

FRESNO LOCAL AGENCY FORMATION COMMISSION (LAFCo)

**MEETING MINUTES
SEPTEMBER 11, 2019**

Members Present: Commissioners Mendes, Pacheco, Parra, Silva, Santoyo

Members Absent: None

Staff Present: David Fey, LAFCo Executive Officer
Amanda Graham, Clerk to the Commission
George Uc, Senior LAFCo Analyst
Juan Lara, LAFCo Analyst II
Ken Price, LAFCo Counsel

1. Call to Order and Roll Call

Chair Santoyo called the meeting to order at 1:30 p.m.

2. Pledge of Allegiance

Chair Santoyo asked Commissioner Silva to lead the Pledge of Allegiance.

3. Comments from the Public

There were no comments from the public.

4. Potential Conflicts of Interest

There were no conflicts of interest.

CONSENT AGENDA

- 5-A. Minutes from the LAFCo Meeting of August 14, 2019.**
- 5-B. Renewal of Professional Services Agreement by and between the County of Fresno and the Fresno LAFCo.**
- 5-C. Resolution and Memorandum of Understanding between LAFCo and the Special District Risk Management Authority.**
- 5-D. Contract with Sampson, Sampson & Patterson, LLP to Perform LAFCo Audit for FY 2017/2018.**
- 5-E. CALAFCO Board of Directors Nomination for 2019/2020.**
- 5-F. Appointment of Fresno LAFCo's Voting Delegate and Alternate Voting Delegate at the CALAFCO Board of Directors Elections.**

Commissioner Mendes made a motion to approve consent agenda items 5-A through 5-F seconded by Commissioner Parra. The Commission approved consent agenda items 5-A through 5-F by a vote of 5-0.

REGULAR AGENDA ITEMS

6. Dissolution of the Silver Creek Drainage District and the Firebaugh Resource Conservation District in Accordance with SB 448. (Hearing Continued from August 14, 2019.)

LAFCo Analyst Juan Lara presented staff's report: this is a continued item from the Commission's August 14, 2019 hearing; this item is for consideration of the dissolution of Silver Creek Drainage District and the Firebaugh Resource Conservation District; this item was continued to give time for Mr. Bryant to get a board appointed for both districts; staff recommended that the Commission adopt the resolution finding that the two previously inactive districts are no longer inactive.

Jeff Bryant, General Manager, Firebaugh Canal Water District thanked the Commission and staff for assistance in securing board members.

There were no other comments from the Commission.

There were no other comments from the public.

Commissioner Pacheco made a motion approving the resolution seconded by Commissioner Mendes. The Commission approved the resolution by a vote of 5-0.

7. Municipal Service Review and Sphere of Influence Update for the City of Huron.

Senior LAFCo Analyst George Uc presented staff's report: this item is for the consideration of approval of the Municipal Service Review ("MSR") prepared for the City of Huron in response to the City's application for a sphere of influence ("SOI") update; the updated SOI would add 211 acres; the draft MSR analyzed the existing SOI, 12 different municipal services being provided in the City, and the City's capacity and planning efforts to extend services within the updated SOI.

Staff highlighted two issues found in this SOI process: the City needs to prepare master planning documents for its public water system, sewer system, and planned water recycling system; and the City needs to improve the administration of federal and state grant funding for future local projects.

Staff recommends that the Commission update the Huron SOI by entertaining three separate actions:

- 1) Find that the MSR is exempt from the California Environmental Quality Act

- (“CEQA”);
- 2) Find that the SOI update has been environmentally reviewed and considered in the City’s General Plan and Environmental Impact Report; and
 - 3) Adopt the determinations and recommendations made by staff to the City of Huron.

There were no comments from the Commission.

There were no comments from the public.

Commissioner Mendes made a motion to approve agenda item 7 action 1: CEQA exemption, seconded by Commissioner Silva. The Commission approved agenda item 7 action 1 by a vote of 5-0.

Commissioner Mendes made a motion to approve agenda item 7 action 2: environmental review of SOI, seconded by Commissioner Parra. The Commission approved agenda item 7 action 2 by a vote of 5-0.

Commissioner Parra made a motion to approve agenda item 7 action 3: adopt the Huron MSR, seconded by Commissioner Mendes. The Commission approved agenda item 7 action 3 by a vote of 5-0.

8. Amendment of LAFCo Policy Manual, Section 107 (MSR Program/Policy)

LAFCo Executive Officer David Fey presented staff’s report: this item is for consideration of approving recommended amendments to Fresno LAFCo’s current MSR policy in order to bring the policy into compliance with state law. Staff also recommended streamlining of the discussion of municipal services in regard to MSRs conducted for districts that don’t provide services traditionally considered “municipal” and the adoption of miscellaneous changes and corrections to the policy.

Commissioner Pacheco asked for clarification on the specifics of the recommended policy changes and asked for more information on the impact of the proposed changes on the City of Mendota.

There were no other comments from the Commission.

There were no comments from the public.

Commissioner Parra made a motion to approve agenda item 8 amendment of the Fresno LAFCo MSR policy which was seconded by Commissioner Mendes. The Commission approved agenda item 8 by a vote of 5-0.

9. Request by Tranquility Resource Conservation District and Sierra Resource Conservation District for Application Fee Reduction.

LAFCo Counsel Ken Price commented on agenda item 9 regarding potential conflicts arising between the agencies and his law firm and the necessity for conflict counsel if a

conflict were to arise. Price expressed that he deemed no conflict counsel was necessary at this point.

LAFCo Executive Officer David Fey presented staff's report: this item is for consideration of the approval of a fee reduction for the sphere of influence application and concurrent annexation of territory for both Tranquility Resource Conservation District (Tranquility RCD) and Sierra Resource Conservation District (Sierra RCD).

Chair Santoyo asked for clarification over the potential conflict between the districts, the status of current activities performed by Tranquility RCD, and the purpose of the proposed expansion.

Sierra RCD District Manager Steve Hayes addressed the Commission and explained the value and responsibilities of Conservation Districts.

Chair Santoyo asked for clarification regarding the current activities that Sierra RCD currently engages in and specific details of the District's expansion.

Tranquility RCD General Manager Matt Hurley addressed the Commission restating the value of these Districts, provided context to the consolidation of the west side RCDs SOI by the Commission in 2007.

Former Fresno Irrigation District General Manager Gary Serrato addressed the Commission expressing his concern with the potential overlap of the RCDs and the Fresno Irrigation District if expansion were approved. Mr. Serrato urged the Commission to not allow for expansion of the sphere of influence into the Fresno Irrigation District.

Commissioner Pacheco asked for clarification on the existing boundaries between the districts and stated any boundary decision would come after the issue of the fee reduction was addressed.

Alta Irrigation District General Manager Chad Wegley addressed the Commission and expressed concern about the current overlap that exists between the Kings River Conservation District, Alta Irrigation District, Hill Valley Irrigation District, Tri-Valley Irrigation District, and the Kings River East Groundwater Sustainability Agency. Mr. Wegley believed the sphere expansion would result in a duplication of services already being addressed by existing agencies and stated that these districts could sufficiently address the service needs that would come from said expansion. Mr. Wegley had no comments regarding the fee reduction application.

Chair Santoyo asked Mr. Wegley if the additional agency coverage provided by the expansion would be a benefit or not. Mr. Wegley stated this expansion would indeed be beneficial to areas that were not covered by any of the existing agencies.

Commissioner Pacheco requested that Mr. Hurley of Tranquility RCD to comment on the issue of overlap between districts.

Mr. Hurley stated the nature of the projects that could happen under the expansion of the sphere of influence would not compete with existing irrigation or water districts for funds but would instead expand the possibilities for new funding for projects (carbon sequestration, soil conservation, education & outreach). Mr. Hurley then re-emphasized the fee reduction issue.

Commissioner Pacheco stated his support for a fee reduction citing high application fees and recommended that Tranquility and Sierra RCDs only include those irrigation districts that fall under their proposed expansion and wish to be included.

Commissioner Mendes asked staff for clarification on the costs that would be incurred if the fee reduction were to be applied to these districts. Fey replied that the requested fee reduction will result in a loss of application fee revenue. Fey stated that is too early to see what the effect this fee reduction would have on the day-to-day operations of the Commission or the year-end budget.

Commissioner Pacheco questioned staff's basis for the projected loss of revenue in light of the application fees to be paid for the proposed expansions. Commissioner Pacheco commented on his personal disagreement with the Commission's high application fees concluding that the board must make the ultimate decision. Fey added that the Commission has the authority to address the application fees.

Chair Santoyo asked for clarification on a statement previously made by Mr. Hurley regarding the 2007 Commission waiving fees to consolidate RCD boundaries. Fey replied that the current application for the TRCD SOI expansion was not a consolidation but an expansion of the SOI.

Chair Santoyo asked for clarification that the Commission was being asked to take action on the requested fee reduction and nothing else.

Commissioner's Parra and Pacheco gave their final comments regarding the issue before voting.

Commissioner Pacheco moved to approve agenda item 9, the fee reduction request. Commissioner Parra seconded the motion. The Commission approved agenda item 9 with a vote of 5-0.

10. Executive Officer Comments

Fey alerted the Commission that there would be no October hearing and the next LAFCo hearing scheduled for November 13, 2019 at 1:30 PM.

Fey updated the Commission on the change of position by CALAFCO regarding AB 600, asked for Chair approval and concluded with a notice of financial statements available to the Commission.

11. Commission Comments/Reports

There were no other comments from the Commission.

12. Adjournment

Commissioner Parra moved to adjourn the meeting, seconded by Commissioner Silva. The motion passed on a vote of 5-0. The meeting was adjourned at 2:35 p.m.

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