

ATTACHMENT B

DRAFT

**SIERRA RESOURCE
CONSERVATION DISTRICT**

**MUNICIPAL SERVICE REVIEW AND
SPHERE OF INFLUENCE UPDATE**

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

MSR 21-7 / USOI-193

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21-day Public Review:
May 19, 2020 – June 9, 2021

Profile: Sierra Resource Conservation District		
Formation:	1957	
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Mailing Address	P.O. Box 693 Auberry, CA 93602	
Website	www.sierrarc.com	
Principal Act	California Public Resources Code, section 9151, et seq.	
Board of Directors (5-member)	<u>Name</u>	<u>Term</u>
	Peter Lassotovitch, president	Appointed 2010, current term expires 12/2022
	Alan Fry, secretary	Appointed 2010, current term expires 12/2022
	Ted A. Kimble	Appointed 2016, current term expires 12/2020
	Gary L. Temple	Appointed 2010, current term expires 12/2022
	Vacant	
Board Meetings	Fourth Monday of each month 4:00 p.m. at Clovis Veterans Memorial District Office, 808 4 th Street, Clovis, Ca 93612	
Staffing	a District Manager and three part-time employees	
Service Area and Sphere area	1,847,537 acres	
2019 Sphere Update Request	Additional 235,776 acres	
Budget	\$315,000 (Fiscal Year 2019, revenue/expenditures are secured for specific projects)	
District Long Range Plan	Yes	
District Policies	Yes	

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Executive Summary

On July 24, 2019, the Sierra Resource Conservation District ("Sierra RCD" or "District") filed an application with the Fresno Local Agency Formation Commission ("LAFCo") requesting a sphere of influence ("SOI") update (File No. USOI-193) that would expand the current District SOI westward to align with State Route ("SR") 99. The proposed SOI expansion would add approximately 235,776 acres of territory into the Sierra RCD SOI (**Figure 2**).

Portions of the cities of Clovis and Fresno are currently in the District. The proposed SOI expansion would add the remaining portion of the city of Clovis, additional territory in the city of Fresno, and add the entirety of the cities of Parlier, Sanger, and Reedley into the District SOI. In addition, the proposed SOI expansion would add into the District SOI the portions of Fowler, Selma, and Kingsburg that are east of SR 99. Apart from the urbanized cities, majority of the affected territory consists of agricultural land, scattered rural residences, and the unincorporated communities of Del Rey and Malaga.

The purpose of the requested SOI update and annexation application (File No. AD 19-3) is to extend service to communities and rural settlements that are not currently being served and represented in the conservation of local natural resources. Annexation of the affected territory would enable Sierra RCD to pursue grant funding to extend its technical assistance programs, provide educational material, and gather information in the affected territory that can further protect natural resources on a voluntary and non-regulatory basis. The District SOI update is necessary to facilitate the subsequent annexation application (File No. AD 19-3) of the affected territory into the District.

This review is organized in two parts: the first part provides an overview of services, programs, and the District's government structure; the second part analyzes the requested SOI update.

California Environmental Quality Act (CEQA)

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (“CKH”) directs LAFcos to comply with the California Environmental Quality Act (“CEQA”) ¹ for SOI updates.²

LAFCo prepared the MSR update for the Sierra RCD SOI pursuant to Government Code (“GC”) section 56430. An MSR gathers data to present an independent assessment of service provisions provided within a geographic area in the County. Furthermore, an MSR provides a foundation that may support future LAFCo actions. Therefore, an MSR is exempt from environmental review under CEQA guidelines section 15306, “Information Collection.”

However, this MSR update also evaluates the District’s request to LAFCo to expand the SOI that is essential to facilitate the successive annexation application. The affected territory consists of various land uses consisting of unincorporated agricultural land, rural residential, and urban land uses.

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 with the Fresno County Clerk’s Office (#E201910000260).

Acting as Responsible Agency pursuant to CEQA Guidelines, LAFCo considered the Notice of Exemption as prepared by the Lead Agency for its own review and update of the Sierra RCD SOI. LAFCo finds that it can be seen with certainty that the proposed SOI update does not have the potential to result in a significant effect on the environment, therefore the SOI update is not subject to CEQA pursuant to section 15061 (b)(3) of the CEQA Guidelines.

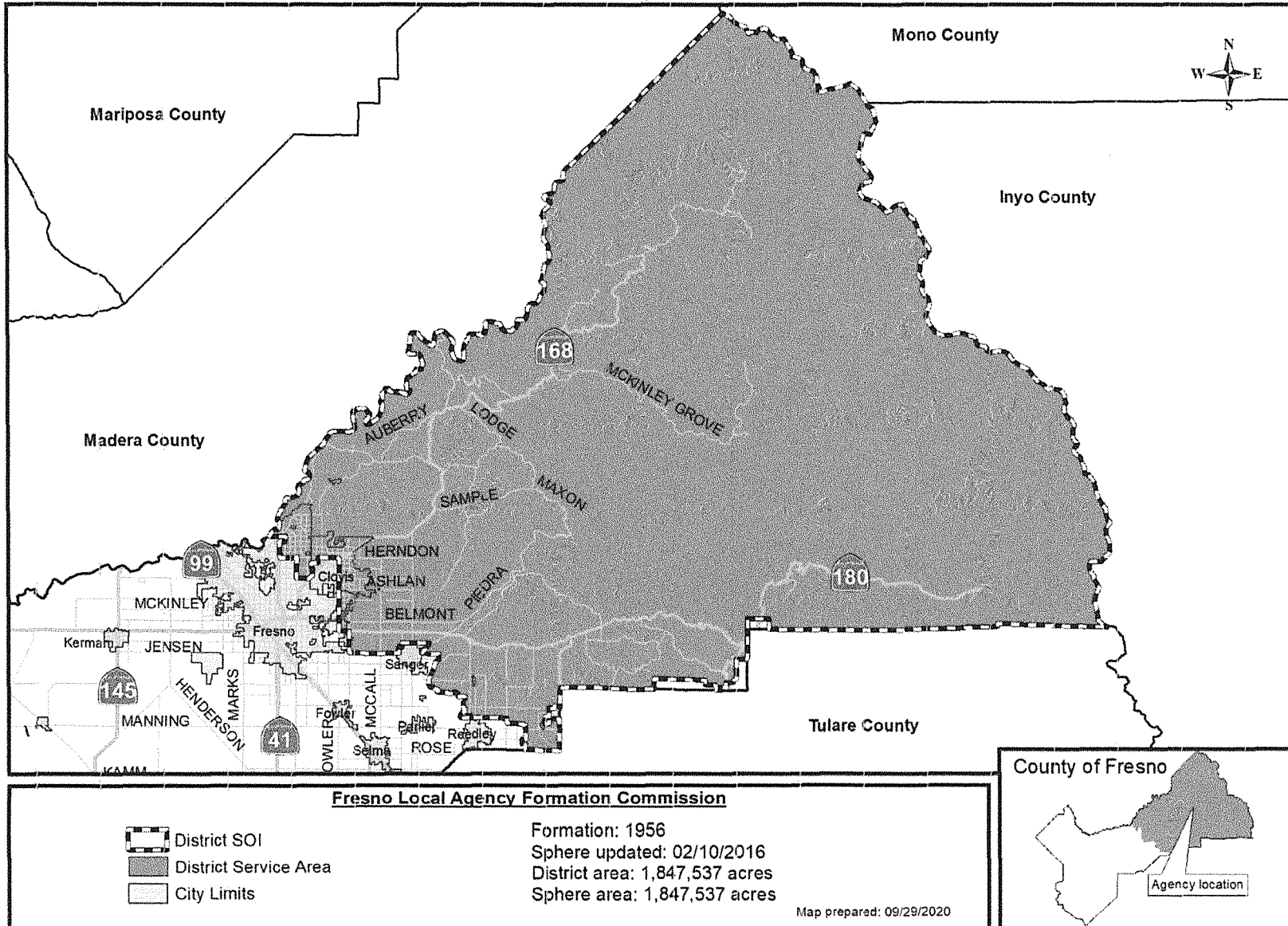
¹ California Environmental Quality Act, Division 13 (commencing with Section 21000) of the Public Resources Code.

² Government Code section 56428.

Figure 1 - District Map

Sierra Resource Conservation District

Authorized services: studies on preservation of natural resources



1. Municipal Service Review

Sierra RCD was formed June 10, 1957, by the Fresno County Board of Supervisors as a Soil Conservation District.³ The District provides programs and technical assistance services that support the conservation of local soil, water, agriculture, wildlife, rangelands, oak and forest lands, and air resources within the District.

Based on information included in the 2007 Sierra RCD MSR, LAFCo recommended the consolidation of the District with Navelencia RCD due to Navelencia RCD's lack of programs and activities. The change of organization was initiated by a mutual agreement among both Districts as expressed by their own adopted resolutions in support of the recommended consolidation.⁴ LAFCo ordered the change of organization without an election on May 7, 2008 by LAFCo resolution No. CD-08-1A.

As a result of the consolidation, Sierra RCD became a multi-county RCD (Fresno and Tulare Counties) that encompassed approximately 1,960,248 acres. On February 18, 2009, the consolidation was recorded in Fresno and Tulare Counties.

In 2016, the District submitted applications (LAFCo File No. DD-15-1 and RSOI-161) to LAFCo requesting the detachment and subsequent SOI reduction of 112,711 acres of land in County of Tulare. On March 14, 2016, the detachment was complete.⁵ The District SOI and service area are coterminous and encompass 1,847,537 acres of land solely in Fresno County.

Principal Act

Resource Conservation Districts are authorized under Division 9 of the California Public Resources Code ("PRC", also known as the "Principal Act"). The Sierra RCD operates pursuant to PRC section 9001 et seq. which was enacted for the following purpose:

To provide for the organization and operation of resource conservation districts for the purposes of soil and water conservation, the control of runoff, the prevention and control of soil erosion, erosion stabilization, including, but not limited to, these purposes in open areas, agricultural areas, urban development, wildlife areas, recreational developments, watershed management, the protection of water quality, and water reclamation, the development of storage and distribution of water, and the treatment of each acre of land according to its needs.⁶

There are 95 RCDs in California, serving rural, urban, and suburban communities throughout the State.⁷

³ Fresno County Board of Supervisors action summary minutes of public hearing June 10, 1957.

⁴ "Sierra and Navelencia Resource Conservation District Consolidation" (LAFCo File No. CD-08-01).

⁵ LAFCo resolution nos. MSR-16-01, RSOI-161 and DD-15-01, LAFCo Certificate of Completion March 14, 2016.

⁶ PRC section 9001(a)(2).

⁷ California Association of RCDs, <https://carcd.org/rcds/>.

According to CARCD, the 95 RCDs in the State are grouped into the following ten regions: Bay-Delta, Central Coast, Central Sierra, High Desert, Modoc Plateau, North Coast, Sacramento Valley, San Joaquin Valley, SoCal Inland, Southern Baja, and non-district regions. RCDs in Fresno County are identified in the San Joaquin Valley Region. The San Joaquin Valley Region consists of 16 RCDs spanning from San Joaquin County down to Kern County.

As of 2020, the County of Fresno is the principal county to six local RCDs:

- Firebaugh Resource Conservation District
- James Resource Conservation District
- Panoche Resource Conservation District
- Sierra Resource Conservation District
- Tranquillity Resource Conservation District
- Westside Resource Conservation District

Each RCD operates independently with its own governing board and is authorized by the principal act to define its own local goals, objectives, and priorities based on the issues and needs within its service areas. Most RCDs in the State originated in the 1950's as local Soil Conservation Districts. The State Legislature broadened the purposes of Soil Conservation Districts in the 1970's resulting in a name change to more accurately reflect the role of the RCDs within California.

District Service Area and Sphere of Influence

The District's service area is generally east of SR 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. The District's service area and SOI are conterminous and encompass 1,847,537 acres.

Majority of the land inside the District consists of unincorporated land that includes the valley floor, the eastern foothills, and the Sierra Nevada Mountains. Unincorporated communities within the District currently include Auberry, Big Creek, Dunlap, Friant, Lakeshore, Prather, Shaver Lake, and Squaw Valley. The District includes portions of cities of Orange Cove, Fresno, Clovis, Sanger, and Reedley (**Figure 1**).

Neighboring RCDs are Coarsegold RCD to the north and Madera Chowchilla RCD to the northwest in Madera County, Inyo-Mono RCD to the east in Inyo and Mono Counties, Tulare County RCD to the south in Tulare County. Land west of the District's service area is not identified within an existing RCD.

District Growth and Population Projections

Majority of the District's service area encompasses unincorporated land. Land in the valley floor, lying west of the Friant-Kern Canal, consists of active agricultural operations and scattered rural residential. Land in the foothills and mountain areas consists of grazing land, rural residential, and public lands and open space.

Only limited portions of the cities of Fresno, Clovis, Sanger, Reedley and Orange Cove are in the District. Territories within the cities' SOIs are either developed as, or designated for, future urban uses by the respective cities' general plans. The largest population concentration, and the areas of likely population growth within the District, occurs in the cities of Clovis and Fresno and their respective SOIs.

Geographic Information System ("GIS") files were derived from the U.S. Census Bureau to estimate a current population for territory inside the District. According to the Census block group units located within the District, there is an estimated total population of 201,460 people inside the District's boundaries.⁸ These population estimates do not exactly match the boundaries of the District, but they do provide an estimate for the population that benefits from the District's services.

The County of Fresno is the land use authority for unincorporated territory inside the District and the cities of Clovis, Fresno, Sanger, Reedley, and Orange Cove are the land use authorities for their respective incorporated territory that is inside the District's service area.

The Fresno County General Plan designates the majority of land within the District as Agricultural in the valley floor and Resource Conservation for the mountain region. Other land uses within the District are identified in the Fresno County General Plan's sub-areas:

- Kings River Regional Plan Area, which includes a portion of the city of Sanger,
- Sierra-North Regional Plan Area, which includes the unincorporated communities of Big Creek, Shaver Lake (Shaver Lake Forest Specific Plan), Tollhouse, Auberry, and Prather, and
- Sierra-South Regional Plan Area which includes the unincorporated communities of Squaw Valley, Clingan's Junction, Dunlap, Pinehurst, Miramonte.
- Friant Ranch Specific Plan includes the unincorporated community of Friant.

The District does not have land use authority and it does not provide municipal services that directly influence population growth. The District informed LAFCo that land uses will not change because of the proposed SOI update. For these reasons, LAFCo does not anticipate that the SOI expansion or annexation will affect the rate of population growth or projections within the cities and Fresno County.

District services

District services are voluntary and non-regulatory and affect the conservation of natural resources such as water, air and soil, and management of forest fuels. The District's conservation activities may indirectly benefit incorporated and/or unincorporated urban areas.

⁸ U.S. Census, American Community Survey ("ACS") five-year reports, 2012 to 2016.

The District's mission is 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.⁹ The District works closely with the National Resource Conservation Service ("NRCS"), a federal agency that provides technical assistance and grant funding opportunities to local agencies for resource conservation efforts. The NRCS is the leading federal agency charged with conserving natural resources and is part of the United States Department of Agriculture. The District also works with the California Department of Conservation ("DOC"). The DOC administers a variety of programs and grants vital to the State's public safety, environment and economy.

The District has professional working relationships with numerous federal, state and county agencies that enable it to maintain a reliable source of funding opportunities. Additionally, directors and associate directors of the District have expertise in a variety of natural resource fields.¹⁰

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, and
5. Air quality effects on agriculture and human health.¹¹

The District's Long Range Plan is reviewed by the Board on an annual basis, and the plan was last amended by action of the Board on January 25, 2021. Additional information on District programs is available on the District's website. The District's projects are categorized in four major areas: Forestry, Carbon Management, Agriculture and Rangeland, and Watershed and Wetlands. The following summarizes some of the District's services and achievements under each category.

FORESTRY PROJECTS

In 2019, the District was awarded a grant from the California Fire Safe Council to establish the County Firesafe and Stewardship Fuels Reduction Program ("CFSFRP") through December 2021. The grant paid for the District to create a program that enlists private landowners within and adjoining the Sierra National Forest to develop defensible areas on their properties and within the Wildland Urban Interface ("WUI"). The WUI zones are locations that were identified by the Fresno County Tree Mortality Task Force that are prone to brush or rangeland fires based on climate conditions, the amount, type, and distribution of vegetation in proximity to structures within the District.

⁹ From the Sierra RCD website, www.sierrarc.com, October 2020.

¹⁰ Sierra RCD Long-Range Plan, 2020-2025.

¹¹ *ibid.*

The program identified the Auberry-Meadow Lakes-Shaver Lake vicinity and has been identified as a Very High Fire Hazard Severity Zone. State funds assisted with the improvement of existing and the planning for future fuel breaks and fuel reduction measures. As part of this program, landowners within the District can request the District to conduct a property assessment report at no cost.

The District reports that the Firesafe and Fuels Reduction Team has inventoried over 150 acres near the Shaver Lake area. For this program, the District partnered with U.S. Forest Service, CAL FIRE, NRCS, Southern California Edison, Caltrans, and County of Fresno.

CARBON MANAGEMENT

The District's service area consists of irrigated agricultural lands, rangelands, and forestlands. In 2017, the District adopted its District-wide Carbon Management Program ("CMP") which was prepared by the Carbon Cycle Institution, a non-profit science and research organization. The CMP was adopted in support of Senate Bill 859 (Committee on Budget and Fiscal Review. Public Resources: GHG emission and biomass), under California's Healthy Soils Initiative.

In 2018, District was awarded a \$250,000 grant from CAL FIRE's Healthy Forest Grant Program to begin to quantify opportunities within private and public forest lands to establish a mobile biochar production unit. The District's partnership with Sierra National Forest, U.S. Forest Service and the Dinkey Creek Landscape Collaborative has initiated discussions to target and manage of over 3,000 acres of massive log piles within the Sierra Nevada. The District's program oversees the scheduled disposal of the piles which are disposed of by open burning. According to the District, it is working to target additional log piles on public lands for biomass conversion into "biochar" (carbon) for soil carbon sequestration with mobile production unit(s).

AGRICULTURE AND RANGELAND

The District provides technical assistance to local growers to familiarize them with the State Water Efficiency & Enhancement Program ("SWEEP"). The SWEEP program is administered by the California Department of Food and Agriculture. SWEEP's goal is to reduce greenhouse emissions from agricultural irrigation sources and increase water use efficiencies by assisting agricultural farmers fund irrigation system infrastructure and monitor upgrades.

The District assists growers evaluate their current irrigation systems, may assist growers create water/irrigation conservation plans, and provide them with implementation support.

WATERSHED AND WETLANDS

The District is an active member of the Southern Sierra Integrated Regional Water Management ("SSIRWM") collaborative. SSIRW's effort is to identify and implement water management solutions on a regional scale that increase regional self-reliance, reduce conflict, and manage

water to concurrently achieve social, environmental, and economic objectives.¹² The District, on behalf of the SSIRWM is working to secure funding opportunities to develop a Watershed Action Plan for the Upper San Joaquin and Kings Watersheds.

In early 2007, the District was a member agency in the Stewardship Council and Assessment Team, a 25-member agency collaborative effort tasked with studying resource management and coordinating watershed programs within the Southern Sierra Nevada region. The Council's activities were funded through various grants issued by the Department of Water Resources ("DWR").

In 2009, due to funding constraints, the Council's funding was reduced for its preparation of the Upper San Joaquin River Stewardship Program and Assessment Report ("Report"). By mid-2009, the District worked with DWR to assume the Council's responsibilities and finalize the Report with a reduced budget. The District's main activities for the Report consisted of assessing and compiling data within the upper San Joaquin River Basin's study area—Millerton Lake up to the headwaters region of the watershed—and identify major resource conditions that illustrate watershed conditions, trends and potential stressors that affect water quality and quantity in the Upper San Joaquin River Basin. In its capacity, the District completed the study and submitted its findings to CALFED Bay-Delta Watershed Program, DWR in 2010. A copy of the Report is available on the District's website.¹³

In 2019, the District submitted a grant application to the DOC for the 2018 Forest Health Watershed Coordinator Program for the Southern Sierra Region, Upper San Joaquin River and Upper Tulare Lake Basins. The grant application's primary goal is to secure funding to establish a multi-agency collaborative effort known as the Southern Sierra All-Lands Recovery and Restoration Program ("SSARRP") and coordinate conservation programs within the SSIRWM.

In part, the District would assist the SSARRP to meet the various goals and strategies identified in the following plans: the Forest Carbon Plan, CAL FIRE's 2018 Strategic Fire Plan, and Southern Sierra's IRWM Plan which include goals to protect forestlands and downstream beneficiaries of water and other natural resources.¹⁴

The District is committed to maintain and work to build new partnerships with organizations, academic institutions, local, state, and federal agencies to continue its effort to promote the conservation of local resources.¹⁵

¹² IRWM Programs., California Department of Water Resources website. September 22, 2020.

¹³ Upper San Joaquin River Stewardship Program and Assessment Report, 2010 Sierra RCD: <https://sierrarc.com/wp-content/uploads/2019/01/USJRSP-Upper-San-Joaquin-River-Stewardship-Program-and-Assessment-Final-Display-Qlty-2010-05-27.pdf>.

¹⁴ Department of Conservation Watershed Grant Programs: <https://www.conservation.ca.gov/dlrp/grant-programs/watershed/Documents/Sierra%20RCD%20Application.pdf>.

¹⁵ Sierra RCD Website: <https://sierrarc.com/about-us/>.

Disadvantaged Unincorporated Communities

A disadvantaged unincorporated community ("DUC") is defined by CKH as an inhabited territory (meaning territory within which there reside 12 or more registered voters), or as determined by LAFCo policy, that constitutes all or a portion of a "disadvantaged community" as defined by section 79505.5 of Water Code. The State Water Code defines a "disadvantaged community" as a community with an annual median household income ("MHI") that is less than 80 percent of the statewide annual median household income.

On January 9, 2013, LAFCo exercised its powers under CKH and adopted local policy which refined the DUC definition within Fresno LAFCo's jurisdiction. Fresno LAFCo's DUC Policy characterizes DUCs as at least 15 dwelling units at a density not less than one unit per acre.

On February 12, 2020, Fresno LAFCo comprehensively updated its DUC database based upon updates demographic datasets to estimate MHI levels within the County of Fresno. The 2020 DUC database relies upon information collected through the Commission's MSR Program, sphere of influence update program, and demographic information obtained from the U.S. Census Bureau Americans Community Survey, five-year reports for years 2012 through 2016.

The statewide annual MHI reported for years 2012 through 2016 was \$63,783. Therefore, the calculated threshold for a DUC is any geographic unit with a reported annual MHI that is less than \$51,026.

LAFCo's assessment of the census block group units revealed that most of the District's service area exceeds the MHI threshold for DUCs except for 13 census block group units. The following table 1 summarizes the census block group units within the District that met the MHI threshold for DUCs:

Table 1- Census Block Groups with an MHI less than \$63,783

County	Census Tract	Block Group	MHI	Less than 80% Statewide Annual MHI
Fresno	44.06	1	\$44,271	Yes
Fresno	54.08	1	\$17,788	Yes
Fresno	55.10	1	45,745	Yes
Fresno	55.10	3	\$44,653	Yes
Fresno	59.04	2	\$44,813	Yes
Fresno	59.06	2	\$48,409	Yes
Fresno	62.02	1	\$48,125	Yes

County	Census Tract	Block Group	MHI	Less than 80% Statewide Annual MHI
Fresno	64.02	5	\$40,500	Yes
Fresno	64.03	1	\$44,836	Yes
Fresno	64.04	2	\$42,188	Yes
Fresno	64.05	2	\$41,379	Yes
Fresno	65.01	1	\$26,760	Yes
Fresno	65.02	2	\$23,042	Yes

Parcel pattern variation within the listed block groups generally exceeds LAFCo’s minimum density criteria of at least 15 dwelling units at a density not less than one unit per acre. For the purpose of this MSR, the census block group units within the District are eligible to receive District services. District services are limited to promoting the conservation of local resources such as water, air and soil, and management of forest fuels.

District Infrastructure

The District does not own or operate any public facilities or capital infrastructure necessary to provide a direct service to its constituents. The District’s sole capital asset consists of a 240-acre land conservation easement situated at what is known as the Grand Bluffs private forestlands near Dinkey Creek Road outside of the town of Shaver Lake. The Grand Bluffs easement was granted to the District through a grant from the State of California. As of June 2019, the total value of the easement is estimated to be \$435,000.

District Finances

This section of the MSR analyzes financial information provided by the District to determine the District’s revenue and financial systems in place to provide services to its constituents. The analysis is based on available financial data, adopted budgets for Fiscal Years ("FY") 2018 and 2019, audited financial statements, and communication with the District.

The District does not levy land-based taxes or special assessments. The District’s primary source of revenue are government grants and contributions for the purpose of facilitating conservation programs within the District.

The District regularly monitors grant opportunities and engages potential stakeholders and organizations to develop a strategic collaborative approach to pursue available grant funds. Grant

funding is secured by first meeting the requirement(s) of the grant and then making application to the granting agency. All grant applications go through a competitive scoring process.

The District informed LAFCo that it coordinates with various local agencies and organizations to align programs and priorities that can produce the best odds to secure available grant funds. According to the District, its primary federal grant funding source is obtained from the U.S. Forest Service and the USDA Natural Resources Conservation Service. At the State level, the District has secured grants from CAL FIRE, Sierra Nevada Conservancy, DOC, and DWR. The District's ability to expand its service capacity is contingent upon its ability to secure grant funding, contributions, and expand critical partnerships.¹⁶

The District's fiscal year starts July 1st and ends June 30th of each year. The District Manager presents a proposed annual budget and work program for the District's operation that is adopted by the Board on or before July 1st of each year. The District informed LAFCo that historically the District does not adopt a "balanced" budget due to the nature of being a grant-based funded agency. The District Manager administers all secured grant funding expenditures and regularly pursues grant opportunities for new programs.

For FY 2017-2018, the District had an adopted budget of \$229,557. The budget allocated \$87,425 for salaries and employee benefits, \$56,651 for services and supplies, and \$85,500 as fixed assets.

For FY 2018-2019, the District had an adopted budget of \$315,000. The budget allocated \$100,000 for salaries and employee benefits, \$200,000 for services, and \$15,000 as fixed assets.

The District informed LAFCo that sufficient grant revenues were secured to fund the majority of the District's planned expenditures for FYs 2017-18 and 2018-19.

The District provided LAFCo a copy of its independent auditor's report for the FYs ending June 30, 2018 and June 30, 2019. The District's financial audit was reviewed to determine the District's fiscal status, assess financial practices, and review pertinent management findings. According to the auditor's report, District accounts are organized on the basis of fund accounting, and it utilizes a "general fund" structure for its appropriations. The District's general fund is used to account for all revenue and expenditures of the District. The auditor's report indicates that at the time the financial audit was performed, the District's financial practices conformed with accounting principles generally accepted in the United States of America.

In the auditor's report dated June 30, 2018, the auditor provides a financial statement of the District's adopted budget comparable to the District's actual amount (end of year budget) to identify whether sufficient revenue sources were obtained in accordance with the adopted budget. A summary of the Auditor's explanation of the material differences between budget and actual amounts for the District's FY ending on June 30, 2018 is provided below.

¹⁶ Sierra RCD Website: <https://sierrarc.com/about-us/>.

The auditor's report indicates that the District's general fund balance was \$270,532. The District's adopted budget for FY 2017-2018 was \$228,044. The District's total actual expenditures by the end of the audited year amounted to \$274,869. According to the audit, the District showed an unfavorable deficit balance of \$4,337. The District's bank deposits at the end of June 30, 2018 totaled \$9,566. Capital assets consisting of land conservation easements and capital equipment for conservation management amounted to \$519,932.

For the following audited year ending on June 30, 2019, the auditor's report indicates that the District's general fund balance was \$254,312. At the beginning of audited FY 2018-19, the District had \$208 in its fund balance.

The District's adopted budget for FY 2018-19 amounted to \$170,335. The District's actual expenditures by the end of the audited year amounted to \$267,725. At the end of FY 2018-19, the District had a shortfall of (\$13,205).

The auditor's report indicates that the following figures (shown below) represent the District's revenue, expenditure, and the auditor's variance analysis on the adopted budget and actual expenditures for FY 2018-19:

Table 2- Sierra RCD's Statement of Revenue, Expenditures, and Changes in Fund Balance for Fiscal Year ended on June 30, 2019.

	Adopted Budget	Actual	Variance (Unfavorable)
Revenues			
Government Grants	\$170,335	\$254,312	\$83,977
Total Revenue	\$170,335	\$254,312	\$83,977
Expenditures			
Salaries and wages	\$108,000	\$108,559	(\$559)
Program expenses	\$7,360	\$20,217	(\$12,857)
Insurance	\$2,699	\$1,503	\$1,196
Fees	\$589	\$1,183	(\$594)
Office	\$2,220	\$2,422	(\$202)
Professional services	\$46,282	\$124,535	(\$78,253)
Travel and Transportation	\$3,185	\$9,176	(\$5,991)
Donations		\$130	(\$130)
Total Expenditure	\$170,335	\$267,725	(\$97,390)
Excess (deficiency) of revenue		(\$13,413)	(\$13,413)
Fund Balance			
Beginning of year		\$208	
End of year		(\$13,205)	

The District's bank deposits at the end of June 30, 2019 totaled \$10,048. Capital assets consisting of land conservation easements and construction projects amounted to \$507,718. According to the District Manager, capital assets experienced an unfavorable variance loss of \$12,214 in depreciation. Depreciation expense on capital assets is reported in the audit, however depreciation is not required to be reported as expenditures of the general fund.

The District informed LAFCo that the largest deficit is attributed to Professional Facilitator Services which amounted to \$78,253 higher than anticipated by the adopted budget. The amount with actual expenses accrued and not yet invoiced were far greater for the previous year's expenditures.

According to the District Manager, the District's ability to pursue and secure state and federal grant funds has assisted the District to implement its work program. The District Manager 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 revenue program is structured in a way that enables the District to fund programs based on the agreeable terms and conditions between the Grantor and District. The District is committed to seek new grant opportunities to promote new programs. The District has the ability to identify early on programs that can be abbreviated or suspended due to financial conditions.

Public Facilities, Opportunities for Shared Facilities

The District does not own infrastructure or public facilities that would present opportunities for shared facilities. The District's monthly board meetings are held at the Clovis Memorial District's headquarters in Clovis. During the preparation of this MSR, the District along with the CARCD provided staff support to the Tranquillity RCD to reactivate that district and to start its own grant writing program. At the time this MSR was prepared, there were no opportunities identified for additional shared facilities that would present a benefit to the District. The District's service area overlaps with the following types of special districts and agencies in Fresno County:

Overlaps:

- **Cities:** Clovis, Fresno, Sanger, Orange Cove, and Reedley (portions)
- **Cemetery Districts:** Clovis, Dunlap, Parlier, Reedley, Sanger-Del Rey, Squaw Valley, and Alta Cemetery District (Tulare County Principal County)
- **Community Service Districts:** Sierra Cedars and Big Creek
- **Conservation District:** Kings River Conservation District
- **County Service Areas (by Number):** 1 (Tamarack Estates), 5 (Wildwood Island), 10 (Cumorah Knolls), 23 (Exchequer Heights), 31 (Shaver Lake), 34 (Millerton New Town), 35 (County Road Maintenance) , 44 (Friant) , 47 (Quail Lake), 50 (Auberry Volunteer Fire Department), and 51 (Dry Creek);
- **Fire Protection Districts:** Bald Mountain, Fresno County, and Orange Cove
- **Flood Control:** Fresno Metropolitan Flood Control District

- **Health Care District:** Sierra-Kings Hospital District
- **Irrigation Districts:** Fresno, Consolidated, Hills Valley, and Orange Cove, Alta (Tulare County Principal County)
- **Memorial Districts:** Clovis Veterans Memorial District
- **Mosquito Districts:** Consolidated Mosquito Abatement District
- **Pest Control Districts:** Central Valley Pest Control District
- **Police Protection District:** Orange Cove
- **California Water Districts:** Garfield, International, Kings River, and Tri Valley
- **County Water Districts:** Freewater County Water District;
- **County Waterworks Districts (by Number):** 18 (Friant), 37 (Mile High), 38 (Millerton Lake Park Estates), 40 (Shave Lake Springs), 41 (Shaver Lake), and 42 (Alluvial and Fancher Avenues)

Overlapping and adjacent Groundwater Sustainability Agencies:

- North Kings Groundwater Sustainability Agency
- Central Kings Groundwater Sustainability Agency
- South Kings Groundwater Sustainability Agency
- Kings River East Groundwater Sustainability Agency

Government Accountability

The District operates under the authority granted by California's Resource Conservation District Law (Public Resources Code section 9151 et seq.) Among many services, the District's principal act empowers RCDs 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.

The District's principal act authorizes its directors to seek the cooperation of local, state, and federal agencies in order to avoid duplication of surveys, investigations, and research activities.¹⁷ 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;
- Oak to Timber 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)

¹⁷ Public Resources Code section 9402.

The District is an independent special district with its separate board of directors, not governed by other legislative bodies (either a city council or a county board of supervisors). A five-member board of directors serves as the governing body of the District. The five members of the board are elected by the voters within the District boundaries to serve four-year terms. The expiration of the term of any director does not constitute a vacancy, and the director holds office until his or her successor has qualified.¹⁸ Current board members have been appointed in lieu of an election by Fresno County Board of Supervisor, Supervisorial Districts 4 and 5, consistent with requirements of the California Elections Code. Fresno County is not responsible for providing any income or support to the District.

Each Director is required to take the oath of office prior to being appointed to the District's Board and file a Form 700s – Statements of Economic Interests—upon taking office, annually, and upon leaving office. Form 700s are disclosures of personal economic interest, help to ensure that financial conflict of interest is avoided. Every two years, board members are required to participate in training that cover general ethics principles and specific laws concerning conflict of interest, prerequisites for of office and government transparency.

Each board member is given a Director's Handbook published by CARCD. Board members also have the opportunity to attend training session provided by CARCD. CARCD has three-tier certification program that assists board members comply with training requirements as public officials. The District informed LAFCo that all board members have satisfied these training requirements.

The District's board members serve as volunteers and do not receive compensation for attending district board meetings; however, consistent with the PRC, board members are entitled to be compensated for expenses incurred while performing their duties as board members, such as travel time for training seminars, workshops, or conferences.¹⁹

Board meetings are held on the fourth Monday of each month at 4:00 p.m. at the Clovis Veterans Memorial District Building, 808 4th Street, Clovis, Ca 93612. Board meetings are noticed consistent with Brown Act requirements, which include posting agendas and notices of hearings in public places. Agendas and meeting information is also posted on the District's website (www.sierrarc.com) 72 hours before the scheduled meeting. If needed, meeting cancelations are posted at the meeting site and District's website at least 72 hours in advance. District board meetings are open to the public. Landowners, residents, and the public may attend the board meetings.

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.

¹⁸ PRC section 9314.

¹⁹ PRC section 9303.

Meetings of the board of directors are conducted by the District president in a manner consistent with the latest edition of Robert's Rules of Order. The District board annually elects one of its members to serve as the District president, another member to serve as a vice-president, and another member to serve as secretary/treasurer. The District president presides at all meetings of the board, announces the Board's decisions on all subjects, decides all questions of orders, subjects, and signs all board ordinances, resolutions, and contracts approved by the District board. The president also performs any other duties imposed by the board, after first receiving approval by at least three members of the board. In the absence of the president, the vice-president assumes all duties of the president.

The District has one part-time appointed District Manager responsible to oversee the District's daily operations with the support of three part-time employees that hold the following titles: District Programs Administrator, Forestry Field Supervisor, and a District Forestry Advisor. The District also relies on volunteer efforts and partnerships to seek and apply for available state and federal grant funding.

The District manager who must also file a Form 700 reports directly to the District board, and oversees staff and grant contracts, monitors potential grant opportunities, schedules board meetings, monitors the long range and annual work programs, schedules meetings with local agencies and organizations, and oversees the District's annual budget. The District Manager is the custodian of all records of the proceedings taken by the board of directors and the District's financial records. The District's legal counsel services are provided through a contract with County of Fresno, on as needed basis.

The District is a member of the California Association of Resource Conservation Districts ("CARCD"). CARCD advocates for its member districts with State and Federal agencies, policy makers, and individuals to ensure the resilience and health of California's water, soil, wildlife habitat, and other natural resources — today and for generations to come. CARCD also provides legislative representation, educational resources, and district support and collaboration.

The District's governance structure is appropriate to ensure adequate services are provided and managed. At the time of MSR preparation, the District's government structure appears to be adequately structured to operate and fulfill its role as a services provider in the community.

Any other matters related to effective of efficient service delivery

Integrated Regional Water Management Plans. the District is an active member of the Southern Sierra Integrated Regional Water Management ("SSIRWM") collaborative. In its capacity, the District has conducted numerous studies related to groundwater sustainability and quality in the foothills and mountain regions within the District's service area. As noted earlier, the Upper San Joaquin River Stewardship Program and Assessment Report studied the Southern Sierra Nevada Watershed areas. A number of reports on watershed conditions including surface and groundwater have been published through District funded projects and are available for public review on the District's website.

The District has been involved in the development of Integrated Regional Water Management Plans for that cover the Upper San Joaquin River, Upper Kings River within Fresno County and 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 and in the Fresno County Sustainable Groundwater Management Act Working Group Sessions.

Other Cooperative Activities: Since 2007, the District has been involved with ongoing research, commissioning various studies, and has partnered with various entities including but not limited to:

- Natural Resource Conservation Service / USDA
- California Department of Conservation
- California Association of Resource Conservation Districts
- National Association of Conservation Districts
- California Natural Resources Agency / Sierra Nevada Conservancy
- California Department of Water Resources
- Dinkey Creek Collaborative
- Yosemite/Sequoia Resource Conservation and Development Council
- Fresno County Resource Advisory Council
- Sierra/San Joaquin Noxious Weed Alliance
- Highway 168 Fire Safe Council
- Oak to Timberline Fire Safe Council
- Sierra and Sequoia National Forests
- Sierra Foothill Conservancy
- Back Country Horsemen of California
- San Joaquin River Trail Council
- San Joaquin River Conservancy
- Sierra Club
- Southern Sierra Integrated Regional Water Management Group
- Kings River Basin Integrated Regional Water Management Group
- U.C. Cooperative Extension
- Fresno/Kings County Cattlemen's Association
- Carbon Cycle Institute
- Governor's Office of Planning and Research
- Tulare County RCD and Sequoia FireSafe Council
- Kings River Experimental Watershed performed under the U.S. Forest Service's Pacific Southwest (PSW) Research team.
- California Water Institute and Lyles College of Engineering both at California State University, Fresno.
- California Firesafe Council
- California Rangeland Conservation Coalition
- CalFire
- Fresno Economic Opportunities Commission
- Fresno Tree Mortality Task Force
- Sierra National Forest, High Sierra Ranger District
- Yosemite Clean, LLC
- Self Help Enterprises
- Sierra Nevada Conservancy

2. Municipal Service Review Determinations

The LAFCo has prepared this MSR in accordance with Government Code section 56430. State law requires LAFCo's to identify and evaluate public services provided by the District. The following provides LAFCo's written statements of its determinations with respect to each of the following seven topics:

- 1. Growth and population projections for the affected area.**
 - The District does not have land use authority and it does not provide services that directly influence population growth. District services are voluntary and non-regulatory and affect the conservation of natural resources such as water, air and soil, and management of forest fuels.
 - The proposed District SOI update will not affect the current or planned land uses, alter the rate of population growth, or affect any growth projections as planned for by the land use authorities in the affected territory.
 - The majority of the District's service area encompasses unincorporated land. Land in the valley floor consists of active agricultural operations and sparse rural residential. Land along the Sierra foothills and mountain areas consists of grazing land, rural residential, public lands, and open space. Limited portions of the cities of Fresno, Clovis, Sanger, Reedley and Orange Cove are in the District.
 - 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 territory inside the District and its proposed expansion.
 - The largest population concentration within the District occurs in the cities of Clovis and Fresno. The largest growth anticipated to occur inside the District will likely be within the SOIs of the cities of Clovis and Fresno.
- 2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.**
 - The District service area encompasses census block groups that meet the Water Code definition of Disadvantaged Communities based on reported MHI levels.

3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.

- 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.
- The District does not own, plan for, or operate any public facilities or capital infrastructure necessary to provide a direct service to its constituents.
- The District's sole capital asset consist of a land conservation easement on two hundred-forty (240) acres at what is known as the Grand Bluffs private forestlands near Dinkey Creek Road outside of the town of Shaver Lake. The Grand Bluffs easement was granted to the District through a grant from the State of California. As of June 2019, the total value of the easement is estimated to be \$435,000.
- 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.

4. Financial ability of agencies to provide services.

- The District does not levee land-based taxes or special assessments.
- The District's primary source of revenue is government grants and contributions for the purpose of facilitating water and land conservation programs within the District. Grant funding is secured by first meeting the requirement(s) of the grant and then making application to the granting agency. All grant applications go through a competitive scoring process.
- The District regularly monitors grant opportunities and engages potential stakeholders and organizations to develop a strategic collaborative approach to pursue grant funds.
- The District's primary federal grant funding sources are: the U.S. Forest Service and the USDA Natural Resources Conservation Service. At the State level, the District has secured grants from CAL FIRE, Sierra Nevada Conservancy, Department of Conservation, and DWR.
- The District's budgets for FYs 2017-18 and 2018-19 are generally balanced, meaning that the District secured sufficient grant revenues to fund majority of the District's planned expenditures.

- The District's ability to pursue and secure state and federal grant funds has assisted the District to implement its work program. 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.
- 5. Status of, and opportunities for, shared facilities.**
- During the preparation of this MSR, the District along with the CARCD provided staff support to the Tranquillity RCD to reactivate that district and to start on its own grant writing program.
 - There were no opportunities identified for additional shared facilities that would benefit the District.
- 6. Accountability for community service needs, including governmental structure and operational efficiencies.**
- The District operates under the authority granted by California's Resource Conservation District Law.
 - 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.
 - A five-member board of elected officials serves as the governing body of the District. The District's board members serve as volunteers and do not receive a compensation for attending district board meetings.
 - Board meetings are held on the fourth Monday of each month at 4:00 p.m. at the Clovis Veterans Memorial District Building, 808 4th Street, Clovis, Ca 93612. Board meetings are noticed consistent with Brown Act requirements, which include posting agendas and notices of hearings in public places.
 - The District informed LAFCo that its current governance structure is appropriate to resume activity and provide services. At the time of MSR preparation, the District's government structure appeared to be adequately structured to operate.
- 7. Any other matter related to effective or efficient service delivery, as required by commission policy.**
- The District is an active member within the Southern Sierra Integrated Regional Water Management ("SSIRWM") collaborative. In its capacity, the District has conducted numerous

studies related to groundwater sustainability and quality in the foothills and mountain regions within the District's service area.

- The District participates as an interested party in the Kings Basin Water Authority (KBWA) IRWMP and in the Fresno County Sustainable Groundwater Management Act Working Group Sessions.
- Since 2007, the District has been involved with ongoing research, commissioning various studies, and has partnered with various entities.
- LAFCo has reviewed its local policies and there are no other pertinent matters.

3. Sphere of Influence Application, USOI No. 193

On July 24, 2019, the District submitted a SOI update application (File No. USOI-193) and a related annexation application (File No. AD-19-3) to LAFCo. The SOI update is necessary to facilitate the subsequent annexation of the affected territory into the District's service area.

Background

In 2019, the Sierra RCD and Tranquillity RCD received grant funding from the Central Valley Regional Foundation to process SOI update and annexation applications with LAFCo. The grant funding assisted both RCDs to pay the LAFCo fees and request SOI expansions to account for locations in the County not inside an existing RCD. As planned, the SOI updates would facilitate the subsequent and coterminous annexation proposals, respectively.

According to Sierra RCD, the purpose of its requested SOI update and annexation application is to extend service to communities and rural settlements that are not currently being served and represented in the conservation of local natural resources. Annexation of the affected territory would enable Sierra RCD to pursue grant funding to extend its technical assistance programs, provide education material, and gather information in the affected territory that can further protect natural resources on a voluntary and non-regulatory basis.

The District is requesting LAFCo to expand the District SOI to include territory westward of the current District and it would align with the eastern edge of SR 99, see **Figure 2**. The SOI expansion would add approximately 235,776 acres into the updated District SOI. The proposed District SOI update would encompass a total of 2,083,313 acres.

Land uses in the affected territory

With respect to the proposed District SOI update, the 235,776-acre affected territory consists of various land uses. Approximately 171,747 acres in the affected territory are unincorporated and designated primarily for agriculture use by the County of Fresno Land Use Element. While approximately 64,029 acres are incorporated and identified for urban land uses by the cities' General Plans, respectively.

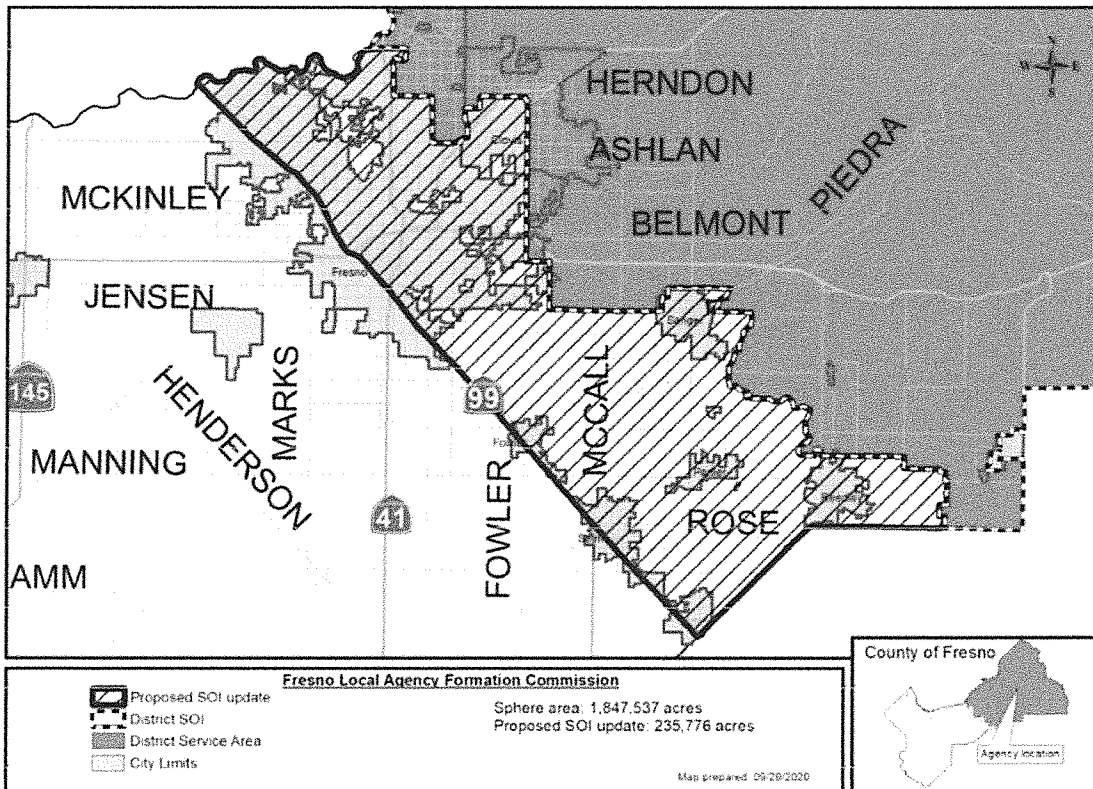
The proposed SOI expansion would add the remaining portions of Clovis, Fresno, Reedley, and Sanger into the District SOI. The city of Parlier would be included in the District SOI, as would the portions of the cities of Fowler, Selma, and Kingsburg that lay east of SR 99. **Table 1** shows estimated amount of incorporated acreages that are proposed to be included in the District SOI expansion. Annexation of the affected territory has the potential to add approximately 569,855 residents into the District.²⁰ Most of the population resides within the Fresno-Clovis Metropolitan Area and neighboring cities.

²⁰ Estimated population from 360 Census Block Groups, U.S. Census, ACS five-year reports, 2012 to 2016.

Table 1 – Incorporated land per city proposed to be in Sierra RCD SOI

Cities in the affected territory	Estimated acres per city	Notes
Fresno	44,946	Only land east of SR 99
Clovis	5,101	
Sanger	3,504	
Reedley	3,439	
Selma	2,529	Only land east of SR 99
Kingsburg	1,699	Only land east of SR 99
Parlier	1,555	
Fowler	1,256	Only land east of SR 99
Total incorporated acreage	64,029	

Figure 2 - Proposed Sierra RCD SOI update



Disadvantaged Unincorporated Communities

Based on LAFCo’s 2020 Disadvantaged Unincorporated Communities (“DUC”) database, there are 12 known DUC locations within the affected territory. Table 2 of this Section provides characteristics, demographics, and details related to each known DUC in the affected territory.

Table 2 - DUC data summary

	DUC Name	Census Tract	Block Group	MHI	Less than 80% Statewide Annual MHI	15 Units at a Density ≥ One Unit per Acre	Number of Registered Voters
1	Newmark and Annadale Avenues	62.01	1	\$48,125	Yes	Yes	75
2	Del Rey	69.00	1	\$25,809	Yes	Yes	384
3	S. Academy and Manning Avenues	85.01	1	\$22,431	Yes	Yes	13
4	E. Manning and McCall Avenues	73.03	1	\$43,583	Yes	Yes	23
5	E. Dinuba and S. Shaft Avenues	70.03	1	\$43,583	Yes	Yes	82
6	Khan Tract	73.03	1	\$43,583	Yes	Yes	178
7	Malaga	15.00	2	\$41,656	Yes	Yes	495
8	Sunnyside Part 1 and 2	30.03	1	\$19,478	Yes	Yes	1,714, part 1
		30.03	2	\$27,540			
		29.03	2	\$20,737			
		29.04	1	\$34,000			
		29.04	2	\$46,618			
		29.05	2	\$27,396			
30.01	2	\$36,094	2,130, part 2				
9	Mayfair (east of SR 168)	32.01	1	\$41,618	Yes	Yes	1,881
		32.01	2	\$33,713			
		32.02	2	\$24,155			
		52.02	1	\$29,545			
10	Mayfair (west of SR 168)	32.02	1	\$24,155	Yes	Yes	2,130
		33.01	1	\$29,531			
		33.02	1	\$21,034			
		33.02	2	\$45,231			
		33.02	3	\$32,969			
		33.02	4	\$48,161			
11	Villa View Tract	12.01	1	\$26,406	Yes	Yes	23
12	Calwa	12.01	1	\$26,406	Yes	Yes	520
		12.01	2	\$21,324			
		12.01	4	\$48,162			

The affected territory encompasses census block groups that meet the Water Code definition of Disadvantaged Communities based on reported MHI levels. The following descriptions identify the locations in the affected territory that meet LAFCo's DUC criteria:

1. Newmark and East Annadale Avenues, this DUC is located within the Sanger SOI, east of the Sanger city limits. The DUC is located east of Newmark Avenue and north of East Annadale Avenue. The DUC encompasses 30 acres and it consists of 44 rural residential parcels. LAFCo estimate that this DUC has a density of one unit per acre. Water is attained through private wells and sewer is attained through private septic tank systems. Fire protection is provided by the Fresno County Fire Protection District.
2. The unincorporated community of Del Rey is located near the intersection of South Del Rey Avenue at East Jefferson Avenue. The community of Del Rey has a population of 1,457 people, and a housing stock of 379 units. The Del Rey Community Service District provides potable water, sewer, storm drainage, and solid waste services. Fire protection is provided by the Fresno County Fire Protection District.
3. The South Academy and East Manning DUC is located west of South Academy Avenue and south of East Manning Avenue, immediately south of Parlier's city limits and east of Parlier's Wastewater Treatment Plant. The DUC encompasses 20 acres and it consists of 24 dwelling units. Water is attained through private wells and sewer is attained through private septic tank systems. Fire protection is provided by the Fresno County Fire Protection District.
4. The E. Manning Avenue and McCall Avenue DUC is located within the Selma SOI, south of East Manning Avenue and west of McCall Avenue. There are 17 dwelling units located within an area that encompasses approximately eight acres. Water is attained through private wells and sewer is attained through private septic tank systems. Fire protection is provided by the Fresno County Fire Protection District.
5. The East Dinuba Avenue and South Shaft Avenue is located within the Selma SOI north of East Dinuba Avenue at the intersection with South Shaft Avenue. The DUC consists of approximately 65 dwelling units located within an area that encompasses approximately 49 acres. LAFCo estimates that the density is approximately one dwelling unit per acre within this DUC. Water is attained through private wells and sewer service is provided by the Selma-Kingsburg-Fowler County Sanitation District (via "out-of-District boundary customers"). Fire protection is provided by the Fresno County Fire Protection District.
6. The Khan Tract DUC is located within the Selma SOI south of East Dinuba Avenue and east of Leonard Avenue. The DUC encompasses approximately 56 acres, and LAFCo estimates that there are approximately 131 dwelling units within this DUC. LAFCo estimates that the density is approximately two dwelling units per acre within this DUC. Water is attained through private wells and sewer service is provided by the Selma-Kingsburg-Fowler County Sanitation District (via "out-of-District boundary customers"). Fire protection is provided by the Fresno County Fire Protection District.
7. The unincorporated community of Malaga is located at the southeast corner of the Muscat Avenue and Chestnut Avenue. The DUC boundary encompasses approximately 95 acres, and LAFCo estimates there are approximately 241 dwelling units within this DUC. Based on dwelling unit estimates, there is at least two dwelling units per acre within this DUC. The Malaga County Water District provides

potable water, sewer, and solid waste services within the community. County Service Area No. 33 (Malaga) provides public street lighting and landscaping services. Fire protection is provided by the Fresno County Fire Protection District. Storm drainage is provided by the Fresno Metropolitan Flood Control District.

8. Sunnyside part 1 located within the Fresno SOI, and generally located north of Kings Canyon Avenue and along both sides of Minnewawa Avenue. The DUC consists of several neighborhoods that make up the Sunnyside Community. This narrative provides a two-part summary for an area that consists of approximately 900 parcels that encompass approximately 660-acres. The City of Fresno provides water and sewer service within the DUC. Fire protection is provided by the Fresno County Fire Protection District. Storm drainage is provided by the Fresno Metropolitan Flood Control District.

Sunnyside part 2 is bounded by Olive Avenue to the north, Minnewawa Avenue to the east, Belmont Avenue to the south, and Peach Avenue to the west. The area also includes areas south of Belmont Avenue, west of Bush Avenue, north of McKenzie Avenue, and east of Winery Avenue. A minor portion of the DUC is located north of SR 180, west of Helm Avenue, south of Tyler Avenue, and east of Willow Avenue. This DUC consists of approximately 639 properties. The City of Fresno provides water and sewer service within the DUC. Fire protection is provided by the Fresno County Fire Protection District. Storm drainage is provided by the Fresno Metropolitan Flood Control District.

9. The Shields Avenue and Cedar Avenue DUC is located within the Fresno SOI, enclosed by Shields Avenue to the north, Winery Avenue to the east, Clinton Avenue to the south, and extends across State Route 168 over to Cedar Avenue in the west. The DUC also includes an area south of Cambridge Avenue, west of Maple Avenue, north of University Avenue, and east of SR 168. This DUC is also known as the "Mayfair" community. The DUC encompasses 533 acres consisting of approximately 1,030 parcels. LAFCo estimates that the density is approximately two dwelling units per acre within this DUC. The City of Fresno provides water and sewer service within the DUC. Fire protection is provided by the Fresno County Fire Protection District. Storm drainage is provided by the Fresno Metropolitan Flood Control District.
10. The E. McKinley and N. First Avenue DUC is located within the Fresno SOI, enclosed by the Fresno city limits. The DUC is bounded by Princeton Avenue to the north, Cedar Avenue to the east, McKinley Avenue to the south, and First Avenue to the west. This DUC encompasses the westside of the "Mayfair" community. The DUC area encompasses 490 acres and it consists of approximately 1,235 unincorporated parcels. LAFCo estimates that the density is approximately three dwelling units per acre within this DUC. The City of Fresno provides water and sewer service within the DUC. Fire protection is provided by the Fresno County Fire Protection District. Storm drainage is provided by the Fresno Metropolitan Flood Control District.
11. The Villa View Tract DUC is located within the Fresno SOI, east of Orange Avenue and north of Belgravia Avenue. The nearest major intersection to the DUC is Church Avenue at Orange Avenue. The DUC encompasses 10 acres consisting of 22 properties. LAFCo estimates that the density is approximately two dwelling units per acre within this DUC. The City of Fresno provides water and

sewer service within the DUC. Fire protection is provided by the Fresno County Fire Protection District. Storm drainage is provided by the Fresno Metropolitan Flood Control District.

12. The unincorporated community of Calwa is located within the Fresno SOI near the southeast corner of Church Avenue and Orange Avenue. LAFCo estimates that there are approximate 385 dwelling units in an area that encompasses approximately 179 acres. LAFCo estimates that the density is approximately two dwelling units per acre within this DUC. The City of Fresno provides water and sewer service within the DUC. Fire protection is provided by the Fresno County Fire Protection District. Storm drainage is provided by the Fresno Metropolitan Flood Control District.

According to the District Manager, the District's ability to extend service to the communities and rural settlements depends upon its ability to secure grant funding for specific technical assistance programs, education materials, or data gathering projects related to resource conservation. At the time this report was prepared, the District started coordinating efforts to pursue grants to engage and assist local growers and disadvantaged communities in the affected territory.

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

The proposed District SOI update and subsequent annexation has the potential to include either a portion or all the following local agencies into the District's SOI and service area:

- **Cemetery Districts:**
 - Fowler, Selma, and Kingsburg (portions east of SR99)
- **Community Service Districts:**
 - Del Rey and Bluffs
- **County Service Areas by Number:**
 - 7 (San Joaquin Suburban Estates), 2 (Tanaya Park), 14 (Belmont County Club), and 33 (Malaga)
- **Fire Protection Districts:**
 - Fig Garden and North Central (east of SR99)
- **Health Care District:**
 - Selma, Tri-County (formerly Kingsburg)
- **Mosquito Districts:**
 - Fresno Mosquito and Vector Control District
- **Police Protection District:**
 - Fig Garden Police Protection District
- **Public Utility Districts:**
 - Pinedale Public Utility District
- **County Sanitation Districts:**
 - Selma-Kingsburg-Fowler (portions east of SR99)
- **County Water Districts:**
 - Pinedale and Malaga

During the preparation of this report, three irrigation districts and Kings River Conservation District expressed concerns about the expansion of the Sierra RCD's boundaries. According to the agencies, the proposal has the potential to create redundancies in the affected territory with existing water management agencies that already collect fees to provide and promote the conservation of local natural resources such as water and agricultural land. Staff notes that the District's service area currently overlaps with the four concerned agencies. Based on ArcGIS mapping estimates, Tables 3 and 4 show current and proposed Sierra RCD boundary overlaps with the four concerned agencies.

Table 3- Existing Overlap with Sierra RCD

Commenting Agencies	Existing District overlap with Sierra RCD in acres
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

Alta Irrigation District’s (“AID”) service area encompasses approximately 133,500 acres. Currently 24,043 acres of AID’s service area (18 percent) overlaps with Sierra RCD. The proposed District SOI update and annexation would increase the AID and Sierra RCD overlap by an additional 9,425 acres. As proposed, the Sierra RCD and AID’s overlap would increase to 25 percent.

Consolidated Irrigation District’s (“CID”) service area encompasses 138,535 acres. Currently 2,856 acres of CID’s service area (two percent) overlaps with Sierra RCD. The proposed District SOI update and annexation would increase the CID and Sierra RCD overlap by an additional 42,777 acres. As proposed, the Sierra RCD and CID overlap would increase to 33 percent.

Fresno Irrigation District’s (“FID”) service area encompasses 245,000 acres. Currently 62,289 acres of FID’s service area (25 percent) overlaps with Sierra RCD. The proposed District SOI update and annexation would increase the FID and Sierra RCD overlap by an additional 46,200 acres. As proposed, the Sierra RCD and FID overlap would increase to 44 percent.

Kings River Conservation District’s (“KRCD”) service area encompasses 1,311,156 acres. Currently 76,417 acres of KRCD’s service area (five percent) overlaps with Sierra RCD. The proposed District SOI update and annexation would increase the Sierra RCD and KRCD overlap by an additional 87,075 acres. As proposed, the Sierra RCD and KRCD overlap would increase to 12 percent.

Table 4 – Proposed Overlap Increases with Sierra RCD

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

Sphere of Influence update Analysis

One of the objectives of the LAFCo is to make studies and to obtain and furnish information which will contribute to the logical and reasonable development of local agencies in the County and to shape the development of local agencies so as to advantageously provide for the present and future needs of the County and its communities.²¹

In reviewing the District's SOI update request, staff considered the comment letters provided to LAFCo regarding Sierra RCD's proposals. In addition, LAFCo staff convened the District Managers of AID, CID, FID, and KRCD on at least three occasions to detail their specific concerns regarding the proposed SOI update.

Other than the comment letters provided to LAFCo, LAFCo staff did not identify any existing service issues in the areas that currently overlap with Sierra RCD. Furthermore, no written evidence was provided to LAFCo that identifies an occasion where the duplication of services occurred among Sierra RCD and either AID, CID, FID, or KRCD.

The concerned agencies informed LAFCo that they respectfully oppose the Sierra RCD's proposed expansion because there is no need for another special district to overlap with the existing water management agencies or KRCD. The district managers of AID, FID, CID, and KRCD informed LAFCo that their agencies could provide services related to resource conservation, that landowners within the affected territory are represented and will continue to be represented on matters related to groundwater management and preservation of local resources by either AID, FID, CID, or KRCD. Furthermore, technical assistance efforts are already provided by either the North Kings Groundwater Sustainable Agency or the Central Kings Groundwater Sustainable Agency.

In light of the data collected during the MSR process and in the preparation of this SOI report, as well as from conversations with the District Manager of Sierra RCD, it is staff's opinion that the SOI update and annexation could assist local growers and DUCs (rural communities) in the affected territory benefit from the District's non-regulatory technical assistance programs. The District does not levy taxes, nor collects special assessments, nor plans to begin collecting fees for its planned programs. Much of the planned services and programs in the affected territory are anticipated to be funded through state or federal grants. As noted in the MSR, California law empowers RCDs to seek the cooperation of local, state, and federal agencies in order to avoid duplication of surveys, investigations, and research activities.²²

²¹ Fresno LAFCo Policies, Standards, and Procedures Manual, Policy 101.06, Commission Objectives.

²² Public Resources Code section 9402.

LAFCo expects that Sierra RCD will continue to collaborate with the various agencies and organizations to avoid service redundancies and align programs and priorities that can produce the best grant funds to assist residents and landowners in the affected territory. The District demonstrates that it has adequate planning efforts in place to extend conservation services and programs to the affected territory that is planned to be included in the District.

4. Sphere of Influence Update Determinations

In determining the SOI of each local agency, the commission shall consider and prepare a written statement of its determinations with respect to each of the following items pursuant to Government Code Section 56425 (e):

- 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 the 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.

5. Recommendations

In consideration of information gathered and evaluated in this 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 CEQA Guidelines section 15306 (Information Collection).

3. Approve the recommended Municipal Service Review determinations, together with any changes deemed appropriate.
4. Approve the recommended sphere of influence update determinations, together with any changes deemed appropriate.
5. Find that LAFCo, as a Responsible Agency pursuant to the California Environmental Quality Act (CEQA) considered the Notice of Exemption prepared by Sierra Resource Conservation District, Lead Agency, for its review and update of the District SOI.
6. Find that as a Responsible Agency, Fresno LAFCo, it can be seen with certainty that the proposal does not have the potential to result in a significant effect on the environment, and that the proposal 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).
7. Revise the Sierra Resource Conservation District SOI to include 235,776 acres consisting of unincorporated and urban land, as depicted in Figure 2 of the MSR and SOI update report.