CONSENT AGENDA ITEM NO. 12

DATE:	December 5, 2007
<u>TO</u> :	Fresno Local Agency Formation Commission
FROM:	Rick Ballantyne, Executive Officer Darrel Schmidt, Deputy Executive Officer
<u>SUBJECT</u> :	<u>Consider Adoption</u> – Municipal Service Review and Sphere of Influence Update Prepared for the Zalda Reclamation District No. 801

Summary / Background

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires LAFCo to review and update, as necessary, special district Spheres of Influence (SOIs) 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 and SOI Update have been prepared for Zalda Reclamation District No. 801.

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 modifications to a city or district's SOI are 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 boundaries. 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.

State law requires that the Commission adopt written MSR 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 an SOI update, or adopting an SOI, the Commission 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.

There are two reclamation districts within Fresno County: Reclamation District No. 1606 and Zalda Reclamation District No. 801. This report covers Zalda Reclamation District No. 801. The MSR and SOI Update completed for Reclamation District No. 1606 was adopted by the Commission at its August 22, 2007 hearing.

Environmental Determination

The California Environmental Quality Act ("CEQA") requires that the Commission undertake and review an environmental analysis before granting approval of a project, as defined by CEQA. The MSR is categorically exempt from the preparation of environmental documentation under a classification related to information gathering (Class 6 - Regulation section 15306), which states: "Class 6 consists of basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. These may be strictly for information gathering purposes, or as part of a study leading to an action which a public agency has not yet approved, adopted, or funded." Indeed, this MSR collects data for the purpose of evaluating municipal services provided by the agency. There is no land use change or environmental impact created by such a study.

Furthermore, the MSR qualifies for a general exemption from environmental review based upon CEQA Regulation section 15061(b)(3), which states: "The activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA." Additionally, the SOI update qualifies for the same general exemption from environmental review based upon CEQA Section 15061(b)(3).

There is no possibility that this MSR or SOI update may have a significant effect on the environment because there are no land use changes associated with either document. If the Commission approves and adopts the MSR and SOI update and determines that the project is exempt from CEQA, staff will prepare and file a notice of exemption with the County of Fresno, as required by CEQA Regulation section 15062.

Discussion / Summary of Determinations

Zalda Reclamation District No. 801 encompasses 10,507 acres (16.4 square miles) within Fresno County. A portion of the District is located within Kings County. The District is located in south-central Fresno County, approximately 20 miles southwest of the City of Fresno. The District was formed in 1909 to provide levee maintenance and drainage services.

Staff has tried to contact the District multiple times by mail, email, and phone, but has not had any success in having the District fill out and return a questionnaire provided to the District. As a result, very little information has been made available.

The following findings and conclusions, therefore, are evident:

- It is not known if the District is providing services at this time. The District did not provide any information related to its facilities, infrastructure needs, or deficiencies.
- Growth and population should not be affected by District services.
- The District did not provide any financial information from which to identify financing constraints or opportunities.
- The District did not provide any information from which to identify cost avoidance opportunities.
- The District did not provide any information from which to identify any rate restructuring opportunities.
- The District did not provide any information regarding opportunities for shared facilities.
- It is not known if there are opportunities for an alternative government structure for the District, with the possible exception of dissolution of the District. Consolidation with Reclamation District No. 1606, the only other reclamation district in the County, is not a likely alternative government structure given the distance, approximately 10 miles, separating the two districts. Given the fact that the District did not provide any information regarding its activities, it is not known if the District is currently providing any necessary services.
- No information was provided from which an evaluation of the District's management efficiencies might be evaluated.
- The District's Board is elected. No additional information regarding Board of Directors' meeting times, noticing, or other information was available.

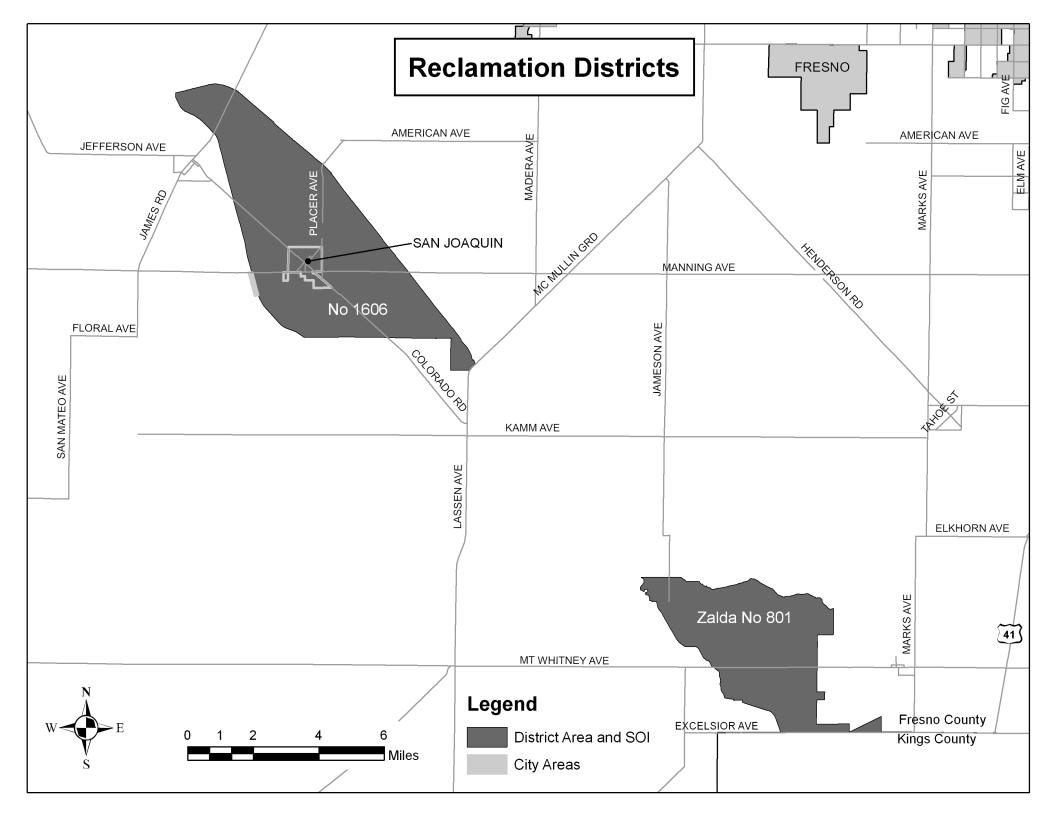
The District's Sphere of Influence is coterminous with the District's boundary. Since the District did not respond to staff's request for information concerning the District, it is not known if there is a need or desire to revise the District's boundary. Staff recommends that the District's Sphere be updated by affirming its current SOI boundary. Affirmation of the current SOI boundary will not impose a burden on the District if it is providing necessary services, nor will it allow the District to expand its service capabilities outside its existing boundary. Staff would also recommend that efforts continue to be made to contact and work with District representatives in providing requested information and that the Municipal Service Review be revised when said information is provided.

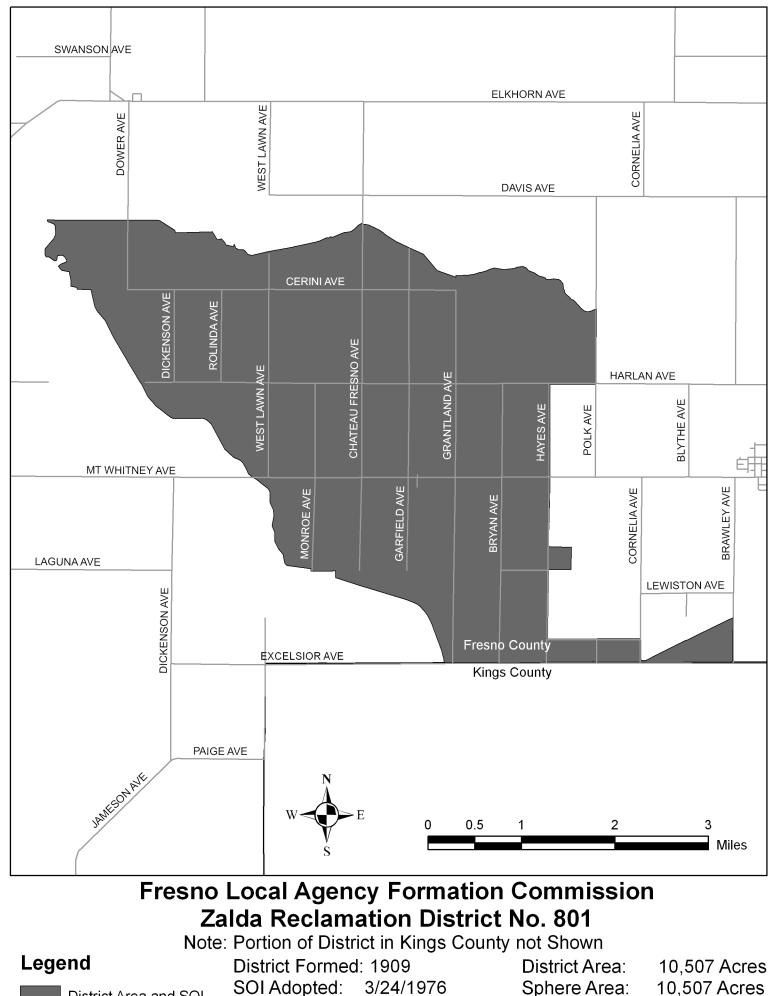
Recommendations:

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" and the general exemption from environmental review, CEQA Regulation Section 15061(b)(3), and find that the SOI Update qualifies for the same general exemption from environmental review based upon CEQA Section 15061(b)(3).

- B. Find the Municipal Service Review and Sphere of Influence Update prepared for the Zalda Reclamation District No. 801 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 make the required determinations for the Municipal Service Review and Sphere of Influence Update, adopt the Municipal Service Review prepared for the Zalda Reclamation District No. 801 by Braitman and Associates, and update the Sphere of Influence for said District by reaffirming its current boundary.
- E. Direct staff to continue efforts of seeking additional information from the District in efforts of revising the Municipal Service Review as determined to be appropriate and present said revision to the Commission.

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District Area and SOI

Map Date:

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ere Area: 10,507 Ac In Fresno County

RESOLUTION NO. MSR-07-51

FRESNO LOCAL AGENCY FORMATION COMMISSION FRESNO COUNTY, CALIFORNIA

In the Matter of

RESOLUTION MAKING DETERMINATIONS) AND ADOPTING MUNICIPAL SERVICE) REVIEW; AND MAKING DETERMINATIONS) AND UPDATING SPHERE OF INFLUENCE) FOR THE ZALDA RECLAMATION DISTRICT) NO. 801)

LAFCo Determination

MAKE DETERMINATIONS AND ADOPT MUNICIPAL SERVICE REVIEW; AND MAKE DETERMINATIONS AND UPDATE SPHERE OF INFLUENCE FOR THE ZALDA RECLAMATION DISTRICT NO 801

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 (SOI); and

WHEREAS, the Executive Officer prepared a Municipal Service Review (MSR) and Sphere of Influence Update for the Zalda Reclamation District No. 801; 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" and the general exemption from environmental review, CEQA Regulation Section 15061(b)(3), and finds that the SOI Update qualifies for the same general exemption from environmental review based upon CEQA Regulation Section 15061(b)(3).

<u>Section #2.</u> This Commission finds the Municipal Service Review and Sphere of Influence Update prepared for the Zalda Reclamation District No. 801 are complete and satisfactory.

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

<u>Section #4.</u> Pursuant to Government Code Sections 56425 and 56430, this Commission makes the required determinations for the Municipal Service Review and Sphere of Influence Update, adopts the Municipal Service Review prepared for the Zalda Reclamation District No. 801 by Braitman and Associates, and updates the Sphere of Influence for said District by reaffirming its current boundary.

<u>Section #5.</u> Direct staff to continue efforts of seeking additional information from the District in efforts of revising the Municipal Service Review as determined to be appropriate and present said revision to the Commission.

<u>Section #6.</u> 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.

4	ADOPTED THIS 5 th DAY OF DECEMBER, 2007, BY THE FOLLOWING VOTE:		
1	AYES:	Commissioners Rodriguez, Fortune, Anderson, Larson, Lopez	
1	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 5th day of December, 2007.

Victor Lobez Chairman Fresno Local Agency Formation Commission

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ZALDA RECLAMATION DISTRICT No. 801

MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE

Report to the Fresno Local Agency Formation Commission

Prepared By:

Braitman & Associates 8277 Cheshire St. Ventura, CA 93004

December 2007

1. MUNICIPAL SERVICE REVIEW

Description of District

The Zalda Reclamation District No. 801 was formed in 1909. It operates under the provisions of the Water Code (Section 50000 et seq.).

The District includes about 10,507 acres (16.4 square miles). It is located in southern Fresno County and extends into Kings Bounty. It is west of SR 41 and east of and adjacent to the Fresno Slough.

Its boundaries and sphere of influence are coterminous, as shown on the enclosed map.

District Services and Administration

The District is governed by an elected Board of Directors.

The District, despite several requests, it did not provide information about the number of employees or how the District is administered.

Nor has the District provided information about its services, facilities and finances. As a result it is not possible to propose a full range of the Municipal Service Review determinations as outlined in LAFCo's governing statute.

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 did not provide information about its infrastructure needs, facilities or deficiencies.

Growth and Population Projections

District services do not affect rates or location of development or population growth.

Financing Constraints and Opportunities

The District did not provide its budget or any financial information.

Cost-Avoidance Opportunities

The District did not provide information upon which to base cost-avoidance conclusions.

Opportunities for Rate Restructuring

The District did not provide information regarding opportunities for rate restructuring in the operations of the District.

Opportunities for Shared Facilities

The District did not provide information regarding opportunities for shared facilities.

Government Structure Options

It is not known if there are opportunities for a different government structure though dissolution of the District might be a possible option. Consolidation with Reclamation District No. 1606 is not considered a likely alternative government structure given the distance between the two districts.

Management Efficiencies

The District did not provide information regarding upon which to evaluate management efficiencies in the operations of the District.

Local Accountability and Governance

The District did not provide information regarding District board meetings or notices.

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."

The Commission is required to review and update Spheres of Influence every five years, therefore, even though the District did not provide requested information the Commission is obligated to update its sphere.

Description of Current Sphere of Influence

The District's sphere of influence is coterminous with its boundaries.

No Proposed Sphere Changes

No sphere or boundary change information was received from the District.

MSR and Sphere Update

Sphere of Influence Recommendation and Determinations

Given the current situation it is recommended that the best action is for the Commission to approve the following determinations and affirm the existing Sphere of Influence.

1. Present and planned land uses in the area, including agriculture and open-space.

Land uses with the District are largely agricultural. No land use changes will result from affirming the current Sphere of Influence.

2. Present and probable need for public facilities and services in the area.

Land uses within the District require an array of services and facilities. It is not known what services, if any, the District provides to this area. The need for public facilities and services reflects existing agriculture land uses for much of the District.

3. Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

The capacity of District to provide services and facilities is not known.

4. Existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.

The lands within the District represent part of the agricultural community of interest within Fresno County.

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 Zalda Reclamation District No. 801 did not provide information upon which this evaluation could be based.

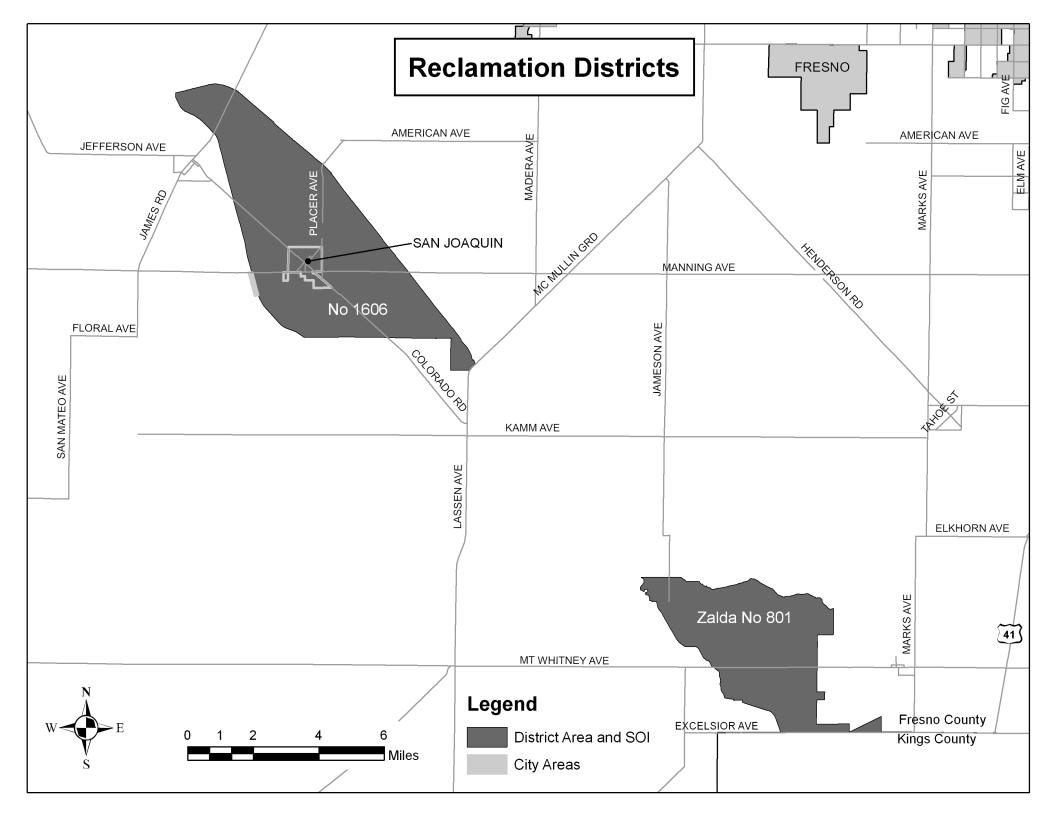
Available Documentation

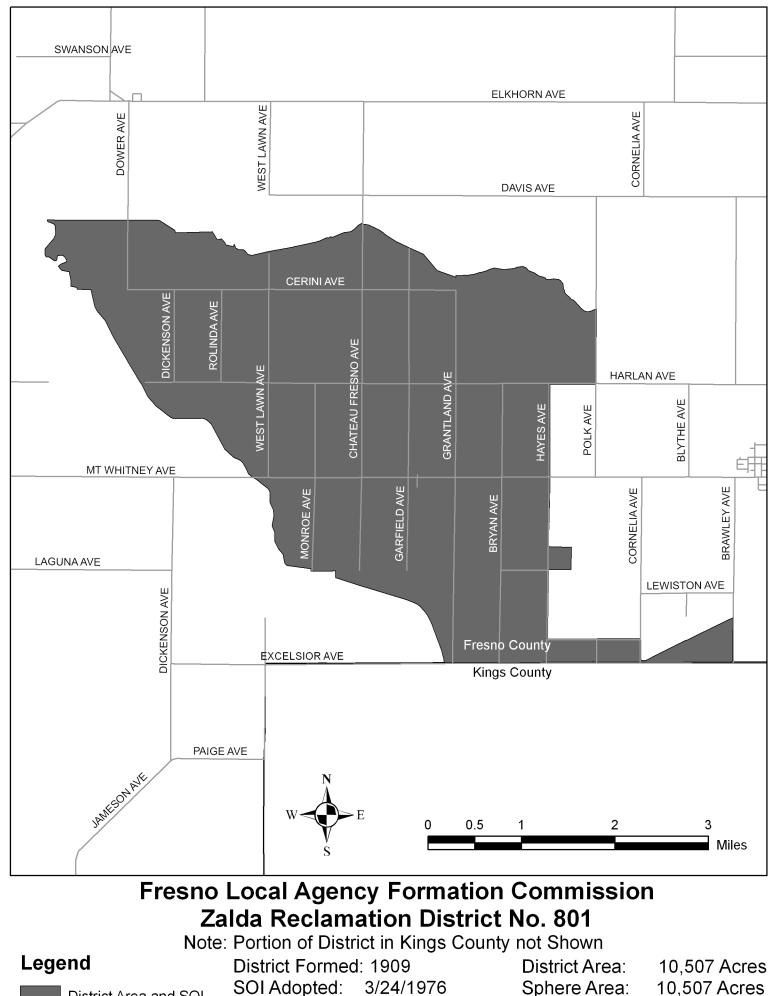
The District did not respond to repeated requests for information.

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. Approve the recommended Sphere of Influence determinations and affirm the current Sphere of Influence.





District Area and SOI

Map Date:

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