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

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AGENDA ITEM NO. 8

**DATE:** August 11, 2021

**TO:** Fresno Local Agency Formation Commission

**FROM:** David E. Fey, Executive Officer 

**SUBJECT:** Request by the County of Fresno Application to waive the application fees for the proposed County Service Area 32 sphere of influence amendment and associated change of organization applications.

**RECOMMENDATION OPTIONS:**

1. Deny the request and direct the County of Fresno to return with the proper fee amount (requires a simple majority); or
2. Approve the request to waive application fees by \$16,200 for the concurrent SOI amendment and annexation (requires no less than four-fifths vote).

**Executive Summary**

The County of Fresno Department of Public Works and Planning is proposing a 51-acre expansion of the sphere of influence and 49-acre annexation of territory to County Service Area 32 (CSA 32). The proposal will include nearby parcels, the Cantua Creek Elementary School, homes located on the school property, and one independently owned and operated water system. The proposal is being processed pursuant to a request by the State Water Resources Control Board to improve the collective drinking water quality of the area while increasing administrative, and operations and maintenance efficiency.

The Board of Supervisors has authorized the PW&P to request a waiver of the LAFCo SOI amendment and reorganization fees on the County's behalf. (Attachment "A") The SOI amendment will require an update of the 2011 CSA 32 MSR.

The SOI amendment fee for 41-80 acres and reorganization fee are both is \$12,000. Pursuant to LAFCo Policy, when a SOI amendment is processed concurrently with a contiguous annexation, the SOI fee is reduced 65% to \$4,200. The total application fee requested to be waived is therefore \$16,200.

**Background**

**Statute and Policy Authorize the Commission to Reduce or Waive Fees**

Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("CKH"), Government Code sec. 56383(d):

*The commission may reduce or waive a fee, service charge, or deposit if it finds that payment would be detrimental to the public interest. The reduction or waiver of any fee, service charge, or deposit is limited to the costs incurred by the commission in the proceedings of an application.*

Existing LAFCo Policy on fee reduction or waiver from Fresno LAFCo Policy Manual 350.07 (Exceptions to Required Fees):

*The Commission may waive any processing fee by a four-fifths affirmative vote if the imposition of such fee would be detrimental to the public interest, as determined by the Commission. Any change specifically recommended by the Commission in a study approved by Commission may not require a fee.*

### **Budgetary Implications**

The Commission's 2021-22 budget projects \$85,000 in fee revenue; the requested fee waiver is approximately 19% of projected revenue.

Staff notes that in accord with LAFCo statute, the County of Fresno pays one-half of the Commission's annual operating budget.