

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

AGENDA ITEM NO. 6

DATE: **June 18, 2014**

TO: **Fresno Local Agency Formation Commission**

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

SUBJECT: **Consider Adoption – Municipal Service Review and Sphere of
Influence Update Prepared for the Fresno Metropolitan Flood Control
District.**

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 determination under consideration are Categorical Exemption from the provisions of the California Environmental Quality Act (CEQA) under Section 15306, "Information Collection" and Section 15061(b)(3), "General Rule Exemption."
- B) Find that the Municipal Service Review and Sphere of Influence Update prepared for the District 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 District Sphere of Influence, adopt the Municipal Service Review prepared for the District, and update the Sphere of Influence for said District by reaffirming the current boundaries.

Description:

The Fresno Metropolitan Flood Control District encompasses 255,591 acres including the cities of Clovis and Fresno and a significant area extending eastward into the foothills and mountains in Fresno County. The District provides flood control services and the drainage of flood, storm and waste waters to the landowners in the District.

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) every five years. Prior to, or in conjunction with an agency's SOI update, LAFCo is required to conduct a *Municipal Service Review* (MSR) for each agency.

MSRs 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.

SOI 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 determinations 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 seven criteria:

1. Growth and population projections for the affected area.
2. Location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.
3. Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies.
4. Financial ability of agencies to provide services.
5. Status of, and opportunities for, shared facilities.
6. Accountability for community service needs, including governmental structure and operational efficiencies.
7. Any other matter related to effective or efficient service delivery, as required by commission policy.

As part of the SOI update, the Commission is required to consider the following four criteria and make appropriate determinations in relationship to each:

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.

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. This 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, MSRs collect data for the purpose of evaluating municipal services provided by the agencies. There are no land use changes or environmental impacts created by such studies.

Furthermore, this 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 Regulation section 15061(b)(3).

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

FRESNO METROPOLITAN FLOOD CONTROL DISTRICT

MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE

**Report to the
Fresno Local Agency Formation Commission**

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June 2014

FRESNO METROPOLITAN FLOOD CONTROL DISTRICT

Flood Control and Drainage Services

Contact Information

Manager: Bob Van Wyk
Address: 5469 E. Olive Avenue
Fresno, CA 93727
Phone: 559-456-3292
Email/Website: info@fresnofloodcontrol.org / <http://www.fresnofloodcontrol.org>

Management Information

Governing Body: Board of Directors

Board Members:

Jennette Williams, Chair	Appointed by the City of Fresno: August 26, 2003- Expires August 3, 2016
Mike Rastegar, Vice Chair	Appointed by the City of Fresno: August 2005-Expires August 3, 2014
Roy Spina	Appointed by the City of Clovis: August 3, 1994-Expires August 2014
Ken Groom	Appointed by the City of Fresno: November 1996-Expires August 3, 2016
Barbara Goodwin	Appointed by the City of Fresno: December 2010-Expires August 3, 2014
Frank Fowler	Appointed by the County: December 2010-Expires August 3, 2014
James E. Burleson, Jr.	Appointed by the County: January 2011-Expires August 3, 2016

Board Meetings: Second and fourth Wednesdays of each month at 6:00 pm in the District Board Room at the FMFCD Office.

Staffing: 77 full time, three part time and contractors and consultants

Service Information

Empowered Services: Flood Control and Drainage
Services Provided: Flood Control and Drainage
Area Served: The Cities of Fresno and Clovis and east into the mountains and foothills
Population Served: Approximately 615,000
Acres Served: 255,591 acres
Infrastructure: Drainage facilities, flood control water courses and retention basins

Fiscal Information

Budget: \$21,639,927
Sources of Funding: Property tax, assessments tax, interest, service charges and fees
Rate Structure: Varies per zone and type of development

Administrative Policies

Master Plan: Yes	Policies/Procedures: Yes	By-laws: Yes
Boundary Updated: 1956	SOI Updated: 2007	Other: Yes

1. MUNICIPAL SERVICE REVIEW

Description of District

Principal Act

The Fresno Metropolitan Flood Control District was created in 1956 and operates pursuant to Water Code Appendix, Section 73 et seq. It was created subject to the approval of the voters within the district for the purpose of acquiring and constructing facilities for flood control and the drainage of flood, storm and waste waters and the conservation of any of the above.

This district is an independent special district which has a separate board of directors not governed by other legislative bodies (either a city council or a county board of supervisors). In accordance with Government Code Section 56066, Fresno is the principal county and the Fresno LAFCo is responsible for preparing this report.

Territory, Sphere of Influence, and Changes of Organization

The District boundary and Sphere of Influence are coterminous and encompasses approximately 399 square miles including the cities of Clovis and Fresno and a significant area extending eastward into the foothills and mountains.

Current land uses within the District boundaries consist of the full range of residential uses (single family, multi-family, and rural residential), commercial, public facilities, and both irrigated and non-irrigated agricultural lands. District services do not directly facilitate or affect the rate or location of population development.

Governance, Budget, and Operations

The District is an independent district that is governed by a seven-member Board of Directors. Two of the members are appointed by the Board of Supervisors, four are appointed by the Fresno City Council and one is appointed by the Clovis City Council.

The District owns 76 completed basins, 76 incomplete basins, 70 pump stations, and approximately 583 miles of pipeline. Its major categories of revenues are property tax, assessments, bonds, fees and service charges, and grants and contributions.

The District is administered by the General Manager. There are 77 full-time and three part-time employees. The District also uses private contractors and consultants as needed.

District Services

The District's mission is to provide the citizens living within its boundaries the ability to control and manage the flood, storm, and surface and groundwater resources of the area; to prevent damage, injury, and inconvenience; to conserve such waters for local, domestic and agricultural use; and to maximize the public use and benefit of the District's programs and infrastructure.

The District provides flood control, rural streams program and storm drainage. The flood control system consists of three reservoirs, five regional flood detention basins, urban basins for regulating flows, outlet structures, and natural and constructed channels. The rural streams program reserves, restores, and maintains approximately 175 miles of streams and channels near its eastern boundary. The storm water drainage system consists of storm drains, detention and retention basins, and pump stations. The District also provides storm water quality management, water conservation, recreation, and wildlife management programs.

The District does not provide public facilities or services related to sewers, municipal and industrial water, or structural fire protection.

2. MSR DETERMINATIONS

This portion of the report addresses the factors specified in the governing statute for Municipal Service Reviews (MSR).

1. Growth and Population Projections for the Affected Area

The California Department of Finance noted in its 1/31/13 report, *New Population Projections*, that “California’s population will cross the 50 million mark in 2049 and grow to nearly 52.7 million by 2060.... The San Joaquin Valley will add 3 million new Californians, growing from 3.1 million to 6.2 million. Valley gains will be led by San Joaquin County and Fresno County (growing by 683,000).”

Current land uses within the District boundaries consist of single family, multi-family, rural residential, commercial, industrial, irrigated and non-irrigated agricultural lands. District services do not directly facilitate or affect the rate or location of population development but District services respond to increased service needs for flood control and local parks and recreation activities as population growth occurs.

The District maintains a service plan that presents the District goals, program objectives, current program descriptions, and implementation strategies. The plan takes into account the proposed land use plans of cities and county lands, the flood control facilities to meet its mission, and establishes a district-wide fee structure fund the necessary capital improvements over the plan’s horizon.

Determination: Growth and development in the District is forecast by the California Department of Finance. The District’s master plan anticipates this growth, the improvements needed to meet its goals, and a fee structure to adequately fund the necessary capital improvements over the plan’s horizon.

2. The Location and Characteristics of any Disadvantaged Unincorporated Communities Within or Contiguous to the Sphere of Influence

SB 244 and Fresno LAFCo policies define a "disadvantaged unincorporated community" (DUC) to mean inhabited territory with 12 or more registered voters with an annual median household income that is less than 80 percent of the statewide annual median household income and that includes at least 15 dwelling units at a density not less than one unit per acre.

Any MSR for a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, shall identify any DUCs within and contiguous to the sphere of influence of that city or special district and describe the present and probable needs and deficiencies for the provision of those public facilities and services within such DUC.

Staff has reviewed 2013 data provided by the Kings Basin Water Authority on disadvantaged communities (DACs) and the LAFCo's January 9, 2013 DUC policy. Though the methodology between these data is to some extent different, for the purposes of this MSR, it is concluded that there are 12 disadvantaged or severely disadvantaged communities in the District.

The District service area includes DUCs and DACs but provides flood control and drainage services in proportion to the local probability of flooding and flood damage. The District does not provide municipal water or sewer service, fire or emergency medical service. All lands of the District benefit from its services.

Determination: The Fresno Metropolitan Flood Control District provides flood control and drainage services to all areas in its boundaries including the disadvantaged communities.

3. Present and Planned Capacity of Public Facilities and Infrastructure Needs or Deficiencies

The District was formed to acquire, construct and operate facilities for flood control, storm water drainage, and water conservation and has since implemented a master drainage plan and has constructed 617 miles of pipeline, purchased and constructed 153 local drainage basins, and helped purchase, operate and maintain eight flood control reservoirs and basins.

The District owns and operates ten major flood control facilities and many related streams and channel features. It also owns and operates the local storm water drainage system that consists of interconnected surface conveyances, storm drains, retention basins, 79 pump stations and outfalls, which discharge to groundwater, irrigation canals, creeks, and the San Joaquin River.

The District headquarters is located in Fresno. The District has an active program to anticipate and respond to demands for its services. One of the primary drivers of the District's priorities is the rapid urban growth in the Fresno/Clovis area, though land use policies to increase densities and slow urban sprawl are changing the design of new residential developments and often require modifications to collection systems and additional basin capacity.

The District notes that its Services Plan anticipates expansion of services concordant with expansion of the metropolitan area as projected by City of Fresno, City of Clovis and Fresno County General Plans which typically project land uses and service demands for 20 years into the future.

Determination: The District plans for expansions based on the Cities and County General Plans and its service and master plans. It appears the District is able to accommodate current service demands from these facilities but anticipates continued infrastructure to meet future demands for adequate flood control facilities.

4. Financial Ability of Agencies to Provide Services

Primary funding sources are property taxes, assessments, bonds, fees and service charges, and grants and contributions. It also collects a drainage fee at the time of subdivision or development of property. The board of directors reviews these fees annually and updates them as needed. These prepaid drainage assessments (PPDA) are used solely to fund the construction of storm water facilities required to capture and dispose of storm water generated by the change of the watershed's land use from agricultural to urban uses. Other sources of revenue are from fees, grants, loans, and revenues from the use of District assets.

Expected District revenues for FY 2013-2014 are \$21,639,927, of which \$19,678,692 is new revenue, \$1,396,500 is a transfer from the PPDA Trust Fund, and \$1,184,141 is resources from the beginning fund balance. The carryover fund balance as of June 30, 2014 is projected to be \$19,831,766.

Of the District's \$21,639,927 appropriation for FY 2013-2014, \$2,617,420 is to fund ongoing operations and maintenance, \$8,667,849 is for personnel expenses, \$4,883,350 is for land purchases and capital improvements, \$241,083 for office administration, \$443,014 for professional services and \$874,875 for storm water quality management. Total long term debt is \$19,958,282 with \$1,279,618 in employee compensated absences, \$3,450,123 in a State Revolving Loan, \$15,053,541 in a CIEDB Loan and \$175,000 in other long term debt.

The District controls costs by partnering with the Association of California Water Agencies – Joint Powers Insurance Authority and outsourcing many activities through competitively bid private contractor resources.

Opportunities for rate restructuring are considered on an annual basis. The District relies almost entirely on property taxes and assessments, plus capital contributions related to mitigating the impacts of new development projects.

Determination - The District is financially able to provide services. Audited financial statements are submitted to the County of Fresno and posted to its website along with a five year financial forecast. The benefit assessment tax can be modified by voter approval if needed and the PPDA and fees can be adjusted as needed.

5. Status of, and Opportunities for, Shared Facilities

Due to its size and scale, the District already realizes the benefits of regional facilities and operations. The District maintains a master discharge agreement with the Fresno Irrigation District (FID) to discharge storm water into designated FID canals to prevent flooding. The District has a master recharge agreement with the Cities of Fresno and Clovis and FID to discharge water for the purpose of groundwater recharge into designated District facilities.

The District plans for passive recreation uses in residential area retention basins. 23 of the District's facilities provide recreational services. The District cannot currently own or operate the facilities needed for active recreation but a city parks and recreation department has the option of accepting transfer of park operation to construct additional improvements and perform all maintenance related to recreation uses. The District currently has an agreement with the City of Fresno Parks and Recreation Department to provide for the construction and maintenance of recreational facilities and is pursuing a similar agreement with the City of Clovis.

Determination – The District has cooperated with other agencies to the extent feasible to share facilities for parks and open space uses and for interagency cooperation to recharge the groundwater. Additional opportunities for sharing facilities will continue to be evaluated by the District as they arise.

6. Accountability for Community Service Needs, Including Government Structure and Operational Efficiencies

California Water Code Appendix, Section 73 et seq. enabled the formation of the Fresno Metropolitan Flood Control District to provide flood control, drainage and conservation of flood, storm and waste waters. This district is an independent special district which has a separate board of directors not governed by other legislative bodies (either a city council or a county board of supervisors).

The District is able to operate under its current legal form. Transitioning the District to an alternative service provider, such as another district or other form of local government, would be unlikely to result in significant efficiencies to service provision. Additionally such a transition to an alternative government structure would be extremely difficult due

to the cost, time, and administrative complexity. The existing structure of the District as a flood control district is sufficient to allow the District to continue service provision in the foreseeable future. Therefore, a reorganization of the current government structure is not likely to significantly improve services. The current government structure is able to provide adequate service within district boundaries.

There do not appear to be readily advantageous government structure options.

Given its extensive service area the District exhibits the characteristics of a well-managed agency operating efficiently and serving its residents and customers effectively.

A seven-member Board of Directors appointed by the Board of Supervisors and City Councils of Clovis and Fresno governs the District. The Board meets twice a month on the second and fourth Wednesday of each month. Notices are mailed and emailed to interested parties – they are not however advertised in the newspaper but they are emailed and mailed to the various news organizations who have requested it. The District does maintain a website with the notice and Board memorandums available (www.fresnofloodcontrol.org).

Determination – The District is accountable to the community service needs. The District board meets regularly and complies with the Brown Act.

7. Any Other Matter Related to Effective or Efficient Service Delivery, as Required by Commission Policy

The Cortese-Knox-Hertzberg Local Government Reorganization Act Section 56036.6 (a) states that a flood control district is not a "district" or "special district" under the jurisdiction of a LAFCo if the commission of the principal county determines that the entity is not a "district" or "special district."

The District has determined that it is not interested in submitting a resolution to the Commission to change its status as a "district" under Section 56036.6 et seq. The District maintains an easy to use website and District staff is responsive to phone and email correspondence.

In addition to the cities of Fresno and Clovis, other special districts that lie in or whose boundaries overlap the Fresno Metropolitan Flood Control District include:

- Waterworks District No. 42;
- Sierra Resource Conservation District;
- Calwa Recreation and Park District;
- Pinedale Public Utilities District;
- Fig Garden Police and Fire Protection Districts;
- West Fresno County Red Scale Protective District;
- Consolidated Mosquito Abatement and Fresno Mosquito and Vector Control Districts;

- Fresno County Library District;
- Fresno Irrigation District;
- Fresno County and North Central Fire Protection Districts;
- Kings River Conservation District;
- International and Garfield Water Districts;
- Malaga and Pinedale County Water Districts;
- Clovis Cemetery and Memorial Districts; and
- County Service Area Nos. 2, 7, 10, 14, 18, 33, 35, 39, 44, 47 and 51.

Even though all of these local agencies are within the Fresno Metropolitan Flood Control Districts boundaries none of them provide flood control services.

Determination: The District is operating in an orderly and efficient manner. No other service delivery matters have been identified.

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.

Description of Current Sphere of Influence

The District’s boundaries and sphere of influence are coterminous and encompass 255,591 acres.

No Proposed Sphere Changes

The District reports its sphere and boundary is correct at this time.

Sphere of Influence Determinations

When LAFCO amends a sphere of influence it must adopt specific determinations with respect to the following factors:

1. Present and planned land uses, including agricultural and open-space lands;

Determination – Land uses within the District are largely agriculture and open space and with significant areas devoted to residential, commercial, industrial and public uses. Planned uses include a similar variety of designations but no changes will result from affirming the Sphere of Influence.

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

Determination – The mixture of land uses within the District requires a broad array of public services and facilities, which is understandable given the scope of the District. The probable need for public facilities and services reflect land use plans of the County and cities within its boundaries.

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

Determination – The capacity of District facilities is sufficient for the services it provides. It is continually adding facilities as the cities grow to keep the residents safe from flooding.

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

Determination – The Cities of Fresno and Clovis are communities of interest within the District’s area. The Cities are where the most population growth will occur and where most of the current population that needs services resides.

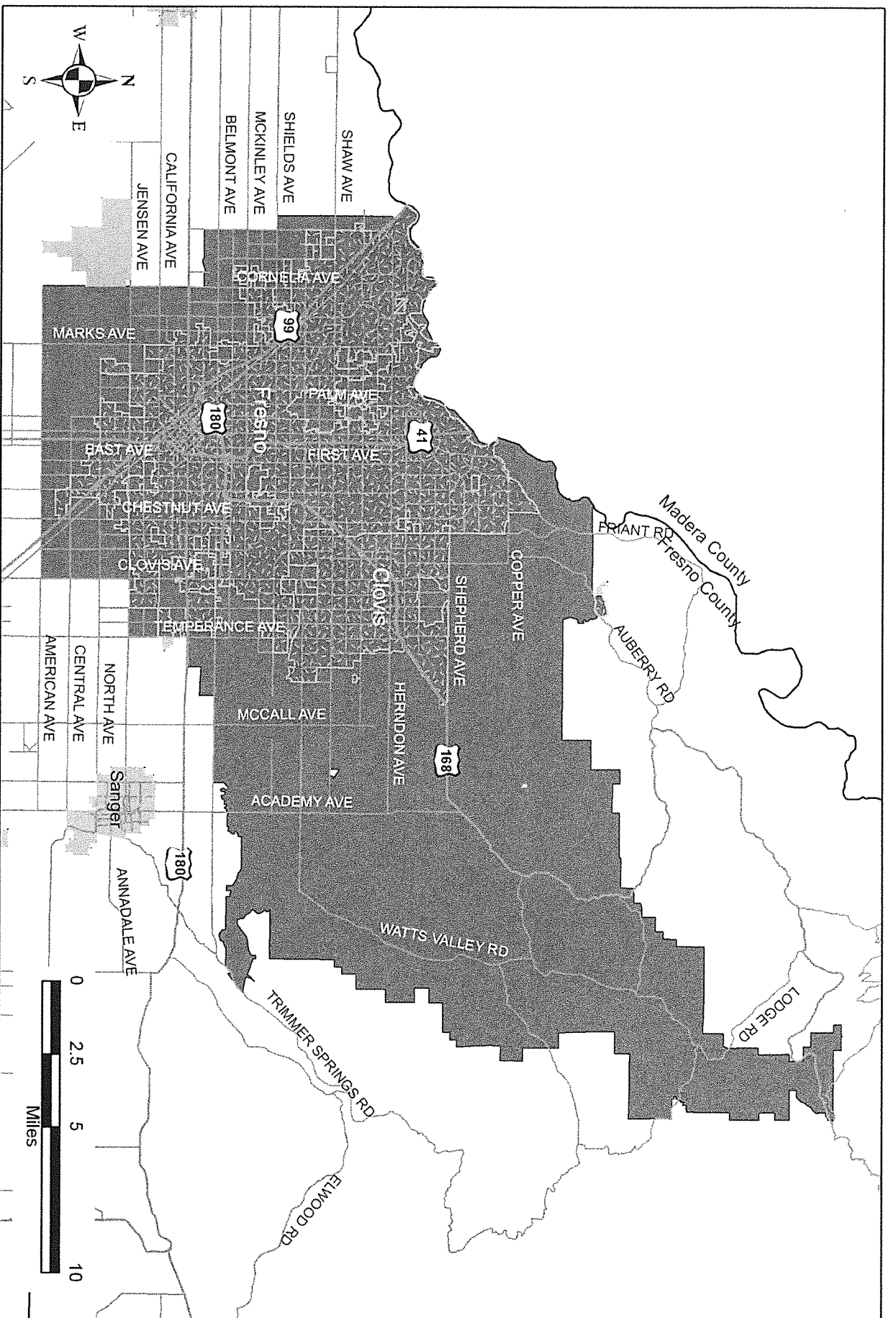
4. ACKNOWLEDGEMENTS & REFERENCES

This draft Municipal Service Review was prepared by Fresno LAFCo staff using information largely provided by the District.




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.



Legend

-  District Area and SOI
-  City Areas
-  City Overlapping District

**Fresno Local Agency Formation Commission
Fresno Metropolitan Flood Control District**

District Formed: 1956
 SOI Adopted: 3/14/1975
 SOI Updated: 7/11/2007
 Map Date: September 2007
 District Area: 255,591 Acres
 Sphere Area: 255,591 Acres