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

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AGENDA ITEM NO. 6

DATE: December 8, 2021

TO: Fresno Local Agency Formation Commission

FROM: David E. Fey, Executive Officer 

SUBJECT: **Consider Approval:** Sphere of Influence update for Sierra Resource Conservation District (USOI – 193, continued hearings from June 9, 2021, August 11, 2021, October 13, 2021, and November 10, 2021).

**Recommendation:** Update the Sierra Resource Conservation District (“Sierra RCD”) sphere of influence (“SOI”) by taking the following actions:

**Action 1: Sierra RCD SOI update, California Environmental Quality Act**

- A. Acting as a Responsible Agency pursuant to CEQA, consider the Notice of Exemption for the Sierra RCD SOI update prepared by the Sierra RCD acting as Lead Agency for the Commission’s review and update of the Sierra RCD SOI.
- B. Find that as a Responsible Agency, LAFCo, it can be seen with certainty that the proposed SOI update of the Sierra RCD does not have the potential to result in significant effect on the environment and therefore the SOI update is not subject to CEQA pursuant to CEQA Guidelines section 15061(b)(3). Therefore, the proposal is exempt from environmental review pursuant to CEQA guidelines Section 15061 (b)(3).

**Action 2: SOI Update Written Determinations and Recommendations**

- C. Pursuant to Government Code section 56425, approve the proposed written determinations and recommendations prepared for the Sierra RCD SOI update.
- D. Revise the Sierra RCD SOI to include 235,776 acres consisting of unincorporated and urban land, as depicted in Figure 2 of the Sierra RCD Municipal Service Review and SOI update report.

Denial of the SOI update effectively precludes approval of the “Sierra Resource Conservation District Annexation” application AD-19-3 because the proposed annexation area would not be within the Sierra RCD SOI.

## Discussion

On June 9, 2021, the Commission updated the MSR (LAFCo File No. MSR-21-7) prepared for the Sierra RCD pursuant to Government Code section 56430.

The public hearings for LAFCo applications USOI-193 and AD-19-03 have been continued many times to allow the affected special districts and Sierra RCD to work on a mutual resolution that addresses the agencies' concerns with these applications. The affected special districts consist of the Alta Irrigation District ("AID"), the Consolidated Irrigation District ("CID"), the Central Kings Groundwater Sustainability Agency ("CKGSA"), and the Fresno Irrigation District ("FID").

The SRCD has recently executed an agreement with the Kings River Conservation District.

A proposed agreement between the affected special districts and the SRCD has been prepared and at the time of this report is awaiting approval by these parties' legislative bodies. A copy of that draft agreement is attached to this report as Attachment A.

Staff recommends that the Commission update the Sierra RCD SOI as proposed with or without an executed agreement between the SRCD and the affected special districts.

The SOI determinations are attached to this report as Attachment B, Attachment C is a map of the proposed SOI; Attachment C is the draft Notice of Exemption.

Previous staff reports, resolutions, correspondence, and the Sierra RCD municipal service review related to the SOI update are incorporated by reference herein. These documents are available for inspection at LAFCo's office, on LAFCo's website ([www.fresnolaftco.org](http://www.fresnolaftco.org)), and will be present during this hearing.



LETTER OF AGREEMENT

BETWEEN

SIERRA RESOURCE CONSERVATION DISTRICT

AND

ALTA IRRIGATION DISTRICT, CONSOLIDATED IRRIGATION DISTRICT, FRESNO IRRIGATION DISTRICT, and CENTRAL KINGS GROUNDWATER SUSTAINABILITY AGENCY

In recognition of the longstanding cooperation between the parties on a variety of natural resource related topics while likewise respecting the parties' unique roles on water-related and other subject matters, the districts and GSA signatory hereto have entered into this Letter of Agreement (LOA) to encourage cooperation in areas of common interest while respecting the areas of individual focus and acumen enjoyed by each of the parties. Recognizing the growing emphasis by the State of California and the Federal Government to protect and enhance natural resources such as healthy air, forests and soils, adequate water, etc. there are efforts that can be taken and coordinated by and among the districts and GSA to focus on self-sufficiency, sustainability, resiliency, and protection of such resources. The Sustainable Groundwater Management Act (SGMA) on the water side is one such cooperative effort that all these districts and GSA can support. The same would be said for the California Forest Carbon Plan. The districts' and GSA's shared goal in these efforts is to promote mutually-beneficial programs and outcomes designed to support local and/or regional solutions to resource challenges. Conversely, the parties acknowledge that such efforts must be undertaken to support, not diminish, encourage not conflict with, and complement not compete with or challenge the historic or unique roles of the individual districts and GSA in their respective statutory or historic areas of expertise. Therefore, to establish mutually-beneficial parameters and cooperation, while acknowledging every intention to avoid interfering in other's areas of expertise in the process and also acknowledging what "is" and "is not" each member's areas of expertise and emphasis, the parties have entered into this LOA to support and complement each other's goals and objectives, while respecting each other's existing jurisdictional boundaries.

This LOA entered into this \_\_\_\_th day of November, 2021, by and between the Sierra Resource Conservation District (hereinafter "SRCD"), Central Kings Groundwater Sustainability Agency (hereinafter "GSA"), Alta Irrigation District (hereinafter "ALTA"), Consolidated Irrigation District (hereinafter "CID"), and Fresno Irrigation District (hereinafter "FID"), [ALTA, CID and FID jointly referenced as the "Irrigation Districts"]. Attached hereto as **Attachment A** is a depiction of the Irrigation Districts' and the GSA's jurisdictional boundaries, and attach hereto as **Attachment B**

is a depiction of the anticipated expansion of the SRCD jurisdictional boundaries [via an arrangement with the Fresno Local Agency Formation Commission ("LAFCo")].

In discussions between the parties during the LAFCo boundary expansion process hearings, which preceded this LOA, concerns with the SRCD's jurisdictional and territorial expansion were expressed and healthy discussions ensued on issues such as the protection of water quality, water reclamation, development of water storage and distribution, water use management, water conservation, and the authority to levy assessments in overlapping district and/or GSA boundaries.

Specifically, the Irrigation Districts, the GSA and others raised focused concerns with the proposed SRCD's expansion of both territory and subject matter jurisdiction, such as:

- SRCD's authority to get involved in water-related activities that historically have been overseen and implemented for more than a century by the Irrigation Districts within their individual boundaries. The request by SRCD to expand its boundaries to overlap those of the Irrigation Districts and GSA would therefore result in the duplication of territorial authority and potentially foster disparate policies asserted by the SRCD in opposition to the authority and policies of the GSA's and the Irrigation Districts' and their respective and separate Boards of Directors. Of concern to the Irrigation Districts and GSA is the fact that overlapping authority can lead to conflict and/or allow undue interference in how each of the Irrigation Districts and GSA conduct their business. The scope of such territorial overlaps is shown on **Attachment C**.
- SRCD does not intend to do water management and expressed a desire to work with the local Irrigation Districts and GSA, with SRCD's intended purpose thereby being to assist in obtaining grant money for local water projects that compliment, foster and embrace the plans/policies of the Irrigation Districts and GSA. However, there was no mention of limiting SRCD's authority and stated goals to just grant applications.
- SRCD does not need to expand its boundary to provide funding and other proposed benefits to the proposed expansion area. SRCD can work outside its existing boundary by means of cooperative agreement(s) with other agencies. SRCD's desire to expand its boundary stemmed from the California Association of Resource Conservation Districts (CARCD) suggesting it be done to eliminate areas within the State not currently included in a conservation district boundary.

Although one intent of the LAFCo process is to ensure that the powers exercised by Resource Conservation Districts (RCD) are additive, add value, and do not overlap or infringe upon the existing powers of other entities, RCD authorities are also very broad. The purpose of this LOA is to proactively ensure that the powers exercised by SRCD are additive, add value, and do not overlap or infringe upon the powers of the Irrigation Districts or the GSA, either jointly or separately.

Therefore, it is the purpose of this LOA to address these concerns by mutually setting forth the intentions, plans, understanding as well as the terms and conditions whereby SRCD and the Irrigation Districts and GSA intend to and agree to deal with all water-related issues within their respective jurisdictional authorities and common/shared territories so as to avoid/eliminate any competing, conflicting, duplicative, inconsistent, confusing or opposing positions regarding surface and groundwater issues within their common boundaries and jurisdictions—territorial and subject matter alike.

Therefore, the parties agree as follows:

## AGREEMENT

1. Irrigation Districts and GSA withdraw their objection to the territorial expansion of SRCD. Based on the terms of this LOA, and in harmony with the intentions hereof, the Irrigation Districts and GSA withdraw their objections to the boundary expansion proposal of the SRCD now pending before the Fresno Local Agency Formation Commission (“LAFCo”) discussed during the Fall of 2021, reserving the right to revisit such boundary expansion, if approved, should the LOA terms become compromised.
2. Term. This LOA shall remain in effect unless terminated, in writing, by giving sixty (60) days prior notice, by any Party to the others, in which case the Parties hereto mutually agree to immediately petition the Fresno Local Agency Formation Commission (“LAFCo”) to rescind any boundary expansion and/or territorial annexation of the Sierra Resource Conservation District under review by LAFCo during the Fall of 2021, if granted, to allow the Parties to revisit and raise anew, *ab initio*, such application and opposition thereto, *nunc pro tunc*, following any termination of this LOA.
3. Stipulated Limitations on shared authority and boundaries with the Irrigation Districts and GSA. SRCD agrees to the imposition of the following limitations on its jurisdictional and territorial overlap with those of the Irrigation Districts and GSA:
  - (a) This LOA will be provided to the Commission and will be incorporated into the record of LAFCo file no. AD-19-03. SRCD hereby agrees to make several changes to SRCD’s Long-Term Planning documents and/or mission/goals/objectives consistent with the LOA in order to reflect agreed upon changes mutually supported by the SRCD and the Irrigation Districts and GSA, as follows:
    - 1) Water Rights – SRCD has no interest in and therefore will not apply for or interfere in any water rights proceedings as it relates to the Kings River, San Joaquin River, local creeks or any other water supplies the Irrigation Districts currently manage or have an interest in, now or in the future. This includes any involvement primarily with the California State Water Resources Control Board (SWRCB), but also includes the Department of Water Resources (DWR), the Counties (Fresno and Tulare), and Cities (within the boundaries of the Irrigation Districts and GSA). The Irrigation Districts, GSA and the SRCD recognize that the Irrigation Districts and GSA are free to request the help, cooperation, support, and involvement of the SRCD in such matters on an “as needed” basis and that such joint or mutual efforts, if mutually sought and agreed to by the Parties could be very beneficial in local, regional or State-wide programs, opportunities or projects.
    - 2) Water Management – SRCD has no interest in and therefore will not interfere with or compete with anything that is related to Water Management on a local, regional or state-wide basis, and particularly those involving the Irrigation Districts and GSA. Water Management may include, but is not limited to, the following: surface water, groundwater, water supply, water quality, surface or groundwater rights or appropriations, surface/groundwater storage within the Irrigation District and GSA boundaries, etc. Water Management is also currently performed by the FID, CID, AID and their corresponding Groundwater Sustainable Agencies (North Kings GSA, Central Kings GSA, and the Kings River East GSA).

- 3) Water Assessments---SRCD has no interest in, no intention to, and no need to, and therefore shall not, engage in the imposition or support of any SRCD financial assessments, charges or fees on lands within the respective boundaries of the Irrigation Districts or their respective GSAs having anything to do with water or water-related matters without the express written approval of the respective Boards of Directors of such individual Districts (FID, CID, AID) and their GSAs.
  - 4) Water Conservation---Notwithstanding the foregoing, the Irrigation Districts and GSA embrace and welcome many of the programs that conservation districts have supported in the State that have provided much needed help to local communities and landowners such as: (a) Irrigation and Nutrient Management, (b) Improved Irrigation Methodologies and Technologies, (c) Land Fallowing options and management to help reduce water consumption, (d) Mulching to reduce water consumption, (e) Bee Health – cover crops (i.e. Seeds for Bees program), (f) Domestic Wells – technical assistance, and (g) Drought resiliency. Under the terms of this LOA, SRCD is not precluded from engaging in water conservation efforts, education, and encouraging/funding/assisting in conversions to drip or other similar water-saving water delivery systems for agricultural crops within the boundaries of the Irrigation Districts and GSA, so long as such efforts are coordinated with and are not in conflict with the policies, efforts or programs of said Irrigation Districts and GSA.
- (b) SRCD and the Irrigation Districts and GSA agree, in furtherance of their mutual desire to avoid a conflict of authorities, purposes, jurisdiction (subject matter and territorial) while supporting wise use and management of natural resources, further agree to the following:
- 1) SRCD will not infringe upon or overlap with the Irrigation Districts' or GSA's powers and authorities, or the powers and authorities of other entities (including cities) where such other entities are within the boundaries of the Irrigation Districts or GSA.
  - 2) SRCD will not expand, attempt to expand, or in any way exercise its taxing or fee authority within the boundaries of any Irrigation District and/or within the boundary of other governmental entities encompassed by any Irrigation District boundary, including the respective GSAs.
  - 3) Once this LOA is signed by the five (5) Parties, the Irrigation Districts and GSA will not object to SRCD's application pending with LAFCo, as it will be amended consistent with the terms hereof. As such, the Parties will provide this LOA to LAFCo as part of their November 10, 2021, Commission hearing.
  - 4) To ensure that SRCD and the Irrigation Districts and GSA continue and further develop a collaborative working relationship, and to avoid SRCD infringing upon the GSA and Irrigation Districts' powers (either jointly or separately) SRCD will consult with the Irrigation Districts and GSA with respect to any water related projects or activities that SRCD intends to conduct within and encompassed by any Irrigation Districts' or GSA's service territory, jointly or severally. SRCD will only proceed with said water related activities upon written confirmation and approval from Irrigation Districts and the GSA as their interests or service area

appear with said Irrigation Districts and GSA acknowledging that said activities do not infringe upon the powers, interests or responsibilities of any of the three (3) Irrigation Districts or their respective GSAs.

- 5) SRCD shall consult with the Irrigation Districts prior to applying for any water related grant funding to ensure that it is not competing with any application(s) of the Irrigation Districts or their respective GSAs. If any of the Irrigation Districts or their respective GSAs are also applicants for such grants, SRCD shall not apply for competing funds.
4. LAFCo Conditions to Annexation. The Parties request that LAFCo make the terms of this LOA an express condition to annexation of any land SRCD.
5. Binding Provision. This LOA is binding on the heirs, representatives, successors and assigns of the Parties hereto.
6. Entire Agreement. This LOA is intended by the Parties as a complete and exclusive statement of the terms of their agreement and supersedes all prior agreements, written or oral, as to this subject matter.
7. Notices. Any notice required by this LOA to be given or delivered to any Party shall be deemed to have been received when personally delivered or mailed in the United States mail addressed as follows:

IN WITNESS WHEREOF, the Parties have executed this LOA as of the date noted on page 1, above.

\_\_\_\_\_  
Bill Stretch – General Manager  
Fresno Irrigation District

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Chad Wegley – General Manager  
Alta Irrigation District

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Phillip G. Desatoff – General Manager  
Consolidated Irrigation District  
Central Kings Groundwater Sustainability Agency

SIERRA RESOURCE CONSERVATION DISTRICT  
P.O. Box 693  
Auberry, CA 93602

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_

Date: \_\_\_\_\_  
Title: \_\_\_\_\_

Attachment A



**Attachment B**

Attachment C

**Table 1- Existing Overlap with Sierra RCD**

<b>Commenting Agencies</b>	<b>Existing District overlap with Sierra RCD in acres</b>
Alta Irrigation District (multiple county agency)	24,043
Consolidated Irrigation District (multiple county agency)	2,856
Fresno Irrigation District	62,289
Kings River Conservation District (multiple county agency)	76,417

The table below shows the figures for the proposed annexation / additional overlap.

**Table 2 – Proposed Overlap Increases with Sierra RCD**

<b>Commenting Agencies</b>	<b>Additional overlaps proposed by Sierra RCD in acres</b>
Alta Irrigation District	9,425
Consolidated Irrigation	42,777
Fresno Irrigation	46,200
Kings River Conservation District	87,075

**ATTACHMENT B**  
**Sierra Resource Conservation District**  
**Sphere of Influence Update Determinations**  
**(LAFCo USOI No. 193)**

In determining the sphere of influence of each local agency, the commission shall consider and prepare written statements of its determinations with respect to each of the following categories pursuant to Government Code Section 56425 (e). (LAFCO Policy Section 330).

**1. The present and planned land uses in the area, including agriculture and open space.**

- Majority of the District’s service area encompasses unincorporated land. Land in the valley floor consists of active agricultural operations and sparse rural residential. While land along the Sierra Nevada foothills and mountain areas consists of grazing land, rural residential, public lands and open space.
- The County of Fresno is the land use authority for unincorporated territory inside the District. While the cities of Clovis, Fresno, Sanger, Reedley, and Orange Cove are the land use authorities for their respective portions of territory also inside the District.
- The largest population concentration in the District occurs in the Fresno-Clovis Metropolitan Area and neighboring cities.
- Within the affected territory, the city of Parlier would be included in the District SOI update, and only the eastern portions of the cities of Fresno, Fowler, Selma, and Kingsburg would be added into the District SOI.
- The District does not have land use authority and as a result, the proposed District SOI update will not affect the present or planned land uses in the affected territory.

**2. The present and probable need for public facilities and services in the area.**

- The District has an adopted “Long Range Plan for years 2020 to 2025” that presents the District’s mission to address critical local concerns including but not limited to: 1) Water use management, 2) Land use planning 3) Fuels reduction management, 4) Invasive species control and management 5) Air quality effects on agriculture and human health.
- The District’s mission and functions are to take available technical, financial, and educational resources, and coordinate them at the local level to promote the conservation of natural soil, water, agriculture, wildlife, rangelands, oak and forest lands, and air resources within its service area.
- The District anticipates that annexation of the affected territory would enable landowners to benefit from the District’s technical assistance programs, funds for services related to education,

and investigative studies that support the protection and enhancement of natural resources within rural areas and disadvantaged communities on a voluntary and non-regulatory basis.

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

- The District does not own or operate any public facilities, capital infrastructure, or equipment necessary to provide a direct service to its continuance.
- California's Resource Conservation District Law empowers the District to conduct surveys, investigations, research items relating to the conservation of resources, the preventative, the control measures, and works for improvement when needed, and to publish the results of such surveys and disseminate the information. A list of all the powers and duties granted to RCDs can be found under section 9401 of the PRC.
- California's Resource Conservation District Law authorizes the District's directors to seek the cooperation of local, state, and federal agencies in order to avoid duplication of surveys, investigations, and research activities. The District has executed several Memoranda of Understanding with various agencies and organizations for cooperation in the conservation of natural resources.
- The District's primary source of revenue is government grants and contributions for the purpose of facilitating water and land conservation programs. The District states that grant revenues to maintain its various programs are at adequate levels; however, loss of existing grants could be detrimental to certain programs.
- The District's ability to expand its service capacity is contingent upon its ability to secure grant funding, contributions, and expand critical partnerships.

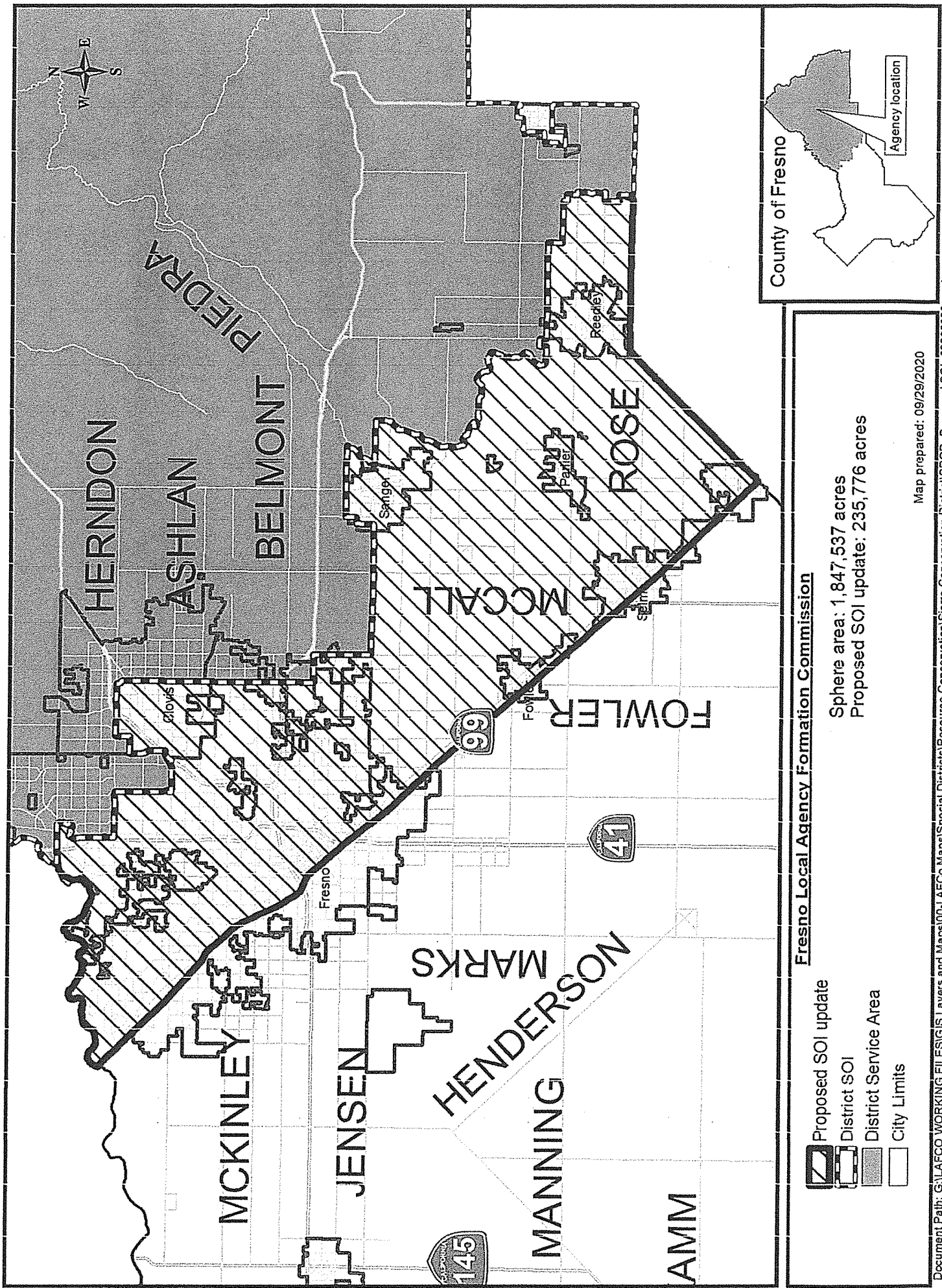
**4. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency**

- Being that the affected territory encompasses census block groups that meet the Water Code definition of Disadvantaged Communities, the affected territory includes various communities that are relevant to the agency's service provisions.
- According to the District Manager, the District started coordinating efforts to pursue grants to engage and assist local growers and disadvantaged communities in the affected territory.





**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.**

- Based on LAFCo's 2020 DUC database, this MSR and SOI update report identified twelve (12) locations that meet LAFCo's DUC criteria.
- The District does not provide public facilities or services related to sewers, municipal and industrial water, or structural fire protection.

# Proposed Sierra RCD SOI update



### Fresno Local Agency Formation Commission

-  Proposed SOI update
-  District SOI
-  District Service Area
-  City Limits

Sphere area: 1,847,537 acres  
 Proposed SOI update: 235,776 acres

Map prepared: 09/29/2020

## **NOTICE OF EXEMPTION**

In compliance with Section 21152 of the Public Resources Code

**LEAD AGENCY:** Fresno Local Agency Formation Commission, 2607 Fresno Street, Suite B, Fresno, CA 93721 (559) 600-0604.

**PROJECT TITLE:** Sierra Resource Conservation District Sphere of Influence Update (LAFCo File No. USOI – 193).

**PROJECT LOCATION:** The Sierra Resource Conservation District ("Sierra RCD") service area and SOI are coterminous and encompass 1,847,537 acres. The District is generally east of State Route 41 and bounded by the Madera-Fresno County line to the north, the Fresno-Mono and Fresno-Inyo County lines on the north and east, and the Fresno-Tulare County line on the south.

**NAME OF AGENCY APPROVING PROJECT:** Fresno Local Agency Formation Commission.

**PROPOSAL DESCRIPTION:** The Cortese-Knox-Hertzberg Act of 2000 require LAFCos to conduct service reviews prior to, or in conjunction with, but no later than the time it considers SOI updates. On June 9, 2021, the Commission adopted a Municipal Service Review prepared for the Sierra RCD pursuant to Government Code sections 56425 and 56430.

The Sierra RCD SOI update proposes to expand the existing SOI by approximately 235,776 acre westward to align with State Route ("SR") 99, see Attachment A. The affected territory consists of unincorporated and urban land uses. The SOI update is necessary to facilitate the subsequent annexation (File No. AD-19-3) of the affected territory into Sierra RCD's service area.

Overall, the proposed SOI update for Sierra RCD will not change the existing land uses nor change the land use designations depicted by the land use authorities: Fresno County, City of Clovis, City of Fowler, City of Fresno, City of Kingsburg, City of Orange Cove, City of Parlier, City of Reedley, City of Sanger, or City of Selma's General Plan Land Use Elements.

The purpose of the requested Sierra RCD SOI update and annexation application (File No. AD 19-3) is for the District to extend technical assistance services to communities and rural settlements that are not currently being served and represented in the conservation of local natural resources.

**FINDINGS:** This is to advise that, in conducting environmental review for the Sierra RCD SOI update and annexation, Sierra RCD assumed the role of Lead Agency pursuant to the CEQA Guidelines. The District determined that the proposal will not change the existing land uses nor change the land use designations depicted by either the Fresno County General Plan or any of the affected cities' general plans proposed to be included in the Sierra RCD SOI update.

Since it can be seen with certainty that the proposal does not have the potential to result in a significant effect on the environment, it is not subject to CEQA pursuant to CEQA guidelines pursuant to Section 15061 (b)(3) of the CEQA Guidelines. On July 24, 2019, the Sierra RCD filed a Notice of Exemption ("NOE") with the Fresno County Clerk's Office (#E201910000260).

As a "Responsible Agency" pursuant to CEQA Guidelines, Fresno LAFCo, independently reviewed and considered the potential environmental effects of the Sierra RCD SOI update and annexation as presented in the NOE prepared by Sierra RCD, Lead Agency, prior to reaching a decision on the Proposals.

LAFCo finds that it can be seen with certainty that the proposed SOI update for the Sierra RCD SOI and subsequent annexation do not have the potential to result in any significant effect on the environment, therefore the SOI update and annexation are not subject to CEQA pursuant to section 15061 (b)(3) of the CEQA Guidelines.

The information described above consisting of the Sierra RCD's NOE, Sierra RCD Municipal Service Review, and the Sierra RCD SOI update (LAFCo File No. USOI-193) and Sierra RCD Annexation (LAFCo File No. AD-19-03) are available to the general public at office address:

**Fresno Local Agency Formation Commission**  
2607 Fresno Street, Suite B  
Fresno, CA 93721

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David E. Fey, Executive Officer

December 8, 2021  
Date