

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

AGENDA ITEM NO. 8

DATE: November 10, 2021
TO: Fresno Local Agency Formation Commission
FROM: David E. Fey, Executive Officer 
SUBJECT: Workshop on Special District Activity

Recommendation: Conduct workshop and provide direction as needed.

Background

At the Commission's October hearing, the Commission considered the inactivity of the Westside Resource Conservation District and options available to LAFCo to resolve the matter. At the conclusion of that meeting, the Chair requested additional discussion regarding the minimum standards of local agency activity. This workshop follows the chair's direction.

Attachment A - Factors of an Effective Service Provider. This was originally presented to the Commission at an August, 2014 workshop. It presents issues that indicate an agency's performance and conditions of interest to LAFCo.

Attachment B – is an excerpt from the RCD self-assessment Workbook. Though focused on a multitude of actions that meet legal and basic reporting requirements for resource conservation districts, it is also a suitable guide for commission discussion across a spectrum of local agencies.

Discussion / Analysis

A special district is formed to perform one or more public services for landowners and/or residents in its boundaries. When the services are no longer needed, or the special district is no longer capable of funding these services, it is appropriate for the Commission to consider dissolution proceedings by either of the following methods: LAFCo initiated, district initiated, or by initiated by petition.

The Fresno LAFCo encourages special districts to maintain a minimum level of performance that demonstrates activity by:

- complying with their principal act;
- maintaining a quorum of board members and conducting regular meetings in compliance with the Brown Act;

- filing Form 700s for board members and administrative staff with the Clerk to the County Board of Supervisors;
- complying with statutory reporting requirements of the County AC/TTC; and
- adopting an annual work plan.

The Costs of an Inactive Special District

Even if no district funds are expended, an “inactive” special district constitutes an illogical expenditure of public funds by other regulating agencies. For example, other agencies are required by their respective statutes to conduct periodic activities associated with special districts, including but not limited to:

- County Elections staff expends time and resources to interact with “inactive” special districts in compliance with Election Laws. A non-responsive special district in many instances does not notify the County Elections regarding upcoming elections.
- Clerk to the Board staff expends time and resources to contact inactive special districts to gather board members’ Form 700s in compliance with the Political Reform Act.
- County Auditor-Controller / Treasurer-Tax Collector (“ACTTC”) expends staff time and resources to notify the inactive special districts regarding annual financial filing requirements prescribed in GC sections 26909, filing annual audited financial statements with the County ACTTC.
- California SCO expends staff time to research and identify special districts that should be listed on the SCO’s annual list of Inactive Special Districts and provide notice to LAFCo pursuant to SB 448; and
- LAFCo staff expend time on an MSR to determine that a special district is inactive; and in many cases, staff expends time to locate the last known district representative/s in an attempt to secure a complete application to dissolve the district.