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

AGENDA ITEM NO. 9

DATE: May 12, 2021

TO: Fresno Local Agency Formation Commission

FROM: David E. Fey, Executive Officer 

BY: Juan Lara, LAFCo Analyst II

SUBJECT: Consider Approval: "Tranquillity Resource Conservation District Annexation." A proposed annexation of approximately 137,553 acres to the Tranquillity Resource Conservation District for territory generally coterminous with the McMullin Area Groundwater Sustainability Agency. (LAFCo File No. AD-19-2)

Applicant: Tranquillity Resource Conservation District.

Landowners/Parties of Real Interest: (See Attachment C)

RECOMMENDATION: Approve by Taking the Following Actions:

Action 1:

- A. Acting as Responsible Agency pursuant to California Environmental Quality Act ("CEQA") Guidelines, find that prior to approving the proposed annexation, the environmental effects of the Proposal as shown in the CEQA documents prepared, adopted, and submitted by the Lead Agency, were reviewed and considered, and determine these documents to be adequate pursuant to CEQA Guidelines section 15096.

Action 2:

- B. Find that the proposed annexation is consistent with LAFCo Policies and the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("CKH").
- C. Find pursuant to CKH and information in the record that:
 - a. The territory is inhabited; and
 - b. Not all landowners and registered voters have consented to the annexation.
- D. Assign the distinctive short form designation "Tranquillity Resource Conservation District Annexation" and approve the annexation subject to the following conditions of approval:

- a. Pursuant to Fresno LAFCo Policy 103-05, the Executive Officer shall record the approved application if all conditions have been satisfied and once, he or she has determined that the facts pertaining to the application during the time of recording are materially similar to those facts considered by the Commission when the application was approved. Facts, as used in the proceeding sentence, is defined to include, but is not limited to, whether or not the proposed project is materially similar to the project described in any application before the Commission.
 - b. Submittal of corrected legal description and map.
- E. Find that on April 21, 2021, notice was given pursuant to state law and disclosed that there is potential for the extension or continuation of any previously authorized charge, fee, assessment, or tax by the local agency in the affected territory, and that the Commission intends to waive protest proceedings pursuant to section 56663(a)(b)(c) unless written opposition is received before the conclusion of the Commission proceedings.
- F. Waive further Conducting Authority Proceedings and order the annexation subject to the requirements of CKH.
- G. Find that no written opposition to the proposal was received prior to the conclusion of the hearing and approve the proposal subject to the requirements of the CKH, the 30-day reconsideration period, and compliance with all of the above conditions, and waive further conduction Authority Proceedings.

-Or-

- H. If written opposition to the proposal was received prior to the conclusion of the hearing, approve the proposal subject to the requirements of the CKH, the 30-day reconsideration period, and compliance with all of the above conditions, and direct staff to set a protest hearing pursuant to the requirements of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code section 57000 et seq.).

Executive Summary

On August 20, 2019, Tranquillity Resource Conservation District (“Tranquillity RCD”) filed a sphere of influence (“SOI”) update application (File No. USOI-194) requesting LAFCo to include approximately 315,117 acres into the Tranquillity RCD SOI that would expand the Tranquillity RCD SOI eastward to include the City of Kerman and a portion of the City of Fresno and align with State Route 99. The SOI update was necessary to support the District’s concurrent annexation application (File No. AD-19-02) to annex the affected territory into Tranquillity RCD’s service area.

On December 8, 2020, the District informed LAFCo of its desire to modify applications USOI-194 and AD-19-02 by reducing the requested SOI and concurrent annexation to 137,553 acres.

The modified request avoids territory already in the service areas of the Fresno and Consolidated Irrigation Districts and encompasses territory generally coterminous with the McMullin Area Groundwater Sustainability Agency (“MAGSA”).

Proposal/Land Use

- The Proposal consists of the annexation of approximately 137,553 acres.
- Information related to the Proposal’s affected territory, land use, proposed development, special districts, surrounding areas, and existing/proposed services can be found on **Attachment A**.
- Should the Commission approve the concurrent SOI update, all affected territories will be within the Tranquillity RCD sphere of influence and are contiguous to the District’s service area (**Attachment B**).
- Land uses within the District and affected territory are mainly agricultural with scattered rural residential. No zone change is proposed as all affected territories are not proposed for development and currently developed to the density and intensity allowed by the County of Fresno.
- The territory is inhabited.

Revenue and Tax Code Section 99 (b)

On July 22, 2020 LAFCo issued a notice for jurisdictional change under Revenue and Taxation code section 99(b) to the Fresno County Assessor-Recorder and the Fresno County Auditor Controller/Treasure-Tax Collector. Upon receiving the notice these agencies are to commence calculations and negotiations to determine the amount of property tax revenues to be exchanged between the local agencies whose service area or service responsibility will be altered by the change.

The general manager of the Tranquillity RCD advised staff that because the District did not, nor did it intend to, collect property tax revenue it did not want to proceed with the tax revenue exchange negotiations under Revenue and Taxation code section 99(b) for the affected territory.

Tranquillity RCD does not have a regular source of revenue such as fees for services, property taxes, or special assessments. Its future service capacity is anticipated to be funded through the District’s ability to secure project-specific state grants and contributions. The District informed LAFCo that it has been working alongside with the California Association of Resource Conservation Districts (“CARCD”), the California Department of Conservation (“DOC”), and MAGSA to build its effectiveness and provide better assistance to its local growers.

Sustainable Groundwater Management Act (“SGMA”)

Former Governor Edmund G. Brown Jr. signed California's SGMA into law on September 16, 2014. This three-part legislation requires local agencies to develop groundwater sustainability plans that are compatible with their regional economic and environmental needs. SGMA creates a framework for sustainable local groundwater management for the first time in California's history.

SGMA requires local agencies to form Groundwater Sustainability Agencies ("GSA's") in local groundwater basins by June 2017 and requires the adoption of Groundwater Sustainability Plans ("GSP's") for groundwater basins deemed high priority by year 2020. The TRCD is represented by the McMullin Area GSA.

The affected territory is identified as a "white area," a Sustainable Groundwater Management Act ("SGMA") term meaning territory that is not within the boundaries of an existing water management agency, such as a city, irrigation, or water district.

The affected territory is already part of the McMullin Area GSA but is represented by the County of Fresno since its currently is outside any water management local agency.

Environmental Determination

The Tranquillity RCD, acting as "Lead Agency" under CEQA, determined that the proposal is ministerial in nature. The proposed Tranquillity RCD annexation will not change existing land uses nor change the land use designations depicted by the Fresno County General Plan. Since it can be seen with certainty that the proposal does not have the potential to result in a significant effect on the environment, it is not subject to CEQA pursuant to CEQA Guidelines section 15268 and Public Resources Code section 21080 (b)(1), Ministerial. On August 21, 2019, the Tranquillity RCD filed a Notice of Exemption with the Fresno County Clerk (#E201910000302).

As a "Responsible Agency" pursuant to CEQA Guidelines, the Commission is required to independently review and consider the environmental review for the proposed SOI update prior to reaching its decision. Therefore, the LAFCo, finds that it can be seen with certainty that the SOI update does not have the potential to result in a significant effect on the environment, and that the SOI update is not subject to CEQA pursuant to CEQA Guidelines section 15061 (b)(3). Therefore, the proposal is exempt from environmental review.

Pursuant to CEQA Guidelines section 15096(i), if the Commission determines that these documents are adequate, A Notice of Determination will be prepared and filed with the County of Fresno Clerk's office in compliance with section 21152 of the Public Resources Code.

Costs and Other Changes Affecting Residents or Landowners – None reported by the District.

Agencies and Individuals Submitting Comments

- Kevin Tsuda, Environmental Health Specialist III, Fresno Co. Dept. of Public Health
- Chufeng Vang, IT Analyst, Fresno County Elections Department

- Paul G. Peschel, General Manager
- Phillip G. Desatoff, General Manager, Consolidated Irrigation District
- Laurence Kimura, Chief Engineer, Fresno Irrigation District
- Chad Wegley, General Manager, Alta Irrigation District

Territory Boundaries - The boundaries of the proposed annexation are definite and certain, and the County Assessor has determined that the map and legal description are **not** adequate to file with the State Board of Equalization. A condition of approval that the District submit a corrected legal description and map will address this matter.

Registered Voter Data - The office of County of Fresno Elections reported that there are **1041** registered voters in the affected territory.

Compliance with the Requirements of CEQA (Original Proposal)

Lead Agency: Tranquillity Resource Conservation District

Level of Analysis: Exemption

Finding: Exception (see Environmental Documents at www.fresnolafco.org under the Hearing and Workshops tab in the May 12, 2021 file).

Individuals and Agencies Receiving this Report

- Ken Price, LAFCo Counsel
- Bernard Jimenez, Deputy Director of Fresno Co. Public Works and Planning
- Will Kettler, Development Services Div. Mgr., Fresno Co. Public Works and Planning
- Matt Hurley, Tranquillity RCD, General Manager