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

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**CONSENT AGENDA ITEM No. 6**

**DATE:** June 13, 2007

**TO:** Fresno Local Agency Formation Commission

**FROM:** Rick Ballantyne, Executive Officer  
Darrel Schmidt, Deputy Executive Officer

**SUBJECT:** **Consider Adoption** – Municipal Service Review and Sphere of Influence Update prepared for the Fresno Metropolitan Flood Control District

**Summary / Background**

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires LAFCo to review and update, as necessary, special district's sphere of influence (SOI) before January 1, 2008, and every five years thereafter. Prior to, or in conjunction with an agency's SOI update, LAFCo is required to conduct a *Municipal Service Review* (MSR) for each agency.

On December 13, 2006, the Commission directed staff to enter into a contract with Braitman & Associates to prepare MSRs and SOI Updates for numerous cities and special districts. The attached MSR has been prepared for the Fresno Metropolitan Flood Control District.

Municipal Service Reviews provide a comprehensive review of the services provided by a city or district and present recommendations with regard to the condition and adequacy of these services and whether or not any modifications to a city or district's SOI is necessary. MSRs can be used as informational tools by LAFCo and local agencies in evaluating the efficiencies of current district operations and may suggest changes in order to better serve the public.

Sphere of Influence updates may involve an affirmation of the existing SOI boundaries or recommend modifications to the SOI boundary. LAFCo is not required to initiate changes to an SOI based on findings and recommendations of the service review, although it does have the power to do so. Such updates are required by State law to be conducted every five years. MSRs are required to be prepared prior to or in conjunction with SOI updates.

State law requires that the Commission in its consideration of the MSRs adopt written determinations for each of the following nine criteria:

1. Infrastructure needs or deficiencies
2. Growth and population projections for the affected area
3. Financing constraints and opportunities
4. Cost avoidance opportunities
5. Opportunities for rate restructuring
6. Opportunities for shared facilities
7. Government structure options, including advantages and disadvantages of the consolidation or reorganization of service providers
8. Evaluation of management efficiencies
9. Local accountability and governance

As part of the SOI update, if the Commission determines that modifications to a district's SOI boundary is appropriate, it is required to consider the following four criteria and make appropriate determinations in relationship to each of the following:

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

### **Environmental Determination**

Staff has determined that consideration of and adoption of the Fresno Metropolitan Flood Control District's MSR and SOI determinations are actions considered to be "Categorically Exempt" as per Section 15306 (Information Collection) of the California Environmental Quality Act Guidelines (CEQA). Any change to a district's SOI resulting from recommendations adopted by the Commission will require additional review under CEQA.

### **Discussion & Summary of Determinations**

The Fresno Metropolitan Flood Control District is located in central Fresno County, encompassing approximately 255,555 acres (399 square miles), including the Cities of Fresno and Clovis and extending into the foothills east of the two cities. It is the only "metropolitan" flood control district operating within the County. The District's boundary and Sphere of Influence (SOI) are coterminous.

The District's primary services include a local drainage program and regional flood control system. Other services include water conservation, storm water disposal, groundwater recharge, and recreation.

The District has 77 full-time and three part-time employees. Its headquarters are located in the City of Fresno. Its facilities also include numerous drainage facilities, flood control water courses, and retention basins for drainage and flood control. The District anticipates an expanded need for services in conjunction with expansion of the Fresno/Clovis Metropolitan Area, as projected by the City of Fresno, City of Clovis, and Fresno County General Plans.

The District's projected revenues of \$29,177,253 for FY 2006-07 include property taxes and subventions, assessment taxes, and capital project reimbursements. Approximately 53% of these funds have been appropriated for capital expenditures and year-end encumbrances.

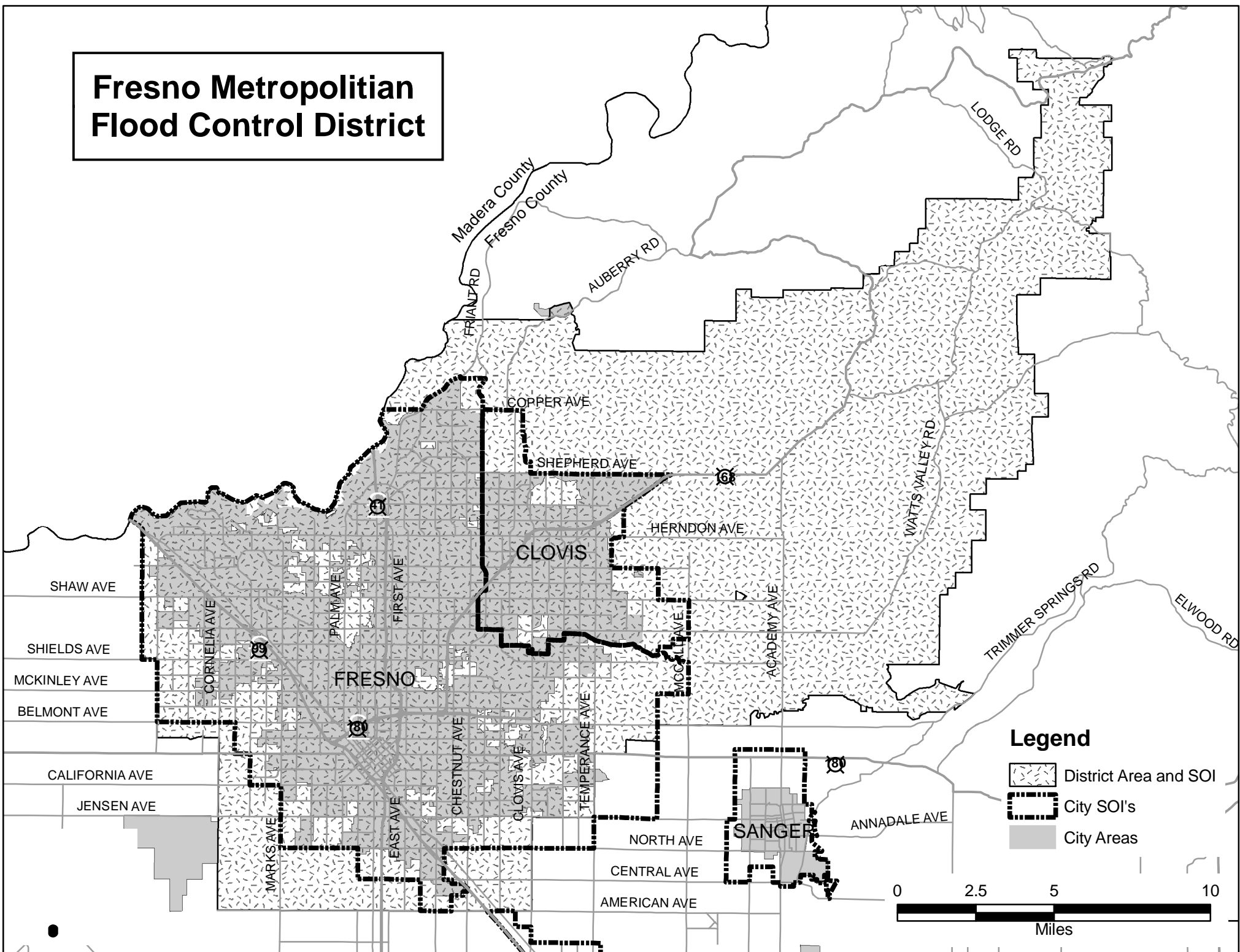
There are no obvious opportunities for shared facilities due to the type of services provided and the fact that the District already operates on a regional scale. No significant cost avoidance opportunities were identified through this review. The District's seven-member Board of Directors are appointed by the Board of Supervisors and the City Councils of Fresno and Clovis.

The District has no immediate plans for expansion of its boundaries, though it is interested in preparing a Master Plan and expanding its SOI and boundaries to include the City of Fresno's Southeast Growth Area. The District has not submitted an application for expansion of its SOI to LAFCo. No other changes to the District's SOI have been proposed.

**Recommendations:**

- A. Acting as Lead Agency pursuant to California Environmental Quality Act (CEQA) Guidelines, find that prior to adopting the written determinations, the Municipal Service Review and Sphere of Influence determinations under consideration are Categorically Exempt from the provisions of the California Environmental Quality Act (CEQA) under Section 15306, "Information Collection".
- B. Find the Municipal Service Review and Sphere of Influence Update prepared for the Fresno Metropolitan Flood Control District are complete and satisfactory.
- C. Find that the written determinations within the Municipal Service Review and Sphere of Influence Update satisfy State Law.
- D. Pursuant to Government Code Sections 56425 and 56430 adopt the determinations as presented in the Municipal Service Review and Sphere of Influence Update documents.

# Fresno Metropolitan Flood Control District



## Legend

-  District Area and SOI
-  City SOI's
-  City Areas



**RESOLUTION NO. MSR-07-5**

**FRESNO LOCAL AGENCY FORMATION COMMISSION  
FRESNO COUNTY, CALIFORNIA**

**In the Matter of**

**LAFCo Determination**

**RESOLUTION ADOPTING MUNICIPAL )  
SERVICE REVIEW AND MAKING )  
DETERMINATIONS FOR THE )  
SPHERE OF INFLUENCE OF THE )  
FRESNO METROPOLITAN FLOOD )  
CONTROL DISTRICT )**

**ADOPT MUNICIPAL SERVICE REVIEW  
PREPARED FOR THE FRESNO  
METROPOLITAN FLOOD CONTROL  
DISTRICT AND ADOPT FINDINGS FOR THE  
DISTRICT'S SPHERE OF INFLUENCE**

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**WHEREAS**, pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56425 et. Seq.) the Fresno Local Agency Formation Commission is required to review and update, as necessary, Spheres of Influence of local agencies not less than once every five years; and

**WHEREAS**, Government Code Section 56430 directs the Commission to conduct a review of municipal services not later than the time it considers an action to establish or update a Sphere of Influence; and

**WHEREAS**, notice of this Commission's hearing of said request was duly given in a publication of general circulation as required by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 and State law, and at the time and in the form and manner provided by law; and

**WHEREAS**, the Commission has heard, discussed and considered all relevant evidence, including but not limited to the Executive Officer's *Municipal Service Review and Sphere of Influence Update Report*, environmental documentation, applicable land use plans and all testimony, correspondence and exhibits received during the public hearing process, all of which are included herein by reference.

**NOW, THEREFORE, BE IT RESOLVED that the Local Agency Formation Commission of the County of Fresno does HEREBY STATE, FIND, RESOLVE, DETERMINE, AND ORDER as follows:**

**Section #1.** Acting as Lead Agency pursuant to California Environmental Quality Act (CEQA) Guidelines, this Commission finds that prior to adopting the written determinations, the Municipal Service Review and Sphere of Influence determinations under consideration are Categorically Exempt from the provisions of the California Environmental Quality Act (CEQA) under Section 15306, "Information Collection".

**Section #2.** This Commission finds the Municipal Service Review and Sphere of Influence Update prepared for the Fresno Metropolitan Flood Control District are complete and satisfactory.

**Section #3.** This Commission finds that the written determinations within the Municipal Service Review and Sphere of Influence Update satisfy State Law.

**Section #4.** Pursuant to Government Code Sections 56425 and 56430 this Commission hereby adopts the determinations as presented in the Municipal Service Review and Sphere of Influence Update documents.

**Section #5.** -The Executive Officer is hereby authorized and directed to mail certified copies of this resolution as provided in Government Code Section 56882 and to file, as appropriate, in the office of the Fresno County Clerk all environmental documents, if any, pertaining to the approval of this Proposal, as required by State law.

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**ADOPTED THIS 13<sup>th</sup> DAY OF JUNE, 2007, BY THE FOLLOWING VOTE:**

**AYES: Commissioners Rodriguez, Fortune, Anderson, Larson, Lopez**

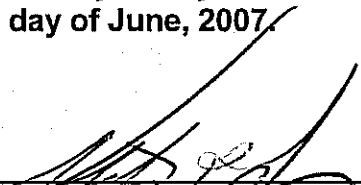
**NOES: None**

**ABSENT: None**

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

**CERTIFICATION**

**I, Victor Lopez, Chairman of the Fresno Local Agency Formation Commission (LAFCo), Fresno County, State of California, hereby certify that the foregoing resolution was adopted by the Commission on the 13<sup>th</sup> day of June, 2007.**

  
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**Victor Lopez, Chairman  
Fresno Local Agency Formation Commission**

# **FRESNO METROPOLITAN FLOOD CONTROL DISTRICT**

## **MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE**

Report to the  
**Fresno Local Agency Formation Commission**

June 2007

# 1. MUNICIPAL SERVICE REVIEW

## Description of District

The Fresno Metropolitan Flood Control District was created in 1957. It operates pursuant Water Code Appendix, Section 73 et seq.).

The District encompasses approximately 399 square miles including the cities of Clovis and Fresno and a significant area extending eastward into the foothills and mountains.

The District is governed by a seven-member Board of Directors: two members are appointed by the Board of Supervisors, four by the Fresno City Council and one by the Clovis City Council.

The District is administered by the General Manager. There are 77 full-time and three part-time employees.

## District Services

The District provides several public services, the primary of which are a local drainage program and regional flood control system. Ancillary services include water conservation, storm water disposal and groundwater recharge and recreation.

# 2. MSR DETERMINATIONS

This portion of the report addresses the factors specified in the governing statute for Municipal Service Reviews.

## **Infrastructure Needs and Deficiencies**

The District owns and operates a significant number of drainage facilities, flood control water courses and retention basins for drainage and flood control purposes and related active and passive recreation areas.

The District headquarters is located in Fresno. An extensive list of the District facilities is available in the LAFCO office.

The District has an active program to anticipate and respond to demands for its services. One of the primary drivers of the District's priorities is the rapid urban growth in the Fresno/Clovis area, though land use policies to increase densities and slow urban sprawl are changing the design of new residential developments and often require modifications to collection systems and additional basin capacity.

It appears the District is able to accommodate current service demands from these facilities but anticipates continued infrastructure to meet future demands for adequate

flood control facilities. A significant portion of the District budget is devoted to capital improvements.

The District notes that its Services Plan anticipates expansion of services concordant with expansion of the metropolitan area as projected by City of Fresno, City of Clovis and Fresno County General Plans which typically project land uses and service demands for 20 years into the future.

It indicates the basis for and methods of projecting service demand projections are found in the City and County general plans for explanations of service demand projections.

### **Growth and Population Projections**

District services do not directly facilitate or affect the rate or location of population development but District services respond to increased service needs for flood control and local parks and recreation activities as population growth occurs.

### **Financing Constraints and Opportunities**

Primary funding sources are property taxes, assessments, reimbursements for flood control improvements and cash carryover from the prior fiscal year.

The District reports its creation reflects citizen action mandating the construction of a regional flood control system, local drainage facilities and a water conservation/recharge program. It notes that the District received, via a local election, one of the highest levels of voter support for increased taxes or assessments.

Expected District revenues for FY 2006-07 are \$29,177,253, of which \$6,913,625 are property taxes and subventions, \$7,514,852 are assessment taxes and \$6,020,326 are capital project reimbursements. The carryover fund balance is \$8,776,526 though most of that represents previously authorized capital projects.

Of the District's \$29,177,253 appropriation for FY 2006-07, \$15,471,541 represents capital expenditures and year end encumbrances while total administration, operational, professional services and supplies are \$4,052,283.

### **Cost-Avoidance Opportunities**

Given its defined responsibilities, no readily available cost avoidance opportunities seem to be available that are not already being implemented to avoid or minimize costs.

### **Opportunities for Rate Restructuring**

There are no obvious opportunities for rate restructuring in the operations of the District. It relies almost entirely on property taxes and assessments, plus capital contributions related to mitigating the impacts of new development projects.

### **Opportunities for Shared Facilities**

Due to its size and scale, the District already realizes the benefits of regional facilities and operations.

### **Government Structure Options**

There do not appear to be readily advantageous government structure options.

### **Management Efficiencies**

Given its extensive service area the District exhibits the characteristics of a well-managed agency operating efficiently and serving its residents and customers effectively.

### **Local Accountability and Governance**

A seven-member Board of Directors appointed by the Board of Supervisors and City Councils of Clovis and Fresno governs the District. The Board meets twice a month. Notices are posted at the District office. Notices of public meetings are mailed to interested parties and advertised in the newspaper. The District maintains a website with information about the District

## **3. SPHERE OF INFLUENCE REVIEW AND UPDATE**

Government Code Section 56076 defines sphere of Influence as “A plan for the probable physical boundaries and service area of a local agency, as determined by the commission.

### Description of Current Sphere of Influence

The District’s boundaries and sphere of influence are coterminous.

### Prospective Sphere Change

The District reports its boundary is correct at this time but that it is interested in preparing a master plan and expanding its sphere and boundaries to provide services to the Southeast Urban Growth Area planned to be part of the City of Fresno. No request to expand the sphere has been submitted to the LAFCO office.

### Sphere of Influence Determinations

Inasmuch as no changes in the sphere of influence are proposed at this time it is not necessary for the Commission to adopt or approve Sphere of Influence determinations.

## 4. ACKNOWLEDGEMENTS & REFERENCES

This draft Municipal Service Review was prepared by Braitman & Associates working at the direction of the Fresno LAFCO staff. Responsibility for any errors or omissions rests with those who prepared the report.

The Fresno Metropolitan Flood Control District provided information on which the evaluation is based. Staff Analyst Kristine Johnson was instrumental in providing a significant amount of data.

### Available Documentation

The “Request for Information for Municipal Service Reviews” submitted by the District and supporting documents referred to therein are available in the LAFCO office.

## 5. RECOMMENDATIONS

In consideration of information gathered and evaluated during the Municipal Service Review it is recommended the Commission:

1. Accept public testimony regarding the proposed Municipal Service Review.
2. Approve the recommended Municipal Service Review determinations, together with any changes deemed appropriate.
3. Affirm the current Sphere of Influence and that it not be revised at this time.