

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

AGENDA ITEM No. 7

DATE: March 9, 2022
TO: Fresno Local Agency Formation Commission
FROM: David E. Fey, Executive Officer 
SUBJECT: Consider Approval: Municipal Service Review and Sphere of Influence Update for County Service Area 32. (LAFCo File No. USOI-206)

Attachment A – Proposed County Service Area 32 Sphere of Influence update map
Attachment B – Draft County Service Area 32 Municipal Service Review
Attachment C – Notice of Exemption for County Service Area 32 Municipal Service Review
Attachment D – Notice of Determination, County Service Area 32 Sphere of Influence update CEQA Findings

Recommendations:

1. Adopt the Municipal Service Review (“MSR”) prepared for the County Service Area 32 (CSA 32); and
2. Update the CSA 32 Sphere of Influence (“SOI”) by taking the following actions:

Action 1: CSA 32 Municipal Service Review

- A. Acting as Lead Agency pursuant to California Environmental Quality Act (“CEQA”) Guidelines find that the MSR prepared for the CSA 32 is Categorically Exempt from the provisions of CEQA under Section 15306, “Information Collection.”

Action 2: CSA 32 SOI Update, LAFCo File No. RSOI-206

- B. Acting as Responsible Agency pursuant to CEQA Guidelines, find that prior to approving the CSA 32 SOI update, the environmental effects of the Proposal were analyzed by Fresno County in Environmental Review Application No. 7973 resulting in a Notice of Exemption prepared and filed by the Fresno County Department of Public Works and Planning as Lead Agency on April 23, 2021, was reviewed and considered, and determine these documents to be legally adequate pursuant to CEQA Guidelines section 15096.

Action 3: Written Determinations and Recommendations

- C. Receive this report and any public testimony regarding the proposed Municipal Service Review and proposed sphere of influence update.
- D. Approve the recommended Municipal Service Review determinations as presented in the draft CSA 32 MSR, together with any changes deemed appropriate.
- E. Approve the recommended sphere of influence update determinations together with any changes deemed appropriate.
- F. Revise the CSA 32 SOI to add approximately 46 acres as depicted in Attachment A.

Proponent: Chris Bump, Fresno County Special Districts Administration

Executive Summary

This MSR has been prepared in response to an application for an expansion of the CSA 32 sphere of influence, filed with Fresno LAFCo on September 23, 2021 (LAFCo File No. USOI-206). The County requested an approximately 46-acre SOI expansion to accommodate an approximately 43-acre annexation, LAFCo File No. AD-21-01.

Overview of CSA 32

County Service Area No. 32 Cantua Creek ("CSA 32" or "District") was formed in 1981 pursuant to County Service Area Law (Government Code ("GC") section 25210-25217) to provide potable water, wastewater disposal, streets and street lighting, solid waste disposal, and park and recreation services and day care for the farm labor housing project constructed by the County of Fresno in the unincorporated community of Cantua Creek.

The District is a dependent special district governed by the Fresno County Board of Supervisors ("BOS"). Fresno County Public Works and Planning Department ("PW&P"), Resource Division (County Resources staff) provide staff support and administer the operation of the District.

The District is located at the intersection of Clarkson Avenue at San Mateo Avenue approximately 30 miles southwest of the City of Fresno, 13 miles south of Tranquillity, and four miles east of El Porvenir/Three Rocks. The current District service area contains 21 acres and the sphere of influence ("SOI") contains 61 acres as shown in Attachment B, Figure 1; the proposed SOI is depicted in Attachment B, Figure 2.

MSR Discussion

MSRs are used by the LAFCo to collect information and evaluate service provisions and service providers from a broad perspective. The MSR Program provides the Commission the ability to retain the necessary information and data to ensure that the LAFCo has access to all the necessary information in a timely manner to make sound determinations with respect to municipal services, or when requested to update an SOI for a local agency.

The draft CSA 32 MSR evaluated the services provided by the District in light of the required MSR determinations (Attachment B). Pursuant to LAFCo policy 107.02 and based on the data gathered during the MSR update process, the draft CSA 32 MSR recommends that the County of Fresno amend the Cantua Creek Rural Settlement Area boundaries to coincide with the revised CSA 32 SOI and service area.

MSR Availability and Public Review

LAFCo Policy 107-03 requires that a draft MSR be posted on the Commission's website with a minimum 21-day public review period. The CSA 32 MSR update was circulated February 16, 2022, prior to the March 9, 2022, hearing. Pursuant to GC sec. 56427, 36 mailed notices were sent to all affected local agencies and owners of land within the affected territory. Additionally, a 21-day notice of Commission hearing was published February 16, 2022, in *The Business Journal*.

Statutory Findings for a Sphere of Influence Update

A SOI is defined and discussed in sections 56076, 56425, and 56426.6 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("CKH").

CKH defines a SOI as the "plan for the probable physical boundaries and service area of a local agency, as determined by the Commission."¹ Furthermore, CKH charges the Commission with approving SOIs "in order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies to advantageously provide for the present and future needs of the county and its communities."²

Written determinations for a sphere of influence amendment pursuant to CKH are presented here and analyzed in detail in Attachment E of this report:

1. The present and planned land uses in the area, including agricultural and open space lands;
2. The present and probable need for public facilities and services in the area;
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide;
4. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency; and
5. For an update of 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

CSA 32 SOI Analysis

The Commission's last update of the CSA 32 SOI was in 2011. The current CSA 32 SOI encompasses 64 acres. AD-21-01 proposes to annex additional territory to CSA 32 necessitates the update of the SOI.

By Commission policy, a SOI generally considers the probable growth of a local agency within a 20 to 25-year planning horizon. CKH mandates that every five years, the Commission shall, as necessary, review and update each SOI for local agencies under its purview. The County has determined that the parcels to be included in the SOI expansion facilitate and encourage orderly growth and development, both essential to the social, fiscal, and economic well-being of the community.

In summary, the MSR determinations support an SOI expansion as orderly and logical growth of the CSA that would provide for efficient extension of municipal services. The MSR and supporting data provides the evidence to support each determination. GC section 56430 requires that in order to prepare and update SOIs, the Commission shall first conduct a municipal service review and prepare a written statement of its determinations with respect to each of the following topics:

1. Growth and population projections for the affected area.
2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

¹ GC sec. 56076.

² GC sec. 56425(a).

3. Present and planned capacity of public facilities, adequacy of public services, and 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.
4. Financial ability of agencies to provide services.
5. Status of, and opportunities for, shared facilities.
6. Accountability for community service needs, including governmental structure and operational efficiencies.
7. Any other matter related to effective or efficient service delivery, as required by commission policy.

Required Findings and Determinations

Under CKH, there are a series of required findings that need to be made in respect to this Proposal. Staff presents in this report and attachments as the evidence and analyses in support of the required findings.

SOI Expansion and Williamson Act Land Conservation Contracts

Under GC sections 56426, and 56426.6(a), the Commission shall not approve a change to the SOI of a local agency of territory that is subject to a contract entered into pursuant to the California Land Conservation Act of 1965 (Chapter 7 (commencing with Section 51200) of Part 1 of Division 1) if that local government agency provides, or would provide, facilities or services related to sewers, nonagricultural water, or streets and roads to the territory, unless these facilities or services benefit land uses that are allowed under the contract and the landowner consents to the change to the sphere of influence.

The CSA 32 MSR notes that there are no active Williamson Act Contracts within the area proposed to be included in the CSA 32 SOI update.

Environmental Determination

A MSR collects and analyzes data in support of future LAFCo actions and therefore is exempt from environmental review, pursuant to Section 15306, "Information Collection" of the California Environmental Quality Act (CEQA) Guidelines. Nevertheless, the MSR supports CSA 32's request to update the CSA 32 SOI in a manner that is consistent with the CSA 32 General Plan.

The proposed SOI update was independently assessed by the County acting as Lead Agency through its initial study resulting in a determination that the proposed SOI expansion and related annexation were exempt from CEQA. This Notice of Exemption was filed by the Fresno County Department of Public Works and Planning on April 23, 2021.

As a "Responsible Agency" pursuant to CEQA Guidelines, the Commission is required to independently review and consider the environmental effects of the Project as presented in the subject initial study prior to reaching its decision on the Proposal (Sec. 15096 *et seq.* of the CEQA Guidelines).

Acting in the capacity of a Responsible Agency, LAFCo shall consider the Lead Agency's initial study and Notice of Exemption. Staff recommends that the Commission review and consider the documents prepared by Fresno County and determine these documents to be legally adequate pursuant to CEQA Guidelines section 15096.

Individuals and Agencies Receiving this Report

- Ken Price, LAFCo Counsel
- Bernard Jimenez, Planning & Resource Management Officer, Fresno County
- Chris Bump, Fresno County Special Districts Administrator
- John Donmyer, Fresno County Public Works and Planning
- Sebastian Artal, Fresno County Public Works and Planning

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