

# **PANOCHÉ DRAINAGE DISTRICT**

## **MUNICIPAL SERVICE REVIEW**

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

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XX-XX-2026



# I. MUNICIPAL SERVICE REVIEW

## Description of District

The Panoche Drainage District (“PDD” or “District”) was created in 1957. It operates pursuant to the County Drainage District Act of 1903 (Water Code, Section 56000 et seq.). The Drainage District Act of 1903 provides for the organization and governmental structure of special districts whose sole purpose is to drain agricultural lands. It does not grant authority to perform other services, including any urban service functions. It states that all lands within the district must be served by one general mode of drainage. Lands that cannot be served by one common system of drainage may not be included in the district.

In 2026, PDD annexed an additional 3,141 acres of farmland located along the northerly border of the District. These lands utilized PDD’s drainage system but were not within the District’s boundary or sphere of influence and the annexation was completed to address that issue.

With the lands annexed in 2026, the District encompasses 50,132.9 acres (78.3 square miles) located in northwestern Fresno County. The District extends from Fairfax Avenue to the east (west of the City of Firebaugh), extending northwest into Merced County.

## District Services and Background

The District provides the following services:

- Operations and maintenance of regional drains to accepted subsurface drainage and stormwater runoff from agricultural lands within its borders.
- Operations and maintenance of certain drain pumps within the regional drainage system.
- Operations and maintenance of certain drainage sumps associated with landowner subsurface drainage systems.
- Assist landowners with compliance with certain regulatory programs and waste discharge orders.

The District is governed by a five-member board of directors elected by divisions. The District, which has no employees, utilizes the Panoche Water District staff and outside contractors for its needs.

## Purpose of the Municipal Service Review

The Municipal Service Review (“MSR”) has been prepared in response to PDD’s sphere of influence (“SOI”) update application filed with Fresno LAFCo on 01-12-2026. This MSR presents data and analysis in support of the Commission’s determinations pursuant to Government Code (“GC”) sections 56425 and 56430 and provides a comprehensive review of an agency's ability to provide service(s) to those persons and businesses within its current boundaries.

The District has been providing agricultural and storm drainage services to properties adjacent to and outside of its northern border. This MSR was prepared in accordance with GC secs. 56425 and 56430 to incorporate these properties into the District's SOI. PDD has submitted an application for annexation of the same properties. All properties proposed to be included in the SOI revision are actively farmed. Inclusion within the PDD SOI will not impact land use.

## **2. MSR DETERMINATIONS**

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

### **Growth and Population Projections**

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

### **Present and Planned Capacity**

The District owns, operates and maintains regional drains, associated drain pumps and subsurface drainage pump systems used for the discharge of agricultural subsurface drain water and storm runoff. In aggregate, this system provides for the agricultural and storm drainage management facilities for lands within the District's boundary.

Outside of severe storm events, drainage waters (including storm runoff) collected by this system are conveyed to the San Joaquin River Improvement Project ("SJRIP"), where the water is diverted to irrigate approximately 6,000 acres of salt tolerant forage grasses. The SJRIP is operated by the Grassland Basin Authority on behalf of the Grassland Basin Drainers, of which Panoche Drainage District is a participating agency.

During substantial storm events, the capacity of the SJRIP to divert drainage flows may be exceeded. When this occurs, the excess storm-induced drain water is discharged through the San Luis Drain, into Mud Slough and ultimately to the San Joaquin River. This discharge is regulated by Waste Discharge Order R5-2019-0077 through the Central Valley Regional Water Quality Control Board and the Grassland Basin Drainers, in coordination with the Grassland Basin Authority, and is responsible for compliance, monitoring, and reporting.

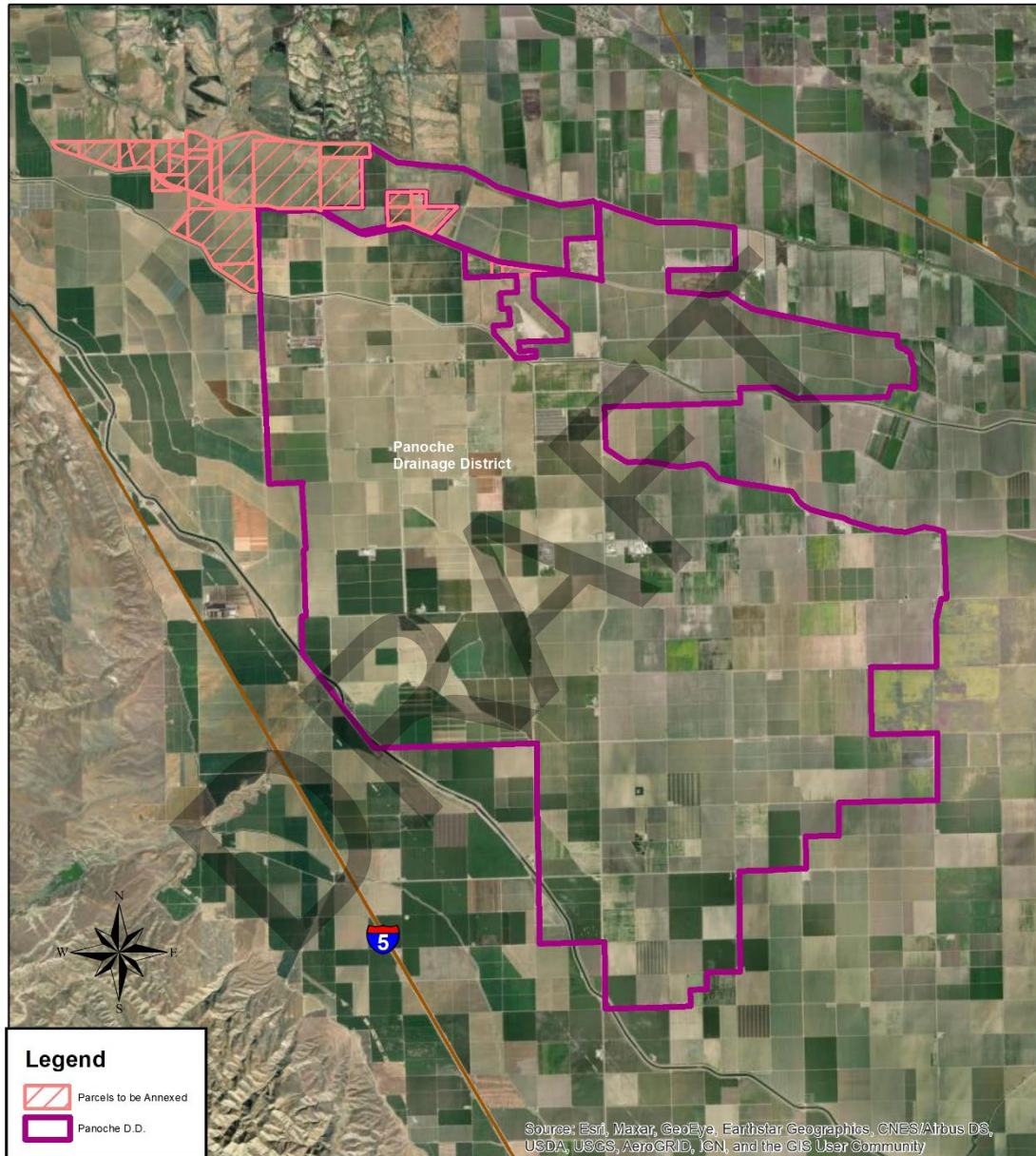
The current drainage facilities are adequate, and Panoche Drainage District does not have plans to expand the drainage capacity beyond its current ability. Although there are in-progress and future infrastructure improvements planned for the regional drainage management, these improvements would be funded and implemented by the Grassland Basin Authority and would be limited to facilities within the SJRIP.

### **2026 Annexation**

PDD is in the process of annexing 71.55 acres of farmland within Fresno County and 3,069.38 acres of farmland in Merced County, for a total of 3,140.93 acres. These properties are located along the northerly boundary of the District and utilized the PDD drainage system to manage

agricultural drainage but are not currently within the District’s boundary or sphere of influence. Figure 1 shows the District’s current boundary along with the lands that are in the process of being annexed.

**Figure 1: Panoche Drainage District Boundary and Annexed Lands**



### **Financial Ability of Agencies to Provide Services**

District revenues for FY 2025-26 were \$2,820,283 which were derived from drainage assessment fees, and other miscellaneous revenues. District operating expenses for FY 2025-26 were \$2,820,283, including operations and maintenance (\$1,671,685), program payments for membership and regulatory compliance (\$877,526), professional/legal

services (\$110,000), and debt repayment (\$161,071).

District debt as of FY 2025-26 is \$1,103,973 payable to Panoche Water District. Debt repayments are made annually.

There are no obvious opportunities for cost avoidance in District operations other than those that the District is already implementing.

There are no obvious opportunities for rate restructuring in the operations of the District.

### **Status of, and Opportunities for, Shared Facilities**

Other than the administrative space shared with Panoche Water District, Pacheco Water District (Merced County), and Charleston Drainage District (Merced County), there do not appear to be opportunities to share facilities in the operations of the District.

### **Governmental Structure and Operational Efficiencies**

There are no obvious opportunities for a different government structure.

The District exhibits characteristics of an agency that is operating efficiently.

The five-member governing board is elected by division. Regular meetings are held on the second Tuesday of the month. Meeting notices and agendas are posted at the District office. The District maintains a website, [www.panochedrainage.specialdistrict.org](http://www.panochedrainage.specialdistrict.org), including news and information about the District.

## **3. ACKNOWLEDGEMENTS & REFERENCES**

This draft Municipal Service Review was prepared by the Fresno LAFCO staff. Responsibility for any errors or omissions rests with those who prepared the report.

The Panoche Drainage District provided information upon which the evaluation is based. The District Contract Manager, Josh Marquez, and Chris Linneman from Summers Engineering were instrumental in providing data.

### Available Documentation

The supporting documents referred to therein are available in the LAFCO office.

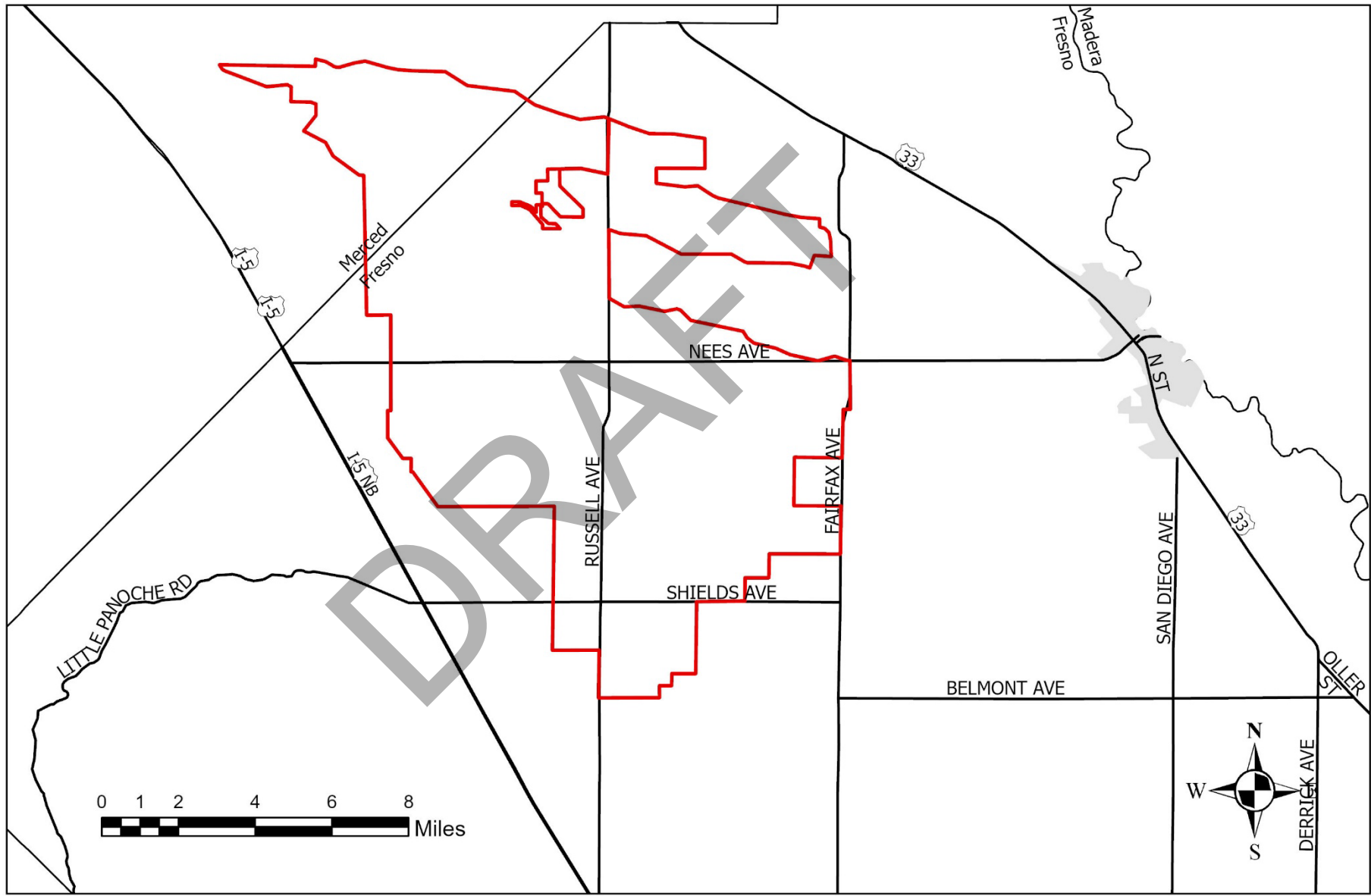
## 4. RECOMMENDATIONS

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.

[https://fresnocounty.sharepoint.com/sites/LAFCo/SharedFiles/LAFCo Projects/Districts/DD/Panoche DD/SOI/RSOI-216 \(North Lands\)/PDD MSR\\_03022026\\_LAFCO.docx](https://fresnocounty.sharepoint.com/sites/LAFCo/SharedFiles/LAFCo%20Projects/Districts/DD/Panoche%20DD/SOI/RSOI-216%20(North%20Lands)/PDD%20MSR_03022026_LAFCO.docx)

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### Legend

- City Area
- District Area and SOI

Fresno Local Agency Formation Commission  
 Panoche Drainage District

Portion of District located in Merced County not shown.

District Formed: 1957	Map Date: August 2025
SOI Adopted: 03/24/1976	District Area: 50,213 Acres
SOI Updated: 08/13/2025	Sphere Area: 50,213 Acres