

FRESNO LOCAL AGENCY FORMATION COMMISSION (LAFCo)

(Fresno County, California)

“MINUTES”

REGULAR LAFCo MEETING –FEBRUARY 4, 2009

Call to Order: Chair Pro Tem Anderson called the meeting to order at 1:36 p.m.

Members Present: Commissioners Susan Anderson, Larry Fortune, Henry Perea and Trinidad Rodriguez

Members Absent: Chairman Lopez

Staff Present: Rick Ballantyne, LAFCo Executive Officer
Darrel Schmidt, LAFCo Deputy Executive Officer
Kenneth J. Price, LAFCo Counsel
Susan Pool, LAFCo Office Assistant II
Samantha Hendricks, LAFCo Technician II

1. **Call to Order and Roll Call**
2. **Pledge of Allegiance**
3. **Minutes from the regular LAFCo Meeting of January 7, 2009.**

The minutes were unanimously approved as presented.

4. **Potential Conflicts of Interest: Any Commission Member who has a potential conflict of interest may now identify the item and recuse themselves from discussing and voting on the matter.**

Chair Pro Tem Anderson reported a conflict on Agenda Item 6-A.

CONSENT AGENDA

5. **“James Irrigation District Annexation” (Gordon Property) (LAFCo File No. AD-08-1).**

A motion to approve the Consent Agenda was made, seconded, and passed unanimously. No public comments were offered.

PUBLIC HEARINGS

6. **Request for a One-Year Extension to Complete Proceedings for the following**
 - A. **City of Sanger “California-Academy Northwest Reorganization” (LAFCo File No. RO-07-21).**

Deputy Executive Officer Darrel Schmidt presented staff’s report. Chair Pro Tem Anderson opened the public hearing.

Ralph Kachadorian representing the City of Sanger spoke in support of the extension and made himself available for questions.

A motion to approve the time extension was made, seconded, and passed unanimously with Chair Pro Tem Anderson abstaining.

B. City of Fresno “Shields-Locan No. 3 Reorganization” (LAFCo File No. RO-07-26).

Deputy Executive Officer Schmidt presented staff’s report. He reported that some progress has been made towards completion of the reorganization but recommended that no further extensions be granted unless additional justification and/or substantial progress is made in the coming year.

Chair Pro Tem Anderson opened the public hearing. With no public comment offered, a motion to approve the time extension was made, seconded, and passed unanimously.

C. City of Fresno “McKinley-Blythe No. 1 Reorganization” (LAFCo File No. RO-08-2).

Deputy Executive Officer Schmidt reported that while no significant progress had been made towards completion, staff would support an extension. He did recommend, however, that no additional extensions be granted unless substantial progress is made within the coming year. Chair Pro Tem Anderson opened the public hearing.

Daryl Nicholson, the current property owner, spoke in support of the extension. He stated that he purchased the property from Ennis Homes—a homebuilder who had entered into bankruptcy. The public hearing was then closed. A motion to approve the time extension was made, seconded, and passed unanimously.

Executive Officer Rick Ballantyne commented that due to the Commission’s concerns regarding extension requests based solely upon economic hardships, a report would be presented to the Commission during its March hearing that would review LAFCo “Time Extension” policies.

7. City of Fresno “Belmont-Sunnyside No. 3 Reorganization” (Island Annexation) (LAFCo File No. RO-08-14)

Executive Officer Ballantyne presented staff’s report and reviewed the eight State law criteria necessary for annexing “County Islands” of less than 150 acres in size. LAFCo Counsel Ken Price informed the Commission that if all eight criteria could be met, that the State law limits the Commission’s discretionary decision making powers. Chair Pro Tem Anderson opened the public hearing.

John Feasel spoke in opposition to the proposal. He indicated that his property was not served by the Bakman Water District. In addition, Mr. Feasel requested that some guarantee be made that sidewalks would not be constructed in their neighborhood. Terry Slaven, President of the Homeowner’s Association, also spoke in opposition to the annexation proposal. He stated that residents should have rights to determine whether they live in the City or remain in the County.

Richard Powers testified that profits from the sale of an abandon County operated sewer plant were to be used for the benefit of area homeowners via lighting and street improvements. In addition, he said water would be paid for until all funds had been depleted. Charles Peterson spoke in opposition stating he doesn't trust the City.

Mr. Powers also inquired about the City's pre-zoning, noting that the lots within the Fancher Creek area are currently zoned for horses. Terry Slaven questioned how residents would benefit from being annexed to the City if it would cost them more. He also questioned whether Finding No. 7 (State law criteria) contained within staff's report could be met.

Bruce Barnes representing the City of Fresno stated that residents living within the County Island were already receiving City services such as police, fire, water, and sewer. Also, that the City does not intend to construct sidewalks. Dave Braun also representing the City of Fresno reported that the current zoning does not provide for horses. However, the City could apply the ANX "Overlay" District to the properties which would permit horses.

Chair Pro Tem Anderson asked the City representatives to address taxation changes. Bruce Barnes responded that there will be a slight increase in property taxes; however, the City's garbage service is less expensive. Also, the City will provide street lighting services at no charge to residents. This would result in a savings for property owners located within CSA No. 7.

Commissioner Perea sympathized with the residents and inquired as to LAFCo's timeline to insure that the City complied with certain requirements. LAFCo Counsel Ken Price stated that LAFCo has limited direct land use authority—noting that he had never seen LAFCo's authority extend to construction of any public improvements.

Bruce Barnes reported that the required agreement for transferring County CSA No. 7 lighting functions to the City was being prepared that would call for the County to pay the City of Fresno whatever amount of funds were left over from the County lighting district and that the City would use remaining funds for purposes of maintaining or improving the eight street lights in the affected territory.

Joe Prado, representing the County Special Districts Administration, explained that the four-acre former County sewer plant site was abandoned and Sanitation District No. 2 was dissolved and that there was a minimal amount of unspent funding remaining. Mr. Prado said these funds were never to be used as a rebate to residents, but for future improvements to benefit area residents. He reported that there had been on-going discussions between the City and County regarding the possible purchase of the former sewer plant site—but some major constraints concerning past use and resultant impacts would have to be addressed.

Vernon Jansen also spoke in opposition to annexation and took issue with the City's claim as to the amount of police activity reported by City representatives. Chair Pro Tem Anderson recommended that the item be continued to allow time for City Representatives to meet with area residents to address their concerns. Terry Slaven was chosen to represent the area residents.

LAFCo Counsel Price explained the item could be continued for up to sixty days. The public hearing was then closed. A motion to continue the item to the March 11th hearing was made, seconded, and passed unanimously.

Note: Staff requested that Item No. 9 be moved up in the agenda and heard next. The Commission concurred with this request.

9. LAFCo Counsel Report:

Presentation: Update Regarding LAFCo Efforts To Facilitate a Resolution of Dispute Between Consolidated Irrigation District and Cities of Fowler, Kingsburg, Parlier, Sanger, and Selma.

LAFCo Counsel Price briefly introduced Don Pauley, Kingsburg City Manager (representing the five cities); and Phil Desatoff, Consolidated Irrigation District General Manager. Don Pauley stated that area residents may not like the fact that their water rates may go up substantially within the next five years—but that this is probably the best agreement between the Cities and the District that may be reached. Phil Desatoff commented that from the District’s perspective that this is a workable agreement.

Ken Price noted that if the agreement is signed between the District and the individual cities—that it would address various groundwater and service district mitigation requirements as per CEQA requirements.

8. A. Fresno LAFCo Work Program

Deputy Executive Officer Schmidt presented an update of the LAFCo Work Program that covered forty-six specific items. He discussed work completed on the City’s Island Annexation Program; the Valley Blueprint effort; fire transition agreements; groundwater preservation efforts; and other follow-up actions stemming from recommendations of LAFCo’s Municipal Service Reviews (MSR’s).

Chair Pro Tem Anderson and Commissioner Fortune questioned when the next time period for MSR’s to be completed would be. Executive Officer Ballantyne reported that staff could begin them at any time. LAFCo Counsel Price added that before any City can amend their Sphere of Influence, an MSR must be completed. No formal Commission action was necessary since this was an informational item.

B. Fresno LAFCo Current Budget Review

Executive Officer Ballantyne reported that LAFCo is living well within its budget. This fact was recently confirmed by Robert Delay of the County Auditor’s Office and Alternate Commissioner Joe Chaidez, CPA, who also reviewed LAFCos current financial situation/condition. Mr. Chaidez recommended that an “independent” audit be performed and programmed within next year’s budget and that LAFCo staff be responsible for on-going self auditing in the future. No formal Commission action was necessary since this was an informational item.

CLOSED SESSION:

10. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

- **Title: Executive Officer (Continued from January 7, 2009)**

No Reportable Action Taken.

COMMENTS FROM THE PUBLIC

No public comment was offered.

ADJOURNMENT

The Commission adjourned the meeting at 3:51 p.m. and announced its next meeting to be held on March 11, 2009, at 1:30 p.m. in the Board of Supervisors' Chamber - Hall of Records, Room 301, Fresno, California.