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

CONSENT AGENDA ITEM No. 5C

DATE: January 15, 2014

TO: Local Agency Formation Commission

FROM: David E. Fey, AICP, Executive Officer

SUBJECT: **Consider Approval –One-Year Extension of Time for the Fresno County Board of Supervisors “Dissolution of County Service Area No. 47” (LAFCo File No. DOD-12-1). (First Request).**

RECOMMENDATION: Approve One-Year Extension

State law requires that all reorganization proceedings shall be completed within one year of approval unless the Commission grants an extension of time prior to the expiration date. Failure to grant an extension will terminate the proceedings.

In accordance with *Fresno LAFCo Policies, Standards, and Procedures* Section 315-03, extensions of time may be granted when the imminent need for the proposal still exists, the project is still viable, and progress is being made toward completion. The Commission's Policies further state that the Commission may consider economic hardships beyond the control of the proponents as justification supporting the extension request.

Past experience has shown that it is not uncommon for reorganizations to take longer than the initial one-year approval to be completed, and that one or more extensions of time may be required to fulfill all conditions of approval.

Parties of Interest:

County of Fresno	Quail Lake Homeowners Association
California Water Service Company	Dirk Poeschel, AICP, Quail Lake Estates

Summary:

This reorganization was approved by the Commission on March 13, 2013. Julie Zimmer, MPA, Special Districts Administration with the County of Fresno, has requested a one-year extension of time. This is the first request for an extension of time for this application.

Project Description: A request by the Board of Supervisors to dissolve CSA No. 47 (Quail Lake) and transfer water and wastewater services to the California Water Service Company for the 381 acres between Ashlan and Shaw Avenues, east of McCall Avenue near the City of Clovis

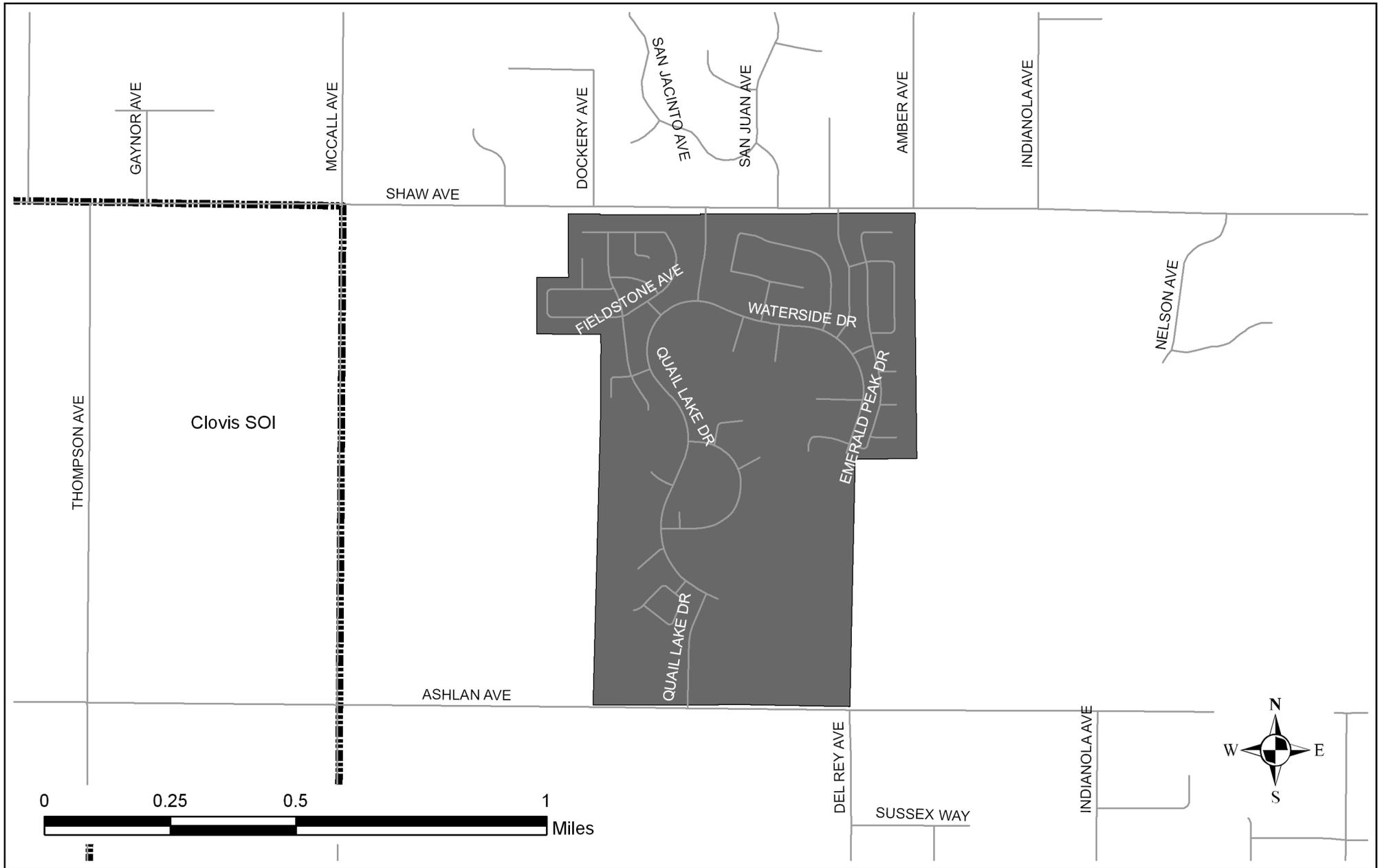
Reasons for Request and Actions Taken to Date: Julie Zimmer from the County of Fresno Special Districts Administration stated that progress has been made toward the conditions of compliance. The asset purchase draft agreement has been completed and County Counsel is working to retain Bond Counsel to review it. Miss Zimmer also indicated that the environmental review has been completed and they are working on the RFQ to obtain an appraiser to appraise the water/wastewater facilities. Shawn Heffner at California Water Service company is in support of the extension and added that the extension will allow time to finalize the purchase and sale agreement and get approval from the California Public Utilities Commission. Quail Lake Community Association representative Dirk Poeschel stated their support of the extension too.

Staff Analysis: Past experience has shown that it is not uncommon for reorganizations to take longer than the initial one-year approval to be completed, and that one or more extensions of time may be required to fulfill all conditions of approval. Significant progress has been made toward completion and there are no changes that could affect the sustainability for the dissolution.

Based on this information, it does appear that circumstances beyond the control of the County and Cal Water have delayed this dissolution. Based on these circumstances, staff supports a one-year extension.

The Following Have Received Copies of This Report:

- LAFCo Commissioners and Alternates
- Ken Price, LAFCo Counsel, Baker, Manock, and Jensen
- Bernard Jimenez, Deputy Director, Fresno County Planning Department
- Will Kettler, Fresno County Public Works and Planning Department
- Julie Zimmer, MPA, Special Districts Administration
- Darrel Schmidt, Special Districts Administration
- Shawn L. Heffner, California Water Service Company



Fresno Local Agency Formation Commission County Service Area No. 47 (Quail Lakes)

Provides Recreation, Sewer, and Water Services

Legend

-  District Area and SOI
-  City SOI

District Formed: 1996
 SOI Adopted: 2/26/1997
 SOI Updated: 11/7/2007

Map Date: November 2007
 District Area: 370 Acres
 Sphere Area: 370 Acres



County of Fresno

DEPARTMENT OF PUBLIC WORKS AND PLANNING
Alan Weaver, DIRECTOR

November 7, 2013

David E. Fey, AICP
Executive Officer
Local Agency Formation Commission
County of Fresno
2607 Fresno Street Suite B
Fresno, CA. 93721



RE: CSA No. 47 Dissolution Extension Justification Statement

Dear Mr. Fey:

Dissolution Extension Requirements Response

- 1) The progress that has been made toward the conditions of compliance for the CSA No. 47 Dissolution in the past year is continuing. The Asset Purchase Draft Agreement has been completed. County Counsel and Staff have extensively reviewed the Asset Purchase Draft Agreement and changes have been implemented. Draft Agreement Schedules have been created and supporting documents have been assembled. As we are nearing the completion of the Asset Purchase Agreement, we are at the stage that Bond Counsel needs to review. County Counsel is currently in the last stages of retaining Bond Counsel. The Environmental Review has also been completed. The Scope of Work required for the RFQ process to obtain the Appraiser is in the process of being reviewed by County Counsel and once we receive the Scope of Work back from County Counsel, we will send out the Invitation to Bid to the three potential appraisers that are qualified to appraise the Water/Wastewater Facilities.
- 2) There have been no changes to report since the dissolution was approved that could affect the sustainability for the CSA No. 47 Dissolution.
- 3) The actions taken by proponent to ensure that the project is completed within the allowed extension period are as follows: in nearing the completion of the Asset Purchase Agreement, the County of Fresno staff will be able to expedite the terms of the agreement and ensure that the terms and conditions are met for the execution of the agreement.

Mr. David Fey
LAFCO Executive Officer
November 07, 2013

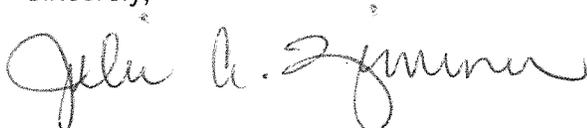
Additionally, Cal Water will have enough time to obtain approval from the Public Utilities Commission. The dissolution extension will give the County of Fresno ample time that we need to deal and to pay off the Bonds prior to the sale of CSA No. 47 Quail Lake.

- 4) Enclosed are written confirmation from Cal Water's Representative and the Quail Lake Homeowners Association supporting this extension request.

The proposal for Cal Water to assume responsibility of the assets, infrastructure, facilities and services still exists because the majority of the residents expressed a strong desire to dissolve CSA No. 47 and be operated by Cal Water. The project is still viable and is working towards completion.

If you have any questions concerning this matter please do not hesitate to contact our office.

Sincerely,



Julie Zimmer, MPA
Special Districts Administration
2220 Tulare Street 6th Floor
Fresno, CA. 93721
(559) 600-4481

Attachments: Check # 120280608 in the amount of \$ 240.00 for the extension fee.

cc: Darrel Schmidt
Betty Brown

G:\4360Resources\SPECIAL DISTRICTS\CSA\CSA 47\DISSOLUTION\Dissolution Extension



CALIFORNIA WATER SERVICE COMPANY

1720 NORTH FIRST STREET • SAN JOSE, CA 95112-4598
(408) 367-8200

RECEIVED
OCT 15 2013

FRESNO COUNTY
DEPT. OF
PUBLIC WORKS & PLANNING

Ms. Julie Zimmer
Special Districts Administration
Resources Division
Public Works & Planning Department
2220 Tulare Street, Suite 600
Fresno, CA 93721

Subject: CSA #47 (Quail Lakes) Dissolution

Dear Ms. Zimmer:

California Water Service Company (Cal Water) hereby supports the County of Fresno's request for an extension of time to complete the CSA #47 (Quail Lakes) Dissolution proceeding. Cal Water is hopeful that a one-year extension will allow the County to complete internal reviews necessary to finalize the Purchase and Sale Agreement relating to the CSA #47 system assets.

Once the agreement is executed, Cal Water will file with the California Public Utilities Commission for permission to finalize the sale and take over system operations. If I can answer any questions or provide further information, please feel free to contact me at (408) 367-8344.

Sincerely,

Shawn L. Heffner
Director of Corporate Development & Real Estate
California Water Service Company
1720 N. 1st Street
San Jose, CA 95112

DIRK POESCHEL

Land Development Services, Inc.

923 Van Ness Avenue, Suite 200 • Fresno, California 93721

559/445-0374 • Fax: 559/445-0551 • e-mail: dpoeschel@dplds.com

November 7, 2013

Via E-Mail: DSchmidt@co.fresno.ca.us

Mr. Darrel Schmidt
Fresno County Department of Public Works and Planning
Special Districts Administration
2220 Tulare St., 6th Floor
Fresno, CA 93721

SUBJECT: County Service Area No. 47 Quail Lake -LAFCo Extension

Dear Darrel:

On behalf of the Quail Lake Community Association please accept this letter of support regarding LAFCO's one year approval extension of County Service Area No. 47. The proposed extension will be for one year, terminating in March 2014.

If you have any questions, please feel free to call me.

Sincerely,



Dirk Poeschel, AICP

c: Mr. David E. Fey, AICP
Ms. Deanna Johnson
Mr. Brent Phillips
Mr. Richard Keck
Mr. Shawn Heffner
Mr. Mike Miller
Mr. Mitch Meyer