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

CONSENT AGENDA ITEM No. 9

DATE: **September 12, 2007**

TO: **Fresno Local Agency Formation Commission**

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

SUBJECT: **Consider Adoption – Municipal Service Reviews and Sphere of
Influence Update Prepared for the City of Clovis (Continued from May
16, 2007).**

Summary / Background

On May 16, 2007, the Commission continued this item so that it could be considered at the same hearing that Municipal Service Reviews (MSRs) and Spheres of Influence (SOI) Updates were presented for the Cities of Fresno and Sanger as well as County Waterworks and Service Areas located in proximity to the Fresno Metropolitan Area. It was felt by the Commission that because of these Cities and District's proximity to one another, they should be considered at the same public hearing.

During the May 16th hearing, the County of Fresno Department of Public Works and Planning, indicated concern related to the Clovis Municipal Service Review process and its failure to address County concerns (see attached letter). The continuance was supported in order to allow discussions to take place between the County, the City of Clovis, and LAFCo staff related to County perceived deficiencies in the Clovis MSR/SOI Update.

Since the May 16th hearing—County, City of Clovis, and LAFCo staffs have met on two separate occasions to address jurisdictional concerns and seek common understandings related to the purpose of the MSR. The meetings have resulted in some additional changes to the MSR that will be incorporated in the final draft.

Also, due to the large number of MSR/SOI updates which were considered by the Commission at its August 22nd meeting, and with the one week delay of the Commission's August meeting, it was not practical to try and schedule the Clovis, Fresno, Sanger, and County Districts' MSRs for this meeting. Both the County and City of Clovis support the request for continuance.

Recommendation: **Continue Item to October 10, 2007**



County of Fresno

DEPARTMENT OF PUBLIC WORKS AND PLANNING
ALAN WEAVER, DIRECTOR

May 16, 2007

Rick Ballantyne, AICP, Executive Officer
Fresno Local Agency Formation Commission
2115 Kern Street, Suite 310
Fresno, CA 93721

Subject: Municipal Service Review and Sphere of Influence Update for the City of Clovis

Dear Rick:

Thank you for meeting with County staff yesterday to discuss the above matter. You and your staff's willingness to consider the County's concerns are greatly appreciated. As discussed with you yesterday, the Public Works and Planning Department has a number of concerns with the proposed Municipal Service Review prepared for the City of Clovis, both as particular to Clovis, and also for the model it establishes for the municipal service reviews being conducted for all of Fresno County's cities and special districts. These concerns are discussed below.

Scope of Municipal Service Review:

Fundamentally, the County is concerned that the scope of the Municipal Service Review (MSR) has been limited to only the City's LAFCo-adopted sphere of influence (SOI). It is the County's position that the MSR should go beyond the City's SOI in order to adequately evaluate impacts to and/or service efficiencies of existing service providers located in proximity to the city that may be impacted by anticipated future city growth. Specifically, County Water Works District 42, Community Service Area 47, Community Service Area 10 and 10A should be considered in the evaluation of the Clovis MSR given these areas are located within the Clovis General Plan area. This is consistent with Fresno LAFCo adopted policy Section 330-11 relating to Comprehensive Service Reviews which indicates in part "*The Commission shall include in the area designated for service review the County, the region, the sub-region, or any other geographic area as is appropriate for the analysis of the service or services to be reviewed...*"

In addition, Appendix D of the State of California's Local Agency Formation Commission Municipal Service Review Guidelines indicates the following:

- *"The review would not focus exclusively on an individual jurisdiction to determine its future boundary or service areas. Rather, it would require LAFCo to look broadly at all agencies within a geographic region that provides a service. The review would also include a component that examines the benefits or disadvantages of consolidation or reorganization of service providers."*
- *"The commissions believe that there clearly needs to be an ongoing examination of the efficiency of governmental services, and that LAFCo is the appropriate agency to oversee this review. Where district consolidations or absorption of district functions into general purpose local governments will improve efficiency or transparency of service delivery, they should be aggressively pursued."*

Chapter 1, Executive Summary:

Page 1 and 2 – Infrastructure Needs or Deficiencies - Items No. 2 and 9 notes that adequate services can be provided in the existing SOI area as development occurs as depicted in the City's General Plan and Master Municipal Service Plan, and that the City will have adequate supplies of water to sustain growth in the City and current SOI over the next 20 years. The Fresno/Clovis Metropolitan area has been in an overdraft condition for several years. As noted in the MSR, this overdraft has typically been approximately five to ten thousand acre feet of water annually. This overdraft condition needs to be identified and addressed by the Clovis MSR. Existing development, including lands within the proposed Dry Creek Rural Water Association (Dry Creek) have potentially been adversely affected by overdraft conditions cause by the cities continued growth and reliance on groundwater. Dry Creek is in the process of forming a water service area to address groundwater deficiencies in the area just north of the Clovis SOI. In addition, the City of Clovis has not secured an adequate water supply for the Northeast Growth Area depicted in the 1993 Clovis General Plan.

Page 4 - Chapter 1, Opportunities for Rate Restructuring - Item No. 2 notes that the City requires development to pay its own way, meaning that existing residents shall not have to pay increased rates due to new development being annexed to the City. The Clovis MSR should be corrected to note that major infrastructure improvements are secured by rate payers. If development slows or dramatically decreased rate increases would be necessary to fund major infrastructure improvements.

Chapter 3, Sphere of Influence Review:

Page 18, Growth and Population - The Clovis MSR concludes that the existing SOI is not adequate to accommodate the projected population growth through the year 2025. This determination appears to be based on projected population growth, the inventory of vacant land available and current population densities. While all of these considerations are valid factors in determining the need for an SOI expansion, usage of current population density is misleading given the range of large lot development, including Rural Residential development that exists in the current city limit boundary. In addition, current population density is not reflective of the numerous Smart Growth and Landscape of Choice policies and principals adopted by the City and reflected in the City's current planning programs.

Page 30, Section 3.4 – The Existence of Any Social or Economic Communities of Interest in the Area if the Commission Determines That They Are Relevant to the Agency - Other Affected or Interested Agencies. The County of Fresno needs to be added to the list of agencies or districts within the City of Clovis SOI.

Chapter 4 – Municipal Service Review:

Page 32, Section 4.1 – Infrastructure Needs & Deficiencies – This Section indicates that the City of Clovis presently has the capacity to provide essential public services to City residents within its boundaries and that other City services and facilities will be expanded as needed to accommodate growth. This Section needs to be expanded to address potential impacts on surrounding properties and existing service providers as a result of future anticipated development as noted in Page 1 above.

May 16, 2007 Deputy Executive Office's Report:

Page 4, Infrastructure Needs or Deficiencies - The Staff Report includes a note which indicates the Department of Public Works and Planning has expressed a desire to dissolve Waterworks District No. 42. County staff was like to clarify that this is not County staff's position. Rather it is requested that evaluation of Waterworks District 42, and other service providers noted above be included as part of the Clovis MSR to determine what impacts Clovis may have on these services and whether or not consolidation is warranted.

Availability of Municipal Service Reviews:

The County requests that interested agencies be given the opportunity to review the MSR's in advance of finalizing LAFCo's staff recommendation. At a minimum we request that a 10-day review period be provided.

In summary the County believes the MSR prepared for the City of Clovis lacks sufficient analysis and information to fully evaluate and make the required nine considerations as required by State law. As the MSR is intended to provide local decision makers a framework on which to understand and plan for future growth, it is important that the LAFCo use this opportunity to fully evaluate the service demands and opportunities for efficiencies that will shape our communities in years to come. We therefore request that this item be continued in order to provide opportunity for the County, City of Clovis and LAFCo staff to address the identified deficiencies.

Please share this letter with the Fresno LAFCo Commission. If you have any questions, please call me at (559) 262-4078.

Sincerely,



Alan Weaver, Director
Department of Public Works and Planning

- c: Fresno County Board of Supervisors
Bart Bohn, County Administrative Office
Lynn Gorman, Deputy Director of Planning
Bernard Jimenez, Development Services Division Manager