

SIERRA RESOURCE CONSERVATION DISTRICT

MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE, REVISION

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

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MSR-16-1

February 10, 2016

AGENCY PROFILE: SIERRA RESOURCE CONSERVATION DISTRICT

Resource Conservation Services

District Contact:

District Manager: Steve Haze
Address: 34876 S J & E Road, Auberry, CA 93602
Mail Address: PO Box 693
Auberry, CA 93602
Phone: (559) 855-5840
District website: <http://sierrarc.com/index.html>

Management Information

Governing Body: Five-member Board of Directors, four-year terms
Board Members: Pete Lassotovitch, President Elected 2014 - Expires 2018
Ted Kimbler Elected 2014 - Expires 2016
Alan Fry, Secretary/Treasurer Elected 2014 - Expires 2018
Sherman Pennebaker Elected 2014 - Expires 2018
John Hywood, Associate (non-voting) Appointed 2015
Board Meetings: Fourth Monday of each month, 4 to 6 p.m., or as needed
Meeting Location: Clovis Veterans Memorial District, 808 4th Street, Clovis, Ca 93612
Staffing: 3 Part-time Employees

Service Information

Principal Act: Public Resources Code (§9151 et seq.), Resource Conservation District Law
Special District Powers: Manage resource conservation projects, including soil and water conservation projects, wildlife habitat enhancement and restoration, control of exotic plant species, watershed restoration, conservation planning, and education.
LAFCo Authorized: Technical, financial, and environmental education for resource management and conservation on a non-regulatory basis
Service Area Location: Eastern County of Fresno and portions of northern Tulare County
Service Area and SOI: 1,847,537 acres
Infrastructure: No improved facilities

Fiscal Information

Budget: \$40,450 (allocated to specific projects)
Sources of Funding: State and federal grants, Inter-agency agreements
Rate Structure: None

Administrative Policies

Master Plan: Yes	District Rules/Handbook: Yes	By-laws: Not required
Boundary Updated: 1950	SOI Updated: 2007	SOI Revision: 2016

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5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence	27
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1. MUNICIPAL SERVICE REVIEW

Introduction

The Sierra Resource Conservation District (“District”) is a multiple-county special district located in the Counties of Fresno and Tulare. Majority of the District’s service area is located in County of Fresno as shown on Figure One – District map.

The District has submitted a proposal to Fresno LAFCo to detach approximately 112,711 acres of territory of its service area located in the County of Tulare. The remaining District service area will amount to approximately 1,847,537 acres within County of Fresno. The proposal also includes the request for the Commission to reduce the Sphere of Influence (SOI) of the District by removing all portions of the service area that lie in Tulare County, as shown on Figure Two – Sierra Resource Conservation District proposal. The Tulare County Resource Conservation District, located in County of Tulare has submitted a request to Tulare LAFCo to expands its sphere of influence in anticipation for these same lands to be annexed into a RCD upon completion of Fresno LAFCo actions. These actions are the result of the District’s efforts to gain single County status.

This Municipal Service Review (MSR) evaluates the subject detachment and concurrent SOI amendment.

Figure 1 – Sierra Resource Conservation District Map

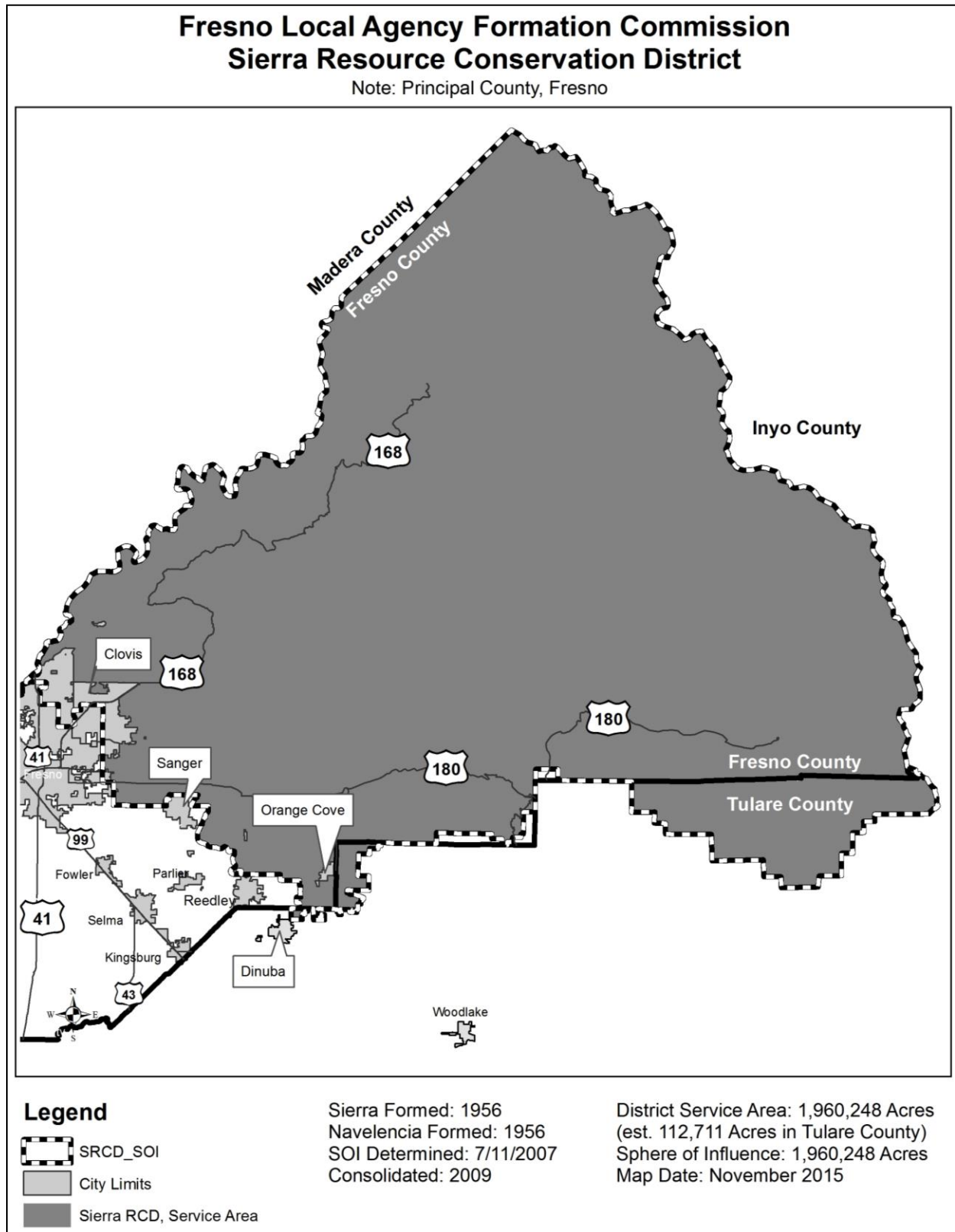
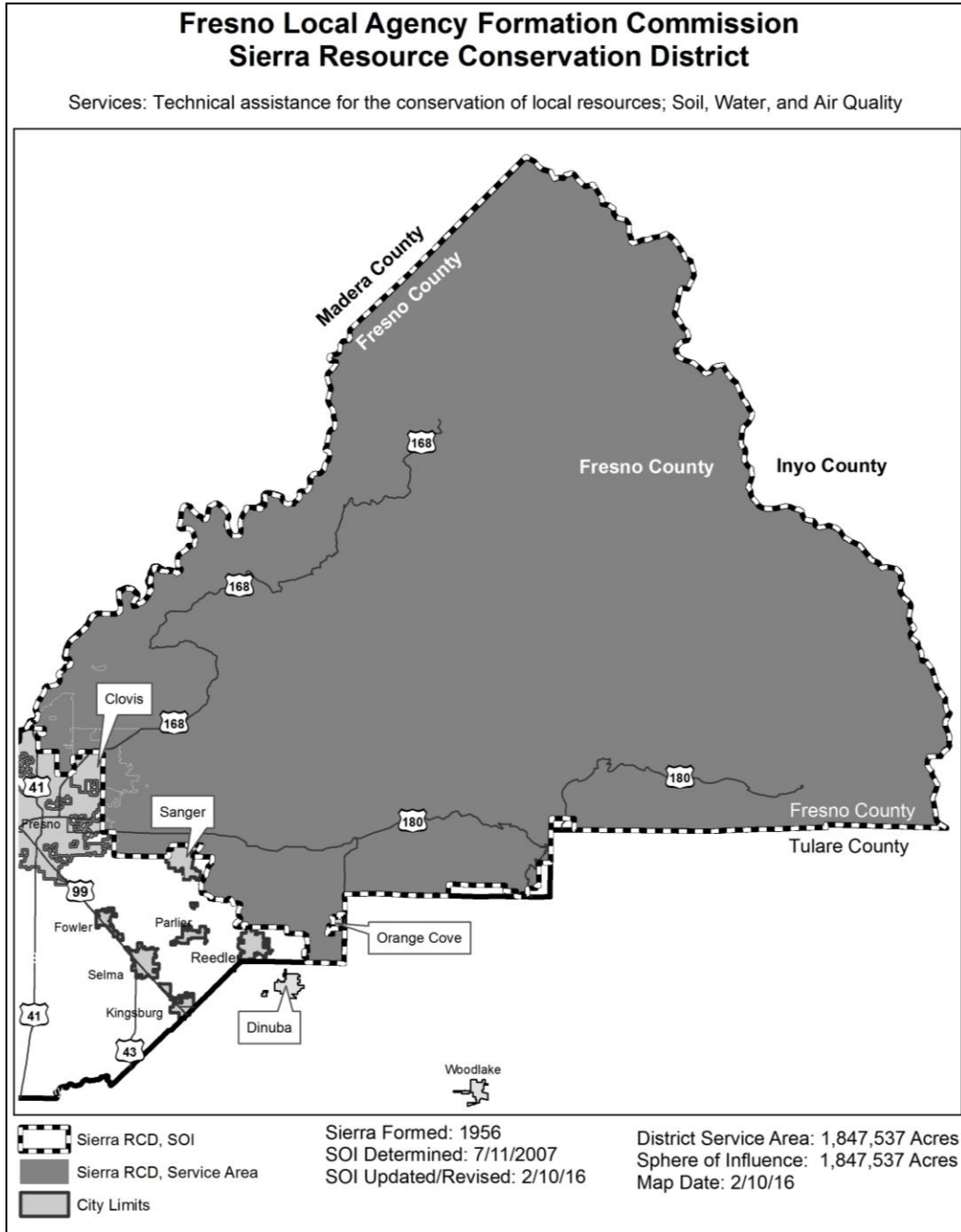


Figure 2 – Sierra Resource Conservation District, SOI Revision Proposal



2. DISTRICT DESCRIPTION

Principal Act

The District was formed in 1957 to provide technical assistance for the conservation of local resources. Resource Conservation Districts were authorized by Federal Legislation in 1937 under the Standards Act. The District's principal act is Division 9 of the California Public Resource Code (PCR) Section 9001 et seq., Resource Conservation District Law.

As of 1992, the primary purposes of Resource Conservation District throughout the state under Public Resource Code section 9001(a) is to secure "the adoption of conservation practices including but not limited to farm, range, open space, urban development, wildlife, recreation, watershed, water quality, and woodland; to save the basic resources, soil, water, and air of the state from unreasonable and economically preventable waste and destruction."

Boundaries

The District service area and coterminous SOI are primarily located in the eastern portion of Fresno County with a portion spanning into northeast Tulare County. The District boundaries are generally the San Joaquin River, the Madera-Fresno County line, the Fresno-Mono and Fresno-Inyo County lines on the north and east, Fresno-Tulare County line on the south with a small portion overlapping with Tulare County and the Sequoia National Park Boundary, ending near the City of Dinuba and the unincorporated community of Orosi, on the south. The District service area encompasses approximately 1,960,248 acres (3,062 square miles).

Fresno LAFCo MSR Policy Designation

Fresno LAFCo MSR policy designates the District as a "level three" special district that provides "non-municipal" services to its constituency. Non-municipal special districts typically do not request or experience modifications to their district service area or request an update or revision to the Commission's adopted SOI for the agency. A level three non-municipal local agency designation means, in Fresno LAFCo's judgment, that services provided by the agency do not facilitate or induce population growth.

In accordance with Government Code (GC) section 56066, Fresno County is the principal county. Fresno LAFCo is responsible for processing the agency's request to reduce the Commission's determined SOI for District. Fresno LAFCo has prepared this service review consistent with GC sections 56425(g) and 56430.

District Background

In 2007, Fresno LAFCo prepared the first MSR for the District which recommended consolidation with the neighboring Navelencia RCD (NRCD) due to its inactivity, lack of agency operation, and lack of management. The MSR revealed that both Districts had entered into discussions concerning the possibility of consolidation and mutually determined that the consolidation would benefit the public interest. On July 11, 2007, at the conclusion of the duly-noticed public hearing, LAFCo determined a single SOI for both Districts based on information presented in the MSR and SOI studies that indicated the Commission's support for the consolidation of the Districts. To encourage consolidation support from both agencies, the Commission also took action to waive the LAFCo application fees.

On July 23, 2007, the Sierra and Navelencia RCDs adopted a joint district resolution supporting consolidation. A formal application was submitted to Fresno LAFCO on January 11, 2008.

At its April 9, 2008, the Commission approved the "Sierra and Navelencia Resource Conservation District Consolidation," LAFCo File No. CD-08-01, with no public protest. The consolidation included:

- The former Navelencia RCD service area is estimated to total +/- 781,075 acres of which Fresno LAFCo estimated +/- 112,711 acres was located in Tulare County.
- The Sierra RCD service area was estimated to total +/- 1,179,173 acres located completely within Fresno County.

The change of organization was ordered without an election, and Resolution No. CD-08-1A ordering the change of organization was adopted by the Fresno LAFCo on May 7, 2008. The result was a single +/-1,960,248 acre Resource Conservation District which retained the Sierra RCD name. The District was directed to have a seven-member board of directors.

On February 18, 2009, the consolidation was recorded by the Fresno County Recorder office; likewise Tulare County recorded the boundary change. In preparation of this report Fresno LAFCo learned that a minor miscommunication occurred between the Counties of Fresno and Tulare County Assessor's following the recordation of the consolidation. The 2008 District consolidation essentially consisted of removing the dividing line—all of which was located in Fresno County—that separated the two districts. There was no other change in the districts' service area. Nonetheless, on February 20, 2009, Fresno LAFCo staff observed that the Fresno County Assessor approved a map and legal description for the consolidated District that appeared to omit the Tulare County portions of the new Sierra RCD service area. Fresno LAFCo

records indicate that the map and legal description error was subsequently resolved by both County Recorders through follow-up communication.

Coincidentally, the current proposal requests that the Commission detach approximately +/-112,711 acres of the District's existing service area located in Tulare County. The proposal also requests for the SOI to be revised to run along the Fresno-Tulare County boundary.

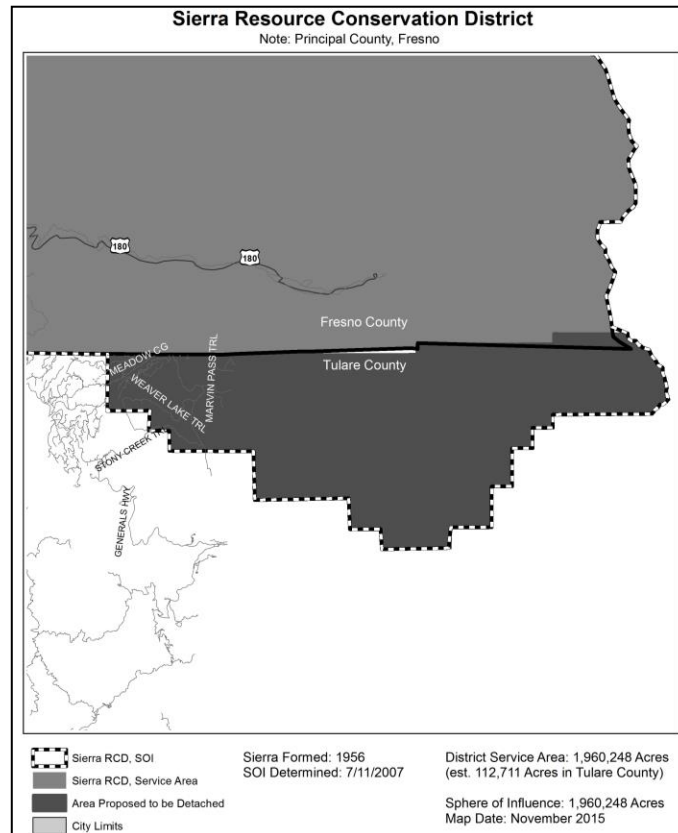
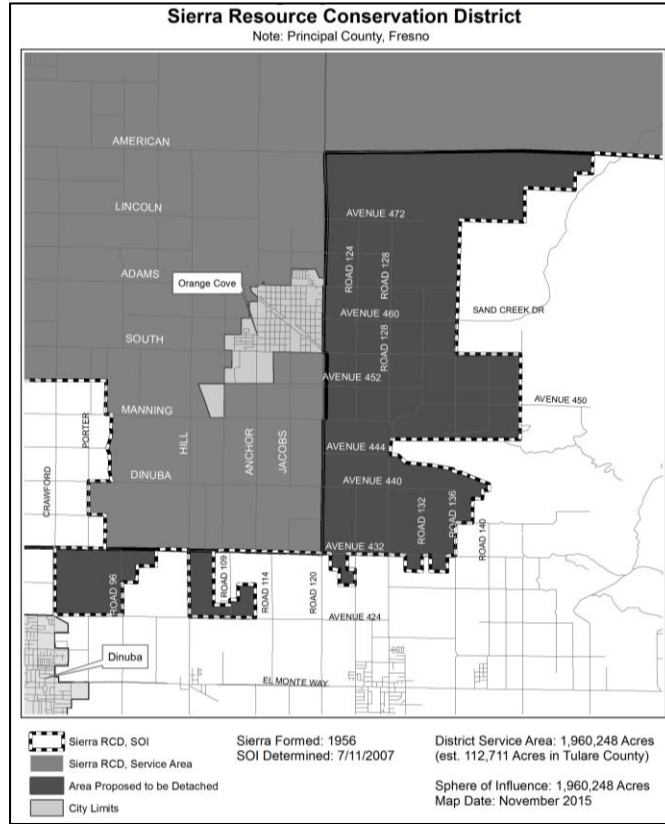
Actions Related to Proposal

The District informed Fresno LAFCo that the proposed detached territory in Tulare County is anticipated to be annexed by the Tulare County Resource Conservation District (TCRCD). As shown on Figure three- District Detachment Proposal. No urban development or loss of open space and prime agricultural land would result from the proposed detachment.

On October 1, 2014, Tulare LAFCo adopted a resolution to amend the adopted SOI for TCRCD in order to include territory currently within the Sierra RCD service area located in Tulare County. Tulare LAFCo revised its SOI boundary for TCRCD to follow the Fresno-Tulare County line. Tulare LAFCo determined that the SOI revision would provide opportunity for TCRCD to annex the land proposed to be detached from the Sierra RCD's service area in Tulare County.

The District has no ongoing projects in the territory proposed to be detached from the service area and SOI.

Figure 3- Sierra Resource Conservation District Detachment Proposal



District Mission

The mission of the District is to take available technical, financial and educational resources whatever their source and focus or coordinate them at the local level to meet the present and future natural resource needs of the local land user. Resource Conservation Districts were created to develop and further ongoing programs to conserve natural resources within the region. The District is an autonomous self-governing body with no taxing authority. The District informed LAFCo that it does not generate funds through collection of tax assessments; rather its primary funding source is generated through secured state and federal grants.

The District organization is dedicated to serving both private and public interests. The District was established to enable 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 and State provide educational resources for the preservation and conservation of soil, water, and air resources.

The District has identified the following resources of long range concerns within Fresno County in no particular order as resources are identified and prioritized annually: soil erosion, watershed/wetlands, water resource quality, quantity and sustainability, agriculture and rangeland, forestland, vegetative management, wildlife habitat, environmental education, and air quality.

District Service Area

The District service area can generally be divided into three distinctive sections: Valley Floor, Foothills, and Mountains.

Valley Floor: 15% of the District in the valley is in agriculture with heavy urbanization with minor amounts of public land. Orange groves, vineyards, seasonal specialty crops, hay and livestock producers form the agricultural component of the valley portion of the district. The terrain is predominately flat or sloped. The valley portion of the District has the highest population and urbanization. The lowest elevation of the valley floor is about 500 feet above sea level. Included are portions of municipalities of Fresno, Clovis and Orange Cove, the San Joaquin River Parkway, and a number of community parks. Much of the valley floor area is subject to flooding and ponding from the San Joaquin and Kings Rivers, and several lesser watershed drainages. A number of flood control districts, California water districts, irrigation districts, and groundwater recharge basins are located within this area of the District.

Foothills: 20% of the District service area is located about 500' to 4000' in elevation. The foothills include the eastside rangeland, oak woodlands, and land predominately under private ownership with some public ownership. Approximately 500,000 acres of oak woodlands is under private ownership. About 60% of those private ownerships are under Agricultural Land Contract (Williamson Act) within the eastside range. Historically a number of the cattle producers also utilize grazing allotments on adjacent public lands.

Public lands found within the Foothill portion of the District service area include Millerton State Park, San Joaquin River Gorge Recreation Area (BLM), Hume Lake area, Tribal Lands, a wildlife refuge, Sierra Foothill Conservancy lands, and the Carpenteria Botanical Area near Auberry. Water resources are scattered and provide potable water for habitation within the foothill areas. Many streams are seasonal, but water flow can peak high runoff volumes during the wet season. Historically, this area has experienced high peak downstream flooding. Rainfall in the foothills averages 18 inches per season. Groundwater is not overly abundant in this area of the District.

Mountains: 65% of the District from 4,000' elevation to about 14,000' elevation is in public forest lands of the Sierra Nevada Mountains, with some private land ownerships interspersed and limited rural residential communities. The boundary of Sierra National Forest at about 4000' elevation marks the eastern edge of the oak woodlands (foothills) and the beginning of forest/timber zone. Peaks exceeding 14,000' are within the Mountain portion of the District.

The District includes the US Forest Service Sierra National Forest High Sierra district and the Sequoia National Forest Hume Lake District; portions of Ansel Adams, John Muir, Dinkey Lakes, Kaiser Wilderness Areas and Monarch Wilderness; the extreme northern portion of Kings Canyon National Park; McKinley Grove Botanical Area and numerous special resource and wildlife study areas. Several thousand acres of private lands encompassed or adjacent to the public lands are in Fresno County's Timberland Preserve Zone.

The Mountain portion of the District service area contains vital snowpack, two major watersheds (San Joaquin River and Kings River), and numerous minor watersheds that provide surface water and groundwater recharge for agriculture production in the San Joaquin Valley floor.

Population projections

Sierra RCD service area and SOI span a large service area encompassing approximately 1,960,248 acres (3,062 square miles). The District is a multi-county district between Fresno and Tulare Counties. The greater portion of the District's service area lies within the County of Fresno, while a small portion of the District lies along the north east Tulare County line and the Sequoia National Park boundary. LAFCo estimates that

approximately +/-112,711 acres of the current District service area resides in Tulare County.

The Counties of Fresno and Tulare are the land use authorities for unincorporated land located within the District's service area. The District service area includes portions of the Cities of Fresno, Clovis, Sanger, and Reedley.

The Fresno County General Plan designates the greater portions of land within the District for Agricultural and Resource Conservation. Land within the District is identified in Fresno County's, Kings River Regional Plan Area, Sierra-North Regional Plan Area, and Sierra-South Regional Plan Area. Likewise, the smaller portion of the District within Tulare County is designated by the Tulare County General Plan for Agriculture and Resource Conservation Land uses. The District does not have land use authority and does not provide municipal services that support population or induce population growth. The bulk of population growth throughout the District service area is likely to occur within the incorporated cities due to a wider range of municipal services offered within the incorporated areas. The District's proposal would not affect population projections within Counties of Fresno or Tulare.

Disadvantaged Unincorporated Communities

Government Code sec. 56033.5 defines a DUC as: i) "inhabited territory" (12 or more registered voters), as defined by sec. 56046, or as determined by commission policy, that constitutes ii) all or a portion of a "disadvantaged community" as defined by sec. 79505.5 of the Water Code. Water Code sec. 79505.5 defines disadvantaged as a territory with an annual median household income (MHI) that is less than 80 percent of the statewide annual median household income. Further, on January 9, 2013, Fresno LAFCo exercised its powers and adopted policy that refined the DUC definition to include, a DUC shall have at least 15 dwelling units at a density not less than one unit per acre.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH) requires LAFCo to make determinations regarding "disadvantaged unincorporated communities" ("DUCs") when considering a change of organization, reorganization, SOI expansion, and when conducting municipal service reviews. For any SOI updates of a local agency (city or special district) that provides public facilities or services related to sewer, municipal and industrial water, or structural fire protection, the Commission shall consider and prepare written determinations regarding the present and planned capacity of public facilities and adequacy of public services, and infrastructure needs or deficiencies for any disadvantaged unincorporated community within of contiguous to the SOI of a city or special district.

Fresno LAFCo Policy designates the District as a “level three” special district that provides “non-municipal” services to its constituency. A level three non-municipal local agency means that, in Fresno LAFCo's judgment, services provided by the agency do not facilitate or induce population growth. Fresno LAFCo observes that services provided by the District would not directly benefit a DUC, no further analysis is provided for this section of the MSR.

Present and planned capacity of public facilities or infrastructure

The District is organized for the protection and conservation of natural resources in the interest of prosperity and the general welfare of the people within the District, Fresno County, and the State of California.

The District employs three part-time staff members that conduct the District’s day-to-day operations. The District also relies on volunteer efforts to seek and apply for state and federal project grant funding. The District maintains an annual work plan that identifies planned projects for the upcoming fiscal year. The District provided LAFCo staff with a copy of its 2015-2016 work plan which identifies: 1) fundraising/grant opportunities, 2) outreach and public relation activities, 3) education training events, 4) District development events, and 5) areas of improvement- District influence and resource concerns with local interest groups.

Prior to its consolidation with SRCD, NRCD was observed in the 2007 MSR to own approximately five acres in Reedley which houses the District headquarters, an equipment shop, and storage yard. LAFCo has no record of the disposition of these assets but as of the current MSR, the District informed Fresno LAFCo that it owns no real estate associated with the five acres in Reedley. The District capital assets consist of a land conservation easement that was granted to the District through a grant from the State of California. The total cost of the easement is estimated to be \$434,432 and the easement is not depreciated. The District does not own any vehicles, equipment, or other infrastructure necessary to carry out the purpose of the District. District services do not directly support or facilitate population growth. The District provides technical assistance for the conservation of resources related to water, soils, and air quality to its constituency.

District Financial Ability to Provide Service

The majority of the District’s revenue comes from state and federal grants. Additional financial support includes grants from local, state and federal agencies and non-profit foundations and service fees. Other support for District activities includes a combination of in-kind services provided by the Board of Directors, volunteers, USDA and other agencies.

The District budget is adopted on an annual basis consistent with generally accepted United States accounting principles. The District informs Fresno LAFCo that historically the District has not adopted a “balanced” budget due to the nature of means of funding. The District’s primary source of revenue is through secured state or federal grant funding. The District staff administers all secured grant funding expenditures.

The District reports an approved budget for fiscal year (FY) 2015-16 that estimates \$40,450 in operational expenses.¹ As previously noted, majority of the budget line items are specifically allocated for projects with secured grants and/or inter-agency agreements from state and/or federal sources. Table one provides a summary of the District’s FY 2015-16 adopted budget.

Table 1 – Sierra Resource Conservation District FY 2015-2016 Budget

Budget Items	Amount Allocated
(1) Fixed Cost/Overhead Costs	\$26,033
(2) Discretionary by Board Approval	\$14,417
(3) Total Fixed & Discretionary Expenses (1 & 2)	\$40,450
(4) Income – Estimated	\$93,802
(5) Direct Expenses for Income- 87%	\$73,769
(6) Total Gross Expenses (3 & 5)	\$114,219
(7) Less- Net Income from Projects (4) -13%	\$12,194
(8) Total Net Expenses: Fixed, Discretionary & Projects (1, 2, & 5 minus 7)	\$102,025
(9) 2015 – Beginning fiscal year balance	\$65,385
(10) Net profit/loss [income minus expense (4) minus (8)]	-\$8,222
Accounts receivable after fiscal year ending	-\$4,147
(11) Fiscal year ending balance	\$53,015

District management and general operational costs are annually estimated at \$12,000 which includes base hourly salary for a part-time District Manager. The District Manager’s salary is budgeted in the District’s fixed costs/overhead cost budget line item, which was estimated at \$26,033 on FY 15-16.

¹ SRCD 2015-16 Annual Budget, line item (3) Total Fixed & Discretionary Expenses

In preparation for this MSR, a copy of the District’s most recent independent auditor’s report and financial statements for FY ending on June 30, 2015, was provided to Fresno LAFCo. Table 2 provides a financial summary of the District’s financial status during the preparation of this MSR.

The District approves its annual budgets with anticipated grant revenues and derived grants and/or inter-agency agreements from state and/or federal resources. The District’s finance practices are restricted to only projects funded by secured grant revenues. Majority of the District’s revenues are specifically allocated to agency related activities and/or approved projects.

Table 2- Fund Balance Sheet and Statement of Net Position

	General Fund	Adjustments	Statement of Net Position
<i>Assets</i>			
Cash and investments	64,960		64,960
Receivables	24,696		24,696
Capital assets, net of accumulated depreciation	-	434,432	434,432
Total assets	89,656	434,432	524,088
<i>Liabilities</i>			
Accounts payable and other accrued liabilities	10,268		
Total liabilities	10,268		10,268
<i>Fund balances/Net position</i>			
Unsigned	79,388	(79,388)	
Total fund balance	79,388	(79,388)	
Total liabilities and fund balance	89,656	(79,388)	10,268
Net investment in capital assets			434,432
Unrestricted			79,388
Total net position			513,820

Opportunities for shared facilities

The District is the only Resource Conservation District located in the eastern portion of Fresno County. The District does not own infrastructure or public facilities that would present opportunities for shared facilities. The District informed LAFCo that its monthly board meetings are held at the Clovis Memorial District’s facilities in Clovis which

continues to be a benefit for the District. Shared facilities with other RCD's is nonexistent; however, opportunities for shared facilities may arise with other forms of local governments.

The following special districts and cities are within the District's service area and located within County of Fresno:

- Cemetery Districts: Clovis, Sanger, Del Rey, Reedley, Alta, Squaw Valley, Dunlap and Parlier;
- Community Service Districts: Sierra Cedars and Big Creek;
- Kings River Conservation District;
- Fresno County Service Areas (dependent agencies): No. 1, No. 5, No. 7, No. 10, No. 23, No. 31, No. 34, No. 35, No. 44, No. 47, No. 50, and No. 51;
- Fire Protection Districts: Bald Mountain FPD, Fresno County FPD, and Orange Cove FPD.
- Fresno Metropolitan Flood Control District;
- Sierra-Kings Hospital District;
- Irrigation Districts: Fresno, Consolidated, Alta, Hills Valley, and Orange Cove.
- Clovis Memorial District;
- Consolidated Mosquito Abatement District;
- Pest Control Districts: Central Valley;
- Orange Cove Police Protection District;
- Water Districts: Garfield, International, Kings River, and Tri Valley;
- Freewater County Water District;
- County Waterworks Districts: No. 18, No. 37, No. 38, No. 40, No. 41S and 41W, and No. 42.
- Portions of the Cities of Fresno, Clovis, Sanger, and Reedley

Governmental Structure

District services are related to resource conservation with emphasis in soil and water conservation management practices. The District is an autonomous self-governing body with no taxing authority. The District is an independent special district governed by an elected five-member board of directors and managed by a District Manager. The District is not governed by any another legislative body such as a city council or the County of Fresno Board of Supervisors. Candidates eligible to serve as board of directors must reside within the District and either own real property in the District or alternatively have served pursuant to the district's rules, for two years or more as an associate director providing advisory or other assistance to the board of directors, or alternatively be a designated agent of a resident landowner within the district. Candidate must be a registered voter of the State.

District elections are consolidated with Fresno County elections. District board members are subject to election of four-year staggered terms; in the event that the number of candidates who file election papers is equal to the number of openings on

the board, members are appointed in lieu of an election (pursuant to Elections Code sec. 10515 (a)) by the Fresno County Board of Supervisors based on recommendation made from the District's board of directors. If no candidates file election papers, the Fresno County Board of Supervisors may appoint directors pursuant to (Election Code sec. 10515 (c)).

The District board of directors meets once a month on the fourth Monday of each month at 4 p.m. in the Clovis Veterans Memorial District Building, 808 4th Street, Clovis, Ca 93612. Board meeting agendas are posted on the District's website: www.sierrarc.com 72 hours before the scheduled meeting. Meeting cancelations are posted at the meeting site 72 hours in advance of the canceled meeting. The District maintains a website that provides general public information regarding the District's background, objectives, active projects, board meeting information, public notices, and special notices. Opportunities for public involvement and communication with the board of directors are permitted during each meeting.

Each board member is given a Director's Handbook published by California Department of Conservation. Board members also attend training session such as ethics trainings provided by California Association of Resource Conservation District (CARCD). Additionally, CARCD has 3-Tier certification program that assist board members comply with training requirements. The District is insured by California Special District Risk Management and has an active membership with the California Special District Association. Each director serves a four-year term and serves on a volunteer basis. Additional non-voting Associate Directors are also appointed, and serve the District without pay.

The District serves both the private and public interest. The District has an adopted long range plan for 2015 to 2020 which identifies the District's goals for each upcoming year. It was last updated on July 27, 2015. The District annually updates its work plan.

The District has executed several Memoranda of Understanding for cooperation in the conservation of natural resources with the following agencies:

- Chowchilla - Red Top RCD and Coarsegold RCD;
- Highway 168 FireSafe Council;
- Backcountry Horsemen of California;
- San Joaquin Sierra Unit;
- San Joaquin River Intertribal Heritage Education Corp;
- Southern Sierra Integrated Regional Water Management Plan (IRWMP); and
- Kings Basin Water Authority (KBWA)

Other Matters Related To Effective Services

Sustainable Groundwater Management Act of 2014. The District informed Fresno LAFCo that it is taking an active role in the implementation of California's Sustainable

Groundwater Management Act (SGMA). This legislation was signed into law by Governor Edmund G. Brown Jr. on September 16, 2014. SGMA is comprised of three bills: Assembly Bill 1739 (Dickenson) and Senate Bills 1319 and 1168 (Pavley). This three-part legislation allows local agencies to develop groundwater sustainability plans that are compatible with their regional economic and environmental needs. SGMA creates a framework for sustainable local groundwater management for the first time in California's history. SGMA requires local agencies to form a Groundwater Sustainability Agency (GSA) in local groundwater basins by June 2017; and, also requires the adoption of Groundwater Sustainability Plans (GSP) for groundwater basins deemed high priority by year 2020.

Integrated Regional Water Management Plan. During the preparation of the MSR, the District informed LAFCo that it has conducted numerous studies related to groundwater sustainability and quality in the foothills and mountain regions within the District's service area. One study was focused in the Upper San Joaquin River Basin from just below Friant Dam at Little/Big Dry Creek to the Headwaters region. A number of reports on watershed conditions including surface and groundwater have been published through District funded projects and are available for public review. The District has been involved in the development of Integrated Regional Water Management Plans for the Southern Sierra IRWMP which covers from the Upper San Joaquin River, Upper Kings River within Fresno County and extends down to the Upper Kern River at the Tulare/Kern County Boundary. The District participates as an interested party in the Kings Basin Water Authority (KBWA) IRWMP; as well as in the Fresno County SGMA Working Group Sessions.

Other Cooperative Activities. As noted previously, the District has been intimately involved with ongoing research with various entities such as the Kings River Experimental Watershed (KREW) performed under the U.S. Forest Service's Pacific Southwest (PSW) Research team; and the California Water Institute (CWI) and Lyles College of Engineering both at California State University, Fresno.

3. MSR DETERMINATIONS

This portion of the report addresses the factors specified in the governing statute for Municipal Service Reviews and provides analysis in conformance with Government Code §56425 and Fresno LAFCo policy. Pursuant to Government Code §56430, the Commission prepares the following written determinations.

1. Growth and Population Projections for the Affected Area

- The District is designated as a non-municipal local agency, which means that the District provides non-municipal services. Services provided by the District do not facilitate, support, or induce population growth.
- The Counties of Fresno and Tulare are the land use authorities for land located within the District's service area. The District spans a large service area with existing land uses consisting of agricultural and open space, resource conservation (national forest), residential, commercial, and public uses/facilities.
- The District does not have land use authority and does not provide direct municipal services that support population or induce population growth.
- Population growth throughout the District service area is likely to occur within the incorporated cities due to a wider range of municipal services offered within the incorporated areas. The District's proposal would not affect population projections within Counties of Fresno or Tulare. No significant changes to population are anticipated.

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

- The District is designated by LAFCo policy as a level three non-municipal local agency, meaning that the District is authorized to provide non-municipal services.
- The District has no public facilities or provides services related to sewer, municipal and industrial water, or structural fire protection that would present opportunity to extend services to a disadvantaged unincorporated community.

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

- The District is organized for the protection and conservation of natural resources in the interest of prosperity and the general welfare of the people within the District, Fresno County, and the State of California.

- The District maintains an annual work plan that identifies planned projects for the upcoming fiscal year. The District’s annual work plan focuses on five key areas which are: 1) fundraising/grant opportunities, 2) outreach and public relation activities, 3) education training events, 4) District development events, and 5) areas of improvement- District influence and resource concerns with local interest groups.
- The District does not provide municipal services and does not own any vehicles, equipment, or other infrastructure necessary to carry out the purpose of the District.
- The District is dedicated to serving both the private and public interest. The District has an adopted long range plan for 2015 to 2020 which identifies the District’s goals for each upcoming year. It which was last updated on July 27, 2015. The District on an annually basis updates its annual work plan which identifies the District’s goals for each upcoming year.

4. Financial Ability of Agency to Provide Services

- The majority of the District’s revenue comes from state and federal grants. Loss of these grants or the possible inability of the District to secure future grants would be detrimental for the ability of the District to continue providing services.
- The District budget is adopted on an annual basis consistent with accounting principles generally accepted in the United States. The District informs Fresno LAFCo that historically the District has not adopted a complete “balanced” budget due to the nature of means of funding.
- Majority of the District’s budget line items are specifically allocated for projects with secured grants and/or inter-agency agreements from state and/or federal sources.
- The District demonstrates that it adequately plans projects each year, it manages various projects, and implements the financial distribution of grant funded projects.

5. Status of, and Opportunities for, Shared Facilities

- The District is the only Resource Conservation District located in the eastern portion of Fresno County. The District does not own infrastructure or public facilities that would present opportunities for shared facilities.

- The District has executed several Memoranda of Understanding for cooperation in the conservation of natural resources with the following agencies:
 - Chowchilla - Red Top RCD and Coarsegold RCD
 - Highway 168 Fire Safe Council
 - Backcountry Horsemen of California, San Joaquin Sierra Unit
 - San Joaquin River Intertribal Heritage Education Corp.
 - Southern Sierra Integrated Regional Water Management Plan (IRWMP)
 - Kings Basin Water Authority (KBWA)

- The District holds its monthly board meetings at the Clovis Memorial District's facilities in Clovis which continues to be a benefit for the District.

- Shared facilities with other RCD's is nonexistent; however, opportunities for shared facilities may arise with other forms of local governments listed earlier in this report.

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

- The District is an independent special district governed by a seven-member board of directors and managed by a District Manager.

- The District is not governed by any another legislative body.

- The District has no taxing authority.

- The District on an annual basis updates its annual work plan which identifies the District's goals for each upcoming year.

- The District has been involved in the development of Integrated Regional Water Management Plans for the Southern Sierra IRWM which covers from the Upper San Joaquin River, Upper Kings River within Fresno County and extends down to the Upper Kern River at the Tulare/Kern County Boundary. The District is an Interested Party and participates in the Kings Basin Water Authority (KBWA) IRWM; as well as participates in the Fresno County SGMA Working Group Sessions.

- The District has been involved with ongoing research with various entities such as the Kings River Experimental Watershed (KREW) performed under the U.S. Forest Service's Pacific Southwest (PSW) Research team; and the California Water Institute (CWI) and Lyles College of Engineering both at California State University, Fresno.

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

- The District states that it is taking an active role in the implementation of California’s Sustainable Groundwater Management Act (“SGMA”).
- The District has conducted numerous studies related to groundwater sustainability and quality in the foothills and mountain regions within the District’s service area.

4. SPHERE OF INFLUENCE REVIEW AND UPDATE

In order to carry out the Commission's purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies subject to its jurisdiction, the Commission shall develop and determine the sphere of influence of each city and each special district within the County and enact policies designed to promote the logical and orderly development of areas within the sphere. A sphere of Influence is defined as "a plan for the probable physical boundaries and service area of a local agency, as determined by the commission."

In determining the sphere of influence of each local agency, the commission shall consider and prepare a written statement of its determinations with respect 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; and
5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In determining a sphere of influence, the Commission may assess the feasibility of governmental reorganization of particular agencies and recommend reorganization of those agencies when reorganization is found to be feasible and if reorganization will further the goals of orderly development and efficient and affordable service delivery. The Commission shall make all reasonable efforts to ensure wide public dissemination of the recommendations.

When adopting, amending, or updating a sphere of influence for a special district, the Commission shall establish the nature, location, and extent of any functions or classes of services provided by existing districts. The Commission may require existing districts to file written statements with the commission specifying the functions or classes of services provided by those districts.

Chapter one of this MSR provides the foundation for the SOI determinations. As previously indicated, the Sierra Resource Conservation District ("District") is a multiple county special district located in the Counties of Fresno and Tulare. Majority of the

District's service area is located in County of Fresno as shown on figure one – District map. The Fresno LAFCo is the principal county, meaning that Fresno County hosts the greater portion of the entire District service area.

Reference is made to earlier discussion of LAFCo File No. CD-08-01, the Commission consolidation of the Sierra and Navelencia Resource Conservation Districts.

The current proposal requests the Commission to detach approximately +/-112,711 acres of the District's existing service area located in Tulare County. The proposal also requests for the SOI to be revised to run along the Fresno/Tulare County boundary.

On a related matter, on October 1, 2014, Tulare LAFCo adopted resolution to amend the adopted SOI for TCRCD in order to include territory currently within the Sierra RCD service area located in Tulare County. Tulare LAFCo revised its SOI boundary for TCRCD to follow along the Fresno/Tulare County line. Tulare LAFCo determined that the SOI revision would provide opportunity for TCRCD to annex the land proposed to be detached from the Sierra RCD's service area in Tulare County.

Fresno LAFCo MSR policy designates the District as a "level three" special district that provides "non-municipal" services to its constituency. A level three non-municipal local agency means that, in Fresno LAFCo's judgment, services provided by the agency do not facilitate or induce population growth. In accordance with Government Code Section 56066, Fresno is the principal county and Fresno LAFCO is responsible for preparing the following determinations for the Sphere of Influence include in this report.

When Fresno LAFCO updates 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

- Fresno and Tulare County are the land use authorities for unincorporated land located within the District's service area. Their general plans depict a variety of non-urban land use designations for most of the District; exceptions would be the County land use designations for unincorporated rural communities and incorporated cities' general plans.
- The District does not have land use authority and does not provide direct municipal services that support population or induce population growth.
- Population growth throughout the District service area is likely to occur within the incorporated cities due to a wider range of municipal services offered within the incorporated areas. The District's proposal to detach territories in Tulare County would not affect population projections or affect agricultural and open-space lands within Counties of Fresno or Tulare.

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

- The District is authorized to provide for "the adoption of conservation practices including but not limited to farm, range, open space, urban development, wildlife, recreation, watershed, water quality, and woodland; to save the basic resources, soil, water, and air of the state from unreasonable and economically preventable waste and destruction."
- District services do not directly support or facilitate population growth.
- Fresno LAFCo observed that the District does not provide municipal services.
- The District has petitioned for a detachment of territories in Tulare County in order that it may be a single-county district.
- Tulare LAFCo has prepared the SOI for TCRCD to include the proposed detachment when completed by Fresno LAFCo.
- The District has no ongoing projects in the territory proposed to be detached from the service area and SOI.

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

- The District has an adopted long range plan for 2015 to 2020 which identifies the District's goals for each upcoming year. It was last updated on July 27, 2015. The District annually updates its work plan.
- The majority of the District's revenue comes from state and federal grants. Loss of these grants or the possible inability of the District to secure future grants would be detrimental for the ability of the District to continue providing services.
- Funding sources for the District include a combination of in-kind services provided by the Board of Directors, volunteers, USDA and other agencies.

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

- Fresno LAFCo Policy designates the District as a "level three" special district that provides "non-municipal" services to its constituency. A level three non-municipal local agency means that, in Fresno LAFCo's judgment, services provided by the agency do not facilitate or induce population growth.

- Fresno LAFCo observes that services provided by the District would not directly benefit any social or economic communities relevant to the District. District services are related to resource conservation with emphasis in soil and water conservation management practices. The District is dedicated to serving both the private and public interest. The District has an adopted long range plan for 2015 to 2020 which was updated on July 27, 2015. The District on an annual basis updates its annual work plan which identifies the District's goals for each upcoming year.

5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence

- District does not provide services related to sewer, municipal and industrial water, or structural fire protection. District services do not directly support or facilitate population growth. Fresno LAFCo observes that services provided by the District would not directly benefit a Disadvantaged Unincorporated Community.

5. RECOMMENDATIONS

In consideration of information gathered and evaluated during the 2015 Municipal Service Review, it is recommended the Commission:

1. Receive this report and any public testimony regarding the proposed Municipal Service Review and proposed Sphere of Influence Update.
2. Find that the Municipal Service Review is exempt from the California Environmental Quality Act pursuant to section 15306 (Information Collection).
3. Approve the recommended Municipal Service Review determinations, together with any changes deemed appropriate.
3. Approve the recommended Sphere of Influence determinations, together with any changes deemed appropriate.
4. Revise the Sierra Resource Conservation District Sphere of Influence and service area to remove those portions of the district that are in Tulare County.

6. ACKNOWLEDGEMENTS & REFERENCES

This Municipal Service Review was prepared by Fresno LAFCO staff. The Sierra Resource Conservation District provided substantial information included in this evaluation of the agency's services. Fresno LAFCo staff extends its appreciation to the District Manager Steve Haze, and the District Board of Directors for their assistance in the completion of this Municipal Service Review Update and Sphere of Influence Revision.

This document and supportive information is available in the Fresno LAFCo office located at:

Fresno Local Agency Formation Commission
2607 Fresno Street, Suite B,
Fresno, California 93721.

The Draft Municipal Service Review is available on Fresno LAFCo's website, <http://www.fresnolafco.org/>.