

***LASSEN  
LOCAL AGENCY FORMATION COMMISSION  
(LAFCo)***

***Adopted October 17, 2016***

***HONEY LAKE VALLEY  
RESOURCE CONSERVATION DISTRICT (HLVRCD)  
SERVICE REVIEW  
AND  
SPHERE OF INFLUENCE (SOI)***

***Service Review: Adopted October 17, 2016, Resolution 2016-0005***

***Sphere of Influence: Adopted October 17, 2016, Resolution 2016-0006***

## TABLE OF CONTENTS

<b>1.</b>	<b>BACKGROUND</b> .....	<b>1</b>
1.1	Overview of LAFCo .....	1
1.2	Municipal Service Review Origins and Legislation .....	2
1.2.1	Little Hoover Commission .....	2
1.2.2	Commission on Local Governance for the 21 <sup>st</sup> Century .....	3
1.2.3	Municipal Service Review Legislation .....	4
1.3	Municipal Service Review Process .....	6
<b>2.</b>	<b>SPHERE OF INFLUENCE UPDATES</b> .....	<b>7</b>
2.1	Sphere of Influence Background .....	7
2.2	Lassen LAFCo Sphere of Influence Policies .....	8
<b>3.</b>	<b>GENERAL RCD BACKGROUND</b> .....	<b>10</b>
3.1	History of RCDs .....	11
3.2	Why do we need RCDs? .....	11
3.3	Organization of RCDs .....	12
3.4	Division 9, Department of Conservation and RCDs .....	13
3.5	Natural Resources Conservation Service and RCDs .....	13
3.6	Relationships of RCDs to Federal, State, and Private Stakeholders .....	14
<b>4.</b>	<b>HONEY LAKE VALLEY RESOURCE CONSERVATION DISTRICT (HLVRCD)</b> .....	<b>15</b>
4.1	Honey Lake Valley Area .....	15
4.2	Population Data .....	15
4.3	Natural Resources in the Honey Lake Valley .....	16
4.4	Cultural History of Lassen County and the Honey Lake Valley .....	17
4.5	Honey Lake Valley Resource Conservation District (RCD) .....	19
4.6	Financing and the HLVRCD Budget .....	21
4.7	Audit .....	24
4.8	Honey Lake Valley RCD Service Overview .....	25
4.8.1	Honey Lake Valley RCD Projects and Programs .....	25
4.8.2	Honey Lake Valley RCD Long Range Plan .....	26
4.8.3	Honey Lake Valley Resource Conservation District Strategic Plan .....	26
4.8.4	HLVRCD Annual Work Plan .....	26
4.8.5	Watermaster Program .....	27
4.9	Grand Jury Report .....	28
<b>5.</b>	<b>SERVICE REVIEW DETERMINATIONS</b> .....	<b>32</b>
5.1	Growth and Population Projections for the Area .....	32
5.2	Location and Characteristics of any Disadvantaged Unincorporated Communities (DUC) Within or Contiguous to the Sphere of Influence .....	33
5.3	Present and Planned Capacity of Public Facilities and Adequacy of Public Services .....	34
5.4	Financial Ability to Provide Services .....	35
5.5	Opportunities for Shared Facilities .....	36

5.6 Government Structure and Accountability ..... 37

**6. SPHERE OF INFLUENCE UPDATE ..... 38**

6.1 Sphere of Influence Determinations ..... 38

6.2 Possible Approaches to the Sphere of Influence ..... 38

6.3 SOI Amendments and CEQA ..... 40

6.4 Recommended SOI Alternative ..... 41

6.5 Present and Planned Land Uses, Including Agricultural and  
Open Space Lands ..... 42

6.6 Municipal Services – Present and Probable Need ..... 42

6.7 Public Facilities Present and Future Capacity ..... 43

6.8 Social or Economic Communities of Interest ..... 43

6.9 Disadvantaged Unincorporated Communities ..... 44

**ABBREVIATIONS ..... 45**

**REFERENCES ..... 47**

**Map ..... 48**

**Attachment “A” Long Range Plan**

**Attachment “B” Strategic Plan**

**Attachment “C” Annual Work Plan**

## **1. BACKGROUND**

This report is prepared pursuant to legislation enacted in 2000 that requires LAFCo to conduct a comprehensive review of municipal service delivery and update the spheres of influence (SOIs) of all agencies under LAFCo's jurisdiction. This chapter provides the background of LAFCo, the purpose of the service review, the sphere of influence updating process, and the process and methodology of this particular review.

### **1.1 Overview of LAFCo**

After World War II, California experienced dramatic growth in population and economic development. With this boom came a demand for housing, jobs and public services. To accommodate this demand, many new local government agencies were formed, often with little forethought as to the ultimate governance structures in a given region, and existing agencies often competed for expansion areas. The lack of coordination and adequate planning led to a multitude of overlapping, inefficient jurisdictional and service boundaries, and the premature conversion of California's agricultural and open-space lands.

Recognizing this problem, in 1959, Governor Edmund G. Brown, Sr. appointed the Commission on Metropolitan Area Problems. The Commission's charge was to study and make recommendations on the "misuse of land resources" and the growing complexity of local governmental jurisdictions. The Commission's recommendations on local governmental reorganization were introduced in the Legislature in 1963, resulting in the creation of a Local Agency Formation Commission, or "LAFCo," operating in every county except San Francisco.

LAFCo was formed as a countywide agency to discourage urban sprawl and encourage the orderly formation and development of local government agencies. LAFCo is responsible for coordinating logical and timely changes in local governmental boundaries, including annexations and detachments of territory, incorporations of cities, formations of special districts, and consolidations, mergers and dissolutions of districts, as well as reviewing ways to reorganize, simplify, and streamline governmental structure. The Commission's efforts are focused on ensuring that services are provided efficiently and economically while agricultural and open-space lands are protected. To better inform itself and the community as it seeks to exercise its charge, LAFCo conducts service reviews to evaluate the provision of municipal services within the County.

LAFCo regulates, through approval, denial, conditions and modification, boundary changes proposed by public agencies or individuals. It also regulates the extension of public services by cities and special districts outside their boundaries. LAFCo is empowered to initiate updates to the SOIs and proposals involving the dissolution or consolidation of special districts, mergers, establishment of subsidiary districts, and any reorganization including such actions. Otherwise, LAFCo actions must originate as petitions or resolutions from affected voters, landowners, cities or districts.

Lassen LAFCo consists of five regular members: two members from the Lassen County Board of Supervisors, two city council members, and one public member who is appointed by the other members of the Commission. There is an alternate in each category. All Commissioners are appointed to four-year terms.

**Figure 1-1: Commission Members, 2016**

Appointing Agency	Members	Alternate Members
Two members from the Board of Supervisors appointed by the Board of Supervisors	Jeff Hemphill Jim Chapman	Robert Pyle
Two member representing the cities in the County. Must be city officer and appointed by the City Selection Committee	Brian Wilson Joe Franco	Kevin Stafford
One member from the general public appointed by the other four commissioners	Todd Eid	Andrew Wellborn

## 1.2 Municipal Service Review Origins and Legislation

The MSR requirement was enacted by the Legislature months after the release of two studies recommending that LAFCOs conduct reviews of local agencies. The “Little Hoover Commission” focused on the need for oversight and consolidation of special districts, whereas the “Commission on Local Governance for the 21st Century” focused on the need for regional planning to ensure adequate and efficient local governmental services as the California population continues to grow.

### 1.2.1 Little Hoover Commission

In May 2000, the Little Hoover Commission released a report entitled *Special Districts: Relics of the Past or Resources for the Future?* This report focused on governance and financial challenges among independent special districts, and the barriers to LAFCo’s pursuit of district consolidation and dissolution. The report raised the concern that “the underlying patchwork of special district governments has become unnecessarily redundant, inefficient and unaccountable.”

In particular, the report raised concern about a lack of visibility and accountability among some independent special districts. The report indicated that many special districts hold excessive reserve funds and some receive questionable property tax revenue. The report expressed concern about the lack of financial oversight of the districts. It asserted that financial reporting by special districts is inadequate, that districts are not required to submit financial information to local elected officials, and concluded that district

financial information is “largely meaningless as a tool to evaluate the effectiveness and efficiency of services provided by districts, or to make comparisons with neighboring districts or services provided through a city or county.”

The report questioned the accountability and relevance of certain special districts with uncontested elections and without adequate notice of public meetings. In addition to concerns about the accountability and visibility of special districts, the report raised concerns about special districts with outdated boundaries and outdated missions. The report questioned the public benefit provided by health care districts that have sold, leased or closed their hospitals, and asserted that LAFCos consistently fail to examine whether they should be eliminated. The report pointed to service improvements and cost reductions associated with special district consolidations, but asserted that LAFCos have generally failed to pursue special district reorganizations.

The report called on the Legislature to increase the oversight of special districts by mandating that LAFCos identify service duplications and study reorganization alternatives when service duplications are identified, when a district appears insolvent, when district reserves are excessive, when rate inequities surface, when a district’s mission changes, when a new city incorporates and when service levels are unsatisfactory. To accomplish this, the report recommended that the State strengthen the independence and funding of LAFCos, require districts to report to their respective LAFCo, and require LAFCos to study service duplications.

### **1.2.2 Commission on Local Governance for the 21st Century**

The Legislature formed the Commission on Local Governance for the 21st Century (“21st Century Commission”) in 1997 to review statutes on the policies, criteria, procedures and precedents for city, county and special district boundary changes. After conducting extensive research and holding 25 days of public hearings throughout the State at which it heard from over 160 organizations and individuals, the 21st Century Commission released its final report, *Growth Within Bounds: Planning California Governance for the 21st Century*, in January 2000. The report examines the way that government is organized and operates and establishes a vision of how the State will grow by “making better use of the often invisible LAFCos in each county.”

The report points to the expectation that California’s population will double over the first four decades of the 21st Century, and raises concern that our government institutions were designed when our population was much smaller and our society was less complex. The report warns that without a strategy open spaces will be swallowed up, expensive freeway extensions will be needed, job centers will become farther removed from housing, and this will lead to longer commutes, increased pollution and more stressful lives. *Growth Within Bounds* acknowledges that local governments face unprecedented challenges in their ability to finance service delivery since voters cut property tax revenues in 1978 and the Legislature shifted property tax revenues from local government to schools in 1993. The report asserts that these financial strains have created governmental entrepreneurship in which agencies compete for sales tax revenue and market share.

The 21st Century Commission recommended that effective, efficient and easily understandable government be encouraged. In accomplishing this, the 21st Century Commission recommended consolidation of small, inefficient or overlapping providers, transparency of municipal service delivery to the people, and accountability of municipal service providers. The sheer number of special districts, the report asserts, “has provoked controversy, including several legislative attempts to initiate district consolidations,” but cautions LAFCOs that decisions to consolidate districts should focus on the adequacy of services, not on the number of districts.

*Growth Within Bounds* stated that LAFCOs cannot achieve their fundamental purposes without a comprehensive knowledge of the services available within its county, the current efficiency of providing service within various areas of the county, future needs for each service, and expansion capacity of each service provider. Comprehensive knowledge of water and sanitary providers, the report argued, would promote consolidations of water and sanitary districts, reduce water costs and promote a more comprehensive approach to the use of water resources. Further, the report asserted that many LAFCOs lack such knowledge and should be required to conduct such a review to ensure that municipal services are logically extended to meet California’s future growth and development.

MSRs would require LAFCo to look broadly at all agencies within a geographic region that provide a particular municipal service and to examine consolidation or reorganization of service providers. The 21st Century Commission recommended that the review include water, wastewater, and other municipal services that LAFCo judges to be important to future growth. The Commission recommended that the service review be followed by consolidation studies and be performed in conjunction with updates of SOIs. The recommendation was that service reviews be designed to make nine determinations, each of which was incorporated verbatim in the subsequently adopted legislation. The legislature since consolidated the determinations into six required findings.

### **1.2.3 Municipal Service Review Legislation**

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires LAFCo review and update SOIs no less than every five years and to review municipal services before updating SOIs. Lassen LAFCo policies state that “Lassen LAFCo must review and, if necessary, update each Sphere of influence at least every five years.” The requirement for service reviews arises from the identified need for a more coordinated and efficient public service structure to support California’s anticipated growth. The service review provides LAFCo with a tool to study existing and future public service conditions comprehensively and to evaluate organizational options for accommodating growth, preventing urban sprawl, and ensuring that critical services are provided efficiently.

Effective January 1, 2008, Government Code §56430 requires LAFCo to conduct a review of municipal services provided in the county by region, sub-region or other designated geographic area, as appropriate, for the service or services to be reviewed, and prepare a written statement of determination with respect to each of the following topics:

- ❖ Growth and population projections for the affected area;
- ❖ The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the SOI (newly added with the November 2011 CKH update);
- ❖ Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies;
- ❖ Financial ability of agencies to provide services;
- ❖ Status of, and opportunities for shared facilities;
- ❖ Accountability for community service needs, including governmental structure and operational efficiencies; and
- ❖ Any other matter related to effective or efficient service delivery, as required by commission policy.

MSRs are exempt from California Environmental Quality Act (CEQA) pursuant to §15262 (feasibility or planning studies) or §15306 (information collection) of the CEQA Guidelines. LAFCo's actions to adopt MSR determinations are not considered "projects" subject to CEQA.

While Lassen LAFCo prepared this MSR Document, LAFCo did not engage the services of experts in engineering, hydrology, law or other specialists in related fields, but relied upon published reports, Lassen County and the Honey Lake Valley RCD staff for information. In the event of conflicts both sources have been documented.

The MSR process does not require LAFCo to initiate changes of organization based on service review findings, only that LAFCo identify potential government structure options. However, LAFCo, other local agencies, and the public may subsequently use the determinations to analyze prospective changes of organization or reorganization or to establish or amend SOIs. Within its legal authorization, LAFCo may act with respect to a recommended change of organization or reorganization on its own initiative (e.g., certain types of consolidations), or in response to a proposal (i.e., initiated by resolution or petition by landowners or registered voters).



### 1.3 Municipal Service Review Process

Standard analytical tools and practices were used to gather and analyze information for the water service review. The service review process is outlined as follows:

- ❖ **Establishment of Criteria:** Preliminary criteria to be used in making the determinations required under the laws governing service reviews were developed.
- ❖ **Data Discovery:** Collection of data from available online and central data resources (i.e., agency website, and the Regional Water Quality Control Board).
- ❖ **Request for Information:** Creation of a personalized questionnaire based on available information for the agency.
- ❖ **Interviews:** After reviewing the agency's questionnaire response and submitted documents, HLVRCD staff were interviewed to fill in missing information, follow up on current matters, as well as to see what progress was made on issues identified in the previous service review.
- ❖ **Drafting of Report:** A report on each district was compiled, using a standard format, based on the interview and data collected.
- ❖ **Agency Review for Accuracy:** The document was provided to the agency for internal review and comment, to ensure accuracy prior to release.
- ❖ **Data Analysis and Service Review Determinations:** Information gathered from the agency and the interview was analyzed and applied to the determination criteria to make the required determinations for the District.
- ❖ **Public Review Draft Released:** The draft document is released for public review and comment.
- ❖ **LAFCo Hearing:** LAFCo holds a public hearing to solicit agency and public feedback and comments on the draft report.
- ❖ **Final Draft Released:** The revised redlined draft document is released with a comment log indicating any action taken pursuant to the comment.
- ❖ **Adoption of Final Report:** LAFCo holds a meeting where the Commission may adopt the final report.

## **2. SPHERE OF INFLUENCE UPDATES**

### **2.1 Sphere of Influence Background**

The Commission is charged with developing and updating the Sphere of Influence (SOI) for each city and special district within the county. Once LAFCo has adopted the MSR determinations, it must update the SOI for the RCD. There are several RCD's based in surrounding counties. In particular those in Modoc County such as the Pit RCD and the Modoc RCD (formerly the Central Modoc RCD and the Surprise Valley RCD in Modoc County), the Fall River RCD in Shasta County and the Sierra Valley RCD in Plumas and Sierra Counties also contain territory in Lassen County as shown on the map at the end of this report.

An SOI is a LAFCo-approved plan that designates an agency's probable future boundary and service area. Spheres are planning tools used to provide guidance for individual boundary change proposals and are intended to encourage efficient provision of organized community services and prevent duplication of service delivery. Territory cannot be annexed by LAFCO to a city or district unless it is within that agency's sphere. The purposes of the SOI include the following: to ensure the efficient provision of services, discourage urban sprawl and premature conversion of agricultural and open space lands, and prevent overlapping jurisdictions and duplication of services.

The Cortese-Knox-Hertzberg (CKH) Act requires LAFCo to develop and determine the SOI of each local governmental agency within the county and to review and update the SOI every five years. LAFCOs are empowered to adopt, update and amend the SOI. They may do so with or without an application and any interested person may submit an application proposing an SOI amendment.

While SOIs are required to be updated every five years, as necessary, this does not necessarily define the planning horizon of the SOI. The term or horizon of the SOI is determined by each LAFCo. In the case of Lassen LAFCo, the Commission's policies state that an agency's near term SOI shall generally include land that is anticipated to be annexed within the next five years, while the agency's long-term SOI shall include land that is within the probable growth boundary of an agency and therefore anticipated to be annexed in the next 20 years.

LAFCo may not directly regulate land use, dictate internal operations or administration of any local agency, or set rates. LAFCo is empowered to enact policies that indirectly affect land use decisions. On a regional level, LAFCo promotes logical and orderly development of communities as it considers and decides individual proposals. LAFCo has a role in reconciling differences between agency plans so that the most efficient urban service arrangements are created for the benefit of current and future area residents and property owners.

LAFCo may recommend government reorganizations to particular agencies in the county, using the SOIs as the basis for those recommendations. In determining the SOI, LAFCo is required to complete an MSR and adopt the six determinations previously

discussed. In addition, in adopting or amending an SOI, LAFCo must make the following determinations:

- ❖ Present and planned land uses in the area, including agricultural and open-space lands;
- ❖ Present and probable need for public facilities and services in the area;
- ❖ Present capacity of public facilities and adequacy of public service that the agency provides or is authorized to provide;
- ❖ Existence of any social or economic communities of interest in the area if the Commission determines these are relevant to the agency; and
- ❖ Present and probable need for public facilities and services of any disadvantaged unincorporated communities within the existing Sphere of Influence.

Additionally, the CKH Act stipulates several procedural requirements in updating SOIs. It requires that special districts file written statements on the class of services provided and that LAFCo clearly establish the location, nature and extent of services provided by special districts.

By statute, LAFCo must notify affected agencies 21 days before holding the public hearing to consider the SOI and may not update the SOI until after that hearing. The LAFCo Executive Officer must issue a report including recommendations on the SOI amendments and updates under consideration at least five days before the public hearing.

## **2.2 Lassen LAFCo Sphere of Influence Policies**

In addition to State requirements for SOIs, Lassen LAFCo has adopted policies regarding Sphere of Influences in the County and minimum requirements necessary in order to update or adopt an agency's SOI. Highlighted requirements are summarized as follows:

1. The Sphere of Influence Plan must be consistent with LAFCo's policies, State law, other agencies' SOI plans, the municipal service review, and long range planning goals of the area.
2. LAFCo will not include lands that are unlikely to require the services of the agency or which cannot be feasibly served within a time frame consistent with the sphere plan.
3. Agencies are encouraged to keep the supporting documentation for their SOI plans up to date.
4. Sphere of Influence Plans have to be updated every five years or more frequently.

5. If an agency is unable to provide an adequate level of service within a portion of its service area boundaries within the time frame provided for that boundary, the Sphere of Influence Plan has to be updated so that the probable service boundaries are consistent with the determinations in the Municipal Service Review.
6. A District Sphere of Influence Plan shall contain the following:
  - a. Proof that the territory within the District's SOI is likely to require the district's services and that the district has or will have the capacity to serve the area at the appropriate level.
  - b. In case of the multi-service districts, LAFCo has to adopt an SOI plan for each distinct function or class of service provided by a district. These sphere plans may or may not be coterminous. Each sphere shall establish the nature, location, and extent of the functions or classes of services provided by the district.
  - c. LAFCo adopts a sphere of influence plan for a newly formed district within two years of the completion of formation proceedings.
7. Amendment proposals involving sphere expansion to include open space or prime agricultural land will not be approved by LAFCo if there is sufficient alternative land available for annexation within the existing sphere of influence.

### **3. GENERAL RCD BACKGROUND**

RCDs are empowered to conserve natural resources within their districts by implementing conservation on public and private lands and to educate landowners and the public about resource conservation. Beyond this, RCDs are given the right to form associations to coordinate resource conservation efforts on a larger level. The core functions of a district revolve around its right to use diverse means to further resource conservation within its district.

A good example of an association of RCDs is the California Association of Resource Conservation Districts (CARCD), which does the following:

- 1) coordinates assistance to RCDs in the state,
- 2) offers a structure for RCDs to meet and set priorities, and
- 3) represents the interests of California RCDs to state and federal representatives.

CARCD's governing board is made up of area representatives from each California region. The National Association of Conservation Districts (NACD) performs similar functions as CARCD for conservation districts (including Resource Conservation Districts) at the national level.

Resource Conservation Districts (RCDs), once known as Natural Resource Protection Districts, are "special districts" of the state of California, set up under Division 9 of the California Public Resources Code to be locally governed agencies with their own locally appointed or elected independent boards of directors. Although RCDs are established locally by the rules of a county's Local Agency Formation Commission (LAFCO), and often have close ties to county government, they are not county government entities.

There are numerous types of special districts throughout the state set up to administer local needs for pest control, firefighting, water distribution, and a host of other services. Some special districts are "enterprise" districts and deliver services or products, such as water, to local customers on a fee basis. Other districts, "nonenterprise" districts, deliver services, such as fire or police protection, to all local residents. These are usually supported on a taxation basis. RCDs have characteristics of both enterprise and non-enterprise districts.

Under Division 9 of the California Public Resources Code, RCDs are permitted to function to a certain degree as enterprise districts because they are empowered to charge reasonable fees for services rendered. At the same time, certain rules permit RCDs to draw on local taxes for revenues, though the passage of Proposition 13 in 1977 has made it much more difficult for RCDs to function in this way.

Though not governed by the state directly, special districts, among them RCDs, are subject to state law concerning elections, responsibilities, legal meetings, transparency and accountability. RCDs, however, are given their primary authority to implement local conservation measures by Division 9.

### **3.1 History of RCDs**

In response to the national “Dust Bowl” crisis of the 1930s, when millions of acres of cropland were destroyed by drought and attendant soil loss, the federal government passed legislation in 1937 establishing the Soil Conservation Service (SCS) today known as the Natural Resources Conservation Service (NRCS). Conservationists soon realized that a federal agency in Washington D.C. may not be sufficiently responsive to local needs, so local counterparts of the SCS (NRCS) were set up under state law to be controlled by local boards of directors. Thus were born “Resource Conservation Districts,” which began forming in the late 1930s and quickly spread throughout the 48 states. Resource Conservation Districts began to perform the functions originally envisioned by the formation of the SCS.

In California, Resource Conservation Districts have been formed in all parts of the state beginning in the 1940s, continuing up to the present. Many have been consolidated over time so that of the hundreds of districts that once existed in California, 100 now remain. Under Division 9 of the Public Resources Code, Resource Conservation Districts were originally empowered to manage soil and water resources for conservation, but these powers were expanded in the early 1970s to include “related resources,” including fish and wildlife habitat. This expansion of powers was reflected in the change of name from “Soil” Conservation Districts to “Resource” Conservation Districts in 1971.

Today, RCDs manage a diversity of resource conservation work, including soil and water conservation programs, wildlife habitat enhancement and restoration projects, invasive species management, watershed restoration, conservation planning, demonstration of new technologies, education, and many others. Since most RCDs receive very little regular funding through local taxation, they rely heavily on grants and other types of fundraising to stay in operation.

### **3.2 Why do we need RCDs?**

Until the formation of Resource Districts there was no organized mechanism for disseminating resource conservation information, expertise, and assistance. Farmers and ranchers often had no one to turn to for soil and water conservation information and assistance. It took a crisis of national proportions, the Dust Bowl, to bring this about.

Farmers and ranchers still need up-to-date scientific information and techniques to manage the natural resources on their properties, and the need for ongoing conservation education and assistance among all sectors of the public is as great, or greater than, ever.

RCDs continue to render assistance to private landowners wishing to conserve soil and water and manage their resources on a sustainable basis. But RCDs also act as a focal point for local conservation efforts, and RCDs throughout the state now function as leaders in the conservation community, including a large number of watershed groups in California. RCDs continue to sponsor educational efforts to teach children and adults alike the importance of conserving resources.

Though there are growing contributions by other groups and organizations that raise public awareness of resource conservation, RCDs remain one of the primary links between local people and government on issues related to conservation. With an ever-dwindling base of resources and environmental pressures from a host of human activities, the work of RCDs will continue to be needed far into the future.

### **3.3 Organization of RCDs**

RCDs are formed through the auspices of county-based LAFCOs (Local Agency Formation Commissions), and county government often exercises limited oversight over RCD boards. At one time, RCD directors were elected on a local basis through county government. With rising costs for holding elections, most RCD directors are now appointed by county boards of supervisors as allowed in Public Resources Code 9314. In many cases district boundaries cross county lines, so responsibility for organizing appointment or election efforts of district board members falls to the county with the most district area within its boundaries. Some counties have more than one district within county boundaries. This is not the case with Lassen County.

District boards, however, function independently of county government, and they derive their powers and purposes from state law. Division 9 of the Public Resources Code enables districts to have 5, 7, or 9 directors, who serve as voting members of the board of directors. Decisions or actions of an RCD board are approved by majority vote of the full board. Board members are appointed or elected on their strengths as active partners in the conservation community, and, in almost all instances, board members are private landowners within a district with interest in conserving resources on their own lands. Boards are meant, however, to represent a broad spectrum of resource conservation interests and perspectives. Board members often differ in their interests and conservation philosophies, yet the structure of a board offers a way for local districts to forge coherent conservation policies and programs that balance diverse interests and represent the broader spectrum of opinions within a community.



RCD boards, under state law, meet publicly once a month to debate about local conservation issues, and make decisions or take actions on these issues. Boards also frequently employ specialists and contractors to carry out board policies and projects, and, as mentioned earlier, these may address a broad array of conservation issues. Board members implement district policies and programs on a volunteer basis (board members cannot be paid for their services to RCDs). As such, staff often serves as conservation educators to landowners, schools, and the public to raise awareness of conservation in the local community. RCD staff also educate and inform state government representatives to rally support for resource conservation locally and on a statewide basis.

### **3.4 Division 9, Department of Conservation and RCDs**

As a portion of the state Public Resources Code, Division 9 outlines the structures, powers, and authorities of RCDs under state law, it also provides for state-level support of RCDs through the state Department of Conservation (DOC). While the DOC does not have regulatory oversight of RCDs, the department serves districts through offering ongoing training on Division 9 and related government codes, providing technical assistance through education, as well as offering some financial assistance to districts through competitive grant awards.

### **3.5 Natural Resources Conservation Service and RCDs**

The relationship between RCDs and the US Department of Agriculture’s Natural Resources Conservation Service (NRCS), formerly known as the “SCS,” has been long standing. As noted above, the NRCS was originally formed to address the crisis of the Dust Bowl, and the legislation establishing local conservation districts was created shortly thereafter. RCDs were created to be the local implementing arm of the NRCS. By law, an RCD must invite the NRCS into a county. NRCS and RCDs have had a close working relationship, with NRCS appointing a local district conservationist to provide technical assistance to districts, as well as acting as a liaison between the district and federal programs. Local offices of the NRCS also frequently employ other specialists, such as natural resource protectionists and engineers, to provide technical assistance to the district. NRCS is also able to help establish RCDs on tribal lands. Since 2007, three tribal conservation districts have been formed.

RCDs and the NRCS solidified their relationship through a Memorandum of Understanding (MOU) signed more than fifty years ago to establish a partnership and mutual roles between districts and the USDA. In 1994 the MOU was revised “to modernize and reinvent their historic partnership,” and to add state conservation agencies to the agreement. Recently, several new documents were created to supplement this MOU and to further define the roles of the partners. In line with this, a Mutual



Agreement (set up under PL 103-354) was drafted to provide each district an opportunity to enter into a formal agreement with NRCS, state agencies, and tribes.

Another tool California RCDs have for federal, state, and local partnerships is a Cooperative Working agreement between the NRCS, individual RCDs, CARCD, and the California Department of Conservation. The purpose of the agreement is to supplement the Mutual Agreement and document “areas of common interest of the State, Federal, and Local partnership in natural resources conservation.” It reinforces the idea of “locally led conservation,” with individual districts being responsible for “exerting leadership to identify local resource needs, advocate for effective solutions and work with appropriate parties on implementation.” This agreement underscores in particular the relationships between a district and other government entities.

RCDs are primarily responsible for providing leadership and local policies within districts, with assistance of many kinds coming from state and federal government. Finally, provisions were set up for an Operating Agreement between individual districts and any local entities involved with natural resource concerns. The Operating Agreement can be developed at the local level to address local needs: “It is initiated by the district board, revisited annually, can replace annual work plans, defines roles and responsibilities at the local level, and provides opportunities to establish and review district priorities. It is signed by the district and others as deemed necessary by the district.”

### **3.6 Relationships of RCDs to Federal, State, and Private Stakeholders**

RCDs in California as a whole have no formal relationship with other federal, state, and private entities, though Division 9 encourages individual districts to form partnerships with any entities it might need to. Typically, other agencies such as the US Environmental Protection Agency at the federal level, or the California Department of Forestry and Fire Protection at the state level, regularly enter into agreements with individual districts to collaborate on projects.

A district’s role regardless of potential partnerships is to identify resource conservation needs within a district and plan for solutions. Division 9 of the Public Resources Code encourages districts to invite representatives of other entities to provide input during the strategic planning process and form partnerships to achieve conservation district objectives. Districts typically enter into contracts (grant contracts or cost share agreements) to accomplish work both partners in the agreement see as mutually beneficial to resources in the district.<sup>1</sup>

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<sup>1</sup> [“Strategic Plan, California Association of Resource Conservation Districts, November 2012, Appendix](#)

**4. HONEY LAKE VALLEY RESOURCE CONSERVATION DISTRICT (HLVRCD)**

**4.1 Honey Lake Valley Area**

The Honey Lake Valley RCD provides resource conservation services to most of Lassen County excepting the territory within the Pit, Fall River, Sierra Valley and Modoc County RCD's located in Lassen County. The District's territory covers all types of land uses and includes many communities as follows: Susanville, Westwood, Janesville, Milford, Doyle, Herlong, Litchfield, Standish, Ravendale, Termo, Madeleine. With the exception of other RCD's extending into Lassen County, the District's boundary extends to Modoc, Shasta, Sierra and Plumas County lines, with the Nevada State border to the east.

There has not been a previous Municipal Service Review (MSR) prepared for the District.

**4.2 Population Data**

The State Department of Finance (DOF) projects that the population of Lassen County will grow by 12 percent in the next 10 years even though current population trends appear to have the Lassen County Population decreasing. Nevertheless the DOF anticipates the average annual population growth in the County to grow by approximately 1.1 percent. Based on these projections, the District's population would increase modestly through 2020. It is therefore anticipated that demand for service due to population growth within the District will increase minimally based on the DOF population growth projections through 2020.

Lassen County population has declined in recent years as follows:<sup>2</sup>

	LASSEN COUNTY POPULATION ESTIMATE	LASSEN COUNTY POPULATION CHANGE %	CALIFORNIA POPULATION CHANGE %
2010	34,895	--	--
2013	32,212	-7.7%	3.2%
2014	31,749	-0.9%	4.2%
2015	*32,092	-0.8	0.9%

Note: approximately 10,000\* residents in Lassen County are inmates in state and federal prisons.

In comparison to the State of California as a whole, Lassen County has a lower median household income and more poverty as shown below:<sup>3</sup>

<sup>2</sup> US Census Bureau, <http://quickfacts.census.gov/qfd/states/06/06035.html>, September 3, 2015

<sup>3</sup> US Census Bureau <http://quickfacts.census.gov/qfd/states/06/06035.html>, September 3, 2015

INCOME AND POVERTY LEVELS 2012	LASSEN COUNTY	CALIFORNIA
Median household income	\$50,317	\$60,883
Percent of persons below poverty level	16.9%	15.9%

### 4.3 Natural Resources in the Honey Lake Valley

Honey Lake Valley is an endorheic sink located in northeastern California. An endorheic basin is a closed drainage basin that retains water and allows no outflow to other external bodies of water, such as rivers or oceans, but converges instead into lakes or swamps, (permanent or seasonal), that equilibrate through evaporation. Such a basin may also be referred to as a closed or terminal basin or as an internal drainage system.

Normally, water that has accrued in a drainage basin eventually flows out through rivers or streams on the Earth's surface or by underground diffusion through permeable rock, ultimately ending up in the oceans. However, in an endorheic basin, rain (or other precipitation) that falls within it does not flow out but may only leave the drainage system by evaporation and seepage. The bottom of such a basin is typically occupied by a salt lake or salt pan.

Endorheic regions, in contrast to exorheic regions which flow to the ocean in geologically defined patterns, are closed hydrologic systems. Their surface waters drain to inland terminal locations where the water evaporates or seeps into the ground, having no access to discharge into the sea. Summer evaporation reduces the Lake Valley to a lower level of 3,000 acres and creates an alkali flat.

Honey Lake Valley recreational activities include bird-watching, picnicking, hiking, camping, warm-water fishing, and waterfowl hunting. The Lake Valley is part of the Honey-Eagle Lake Valleys watershed of 2,770 square miles which includes the Honey Lake Valley Basin of 2,201 square miles.

During the Pleistocene Honey Lake Valley and the entire Honey Lake Valley were part of Lake Valley Lahontan in western Nevada with a Lake Valley water level of 4,370 feet, a level of approximately 377 feet higher than the 1984 level of Honey Lake Valley. The connection to Lake Valley Lahontan was through Astor Pass north of the Virginia Mountains into Pyramid Lake Valley and through Sand Pass into the Smoke Creek Desert portion of Lake Valley Lahontan to the northeast. Both passes are at approximately 4,100 feet elevation.

The Honey Lake Valley Wildlife Area is a California Department of Fish and Game protected area wetland of 7,667 acres at the mouth of the Susan River about twenty miles east of Susanville. Sagebrush habitat dominates the landscape and surrounds a shallow alkali lake in the Great Basin Desert. The Wildlife Area is categorized for recreational use as a 'Type B' Wildlife Area with no facilities.

There are excellent opportunities to see hundreds of migratory and nesting waterfowl, birds of prey, and passerines, sandhill cranes, beavers, pronghorn antelope, and deer. Hunting of rabbits, waterfowl, coots, moorhens, snipe, pheasants, quail, and dove are all permitted in season. Originally, the Wildlife Area was acquired to provide nesting and brood-rearing habitat for resident waterfowl, which is still a very important activity. Since its begin beginning, the Wildlife Area has expanded, and during peak migrations as many as 30,000 snow and Canada geese and 20,000 ducks have been observed daily. During the winter, a number of bald eagles can be observed at the HLWA, and during the spring, the threatened sandhill cranes and other sensitive species such as the white-faced ibis and bank swallow can be found. Ring-necked pheasants and California quail can be observed year-round.

#### **4.4 Cultural History of Lassen County and the Honey Lake Valley<sup>4</sup>**

As the discovery of gold in 1848 sparked a flow of westward migration, an alternative to the Donner Pass (to cross the Sierras) was sought. Peter Lassen first explored these parts and in 1851 William Nobles began leading settlers over a route that ran from the Nevada's Humboldt River to Shasta City at the northern end of the Sacramento Valley. Of the thousand's that passed this way, some choose to remain in the Honey Lake Valley. Among these, Isaac Roop, established a trading post where travelers along the Nobles Emigrant Trail could stock up with provision, before crossing the Sierras. First known as "Roopstown" the settlement later became Susanville, for Roop's daughter, Susan.

However, it would take the gold rush of '49 before the region was noticed. The development of the Lassen and Noble Emigrant Trails brought emigrants through the region. (Remnants of these trails still can be seen today and certain sites have historical markers). While traffic continued through the area, it would not be until 1854 when Isaac N. Roop and Company established a trading post in the west end of Honey Lake Valley. This was the humble beginnings of the town of Susanville, the second oldest settlement in the eastern Great Basin. Two years later, a small gold rush occurred just south of Roop's trading post causing the permanent settlement of Honey Lake Valley and Lassen County.

These new residents found that they needed some type of government for their new home and established the Territory of Nataqua. It was perceived that the area was outside the jurisdiction of California and the Utah Territory (Nevada having not been formed yet.) By the early 1860s, with a survey of California boundaries, it was discovered that Honey Lake was part of the Golden State and belonged to Plumas County. The citizens were not pleased with the fact, since a part of their independent nature was due to their isolation being cut off from the rest of the State by the Sierra

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<sup>4</sup> Adapted from "Lassen's Past" by Tim I. Purdy, Lassen County Historian  
[http://users.psln.com/~pete/lassen\\_county\\_history.htm](http://users.psln.com/~pete/lassen_county_history.htm), retrieved September 8, 2015

Nevada mountains, nor were they pleased with the fact that now they were being forced to pay taxes. These ensuing events led up to the Sagebrush War, a two-day skirmish fought in Susanville in February 1863 between the residents and the Plumas County Tax Officials. While the residents lost that battle, they did win the war and on April 1, 1864, the County of Lassen was created.

By 1880 settlements had sprung up all over Lassen County. This time period brought the arrival of the iron horse, namely that of the Nevada-California-Oregon Railway which traversed the eastern side of the County. The railroad, sometimes referred to as the Narrow Crooked & Ornery, was a narrow gauge line that operated from 1880 to 1927. It has the unique distinction of being the nation's longest narrow gauge line in this century. Though the N-C-O railroad helped develop the high desert region of eastern Lassen, it would be the Fernley & Lassen Railroad built in 1913 that would tap the vast timber resources of the County's western region. Among these developments was the Red River Lumber company's town of Westwood. The Red River Lumber Company was the world's largest electrical sawmill of the times. Two other large mills followed suit and located in Susanville. All three of these companies had extensive railroad logging lines and camps throughout the forest, which finally closed down in 1956. While the large mills are now memories they transformed both Susanville and Westwood into the communities of today.

A large portion of the Honey Lake Valley is located within the boundaries of the Sierra Army Depot established in 1942. Since that time, Sierra Army Depot has grown and its mission has changed as the Army and the world around it changed. Its list of milestones includes:

- Construction of Amedee Army Airfield.
- Approval of Amedee Army Airfield by the Military Air Transport Service.
- Relocating petroleum and water project stocks to the Depot.
- USAMMA mission for Reserve Component Hospital comes to the Depot.
- Class VIII medical supply mission comes to the Depot.
- Drug Enforcement Agency permit is granted for the requisition, storage and issuance of pharmaceuticals.
- Tank-automotive and Armaments Command assumes command.

Since the 1995 Base Realignment and Closure decision (BRAC) to realign the Depot by reducing its conventional ammunition mission, the Depot has increased its emphasis on the receipt, storage, Care of Supplies in Storage (COSIS), repair, assembly, disassembly and shipment of major and secondary items as its primary mission. However, the Depot continues to store conventional ammunition for the Joint Munitions Command (JMC)<sup>5</sup>.

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<sup>5</sup> Sierra Army Depot Webpage, [sierra.army.mil](http://sierra.army.mil), 2015

#### 4.5 Honey Lake Valley Resource Conservation District (RCD)

The Honey Lake Valley RCD was formed on May 26, 1954 (Lassen County Recorded Document 2024). In 1977, Lassen LAFCo annexed the area between Honey Lake and Red Rock in southern Lassen County. The original creation of the HLVRCD predated LAFCO legislation. The District relies upon on a District Manager who manages the day to day business of the district. The HLVRCD is involved in addressing the resource needs of the County. A Resource Conservation District may make surveys, do research, provide information and plans, and assist landowners with materials, equipment, and labor with respect to soil and stream bank erosion control, water conservation and distribution, and the general enhancement of lands. It may cooperate and contract with other agencies and, with the consent of the landowners, make improvements or conduct operations on public and private lands.

The Honey Lake Valley RCD operates a Watermaster program which makes the Honey Lake Valley RCD unique in that respect. According to HLVRCD budget documents this program brings in most of the district's revenue and work load.

##### ***HLVRCD Contact Information:***

Office Location:

USDA Service Center, 170 Russell Avenue, Suite C, Susanville, CA 96130

Phone: (530) 257-7271 x100

E-mail: [info@honeylakevalleyrcd.us](mailto:info@honeylakevalleyrcd.us)

Website: <http://honeylakevalleyrcd.us/>

##### ***HLVRCD Board of Directors***

Jesse Claypool (Chairman)	Term expires	11/25/2016
Shaun Giese (Vice Chairman)	Term expires	11/30/2018
Larry Cabodi	Term expires	11/25/2016
Wayne Langston	Term expires	11/30/2018
Laurie Tippin	Term expires	11/28/2019

##### ***HLVRCD Staff***

- Tim Keesey (District Manager) (530) 260-0934 [info@honeylakevalleyrcd.us](mailto:info@honeylakevalleyrcd.us)
- Merry Wheeler (Executive Secretary) (530) 257-7271 x100  
[mwheeler651@gmail.com](mailto:mwheeler651@gmail.com)
- Nathaniel (Than) King, (Watermaster Technician) (530) 260-1690

### ***NRCS Contact***

Staff from the NRCE in the USDA office in Susanville assists the HLVRCD. The NRCS contact person for this district is:

- Eric Peitz, District Conservationist,  
(530)257-7271x106  
[eric.peitz@ca.usda.gov](mailto:eric.peitz@ca.usda.gov)

### ***Honey Lake Valley RCD Vision Statement***

The vision of the HLVRCD as contained in the Long Range Plan<sup>6</sup> is as follows:

*Become an identifiable and transparent organization available and capable to assist landowners with increasing efficiency and profitability and natural resource management. Broaden community and partner involvement in resource management.*

### ***Honey Lake Valley RCD Mission***

The mission of the Honey Lake Valley RCD as contained in the May 2012 Long Range Plan (Attachment A) is:

*“The Honey Lake Valley Resource Conservation District is dedicated to conserve, restore and sustain local resources, to provide a viable economy for current and future generations by seeking and coordinating available technical, education and financial resources”*

The HVLRCDD has recently updated its mission statement as stated in the HLVRCD Strategic Plan 2016-2021 (Attachment B) and the HLVRCD 2016-2017 Work Plan (Attachment C) to read as follows:

*“Our mission is to conserve, restore and sustain local agricultural and natural resources for those who live, work, or visit the service area to foster a viable economy by seeking and coordinating technical, educational, and financial resources.”*

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<sup>6</sup> <http://honeylakevalleyrccd.us/wp-content/uploads/2012/02/HLV-RCD-Long-Range-Plan1.pdf> ,  
September 8, 2015



#### **4.6 Financing and the HLVRCD Budget**

The financial ability of agencies to provide services is affected by available financing sources and financing constraints. This section discusses the major financing constraints faced by the HLVRCD and identifies the revenue sources currently available to the District. Finally, it assesses the financial ability of HLVRCD to provide services.

The Honey Lake RCD does not receive an AB-8 share and consequently receives no local property taxes and is considered a non-taxing entity. Likewise, the RCD does not have a special tax or special assessment. At this point, should the district contemplate a general or special tax a registered voter election would be required to provide approve the tax levy. Similarly, after the preparation of a special assessment nexus report, to implement a special assessment would require a landowner vote to pass a special assessment.

In reviewing the adopted 2015-2016 RCD Budget there are two subcategories for the total RCD budget as follows:

1. RCD-General and
2. RCD Watershed Coordinator.

The Watermaster program is separated for budgetary purposes. The district re-budgets unexpended fund balances instead of having a general reserve fund. The 2015-2016 RCD budget is shown on the following pages.

For the TOTAL RCD General Budget (general admin and Watershed Coordinator) the total income for FY 15-16 is \$98,330.60 including an estimated \$42,000.00 carryover balance from the prior fiscal year. Expenses for the RCD General Budget are estimated to be \$79,394.00 leaving an anticipated end balance of \$18, 936.00.

The Watermaster program budget is \$296,510.00 including an estimated \$116,000.00 carryover balance from the prior fiscal year. Expenses for the Watermaster program are estimated to be \$154,051.00 with an anticipated end balance of \$142,051.00.

In a review of the HVLRCDC budget it appears funding for the RCD in General (not including the Watermaster Program) is derived from allowable administration (management fees) from outstanding grants, and a cooperative agreement from the NRCS. In addition, a Grant funded Watershed Coordinator position is funded through grant proceeds.

According to the FY 2015-2016 Budget, the Watermaster program represents significant revenue (\$180,000) and expenditure item (\$154,459) within the overall RCD Budget. Watermaster revenue is used to fund a significant portion (66%) of the payroll expenses within the district.



The Honey Lake Valley RCD Budget is shown below in two sections, the first is the revenue section, followed by the expenses. As noted above the Watermaster Budget has been separated from the RCD Budget.

<b>Honey Lake Valley RCD Budget 2015-2016-INCOME</b>				
	RCD-General	RCD-Watershed Coordinator	Total RCD	Watermaster
Beginning Balance	\$42,000.00	-	\$42,000.00	\$116,000.00
<b>INCOME</b>				
40070-grant proceeds				
IRWMP		18,181.00	18,181.00	
NRCS-Conservation Planning Coop Agreement		14,536.00	14,536.00	
Mtn Meadows Restoration Complex		2,160.00	2,160.00	
TOTAL-40070-grant proceeds		34,877.00	34,877.00	
40140 Mgt. Fees Income Grants 10%				
CAFSC DMFMRP*	18,182.00		18,182.00	
NRCS Coop Agreement	1,453.60		1,453.60	
IRWMP	1,818.00		1,818.00	
Mtn Meadows Restoration Complex	216.00		216.00	
TOTAL 40140 Mgt. Fees Income Grants 10%	21,453.60		21,453.60	
TOTAL 40180 Watermaster Fees				180,510.00
TOTAL Interest Income	-	-	-	-
<b>TOTAL INCOME</b>	21,453.60	34,877.00	56,330.60	180,510.00
<b>TOTAL FUNDS (Beginning Balance plus Revenue)</b>	63,453.60	34,877.00	98,330.60	296,510.00

\* CAFSC, California Fire Safe Council  
DMFMRP, Diamond Mountain Forest and Meadow Restoration Project

<b>Honey Lake Valley RCD Budget 2015-2016-EXPENSE</b>				
	RCD-General	RCD- Watershed Coordinator	Total RCD	Watermaster
EXPENSE				
<b>66000 Payroll Expenses</b>				
District Manager/ WM Field Tech (40 hrs/wk@35/hr.)	9,100.00		9,100.00	63,700.00
Executive Secretary (30 hrs./wk@20/hr.)	10,400.00		10,400.00	20,800.00
<b>TOTAL66000 Payroll Expenses</b>	<b>19,500.00</b>		<b>19,500.00</b>	<b>84,500.00</b>
<b>60420 Taxes Payroll</b>				
District Manager	3,185.00		3,185.00	22,295.00
Executive Secretary	3,432.00		3,432.00	6,864.00
<b>TOTAL 60420 Taxes Payroll</b>	<b>6,617.00</b>		<b>6,617.00</b>	<b>29,159.00</b>
<b>67500 Travel Expenses</b>				
Mileage	500.00		500.00	6,900.00
Conference/Transportation	3,000.00		3,000.00	
<b>TOTAL 67500 Travel Expenses</b>	<b>3,500.00</b>		<b>3,500.00</b>	<b>6,900.00</b>
<b>TOTAL 60240 Office</b>	<b>750.00</b>		<b>750.00</b>	<b>500.00</b>
<b>60160 Legal-Professional Fees</b>				
Watershed Coordinator (\$45/hr.)		18,451.00	18,451.00	
Audit	3,000.00		3,000.00	3,000.00
Legal/Technical Opinions	4,000.00		4,000.00	25,000.00
Bookkeeping	1,800.00		1,800.00	1,800.00
IRWMP Engineer		16,426.00	16,426.00	
<b>TOTAL 60160 Legal- Professional Fees</b>	<b>8,800.00</b>	<b>34,877.00</b>	<b>43,677.00</b>	<b>29,800.00</b>
<b>60070 Grant Expenses</b>				
<b>TOTAL 60145 Liability Insurance</b>	<b>3,100.00</b>	<b>-</b>	<b>3,100.00</b>	<b>3,100.00</b>
<b>TOTAL 60275 Postage and Delivery</b>	<b>500.00</b>		<b>500.00</b>	<b>500.00</b>
Membership Dues	500.00		500.00	
67000 Equipment Maintenance/Registration	500.00		500.00	
60150 Interest Fees	200.00		200.00	
62000 Bank Charges/Fees	50.00		50.00	
<b>TOTAL Other</b>	<b>500.00</b>		<b>500.00</b>	
<b>TOTAL Direct Expenditures</b>	<b>44,517.00</b>	<b>34,877.00</b>	<b>79,394.00</b>	<b>154,459.00</b>
<b>END BALANCE</b>	<b>18,936.60</b>	<b>-</b>	<b>18,936.60</b>	<b>142,051.00</b>

#### **4.7 Audit**

The district prepares a budget and performs an annual or bi-annual audit as required. The most recent audit was conducted for the period of July 1, 2014 through June 30, 2015, which was approved by the RCD Board of Directors at its January 27, 2016 meeting.

This audit found an inadequate segregation of duties exist (Finding 2015-01). Since the district only has two full-time employees and one ½ time employee this type of finding is not uncommon among small special districts. The recommendation of the audit is that both district staff and its Board of Directors maintain diligence for any potential risks associated with not having an adequate segregation of risks. Options to remedy this problem are not cost efficient for the district to pursue at this time. Remedies would include hiring additional employees to ensure that the custody of assets and accountability of assets is separated. The district does not have the financial resources to do so.

Findings included in the audit are the District does not have accounting processes in place to ensure that complete and accurate financial statements, MD&A (Management Discussion and Analysis), and footnote disclosures are prepared in accordance with GAAP (Government Auditing Standards) prior to the annual audit (finding 2015-02). The district determined that the costs of correcting this control weakness outweigh the benefits to be received. The District will continue to rely upon the independent auditor to prepare its financial statements.

Findings reported and status regarding the previous audit for the period ending June 30, 2014 are as follows:

1. A finding related to Lack of Segregation of Duties. This has not been implement see Finding 2015-01.
2. A finding related to Accounting Processes and Financial Statement Preparation has been noted. The District, however, relies upon the District's auditor to recommend footnote disclosures for the financial statements and to prepare significant and numerous adjusting journal entries for approval. As previously stated the District does not have the financial resources to hire additional staff to implement this finding.
3. A finding related to noncompliance with the annual audit, apportionment and collection rules and regulations was noted. This focused on noncompliance with the district's financial rules and regulations. This finding has been resolved and implemented.
4. Board Leadership and Oversight. There was a breakdown in leadership and oversight provided by the District Board of Directors, which resulted in areas of non-compliance with rules and regulations. This finding has since been remedied. As of June 30, 2015 the district had a total Cash Balance of \$130,147.

#### **4.8 Honey Lake Valley RCD Service Overview**

#### 4.8.1 Honey Lake Valley RCD Projects and Programs

The HLVRCO is currently involved in a number of soil conservation, water conservation, water distribution, flood control, erosion control, erosion prevention/ erosion stabilization projects within or adjacent to the Honey Lake Valley district.

These include the following programs:

- Administration of the **Lassen County Special Weed Action Team (SWAT)**, which battles non-native invasive weed species, including Perennial pepperweed (*Lepidium latifolium*), which is locally known as Tall Whitetop. This weed spreads like wildfire and plagues much of the Honey Lake Valley;
- Coordination with partners for the continued development and implementation of the **Lahontan Basins Integrated Regional Watershed Management Plan (LBIRWMP)**;
- Involvement in the **Susan River Watershed Group (SRWG)**, which meets regularly to development collaborative solutions to issues within the Susan River Watershed including noxious weeds, riparian area management and irrigation management;
- Implementation of the **Diamond Mountain Forest and Meadow Restoration Project**, a partnership between the Honey Lake Valley RCD, local private landowners living within the District, and the Sierra Nevada Conservancy (SNC) to restore the natural ecological function and health of forests and meadows within the Diamond Mountains;
- Involvement with the **Buffalo-Skedaddle Sage-Grouse PMU Conservation Strategy Work Group**, established to proactively restore and enhance local sage-grouse habitat in order to avoid listing of the species on the Endangered Species list as threatened or endangered; and
- Ongoing partnerships and coordination with the **Natural Resources Conservation Service (NRCS)** to promote and encourage local landowners to develop Conservation Plans with the NRCS and implement practices that will conserve precious soil and water resources.

#### **4.8.2 Honey Lake Valley RCD Long Range Plan**

Typically RCD's prepare and adopt a long-range plan begins with a vision and mission statement and an identification of the trends and issues in resource management. According to the May 24, 2012 Long Range Planning Session prepared by the HLVRCD, priorities identified were Weeds, Streambank erosion, Water Quantity, Government Regulation – State and Federal and local and Fish and Game regulations and Fuels reduction. The May 24, 2012 plan is included as Attachment "A".

#### **4.8.3 Honey Lake Valley Resource Conservation District Strategic Plan**

The district is in the process of preparing the Honey Lake Valley Resource Conservation District Strategic Plan 2016-2021 instead of a Long Range Plan update. It appears the district has rewritten the 2012 Long Range Plan in its entirety.

The overall purpose of the Strategic Plan is to outline the strategic goals of the HLVRCD and how the District seeks to achieve its goals. This plan is a five-year strategy and is developed by collaboration with District staff, the District Board of Directors and the partners within the Lassen County Community. Briefly, the Strategic issues identified are as follows:

1. Build HLVRCD leadership and organizational capacity
2. Stay relevant to the conservation needs of the community
3. Capture conservation opportunities, as appropriate

The plan includes Goals and Strategies to address strategic issues including goals regarding the Board of Directors, District staff, funding opportunities and the Watermaster program, effective and relevant conservation and natural resource opportunities and needs for the community.

The District Strategic Plan also includes an implementation component calling for the development and adoption of annual work plans, the evaluation of progress on meeting goals and strategies and priorities. The Annual Work Plan is the vehicle to be used for implementing the Long Range Strategic Plan.

The Entire Draft Version #4 of the Strategic Plan is attached as Attachment "B".

#### **4.8.4 HLVRCD Annual Work Plan**

The Honey Lake Valley RCD is in the process of adopting an Annual Work Plan, which is an implementation program for the District's Strategic Plan. The Draft Annual Plan is scheduled for adoption in March 2016 and is for the time period from March 1, 2016 to June 30, 2017.

As stated in the 2016 Annual Work Plan, Annual Work Plans are adopted as a road map to implement the Honey Lake Valley RCD Strategic Plan. While the Strategic Plan identifies several strategic issues, with corresponding Goals and Strategies, the Annual Work Plan corresponds directly back to each issue and Goal identified in the Strategic Plan (See Attachment “B”). The Annual Work Plan begins with a statement of the District’s Mission Statement (as updated). The Draft Version 2 of the Annual Work Plan: March 1, 2016 – June 30, 2017 is included at Attachment “C”.

#### **4.8.5 Watermaster Program**

Due to rising DWR costs many areas took over local watermaster programs. Some were assumed through special legislation. In Lassen County the HLVRCD took over this program. In January of 2008 the HLVRCD was appointed by court order as the watermaster for the Susan River Service Area.<sup>7</sup> This role was assumed from the California Department of Water Resources with the intent to improve the management of the water distribution system, thus reducing costs to the water users.<sup>8</sup>

The Susan River Watermaster program functions in accordance with the Rules and Regulations adopted in September of 2013.<sup>9</sup> Functioning as the standing committee for the Watermaster Board (the HLV RCD Board of Directors), a Watermaster Advisory Council (WAC) was established. The WAC consists of seven members that serve four year terms. Six of the WAC members are appointed by the majority vote of the Watermaster Board and one, which is chosen by the Lassen County Farm Bureau. In addition to assisting the Watermaster Board with annual financial reports and budgets, the WAC also conducts public hearings to hear, consider, and decide the merits of complaints and participates in evaluating the performance of the Watermaster.

As stated in its 2013-2014 report, the Lassen County Grand Jury while looking into alleged Brown Act violations refocused its efforts and looked into the District’s Watermaster program. The Grand Jury became concerned water management issues became predominate and RCD meetings were focused on Watermaster issues leaving no time to address resource conservation topics; and the Board of Directors comprised of four members rather than the required amount of directors stated in the Public Resources Code thereby impairing district functions. The Grand Jury also became concerned the HVLRCO would become dysfunctional due to the Watermaster and related issues and the Board of Directors would become unable to actively seek grants thereby harming the district in the future.

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<sup>7</sup> <http://honeylakevalleyrcd.us/wp-content/uploads/2012/02/Court-Order-Approving-Substitution-of-WM-and-Modifying-Decree-Case-4573-1.pdf>, September 8, 2015

<sup>8</sup> <http://honeylakevalleyrcd.us/water-master/>, September 8, 2015

<sup>9</sup> <http://honeylakevalleyrcd.us/agendas-and-minutes/>, September 8, 2015

#### 4.9 Grand Jury Report

The findings in the Grand Jury Report were: There were no violations of the Brown Act discovered. The HVLRCO could not properly function with a 4-member Board of Directors (note: this issue has since been resolved, the HVLRCO now has 5 Directors on its Board), and the HVLRCO Board's discussions were related to water allocation issues thereby hampering the board's ability to adequately address conservation resource issues and funding projects.

On June 30, 2015 the Lassen County Grand Jury released its 2014-2015 report. The Grand Jury looked into the handling of issues by the HVLRCO Board with respect to irrigation water administered through its watermaster program. The Grand Jury found the watermaster program to be dysfunctional and jeopardizes other RCO programs. The Grand Jury also found the meetings were disorderly and the agenda was not followed.

Recommendations in the 2014-2015 Grand Jury Report were as follows:

1. The HVLRCO should discontinue the administration of the watermaster program: and
2. Recommended watermaster issues should be first referred to the watermaster advisory committee prior to coming to the HVLRCO Board: and
3. Public comments should be restricted to items on the agenda and the public comment period and a time limit imposed and public comments be focused on the specific agenda item.

The HVLRCO responded to the Grand Jury's findings in a letter dated October 13, 2015, as follows:

Regarding the finding that the Watermaster program in its current form is dysfunctional, and jeopardizes other critical programs, the Honey Lake Valley RCO responded as follows:

"The Honey Lake Valley Resource Conservation District (RCO) does not agree that the Watermaster program in its current form is dysfunctional, and jeopardizes other critical programs. The Honey Lake Valley Resource Conservation District (RCO) agrees that during FY14-15, under a different Board of Directors, there was a certain amount of dysfunction associated with the Watermaster program and that the negative attention and energy that this created detracted from other important positive programs and accomplishments that the RCO has completed during this fiscal year, including:

1. Acting as lead agency for the development of the Lahontan Basins Integrated Regional Water Management (IRWM) Plan that will assist Lassen County agencies and organizations to obtain millions of dollars

in State Water Bond funds to address public water and wastewater infrastructure issues as well as water quality and water quantity issues related to agricultural production and natural resource management.

2. Taking the lead to treat unnatural fuel loads and forest health issues that subject Lassen County residents in the Diamond Mountains to the potential risk of catastrophic wildfire. Through the implementation of the *Diamond Mountain Forest and Meadow Restoration Project*, the RCD has treated over 1,000 acres of forest and meadow habitat on a landscape scale that will allow local fire resources to safely treat a wildland fire within the Wildland Urban Interface (WUI) between the Lassen National Forest and the communities of Susanville, Johnstonville, and Janesville.
3. Assisting the Natural Resource Conservation Service (NRCS) to conduct outreach and provide technical support to Lassen County agricultural producers to improve soil and water quality, address noxious weed issues, and improve productivity.
4. Re-establishment of the Lassen County Special Weed Action Team (SWAT), a multi-agency coalition with the mission of controlling and eradicating noxious weed infestations in Lassen County.

It is unfortunate that Lassen County residents and others read and hear little regarding the accomplishments of the RCD, but are provided with regular updates regarding the difficulties that the RCD, a small agency with limited staff, are having in administering a complicated program adopted from the Department of Water Resources (DWR), a large complex state bureaucracy with engineers, lawyers, hydrologists, and other professional staff.

Nevertheless, the RCD sees the merits and benefits of continuing to administer the Watermaster program. In 2007, DWR threatened to raise the rates of water rights holders in the Susan River Watermaster Area four fold. Since then, the RCD has been able to administer the Watermaster service at a budget consistently lower or equal to what DWR charged prior to 2007 and this has saved local water rights holders and agricultural producers in the community hundreds of thousands of dollars.

The RCD has taken steps to address the dysfunction of the Watermaster program and the negative energy this dysfunction generates. The RCD has hired an Interim



District Manager and advertised for a permanent District Manager as well as made the Deputy Watermaster position an employee position of the District (now referred to as the Watermaster Technician) rather than a consultant in order to improve accountability and transparency. The RCD continues to work with the Watermaster Advisory Committee (WAC), made up of water users and agricultural producers, to seek advice on how we can learn from the failures of the past to improve this locally lead program into the future”

*Regarding Finding #2 that the chairperson has difficulty maintaining order during the public comment portions of the HLVRCD meetings. The public speaks out of turn and for long periods of time, failing to follow the agenda notification of a five-minute limitation for public comment.*

The RCD responded as follows “The RCD does not agree that the current Chairperson has difficulty maintaining order during public comment portions of the HLVRCD meetings. The RCD agrees that public comment portions of RCD meetings during FY14-15 have at times been quite unruly with certain members of the public using the public comment period to conduct personal attacks and promote their own agendas in an unproductive and uncivil manner”.

#### Grand Jury Recommendations

*R1. Honey Lake Valley Resource Conservation District should discontinue the administration of the watermaster program.*

Local control of the watermaster service provides enormous monetary and service benefits to local agricultural producers. The RCD requested that the Watermaster Advisory Committee (WAC) review this issue and provide a recommendation to the RCD regarding the future of the Watermaster program. The WAC addressed this issue at their March 12, 2015 meeting and recommended to the RCD Board that they continue to administer the program. The RCD approved the WAC's recommendation at their May 27, 2015 meeting. The RCD will continue to administer the program during FY15-16.

*R2. If the Honey Lake Valley Resource Conservation District continues to administer the watermaster program, all irrigation water issues should be referred to the Watermaster Advisory Committee prior to coming to the HLVRCD Board.*

“The RCD agrees with this recommendation and has adopted a policy whereby all watermaster issues are referred to the Watermaster Advisory Committee (WAC) for a recommendation prior to being agendized for action by the RCD Board.”

*R3. During public meetings, and after the public comment portion of the agenda, at the chairperson's discretion, restrict public comments to a time limit, and only allow comments on topics under discussion at the time.*

“The RCD has a policy to allow public comment (five minutes per individual) at the beginning of the meeting regarding any issue including issues on the agenda. The RCD often allows the public to participate in discussion of agenda topics under Board consideration and public comment has provided valuable input. Recent meetings have been civil and productive”.

In summary, the RCD provided a response to all the Grand Jury Findings and Recommendations, as required and has set forth a program to resolve any outstanding issues with the watermaster program and is in the process of updating its strategic plan.

## **5. SERVICE REVIEW DETERMINATIONS**

The Municipal Service Review (MSR) determinations are required by the State Law. They serve the purpose of helping Lassen LAFCO to understand the special district or city involved in an annexation, detachment or reorganization proposal.

The determinations are not binding proposals for the special district or city. The determinations are subject to change because the jurisdiction involved is constantly changing, improving or growing. The State requires the MSR to be reviewed every five years as part of the SOI update process.

### **5.1 Growth and Population Projections for the Area**

*Purpose: To evaluate service needs based on existing and anticipated growth patterns and population projections.*

Land uses within the District are agricultural, open space and urban. These land uses are briefly described below.

Urban land uses include residential and commercial uses. These uses are located primarily in the community areas in and around the County such as Susanville, Herlong, Westwood and the Communities at Eagle Lake.

Agricultural lands including irrigated and non-irrigated agricultural uses and livestock grazing and are primarily concentrated in three major areas: Honey Lake Valley to the southeast of Susanville, Willow Creek Valley north of Susanville and further to the northeast of Susanville, the Madeline plains. Other areas include Eagle Lake and Long Valley. Big Valley in the northeast area of Lassen County is not located within the HLVRCD. According to the 2013 Lassen County Agricultural Report, agricultural lands account for approximately 68,000 acres (Hay: Alfalfa, Grain, and Wheat), 2,109 acres of Wild Rice and well over a million acres of pasture and range lands.

Industrial activities throughout the county include resource activities such as gravel extraction, geothermal, mineral processing, rock quarries, and timber production. These activities account for very little of the County's land use.

The 2000 Lassen County General Plan and area plans define the present and planned land uses throughout the County. The policies of the General Plan call for the preservation of agricultural lands, both those in production and those with potential productivity. The County's Resource Conservation District provides natural resource protection activities that preserve agricultural soils as well as lessen the impacts of soil erosion from occurring upslope from agricultural areas.

**MSR Determination 1-1:** There will be a continued need for the Honey Lake Valley Resource Conservation District as resource needs continue within the County. The need for conservation of natural resources are key policies of the County General Plan and the District’s Strategic and Annual Work Plans and will continue to play a key role in guiding the activities of the RCD.

**MSR Determination 1-2:** Resource management needs will continue in Lassen County. Resource Management Activities will vary based on existing and future growth patterns in areas throughout the County.

## **5.2 Location and Characteristics of any Disadvantaged Unincorporated Communities (DUC) Within or Contiguous to the Sphere of Influence**

*Purpose:* To comply with the State Law to examine any unincorporated areas which could be provided with better services by annexing to an adjacent city.

The State Law (SB 244) requires LAFCO to consider whether or not an area is a Disadvantaged Unincorporated Community (DUC). This requirement does not apply to the HLVRCD since it does not provide fire protection, domestic water or sanitary sewer.

A DUC is an area where the Median Household Income is less than 80% of the State of California Median Household Income of \$60,883. Eighty percent (80%) of the 2012 California Median Household Income would be \$50,317. While, several communities in Lassen County qualify as a DUC (Doyle, Herlong, Litchfield, Nubieber, Spaulding, Susanville and Westwood, for example) this is not a requirement for this MSR.

Disadvantaged unincorporated communities (DUCs) are defined as “a territory that constitutes all or a portion of a ‘disadvantaged community’ including twelve or more registered voters or some other standard as determined by the commission.” In California Government Code Section 65302.30 (a) “Community” means an inhabited area within a city or county that is comprised of no less than ten dwellings adjacent or in close proximity to one another.

The Median Household Income in Lassen County in 2012 was reported as \$50,317 compared with the State Median Household Income of \$60,883 (US Census Quickfacts for Lassen County).

**MSR Determination 2-1:** No DUC determination is required since the HLVRCD does not provide domestic water, fire protection or wastewater services.

### **5.3 Present and Planned Capacity of Public Facilities and Adequacy of Public Services**

*Purpose: To evaluate the infrastructure needs and deficiencies in terms of supply, capacity, condition of facilities and service quality.*

The Honey Lake Valley RCD does not have the ability to collect property taxes that enhances its ability to provide services since it was not a taxing agency in 1978. As a result it has a lesser ability due to limitations in taxing ability. However, it is financed by their grant programs and the watermaster program. The RCD is adequate in terms of providing services within the confines for their funding albeit much focused on the Watermaster program.

In August 2015 the district undertook a recruiting process and has hired a part-time District Manager as an employee who is charged to oversee the district's operations including manage the district's finances, personnel, and watermaster services. The District Manager reports to the Board of Directors. At the same time the district also recruited and hired a full-time Watermaster Technician as an employee to provide watermaster services. The Watermaster Technician reports to the District Manager. The District also has an Executive Secretary.

The probable need for natural resource protection in the future is related to the type of resource needs in the County. In Lassen County's agricultural areas resource conservation is a continuing process. As agricultural and resource uses change or other development takes place, the type of resource conservation activities may need to be modified. The probable need for natural resource protection activities will increase as more intense activities occur. Due to the District being preoccupied with the watermaster program the District needs to explore funding opportunities to provide resource related services throughout the district. This can be challenging since funding sources are scarce.

**MSR Determination 3-1:** There will be continued need for expanding the capacity of the Districts' projects and programs as growth and development continue to increase the need for the conservation and sustainable management of natural resources. The district is continuing in this direction through its efforts in updating the RCD's Strategic Plan and Annual Work Plan.

**MSR Determination 3-2:** The Watermaster program provides revenues to the district. However these revenues are focused on the Honey Lake Valley Superior Court decree area and cannot be spent on unrelated RCD activities. The RCD realizes a need to explore additional revenue sources and activities to meet demands and identified projects throughout Lassen County and has set forth a plan to do so in its Strategic Plan 2016-2021 and 2016-2017 Annual Work Plan.

**MSR Determination 3-3:** The RCD has developed a method of the establishment of a Watermaster Advisory Committee to advise the RCD Board on matters related to the Watermaster program. This way the Watermaster program does not disproportionately affect other services provided by the RCD as identified in the RCD's Strategic Plan and Annual Work Program.

**MSR Determination 3-4:** The RCD should continue to explore expanded public outreach to promote and inform the public of RCD activities in its efforts to build leadership and organizational capacity as well as in its planning and implementation activities.

#### **5.4 Financial Ability to Provide Services**

*Purpose: To evaluate factors that affect the financing of needed improvements and to identify practices or opportunities that may help eliminate unnecessary costs without decreasing service levels.*

The District currently provides services mentioned in its Strategic Plan and Annual Work Plan. There appears to be need for RCD services county-wide as demand for such services exists. As more land is converted to urban, industrial or agricultural uses, additional soil and water conservation activities will become necessary. However, for the district to provide additional services, additional funding is needed.

**MSR Determination 4-1:** While funding for the District's Watermaster program is adequate there is a continuing need for the Districts' effort to secure funding for special projects and programs.

**MSR Determination 4-2:** The district prepares its budgets and annual audits as required and considers feasible solutions to audit findings, as appropriate.

## 5.5 Opportunities for Shared Facilities

*Purpose: To evaluate the opportunities for a jurisdiction to share facilities and resources to develop more efficient service delivery systems.*

The District shares resources whenever possible. They have developed partnerships with Nonprofit, County, State, and Federal Agencies to extend resources. Funding for special projects and programs can be brought into the RCD from activities such as the IRWMP process. As projects are submitted to the Resource Conservation and Development Area (RC&D) grants or services can be provided to specific projects in the County. Other RCD's have acquired funding for fuels management programs, for example, or partnerships from other organizations interested in Resource Management.

**MSR Determination 5-1:** Depending upon the specific program, the District has the potential and opportunity for additional sharing facilities and partnerships with other agencies.

**MSR Determination 5-2:** The District's Strategic Plan and Annual Work Plan calls for the expanded use of partnerships with local, state and federal agencies as well as owners and managers of private land in Lassen County.

## 5.6 Government Structure and Accountability

*Purpose: To consider the advantages and disadvantages of various government structures that could provide public services, to evaluate the management capabilities of the organization, and to evaluate the accessibility and levels of public participation associated with the agency's decision-making and management processes.*

Given the unique nature of Resource Conservation Districts, there is little opportunity to modify the current governance structure. Accountability is provided by open meeting requirements and annual audits.

**MSR Determination 6-1:** The Honey Lake Valley Resource Conservation District is uniquely positioned to provide the necessary resource services county-wide (including areas within other RCD's through partnerships) and is the most appropriate structure for that purpose.

**MSR Determination 6-2:** The Honey Lake Valley Resource Conservation District has adopted a policy whereby any watermaster program issues are to be discussed at a Watermaster Advisory Committee meeting. Watermaster Advisory Committee recommendations are to be forwarded to the RCD Board of Directors for final approval.



## 6. SPHERE OF INFLUENCE UPDATE

### 6.1 Sphere of Influence Determinations

In determining the Sphere of Influence for each local agency, LAFCO must consider and prepare a statement of determinations with respect to each of the following:

1. The present and planned land uses in the area, including agricultural and open space lands
2. The present and probable need for public facilities and services in the area
3. The present capacity of public facilities and adequacy of public services, which the agency provides, or is, authorized to provide.
4. The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency. 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, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing Sphere of Influence.

### 6.2 Possible Approaches to the Sphere of Influence

LAFCO may recommend government reorganizations to particular agencies in the county, using the SOIs as the basis for those recommendations. Based on review of the guidelines of Lassen LAFCO as well as other LAFCOs in the State, various conceptual approaches have been identified from which to choose in designating an SOI. These seven approaches are explained below:

1) Coterminous Sphere:

A Coterminous Sphere is a sphere for a city or special district that is the same as its existing boundaries. ***This is the recommendation for the Honey Lake Valley RCD***

2) Annexable Sphere:

A sphere larger than the agency's boundaries identifies areas the agency is expected to annex. The annexable area is outside its boundaries and inside the sphere.

3) Detachable Sphere:

A sphere that is smaller than the agency's boundaries identifies areas the agency is expected to detach. The detachable area is the area within the agency bounds but not within its sphere.

4) Zero Sphere:

A zero sphere indicates the affected agency's public service functions should be reassigned to another agency and the agency should be dissolved or combined with one or more other agencies.

5) Consolidated Sphere:

A consolidated sphere includes two or more local agencies and indicates the agencies should be consolidated into one agency.

6) Limited Service Sphere:

A limited service sphere is the territory included within the SOI of a multi-service provider agency that is also within the boundary of a limited purpose district which provides the same service (e.g., fire protection), but not all needed services. Territory designated as a limited service SOI may be considered for annexation to the limited purpose agency without detachment from the multi-service provider.

This type of SOI is generally adopted when the following four conditions exist:

- a) The limited service provider is providing adequate, cost effective and efficient services
- b) The multi-service agency is the most logical provider of the other services
- c) There is no feasible or logical SOI alternative, and
- d) Inclusion of the territory is in the best interests of local government organization and structure in the area

Government Code §56001 specifically recognizes that in rural areas it may be appropriate to establish limited purpose agencies to serve an area rather than a single service provider, if multiple limited purpose agencies are better able to provide efficient services to an area rather than one service district.

Moreover, Government Code Section §56425(i), governing sphere determinations, also authorizes a sphere for less than all of the services provided by a district by requiring a district affected by a sphere action to “establish the nature, location, and extent of any functions of classes of services provided by existing districts” recognizing that more than one district may serve an area and that a given district may provide less than its full range of services in an area.

7) Sphere Planning Area:

LAFCO may choose to designate a sphere planning area to signal that it anticipates expanding an agency's SOI in the future to include territory not yet within its official SOI.

### 6.3 SOI Amendments and CEQA

LAFCO has the discretion to limit SOI updates to those that it may process without unnecessarily delaying the SOI update process or without requiring its funding agencies to bear the costs of environmental studies associated with SOI expansions. Any local agency or individual may file a request for an SOI amendment. The request must state the nature of and reasons for the proposed amendment, and provide a map depicting the proposal.

LAFCo may require the requester to pay a fee to cover LAFCo costs, including the costs of appropriate environmental review under CEQA. LAFCo may elect to serve as lead agency for such a review, may designate the proposing agency as lead agency, or both the local agency and LAFCo may serve as co-lead agencies for purposes of an SOI amendment. Local agencies are encouraged to consult with LAFCO staff early in the process regarding the most appropriate approach for the particular SOI amendment under consideration.

Certain types of SOI amendments are usually exempt from CEQA review. Examples are SOI expansions that include territory already within the bounds or service area of an agency, SOI reductions, and zero SOIs. SOI expansions for limited purpose agencies that provide services (e.g., fire protection, levee protection, cemetery, and resource conservation) needed by both rural and urban areas are typically not considered growth-inducing and are likely exempt from CEQA. Similarly, SOI expansions for districts serving rural areas (e.g., irrigation water) are typically not considered growth-inducing.

Remy et al. write:

*“In City of Agoura Hills v. Local Agency Formation Commission (2d Dist.1988) 198 Cal.App.3d480, 493-496 [243 Cal.Rptr.740] (City of Agoura Hills), the court held that a LAFCO’s decision to approve a city’s sphere of influence that in most respects was coterminous with the city’s existing municipal boundaries was not a “project” because such action did not entail any potential effects on the physical environment.”*<sup>10</sup>

Since the recommendation is for the Sphere of Influence is to remain coterminous with the District’s boundaries, there will be no environmental impacts from the update of the Sphere and no environmental document is required.

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<sup>10</sup> Remy, Michael H., Tina A. Thomas, James G. Moose, Whitman F. Manley, Guide to CEQA, Solano Press Books, Point Arena, CA, February 2007, page 111.

Lassen LAFCo should consider at least three alternatives for the Sphere of Influence for the RCD's as follows:

1. Coterminous Sphere Alternative

A Coterminous Sphere would mean that the Sphere of Influence for the HLVRCD would remain the same as the District's Boundaries. Since most lands within Lassen County are in one RCD and no opportunity exists to expand since the RCD enabling legislation does not allow for one RCD to overlap another. ***The Coterminous Sphere of Influence is the staff recommendation which would be to establish a sphere of influence the same as its existing District boundaries thereby signaling that LAFCo would not like to see any other change of organization.***

2. Annexable Sphere Alternative

An Annexable Sphere would allow the District to annex additional lands without a special amendment to the Sphere of Influence. Since there are no additional lands available for annexation within Lassen County, this alternative is not viable. It is highly unlikely that the district would annex territory in another county. Modoc, Shasta and Sierra Counties, for example, currently have RCD's that include territory within Lassen County.

3. Zero Sphere Alternative

A Zero Sphere of Influence would mean that Lassen LAFCO recommends that the RCD be dissolved and that another District or organization should take over the functions of the District. The most logical successor to the RCD's would be an adjacent RCD outside of Lassen County. Since such action would be outside of the authority of a Lassen County agency, this alternative would not be viable.

#### **6.4 Recommended SOI Alternative**

The following SOI Determinations are prepared with the Coterminous Sphere SOI as the recommended alternative #1 above.

## 6.5 Present and Planned Land Uses, Including Agricultural and Open Space Lands

**SOI Determination 1-1:** Land uses within the District are agricultural, open space, public and urban. Urban land uses include residential and commercial uses. These uses are located primarily in the community areas in and around the District such as Susanville, Johnstonville, Janesville, Levitt Lake, Herlong and the communities at Eagle Lake.

Agricultural and Grazing land uses are primarily concentrated in major valleys: Honey Lake Valley to the southeast of Susanville, the Willow Creek Valley north of Susanville, Big Valley in the central northern portion of the county and the Madeline Plains in the northeast county. Grazing uses exist throughout the county. Public lands include those under the jurisdiction of state (i.e. the High Desert Prison) or federal agencies (i.e. the BLM, USFS, and the Department of Defense in Herlong or the Federal Correctional Institution at Herlong).

Together agricultural lands account for approximately 70,000 acres and over a million acres in Grazing. Industrial activities include gravel extraction, geothermal, mineral processing, rock quarries, and timber production. These activities account relatively little of the County's land use. The 2000 Lassen County General Plan outlines the present and planned land uses throughout the County. The policies of the General Plan call for the preservation of agricultural lands, both those in production and those with potential productivity. The Resource Conservation District provides natural resource protection activities that preserve agricultural soils as well as lessen the impacts of soil erosion from occurring upslope from agricultural or urban areas. However, these activities are limited by funding and a recent preoccupation with the Watermaster program.

## 6.6 Municipal Services – Present and Probable Need

**SOI Determination 2-1:** The District currently provide services as listed above in earlier sections. There is a foreseen need for public facilities and services in the District albeit limited by funding. As more land is converted to urban, industrial or agricultural use, the need for natural resource protection activities will increase. The District has responded to service demands through grant funded programs to address specifically identified needs.

## 6.7 Public Facilities Present and Future Capacity

**SOI Determination 3-1:** The HLVRCO does not have the ability to collect property taxes, which would enhance its ability to provide services. To do such would require a two-thirds vote of registered voters to impose a special tax. However, the district is financed by their Watermaster program (\$180,510 in Watermaster fees for FY 15-16) and miscellaneous income from the IRWMP, agreements with the NRCS, restoration and grant proceeds (\$34,877 for FY 15-16)

The RCD is adequate in terms of providing services, however, there is a preoccupation with the Watermaster program leaving other potential activities short changed. The probable need for natural resource protection in the future is related to the type of development.

In Lassen County's agricultural and grazing areas resource conservation is a continuing process. As agricultural and grazing uses change or other development takes place, leaving the type of resource conservation activities with a need to be modified. The probable need for natural resource protection activities will increase as more intense activities occur.

## 6.8 Social or Economic Communities of Interest

**SOI Determination 4-1:** Lassen County's economy is based primarily upon two sectors: agriculture and government. Lassen County has relatively high unemployment rates and has a retirement community. The District contains agricultural groups, Tribal Rancherias, and many basic industries in the County, such as the tourism industry. These are relevant to the RCD since any land use could cause more erosion or impact soils.

## 6.9 Disadvantaged Unincorporated Communities

The State Law (SB 244) requires LAFCo to consider whether or not an area is a Disadvantaged Unincorporated Community (DUC). A DUC is an area where the Median Household Income is less than 80% of the State of California Median Household Income.

Disadvantaged unincorporated communities (DUCs) are defined as “a territory that constitutes all or a portion of a ‘disadvantaged community’ including twelve or more registered voters or some other standard as determined by the commission.” In California Government Code Section 65302.30 (a) “Community” means an inhabited area within a city or county that is comprised of no less than ten dwellings adjacent or in close proximity to one another.

The Median Household Income in Lassen County in 2012 was reported as \$50,317.

**SOI Determination 5-1:** SOI Determinations regarding the present and probable need for public facilities and services of any disadvantaged unincorporated communities within the existing Sphere of Influence are not required since the HLVRCD does not provide Fire, Domestic Water or Sewer services.

## **ABBREVIATIONS**

AB	Assembly Bill
BLM	Bureau of Land Management
BRAC	Base Realignment and Closure decision
CAFSC	California Fire Safe Council
CARCD	California Association of Resource Conservation Districts
CEQA	California Environmental Quality Act
CKH	Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000
COSIS	Care of Supplies in Storage
County	Lassen County
District	Honey Lake Valley Resource Conservation District
DMFMRP	Diamond Mountain Forest and Meadow Restoration Project
DOC	Department of Conservation (California)
DOD	Department of Defense
DOF	State Department of Finance
DUC	Disadvantaged Unincorporated Community
DWR	Department of Water Resources (California)
FY	Fiscal Year
GAAP	Government Auditing Standards
HLVRCD	Honey Lake Valley Resource Conservation District
HLWA	Honey Lake Wildlife Area
IRWMP	Integrated Regional Water Management Plan



JMC	Joint Munitions Command
LAFCO	Local Agency Formation Commission
LBIRWMP	Lahontan Basins Integrated Regional Watershed Management Plan
MD&A	Management Discussion and Analysis
MOU	Memorandum of Understanding
MSR	Municipal Service Review (LAFCO)
NACD	National Association of Conservation Districts
NEPA	National Environmental Protection Act
NRCS	Natural Resource Conservation Service
RCD	Resource Conservation District
RC&D	Resource Conservation and Development Area
SB	Senate Bill
SNC	Sierra Nevada Conservancy
SOI	Sphere of Influence (LAFCO)
SWAT	Special Weed Action Team
SRWG	Susan River Watershed Group
USDA	United States Department of Agriculture
USFS	United State Forest Service
WAC	Watermaster Advisory Council
WUI	Wildland Urban Interface

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