.

2. Fee based on acreage of entire affected territory.

Proposal acreage shall be determined by rounding to nearest whole number the combined gross acreage of all affected parcels as shown on the Assessor's Parcel Map and shall include the full rights of way of adjacent public streets.

3. Fee schedule for changes of organization, reorganization

| | |
|----------------|----------|
| Under 3 acres: | \$ 1,200 |
| 3 to 5 acres: | \$ 2,400 |

| | |
|------------------|-----------|
| 6 to 10 acres: | \$ 4,800 |
| 11 to 20 acres: | \$ 7,200 |
| 21 to 40 acres: | \$ 9,600 |
| 41 to 80 acres: | \$ 12,000 |
| 81 to 160 acres: | \$ 14,400 |
| Over 160 acres: | \$ 16,800 |

4. Exceptions

| | |
|--|----------|
| Dissolution of a special district initiated by resolution of the affected special district | \$ 2,400 |
| Merger, formation of a subsidiary district | \$ 8,000 |
| Consolidation | \$ 8,000 |
| Activation or divestiture of special district power(s) | \$ 2,400 |

Incorporation or disincorporation of a city, or formation of a special district requires a \$10,000 deposit and will be billed at cost for staff's time including legal services, government fees and charges, and for any consultant(s) that may be required, plus 9% administration fee.

5. Sphere of Influence Revision

The application fee for a sphere of influence amendment shall be equivalent to the application processing fee for an equivalent change of organization or reorganization.

If an application for a sphere of influence amendment is submitted at the same time as a conterminous change of organization or reorganization, the fee for the sphere of influence amendment is 35% of the fee of the corresponding change of the organization or reorganization.

6. Request for Commission Review \$750

"Commission review" is defined as:

- A request for extension of the time for completion of proceedings,
- A request to reconsider a resolution making determinations, or
- A request for Commission authorization of an extension of services.

7. Petition Check \$ 40 + \$0.65 signature check, per signature

8. Compliance with CEQA where LAFCo is the Lead Agency

The fee for required CEQA environmental assessment, including, but not limited to preparation of an environmental impact report, shall be a deposit of the estimated amount required to perform this activity.

9. Financial Feasibility Report

When the commission is requested to review a financial feasibility report the fee shall be a deposit of the estimated amount required to perform this activity.

10. Copies of Papers on File

Any request for copies of any documents on file in the office of the Commission will be \$1.00 each page and \$0.75 after 10 pages, and as necessary to recover costs of making such copies

and any mailing costs.

11. Exceptions to Required Fees

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

12. Legal Fees for proposal processing shall be a deposit of estimated amount required.

13. Pre-Application review \$500.

14. Use of Consultants

If staff finds it necessary to hire a consultant to assist with the analysis of a proposal, the applicant will be responsible for depositing the expenses associated with the consultant's work, plus 15% of the total consulting fee for administration of the contract, with the Commission prior to approval of the contract. The contract will be approved in accordance with Fresno LAFCo's Financial and Accounting Procedures. If actual expenses exceed the original deposit, those additional funds plus the administrative fee shall be paid to LAFCo prior to final consideration of the proposal by the Commission.

Reference: November 29, 1978; July 1, 1984; February 19, 1987; April 16, 1987; December 10, 1987; July 1, 1991; July 1, 1992; June 16, 1993; May 25, 1994; June 28, 1995; July 1, 1995; August 23, 1995; September 1, 1998; August 13, 2008; August 11, 2010; November 2, 2011; December 14, 2016

SECTION 400 PROCEDURE FOR PREPARATION OF SERVICE PLANS

1. Pursuant to GC sec. 56653, the applicant of a proposal for a change of organization or reorganization shall submit a plan prepared by the affected local agency for providing services within the affected territory. The plan for providing services shall include the following information and any additional information required by the commission or the executive officer:
 - a. An enumeration and description of the services currently provided or to be extended to the affected territory.
 - b. The level and range of those services.
 - c. An indication of when those services can feasibly be extended to the affected territory.
 - d. An indication of any improvement or upgrading of structures, roads, sewer or water facilities, or other conditions the local agency would impose or require within the affected territory if the change of organization or reorganization is completed.
 - e. Information with respect to how those services will be financed.
2. A local agency has the option of creating and annually updating a master service delivery plan with the information enumerated in section 401.01. This will suffice for proposal-specific service plans for the calendar year such proposals are submitted.

SECTION 500 COMMISSION ORGANIZATION, CONDUCT OF HEARING, AND COMMISSION BUSINESS

Discussion

The following regulations have been adopted by the Commission to comply with GC sec. 56375 (i)-(k) and establish organizational procedures for Commission hearings, selection of officers and public member, and other Commission business.

1. Regular Meetings

The Commission shall adopt a schedule of regular meetings for the forthcoming calendar year at such time as sufficient information is available to do so. The schedule shall indicate the time, date, and location for the meetings. However, whenever the Commission at a regular meeting sets a different time and place for its meeting, such meeting shall constitute a regular meeting for all purposes.

2. Special Meetings

Special meetings may be called at any time by the Chair of the Commission or by a majority of the members of the Commission pursuant to the provisions of the Ralph M. Brown Act found at GC sec. 54956 *et seq.*

3. Adjourned Meeting

Any regular or special meeting may be adjourned to a time and place specified in the order of adjournment. Less than a quorum may make an order for adjournment.

Reference: April 3, 1986, October 20, 1999

4. Commission Chair

a. Election

The Chair of the Commission shall be elected by the members thereof by a majority vote of all the members.

b. Term

The term of office of the Chair shall be one calendar year beginning each May and shall be succeeded annually by the chair pro tempore.

c. Eligibility

All members of the Commission are eligible to serve as Chair.

d. Duties

The Chair shall be the presiding officer of the Commission. The Chair shall preserve strict order and decorum at all meetings of the Commission, state questions coming before the Commission, announce the Commission's decision on all subjects, and decide all questions of order subject, however, to an appeal to the Commission as a whole, in which event a majority vote shall govern and conclusively determine such questions of order. The Chair shall vote on all questions, and on roll call his name shall be called last. The Chair shall sign all directives and contracts approved by the Commission, unless delegated to the executive officer or other member of the Commission and may sign Commission resolutions in the absence of the executive officer.

5. Commission Chair pro tempore

a. Term and Duties

There shall be a Chair Pro Tempore, whose term of office shall coincide with that of the Chair and who shall, in the absence of the Chair, perform all the functions and duties of the Chair.

b. Election

Chair Pro Tempore of the Commission shall be elected by the members thereof by a majority vote of all the members.

c. Eligibility

All regular members not representing the appointing authority of the chair may be nominated and serve as chair pro tempore.

Reference: February 14, 2015, March 14, 2018

6. Call to order

The Chair shall take the chair at the time and place appointed for the meeting and shall call the Commission to order. In the absence of the Chair and the Chair Pro Tempore, the Executive Officer of the Commission shall call the Commission to order, whereupon a temporary chair shall be elected by the members present. Upon the arrival of the Chair or the Chair Pro Tempore, the temporary chair shall relinquish the chair at the conclusion of the business then before the Commission.

7. Roll call

Before proceeding with the business of the Commission, the Executive Officer or Clerk to the Commission shall call the roll of the members and the names of those present shall be entered in the minutes.

8. Quorum

A majority of the Commission shall constitute a quorum for the transaction of business; however, unless specifically otherwise provided, the Commission shall take no action except upon the affirmative vote of at least three members.

If at any public meeting of the Commission there shall be less than a quorum so present, the commissioners present may adjourn the meeting from time to time until a quorum shall be present.

9. Minutes

a. Preparation

The minutes of the Commission shall be kept by the Executive Officer or such other person as he or she may designate and a record of each particular type of business transacted set off in paragraphs with proper subheads; however, the Executive Officer shall be required to make a record only of such business as was actually passed upon by a vote of the Commission and shall not be required to record any remarks of members or any other person, except at the special request of a member.

b. Distribution

As soon as possible after each meeting, the Executive Officer shall cause the draft minutes to be placed on the consent calendar of the next available hearing agenda where it will be presented to the Commission for its review and approval.

c. Reading

Unless the reading of the minutes of a meeting is requested by a member, such minutes may be

approved without reading if each member has previously been furnished a copy thereof.

10. Resolutions

A resolution shall be prepared for each action and determination of the Commission as required by law. The resolution shall be signed and certified by the Executive Officer.

11. Order of procedure

The order of procedure in conducting a hearing shall be as follows:

- a. The Chair shall request the Executive Officer to inform the Commission of the nature of the matter pending, the notice provided, a summary of the report and recommendation, any new information or correspondence not in the staff report, and other pertinent matters.
- b. All proponents shall be heard.
- c. All opponents shall be heard.
- d. Proponents shall be afforded an opportunity to a rebuttal. New matter may not be introduced except by specific permission of the Chair, in which event opponents shall, again, be given an opportunity to rebut.
- e. The Chair shall ask for any additional information of the Executive Officer.
- f. The Chair may then close the public portion of the hearing and refer the matter to the Commission for discussion and debate.
- g. The Commission may make a determination at the hearing or may continue consideration of the matter to develop additional information or testimony.

12. Rules of debate

- a. The Chair may debate and vote.
- b. The Chair may move, second, and debate from the chair; subject only to limitations of debate as are by these rules imposed on all members and shall not be deprived of any of the rights and privileges of a member by reason of acting as Chair.
- c. Every member desiring to speak shall address the chair and, upon recognition by the Chair, shall confine themselves to the question under debate, and shall adhere to accepted standards of good conduct.
- d. A member once recognized shall not be interrupted when speaking unless it shall be to call them to order or as otherwise specifically provided. If a member, while speaking, shall be called to order, that member shall cease speaking until the question of order has been determined and, if in order, they shall be permitted to proceed.
- e. A motion to reconsider any action taken by the Commission at a meeting may be made only on the day such action was taken and must be made while the interested parties, if any, are present. Such motion shall be made by a commissioner on the prevailing side but may be seconded by any member and may be made at any time and have precedent over all other motions. This section shall not apply to written requests for reconsideration of an adopted resolution of determination pursuant GC sec. 56895.

13. Rules of order

Except as otherwise specifically provided in this policy, Robert's Rules of Order as last revised shall govern the proceedings of the Commission in the conduct of meetings thereof.

14. Voting

- a. While serving on the Commission, all Commission members shall exercise their independent judgment on behalf of the interests of residents, property owners, and the public as a whole

in furthering the purposes of CKH. (GC sec. 56331.4)

b. Any member appointed on behalf of local governments shall represent the interests of the public as a whole and not solely the interests of the appointing authority. This section does not require the abstention of any member on any matter, nor does it create a right of action in any person. (GC sec. 56331.4)

c. Roll Call Vote

A roll call vote shall be taken and recorded. Whenever a roll call vote is in order, the Clerk or Executive Officer shall call the names of the members in the following order: the mover, the second, other members according to alphabetization of last names; provided that the name of the chair shall be called last except where the chair has made or seconded the motion.

Reference: December 19, 2001

15. Addressing the Commission

a. General

Any person desiring to address the Commission shall first secure the permission of the Chair to do so. The Chair shall direct speakers to step up to the microphone and give their name and address in an audible tone of voice.

b. Spokesperson for Groups

Whenever any group of persons wishes to address the Commission on the same subject matter, the chair may request that a spokesperson be chosen by the group to address the Commission and in the event additional matters are to be presented by other persons in the group, to limit the number of persons so addressing the Commission to avoid unnecessary repetitions.

c. Discussions

No person, other than a member and the person addressing the Commission shall be permitted to enter into any discussion with the person addressing the Commission without the permission of the Chair.

16. Decorum

a. By Members

When the Commission is in meeting, the members shall preserve order and decorum and no member shall, by conversation otherwise, delay or interrupt the proceedings or the peace of the Commission nor disturb any member while speaking or refuse to obey the orders of the Chair, except as provided in this resolution.

b. By Other Persons

Any person making personal, impertinent, or slanderous remarks, or who shall become boisterous while addressing the Commission shall be forthwith, by the Chair, barred from further audience at such meeting, unless permission to continue shall be granted by majority vote of the Commission.

17. Commission Directives

The Commission shall, from time to time, by directives issued by it, establish procedures for the processing of the business of the Commission. Such directive shall be binding upon the staff of the Commission and all persons having business before the Commission.

18. Reimbursement of expenses

a. The members of the Commission shall be reimbursed \$100.00 for their necessary expenses

incurred in connection with their attendance at meetings of the Commission exclusive of attendance at CALAFCO events.

- b. The members of the Commission shall be reimbursed for their reasonable and necessary expenses incurred in connection with their attendance at regular public hearings and meetings called by the Chair or Executive Officer.
- c. The Commission may authorize payment of a *per diem* allowance to Commission members and alternates for each day they attend CALAFCO meetings.

Reference: June 6, 2012

19. Retirement award

The Executive Officer shall upon the retirement of a member of the Commission, cause to be prepared one of the following, and transmit same to the Chair for presentation at the next meeting.

- a. Retiring alternates, or regular members serving less than two years, shall receive a certificate and letter from the Chair.
- b. Retiring regular members serving two years or more shall receive an engraved 6" x 8" plaque.
- c. For unusual service an exception to this standard may be made by the Chair.

Reference: August 27, 1997

20. Selection of public member

The term of the public member is set by law to be four years, to expire the first Monday of the month of May. However, the public member's term shall continue until the appointment and qualification of a successor.

Prior to the expiration date, no later than March 20, the Executive Officer shall:

- a. Publish a notice in a newspaper of general circulation in the County, stating the coming vacancy of the public member position. The notice shall conform to that notice approved by the Commission.
- b. Post a notice outside the Commission hearing room, being the same notice as published.
- c. Make available to all applicants an approved application form and a description of the duties and responsibilities of the public member, as described on the application.
No application shall be accepted if received after April 20, preceding the term expiration. A roster of all applicants and their application shall be mailed to the Commissioners making the selection at least ten days prior to the date of the selection.
- d. A public hearing shall be held on the regularly scheduled hearing date in May, for the purpose of making the selection.

Each applicant shall be invited to an interview at the hearing by the Commissioners making the selection. The interview shall be for an approximate duration of five minutes. Each Commissioner may question the applicant directly.

As an alternative, the Commission may, at its sole discretion, form a subcommittee to review all applications received, select the top candidates to be interviewed by the Commission, and make recommendations to the Commission.

The public member and alternate public member shall be selected by the Commission as follows:

- a. Each Commissioner, other than the public member and alternate public member, shall have the right to nominate one candidate from among the applicants.
- b. Selection shall be by majority affirmative vote of the Commission (excluding the public member and alternate public member), which shall include an affirmative vote by at least one of the members selected by each of the appointing authorities.
- c. If no candidate should receive the required votes, one or more additional sets of nominations and votes may be conducted from among the candidates, with nominations and voting being conducted in the same manner as provided above, if such is supported by a majority of the Commissioners authorized to vote. If no candidate should receive the required votes, then a new recruitment shall be conducted.
- d. The new public member and alternate public member shall begin their terms immediately.

Reference: February 24, 1988; December 20, 2000; July 17, 2013

21. Procedures for public comment

- a. Every meeting agenda shall provide an opportunity for members of the public to directly address the Commission on any item of interest to the public, before or during the Commission's consideration of the item, that is within the subject matter jurisdiction of the Commission, provided that no action shall be taken on any item not appearing on the agenda unless the action is otherwise authorized by state law.
- b. Time limit for public comment shall be no more than three minutes per person, or as allowed by the Chair. Commissioners shall have opportunity to ask questions of each person giving comment.
- c. Public comment may be allowed by the Chair without written request being filed. At the discretion of the Chair, persons wishing to speak shall file a written request with the Clerk of the Commission in advance of the public comment agenda time. The request shall state the person's name and address, and the subject of the comment. The Chair shall ask the clerk if any requests have been filed.
- d. Action taken by the Commission on any matter considered under public comment shall be subject to the noticing requirements of state law and the Regulations and Procedures adopted by the Commission.

Reference: February 19, 1987

22. Fresno LAFCO Practice for Timely Participation in the Legislative Process

- a. In situations when a legislative bill affecting LAFCO cannot be considered by the full Commission due to timing, the Executive Officer, in consultation with the Chair (or Chair Pro Tempore if the Chair is unavailable), and LAFCo Counsel, is authorized to provide written or email comments communicating the Commission's position.
- b. The Chair (or Chair Pro Tempore if the Chair is unavailable), and LAFCo Counsel will review the letter or email prior to it being submitted for consideration.
- c. The Executive Officer will forward the email or letter to the Commissioners as soon as possible.
- d. The item will be discussed as an informational item at the Commission's next regular meeting.

SECTION 525 CONFLICT OF INTEREST CODE FOR THE FRESNO LAFCO

The Political Reform Act (Government Code Section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict-of-interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regs. Section 18730) that contains the terms of a standard conflict-of-interest code and may be incorporated by reference in an agency's code. After public notice and hearing, the standard code may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Appendices A designating positions and B establishing disclosure requirements shall constitute the conflict-of-interest code of the Fresno Local Agency Formation Commission ("LAFCo").

The Form 700s for designated positions, other than LAFCo Commissioners along with any alternates ("Commissioners") and Executive Officer, shall be filed with LAFCo. The Commissioners and Executive Officer are to file their original Form 700s directly with the Clerk of the Board for the Fresno County Board of Supervisors using the electronic filing system. If the Form 700s are not filed electronically, the paper Form 700 and waiver shall be filed with LAFCo and, upon receipt of these paper Form 700s with waivers, LAFCo shall make and retain a copy and forward the original to the Clerk of the Board of Supervisors.

LAFCo shall retain a copy of all electronically filed Form 700s, a copy of all paper Form 700s with waivers and the original Form 700s of designated positions not required to file electronically. LAFCo shall make the Form 700s available for public review, inspection, and reproduction. (Gov. Code section 81008.)

The provisions of all Conflict of Interest Codes and amendments thereto previously adopted by LAFCo are hereby superseded.

Reference: August 26, 1998; August 23, 2000; September 13, 2006; August 8, 2012; September 5, 2018

SECTION 540 PROCEDURES TO IMPLEMENT THE POLITICAL REFORM ACT

The Commission has directed staff to proceed in the following ways to implement the campaign contribution requirements of the Political Reform Act (GC sec. 84308).

Informing the public who may apply for or participate in a proceeding, by inserting a notice of the general requirements of the Political Reform Act on the application, consent form, certificate of filing, mailed notice, newspaper notice, staff report, and agenda. The notice requests consultation with staff as to specific requirements of CKH.

The wording of the public notice shall be as follows:

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

Informing the Commissioners of the general requirements of CKH as it applies to the Commission, and then informing them of who the applicants or participants may be in advance. This advance notice will be accomplished by:

First, sending a copy of the certificate of filing with a list of the landowners or parties of real interest listed on the bottom. This list includes all landowners of uninhabited proposals, and landowners of larger, undeveloped parcels in inhabited proposals. This notice is usually sent out approximately one month prior to actual hearing.

Second, a list of the same landowners and real parties of interest on the staff report, received just prior to the hearing.

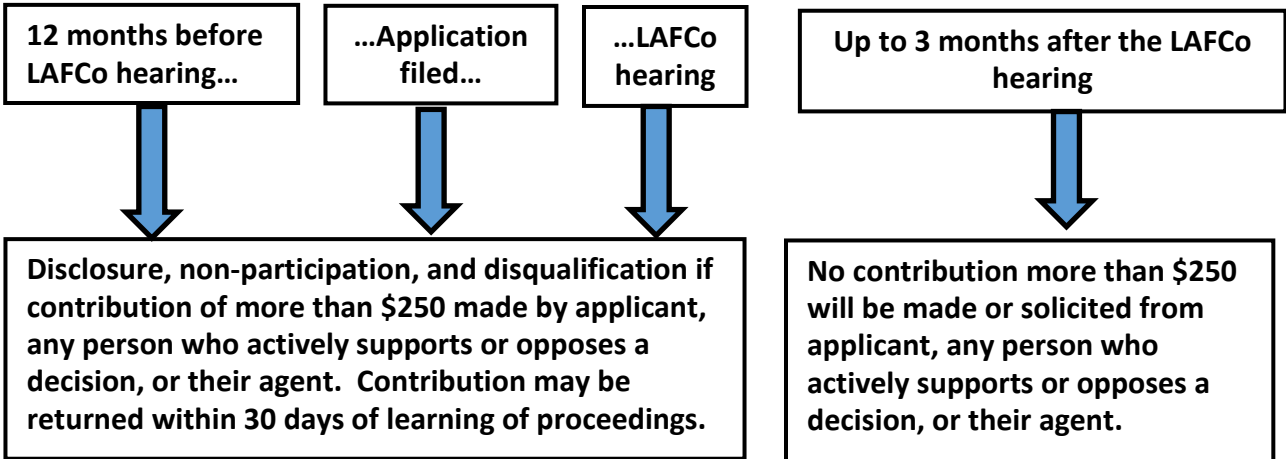
For each of the landowner lists received, the Commission will be responsible to comply with the law by:

Refusing a contribution of more than \$250 from an applicant or participant from the date of filing (certificate) until 3 months after the hearing; and

Disclosure, non-participation, and disqualification from the proceeding if a contribution of more than \$250 has been received from an applicant or participant up to 12 months prior to the LAFCO hearing.

A timeline showing the requirements for each of the two responses (disclosure, etc./no contribution) follows:

Timeline showing Political Reform Act procedure for more than \$250 contribution



Reference: October 2, 1986; March 26, 1996; September 18, 2002

SECTION 541 DISCLOSURE PROCEDURES

Procedures Requiring the Disclosure of Contributions and Expenditures Made for the Purpose of Affecting or Influencing Changes of Organization, Reorganizations, and Protest Hearings

Pursuant to GC secs. 56700.1, 57009, and 56100.1, expenditures for political purposes related to a proposal for a change of organization or reorganization initiated by petition or resolution by application and contributions in support of or in opposition to any proposal at the conducting authority stage of the LAFCO process shall be subject to disclosure and reporting pursuant to Political Reform Act, GC sec. 81000 *et seq.*, and the regulations of the Fair Political Practices Commission implementing that law.

Fresno LAFCo adopts the following reporting and disclosure requirements.

Definitions:

“Contribution” as used herein shall have the same definition as provided in GC sec. 82015, as amended.

“Expenditure” as used herein shall have the same definition as provided in GC sec. 82025, as amended.

“Independent expenditure” as used herein shall have the same definition as provided in GC sec. 82031, as amended, except that the term “measure” as used in Section 82031 shall be replaced with the term “proposal for organization or reorganization.”

“Political Purposes” as used herein shall mean for the purpose(s) of: (i) influencing public opinion; (ii) lobbying public officials; and/or, (iii) influencing legislative or administrative action as defined in GC sec. 82032. It shall not include for the purpose(s) of complying with legal requirements and LAFCO rules for the processing of a proposal, including, but not limited to and by way of example only, preparation of a comprehensive fiscal analysis for an incorporation (GC sec. 56800) or documents necessary to comply with the California Environmental Quality Act, Public Resources Code sec. 21000 *et seq.*, such as a mitigated negative declaration or environmental impact report.

Disclosure Requirements for Petitions or Resolution of Application for Proposals for Organization or Reorganization

Any person or combination of persons who directly or indirectly makes an expenditure or independent expenditure for political purposes of \$1,000 or more in support of, or in opposition to, a change of organization or reorganization submitted to the Commission to which GC secs. 56654 or 56700.1 applies, shall comply with the reporting and disclosure requirements of the Political Reform Act (GC sec. 81000 *et seq.*), to the same extent and subject to the same requirements as for local initiative measures. Such reporting and disclosure requirements, except as otherwise excluded herein, extend to those required by the Fair Political Practices Commission Regulations regarding such disclosures and shall include disclosure of contributions, expenditures, and independent expenditures.

Disclosures made pursuant to this Section shall be filed with the Commission’s Executive Officer as

designated in Section 05 below.

For purposes of determining the deadlines by which such reports and disclosures must be filed, the term “election” as used in the Political Reform Act for determining such deadlines shall mean the date of the originally scheduled commission hearing on a proposal for organization or reorganization. If no hearing date has been scheduled at the time a person becomes subject to disclosure under this policy, he or she shall request that the Executive Officer establish a date to serve as the “election” date for this purpose. The Executive Officer shall establish a date, such as, but not limited to, the date which is 6 months after the first filing with the Commission regarding the proposal and inform the requestor of that date in writing.

In the event the originally scheduled hearing date for the proposal for organization or reorganization is rescheduled or continued to a later date, the obligation to file continues reports shall be filed on or before the 10th day of each month following the original hearing date with respect to contributions and expenditures received in the previous calendar month up to and including the third calendar month following final action by the commission on the proposal.

Disclosure Requirements for Conducting Authority Proceedings

Any person or combination of persons who directly or indirectly makes an expenditure for political purposes of \$1,000 or more related to conducting authority proceedings for a change of organization or reorganization to which GC sec. 57009 applies, or in support of or in opposition to those conducting authority proceedings, shall comply with the reporting and disclosure requirements of the Political Reform Act (GC sec. 81000 *et seq.*), to the same extent and subject to the same requirements as for local initiative measures. Such reporting and disclosure requirements, except as otherwise excluded herein, extend to those required by the Fair Political Practices Commission Regulations regarding such disclosures and shall include disclosure of contributions, expenditures, and independent expenditures.

Disclosures made pursuant to this Section shall be filed with the Commission’s Executive Officer as designated in the “Where to File” section below.

For purposes of determining the deadlines by which such reports and disclosures must be filed, the term “election” as used in the Political Reform Act for determining such deadlines shall mean the date of the originally scheduled conducting authority hearing on the proposal for organization or reorganization. If no hearing date has been scheduled at the time a person becomes subject to disclosure under this policy, he or she shall request that the executive officer establish a date to serve as the “election” date for this purpose. The Executive Officer shall establish a date, such as, but not limited to, the date which is six months after the first filing with the commission regarding the proposal and inform the requestor of that date in writing.

In the event the originally scheduled conducting authority hearing date for a proposal for organization or reorganization is rescheduled or continued to a later date, the obligation to file continues and reports shall be filed on or before the 10th day of each month following the original hearing date with respect to contributions and expenditures received in the previous calendar month up to and including the third calendar month following final action by the commission on the proposal.

Other Reports and Disclosures

This policy requires that the persons subject to it disclose via reports to the Commission's Executive Officer contributions, expenditures, and independent expenditures with respect to expenditures for political purposes related to a petition or resolution by application to the Commission for a proposal for an organization or reorganization.

This policy also requires that the persons subject to it comply with the regulations regarding the names of campaign committees, disclosures of the sources of mass mailings, and disclosures of the source of automated telephone calls under GC secs. 84501 *et seq.* and the regulations of the Fair Political Practices Commission implementing those sections.

Where to File

All reports and disclosures required hereunder shall be filed with the commission's Executive Officer.

Reporting Requirements are Non-Exclusive

The disclosure and reporting requirements herein are in addition to any other requirements that may be otherwise applicable under provisions of the Political Reform Act or by local ordinance.

Sunset Provision

This policy is intended to implement GC secs. 56700.1, 57009, and 56100.1 and shall be of no further force and effect upon the effective date of legislation repealing or amending those sections to transfer responsibility for enforcing disclosure of expenditures for political purposes affecting commission proceedings to the Fair Political Practices Commission or otherwise terminates the responsibility of this commission to adopt and implement this policy.

Reference: December 5, 2007; January 9, 2008

SECTION 550 IMPLEMENTATION OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

1. Adopted by reference

The California Administrative Code, Title 14, Division 6, Chapter 3, "Guidelines for Implementation of the California Environmental Quality Act," as amended and currently in effect (State CEQA Guidelines), is adopted by reference. The criteria, purpose, and objectives of the State CEQA Guidelines with regard to the evaluation of projects, the preparation of Initial Studies, Environmental Impact Reports (EIRs), and Negative Declarations, and time limits imposed shall apply to activities undertaken within the County of Fresno subject to CEQA, except those standards, criteria, and procedures relating solely to State agencies.

2. Application of regulations to projects subject to discretionary action by LAFCo

- a. The Executive Officer is responsible for the preparation of environmental documents, as provided for in these regulations, for matters that are brought before the commission for action.
- b. The Executive Officer may require the proponent to supply data and information to determine whether a proposal may have a significant adverse impact on the environment prior to acceptance of the application for processing.
- c. No application will be accepted as complete until environmental information is deemed adequate by the Executive Officer.

3. Procedure for categorical exemption implementation

The Executive Officer shall recommend categorical exemption status where it can be demonstrated that the activity is consistent with one or more of the classes of categorical exemptions enumerated in the State CEQA Guidelines. The determination of categorical exemption status for projects filed by the Executive Officer shall be subject to review in the manner provided for in CEQA section 15300 *et seq.*

4. Procedures for environmental assessment (initial study)

For the adequate environmental assessment and evaluation of projects subject to CEQA (and not otherwise exempt) it is necessary that an Environmental Assessment be prepared at the earliest possible time which will address all phases of project planning, implementation, and operation. The Environmental Assessment shall take into consideration the purpose, objectives, rules, regulations, standards, and criteria set forth in CEQA, the State CEQA Guidelines, and the adopted plans and policies of LAFCO.

5. Public or Private Projects Subject to Discretionary Action by LAFCO

Where LAFCO is a responsible agency under CEQA, the lead agency is strongly advised to consult with the Executive Officer on the project during the preparation of the Initial Study.

Where LAFCO is the lead agency under CEQA, an Initial Study shall be prepared in accordance with the provisions of the CEQA Guidelines. The following procedure shall also apply:

The Executive Officer shall solicit comments from other agencies and individuals with appropriate expertise to assist in identifying potential impacts and determining their significance.

The Executive Officer shall initiate the CEQA process upon acceptance of a complete application

Unless the need for an Environmental impact Report is required, when the Environmental Assessment is completed, the Executive Officer shall publish a notice of Negative Declaration or Mitigated Negative Declaration in a newspaper of general circulation at least ten days prior to the date action has been scheduled for the project. The notice shall:

- a. Specify that an Environmental Assessment has been completed and a Negative Declaration or Mitigated Negative Declaration has been prepared; and.
- b. Solicit written comments on the Negative Declaration or Mitigated Negative Declaration.

Where LAFCO is required to hold a public hearing state the date, time, and place to determine whether a Negative Declaration/Mitigated Negative Declaration or an Environmental Impact Report (EIR) is appropriate; at such hearing all written comments and oral testimony will be considered.

When LAFCO is not required to hold a public hearing, state the place where written comments on the Negative Declaration or Mitigated Negative Declaration may be delivered and the date when LAFCO shall determine whether a Negative Declaration/Mitigated Negative Declaration or an Environmental Impact Report is appropriate.

LAFCO shall either approve the Negative Declaration/Mitigated Negative Declaration or require an Environmental Impact Report.

Once the Commission has taken final action on a project for which a Negative Declaration or Mitigated Negative Declaration has been approved, the Executive Officer shall file with the County Clerk a Notice of Determination with a copy of the Negative Declaration or Mitigated Negative Declaration attached.

6. Projects Initiated by LAFCO Subject to Discretionary Action

The Initial Study shall be prepared in accordance with the provisions of the State CEQA Guidelines. The following procedure shall apply:

Project information shall be submitted to the Executive Officer at the time the Initial Study is to be performed.

The Executive Officer shall solicit comments from other departments, agencies, and individuals with appropriate expertise to assist in identifying potential impacts and determining their significance.

After acceptance of the project as complete and during preparation of the Initial Study, the public agency submitting the project shall also submit subsequent clarification, amplification, or correction of information originally submitted with the project that is necessary to prepare an adequate assessment.

The Executive Officer shall make one of the following findings after consideration of the Environmental Assessment:

- a. An EIR is not required, and a Negative Declaration shall be prepared and published once in a newspaper of general circulation at least 10 days prior to initiating or undertaking the project.
- b. An EIR is required and shall be prepared by the Executive Officer or a consultant selected by the Executive Officer.
- c. Any aggrieved person or agency may appeal the decision of the Executive Officer for final determination.

7. Procedure for preparation of Environmental Impact Reports (EIR)

All draft EIRs pursuant to these regulations shall contain the information required by the State CEQA Guidelines and shall be prepared consistent with criteria set forth therein. The Executive Officer shall maintain a list of consultants to prepare Environmental Impact Reports required by these regulations. A Notice of Preparation shall be distributed in accordance with the State CEQA Guidelines.

8. Draft EIR Process

- a. Private Projects: The applicant shall be given the proposal requirements and a copy of the Environmental Assessment. The applicant shall select a consultant to prepare a proposal for staff review. If the proposal is acceptable to staff, the applicant shall be offered an agreement with LAFCo in which the applicant will agree to pay LAFCo for all costs related to the processing of the EIR. The applicant shall be required to deposit such funds with LAFCo. The applicant shall be responsible for the contract with the consultant and all consultant costs.

If the proposal is rejected by staff, the applicant may appeal such decision to LAFCo. LAFCo may allow the original consultant to revise the proposal or require the applicant to select another consultant. As an alternative, LAFCo may select a consultant in the manner described in the following paragraph.

If the applicant does not want to or is unable to select a consultant, the Executive Officer shall select and provide a list of all acceptable proposals to the applicant. The applicant shall be offered an agreement with LAFCo in which the applicant will agree to pay LAFCo for all LAFCo costs related to the processing of the EIR. The applicant shall be required to deposit such funds with the LAFCo. The applicant shall then select a consultant to prepare the EIR. The applicant shall be responsible for the contract with the consultant and all consultant costs.

- b. LAFCo Projects: Where the project is initiated by LAFCo, the Executive Officer may prepare the EIR in its entirety or in conjunction with consultants selected by the Executive Officer and approved by LAFCo. LAFCo shall incur the cost of preparation of the EIR except where a project is initiated by LAFCo at the request of a person or agency. In such event, the person or agency requesting the initiation shall incur such costs of preparation as determined by LAFCo.

9. Notice of Completion

A Notice of Completion shall be filed by the Executive Officer with the State Office of Planning

and Research as soon as the Draft EIR is completed.

10. Public Hearing on Draft EIR

Any request for a public hearing on a Draft EIR shall be subject to approval by the Executive Officer. The Executive Officer may require a public hearing on a Draft EIR without any formal request. The decision or determination that a public hearing on a Draft EIR be conducted shall require findings that:

- a. The project subject to the EIR does not require approval at a public hearing, and
- b. Such a public hearing is necessary to facilitate the purposes of the CEQA. The reviewing body at such public hearing shall be the LAFCo Commission. All comments made on the Draft EIR at such public hearing shall be summarized and addressed and made part of the Final EIR.

10. Final EIR Process

- a. Response to Comments: All comments received during the public review processes shall be responded to in the Final EIR.
- b. Use of Final EIR: The Final EIR shall become a part of the project application and shall be taken into consideration when action is taken.
- c. Final Action on Applications: Where the Commission approves a project which allows the occurrence of significant adverse effects identified in the Final EIR without mitigation, the approval must contain a finding that the benefits of the project outweigh unavoidable environmental damage. These overriding considerations must be fully explained in the record of approval of the project.
- d. When the Commission approves a project for which the potential adverse impacts have been mitigated, the record of approval shall include the changes, alterations, and mitigation measures which have been required or incorporated into the project.

Reference: March 27, 1974; February 2, 1977; December 21, 1977; September 28, 1983; September 24, 1996

11. List of projects determined to be exempt.

For any of the following types of discretionary projects, the executive officer can determine with certainty the project will not have a significant effect on the environment, as provided for under Sec. 15061 of State CEQA Guidelines. For example:

- The project is to annex an area already developed to urban uses and no change in zoning, subdivision, or development is proposed.
- The project is to annex to the city an area within an unincorporated island, or within an unincorporated corridor over 1/2 miles in length and less than 1/2 mile in width at its narrowest point, and no change in zoning, subdivisions or development is proposed.
- The project is to detach from a city or district where services are no longer provided, are not needed nor contemplated by the agency for future provision.
- The project is to dissolve a district for nonuse of corporate powers.
- The project is similar in nature, scope, and location to other projects for which a negative declaration or mitigated negative declaration was issued.
- The project is for an area considered as urban infill and the proposal conforms to the subject city or county plans.
- A municipal service review.

All other discretionary non-exempt projects must have an environmental assessment. Any of the above projects which appear to the Executive Officer to need an assessment, though meeting the criteria, should also be assessed if there is a possibility of a significant effect on the environment.

SECTION 600 CONDUCTING AUTHORITY PROCEEDINGS

1. Unless the Commission waives the protest proceedings, as provided in GC sec. 56663, after adoption of a resolution making determinations by the Commission pursuant to Part 3 of CKH (commencing with GC sec. 56650), the Commission will conduct protest proceedings for a change of organization or reorganization pursuant to Part 4, Chapter 1 of CKH (commencing with Code sec. 57000). (GC sec. 57000(a)).
2. On July 11, 2012, pursuant to GC sec. 57000(c), the Commission delegated authority to the Executive Officer to perform the conducting authority proceedings. (LAFCo resolution no. 88)

Reference: December 19, 2001

SECTION 700 RETENTION AND DESTRUCTION OF RECORDS

GC sec. 56382

1. This Policy applies to all physical and electronic records generated or obtained by Fresno LAFCo during the course of its operation, including both original records and reproductions. This Policy does not apply to documents that are not retained in the normal course of business, such as drafts, rough notes or calculations made for the preparation of other documents, etc. (collectively, "Non-Records"). However, if a Non-Record becomes integral to the final product, it shall be retained in accordance with this Policy.
2. Original records two years old or less shall be maintained in the LAFCo Office. Except as described further below, the Commission may authorize the destruction of original records more than two years old (so long as the subject matter of the records is not still active and the record would not be subject to an audit) if a photographic or electronic copy of the original record is made and preserved, provided that the following conditions are met:
 - a. Following review by LAFCo Counsel, the Executive Officer places on the Commission's agenda an item that describes the types of records to be destroyed and identifies the years in which they originated, and permission to destroy said records is granted by the Commission.
 - b. The records are reproduced on a medium that does not permit additions, deletions, or changes to the original document, or reproduced in compliance with the minimum standards or guidelines, or both, as recommended by the American National Standards Institute or the Association for Information and Image Management.
 - c. The device used to reproduce the records is one that accurately and legibly reproduces the original thereof in all details and that does not permit additions, deletions or changes to the original document images.
 - d. The reproductions are made as accessible for public reference as the original records were.

- e. A true copy of archival quality of the reproductions shall be kept in a safe and separate place for security purposes.
3. Original signed resolutions may not be destroyed.
4. Statements of Economic Interest (Form 700s) must be retained for seven years.
5. In the event the Commission is served with any subpoena or request for documents, or the Commission becomes aware of a governmental investigation or audit concerning the Commission, or the Commission becomes aware of the commencement of any litigation against or concerning the Commission, the Executive Officer shall ensure that any further destruction of records shall be suspended until such time as the Executive Officer, with the advice of Legal Counsel, determines otherwise.
6. The Executive Officer may destroy any duplicate record, paper, or other document if the original or a photographic or electronic copy of the record, paper, or other document is retained in the files of the Commission.
7. At least one copy of all electronic reproductions in .PDF, .JPEG or other electronic format that does not permit additions, deletions, or changes to the original record image or file and shall be stored on "flash" or USB drives, or other appropriate medium as technology allows, in a locked "fireproof" box in the LAFCo offices. A second copy shall be maintained on the County's "network" drive and/or secure server or other medium at an appropriate offsite location, as determined by the Commission.
8. In the case of Commission approved changes of organization and reorganizations where recordation is not achieved timely and where extensions of time are granted, the two-year time frame identified in Policy 730-01, shall be tolled from the time the change of organization or reorganization is completed (recorded).
9. In cases where a change of organization or reorganization is allowed to expire, the two-year time frame shall be tolled from the original date of approval or the date of the most recent time extension, if such extension(s) was granted.
10. Audio recordings of all Commission meetings shall be maintained on "flash" or USB drives or other appropriate medium as provided by State law and shall be stored in the manner as described in Subsection 730.07 above. These records are to be maintained as a permanent record of Commission proceedings.
11. Any document provided to the public shall have any and all confidential information (i.e., names, addresses, account numbers, medical histories, etc.) redacted from the produced documents.
12. Emails and other documents with electronic origins may be kept on a secure data management system pursuant to Secretary of State Guidelines and destroyed pursuant to these Policies and Procedures.

Reference: July 9, 2008; July 10, 2024

Appendix A: Public Officials Who Manage Public Investments

It has been determined that positions listed below manage public investments *and will file a statement of economic interests pursuant to Government Code Section 87200*. These positions are listed for informational purposes only:

- LAFCo Commissioners
- Alternate LAFCo Commissioners
- Executive Officer
- Chief Financial Officer
- Consultants involved in the investment of public funds.

An individual holding one of the above-listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by Government Code Section 87200.

DESIGNATED POSITIONS

| <u>Designated Positions</u> | <u>Disclosure Categories</u> |
|-----------------------------|------------------------------|
| LAFCo Clerk | 2 |
| LAFCo Staff Analyst | 2 |
| LAFCo Counsel | 1 |

Investment Consultants

* Consultants shall be included in the list of designated positions and shall disclose pursuant to the disclosure requirements in this code subject to the following limitation:

The Executive Officer may determine in writing that a particular consultant, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to comply fully with the disclosure requirements in this section.

Such written determination shall include a description of the consultant's duties and based upon that description, a statement of the extent of disclosure requirements. The Executive Officer's determination is a public record and shall be retained for public inspection in the same manner and location as this conflict-of-interest code.

(Gov. Code Sec. 81008.)

Reference: August 23, 2000; September 13, 2006; August 13, 2008; August 11, 2010; August 8, 2012; September 5, 2018

Appendix B: Disclosure Categories

Individuals holding designated positions must report their interests according to their assigned disclosure category(ies).

Disclosure Category 1

Interests in real property located within the jurisdiction or within two miles of the boundaries of the jurisdiction or within two miles of any land owned or used by the agency; and investments and business positions in business entities, and income, including loans, gifts, and travel payments, from all sources.

Disclosure Category 2

Interests in real property located within the jurisdiction or within two miles of the boundaries of the jurisdiction or within two miles of any land owned or used by the agency.

Disclosure Category 3

Investments and business positions in business entities and income, including loans, gifts, and travel payments, from sources, that provide services, supplies, materials, machinery, or equipment of the type utilized by the agency.

Disclosure Category 4

Investments and business positions in business entities, and income, including loans, gifts, and travel payments, from sources, that provide services, supplies, materials, machinery, or equipment of the type utilized by the designated position's division or department.

Disclosure Category 5

Investments and business positions in business entities, and income, including loans, gifts, and travel payments, from sources, that filed a claim against the agency during the previous two years, or have a claim pending.

Disclosure Category 6

Investments and business positions entities, and income, including loans, gifts, and travel payments, from sources of the type to request an entitlement to use agency property or facilities, including, but not limited to:

- a license;
- utility permit;
- station vendor permit.

Reference: September 13, 2006; August 13, 2006; August 8, 2012; September 5, 2018

Appendix C: Annexation Program Guidelines

It is Fresno LAFCo policy (102-01) that “within the sphere of influence each agency should implement an orderly, phased annexation program. A proposal should not be approved solely because the area falls within the sphere of influence of an agency.”

LAFCo recommends that each local agency fulfill this policy through the exercise of one or more of the following basic principles and actions.

The annexation program is consistent with LAFCo’s Sphere of influence (SOI) for the city.

Prior to a city submitting an application to the Commission to update its sphere of influence, the city and county shall meet and reach agreement on development standards and planning and zoning requirements within the sphere to ensure that development within the sphere occurs in a manner that reflects the concerns of the affected city and is accomplished in a manner that promotes the logical and orderly development of areas within the sphere. (GC sec. 56425)

LAFCOs are authorized to perform numerous powers under CKH. Every determination made by a commission must be consistent with the spheres of influence of the local agencies affected by those determinations. (GC sec. 56375.5)

The annexation program should also anticipate needed updates of the city’s sphere of influence and the appropriate development standards developed in consultation with the County to promote the logical and orderly development of areas within the sphere. GC sec. 56425

Because cities provide multiple municipal services, they occasionally extend service outside of their city limits and SOIs. The statute allows these extensions—with LAFCo authorization—subject to certain conditions, though not as an alternative to annexation or amendment of the SOI. GC sec. 56133.

The annexation program emphasizes the use of cities’ resolution of application versus property owner petitions.

Background:

The LAFCo statute permits property owner petition-initiated reorganizations and SOI amendments. Though Fresno LAFCo must comply with statute, in many cases property-owner petitions complicate the process, increase liabilities, and otherwise thwart the orderly completion of LAFCo’s responsibilities. Some cities encourage petitions because they don’t have the resources to process annexations. The challenge is that all cities in Fresno County have MOUs with the County to comply with Revenue and Tax Code section 99 regarding property tax revenue transfer upon annexation.

Property-owner petitions may actually add inefficiencies to the MOU process. For example, in order to complete an approved annexation, LAFCo staff require certain documents from the city (right-to-farm, addressing, tentative map acceptance, etc.) and the city staff may not be prepared to respond in a timely manner. This could be remedied by earlier coordination between LAFCo and city staff if the staff were assisting with the application.

While it is possible to independently develop solutions for service delivery to a parcel, this practice does not promote the overall planning, construction, and integration of facilities into the municipal service delivery network. Proper long-range land use planning must recognize and balance competing interests and the need to provide for future roadways and coordination with other service providers that would be affected by planned growth. There is a civic obligation on the city's part that it assertively manages the implementation of its general plan beginning with the review and approval of planning applications, then make application to LAFCo for annexation, and finally take responsibility for the construction compliance with building and safety codes.

A city may consider discouraging property owner petition-initiated reorganizations as these would not necessarily have proceeded through a city's development review and approval, which is an important step in the management of a city's general plan and instead anticipate probable annexations and prepare to process these in a timely manner through resolution-initiated petitions.

The annexation program supports orderly growth by identifying areas to be annexed, general time frames for growth, and a plan for extension of services to these areas.

Suggested actions:

Capital improvement plan and/or facilities plans include all lands within the SOI;

Development impact fees that fund the extension of services are established and maintained;

Impacts to service delivery are assessed in the city's EIR or project-specific CEQA documents and appropriately-scaled mitigation is approved and implemented.

A city coordinates its public policy documents in support of the annexation program.

Background:

The annexation program should coordinate the policies, facilities, funding, and construction of city service infrastructure by linking the general plan land use diagram and policies, capital improvement plans, service delivery plans (such as a fire department's Standards of Coverage), and annual budget. The product of this work can serve as the foundation for development policies that direct growth to certain areas whether all or part of the city's sphere or restrict growth to defined areas until certain actions (funding, studies, etc.) are complete.

LAFCo's interest in cities' growth and development can be summarized by three words: order, logic, and efficiency.

Order is a state in which all components, elements, and actions are arranged logically, comprehensibly.

Logic describes the use of valid public policy reasoning in some activity. These elements can be found in a local agency's plans, policies, budget, etc.

Efficiency in general describes the extent to which time, effort or cost is well used for the intended task or purpose, it is measured by a comparison of production with cost (as in energy, time, and money) "Efficiency is doing things right, while Effectiveness is doing the right things."

An official document is created to describe how annexations implement the city's General Plan growth and development policies.

By coordinating a city's plans and policies, the annexation program also supports the efficient delivery of urban services throughout the rest of the city.

The annexation program anticipates changes of organization of existing special districts and service areas in or adjacent to the city's SOI.

Suggested action:

The Program should describe the transition of services that will occur when the city annexes/detaches (CID, NCFPD, FCFPD, KRCD, etc.); inversely, the document describes the status of or continuation of services when annexations do not result in detachment (FID, FMFCD, etc.).

The annexation program anticipates the location of Disadvantaged Unincorporated Communities within a city's sphere of influence.

Suggested action:

Cities should become proficient in implementing their responsibilities under Senate Bill 244, should review Fresno LAFCo DUC policy and review Senate Bill 244 Technical Advisory (attached).

Background:

The statute requires LAFCo to make determinations regarding "disadvantaged unincorporated communities" ("DUCs") when considering a change of organization, reorganization, a sphere of influence amendment and municipal service reviews (an "MSR"). Generally, LAFCo will not approve annexations of territory greater than ten (10) acres if there is DUC contiguous to the proposal.

GC sec. 65302.10 defines "Disadvantaged unincorporated community" as a fringe, island, or legacy community in which the median household income is 80 percent or less than the statewide median household income and requires that cities identify DUCs in their general plan land use element. GC sec. 56033.5 further refines this definition for the purposes of annexations and Fresno LAFCo policy 106 establishes procedures to evaluate DUCs in light of nearby annexation proposals.

LAFCo is working with the County and the Fresno Council of Governments to establish and update a County-wide map of DUCs. A map is currently publicly available on Fresno LAFCo's website at <https://www.fresnolafco.org/DUC.asp>.

The annexation program informs citizens in annexation areas of their rights, benefits, and changes that will occur on annexation.

Suggested actions:

City to establish and maintain on its website a description of the information above, how citizens can engage the process, how the city engages citizens and stakeholders and other information related to annexation. This information should include a description of the SOI, protest processes, and how LAFCo is involved.

For those portions of a city's SOI that contain a large number of rural residential parcels that are planned for urban uses, the city is strongly encouraged to develop a long-term plan to annex and serve these areas.

City entitlement analysis is integrated with LAFCo policies.

Suggested action:

Local agencies, including Fresno County, are advised to include Fresno LAFCo in their initial request

for comments.

When initial planning applications that will eventually require annexation are submitted to cities, they are encouraged to submit a pre-application to LAFCo so that LAFCo can track the project at its beginning and provide comments that would facilitate annexation in time for these to be considered in a timely and efficient manner.

Reference: December 10, 2014

Appendix D: DUC Database Development Guidelines

Introduction

These guidelines will be used to develop and maintain the database necessary to implement Fresno LAFCo policy 106-01, to conduct reasonable demographic surveys and studies. The database will be augmented by site investigation, and other materials supplied by government agencies and other interested parties (collectively, the "Information Sources").

DUCs in Fresno County are initially identified by reviewing US Census information including census tract, block group, or block data to obtain population estimates, economic composition, and demographic information. Census tracts occasionally include both incorporated and unincorporated territories which do not necessarily coincide with city or municipal local agency boundaries. Though a census tract may encompass a large geographic area, the sample data reported therein provides a reasonable assessment of the economic composition among residents within the tract. The smallest geographic units which the US Census collects and tabulates decennial census data are the census block groups and blocks. Census block groups are statistical divisions of a census tract. Census block groups are generally defined between 600-3,000 people. A block group consists of clusters of blocks within the same census tract that have the same first digit of their census block number. Data collected from census block groups and blocks are generally more detailed for areas within a census tract, if available. Most block groups identified by US Census data were delineated by local participants in the Census Bureau's Participant Statistical Areas Program.

The definition of a "disadvantaged community" (DAC) per GC sec. 56033.5, WC sec. 79505.5, and PRC sec. 75005(g), is "a community with an annual Median Household Income (MHI) that is less than 80 percent of the statewide annual MHI." For example, the 2020 statewide MHI in California reported by the US Census American Community Survey (ACS) 5-year report is \$78,672; thus, a community with a household income less than 80% of the MHI (\$62,937) would be a "disadvantaged community".

The Department of Water Resources (DWR) provides DAC mapping software and downloadable shape file maps are available through the DWR website. DWR's DAC mapping data is created using the ACS five-year period reports. The DWR maps identify DACs for different areas using census tracts or block group information. The shape file maps include pre calculated fields for census tracts and block groups that are identified as DAC (per PRC sec. 75005 (g)) with a "Yes or No."

Fresno LAFCo Policy 106 definition is more specific and includes two additional DUC indicators aside from the MHI margin:

the DUC will be inhabited territory (12 or more registered voters); and
consist of at least 15 dwelling units at a density not less than one unit per acre.

In addition, LAFCo policy 106-05 established that a DUC up to 300 feet distant from a proposed annexation boundary "is sufficient to start the annexation proceedings for a DUC." This policy also identified "Legacy Communities" which are DUCs within one mile of an existing or proposed sphere of influence.

The DAC mapping information available in geographic information systems (GIS) shape files will be employed to develop a "first cut" of maps to identify areas in the County that report a MHI less

than 80 percent of the statewide annual MHI. The DAC GIS shape files will be layered with maps available on the County of Fresno's GIS database. Fresno County's shape file named "CY_FRESNO.CENSUS_BLKGRP" will be utilized to identify all census block groups in the County that meet the DAC threshold. The "CY_FRESNO_CITY_NAMES" shape file will be used to map incorporated and unincorporated community boundaries. The "CY_FRESNO.PARCEL_VW" GIS shape file will be employed to identify parcelization patterns that could be compared to aerial photography in identification process of a DUC, per Commission Policy 106.

The DAC maps present an initial assessment of the areas based on MHI data at the census tract and block group levels. Further review of land parcelization patterns and identification of DUCs will be focused near city limits and within Municipal Local Agencies with SOI boundaries.¹ The data is selected to only identify DUCs near cities and Municipal Local Agencies that provide services related to sewer, municipal or industrial water, or fire protection. As such, each eligible Municipal Local Agency boundary was surveyed to identify and determine DUC locations that meet the 15 dwelling units at a density not less than one unit per acre.

Reference: February 11, 2015

¹ Fresno LAFCo policy 107-04, "Municipal Local Agencies" include cities and special districts that provide municipal services.

Appendix E: DUC Policy Implementation Guidelines

The Cortese-Knox-Hertzberg Local Government Reorganization Act OF 2000 ("CKH") requires LAFCo to make determinations regarding "disadvantaged unincorporated communities" ("DUCs") when considering a change of organization, reorganization, a sphere of influence amendment and municipal service review ("MSR").

LAFCo policy 106 supports the implementation of CKH and provides additional refinement of DUCs. The following directory guidelines may be used by staff to establish logical and predictable actions to implement the Commission's DUC Policy and CKH.

When a potential applicant meets with LAFCo staff to discuss a proposed project, the probable annexation boundaries will be estimated.

Staff will consult Fresno LAFCo policy 106 and Fresno LAFCo's DUC database to determine whether a potential DUC is identified adjacent to or within 300 feet of the proposed project and will convey this determination to the applicant and the subject city/municipal local agency.

The applicant is recommended to submit a pre-application. If the LAFCo DUC database indicates that a DUC is involved with the proposed project, a deposit of estimated time and materials expenses will be calculated and required prior to staff conducting additional work on the DUC analysis.

Pre-application process for DUC review and verification

Staff assembles data to determine if DUC exists:

- Acreage of DUC boundary is determined based on LAFCo's DUC database.
- Number of dwelling units within the DUC is determined, census data is used to assess preliminary MHI for the DUC, and field visits will be conducted.
- Number of registered voters within the DUC is determined.
- Identification of present and probable needs for public facilities and services for the DUC is determined.
- Information Sources, as defined in LAFCo policy 106-01, will be used to determine precise annual median household income of the DUC.
- Verification of any previous applications filed with the Commission for the same DUC within the preceding five years, if applicable, is determined.
- A mailing list of both property owners and registered voters within the DUC is generated.
- The affected city/municipal local agency will be contacted to participate in the evaluation of what services will be extended to the DUC if annexed. (service area)

Pursuant to LAFCo policy 106-04, "written evidence" shall be obtained in the following manner:

A DUC annexation notice letter, bilingual or multilingual (sample attached) will be sent to registered voters ("RVs") in the DUC with a copy sent to DUC property owners to advise registered voters of potential annexation of the DUC, describe the probable changes to services upon annexation, probable fees, taxes, and other assessments resulting from annexation.

The letter will request response from residents and registered voters within 21-days of receiving

the notice.

In compliance with CKH and LAFCo policy, the letter shall request written opposition to a potential annexation by the registered voters in a DUC. Based on the record of responses, the Executive Officer will present a recommended finding for the Commission action.

If the Executive Officer determines that based on written evidence, less than the majority of the DUC RVs respond to the annexation letter in opposition, or if majority of the RVs in the DUC respond in support of annexation, the applicant and subject local agency will be advised that this territory may be included in the proposed annexation or may be subject to a subsequent or concurrent annexation.

If the Executive Officer determines based on written evidence, that a majority of registered voters in the affected territory are in opposition to annexation, the applicant and subject local agency will be advised that this territory will be not included in any subsequent reorganization application pursuant to CKH and LAFCo DUC policy.

It should be noted that this does not preclude a DUC from being annexed by petition or resolution under other circumstances independent of CKH and LAFCo DUC policy.

An annexation application to annex a contiguous DUC shall not be required if either of the following apply:

- the Executive Officer determines that a previous application has been filed for the same DUC in the preceding five years, an application to annex will not be required.
- the Commission finds, based on written evidence, that a majority of registered voters in the affected territory are in opposition to annex, an annexation applicant will not be required.

<City Letterhead>

<Date>

Dear <name of registered voter and/or landowner>

You are receiving this letter because your neighborhood is next to a proposed annexation to the City of <name of City>. The City is proposing to annex <insert description of annexation – size, purpose, etc.>. A map of the proposed annexation area is enclosed. The City would like to know your interest in also being annexed.

You are currently residing on or own land in what is called unincorporated Fresno County. This means that the County of Fresno or the <name of special district> is responsible for services to your community. Annexation to the City of <name of City> would mean that the City would become responsible for many of the services to your community which may now be provided by the County or special district. Please see the enclosed information regarding the services that the City provides, how the services are paid for and the timing of when you could expect those services to be provided if your neighborhood is annexed into the City.

Enclosed is an annexation survey and postage paid envelope <or postage paid post card if the survey can fit>. Please return it by <date>. The return of this survey is important because State law requires the City to file an application to annex your neighborhood unless the majority of registered voters are against it. If you have any additional questions or would like more information, please contact <city contact name, phone number, e-mail>. For Spanish translation services for the enclosed City service information, please contact <city contact name, phone number, e-mail>.

<Ending salutation>

Enclosures:

Proposed Annexation Map

City Services and Other Information

City Annexation Survey and Return Envelope <or City Annexation Survey Postcard>

<City Letterhead>

<Date>

Estimado <name of registered voter and/or landowner>

Usted está recibiendo esta carta porque su vecindario está cerca de una anexión propuesta en la Ciudad de <name of City>. La ciudad está proponiendo anexar el territorio localizado <insert description of annexation – size, purpose, etc.>. Un mapa ilustrando el territorio de la anexión propuesta está incluido con esta carta. La ciudad también quiere saber su interés en ser incluido en la anexión.

Actualmente usted está viviendo o es dueño de propiedad en áreas que no son incorporadas en el Condado de Fresno. Por esta razón el Condado de Fresno o el <name of special district> es responsable de proveer servicios municipales a su comunidad. La anexión del territorio a la ciudad de <name of City> resultaría en que la ciudad se haga responsable de muchos de los servicios municipales a su comunidad que actualmente son proveídos por el Condado o el <name of special district>. Por favor mire la información incluida acerca de los servicios que la ciudad pueda proveer y como los servicios son pagados y cuando debe de anticipar los servicios que sean proveídos si su vecindario si el territorio es anexado a la ciudad de <name of City>.

Incluido esta una encuesta de la anexión y un sobre pre pagado <or postage paid post card if the survey can fit>. Por favor devuelva la encuesta antes del <date>. El regreso de esta encuesta es importante porque las leyes del estado de California requieren que la ciudad archive una aplicación para anexar su vecindario al menos que la mayoría de los residentes en su vecindario estén en contra de la anexión propuesta. Si usted tiene preguntas acerca de esta carta o quiere más información, por favor contacte a <city contact name, phone number, e-mail>. Para servicios de traducción en español sobre los servicios de la ciudad, contacte a <city contact name, phone number, e-mail>.

<Ending salutation>

Documentos Incluidos:

Mapa de la Propuesta Anexión

Servicios de la Ciudad y Otra información

Encuesta de Anexión y Sobre de Regreso <or City Annexation Survey Postcard>

City of X Annexation Survey

Please fill out this survey after reading the enclosed information regarding City services and potential annexation into the City of X.

Would you like to be annexed to the City of X?

Yes, I would like my property/residence to be annexed.

No, I do not want my property/residence to be annexed.

_____ I don't care, it doesn't matter to me if my property/residence is in the City or County.

_____ I don't know, I would like more information regarding annexation.

Would you be interested in attending a public meeting to hear more about what annexation means?

Yes

No

Contact information of the person(s) filling out this survey:

Name: _____

Address: _____

Phone or E-mail: _____

Ciudad de X Encuesta De Anexión

Por favor llene esta encuesta después de leer la información incluida sobre los servicios de la ciudad y la posibilidad de anexión a la Ciudad de X.

¿Le gustaría ser anexado a la Ciudad de X?

Si, Me gustaría que mi propiedad/residencia sea anexada.

No, No me gustaría que mi propiedad/residencia sea anexada.

_____ No me importa, no me importa que mi propiedad/residencia este en la ciudad o el condado.

_____ No Se, Me gustaría más información sobre la anexión.

¿Estará interesado en atender una ausencia publica para aprender más sobre la anexión?

Si

No

¿Cuántas personas (18 años o mayor) residen en su vivienda?

Información de contacto de la(s) persona(s) llenando la encuesta:

Nombre: _____

Dirección: _____

Teléfono o E-mail: _____

Reference: February 11, 2015

Appendix F: Fresno LAFCo Extension of Services Worksheet

This worksheet outlines the statute, policy, and procedure to request extension of service(s). Once you have reviewed this worksheet, you are encouraged to consult with LAFCo staff prior to submitting an application.

Authority

Government Code (GC) sec. 56133(a) A city or district may provide new or extended services by contract or agreement outside its jurisdictional boundaries only if it first requests and receives written approval from the commission in the affected county.

By Resolution No. 127, the Fresno LAFCo delegated to the Executive Officer the authority to approve, or conditionally approve, proposals to extend services outside jurisdictional boundaries.

Applicant

It is strongly recommended that the local agency that will provide the service(s) be the applicant, not the subject property owner. A local agency's agreement to serve the subject property is a necessary part of the application and will carry great weight with the Executive Officer's analysis of the application. LAFCo staff encourages property owners to work through the affected local agency:

GC 56017.2 (c). "Application" means: A request by a city or district for commission approval of an extension of services outside the agency's jurisdictional boundaries pursuant to Section 56133. (emphasis added)

Information needed from a local agency for authorization to extend service(s)²

- Completed application (only the first page of the LAFCo master application is necessary for extension of service requests);
- Nature of the request;
- Location of proposed recipient(s), address, APN, and total acreage of the affected property(ies);
- Maps depicting:
 - subject property.
 - all public improvements needed to fulfill the proposed extension,
 - city limit/district boundary. and
 - affected local agency's sphere of influence (SOI);
- A draft copy of the proposed agreement or contract between local agency and owners of the affected properties;
- A local agency contact;

² Note: An extension of service may be exempt from GC sec. 56133; see "Important exemption in the statute" later in this worksheet. If the extension is exempt the Executive Officer will communicate this in writing and fee will be returned.

- Known alternate providers of the type of service to be extended; and
- Fee per Fresno LAFCo policy 350-10.

Process

Extension of service requests are not changes of organization pursuant to GC 56021 and are not publicly noticed pursuant to GC 56658(b)(1); rather, the process is administrative in nature with typical notice of action given only to the subject local agency, the party requesting service, Fresno County Public Works and Planning, County Auditor/Controller, and County Assessor.

Within 30 days of receipt of an application for approval by a city or district of a contract to extend services outside its jurisdictional boundary, the executive officer shall determine whether the request is complete and acceptable for filing or whether the request is incomplete.

If a request is determined not to be complete, the executive officer shall immediately transmit that determination to the applicant, specifying those parts of the request that are incomplete and the manner in which they can be made complete.

When the request is deemed complete, the executive officer shall, not more than 90 days from the date that the request is deemed complete, approve, disapprove, or approve with conditions the contract for extended services.

The executive officer may forward a copy of the application to the Fresno County Department of Public Works and Planning for review, comment, and recommended conditions of approval including necessity for encroachment permits, utility easements, and so forth.

If the executive officer has denied a request for extension of service, the local agency or an affected party may request that the executive officer's action be reconsidered by the commission within 30 days of executive officer action per GC sec. 56895.

There are essentially two thresholds to consider: is the service to be extended to property(ies) inside or outside of a SOI. If the subject property is inside of the affected agency's SOI:
GC 56133 (b) The commission may authorize a city or district to provide new or extended services outside its jurisdictional boundaries but within its sphere of influence in anticipation of a later change of organization.

In comparison, service to property(ies) outside of the affected agency's SOI is a substantially higher threshold:

GC 56133 (c) The commission may authorize a city or district to provide new or extended services outside its jurisdictional boundaries and outside its sphere of influence to respond to an existing or impending threat to the public health or safety of the residents of the affected territory if both of the following requirements are met:

(1) The entity applying for the contract approval has provided the commission with documentation of a threat to the health and safety of the public or the affected residents.

(2) The commission has notified any alternate service provider, including any water corporation as defined in Section 241 of the Public Utilities Code, or sewer system corporation as defined in Section 230.6 of the Public Utilities Code, that has filed a map and a statement of its service capabilities with the commission.

Regarding (1), above, in the event that the requested extension is outside a SOI, as soon as possible, the local agency should contact Fresno County Department of Public Health, Environmental Health Division at (559) 600-3271 for a finding of an existing or impending threat to the public health or safety.

Regarding (2) above, Public Utilities Code sec. 241 identifies a “Water corporation” as including every corporation or person owning, controlling, operating, or managing any water system for compensation within this State. Maps and statements on file with the commission are:

- Columbia Canal Company
- Shaver Lake Point One Mutual Water Company
- Shaver Lake Point Two Mutual Water Company
- Bakman Water Company

Important exemption in the statute

GC sec. 56133 (e) This section does not apply to contracts or agreements solely involving two or more public agencies where the public service to be provided is an alternative to, or substitute for, public services already being provided by an existing public service provider and where the level of service to be provided is consistent with the level of service contemplated by the existing service provider. This section does not apply to contracts for the transfer of nonpotable or nontreated water. This section does not apply to contracts or agreements solely involving the provision of surplus water to agricultural lands and facilities, including, but not limited to, incidental residential structures, for projects that serve conservation purposes or that directly support agricultural industries. However, prior to extending surplus water service to any project that will support or induce development, the city or district shall first request and receive written approval from the commission in the affected county. This section does not apply to an extended service that a city or district was providing on or before January 1, 2001. This section does not apply to a local publicly owned electric utility, as defined by Section 9604 of the Public Utilities Code, providing electric services that do not involve the acquisition, construction, or installation of electric distribution facilities by the local publicly owned electric utility, outside of the utility's jurisdictional boundaries.

Typical Conditions of Approval

The LAFCo resolution authorizing extension of service pursuant to GC 56133 typically includes the following condition of approval:

- The record owner of title to each property shall record a covenant, in a form acceptable to the (service provider), stating that the record owner, and all subsequent owners of the subject property, shall not protest the future annexation of the subject property if such annexations are not subject to conditions, excluding the facts pertaining to the

annexation itself or the extension of service, which might materially prejudice those holding an interest in the real property.

- Other conditions of approval may be added to reflect circumstances unique to the application.

Distribution of Resolution

Upon expiration of the reconsideration period, the Executive Officer will distribute the resolution authorizing extension of service to the:

- local agency providing the extended service,
- owner(s) of the affected property,
- Fresno County Department of Public Works and Planning, and
- Fresno County Auditor-Controller/Treasurer-Tax Collector.

The Executive Officer shall provide a summary report of the resolution to the Commission at the next available meeting.

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

AGENDA ITEM No. 7

DATE: January 8, 2025

TO: Fresno Local Agency Formation Commission

FROM: Brian Spaunhurst, Executive Officer *BS*

BY: Monica Leon, Analyst

SUBJECT: Informational Item: LAFCo Response to the Fresno County Civil Grand Jury Report No. 1 for Fiscal Year 2023-2024 on the Clovis Cemetery District.

RECOMMENDATION: Receive and File.

Executive Summary

Fresno County Grand Jury Report No. 1 (“Report”) issued on May 1, 2024, highlights concern regarding the administration and operation of the Clovis Cemetery District. These issues originated from a complaint and subsequently brought additional matters to the Civil Grand Jury’s attention. The Report identifies potential violations by the District of the Ralph M. Brown Act (hereafter “the Brown Act”), Government Code section 26909 regarding the absence of annual audits, as well as Government Code section 53087.8 concerning the lack of a maintained District website. The Grand Jury further noted deficiencies in landscape maintenance at the District’s cemeteries, particularly at the Clovis and Red Bank locations. Some of these deficiencies stemmed from circumstances outside the District’s control, such as the loss of its previous accounting firm and outdated water wells.

LAFCo has a limited yet significant role in this matter. While it is not responsible for the actions of other agencies, LAFCo strives to enhance the accountability of special districts, ensuring adherence to statutory requirements, their enabling legislation, and financial reporting standards.

A copy of the Grand Jury Report is attached for reference.

Analysis of Findings from the Civil Grand Jury and Clovis Cemetery Districts Response

Finding F1: The District may have violated the Government Code Section 26909 in that no annual audit has been submitted since 2019.

Districts response: Following the Civil Grand Jury’s review, all financial documents for fiscal year 2019-2023 have been prepared by Price Page Company. A draft report was finalized on Tuesday, July 30, 2024, and subsequently submitted to Jaribu Nelson, CPA, of J. Nelson & Company, for final review. The final report has been completed.

Finding F2: The District has neglected to prepare an annual budget.

Districts response to Finding F2: The budget for the 2024-2025 fiscal year was completed and received on October 28, 2024.

Finding F5: The District may have violated Government Code section 53087.8 by failing to maintain a website.

Districts Response to Finding F5: A new website utilizing the Streamline platform was launched and became operation as of May 15, 2024, accessible at cloviscemetery.org.

Finding F6: The District appears to have violated the Brown Act by failing to post notices of Board of Director meetings and agendas at least 72 hours prior to the scheduled Board of Trustees meetings.

Districts Response to Finding F6: The Clovis Cemetery District acknowledged the Civil Grand Jury's observation regarding the difficulty in locating meeting agendas. To address this, the District plans to enhance its posting procedures by placing the agendas on the special announcement's corkboard near the office door and on its website at least 72 hours before meetings.

Finding F7: The landscape and maintenance of the cemeteries have been adversely impacted due to a reduction in staffing levels.


Districts Response to Finding F7: The Clovis Cemetery District reported that it has consistently employed 12 staff members since 2008, as documented in its records. The District has considered various options but determined that hiring temporary staff through an agency is more cost efficient than retaining full-time employees. The maintenance challenges at the Clovis Cemetery were not attributed to staffing shortages but to issues with the well system from June 2023 through August 2023. Similarly, maintenance issues at Red Bank Cemetery arose due to a well issue, rather than staffing, between April 2022 October 2023. To address these challenges, the District rented water trucks to sustain trees and bushes at both cemeteries. Additionally, the well at Red Bank Cemetery was drilled 300 feet deeper, extending its estimated lifespan to 20 years, while the Clovis Cemetery well was also deepened by 100 feet, providing an estimated 15 years of service.

A LAFCo representative has visited both cemeteries multiple times, documenting current landscape and maintenance conditions through photographs.

LAFCo staff extends its appreciation for the professional and timely support provided by the Clovis Cemetery District staff during the review process. The District's assistance allowed LAFCo to assess compliance with government code requirements and to evaluate the recommendations outlined by the Civil Grand Jury.

**FRESNO LOCAL AGENCY FORMATION COMMISSION
EXECUTIVE OFFICER'S REPORT**

AGENDA ITEM No. 8

DATE: January 8, 2025
TO: Fresno Local Agency Formation Commission
FROM: Brian Spaunhurst, Executive Officer 
SUBJECT: Workshop on a Mid-Year Budget Review and Work Program Status for Fiscal Year 2024-2025.

RECOMMENDATION: Receive and file, provide direction as needed.

Executive Summary

This report presents mid-year status of the Commission's annual budget and the progress made on projects in the approved annual work program. Budget analysis has been prepared with budget data from November 2024, extrapolated through calendar 2024.

At mid-year, revenue and expenses generally are on track with the adopted budget.

- Estimated revenue \$804,000 or 103% of \$782,044 approved;
- Estimated office expenditures \$69,000 or 41% of \$168,927 approved;
- Estimated personnel expenditures \$240,000 or 44% of \$547,407 approved; and
- Estimated consultant services expenditures \$27,000 or 41% of \$65,710 approved.

Work program projects are generally behind schedule as application-generated work is taking priority as discussed in greater detail later in this report.

Discussion

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("CKH") requires the Commission to adopt a draft budget each year by May 1st and a final budget by June 15th. The Commission adopted its annual budget and work program at its hearing on June 14, 2023.

The Clerk to the Commission updates LAFCo's financial data and provides bookkeeping services. The Commission also has a part time bookkeeper that aids on an as needed basis.

Commission business is guided by LAFCo's *Financial and Accounting Procedures* and by CKH. Pursuant to these procedures, "The Executive Officer shall serve as the budget administrator, to prepare, present, transmit, review, execute, and maintain the LAFCo budget consistent with State Law and Commission policy. The Executive Officer shall provide the Commission with a mid-year budget report comparing expenditures to the adopted budget."

Overview of Mid-Year Budget

As shown in Attachment “A,” the Commission has an approved budget of \$782,044 which includes \$707,044 from contributions by the County (\$353,522) and the 15 cities (\$353,522 apportioned by their annual budgets), a balance fund contribution from the previous FY of \$50,000 and \$25,000 in projected fee revenue.

The Commission has an approved reserve of \$200,000 and a legal reserve of \$50,000.

Mid-year revenue is estimated to be \$804,000, composed of the County’s and all 15 cities’ allocations, the \$50,000 balance fund contribution, about \$41,000 in application fee revenue, and an estimated \$6,000 in interest revenue.

Mid-year expenses are estimated to be \$336,000, or approximately 43% of approved expenses.

Overview of Mid-Year FY 2024-2025 Work Program

Work Program item descriptions are presented as adopted *in italics* and are followed by a status report.

1. Conduct Biennial Financial Audit of FY 2021-22

This Work Program item is wrapping up from the previous FY. Only a few minor tasks remain, and staff anticipates the final report to be ready by the end of the calendar year.

2. Process Applications: reorganizations, sphere of influence amendments, etc.

Application processing is a core service in that staff evaluates applications for consistency with CKH and adopted policies to promote orderly growth. The Commission, in its determination of local agency boundaries, will be balancing that development with sometimes competing state interests of discouraging urban sprawl, preserving open-space and prime agricultural lands, and efficiently extending government services.

In the event of a conflict of staff resources between application and programmatic activities application processing will take priority.

Status at mid-year

- Reorganization applications submitted: 2
- Reorganization applications recorded/complete: 2
- Reorganization applications still in progress: 0
- Extension of service applications: 10
- Extension of time applications: 0

- Projects terminated: 0

After adjusting the annual application fees from the previous budget, application driven projects are exceeding the amount of fees anticipated thus far. Staff has conducted proactive outreach with several cities and districts and continues to aid as needed to encourage strategic planning early on. Several projects are anticipated to be submitted by the end of the FY that would get us extend us further beyond our original fee projections.

3. Continue Fresno LAFCo's Municipal Service Review Program

The MSR program is a core service in that it is the foundation for the update of a sphere of influence. A MSR is the analysis of the service or services to be provided by a local agency and consists of written conclusions, or "determinations" based on evidence collected by LAFCo. MSRs conclude with recommendations based on this body of evidence that encourage order, logic, and efficient service delivery by local agencies.

The priority MSRs for this FY are:

- City of Clovis
- City of Reedley
- City of Fowler
- Raisin City Water District
- Del Rey Community Services District

Status at mid-year

Aside from the City of Clovis and City of Fowler MSRs which are nearly finished, the City of Reedley has initiated the MSR process. The Raisin City Water District MSR is waiting on a few small but important tasks to be completed before final review can take place. Del Rey Community Services District has elected to have their MSR drafted by their consultant which is currently under review. All five MSRs are anticipated to go before the Commission prior to the end of the third quarter of this FY. Unfortunately, work on programmatic MSRs will likely be placed on pause until the end of the next FY.

4. Review and Update of Fresno LAFCO Policy Manual

Due to regular annual updates on State laws and requirements, an annual update process to the Policy Manual and Employee Handbook is underway. Draft updates are regularly completed and sent for review by our legal counsel. Workshops related to these updates are anticipated to be ongoing on an as needed basis.


Attachment A

| REVENUE SUMMARY | Approved FY 24-25 Budget | Estimated To Date | % Estimated To Date |
|---------------------------------|---|------------------------------|------------------------------------|
| ALLOCATION COUNTY | 353,522 | 353,522 | 100% |
| ALLOCATION CITIES | 353,522 | 353,522 | 100% |
| APPLICATION FEES | 25,000 | 41,000 | 164% |
| AUTH. FUND BALANCE CONTRIBUTION | 50,000 | 50,000 | 100% |
| INTEREST REVENUE | 0 | 6,000 | 50% |
| Total | 782,044 | 804,044 | 103% |

| EXPENDITURE SUMMARY | | | |
|----------------------------|----------------|----------------|------------|
| OFFICE OPERATIONS | 168,927 | 69,000 | 41% |
| PERSONNEL | 547,407 | 240,000 | 44% |
| CONSULTING SERVICES | 65,710 | 27,000 | 41% |
| Total | 782,044 | 336,000 | 43% |

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

AGENDA ITEM No. 9

DATE: January 8, 2025
TO: Fresno Local Agency Formation Commission
FROM: Brian Spaunhurst, Executive Officer 
BY: Amanda Olivas, Clerk to the Commission
SUBJECT: Staff Salary Analysis.

RECOMMENDATION: Receive, File, and Provide Direction.

Executive Summary

On June 12, 2019, the first LAFCo Employee Salary Resolution was adopted which determined staff job descriptions, salary ranges, and policies on merit increases. On November 9, 2022, Chair Santoyo appointed Commissioners Magsig and Parra to a subcommittee to work with the Executive Officer to determine what adjustments were necessary to maintain a competitive offering for staff salaries.

In 2022, that subcommittee met two times to address those matters and identified certain key points for consideration, including the following:

- Increased staff turnover identifies other comparable positions at agencies outside of the County including major cities and other LAFCos across the State.
- Suggesting reoccurring Salary Resolution updates at least every three years to ensure LAFCo maintains a competitive salary offering.

The Commission adopted a Salary Resolution on January 11, 2023, requiring, in part, 5% merit-based step increases for the various LAFCO positions, except for the Executive Officer.

However, based on staff's most recent Compensation Analysis, Fresno LAFCo does not appear to be competitive compared to the City of Fresno, the County of Fresno, or other LAFCo's in California.

Pursuant to the 2023 Salary Resolution, the next salary range review should occur no later than January 2026 but can occur sooner. Given that Fresno LAFCo's salaries appear to be below the market rates offered by other similar agencies, an update to the Salary Resolution prior to the next budget cycle would keep the Commission competitive. No action is requested at this time, but staff seeks direction for next steps from the Commission.