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

AGENDA ITEM No. 14

DATE: July 11, 2007

TO: Fresno Local Agency Formation Commission

FROM: Rick Ballantyne, Executive Officer
Darrel Schmidt, Deputy Executive Officer

SUBJECT: **Consider Adoption** – Municipal Service Reviews and Sphere of Influence Updates prepared for the following Districts:

1. Navelencia Resource Conservation District
2. Sierra Resource Conservation District

Summary / Background

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires LAFCo to review and update, as necessary, Special Districts' Sphere of Influence (SOI) 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 MSRs have been prepared for two of the eight Resource Conservation Districts (RCDs) operating within Fresno County.

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 any modifications to a city's or district's SOI is 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 boundary. 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. Such updates are required by State law to be conducted every five years. MSRs are required to be prepared prior to or in conjunction with SOI updates.

State law requires that the Commission in its consideration of the MSRs, adopt written 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 the SOI update, if the Commission determines that modifications to a district's SOI boundary is appropriate, it is required to consider the following four criteria and make appropriate determinations in relationship to each of the following criteria:

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 eight Resource Conservation Districts located within the County of Fresno (see District Map). These Districts include the Firebaugh; James; Navalencia; Panoche; Poso; Sierra; Tranquillity; and Westside Resource Conservation Districts. This report addresses only the Navalencia and Sierra Resource Conservation Districts. MSR and SOI Updates prepared for the remaining RCDs will be presented at a later hearing.

At the Commission's February 7, 2007 hearing, the Sierra and Navalencia RCDs petitioned LAFCo to allow District consolidation and a waiver of LAFCo processing fees. In order to justify the fee waiver, the Districts stated that they have no taxing authority, no regular income, and relied entirely upon small grants to fund services provided by these Districts. They further stated that the Districts have no employees and their respective Board of Directors volunteer their services.

Staff had recommended that the issue of consolidation be continued until after *Municipal Service Reviews* had been prepared addressing the Districts' consolidation request. The Commission concurred with the staff recommendation to continue the item.

Environmental Determination

Staff has determined that consideration and adoption of the Navalencia and Sierra RCD Municipal Service Reviews and Sphere of Influence determinations are actions considered to be "Categorically Exempt" as per Section 15306 (Information Collection) of the California Environmental Quality Act Guidelines (CEQA). Further, the proposed adoption of a single Sphere of Influence for both Districts has been determined to be "Categorically Exempt" as per Section 15306 (Changes in Organization of Local Agencies) of CEQA.

Discussion & Summary of Determinations

1. Navalencia Resource Conservation District

- A. Adopt a single Sphere of Influence for the Navalencia and Sierra Resource Conservation Districts.
- B. Waive LAFCo fees associated with consolidating the Navalencia and Sierra Resource Conservation Districts.

The Navalencia Resource Conservation District encompasses approximately 781,075 acres (1,220 square miles) in the eastern portion of Fresno County. The District shares a common boundary with Inyo County on the east, Tulare County on the south, and Sierra RCD on the north. The District's boundary and SOI are coterminous.

The District is governed by a five-member Board of Directors appointed by the Board of Supervisors. The District has no employees.

The District enables landowners within its boundary to receive technical assistance services from the USDA Natural Resources Conservation Service related to land improvement techniques, conservation of resources, and soil erosion control and prevention. The District also provides public education about resource conservation issues.

The District's infrastructure is limited to the District's headquarters, equipment shop, and storage yard located on approximately five acres in Reedley. The District did not identify any current infrastructure needs.

The District has no regular funding source. It does not receive any property taxes or assessments. It periodically receives grant funding. The District does not have any staff and does not have any significant operational costs.

District representatives indicate that they have discussed possible consolidation with the Sierra Resource Conservation District. Navelencia RCD states:

We would like to consolidate with the Sierra RCD to the north. Sierra RCD is active and we are not very active. Navelencia RCD and Sierra RCD have begun the process to consolidate. The natural resource concerns and issues are similar in both RCDs.

Sierra RCD concurs with Navelencia RCD's desire to consolidate.

If a single Sphere of Influence is adopted by the Commission, and the Districts are subsequently consolidated, there will be no change in present or planned land uses. Both Districts experience similar natural resource concerns and issues. Based on information provided by the Districts, it appears that a single District would be preferable for providing resource conservation services to the territories now occupied by the two separate districts.

2. Sierra Resource Conservation District

- A. Adopt a single Sphere of Influence for the Navelencia and Sierra Resource Conservation Districts
- B. Waive LAFCo fees associated with consolidating the Navelencia and Sierra Resource Conservation Districts.

The Sierra Resource Conservation District encompasses approximately 1,179,200 acres (1,843 square miles) in northeast Fresno County. The District shares a common boundary with Inyo County on the east, Madera County on the north, and Navelencia RCD on the south. The District's boundary and SOI are coterminous.

The District is governed by a seven-member Board of Directors appointed by the Board of Supervisors. The District has no employees.

The District enables landowners within its boundary to receive technical assistance services from the USDA Natural Resources Conservation Service related to land improvement techniques, conservation of resources, and soil erosion control and prevention. The District also provides public education about resource conservation issues.

The District has no physical infrastructure or assets. The District has no regular funding source. It does not receive any property taxes or assessments. The District's FY 2006-07 Budget

includes \$9,200 in revenue, most of which is derived from State grants. Projected expenses totaling \$11,405 include \$5,000 for a required audit. The District does not have any staff.

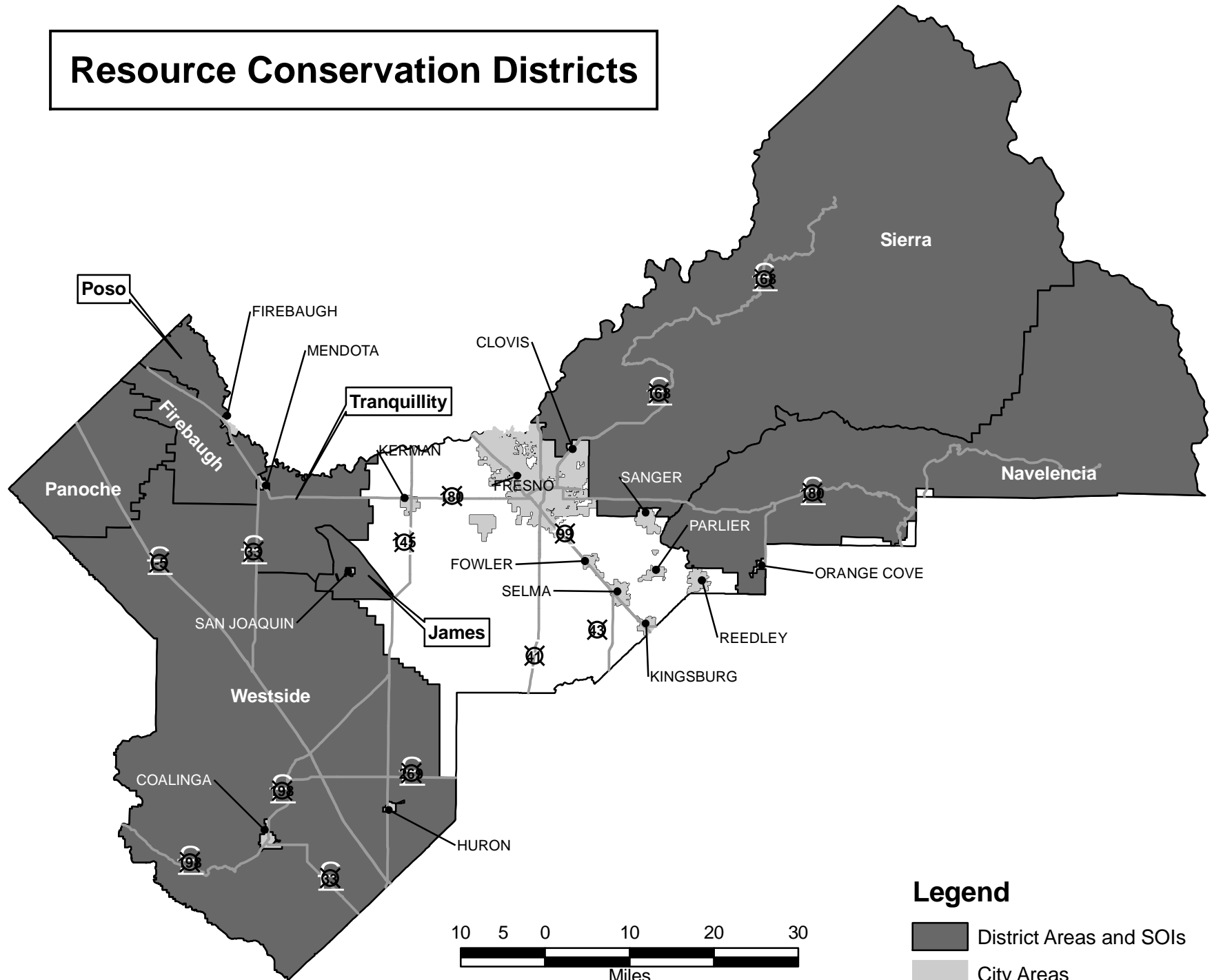
The District maintains a small budget with limited financial resources. Therefore, there are no significant cost avoidance opportunities. As indicated, the District maintains no facilities. The Sierra RCD would have an opportunity to utilize Navelencia RCD's facilities should the two Districts consolidate.

If a single Sphere of Influence is adopted by the Commission, and the Districts are subsequently consolidated, there will be no change in present or planned land uses. Both Districts experience similar natural resource concerns and issues. Based on information provided by the Districts, it appears that a single District would be better able to provide resource conservation services to the territories now occupied by the two, separate Districts.

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 Reviews 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 Section 15320, "Changes in Organization of Local Agencies".
- B. Find the Municipal Service Reviews and Sphere of Influence Updates prepared for the Navelencia and Sierra Resource Conservation Districts are complete and satisfactory.
- C. Find that the written determinations within the Municipal Service Reviews and Sphere of Influence Updates satisfy State Law.
- D. Pursuant to Government Code Sections 56425 and 56430 adopt the determinations as presented in the Municipal Service Review and Sphere of Influence Update documents.
- E. Adopt a single Sphere of Influence for the Navelencia and Sierra Resource Conservation Districts.
- F. Waive LAFCo fees associated with consolidating the Navelencia and Sierra Resource Conservation Districts.

Resource Conservation Districts



Legend

- District Areas and SOIs
- City Areas

RESOLUTION NO. MSR-07-13

**FRESNO LOCAL AGENCY FORMATION COMMISSION
FRESNO COUNTY, CALIFORNIA**

In the Matter of

LAFCo Determination

RESOLUTION MAKING DETERMINATIONS)	MAKE DETERMINATIONS AND ADOPT
AND ADOPTING MUNICIPAL SERVICE)	MUNICIPAL SERVICE REVIEWS
REVIEWS; AND MAKING DETERMINATIONS)	AND MAKE DETERMINATIONS AND
AND UPDATING SPHERE OF INFLUENCE)	UPDATE SPHERE OF INFLUENCE FOR
FOR THE NAVELENCIA AND SIERRA)	THE NAVELENCIA AND SIERRA
RESOURCE CONSERVATION DISTRICTS)	RESOURCE CONSERVATION DISTRICTS

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; 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 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 Reviews and Sphere of Influence determinations under consideration are Categorically Exempt from the provisions of the California Environmental Quality Act (CEQA) under Section 15320, "Changes in Organization of Local Agencies".

Section #2. This Commission finds the Municipal Service Reviews and Sphere of Influence Updates prepared for the Navelencia and Sierra Resource Conservation Service Districts are complete and satisfactory.

Section #3. This Commission finds that the written determinations within the Municipal Service Reviews and Sphere of Influence Updates satisfy State Law.

Section #4. Pursuant to Government Code Sections 56425 and 56430 this Commission hereby adopts the determinations as presented in the Municipal Service Review and Sphere of Influence Update documents that include the following:

- A. Adopt a single Sphere of Influence for the Navelencia and Sierra Resource Conservation Districts.
- B. Accept an application for the consolidation of said Districts.
- B. Waive LAFCo fees associated with consolidating the Navelencia and Sierra Resource Conservation Districts.

Section #5. 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.

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ADOPTED THIS 11th DAY OF JULY, 2007, BY THE FOLLOWING VOTE:

AYES: Commissioners Anderson, Fortune, Larson, Lopez

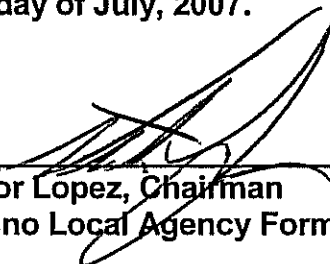
NOES: None

ABSENT: Commissioner Rodriguez

**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 11th day of July, 2007.



**Victor Lopez, Chairman
Fresno Local Agency Formation Commission**

**NAVELENCIA RESOURCE
CONSERVATION DISTRICT**

**SIERRA RESOURCE
CONSERVATION DISTRICT**

**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

July 2007

This report was prepared for the Fresno Local Agency Formation Commission (LAFCO) in accordance with Section 56430 of the California Government Code. It responds to the requirement that LAFCO conduct a Municipal Service Review (MSR) to study the delivery of municipal services and update Spheres of Influence.

There are eight Resource Conservation Districts (RCDs) in Fresno County. All operate pursuant the Resource Conservation District Law (Public Resources Code §9151 et seq.)

This report pertains to the two RCDs in Eastern Fresno County:

- Navelencia RCD encompasses about 781,075 acres (1,220 square miles). It is located within Southeast Fresno County and shares common boundaries with Inyo County on the east, Tulare County on the south, and the Sierra RCD to the north.
- Sierra RCD encompasses about 1,179,200 acres (1,843 square miles). It is located within Northeast Fresno County and shares common boundaries with Inyo County on the east, Madera County on the north, and Navelencia RCD on the south.

Recommendations

- After reviewing this matter and consulting with the affected agencies, it is recommended that the Commission adopt a single Sphere of Influence for the Navelencia and Sierra RCDs.

The recommended actions will not consolidate these two agencies but is a formal indication that the Commission would favorably consider such proposal if it is submitted.

It is also recommended that the Commission consider waiving LAFCo processing fees for the consolidation of special districts including RCDs to remove obstacles to desired governmental reorganizations.

Consolidation Procedures

Consolidating special districts is a relatively easy process when the affected districts agree with the proposed change. It involves essentially the following steps:

1. LAFCO approves a single Sphere of Influence that encompasses all districts that are to be considered for consolidation.
2. The Boards of Directors of the subject districts adopt a resolution of application to initiate the consolidation.

The resolution contains all terms and conditions to apply to the proposed change (such as all assets and liabilities of the subject agencies shall be transferred to the successor consolidated district).

3. At least one of the districts submits an application to LAFCO containing the resolution of application and other required materials. It should be noted that:
 - o The expense of preparing a map and legal description is not necessary since the boundaries of existing agencies are known and are on file with the State Board of Equalization and affected County Departments including the Assessor's Office.
 - o Consolidations do not require preparation of an Environmental Impact Report or Negative Declaration since they are Categorical Exemption from the California Environmental Quality Act (CEQA) as a Class 20 exemption, "Changes in Government Organization."
4. LAFCO conducts a public hearing to consider the consolidation and after receiving public testimony approves the proposed change. The resolution of approval contains all of the necessary terms and conditions, including an "effective date" for when the consolidation will be completed and in effect.

If the districts agree to the consolidation, a confirmation election is not required. The change can easily be recorded and completed. If one of the districts does not agree with the change, an election of the registered voters within each of the districts will be held.

5. Once LAFCo approves the consolidation, the final step is to record the consolidation by making necessary filings with the State Board of Equalization and County Departments.

Municipal Service Review and Sphere of Influence Update

Written determinations regarding the MSR and Sphere of Influence Updates are provided for the Commission's consideration. This report is an informational document and does not substitute for discretionary decisions that can only be made by the Commission. The decision to approve or disapprove any determinations or policies rests entirely with the Commission.

This report is subject to reconsideration and revision as directed by the LAFCO staff or by the Commission during the course of its deliberations.

MSR Guidelines prepared by the State Office of Planning and Research were referred to in developing information, performing analysis, and organizing these studies.

**SIERRA RESOURCE
CONSERVATION DISTRICT**

**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

July 2007

1. MUNICIPAL SERVICE REVIEW

Description of District:

The Sierra Resource Conservation District was formed in 1957. The original District contained approximately 85,200 acres. Three annexations have taken place since the original formation.

The current District encompasses approximately 1,179,200 acres (1,843 square miles) in northeast Fresno County. The District shares common boundaries with Inyo County on the east, Madera County on the north, and Navelencia RCD on the south.

A seven-member Board of Directors, appointed by the Board of Supervisors, governs the District. The District has no employees.

Its boundaries and Sphere of Influence are coterminous as shown on the enclosed map.

District Services:

The District enables landowners within its boundaries to receive technical assistance services from the USDA Natural Resources Conservation Service (previously called the Soil Conservation Service) related to land improvement techniques, conservation of resources, and prevention and control of soil erosion. The District, in conjunction with other RCDs in the County, provides public resource conservation education.

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 has no physical assets. The District has not identified any specific infrastructure needs.

Growth and Population Projections:

District services do not directly facilitate or affect the rate or location of population development.

Financing Constraints and Opportunities:

The District reports its approved budget for FY 2006-2007 includes \$9,200 in revenue, most of which is derived from grants from the State for removing brush to allow planting of trees (reforestation) with other revenue from the sale of plants and funds to conduct weed eradication education.

Projected expenses of \$11,405 include \$5,000 for a required audit, \$2,500 for Proposition 50 related expenses, and remaining expenses to cover various scholarships and youth related activities, and membership dues for RCD related organizations.

Cost-Avoidance Opportunities:

The District maintains a very small budget with limited financial resources, hence there are limited cost-avoidance opportunities. It has no staff and the Board conducts occasional bi-monthly meetings

Opportunities for Rate Restructuring:

There do not appear to be any obvious opportunities for rate restructuring in the operations of the District.

Opportunities for Shared Facilities:

There is an opportunity to share facilities with the Navelencia RCD should the Districts choose to consolidate.

Government Structure Options:

Both the Sierra and the Navelencia RCDs appear to be interested in consolidation. The Sierra RCD states:

We are currently in the process to consolidate with Navelencia RCD at their request. Consolidation with NRCD will need to be considered by Fresno LAFCo.

The Navelencia RCD reports:

We would like to consolidate with the Sierra RCD to the north. Sierra RCD is active and we are not very active. Navelencia RCD and Sierra RCD have begun the process to consolidate. The natural resource concerns and issues are similar in both RCDs.

Management Efficiencies:

Given its limited funding, the District exhibits characteristics of an agency that wishes to serve its constituents effectively.

Local Accountability and Governance:

A seven-member Board of Directors appointed by the Board of Supervisors governs the District. Board agendas are posted at the meeting site. The District maintains a website (www.sierrarc.com).

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.

Proposed Sphere Change:

The District does not feel that its Sphere of Influence is correct at this time and believes that consolidation with the adjacent Navelencia RCD should be considered by LAFCO.

Sphere of Influence Recommendation and Determinations:

It is recommended the Commission adopt a single Sphere of Influence for the Sierra and Navelencia RCDs and approve the following determinations:

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

Present land uses consist of a variety of uses that are primarily agricultural and open space with some residential, commercial and public uses. There will be no change in present or planned land uses as a result of the consolidation.

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

RCDs enable landowners to receive technical assistance services related to increasing land use capabilities, conserving resources, and preventing and controlling soil erosion. Creating a single Sphere of Influence for the RCDs will not result in impacts to present or future public facilities.

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

It appears from information provided by the Districts that a single consolidated District would be better able to provide the types of services that RCDs provide to the area.

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

Lands contained within both RCDs present similar natural resource concerns and issues and, therefore, constitute a similar economic community of interest in terms of the types of services and assistance that are provided by RCDs.

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 Sierra Resource Conservation District provided information on which the evaluation is based. President Teryle Sandridge was instrumental in providing data.

Available Documentation:

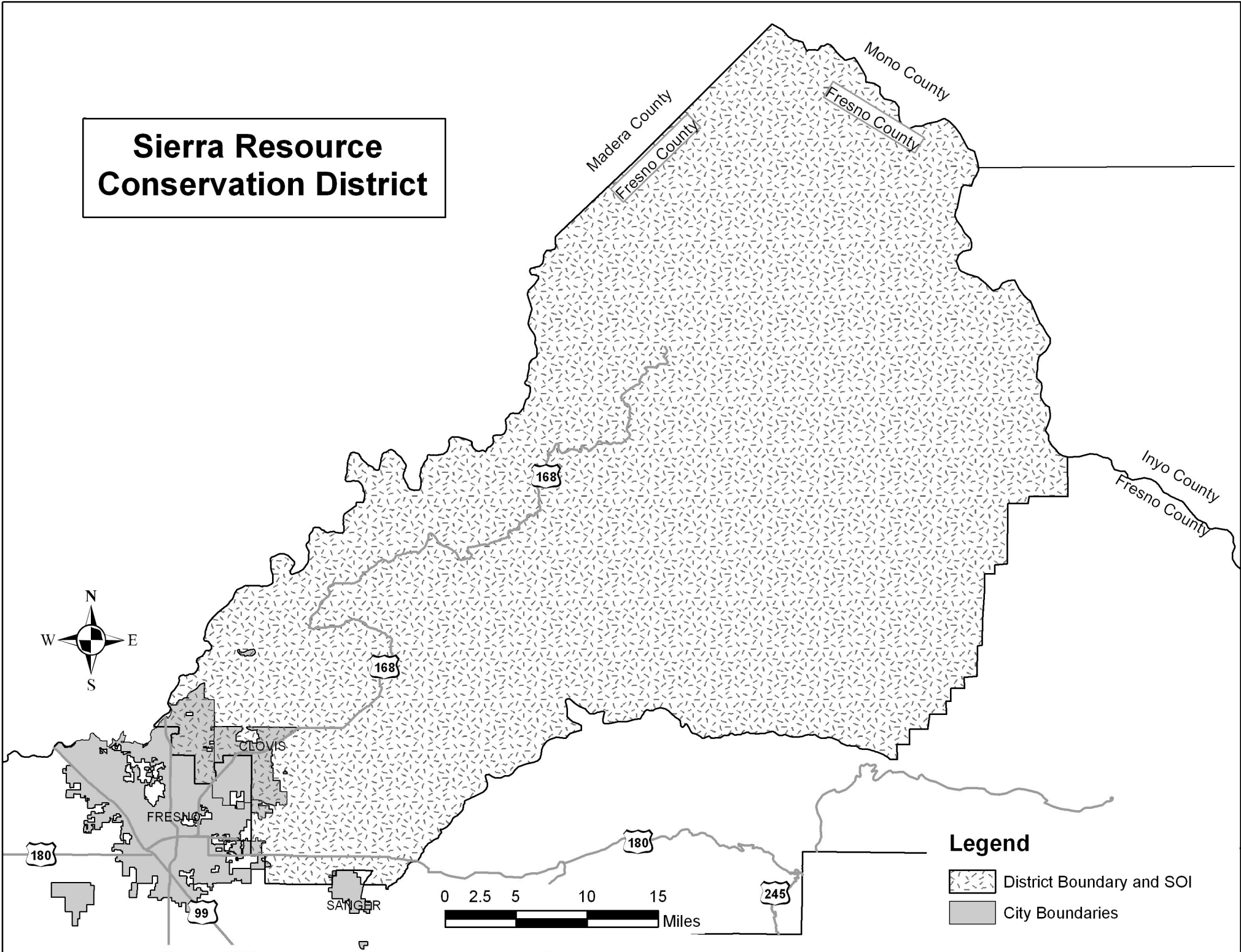
The “Request for Information for Municipal Service Reviews” submitted by the District and supporting documents referred to therein are available in the Fresno LAFCo Office.

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. Adopt a single Sphere of Influence for the Sierra and Navelencia Resource Conservation Districts and approve the recommended Sphere of Influence determinations.

Sierra Resource Conservation District



Legend

-  District Boundary and SOI
-  City Boundaries