

**FINAL
DRAINAGE AND RECLAMATION DISTRICT
MUNICIPAL SERVICE REVIEWS AND SPHERE OF INFLUENCE PLANS**

FOR

**DRAINAGE DISTRICT NO. 1
DRAINAGE DISTRICT NO. 100
BUTTE CREEK DRAINAGE DISTRICT
SACRAMENTO RIVER RECLAMATION DIST.**

**DRAINAGE DISTRICT NO. 2
DRAINAGE DISTRICT NO. 200
ROCK CREEK RECLAMATION DISTRICT
RECLAMATION DISTRICT NO. 833**



**PREPARED BY THE BUTTE LOCAL AGENCY FORMATION COMMISSION
ADOPTED JUNE 7, 2018**

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MUNICIPAL SERVICE REVIEWS AND SPHERE OF INFLUENCE PLANS FOR DRAINAGE AND RECLAMATION DISTRICTS IN BUTTE COUNTY

LAFCO

Established in 1963, Local Agency Formation Commissions (LAFCo) are responsible for administering California Government Code Section 56000 *et. seq.*, which is known as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH). CKH charges LAFCOs with encouraging the orderly formation and development of all local governmental agencies in their respective counties in a manner that preserves agricultural and open-space lands, promotes the efficient extension of municipal services, and prevents urban sprawl. Principle duties include regulating boundary changes through annexations or detachments, approving or disapproving city incorporations; and forming, consolidating, or dissolving special districts. There is a LAFCo located in each of the 58 counties in California.

Spheres of Influence

Under the CKH Act, LAFCos are required to “develop and determine the sphere of influence of each local governmental agency within the county and enact policies designed to promote logical and orderly development of areas within the sphere” (Section 56425, CKH). A Sphere of Influence (SOI) is generally considered a 20-year, long-range planning tool, and is defined by Government Code Section 56425 as “. . . a plan for the probable physical boundary and service area of a local agency. . . .” The sphere indicates the logical area in which the jurisdiction anticipates services will be needed and can be provided. According to the CKH Act, LAFCos are required to review and update SOIs every five years, or as necessary.

A Sphere of Influence is a long-range planning tool that analyzes the physical boundary of a local agency or jurisdiction, and the present and probable need for services within that area. As such, it does not give property inside the sphere boundary any more development rights than already exist as land use authority in these areas remains entirely at the discretion of the County of Butte. Realistically, an agency’s SOI is solely reactive to the land use decisions already adopted by the agencies with land use authority. Ultimately, an SOI study assists LAFCo in making decisions about a change in a jurisdiction’s future service area boundary.

Butte LAFCo policies allow for different categories of spheres of influence including: “**growth**” spheres that are larger than an agency’s jurisdictional boundaries and anticipates a need to expand services to new territory; “**coterminous**” spheres which mirror the agency’s jurisdictional boundaries and indicates no additional service expansions are needed or an inability to expand services; a “**zero**” spheres, which indicate the agency cannot or does not provide any services and should be considered for a merger or dissolved altogether; and a “**minus**” sphere when an agency does or

cannot provide services to the territory in question. Establishing the appropriate sphere category can be challenging as individual circumstances can vary between agencies. City spheres, which may convey future land use entitlements, are more scrutinized for growth impacts than an agency providing limited services such as flood control or drainage. Although a helpful tool for future planning, a sphere of influence determination does not convey any specific entitlements to landowners nor require an agency to guarantee services should priorities change.

LAFCo may also, at its discretion, designate a geographic area beyond the sphere of influence as an Area of Concern to any local agency. An Area of Concern is a geographic area beyond the sphere of influence in which land use decisions or other governmental actions of one local agency (the "Acting Agency") impact directly or indirectly upon another local agency (the "Concerned Agency").

Pursuant to Butte LAFCo's Policies and Procedures, the Sphere of Influence Plans for all government agencies within LAFCo's jurisdiction shall contain the following:

1. A map defining the probable 20-year boundary of its service area and coordinated with the Municipal Service Review.
2. Maps and explanatory text delineating the present land uses in the area, including, without limitation, improved and unimproved parcels; actual commercial, industrial, and residential uses; agricultural and open space lands; and the proposed future land uses in the area.
3. The present and probable need for public facilities and services in the sphere area. The discussion should include consideration of the need for all types of major facilities, not just those provided by the agency.
4. The present capacity of public facilities and adequacy of public services which the agency provides or is authorized to provide.
5. Identification of any relevant social or economic communities of interest in the area.
6. Existing population and projected population.
7. A Municipal Service Review.

Municipal Service Reviews

The Cortese-Knox-Hertzberg Act requires that a Municipal Service Review (MSR) be conducted prior to, or in conjunction with, the update of a SOI. A MSR is a comprehensive analysis of service provision by each of the special districts, cities, and the unincorporated county service areas within the legislative authority of the LAFCo. It essentially evaluates the capability of a jurisdiction to serve its existing residents and future development in its SOI. The legislative authority for conducting MSRs is provided in Section 56430 of the CKH Act, which states ". . . in order to prepare and to update

Spheres of Influence in accordance with Section 56425, LAFCOs are required to conduct a MSR of the municipal services provided in the County...”

Pursuant to Section 56430, in order to update a SOI, the associated MSR must have written determinations that address the following factors:

1. Growth and population projections for the affected area.
2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.
3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.
4. Financial ability of agencies to provide services.
5. Status of, and opportunities for, shared facilities.
6. Accountability for community service needs, including governmental structure and operational efficiencies.
7. Any other matter related to effective or efficient service delivery, as required by commission policy.

These determinations must be made by the Commission before, or concurrently with, the sphere review and update for county service areas in Butte County.

Sphere of Influence Plan Update Process

Butte LAFCo is now in the process of creating an individual SOI Plan for all of the Drainage and Reclamation Districts in Butte County. There are a number of County Service Areas (CSA) providing drainage services in the County. These CSAs were evaluated as part of the MSR and SOI Plans for County Service Areas in Butte County adopted by LAFCo in October of 2016 and are not a part of this MSR/SOI update.

There are numerous factors to consider in reviewing a SOI Plan, including current and anticipated land uses, facilities, and services, as well as any relevant communities of interest. Updates generally involve a comprehensive review of the entire SOI Plan, including boundary and SOI maps and the District’s MSR. In reviewing an agency’s sphere, the Commission is required to consider and prepare written statements addressing five factors enumerated under California Government Code Section 56425(e). These factors are identified below.

1. The present and planned land uses in the area, including agricultural and open-space lands.

2. The present and probable need for public facilities and services in the area.
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
4. The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.
5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

Since none of the districts being reviewed provide public services or facilities related to sewers, municipal or industrial water or structural fire protection, factor number 5 listed above is not relevant to the analysis.

Background

Special districts are local governments that are separate from cities and counties, yet provide public services. California has over 3,400 special districts, which provide a wide range of services from airports to mosquito abatement, fire protection, water conservation and drainage, to name a few. All of the districts being reviewed in this document are independent districts, which means they are governed by an elected or appointed board of directors. There are over 2,109 independent special districts in the State of California.

The drainage and reclamation districts reviewed in this document have the basic objective of managing the movement of surface water to facilitate beneficial uses of land within their district and preventing or minimizing erosion and flooding. This objective is achieved through the construction and/or maintenance of surface conveyance features such as ditches, laterals, natural stream courses, weirs and other infrastructure. For the districts being reviewed in this document, maintenance of facilities is the primary function provided.



Authority and Formation

The drainage and reclamation districts reviewed in this document were formed at various times and through various enabling acts. Many of these principle acts were adopted in the early 1900s or earlier and include:

- The Drainage District Act of 1885

- Act 985, State of California, An Act to Promote Drainage
- The California Water Act of 1913
- The Drainage District Act of 1903
- California Water Code Section 5000 et seq.
- The State Reclamation Act

Sphere of Influence

With regards to the boundaries of independent drainage and reclamation districts the following territory may be included:

- Contiguous or noncontiguous territory; and
- Unincorporated or incorporated territory (incorporated territory may be included only if the city legislative body consents by resolution).

When formed, the Sphere of Influence of a drainage or reclamation district is generally coterminous with its boundaries, as the boundaries of these districts typically reflect the relationship to a topographic or geographic area that drains to an established conveyance infrastructure.

Funding Sources

Drainage and reclamation districts, as independent districts, can receive revenue from property taxes and/or individual parcel assessments as needed. If a district was levying a tax rate and receiving ad valorem taxes (property taxes based on assessed value of property) prior to the passage of Proposition 13 in 1978, they now receive a portion of the 1% levy determined by AB 8 tax allocation factors. Districts formed after Proposition 13 do not receive a portion of the 1% levy.

With the passage of Proposition 13, the amount of property taxes received by special districts was restricted. To fund expenses, direct assessment can be authorized or increased by a vote of property owners as permitted by Proposition 218.

Revenue for the districts that receive property taxes is determined by the assessed value of each parcel within that district. Property tax revenue generally increase incrementally as the assessed value of a parcel and property tax amount increases. Conversely, under certain circumstances, the assessed value of a parcel/property may decrease which is reflected in lower property tax revenue. An example of lower property values was the last recession which resulted in less property tax revenue going to those districts that receive property taxes.

Budgets

Districts are required to prepare annual budgets which are approved by the Districts' governing body and sent to the County Auditor's office. The proposed budgets include projected revenues and projected expenditures. Revenues generally remain steady

from year to year, while expenditures can vary greatly, depending on the services that will be required during the budget year. Budgets include projected expenditures for services and supplies and other charges. Projected expenditures are an estimate which in many cases is not fully utilized because the anticipated services were not needed or were less costly than what was anticipated. Any funds budgeted but not used within the fiscal year are carried over into the fund balance for the district for the next year.

All of the districts being reviewed have a positive fund balance though the amount varies greatly between entities. Fund balances can be used for various purposes, such as, funding unanticipated expenses, additional maintenance services, or improvements to a district's infrastructure. When expenditures exceed revenues, a revenue shortfall occurs and the fund balance will be utilized to cover the shortfall.

District budgets are a part of the overall Butte County annual budget, which is reviewed and approved by the County Board of Supervisors. After the end of the fiscal year, the County begins the process of closing out that fiscal year's budget, which determines actual revenues and expenditures. This process can take several months to complete. Butte County posts the current and past budgets on the County's web page.

Each of the districts in this document shows the actual budgets including revenues, expenditures and fund balances for Fiscal Years 2014-15, 2015-16, 2016-17 as well as the adopted budget for FY 2017-18.

Summary Observations and Recommendations

This MSR provides a review of drainage and reclamation districts and makes individual determinations and recommendations based on the analysis of the data. Below is a summary of the major findings.

1. Drainage District No. 2 was formed to provide specific and limited maintenance along a section of Little Dry Creek. The District outsources all of the work that is needed and has no staff, equipment or property. The District is encompassed entirely within the Butte Creek Drainage District which operates in the same manner with similar responsibilities. This overlap presents a situation that should be rectified by a reorganization of boundaries, with the goal of providing a more efficient delivery of services. It is recommended that Drainage District No. 2 be dissolved and the responsibilities and assets of the district be transferred to Butte Creek Drainage District. To reflect this proposed change, it is recommended that DD2 be given a zero sphere of influence.
2. Drainage District 100 and Butte Creek Drainage District have overlapping district boundaries that cover an area of approximately 4,325 acres. The two Districts, while both concerned with drainage, provide very different levels of service. Butte Creek Drainage District primarily collects money to contribute to the cost maintenance of beneficial drainage structures and facilities outside of their district and performs no work within their district boundary. Drainage District 100, while contributing money to help maintain facilities outside of the district boundary also actively maintains drainage facilities throughout the district

including the overlap area. It is recommended that the overlap area be detached from the Butte Creek Drainage District, as they provide no direct services to the area, and that a minus Sphere of Influence be adopted for Butte Creek Drainage District to reflect the actual service area of the District and support the proposed reduction of its boundary. The area would remain in Drainage District No. 100.

3. Rock Creek Reclamation District is significantly impacted by increased stormwater runoff that comes from new urban/suburban development upstream and outside of the district's boundary. This development primarily occurs in the unincorporated area of Butte County north of the City of Chico, identified as the North Chico Specific Plan (NCSP). The District currently has no excess capacity for additional floodwaters. While the County does require that new development address the impacts of increased runoff through the use of detention facilities the development of additional structures and hardscape area, long-term maintenance of drainage swales, and the potential for larger storm events makes the need for some excess capacity to be developed through the development of additional detention facilities. An expanded Sphere of Influence is therefore recommended to include the area where additional drainage detention facilities may be developed. This will provide the District with a mechanism to be included in the review of any new development that is proposed within this area.

The following chart lists each district name, authorized services, budgets and specific recommendations for consideration when reviewing future proposals.

Summary of Drainage and Reclamation Districts in Butte County

The following table summarizes each of the Drainage and Reclamation Districts reviewed in this Municipal Service Review and includes the following information.

District	Authorized Powers	No. of Parcels	Fund Balance	FY 2016-17 Revenue	FY 2016-17 Expenditures	LAFCO MSR/SOI Recommendations
Drainage District No. 1	Drainage/maintenance of drainage facilities	850	\$803,578	\$62,486	\$60,000	<ol style="list-style-type: none"> 1. Finds that the services being provided by the district are adequate and are being provided in an effective and efficient manner. 2. Finds that the District is not in compliance with the required election/appointment requirements for board members and must rectify this issue as soon as possible. 3. Finds that no changes to the Sphere of Influence boundary for the district are necessary. 4. Affirms the existing Sphere of Influence coterminous boundary for Drainage District No. 1 as shown on the Sphere of Influence map on page 2-2.
Drainage District No. 2	Drainage/maintenance of drainage facilities	53	\$31,292	\$4,576	\$2,286	<ol style="list-style-type: none"> 1. Finds that Drainage District No. 2 is located entirely within the boundary of the Butte Creek Drainage District. 2. Finds that Drainage District No. 2 exists solely to generate funding to maintain a section of Little Dry Creek and said maintenance is performed exclusively through contract with independent vendors. 3. Finds that the day-to-day management of the District is performed by the same district manager as the Butte Creek Drainage District and that overall efficiency could be achieved by dissolution of the district and the transference of the assets and responsibilities of Drainage District No. 2 to Butte Creek Drainage District which would provide more efficient and seamless management of the drainage facilities and services in the area. 4. Adopt a zero Sphere of Influence for Drainage District No 2. 5. Recommend that the District make an application to LAFCo for dissolution.

District	Authorized Powers	No. of Parcels	Fund Balance	FY 2016-17 Revenue	FY 2016-17 Expenditures	LAFCO MSR/SOI Recommendations
Drainage District No. 100	Drainage/maintenance of drainage facilities	486	\$337,449	\$272,838	\$246,821	<ol style="list-style-type: none"> 1. Finds that the Drainage District No. 100 boundary overlaps with Butte Creek Drainage District and that Drainage District No. 100 provides active maintenance of drainage conveyance facilities in the overlap area while Butte Creek Drainage District does not. 2. Finds that parcels in the overlap area are paying twice for the maintenance of drainage infrastructure on Butte Creek including the Moulton Cut because they are also being charged for this maintenance by Butte Creek Drainage District. 3. Finds that the Boards of both BCDD and DD1 should consider and adopt a resolution of application to LAFCO for the reorganization of the identified overlapping territory, specifically detaching the overlap area from Butte Creek Drainage District. 4. Finds that the services being provided by the District are adequate and are being provided in an effective and efficient manner. 5. Affirm the current boundary of Drainage District No. 100, including the overlap area, and adopt a Sphere of Influence that is coterminous with the boundary for Drainage District No. 100.
Drainage District No. 200	Drainage/maintenance of drainage facilities	99	\$37,056	\$21,540	\$12,790	<ol style="list-style-type: none"> 1. Finds that some efficiencies in management, service delivery may be realized by consolidating Drainage District No. 200 with an adjoining district such as Richvale Irrigation District or Reclamation District 833. However, the District is providing the needed services at a cost that is within its operating revenues and without any apparent service issues. 2. Adopt a Sphere of Influence that is coterminous with boundary of Drainage District No. 200.

District	Authorized Powers	No. of Parcels	Fund Balance	FY 2016-17 Revenue	FY 2016-17 Expenditures	LAFCO MSR/SOI Recommendations
Butte Creek Drainage District	Drainage/maintenance of drainage facilities	361	\$206,014	\$14,347	\$3,332	<ol style="list-style-type: none"> 1. Finds that the Butte Creek Drainage District boundary overlaps with Drainage District No. 100 and that Drainage District No. 100 provides active maintenance of drainage conveyance facilities in the overlap area while Butte Creek Drainage District does not. 2. Parcels in the overlap area with DD100 are paying twice for the maintenance of drainage infrastructure on Butte Creek including the Moulton Cut. 3. Recommend that the District initiate proceedings to detach the overlap area from the District. As part of the proceedings a coterminous sphere of Influence will be adopted which reflects the new District boundary. This action provides a more efficient and seamless management of the drainage facilities and services in the area. 4. Recommend that the Commission adopt a minus sphere of influence boundary reflective of the district boundary, as it would exist after the detachment of the overlapping area shown in Figure 6-2.
Rock Creek Reclamation District	Flood protection, drainage. Also a Groundwater Sustainability Agency (GSA) under the Sustainable Groundwater Management Act (SGMA), though not a LAFCo related power.	76	\$181,666	\$70,502	\$28,095	<ol style="list-style-type: none"> 1. Finds that the services being provided by the district are adequate and are being provided in an effective and efficient manner. 2. Finds there is the potential for new urban/suburban development outside of the District that could increase stormwater peak flows thereby impacting the capacity of the flood protection infrastructure. The District has little control over such development. 3. Finds that because of lack of control in the upstream watershed, and the desire to expand as a GSA it is recommended the Commission expand the District's Sphere of Influence to include the area requested by the District. This would allow the District flexibility to develop and manage additional drainage detention facilities in this area. A proposed SOI boundary is shown in Figure 7-1

District	Authorized Powers	No. of Parcels	Fund Balance	FY 2016-17 Revenue	FY 2016-17 Expenditures	LAFCO MSR/SOI Recommendations
Sacramento River Reclamation District	Flood protection, drainage	142	\$45,585	\$80	\$0	<ol style="list-style-type: none"> 1. Finds that the services being provided by the district are adequate and are being provided in an effective and efficient manner. 2. Finds that no changes to the Sphere of Influence boundary for the district are necessary. 3. Affirms the existing Sphere of Influence coterminous boundary for the Sacramento River Reclamation District.
Reclamation District No. 833	Drainage	4,292	\$2,345,423	\$457,149	\$364,615	<ol style="list-style-type: none"> 1. Finds that the services being provided by the district are adequate and are being provided in an effective and efficient manner. 2. Finds that no changes to the Sphere of Influence boundary for the district are necessary. 3. Affirms the existing Sphere of Influence coterminous boundary for Reclamation District No. 833.

MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE PLAN
FOR
DRAINAGE DISTRICT NO. 1



ADOPTED JUNE 7, 2018
BUTTE LAFCO RESOLUTION NO. 16 2017/18

DRAINAGE DISTRICT NO. 1 DATA SHEET

Contact: Jeff Spence, District Secretary
 Address: 1008 Live Oak Blvd Yuba City, CA 95991
 Phone: (530) 671-1008
 Webpage: N/A

GOVERNING BOARD

<u>Board of Trustees</u>	<u>Member</u>	<u>Term Expires</u>
	Darin Pantaleoni	Unknown
	Mike McClean	Unknown
	Jake Stowe	Unknown

Normal Board Meeting Dates: Bi-monthly, as needed. Meetings are held at the offices of Laughlin & Spence Civil Engineers, 1008 Live Oak Blvd., Yuba City

FORMATION INFORMATION

Date of Formation: 1905, bylaws recorded 1908

PURPOSE

1. Enabling Legislation: Drainage District Act of 1885
2. Provided Services:
 Maintenance of drainage and flood control improvements and drainage courses dedicated to the District

AREA SERVED

1. No. of Parcels: 810 assessed
3. District Size: 6,249 acres
4. Estimated Population: 1,948 (2015)
5. Location: Adjacent to the City of Gridley east to the Feather River.
6. Sphere of Influence: Coterminous with approved district boundaries.

FINANCIAL INFORMATION

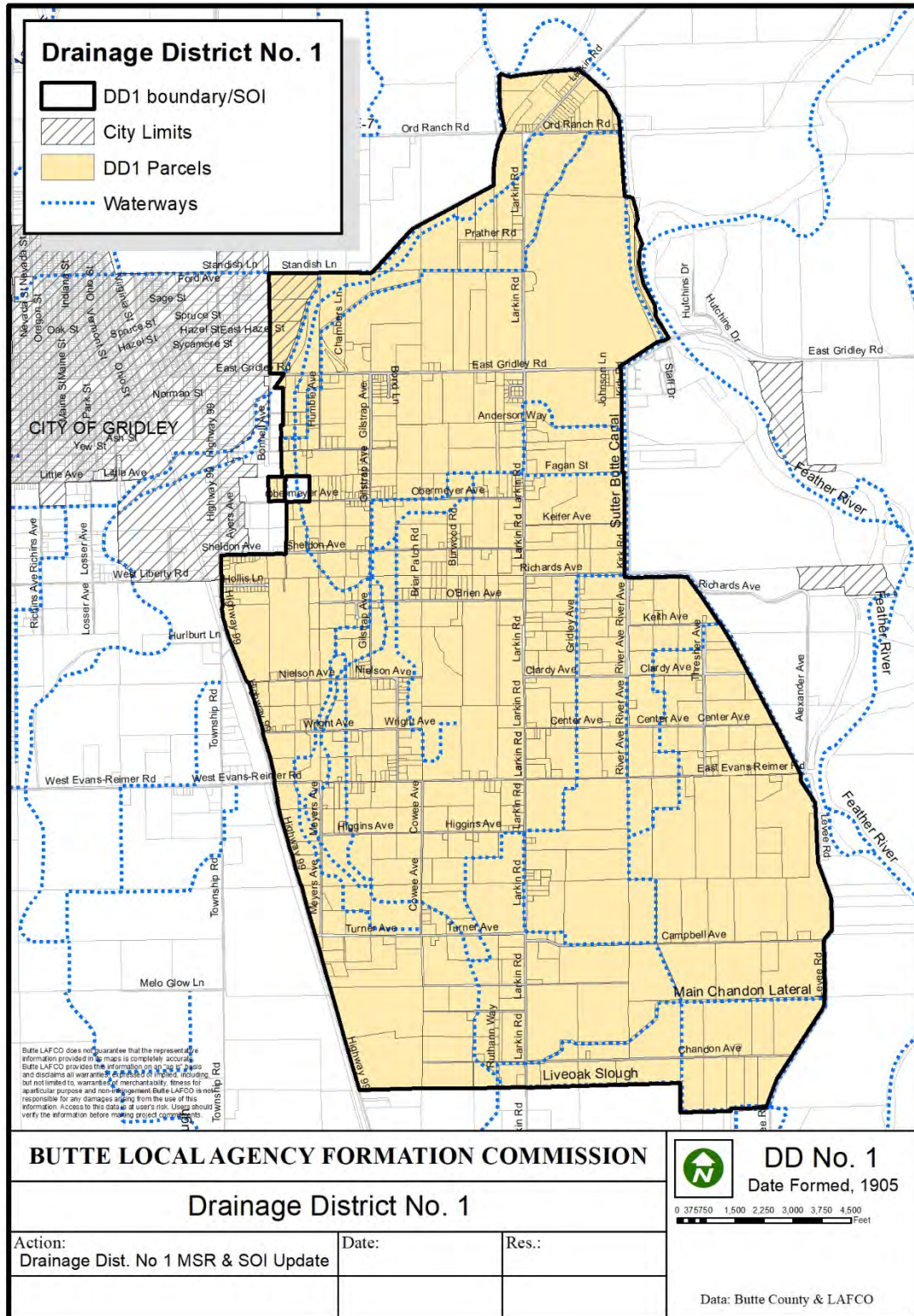
Fiscal Year 2016-17

Revenues: \$248,432
 Expenditures: \$151,098
 Fund Balance end of FY 2016-17: \$803,578

Revenue Sources:

- Property taxes.
- Property assessments
- Interest on fund balance

FIGURE 2-1 DRAINAGE DISTRICT No. 1



DISTRICT CHARACTERISTICS

Drainage District No. 1 (DD1) is located east and south of the City of Gridley and directly west of the Feather River (Figure 2-1) and is located in the Feather River Watershed. The District collects runoff from agricultural irrigation water and natural storms in an area of approximately 6,249 acres. It is uncertain when the District was originally established though it appears it was formed in 1905 but the District's by-laws were adopted in 1908.

The District contains approximately 845 parcels with approximately 810 being assessed for District services. Parcels range in size from 0.25 acres to 324 acres with an average parcel size of 7.75 acres. The land use within the District boundaries is a mix of residential uses, small lot agriculture with homes and a few larger agricultural parcels. The Butte County Assessor has classified agriculture as the primary land use on 255/845 parcels covering 4,513 acres. The remaining parcels generally have a primary use of residential with a few commercial and industrial properties, though many of these parcels have an Agricultural zoning rather than a Residential or Rural Residential zoning. A majority of the district (732 parcels and 5,642 acres) is zoned either Agricultural 20 or Agricultural 40 (AG-20 or AG-40). 573 parcels zoned for agriculture are under 10 acres in size and only 30 parcels are over 40 acres in size. Given the current County zoning, which is either a 20 acre or a 40 acre minimum parcel size the potential for the creation of new parcels is rather limited, which limits the need for increased drainage services. The District has an estimated 2015 population of 1,948 within its boundaries (this estimate was obtained from the 2010 census using block group data and applying a historic growth rate for Butte County).



The City of Gridley jurisdictional boundary and City Sphere of Influence extend slightly into the western portion of the District. Only 3 parcels within the district are in the city limits and 45 are in Gridley's SOI. While the City doesn't have direct land use authority over the parcels in the SOI, the County consults with the City on land use issues and generally takes into consideration the concerns of the City.

The primary purpose of the District is to maintain the infrastructure needed to drain winter stormwater from the parcels in the district through a network of ditches. Storm water volumes are directly related to the slope and runoff coefficient of the land. The slope of the land within the district is generally very low 1% to 2%, which keeps drainage velocities slow. Soil types and impervious surfaces directly affect runoff volumes. More

water runoff is generated from saturated soils and the introduction of impervious surfaces such as buildings, paved roads, and parking areas can have the most significant impact on increased runoff by preventing infiltration. Generally, the land within the district has a very low to moderate percentage of impervious surfaces and the likelihood of new areas of significant impervious surfaces are low due to the nature of the agricultural methods used and the zoning in the area which does not permit significant new development.

Drainage District No. 1 adopted a resolution on August 25, 1995, indicating that increases in impervious cover resulting from urbanization in the Gridley area cause increases in peak flows into the District's main drain and cause a back-up into District drains in times of heavy storms. The resolution also notes that complaints from landowners regarding this increased flooding have been received in the past. The resolution requests that proponents of new development prepare drainage studies and conduct environmental review to ensure that no increase above historic peak flows impact the District. This general process is consistent with the policies of Butte County and the City of Gridley, although information regarding the effectiveness of policy implementation was not readily available.

I. MUNICIPAL SERVICE REVIEW

MSR FACTOR NO. 1 GROWTH AND POPULATION PROJECTIONS FOR THE AFFECTED AREA

For purposes of this analysis, the expected population growth in the District has been projected to the year 2030 assuming an annual growth rate of 0.5 percent, which corresponds to the historic growth in the entire unincorporated portions of the County as estimated by the State Department of Finance for the 7 years from 2010 to 2017. The 2010 population figure was derived from the 2010 Census using census block data.

Drainage District 1 Estimated Population Growth	
2010	1,900
2015	1,948
2020	1,997
2025	2,047
2030	2,099

MSR DETERMINATION NO. 1: *The population within the District is expected to grow at a rate of approximately 0.5 percent annually areas through 2030. No significant new development is anticipated to occur within the District.*

MSR FACTOR NO. 2: THE LOCATION AND CHARACTERISTICS OF ANY DISADVANTAGED UNINCORPORATED COMMUNITIES WITHIN OR CONTIGUOUS TO THE SPHERE OF INFLUENCE

Disadvantaged unincorporated communities (DUCs) are defined by statute as

inhabited territory (meaning 12 or more registered voters), or as determined by commission policy, that constitutes all or a portion of a community with an annual median household income (MHI) that is less than 80 percent of the statewide annual MHI (Water Code Section 79505.5). The statewide MHI data is obtained from the US Census American Community Survey (ACS) 5-Year Data: 2010 - 2014. California's MHI for this period was \$61,489, and 80 percent of that is \$49,191. The identification of DUCs as it relates to LAFCo is to ensure that these communities are fairly served with essential municipal services of public sewer, water and fire protection.

DUCs were identified by utilizing the Disadvantage Communities Mapping tool offered by the California Department of Water Resources at <https://gis.water.ca.gov/app/dacs/>. Based on an analysis of census block groups, approximately 40% of the area within the District meets the definition of a DUC. Since the District does not provide any of the identified municipal services there is no requirement to provide further analysis. However, the provision of adequate drainage services is still important to Disadvantaged Communities.

MSR DETERMINATION NO. 2: *Approximately 40 % of the area in Drainage District No. 1 is designated as a disadvantaged community based on community block group data. The district also abuts disadvantaged communities to the north and west. The district provides an important drainage services to these disadvantaged unincorporated communities.*

MSR FACTOR NO. 3: PRESENT AND PLANNED CAPACITY OF PUBLIC FACILITIES ADEQUACY OF PUBLIC SERVICES, AND INFRASTRUCTURE NEEDS OR DEFICIENCIES INCLUDING NEEDS OR DEFICIENCIES RELATED TO SEWERS, MUNICIPAL AND INDUSTRIAL WATER, AND STRUCTURAL FIRE PROTECTION IN ANY DISADVANTAGED, UNINCORPORATED COMMUNITIES WITHIN OR CONTIGUOUS TO THE SPHERE OF INFLUENCE.

The District is responsible for maintaining drainage ditches that cross privately owned land and it receives access to these ditches (and underlying property) via easements or right-of-ways. The district owns three pump stations the largest of which is adjacent to the Feather River and is capable of discharging approximately 30,000 gallons per minute (gpm).

The District provides no maintenance of private laterals, which are the responsibility of individual landowners utilizing the main drain ditches. A map of the ditches the District is responsible for maintaining was prepared in March 2000 by the District's consulting engineers, Laughlin and Spence. The District contracts its maintenance duties out to various outside vendors. The Butte County Storm Water Management Plan (September 2003) addresses issues associated with stormwater pollution.

When originally designed, Drainage District No. 1 was estimated to have capacity to accommodate one-half inch of rainfall per 24-hour time period. This District did note that during heavy river flows, the District is required to pump water into the Feather River. Nearby reclamation district canals were sized to handle one-half inch of rainfall runoff per 24-hour time period, which equates to 15 cfs per square mile. The District

Engineer indicates that it is possible that DD No. 1 canals were similarly designed. The drainage facilities managed by the District currently accommodate irrigation and stormwater drainage from its 6,249 acres. The Butte County Flood Mitigation Plan noted that a few roads within the District did experience flooding during the 1993 storm events and this is understandable given that the majority of the District is relatively flat and is located near the Feather River.

The District noted that most property owners within its boundaries understand that their agricultural property temporarily stores floodwater during large storm events. However, concerns arise when flood waters affect building areas and associated structures, septic systems, and wells. The drainage infrastructure was not originally designed to provide flood control for urban development. The District believes that new urban or residential development may create additional difficulties.

While the District does not have a capital improvement plan (CIP), enlargement of the pump station located at the Feather River has been discussed, but plans for construction have not yet been developed. While there are few large capital projects undertaken by the District, it would be helpful to District residents if the District prepared a basic CIP or other documents that described current and future infrastructure improvements or significant maintenance expenses.

MSR DETERMINATION NO. 3-1: *Based on material reviewed, the operation and maintenance of the drainage facilities appears to be adequate for agricultural purposes. At the present time, the district has the ability and the capacity to serve the existing service area and has no unmet infrastructure needs or deficiencies for normal wet year scenarios. The physical capacity of the District to accommodate drainage or alterations to unusual peak flows is uncertain, especially as it relates to unchecked urban runoff . Flooding of roads within the District and complaints of flooding from landowners have been documented.*

MSR DETERMINATION NO. 3-2: *A portion of the District is identified as being in a Disadvantaged Unincorporated Community (DUCs) however, the service issues related to DUCs are not relevant to the District which only provides drainage services.*

MSR DETERMINATION NO. 3-3: *To be more transparent and helpful to District residents, the District should prepare a basic capital improvement plan or other similar documents that describe current and future infrastructure improvements or significant maintenance expenses conducted annually*

MSR FACTOR NO. 4: FINANCIAL ABILITY OF AGENCIES TO PROVIDE SERVICES

REVENUE AND EXPENDITURES

Drainage District No. 1 follows the General Accounting Standard Board Statement No. 34 (GASB 34) accounting standards. Financial audits for Fiscal Year (FY) 2013-14, 2014-15 and FY 2015-16 were reviewed.

Proposition 218 restricts local government's ability to impose assessment and property-related fees and requires elections to approve many local governmental revenue-raising methods. Any change in the amount of the assessment must be approved by a majority of the voters in the District at a duly-called election pursuant to Proposition 218 and legislation implementing its terms. The District currently has no fee schedule for services. Rates are based on property assessment of \$3.00 per acre with a minimum charge of \$40. Collection of assessments is managed by the Butte County Tax Collector as the fiduciary agent.

The Fiscal Year 2016-17 budget for Drainage District No. 1 shows revenue of \$62,486 and expenditures of \$60,000, resulting in a projected surplus of \$2,486. Since FY 2005-06 the District has increased their fund balance from \$285,890 to \$803,578. The recommended budget for the district for Fiscal Year 2017-18 shows projected revenues of \$67,385 and expenditures of \$188,000, resulting in a projected deficit of \$121,415. The Increase in expenditures for 2017-18 is to perform canal and culvert maintenance and repairs and the District has adequate reserves to cover this deficit comfortably. The District provided LAFCO staff with audits for fiscal years 2013-14, 2014-15, and 2015-16. The audits conform to the figures contained in the County budgets for those years.

DRAINAGE DISTRICT NO. 1 FY 2014-15 TO FY 2017-18 BUDGETS				
Detail by Revenue Category and Expenditure Object	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Adopted
REVENUES				
TAXES	21,129	22,377	22,289	21,215
INTEREST	7,038	8,336	8,180	7,000
FAIRMARKET VALUE ADJUSTMENT – GAIN (LOSS)	367	4,979	(6,833)	350
CHARGES FOR SERVICES	38,437	38,512	38,460	38,500
MISCELLANEOUS REVENUE	320	331	301	-
TOTAL REVENUES	\$67,291	\$74,999	\$62,486	\$67,385
EXPENDITURES/APPROPRIATIONS				
SERVICE & SUPPLIES		100,000	60,000	188,000
FIXED ASSETS		-	-	-
TOTAL EXPENDITURES/APPROPRIATIONS	\$0	\$100,000	\$60,000	\$188,000
NET COSTS/USE OF FUND BALANCE	(\$67,291)	\$25,501	(\$2,486)	121,415
ENDING FUND BALANCE	\$826,592	\$801,091	\$803,578	\$682,163

The District does not have an adopted Capital Improvement Plan, does not provide an annual contribution to the State Education Revenue Augmentation Funds (ERAF), and does not have any outstanding debt. The District has not been party to any legal actions affecting its financial status and has no outstanding litigation. The District does have an insurance policy.

In accordance with Government Code Section 53901, every local agency shall file a copy of its annual budget with the County Auditor of the County in which it conducts its principal operations, unless exempted by the County Auditor 60 days after the beginning of its fiscal year. The District complies with this law.

MSR DETERMINATION No. 4: *Revenue appears to provide adequate funds to cover the cost of providing basic, agriculturally related drainage services to the district with revenues normally exceeding expenditures. The district currently has a large fund balance that could be utilized for unanticipated expenses, capital improvements, or to cover revenue shortfalls.*

MSR FACTOR 5: STATUS OF, AND OPPORTUNITIES FOR SHARED FACILITIES

The entirety of south Butte County is primarily an agricultural area with a myriad of water (both irrigation and reclamation) conveyance systems and structures to support the agricultural use of the land. This same infrastructure also mitigates to some extent stormwater flows from existing developed urban areas. While each component of infrastructure is unique to its purpose within in any one local agency, the water conveyance systems have a unifying larger purpose of irrigating and draining south Butte County. For this reason, each local agency should be cognizant of potential resource sharing opportunities with respect to maintenance, stormwater planning and related functions.

MSR DETERMINATION No. 5: *Drainage District No. 1 has no employees and contracts with private vendors for maintenance service. There are no other drainage districts in the vicinity with which to feasibly share facilities and therefore limited opportunity for shared facilities exists. Nonetheless, the District should always be cognizant of potential resource sharing opportunities with respect to maintenance, stormwater planning and related functions. It is especially important for the District to maintain an active relationship with the City of Gridley in order to encourage cooperate solutions to address urban runoff.*

MSR FACTOR 6: ACCOUNTABILITY FOR COMMUNITY SERVICES NEEDS, INCLUDING GOVERNMENTAL STRUCTURE AND OPERATIONAL EFFICIENCIES.

GOVERNANCE

The District is an independent Special District of the State of California formed under the Drainage District Act of 1885, Uncodified Acts, Act 2200 consistent with the District's by-laws recorded in March 1908. The bylaws provide for a three-member Board of Trustees, elected by the District landholders. Members are elected for 4-year terms. Currently, the expiration of the terms of the Board members is not readily known and therefore, consistency in conducting elections is unknown. The District needs to review this issue, make available to its constituents a written policy-bylaws describing how

elections are to be held and when, and hold elections for Board of Directors seats as required by law. Board members may be appointed in lieu of holding an election if the number of candidates equal the number of vacancies. Meetings are held bi-monthly as needed and are held at the offices of Laughlin and Spence Civil Engineers, 1008 Live Oak Blvd., Yuba City, CA. Agendas are posted for the meetings as required. The District does not have a website, nor is it required to at this time. However, the California Special District Association (CSDA) strongly encourages all special districts to maintain a website by 2020 (2018 - Senate Bill 929) in an effort to support transparency and encourage citizen participation. The District has no employees, but rather utilizes independent contractors to perform maintenance functions as necessary.

MSR DETERMINATION NO. 6-1: *The district is managed by a board of trustees elected by landowners within the district. The trustees manage service needs with independent contractors rather than full time staff, which allows for more efficiency in a small district. The district utilizes the Butte County Auditor-Controller's office for treasury services which also promotes efficiency.*

MSR DETERMINATION NO. 6-2: *The District has not been following the election/appointment requirements as required. Term expiration dates are not readily known for each board member. The District needs to review this issue, make available to its constituents a written policy describing how elections are to be held and when, and hold elections for Board of Directors seats as required by law.*

MSR DETERMINATION NO. 6-3: *The District does not have a website. The District is encouraged to establish a website as a primary manner of conveying information about the District to its constituents.*

MSR FACTOR NO. 7: ANY OTHER MATTER RELATED TO EFFECTIVE OR EFFICIENT SERVICE DELIVERY, AS REQUIRED BY COMMISSION POLICY.

No other significant issues have been identified.

II. SPHERE OF INFLUENCE PLAN

The Sphere of Influence (SOI) for Drainage District No. 1 originates from a coterminous sphere that was adopted in 1985. No change to either the SOI or the district boundary has occurred since that date. The SOI Plan recommendation is based directly on the information and discussions in the MSR and the MSR factor determinations above. In Butte County drainage and reclamation districts have all had coterminous SOI boundaries and Drainage District No. 1 is no different. Unlike cities where boundaries are constantly changing because of new development that requires city services, drainage districts have been based on long-standing infrastructure and topography that doesn't normally change. Furthermore, new growth is not anticipated adjacent to the District that would require an expansion of the District boundary. A coterminous SOI is recommended as appropriate.

SPHERE OF INFLUENCE PLAN REVIEW FACTORS FOR DRAINAGE DISTRICT NO. 1

There are numerous factors to consider in reviewing a SOI Plan, including current and anticipated land uses, facilities, and services, as well as any relevant communities of interest. Updates generally involve a comprehensive review of the entire SOI Plan, including boundary and SOI maps and the District's MSR. In reviewing an agency's sphere, the Commission is required to consider and prepare written statements addressing five factors enumerated under California Government Code Section 56425(e). Each of the SOI review factors are listed below, with a corresponding determination.

SOI FACTOR NO. 1: The present and planned land uses in the area, including agricultural and open-space lands.

***SOI DETERMINATION NO. 1:** Butte County retains the responsibilities for land use decisions for all but three parcels in the district. Though the average parcels size in the district is 7.75 acres the County has zoned the majority of the district for agriculture with either 20 acre or 40 acre minimum parcel sizes. This will significantly limit any further land divisions and maintain agriculture as the primary use. Intensive agricultural uses are located throughout the district.*

SOI FACTOR NO. 2: The present and probable need for public facilities and services in the area.

***SOI DETERMINATION NO. 2:** With low projected population growth and limited potential for land divisions, the amount of new impervious surfacing is low and the present and probable need for services within the district is not expected to change. Maintenance of existing facilities will continue to be the priority of the District.*

SOI FACTOR NO. 3: The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

***SOI DETERMINATION NO. 3:** The present capacity of the district's facilities is sufficient to provide acceptable levels of agriculturally related drainage services. There is no expected significant change to the present capacity or adequacy of the services currently provided by Drainage District No. 1.*

SOI Factor No. 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.

SOI DETERMINATION No. 4-1: *Drainage District No 1 provides a service essential to the agricultural economy of the area which represents an economic community of interest in the area.*

SOI Determination No. 4-2: *The socio-economic community of interest represented by the City of Gridley has the potential to impact the District as a result of impervious surfaces from new development. Effectively mitigating peak stormwater flows into the District is a necessary component for maintaining capacity.*

SOI FACTOR NO. 5: For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

SOI DETERMINATION No. 5: *Drainage District No 1 does not provide services related to sewers, municipal and industrial water, or structural fire protection.*

DRAINAGE DISTRICT NO. 1 MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE FINDINGS AND RECOMMENDATIONS

Based on the MSR and SOI determinations as listed above, the Commission:

1. Finds that the services being provided by the district are adequate and are being provided in an effective and efficient manner for their intended purpose of draining agricultural lands.
2. Finds that the District is not in compliance with the required election/appointment requirements for board members and must rectify this issue as soon as possible.
3. Finds that no changes to the Sphere of Influence boundary for the district are necessary.
4. Affirms the existing Sphere of Influence coterminous boundary for Drainage District No. 1 as shown on the Figure 2-1 on page 2-2.

MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE PLAN
FOR
DRAINAGE DISTRICT NO. 2



ADOPTED JUNE 7, 2018
BUTTE LAFCO RESOLUTION NO. 16 2017/18

DRAINAGE DISTRICT NO. 2 DATA SHEET

Contact: Ted Trimble, General Manager
 Address: PO Box 190, Richvale, CA 95974
 Phone: (530) 342-5083
 Webpage: N/A

GOVERNING BOARD

<u>Board of Directors</u>	<u>Member</u>	<u>Term Expires</u>
	John Sheppard	2018 or until succeeded
	Dennis Thengvall	2018 or until succeeded
	Eric Lundberg	2018 or until succeeded

Normal Board Meeting Dates: Biannual meetings are held in February to address insurance issues and in July to adopt a budget. Special meetings are held as needed. Meetings are held at the offices of the Western Canal Water District located at 2003 Nelson Rd, Nelson, CA

FORMATION INFORMATION

Date of Formation: February 3, 1920

PURPOSE

1. Enabling Legislation: Section 5 of Act 985, State of California, "An Act to Promote Drainage"
2. Provided Services:
 Maintenance of drainage and flood control improvements and drainage courses

AREA SERVED

1. No. of Parcels: 53
3. District Size: 7,587 acres
4. Estimated Population: 62 (2015)
5. Location: Southwestern Butte County near the town of Nelson
6. Sphere of Influence: Coterminous with approved district boundaries.

FINANCIAL INFORMATION

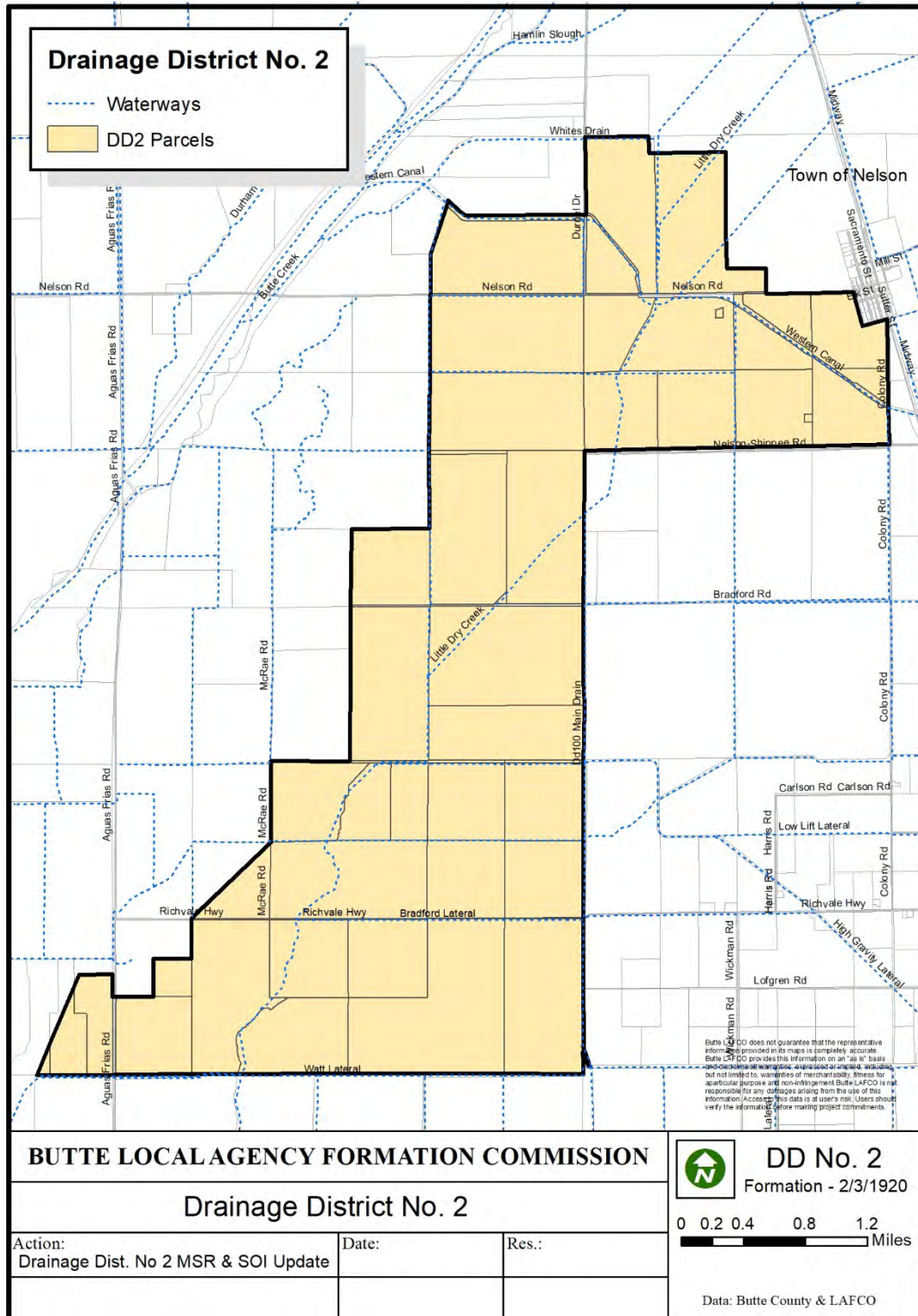
Fiscal Year 2015-16

Revenues: \$5,021
 Expenditures: \$2,297
 Fund Balance end of FY 2015-16: \$29,002

Revenue Sources:

- Property taxes
- Charges for services
- Interest on fund balance

FIGURE 3-1 DRAINAGE DISTRICT NO. 2



DISTRICT CHARACTERISTICS

Drainage District No. 2 (DD2) is located south and west of the town of Nelson along Little Dry Creek (Figure 3-1). The District covers 7,587 acres and provides maintenance on approximately eight miles of Little Dry Creek and a section of a lateral between Little Dry Creek and Butte Creek, for drainage purposes. Little Dry Creek is a naturally occurring tributary to Butte Creek. The creek has been modified to accommodate irrigation and stormwater flows. The District provides no maintenance of private ditches and drains. The maintenance for these private conveyance features is the responsibility of individual landowners whose property is adjacent to the ditches. The District does not own or lease any conveyance or detention facilities. The District contracts its maintenance duties out to various outside vendors. The District was formed in 1920 pursuant to Section 5 of Act 985 of the Legislation of the State of California, "An Act to Promote Drainage."

The land use within the District boundaries is primarily intensive agriculture with very low-density, single-family residences. All 53 parcels within this District are zoned AG-80 (Agriculture with an 80-acre minimum), twelve of which are held in voluntary



agricultural land conservation under rolling 10-year contracts associated with the Williamson Act (www.consrv.ca.gov/DLRP/lca/index.htm). Eighteen of the larger parcels have the potential for further land division however, parcels cannot be created smaller than 80 acres. The division of agricultural parcels in this area is expected to be limited due to economic and land use trends associated with the intensity of agriculture within the District and the significant acreage under Williamson

Act contracts. This limits the need for any expanded drainage services.

While the primary purpose of the District is to maintain the infrastructure (Little Dry Creek) needed to drain agricultural water from rice fields, winter stormwater is also carried through the same conveyance facilities. Storm water volumes are directly related to the slope and runoff co-efficient of the land. The slope of the land within the district is generally very low 1% to 2%, which keeps drainage velocities slow. Soil types and impervious surfaces directly affect runoff volumes. More water runoff is generated from saturated soils and the introduction of impervious surfaces such as buildings, paved roads, and parking areas can have the most significant impact on increased runoff by preventing infiltration. Generally, the land within the district has a very low percentage of impervious surfaces and the likelihood of new areas of significant impervious surfaces are low due to the nature of the agricultural methods used.

Water quality is monitored by the Central Valley Regional Water Quality Control Board. The Butte County Storm Water Management Plan (September 2003) addresses issues associated with stormwater pollution.

I. MUNICIPAL SERVICE REVIEW

MSR FACTOR NO. 1: GROWTH AND POPULATION PROJECTIONS FOR THE AFFECTED AREA

For purposes of this analysis, the expected population growth in the District has been projected to the year 2030 assuming an annual growth rate of 0.5 percent, which corresponds to the historic growth in the entire unincorporated portions of the County as estimated by the State Department of Finance for the 7 years from 2010 to 2017. The 2010 population figure was derived from the 2010 Census using census block data.

Drainage District 2 Estimated Population Growth	
2010	60
2015	62
2020	64
2025	66
2030	68

MSR DETERMINATION NO. 1: *The approximate population of the District is currently 62 and is expected to grow at a rate of approximately 0.5 percent annually areas through 2030. No significant new development is anticipated to occur within the District.*

MSR FACTOR NO. 2: THE LOCATION AND CHARACTERISTICS OF ANY DISADVANTAGED UNINCORPORATED COMMUNITIES WITHIN OR CONTIGUOUS TO THE SPHERE OF INFLUENCE.

Disadvantaged unincorporated communities (DUCs) are defined by statute as inhabited territory (meaning 12 or more registered voters), or as determined by commission policy, that constitutes all or a portion of a community with an annual median household income (MHI) that is less than 80 percent of the statewide annual MHI (Water Code Section 79505.5). The statewide MHI data is obtained from the US Census American Community Survey (ACS) 5-Year Data: 2010 - 2014. California's MHI for this period was \$61,489, and 80 percent of that is \$49,191. The identification of DUCs as it relates to LAFCo is to ensure that these communities are fairly served with essential municipal services of public sewer, water and fire protection.

DUCs were identified by utilizing the Disadvantage Communities Mapping tool offered by the California Department of Water Resources at <https://gis.water.ca.gov/app/dacs/>. Based on an analysis of census block groups, no DUCs were identified in Drainage District No. 2.

MSR DETERMINATION NO. 2: *Drainage District No. 2 is not within or adjacent to an area that has been identified as being a DUC.*

MSR FACTOR NO. 3: PRESENT AND PLANNED CAPACITY OF PUBLIC FACILITIES ADEQUACY OF PUBLIC SERVICES, AND INFRASTRUCTURE NEEDS OR DEFICIENCIES INCLUDING NEEDS OR DEFICIENCIES RELATED TO SEWERS, MUNICIPAL AND INDUSTRIAL WATER, AND STRUCTURAL FIRE PROTECTION IN ANY DISADVANTAGED, UNINCORPORATED COMMUNITIES WITHIN OR CONTIGUOUS TO THE SPHERE OF INFLUENCE.

Although Drainage District No. 2's drainage capacity has not been quantified, the District noted that no capacity problems have been reported and the infrastructure of the District provides a level of service that is appropriate. The drainage facilities managed by the District currently accommodate irrigation and stormwater drainage from its 7,587 acres. Because the majority of the District is located within a 100-year flood zone as mapped by FEMA, large storm events may potentially cause widespread flooding despite adequately maintained facilities.

The District does not provide sewer, municipal water or structural fire protection services and is not in or adjacent to a Disadvantaged Unincorporated Community (DUC) and would therefore not have any service to a DUC.

***MSR DETERMINATION NO. 3-1:** Based on the data reviewed, the operation and maintenance of the drainage facilities appears to be adequate. At the present time, the district has the ability and the capacity to serve the existing agricultural service area and has no unmet infrastructure needs or deficiencies for normal wet year scenarios. The physical capacity of the District to accommodate drainage from unusual peak flows is uncertain.*

***MSR DETERMINATION NO. 3-2:** The District does not impact any disadvantaged unincorporated community as it does not deliver sewer, municipal water, or fire protection services and is not in or adjacent to a disadvantaged unincorporated community.*

MSR FACTOR NO. 4: FINANCIAL ABILITY OF AGENCIES TO PROVIDE SERVICES

REVENUE AND EXPENDITURES

The District follows the General Accounting Standard Board Statement No. 34 (GASB 34) accounting standards. A summary of estimated revenue and expenditures was provided with the actual budget for Fiscal Year (FY) 2014–2015 through 2016-2017 and proposed/approved budget for FY 2017–2018.

In FY 2016–17, the District ended the year with \$31,292 in total fund balance. Primary sources of revenue included property taxes, interest, and charges for current services. Operating revenues totaled \$4,576 with expenses of \$2,286 which added \$2,290 to the District's fund balance which has been steadily increasing over the past 10 years from \$10,997 in FY 2005-06 to \$31,292 in FY 2016-17. The District provided LAFCO staff with audits for fiscal years 2013-14, 2014-15, and 2015-16. The audits conform to the figures contained in the County budgets for those years.

Proposition 218 restricts local government's ability to impose assessment and property-related fees and requires elections to approve many local governmental revenue-raising methods. Any change to the amount of the assessment must be approved by a majority of the voters in the District at a duly-called election pursuant to Proposition 218 and legislation implementing its terms. Revenue to the district comes primarily from a small share of property taxes and from fees for services which are not subject to Proposition 218 requirements.

The District does not have an adopted Capital Improvement Plan, does not provide an annual contribution to the State Education Revenue Augmentation Funds (ERAF), and does not have any outstanding debt. The District has not been party to any legal actions affecting its financial status and has no outstanding litigation. The District is a member of the Special Districts Insurance Program.

DRAINAGE DISTRICT NO. 2 FY 2014-15 TO FY 2017-18 BUDGETS				
Detail by Revenue Category and Expenditure Object	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Adopted
REVENUES				
TAXES	1,504	1,589	1,481	1,635
INTEREST	224	276	200	280
FAIRMARKET VALUE ADJUSTMENT – GAIN (LOSS)	12	180	-	185
CHARGES FOR SERVICES	2,833	2,952	2,800	3,000
MISCELLANEOUS REVENUE	22	23	15	
TOTAL REVENUES	\$4,595	\$5,021	\$4,576	\$5,100
EXPENDITURES/APPROPRIATIONS				
SERVICE & SUPPLIES	2,159	2,297	2,286	6,000
FIXED ASSETS	-	-	-	-
TOTAL EXPENDITURES/APPROPRIATIONS	\$2,159	\$2,297	\$2,286	\$6,000
NET COSTS/USE OF FUND BALANCE	(\$2,436)	(\$2,794)	(\$2,290)	\$900
ENDING FUND BALANCE	\$26,208	\$29,002	\$31,292	\$30,392

In accordance with Government Code Section 53901, every local agency shall file a copy of its annual budget with the County Auditor of the County in which it conducts its principal operations, unless exempted by the County Auditor 60 days after the beginning of its fiscal year. District officials have complied with this requirement through submittal of annual budgets to the County Auditor. The District is in compliance with this law. To save money, the Trustees of DD2 have waived any compensation for meeting attendance, etc.

MSR DETERMINATION No. 4: Revenue appears to provide adequate funds to cover the cost of providing the limited drainage maintenance services the district provides. Revenues normally exceed expenditures and the district currently has a small fund balance that could be utilized for unanticipated expenses.

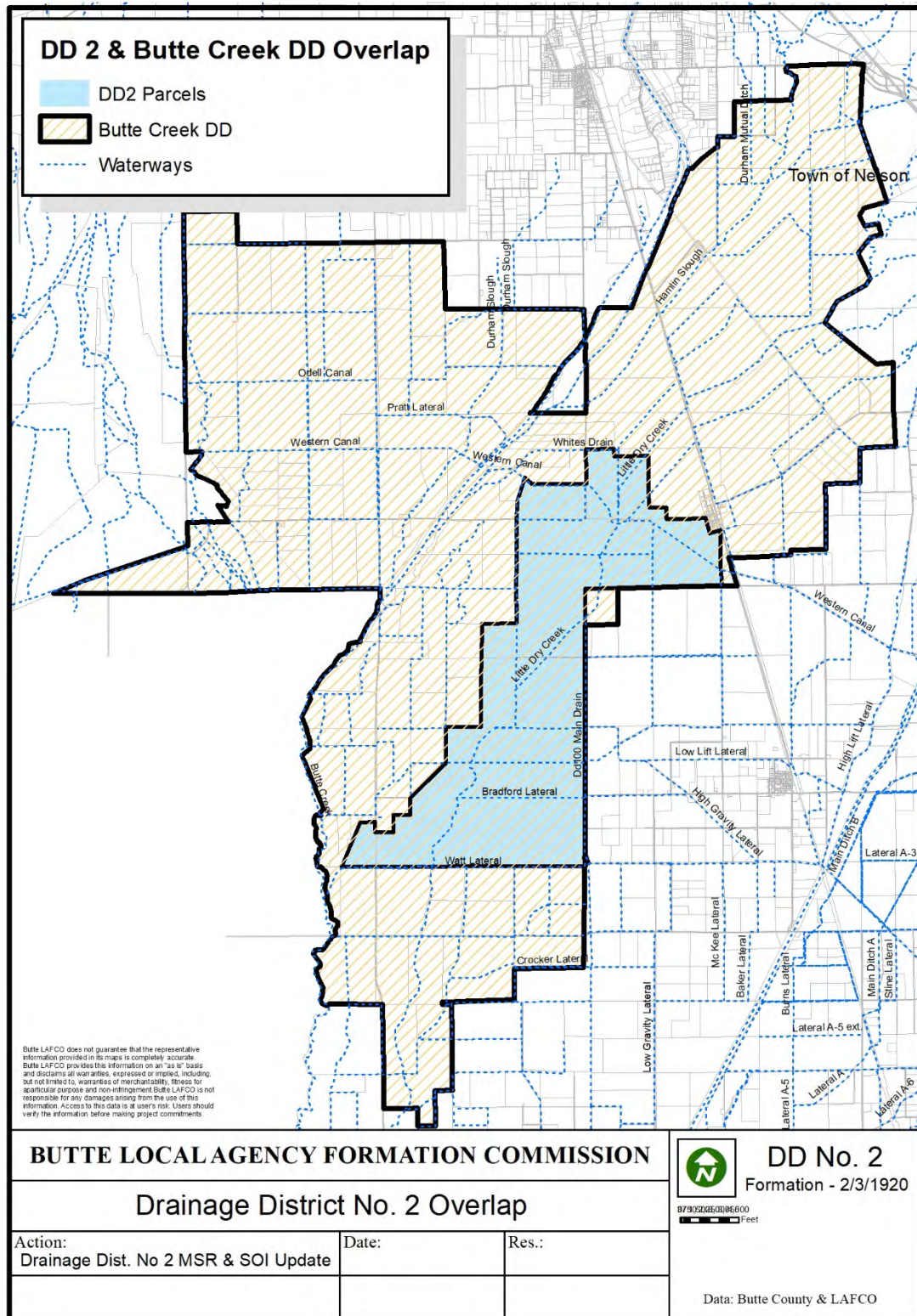
MSR FACTOR 5: STATUS OF, AND OPPORTUNITIES FOR SHARED FACILITIES

Southwestern Butte County is primarily an agricultural area with a myriad of water (both irrigation and reclamation) conveyance systems and structures to support the agricultural use of the land. This same infrastructure also mitigates to some extent stormwater flows from existing developed urban areas. While each component of infrastructure is unique to its purpose within any one local agency, the water conveyance systems have a unifying larger purpose of irrigating and draining south Butte County. For this reason, each local agency should be cognizant of potential resource sharing opportunities with respect to maintenance, stormwater planning and related functions.

The entirety of Drainage District No. 2 lies within the boundaries of Butte Creek Drainage District, a much larger district that surrounds DD2 on three sides (Figure 3-2). The two Districts were formed under the same enabling statute and provide similar services in that they collect revenue to maintain portions of a waterway. The administrative functions of both districts are currently handled by the manager of the Western Canal Water District. Neither Butte Creek Drainage District nor Drainage District No. 2 has sufficient staff or resources to perform its own administrative and maintenance duties. With this in mind, the dissolution of the district and transfer of the assets and responsibilities to Butte Creek Drainage District would provide more efficient and seamless management of the drainage resources in the area. It is recommended that Drainage District No. 2 be dissolved and assets be allocated to the Butte Creek Drainage District.

MSR DETERMINATION NO. 5: *Drainage District No. 2 has no employees and contracts with private vendors for maintenance service. The functions performed by the District could easily be administered and managed by another drainage district such as Butte Creek Drainage District, thereby simplifying the management and coordination of drainage services in the area.*

FIGURE 3-2



MSR FACTOR 6: ACCOUNTABILITY FOR COMMUNITY SERVICES NEEDS, INCLUDING GOVERNMENTAL STRUCTURE AND OPERATIONAL EFFICIENCIES.

Drainage District No. 2 is an independent special district governed by a Board of Directors consisting of three members elected by landowners within the District. The current members have been on the Board since at least 2007. In speaking with the current contact for the District, a date of the last election was not known and a term expiration date for each Board member couldn't be exactly determined. A request was made for a copy of the Districts by-laws but no record of any adopted bylaws was provided. The enabling act requires the District to adopt by-laws as guidance for governing the District. If the District is to continue as an independent entity terms for each board member must be determined and elections or appointments conducted to comply with the enabling act.

Biannual meetings are typically held in February to address insurance issues and in July to adopt a budget. Special meetings are held as needed. Meetings are held at the offices of the Western Canal Water District located at 2003 Nelson Rd, Nelson, CA.

The District does not have a website, nor is it required to at this time. However, the California Special District Association (CSDA) strongly encourages all special districts to maintain a website by 2020 (2018 - Senate Bill 929) in an effort to support transparency and encourage citizen participation. The District has no employees, but rather utilizes independent contractors to perform maintenance functions as necessary. This recommendation would not be applicable if the District is dissolved.

MSR DETERMINATION NO. 6-1: *The district is managed by a board of trustees elected by landowners within the district. The trustees manage service need with independent contractors rather than full time staff, which allows for more efficiency in a small district. The district utilizes the Butte County Auditor-Controller's office for treasury services which also promotes efficiency.*

MSR DETERMINATION NO. 6-2: *The District does not appear to be holding elections for the appointment of the Board of Directors as require. No by-laws could be found for the District. By-laws are required to be adopted by the principle act. If the District remains in place this oversight needs to be rectified and elections or appointments conducted so that term expiration dates can be determined for each board member.*

MSR FACTOR NO. 7: ANY OTHER MATTER RELATED TO EFFECTIVE OR EFFICIENT SERVICE DELIVERY, AS REQUIRED BY COMMISSION POLICY.

No other significant issues have been identified.

II. SPHERE OF INFLUENCE PLAN

The Sphere of Influence (SOI) for Drainage District No. 2 dates back to a coterminous sphere that was adopted in 1985. No changes to either the SOI or the district boundary

have occurred since that date. The SOI Plan recommendation is based directly on the information and discussions in the MSR and the MSR factor determinations above which provide the framework for the SOI factors discussed below. In Butte County, drainage and reclamation districts have all had coterminous SOI boundaries. Unlike cities where boundaries are constantly changing because of new development that requires city services, drainage districts have been based on long-standing infrastructure and topography that doesn't normally change. No new growth is anticipated in the District. Because the District is located entirely within the boundary of Butte Creek Drainage District and the District provides limited and very specific maintenance work the duties of the District could be more efficiently provided by Butte Creek Drainage and a zero sphere of influence is recommended

SPHERE OF INFLUENCE PLAN REVIEW FACTORS FOR DRAINAGE DISTRICT NO. 2

There are numerous factors to consider in reviewing a SOI Plan, including current and anticipated land uses, facilities, and services, as well as any relevant communities of interest. Updates generally involve a comprehensive review of the entire SOI Plan, including boundary and SOI maps and the District's MSR. In reviewing an agency's sphere, the Commission is required to consider and prepare written statements addressing five factors enumerated under California Government Code Section 56425(e). Each of the SOI review factors are listed below, with a corresponding determination.

SOI FACTOR NO. 1: The present and planned land uses in the area, including agricultural and open-space lands.

***SOI DETERMINATION NO. 1:** Butte County retains the responsibilities for land use decisions for all parcels in the district. Agriculture is the primary land use in the district and it is unlikely that this will change in the foreseeable future. The County has zoned the district for agriculture with an 80 acre minimum parcel size. This zoning significantly limits any further land divisions and serves to maintain agriculture*

SOI FACTOR NO. 2: The present and probable need for public facilities and services in the area.

***SOI DETERMINATION NO. 2:** With low projected population growth and limited potential for land divisions, the present and probable need for services within the district is not expected to change. Maintenance of existing facilities is the priority of the District.*

SOI FACTOR NO. 3: The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

SOI DETERMINATION NO. 3: *The present capacity of the District's facilities is sufficient to provide acceptable levels of agricultural drainage services. There is no expected change to the present capacity or adequacy of the services currently provided by Drainage District No. 2.*

SOI FACTOR NO. 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.

SOI DETERMINATION NO. 4: *Drainage District No 2 provides drainage services to a large agricultural area that has limited population. No defined social or economic communities of interest exist within the district other than the production of agricultural commodities.*

SOI FACTOR NO. 5: For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

SOI Determination No. 5: *Drainage District No 2 does not provide services related to sewers, municipal and industrial water, or structural fire protection.*

DRAINAGE DISTRICT NO. 2 MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE FINDINGS AND RECOMMENDATIONS

Based on the MSR and SOI determinations as listed above, the Commission:

1. Finds that Drainage District No. 2 is located entirely within the boundary of the Butte Creek Drainage District.
2. Finds that Drainage District No. 2 exists solely to generate funding to maintain a section of Little Dry Creek and said maintenance is performed exclusively through contract with independent vendors.
3. Finds that the day-to-day management of the District is performed by the same district manager as the Butte Creek Drainage District and that overall efficiency could be achieved by dissolution of the district and the transference of the assets and responsibilities of Drainage District No. 2 to Butte Creek Drainage District which would provide more efficient and seamless management of the drainage facilities and services in the area.
4. Adopt a Zero Sphere of Influence for Drainage District No 2.
5. Recommend that the District make an application to LAFCo for dissolution.

MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE PLAN
FOR
DRAINAGE DISTRICT NO. 100



ADOPTED JUNE 7, 2018
BUTTE LAFCO RESOLUTION NO. 16 2017/18

DRAINAGE DISTRICT NO. 100 DATA SHEET

Contact: Ken Akin, District Manager
 Address: PO Box 384, Richvale, CA 95974
 Office: 1205 School Street, Richvale, CA
 Phone: (530) 882-4212
 Webpage: N/A

GOVERNING BOARD

<u>Board of Directors</u>	<u>Member</u>	<u>Term Expires</u>
	Michael Lundburg	2019
	Dennis Thengvall	2019
	Michael Arens	2020

Normal Board Meeting Dates: Once a month on the Thursday closest to the 15th of the month. Meetings are held at the District Office located at 1205 School St., Richvale, CA.

FORMATION INFORMATION

Date of Formation: August 30, 1915

PURPOSE

1. Enabling Legislation: California Water Act of 1913
2. Provided Services:
 Maintenance of drainage and flood control improvements and drainage courses

AREA SERVED

1. No. of Parcels: 486
3. District Size: 27,013 acres
4. Estimated Population: 956 (2015)
5. Location: Southwestern Butte County near the town of Richvale
6. Sphere of Influence: Coterminous with approved district boundaries.

FINANCIAL INFORMATION

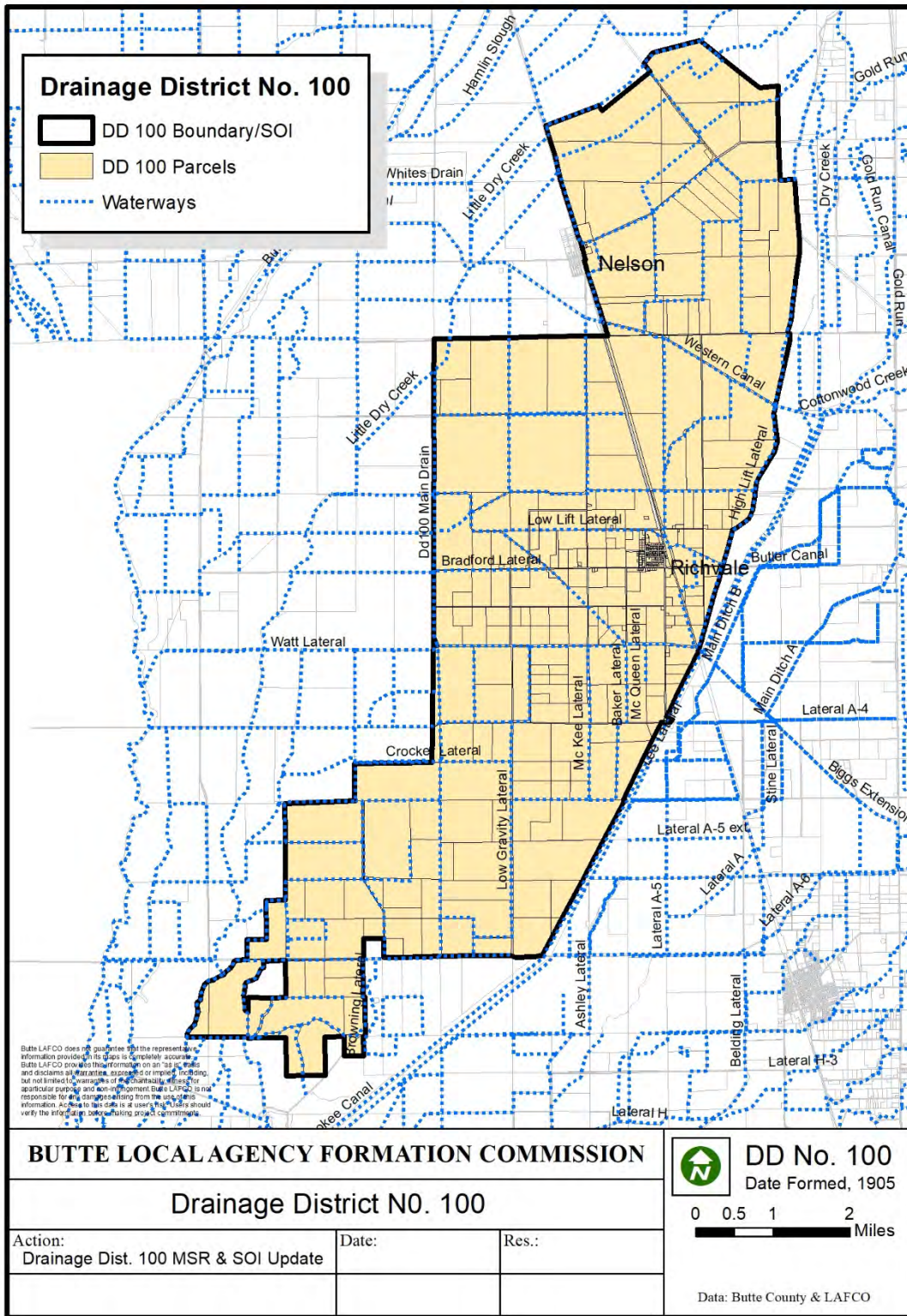
Fiscal Year 2016-17

Revenues: \$272,838
 Expenditures: \$248,821
 Fund Balance end of FY 2016-17: \$337,449

Revenue Sources:

- Property taxes.
- Property Assessments
- Interest on fund balance

FIGURE 4-1 DRAINAGE DISTRICT NO. 100



DISTRICT CHARACTERISTICS

Drainage District No. 100 (DD100) is located on the east side of the town of Nelson and extending southwesterly approximately 11 miles encompassing the town of Richvale (Figure 4-1). The District collects runoff from agricultural irrigation water and storms in an area of approximately 27,013 acres. The district was formed in 1915 pursuant to the California Water Act of 1913.

The area within the District boundaries is primarily intensive agriculture (primarily rice fields) with very low-density, single-family residences located in the towns of Richvale and Nelson. The majority of the parcels within this District are zoned Agriculture with an 80 or 160-acre minimum with 19 parcels being designated AS for Agricultural Services. The parcels located within Richvale and Nelson have urbanized zoning designations including Medium Density Residential and Community Commercial. One hundred parcels covering 15,224 acres of the agricultural parcels are held in voluntary agricultural land conservation under rolling 10-year contracts associated with the Williamson Act (www.consrv.ca.gov/DLRP/lca/index.htm). There is some potential for division of the larger parcels. However, significant division of agricultural parcels in this area is unlikely due to economic and land-use trends associated with intense agricultural production within the District and the significant acreage under Williamson Act contracts. If population growth does occur, it is likely to occur in Richvale and Nelson.

While the primary purpose of the District is to maintain the infrastructure needed to drain agricultural water from rice fields, winter stormwater is also carried through the same network of ditches. Storm water volumes are directly related to the slope and runoff co-efficient of the land. The slope of the land within the district is generally very low, 1% to 2%, which keeps drainage velocities slow. Soil types and impervious surfaces directly affect runoff volumes. More water runs off saturated soils and the introduction of impervious surfaces such as buildings, paved roads, and parking areas can have the most significant impact on increased runoff by preventing infiltration. Generally, the land within the district has a very low percentage of impervious surfaces and the likelihood of new areas of significant impervious surfaces are low due to the nature of the agricultural nature of the lands in the district and the zoning that's in place.

Infrastructure within the District consists of a network of drainage and irrigation canals. Drainage channels were constructed to convey agricultural return water from surrounding fields. Eventually, the drainage water flows to Butte Creek via several alternate routes. **The District provides maintenance of ditches for stormwater and irrigation drainage purposes and also owns and maintains 17 bridges.** The District's Drainage facilities are approximately 80% owned and 20% easements.

Generally, all maintenance duties are performed by Drainage District No. 100 staff, consisting of a manager and one employee. Maintenance functions include mowing adjacent to drainage ditches, seasonal herbicide spraying to prevent weeds within the drainage ditches and bridge maintenance, repair, and replacement. Larger projects may be contracted out.

The District’s irrigation and stormwater ultimately drains into Butte Creek, which is located outside of the District boundaries. Butte Creek, a natural stream channel, provides drainage conveyance for a number of districts in the area. In order to assist in the maintenance of a portion of Butte Creek, the District participates in a multi-party maintenance agreement with Reclamation District No. 833, Drainage District No. 200 and Butte Creek Drainage District. The maintenance agreement was established on June 2, 1936. The agreement quantifies the apportionment of the expense to be shared between all of the districts for the cost of clearing vegetation and stabilizing bank erosion along a section of Butte Creek known as the Moulton Cut. The cost-share is based on the total acreage of the agreement parties. Reclamation District No. 833’s portion is the combined acreage of RD833’s and Drainage District No. 200’s acreage. Reclamation District 833 performs the needed maintenance or administers a contract for the work. In recent years, the work being performed has come under closer scrutiny by the California Department of Fish and Wildlife and the U.S. Army Corp of Engineers. The permitting requirement of these two agencies has increased the cost of maintenance and significantly complicated the procedure for doing work in the stream channel. As a result, Reclamation District 833 chose to replace a damaged bridge that had a support pier in Butte Creek with a new clear span bridge. This has significantly reduced the amount of trees and debris by the old bridge and significantly reduced the maintenance needed in this section of Butte Creek. Reclamation District 833 will continue to monitor this section of Butte Creek and perform the maintenance subject to available resources. .

MSR FACTOR NO. 1: GROWTH AND POPULATION PROJECTIONS FOR THE AFFECTED AREA

For purposes of this analysis, the expected population growth in the District has been projected to the year 2030 assuming an annual growth rate of 0.5 percent, which corresponds to the historic growth in the unincorporated portions of the County as estimated by the State Department of Finance for the 7 years from 2010 to 2017. The 2010 population figure was derived from the 2010 Census using census block data.

As previously discussed, the District covers an area that is devoted to intensive agricultural production, primarily rice. Parcels are large and population density is low. The zoning restricts the creation of new parcels to 80 or 160 acre minimums with one dwelling per parcel. Based on these factors the growth rate for the district would not likely be greater than for the County as a whole.

Drainage District 100 Estimated Population Growth	
2010	933
2015	956
2020	980
2025	1,005
2030	1,030

MSR DETERMINATION NO. 1: *The current population within the District is approximately 956 people and is expected to grow at a rate of approximately 0.5 percent annually areas through 2030. No significant new development is anticipated to occur within the District.*

MSR FACTOR NO. 2: THE LOCATION AND CHARACTERISTICS OF ANY DISADVANTAGED UNINCORPORATED COMMUNITIES WITHIN OR CONTIGUOUS TO THE SPHERE OF INFLUENCE.

Disadvantaged unincorporated communities (DUCs) are defined by statute as inhabited territory (meaning 12 or more registered voters), or as determined by commission policy, that constitutes all or a portion of a community with an annual median household income (MHI) that is less than 80 percent of the statewide annual MHI (Water Code Section 79505.5). The statewide MHI data is obtained from the US Census American Community Survey (ACS) 5-Year Data: 2010 - 2014. California's MHI for this period was \$61,489, and 80 percent of that is \$49,191.

DUCs were identified by utilizing the Disadvantage Communities Mapping tool offered by the California Department of Water Resources at <https://gis.water.ca.gov/app/dacs/>. Based on census block groups, a small portion of Drainage District No. 100 is in a DUC located around the town of Nelson. The existence of a disadvantaged unincorporated community within the District does not affect the District's ability to provide services, nor do the District's services affect the status of these communities as "disadvantaged".

MSR DETERMINATION NO. 2: *The northern portion of the District around the town of Nelson is in a Disadvantaged Unincorporated Community, based on census block group data. The census block extends into the community of Durham and contains 390 households with a Median Household Income of \$39,904. The provision of drainage services benefits these households.*

MSR FACTOR NO. 3: PRESENT AND PLANNED CAPACITY OF PUBLIC FACILITIES ADEQUACY OF PUBLIC SERVICES, AND INFRASTRUCTURE NEEDS OR DEFICIENCIES INCLUDING NEEDS OR DEFICIENCIES RELATED TO SEWERS, MUNICIPAL AND INDUSTRIAL WATER, AND STRUCTURAL FIRE PROTECTION IN ANY DISADVANTAGED, UNINCORPORATED COMMUNITIES WITHIN OR CONTIGUOUS TO THE SPHERE OF INFLUENCE.

Drainage District No. 100's drainage capacity has not been quantified. The drainage facilities managed by the District currently accommodate irrigation and stormwater drainage from 27,013 acres. The District indicates that no capacity problems have been reported. However, it should be noted that because the majority of the District is located within a 100-year flood zone as mapped by FEMA and the State of California OES, large storm events have the potential to overwhelm the drainage system and cause widespread flooding regardless of the District's drainage capacities.

Drainage District No. 100 owns approximately 1/4 acre within the town of Richvale at 1205 School Street, which is utilized for offices, maintenance buildings, and equipment

storage. Board meetings are also held at this location. The facilities meet the needs of the District and no expansion is needed at this time.

The District provided an inventory of its equipment, including the following: two backhoes, one mower, one pickup, and two trucks, all of which are in good condition. The District does not own any ditches or detention facilities. However, it does own and maintain 17 bridges located throughout the District. Maintenance of these bridges is crucial to the ability of the district to access the drainage conveyance infrastructure they maintain.

LAFCo staff requested a map of the District's facilities and did not receive a map as there were limited copies available. No digital mapping is used by the District. LAFCO believes that both the District and LAFCO would benefit by having current mapping of the District's facilities utilizing a digital format such as GIS, this observation is a determination.

While the District does not have a capital improvement plan (CIP), occasionally there is a larger capital project undertaken by the District, it would be helpful to District residents if the District prepared a basic CIP or other documents that described current and future infrastructure improvements or significant maintenance expenses.

Though a small portion of the District is in a DUC the District does not provide sewer, municipal water or structural fire protection services and would therefore not have any service impact to the DUC.

MSR DETERMINATION NO. 3-1: *The operation and maintenance of the drainage facilities appears to be adequate. At the present time, the District has the ability and the capacity to serve the existing service area and has no unmet infrastructure needs or deficiencies for normal wet year scenarios. The physical capacity of the District to accommodate drainage or alterations for unusual peak flows is uncertain.*

MSR Determination No. 3-2: *A portion of the District is identified as being in a Disadvantaged Unincorporated Community (DUCs) however the service issues related to DUCs are not relevant to the District which provides drainage services.*

MSR DETERMINATION NO. 3-3: *It would be helpful to District residents if the District prepared a basic capital improvement plan or other documents that described current and future infrastructure improvements or significant maintenance expenses.*

MSR DETERMINATION NO. 3.4: *The District does not have maps of its facilities readily available to the public nor does it maintain digital mapping. The District, the public and other agencies would benefit from having current mapping of the District's facilities and the District is encouraged to utilize a digital format such as GIS that can be easily shared via the internet.*

MSR FACTOR NO. 4: FINANCIAL ABILITY OF AGENCIES TO PROVIDE SERVICES

The District follows the General Accounting Standard Board Statement No. 34 (GASB 34) accounting standards. A summary of estimated revenue and expenditures was provided with the actual budget for Fiscal Year (FY) 2014–15 through FY 2016-17 and proposed/approved budget for FY 2017–18.

Proposition 218 restricts local government's ability to impose assessment and property-related fees and requires elections to approve many local governmental revenue raising methods. Any change in the amount of the assessment must be approved by a majority of the voters in the District at a duly-called election pursuant to Proposition 218 and legislation implementing its terms. The District charges an assessment fee of \$4.50 per acre on all properties greater than one acre in size located within the District boundaries.

In FY 2016–2017, the District maintained \$337,449 in total net assets. Major sources of revenue included property taxes, interest, and assessments. Operating revenues totaled \$272,838. Operating expenses totaled \$246,821, which allowed the reserve fund balance to increase by \$26,016. While revenues and expense fluctuate slightly from year to year revenues generally exceed expenses as evidence by the Districts increasing fund balance which has increased almost \$40,000 over two years and approximately \$104,000 since FY2004-05 when it was \$233,000. The District appears to be managed in a fiscally responsible manner with adequate revenues to meet its obligations. No rate restructuring appears to be needed at this time. There are no emergency funding strategies or reserve policies in place.

The District does not have an adopted Capital Improvement Plan, does not provide an annual contribution to the State Education Revenue Augmentation Funds (ERAF), and does not have any outstanding debt. The District has not been party to any legal actions affecting its financial status and has no outstanding litigation. The District is a member of the Special Districts Insurance Program.

In accordance with Government Code Section 53901, every local agency shall file a copy of its annual budget with the County Auditor of the County in which it conducts its principal operations, unless exempted by the County Auditor 60 days after the beginning of its fiscal year. District officials have complied with this requirement through submittal of annual budgets to the County Auditor.

The District provided LAFCO staff with audits for fiscal years 2013-14, 2014-15, and 2015-16. The audits conform closely to the figures contained in the County budgets. The audits identified that for all three years the District did not maintain a complete listing of all property, plant, equipment, accumulated depreciation or current year depreciation expense. The recommendation was made that a complete listing of all capital assets be made and related accumulated and current year depreciation be developed. This will bring the District into compliance with generally accepted accounting principles. The District is planning to address this issue for FY 2016-17.

MSR DETERMINATION NO. 4-1: Revenue appears to provide adequate funds to cover the cost of providing the drainage maintenance services the district provides. Revenues normally exceed expenditures and the District currently has a moderate fund balance that could be utilized for unanticipated expenses.

MSR DETERMINATION NO. 4-2: The District does not account for accumulated or current year depreciation of capital assets but is working to change this. This does not appear to affect the financial ability of the District to provide services but should be performed to conform to generally accepted accounting principles.

DRAINAGE DISTRICT NO. 100 FY 2014-15 TO FY 2017-18 BUDGETS

Detail by Revenue Category and Expenditure Object	2014-15 Actual	2015-165 Actual	2016-17 Actual	2017-18 Adopted
REVENUES				
TAXES	128,041	144,406	150,762	76,000
INTEREST	2,387	2,695	2,972	7,000
FAIRMARKET VALUE ADJUSTMENT – GAIN (LOSS)	144	1,936	(2,715)	-
SPECIAL ASSESSMENTS	119,350	119,350	119,350	120,000
MISCELLANEOUS REVENUE	1,933	2,334	2,467	2,000
TOTAL REVENUES	\$251,855	\$270,721	\$272,838	\$205,000
EXPENDITURES/APPROPRIATIONS				
SALARIES & EMPLOYEE BENEFITS	151,804	157,689	159,689	170,000
SERVICE & SUPPLIES	101,123	69,825	77,126	110,00
FIXED ASSETS	-	29,733	10,000	10,000
TOTAL EXPENDITURES/APPROPRIATIONS	\$252,927	\$257,248	\$246,821	\$290,000
NET COSTS/USE OF FUND BALANCE	\$1,072	(\$13,474)	(\$26,016)	85,000
ENDING FUND BALANCE	\$297,959	\$311,432	\$337,449	\$252,449

MSR FACTOR 5: STATUS OF, AND OPPORTUNITIES FOR SHARED FACILITIES

The entirety of south Butte County is primarily an agricultural area with a myriad of water (both irrigation and reclamation) conveyance systems and structures to support the agricultural use of the land. This same infrastructure also mitigates to some extent stormwater flows from existing developed urban areas. While each component of infrastructure is unique to its purpose within in any one local agency, the water conveyance systems have a unifying larger purpose of irrigating and draining south Butte County. For this reason, each local agency should be cognizant of potential resource sharing opportunities with respect to maintenance, drainage facilities, stormwater planning and related functions.

Drainage District No. 100 has just 2 employees and equipment that meets the needs of the District. Generally, no excess resources are available to share with another district.

The District does share some water conveyance features with the Richvale Irrigation District and Western Canal Water District, whose boundary overlaps much of the District 100's boundary. The water districts use the facilities when they are not needed for drainage purposes.

MSR DETERMINATION No. 5: *Drainage District No. 100 has staff and equipment to match the needs of the District. No excess resources are generally available. Some District conveyance features are shared through agreements with Richvale Irrigation District and Western Canal Irrigation District for limited irrigation water use when not needed for conveyance of drainage water. The District should continue to be cognizant of potential resource sharing opportunities with respect to maintenance, drainage facilities, stormwater planning, and related functions.*

MSR FACTOR 6: ACCOUNTABILITY FOR COMMUNITY SERVICES NEEDS, INCLUDING GOVERNMENTAL STRUCTURE AND OPERATIONAL EFFICIENCIES.

Drainage District No. 100 is governed by a three member Board of Directors elected by landowners within the District. Members are elected for 4-year terms. Of the current members, two terms expire in 2019 and one in 2020. Meetings are held monthly on the Thursday closest to the 15th of the month. Agendas are posted for the meetings as required. Meetings are held at the District office located at 1205 School Street, Richvale, CA. The District holds elections for Board of Directors seats as required. Board appointments/elections are being properly conducted and meetings conducted in accordance with the Brown Act.

The District does not have a website, nor is it required to at this time. However, the California Special District Association (CSDA) strongly encourages all special districts to



maintain a website by 2020 (2018 - Senate Bill 929) in an effort to support transparency and encourage citizen participation. The District has no employees, but rather utilizes independent contractors to perform maintenance functions as necessary.

MSR DETERMINATION NO. 6-1: *The District is managed by a board of trustees elected by landowners within the district. The trustees manage service need with a small full-time staff. Regular monthly meetings give District landowners opportunity to address service needs and operational efficiencies. The district utilizes the Butte County Auditor-Controller's office for treasury services that also promotes efficiency.*

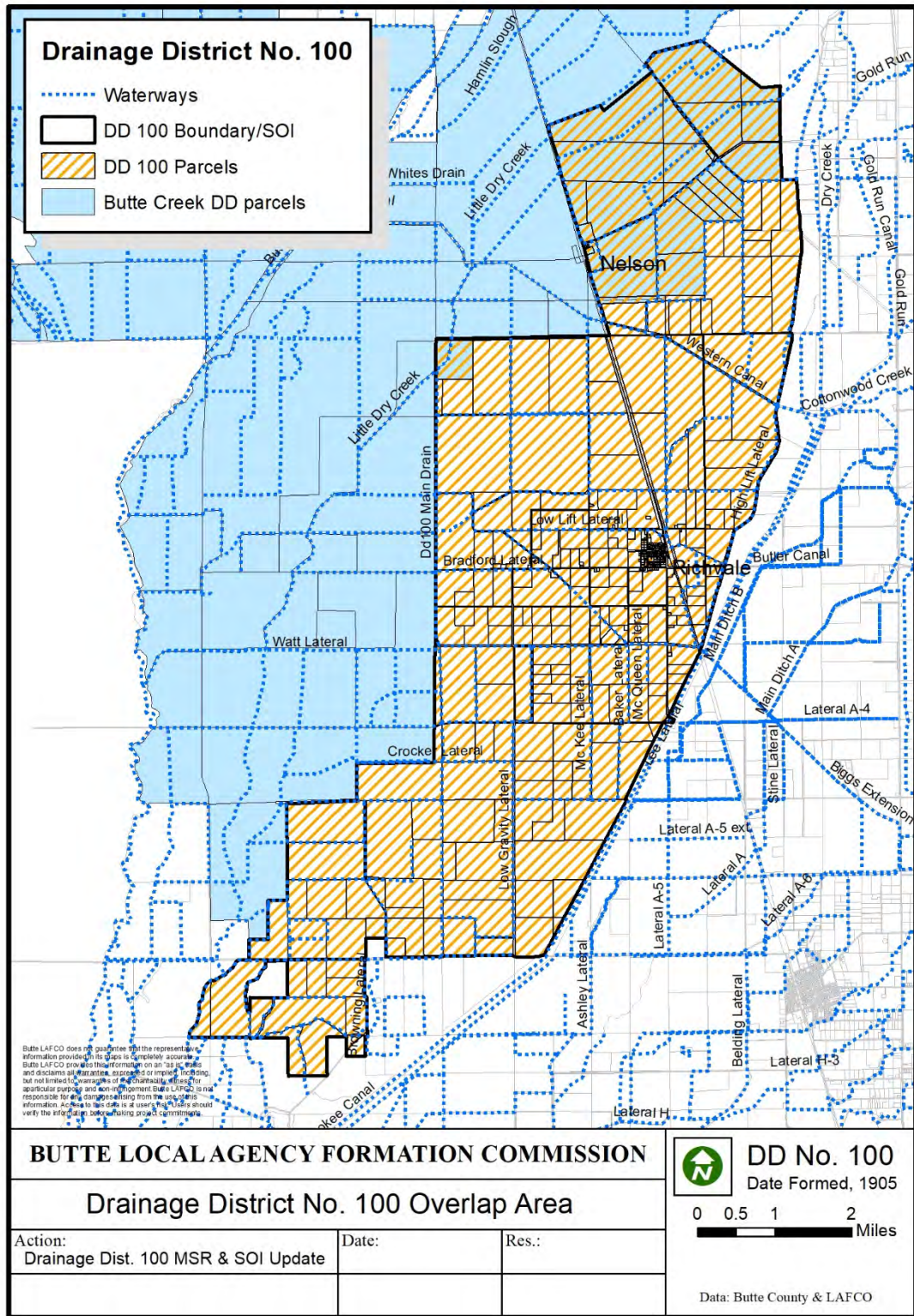
MSR DETERMINATION NO. 6-2: *The District does not have a website. The District is encouraged to establish a website as a primary manner of conveying information about the District to its constituents*

MSR FACTOR NO. 7: ANY OTHER MATTER RELATED TO EFFECTIVE OR EFFICIENT SERVICE DELIVERY, AS REQUIRED BY COMMISSION POLICY.

Drainage District No. 100 overlaps with Butte Creek Drainage District boundaries in the northern portion of the District (Figure 4-2). Approximately 4,325 acres are located in this overlap area. While both Districts are concerned with drainage, they provide very different levels of service. **Butte Creek Drainage District exists to collect money to contribute to the maintenance cost of drainage structures and facilities outside of their district and performs no work within their district boundary. Drainage District 100, while contributing money to help maintain facilities outside of the district boundary, also actively maintains drainage facilities throughout the district including the overlap area. It is therefore preferable to reorganize the boundaries in the overlap area such that the area is detached from Butte Creek Drainage District and left in Drainage District 100.**

An analysis of the district area was done using Tax Rate Area (TRA) data available from the Butte County GIS system. The analysis took all of the TRA numbers for the district and identified every Assessor's Parcel Number (APN) that is being assessed a property tax share for Drainage District 100. The analysis identified a number of discrepancies between the parcels and the district boundary on file with LAFCo, primarily parcels that are within the District boundary that are not being assessed as being in the District. LAFCo staff will work with the District and County to address these discrepancies.

FIGURE 4-2 DISTRICT OVERLAP AREA



MSR DETERMINATION NO. 7-1: *Drainage District No. 100 overlaps with the Butte Creek Drainage District in an area that covers approximately 4,300 acres. Butte Creek Drainage District provides no active maintenance in this overlap area while Drainage District No. 100 does provide active maintenance to this area. Both Districts collect tax monies to pay for maintenance of the Moulton Cut and portions of Butte Creek. Property owners in this overlap area are being charged twice for this service. The functions performed by Butte Creek Drainage District could reasonably be administered and managed by Drainage District No. 100 thereby simplifying the management and coordination of drainage services in the area.*

MSR DETERMINATION NO. 7-2: *The District would benefit from an updated mapping effort that includes a digital mapping program such as GIS. This would help protect the District from the loss of institutional knowledge when long-term employees leave the District.*

SPHERE OF INFLUENCE PLAN

LAFCo staff cannot find any information that indicates that a Sphere of Influence (SOI) was formally adopted for Drainage District No. 100. A number of annexations to the District occurred from the mid-1960s to 1980. No change to either the SOI or the district boundary has occurred since 1980. The SOI Plan recommendation is based directly on the information and discussions in the MSR, the MSR factor determinations above and the SOI factors below. In Butte County, drainage and reclamation districts have all had coterminous SOI boundaries and Drainage District No. 100 should be no different. Unlike cities where boundaries are constantly changing because of new development that requires city services, drainage districts have been based on long-standing infrastructure and topography that doesn't normally change. Furthermore, new growth is not anticipated adjacent to the District that would require an expansion of the District boundary. A coterminous SOI is seen as appropriate.

SPHERE OF INFLUENCE PLAN REVIEW FACTORS FOR DRAINAGE DISTRICT NO. 100

There are numerous factors to consider in reviewing a SOI Plan, including current and anticipated land uses, facilities, and services, as well as any relevant communities of interest. Updates generally involve a comprehensive review of the entire SOI Plan, including boundary and SOI maps and the District's MSR. In reviewing an agency's sphere, the Commission is required to consider and prepare written statements addressing five factors enumerated under California Government Code Section 56425(e). Each of the SOI review factors are listed below, with a corresponding determination.

SOI FACTOR NO. 1: The present and planned land uses in the area, including agricultural and open-space lands.

SOI DETERMINATION NO. 1: *Butte County retains the responsibilities for land use decisions for all parcels in the district. Agriculture is the primary land use in the District and it is unlikely that this will change in the foreseeable future. The County has zoned the district for agriculture with an 80-acre minimum parcel size. This zoning significantly limits any further land divisions and serves to maintain agriculture as the primary use.*

SOI FACTOR NO. 2: The present and probable need for public facilities and services in the area.

SOI DETERMINATION NO. 2: *With low projected population growth and limited potential for land divisions, the present and probable need for services within the District is not expected to change. Maintenance of existing facilities is the priority.*

SOI FACTOR NO. 3: The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

SOI DETERMINATION NO. 3: *The present capacity of the District's facilities is sufficient to provide acceptable levels of agricultural drainage services. There is no expected change to the present capacity or adequacy of the services currently provided by Drainage District No. 100.*

SOI FACTOR NO. 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.

SOI DETERMINATION NO. 4: *Drainage District No 100 provides drainage services to a large agricultural area that has limited population. No defined social or economic communities of interest exist within the district other than the production of agricultural commodities.*

SOI FACTOR NO. 5: For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

SOI DETERMINATION NO. 5: *Drainage District No 100 does not provide services related to sewers, municipal and industrial water, or structural fire protection.*

DRAINAGE DISTRICT NO. 100 MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE FINDINGS AND RECOMMENDATIONS

Based on the MSR and SOI determinations as listed above, the Commission:

1. Finds that the Drainage District No. 100 boundary overlaps with Butte Creek Drainage District and that Drainage District No. 100 provides active maintenance of drainage conveyance facilities in the overlap area while Butte Creek Drainage District does not.
2. Finds that parcels in the overlap area are paying twice for the maintenance of drainage infrastructure on Butte Creek including the Moulton Cut because they are also being charged for this maintenance by Butte Creek Drainage District.
3. Finds that the Boards of both Butte Creek Drainage District and Drainage District No. 100 should consider and adopt a resolution of application to LAFCO for the reorganization of the identified overlapping territory, specifically detaching the overlap area from Butte Creek Drainage District.
4. Finds that the services being provided by the District are adequate and are being provided in an effective and efficient manner.
5. Affirm the current boundary of Drainage District No. 100, including the overlap area, and adopt a Sphere of Influence that is coterminous with the boundary for Drainage District No. 100.

MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE PLAN
FOR
DRAINAGE DISTRICT No. 200



ADOPTED JUNE 7, 2018
BUTTE LAFCO RESOLUTION No. 16 2017/18

DRAINAGE DISTRICT NO. 200 DATA SHEET

Contact: Paul Minasian, legal counsel
 Address: PO Box 1679, Oroville, CA 95965
 Phone: (530) 533-2885
 Webpage: N/A

GOVERNING BOARD

Board of Directors	<u>Member</u>	<u>Term Expires</u>
	Brad Matson, Chair	2021
	Audrey Stephens, Secretary	2021
	Sherry LaMalfa Smith	2019

Normal Board Meeting Dates: Board meeting are held quarterly at the offices of Minasian, Meith, Soares, Sexton & Cooper LLC, 1681 Bird Street, Oroville, CA

FORMATION INFORMATION

Date of Formation: Unknown but believed to be in the mid 1920s

PURPOSE

1. Enabling Legislation: Drainage District Act of 1903, Uncodified Acts 2200
2. Provided Services: Maintenance of irrigation and stormwater drainage facilities

AREA SERVED

1. No. of Parcels: 99
3. District Size: 6,636 acres
4. Estimated Population: 66 (2015)
5. Location: Southwestern Butte County between the town of Richvale and Highway 99
6. Sphere of Influence: Coterminous with approved district boundaries.

FINANCIAL INFORMATION

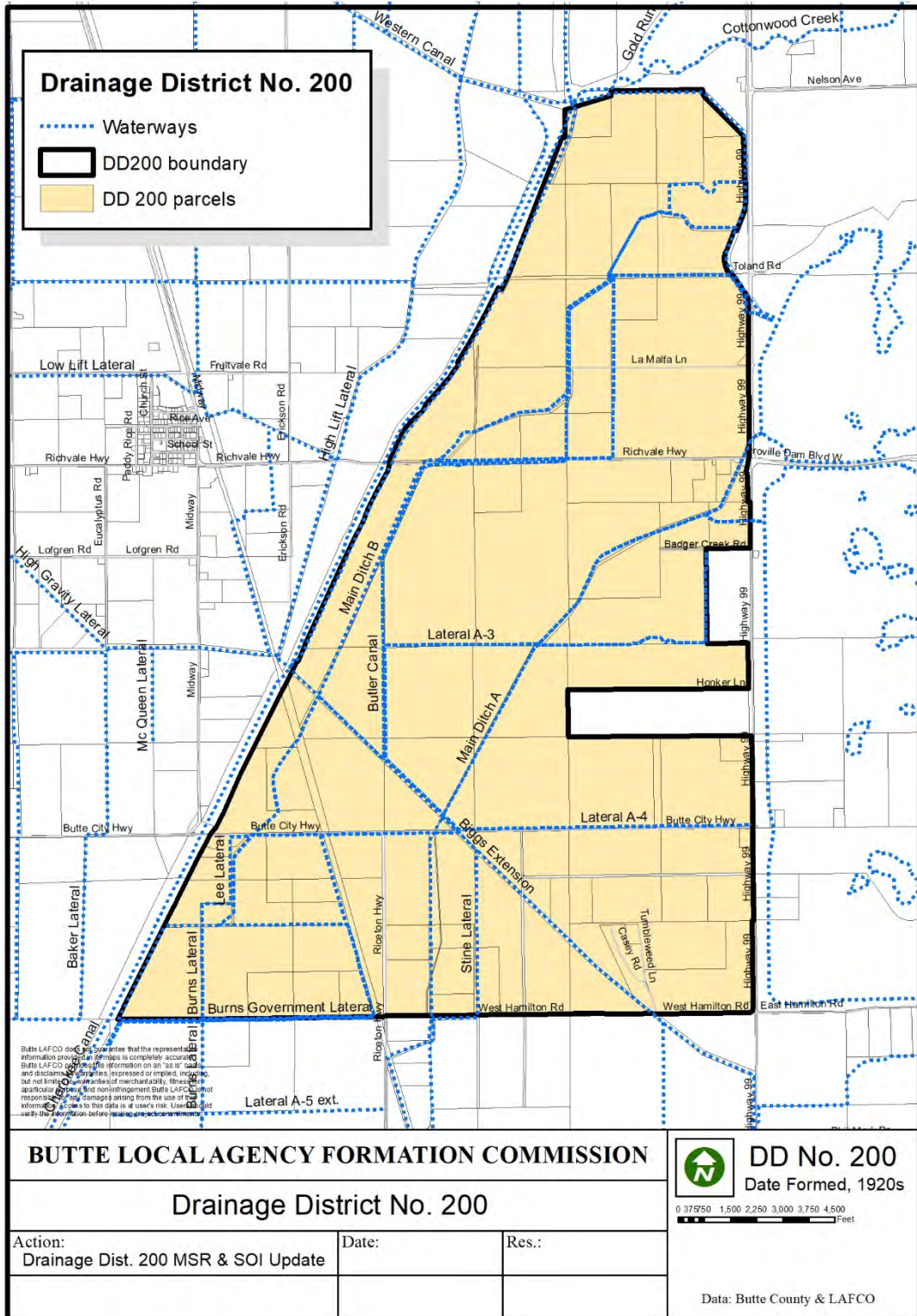
Fiscal Year 2016-17

Revenues: \$21,540
 Expenditures: \$12,790
 Fund Balance end of FY 2016-17: \$37,056

Revenue Sources:

- Property taxes.
- Interest on fund balance

FIGURE 5-1 DRAINAGE DISTRICT No. 200



DISTRICT CHARACTERISTICS

Drainage District No. 200 (DD200) is located immediately west of State Route 99 in the southwestern part of Butte County. The District is generally bounded on the east by State Route 99, on the south by West Hamilton Road and on the west by the Cherokee Canal and on the north by Western Canal. The district boundary encompasses approximately 6,636 acres. Assessed property in the district is approximately 6,457 acres. The exact date of the district's formation is unknown but is believed to be in the mid 1920s. The District was formed pursuant to the Drainage District Act of 1903 and uncodified acts 2200.

The area within the District boundaries is primarily intensive agriculture (mainly rice fields) with few residences. All of the parcels in this District except one are zoned Agriculture with an 80-acre minimum. Of the 99 parcels in the district, 71 parcels totaling approximately 5,600 acres are used for rice production. Twenty-three parcels, covering 1,803 acres, are held in voluntary agricultural land conservation under rolling 10-year contracts under the Williamson Act (www.consrv.ca.gov/DLRP/lca/index.htm). There is some potential for division of the larger parcels. However, significant division of agricultural parcels in this area is unlikely due to economic and land-use trends associated with intense agricultural production within the District and the significant acreage under the Williamson Act contracts.

While the primary purpose of the District is to maintain the infrastructure needed to drain agricultural water from rice fields, winter stormwater is also carried through the same network of ditches. Storm water volumes are directly related to the slope and runoff co-efficient of the land. The slope of the land within the district is generally very low 1% to 2%, which keeps drainage velocities slow. Soil types and impervious surfaces directly affect runoff volumes. More water runs off of saturated soils and the introduction of impervious surfaces such as buildings, paved roads, and parking areas can have the most significant impact on increased runoff by preventing infiltration. Generally, the land within the district has a very low percentage of impervious surfaces and the likelihood of new areas of significant impervious surfaces is low due to the nature of the agricultural nature of the land in the district and low development potential.

Infrastructure within the District consists of a network of drainage and irrigation canals. Drainage channels were constructed to convey agricultural return water from surrounding fields. Eventually, the drainage water flows to Butte Creek via several alternate routes/laterals. **The District does not own any land or facilities but does have easements and or prescriptive easements for water conveyance facilities.** Maintenance of the drainage facilities is performed by the Richvale Irrigation District through a contract with Drainage District 200. Drainage District 200 may also contract with other providers for maintenance services.

When the irrigation and stormwater leaves the District it primarily drains into conveyance facilities operated and maintained by Reclamation District 833 to the south. All water eventually drains to Butte Creek, which is located outside of the District's boundary. Butte Creek is the major drainage conveyance for a number of

districts in the area. In order to assist in the maintenance of a portion of Butte Creek, the District is part of a multi-party maintenance agreement with Reclamation District No. 833, Drainage District No. 100, and Butte Creek Drainage District. The maintenance agreement was established on June 2, 1936, and quantifies the apportionment of an expense to be shared between the districts for the cost of maintaining a small section of Butte Creek known as the Moulton Cut. The cost-share proportion is based on the total acreage of the agreement parties. Reclamation District No. 833's portion is the combined acreage of it and Drainage District No. 200's acreage which amounts to an approximate 50% share of the cost. Reclamation District No. 833 performs the maintenance work or manages the contract for the maintenance depending on the level of work necessary.

MSR FACTOR NO. 1: GROWTH AND POPULATION PROJECTIONS FOR THE AFFECTED AREA

For purposes of this analysis, the expected population growth in the District has been projected to the year 2030 assuming an annual growth rate of 0.5 percent, which corresponds to the historic growth in the unincorporated portions of the County as estimated by the State Department of Finance for the 7 years from 2010 to 2017. The 2010 population figure was derived from the 2010 Census using census block data.

Drainage District 200 Estimated Population Growth	
2010	64
2015	66
2020	68
2025	70
2030	72

MSR DETERMINATION NO. 1: *The population within the District is expected to grow at a rate of approximately 0.5 percent annually areas through 2030. No significant new development is anticipated to occur within the District.*

MSR FACTOR NO. 2: THE LOCATION AND CHARACTERISTICS OF ANY DISADVANTAGED UNINCORPORATED COMMUNITIES WITHIN OR CONTIGUOUS TO THE SPHERE OF INFLUENCE.

Disadvantaged unincorporated communities (DUCs) are defined by statute as inhabited territory (meaning 12 or more registered voters), or as determined by commission policy, that constitutes all or a portion of a community with an annual median household income (MHI) that is less than 80 percent of the statewide annual MHI (Water Code Section 79505.5). The statewide MHI data is obtained from the US Census American Community Survey (ACS) 5-Year Data: 2010 - 2014. California's MHI for this period was \$61,489, and 80 percent of that is \$49,191.

DUCs were identified by utilizing the Disadvantage Communities Mapping tool offered by the California Department of Water Resources at <https://gis.water.ca.gov/app/dacs/>. Based on census block groups, there are no DUCs

within Drainage District No. 200.

MSR DETERMINATION No. 2: *Drainage District No. 200 is not within or adjacent to an area that has been identified as being a disadvantaged unincorporated community.*

MSR FACTOR NO. 3: PRESENT AND PLANNED CAPACITY OF PUBLIC FACILITIES ADEQUACY OF PUBLIC SERVICES, AND INFRASTRUCTURE NEEDS OR DEFICIENCIES INCLUDING NEEDS OR DEFICIENCIES RELATED TO SEWERS, MUNICIPAL AND INDUSTRIAL WATER, AND STRUCTURAL FIRE PROTECTION IN ANY DISADVANTAGED, UNINCORPORATED COMMUNITIES WITHIN OR CONTIGUOUS TO THE SPHERE OF INFLUENCE.

Drainage District No. 200's drainage capacity has not been quantified. The drainage facilities managed by the District currently accommodate irrigation and stormwater drainage from 6,457 acres. The District indicates that no capacity problems have been reported. However, it should be noted that a significant portion of the district is located within a 100-year flood zone as mapped by FEMA and the State of California OES, large storm events have the potential to overwhelm the drainage system and cause localized flooding regardless of the District's drainage capacities.

The District is not in or adjacent to a DUC and does not provide sewer, municipal water or structural fire protection services and would therefore not have any service impact to any DUC.

MSR DETERMINATION No. 3: *The operation and maintenance of the drainage facilities appears to be adequate. At the present time, the District has the ability and the capacity to serve the existing service area and has no unmet infrastructure needs or deficiencies for normal wet year scenarios.*

MSR Determination No. 3-2: *The District does not impact any disadvantaged unincorporated community as it does not deliver sewer, municipal water, or fire protection services and is not in or adjacent to a disadvantaged unincorporated community.*

MSR FACTOR NO. 4: FINANCIAL ABILITY OF AGENCIES TO PROVIDE SERVICES

The District follows the General Accounting Standard Board Statement No. 34 (GASB 34) accounting standards. A summary of estimated revenue and expenditures was provided with the actual budget for Fiscal Year (FY) 2015–2016 and proposed/approved budget for FY 2016–2017. . The District provided LAFCO staff with audits for fiscal years 2013-14, 2014-15, and 2015-16. The audits conform to the figures contained in the County budgets for those years.

The district receives its main source of revenue from a share of local property taxes and does not collect a per parcel or per acre assessment as some other drainage districts do.

In FY 2016–2017, the District maintained \$37,056 in total operating reserves. Operating

revenues totaled \$21,243. Operating expenses totaled \$12,790, which allowed the reserve fund balance to increase by \$8,750. While revenues and expense fluctuate slightly from year to year, revenues are generally equal to expenses as evidence by the District's fund balance which has remained fairly stable. The District appears to be managed in a fiscally responsible manner with adequate revenues to meet its obligations.

The District does not have an adopted Capital Improvement Plan and rarely has any capital improvement projects. It does not provide an annual contribution to the State Education Revenue Augmentation Funds (ERAF), and does not have any outstanding debt. The District has not been party to any legal actions affecting its financial status and has no outstanding litigation. The District is a member of the Special Districts Insurance Program.

In accordance with Government Code Section 53901, every local agency shall file a copy of its annual budget with the County Auditor of the County in which it conducts its principal operations, unless exempted by the County Auditor 60 days after the beginning of its fiscal year. District officials have complied with this requirement through submittal of annual budgets to the County Auditor. Independent audits for the District have been performed as required.

DRAINAGE DISTRICT NO. 200 FY 2014-15 TO FY 2017-18 BUDGETS				
Detail by Revenue Category and Expenditure Object	2014-15 Actual	2015-16 Actual	2016-76 Actual	2017-18 Actual
REVENUES				
TAXES	16,339	19,488	21,243	16,300
INTEREST	242	235	328	250
FAIRMARKET VALUE ADJUSTMENT – GAIN (LOSS)	17	213	(304)	-
CHARGES FOR SERVICES	-	-	-	-
MISCELLANEOUS REVENUE	1,041	270	274	200
TOTAL REVENUES	\$17,639	\$19,846	21,540	16,750
EXPENDITURES/APPROPRIATIONS				
SERVICE & SUPPLIES	26,902	12,814	12,790	17,000
SALARIES & EMPLOYEE BENEFITS	-	-	-	1,000
TOTAL EXPENDITURES/APPROPRIATIONS	\$26,902	\$12,814	\$12,790	\$18,000
ET COSTS/USE OF FUND BALANCE	\$9,263	(\$7,032)	(\$8,750)	(\$1,250)
ENDING FUND BALANCE	\$21,275	\$28,307	\$37,056	\$35,806

MSR DETERMINATION No. 4: *Revenue appears to provide adequate funds to cover the cost of providing the limited drainage maintenance services the district provides. Revenues are usually stable with expenses fluctuating from year to year. The District currently has a small fund balance that could be utilized for unanticipated expenses.*

MSR FACTOR 5: STATUS OF, AND OPPORTUNITIES FOR SHARED FACILITIES

The entirety of south Butte County is primarily an agricultural area with a myriad of water (both irrigation and reclamation) conveyance systems and structures to support the agricultural use of the land. This same infrastructure also mitigates to some extent stormwater flows from existing developed urban areas. While each component of infrastructure is unique to its purpose within in any one local agency, the water conveyance systems have a unifying larger purpose of irrigating and draining south Butte County. For this reason, each local agency should be cognizant of potential resource sharing opportunities with respect to maintenance, stormwater planning and related functions.

As previously discussed, the District participates with several other districts to fund the maintenance of the Moulton Cut and Moulton weir on Butte Creek. In addition, water leaving Drainage District No. 200 runs through facilities operated and maintained by Reclamation District No. 833 for conveyance to Butte Creek.

MSR DETERMINATION No. 5-1: *Water from Drainage District No. 200 flows through facilities owned and maintained by the Richvale Irrigation District as well as the Cherokee Canal maintained by the State of California. The Richvale Irrigation District overlaps a significant portion of the district and extends westerly to Butte Creek. Drainage District No. 200 has no employees and contracts with Richvale Irrigation District for maintenance services.*

MSR DETERMINATION No. 5-2: *The functions performed by the District could reasonably be administered and managed by Richvale Irrigation District, which may simplify the management and coordination of drainage services in the area. The Boards of both DD200 and RID should consider a reorganization that would dissolve DD200 and annex this area into the RID and make application to LAFCO to accomplish this goal.*

MSR FACTOR 6: ACCOUNTABILITY FOR COMMUNITY SERVICES NEEDS, INCLUDING GOVERNMENTAL STRUCTURE AND OPERATIONAL EFFICIENCIES.

The District is an independent Special District of the State of California formed under the Drainage District Act of 1903, Uncodified Acts, Act 2200. The District is governed by a three member Board of Directors elected by landowners within the District. Members are elected for 4-year terms. Most recently, elections have not been required because the number of people running for the positions was equal to the positions available. Of

the current members, two terms expire in 2021 and one term in 2019. Meetings are held quarterly at the law office of Minasian, Meith, Soares, Sexton & Cooper LLC located at 1681 Bird Street, Oroville, CA. Agendas are posted for the meetings as required.

The District does not have a website, nor is it required to at this time. However, the California Special District Association (CSDA) strongly encourages all special districts to maintain a website by 2020 (2018 - Senate Bill 929) in an effort to support transparency and encourage citizen participation. The District has no employees, but rather utilizes independent contractors to perform maintenance functions as necessary.

MSR DETERMINATION NO. 6-1: *The District is managed by a Board of Trustees elected by landowners within the district. The trustees manage service needs with independent contractors rather than full time staff, which allows for more efficiency in a small district. The District utilizes the Butte County Auditor-Controller's office for treasury services which also promotes efficiency.*

MSR DETERMINATION NO. 6-2: *The District does not have a website. The District is encouraged to establish a website as a primary manner of conveying information about the District to its constituents*

MSR FACTOR NO. 7: ANY OTHER MATTER RELATED TO EFFECTIVE OR EFFICIENT SERVICE DELIVERY, AS REQUIRED BY COMMISSION POLICY.

An analysis of the district area was done using Tax Rate Area (TRA) data available from the Butte County GIS system. The analysis took all of the TRA numbers for the district and identified every Assessor's Parcel Number (APN) that is being assessed a property tax share for Drainage District 200. The analysis identified a number of discrepancies between the parcels and the district boundary on file with LAFCo including 14 parcels that are within the district boundary but are not being assessed for services and 1 parcel which is outside of the district that is being assessed. Based on a discussion with a District Board member, the parcels that are not being assessed are receiving services and should be assessed. LAFCo staff, working with the district and the County will work to reconcile these discrepancies which could be as a result of incorrect TRA number assignment.

The District has a map of their maintained facilities that was prepared in 1975 but it appears that not all of their current drainage conveyance features are shown on the map. Updated digital mapping would be a benefit to both the District and LAFCo.

MSR DETERMINATION NO. 7-1: *The District would benefit from an updated mapping effort that includes a digital mapping program such as GIS. This would help protect the District from the loss of institutional knowledge when long-term board members leave the District.*

SPHERE OF INFLUENCE PLAN

The Sphere of Influence (SOI) for Drainage District No. 200 date originates from a coterminous sphere that was adopted in 1985. No change to either the SOI or the district boundary has occurred since that date. The SOI Plan recommendation is based directly on the information and discussions in the MSR and the MSR factor determinations above. In Butte County, drainage and reclamation districts have all had coterminous SOI boundaries and Drainage District No. 200 is no different. Unlike cities where boundaries are constantly changing because of new development that requires city services, drainage districts have been based on long-standing infrastructure and topography that doesn't normally change. Furthermore, new growth is not anticipated adjacent to the District that would require an expansion of the District boundary. A coterminous SOI is recommended as appropriate.

SPHERE OF INFLUENCE PLAN REVIEW FACTORS FOR DRAINAGE DISTRICT NO. 200

There are numerous factors to consider in reviewing a SOI Plan, including current and anticipated land uses, facilities, and services, as well as any relevant communities of interest. Updates generally involve a comprehensive review of the entire SOI Plan, including boundary and SOI maps and the District's MSR. In reviewing an agency's sphere, the Commission is required to consider and prepare written statements addressing five factors enumerated under California Government Code Section 56425(e). Each of the SOI review factors is listed below, with a corresponding determination.

SOI FACTOR NO. 1: The present and planned land uses in the area, including agricultural and open-space lands.

***SOI DETERMINATION NO. 1:** Butte County retains the responsibilities for land use decisions for all parcels in the district. Agriculture is the primary land use in the District and it is unlikely that this will change in the foreseeable future. The County has zoned the land within the District for agriculture with an 80-acre minimum parcel size. This zoning significantly limits any further land divisions and serves to maintain agriculture as the primary use.*

SOI FACTOR NO. 2: The present and probable need for public facilities and services in the area.

***SOI DETERMINATION NO. 2:** With low projected population growth and limited potential for land divisions, the present and probable need for services within the District is not expected to change. Maintenance of existing facilities is the priority of the District.*

SOI FACTOR NO. 3: The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

SOI DETERMINATION NO. 3: *The present capacity of the District's facilities is sufficient to provide acceptable levels of drainage services. There is no expected change to the present capacity or adequacy of the services currently provided by Drainage District No. 200.*

SOI FACTOR NO. 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.

SOI DETERMINATION NO. 4: *Drainage District No 200 provides drainage services to a large agricultural area that has limited population. No defined social or economic communities of interest exist within the district other than the production of agricultural commodities.*

SOI FACTOR NO. 5: For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

SOI DETERMINATION NO. 5: *Drainage District No 200 does not provide services related to sewers, municipal and industrial water, or structural fire protection.*

DRAINAGE DISTRICT NO. 200 MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE FINDINGS AND RECOMMENDATIONS

Based on the MSR and SOI determinations as listed above, the Commission:

1. Finds that some efficiencies in management, service delivery may be realized by consolidating Drainage District No. 200 with an adjoining district such as Richvale Irrigation District or Reclamation District No. 833. However, the District is providing the needed services at a cost that is within its operating revenues and without any apparent service issues.
2. Adopt a Sphere of Influence that is coterminous with the boundary of Drainage District No. 200.

MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE PLAN
FOR
BUTTE CREEK DRAINAGE DISTRICT



ADOPTED JUNE 7, 2018
BUTTE LAFCO RESOLUTION NO. 16 2017/18

BUTTE CREEK DRAINAGE DISTRICT DATA SHEET

Contact: Ted Trimble, General Manager
 Address: PO Box 190, Richvale, CA 95974
 Phone: (530) 342-5083
 Webpage: N/A

GOVERNING BOARD

<u>Board of Directors</u>	<u>Member</u>	<u>Term Expires</u>
	Eric Larrabee	2018
	Lance Tennis	2018
	Kelby Sheppard	2018

Normal Board Meeting Dates: Biannual meetings are held in February to address insurance issues and in July to adopt a budget. Special meetings are held as needed.

FORMATION INFORMATION

Date of Formation: November 27, 1920

PURPOSE

1. Enabling Legislation: "An Act to Promote Drainage" Section 5 of Act 985
2. Provided Services: Maintenance of drainage and stormwater conveyance facilities

AREA SERVED

1. No. of Parcels: 361 – 261 in Butte County and 100 in Glenn County
3. District Size: 64,548 acres - 47,852 acres in Butte County and 16,696 acres in Glenn County
4. Estimated Population: 421 - 321 in Butte County and 100 in Glenn County (2015)
5. Location: Southwestern Butte County south of Durham, encompassing the town of Nelson and extending into Glenn County
6. Sphere of Influence: Coterminous with approved District boundaries.

FINANCIAL INFORMATION**Fiscal Year 2016-17**

Revenues: \$270,721

Expenditures: \$257,248

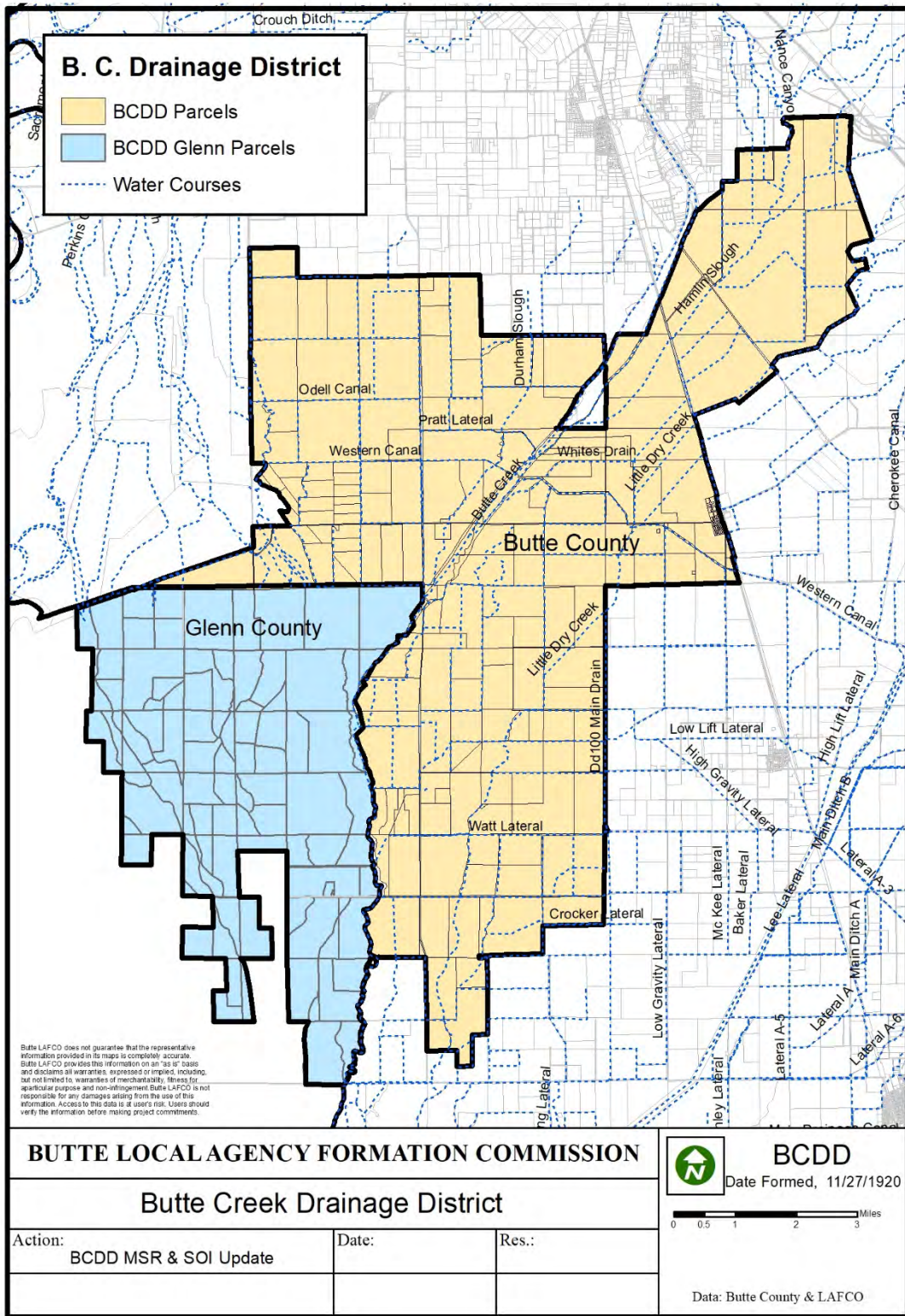
Fund Balance end of FY 2015-16: \$311,432

Approximately 70% of the tax revenue comes from Butte County and 30% from Glenn County

Revenue Sources:

- Property taxes.
- Interest on fund balance

FIGURE 6-1 BUTTE CREEK DRAINAGE DISTRICT



DISTRICT CHARACTERISTICS

Butte Creek Drainage District (BCDD) is located east and south of the community of Durham and encompassing the town of Nelson and extending into Glenn County (Figure 6-1). The District was originally formed to deepen, enlarge, or clean out the channel of Butte Creek and other channels necessary to provide adequate drainage of irrigation and stormwater flows for the properties within its boundaries. The District is responsible for contributing to the maintenance costs for the Moulton Cut and one bridge located in the Butte Sink area, outside of the district boundary. The District does not maintain any ditches or drainage facilities within their district. All ditches and drains within the district are maintained by adjacent landowners. The District's irrigation and stormwater ultimately drains into Butte Creek, a portion of which runs through the District's boundary. Butte Creek provides drainage conveyance for a number of drainage districts in the area.

The primary purpose of the District is to maintain the infrastructure along Butte Creek and the Moulton Cut to accommodate the drainage of agricultural water from rice fields and winter stormwater. Stormwater volumes are directly related to the slope and runoff coefficient of the land. The slope of the land within the district is generally very low 1% to 2%, which keeps drainage velocities slow. Soil types and impervious surfaces directly affect runoff volumes. More water runs off of saturated soils and the introduction of impervious surfaces such as buildings, paved roads, and parking areas can have the most significant impact on increased runoff by preventing infiltration. Generally, the land within the district has a very low percentage of impervious surfaces and the likelihood of new areas of significant impervious surfaces being developed are low due to the nature of the agricultural value of the land and large-parcel Agricultural zoning.

In order to assist in the maintenance of a portion of Butte Creek, the District is part of a multi-party maintenance agreement with Reclamation District No. 833, Drainage District No. 200, Butte Slough Irrigation Company and Drainage District No. 100. The maintenance agreement was established on June 2, 1936. The agreement quantifies the apportionment of the expense to be shared between all of the districts for the cost of clearing vegetation and stabilizing bank erosion along a section of Butte Creek known as the Moulton Cut. The cost-share is based on the total acreage of the agreement parties. Reclamation District No. 833's portion is the combined acreage of it and Drainage District No. 200's acreage. Reclamation District 833 performs or manages the contract for the maintenance, depending on the level of work necessary.

The District also provides conveyance of water to several properties in the Butte Sink area to waterfowl hunting clubs in exchange for those properties accepting drainage water during certain times of the year. The District's services benefit approximately 276 agricultural and 45 single-family residential parcels for a total of approximately 47,852 acres in Butte County and benefits 100 agricultural parcels covering 16,696 acres in Glenn County. The District was established November 27, 1920.

The area within the District boundaries is primarily intensive agriculture with very low-density, single-family residences. The majority of parcels within this District are zoned Agriculture. In Butte County 261 parcels are zoned AG-80 or AG-160 with an 80 acre or

160 acre minimum parcel size (approximately 46,066 acres). The 100 parcels in Glenn County are zoned AE-40, AP-80, and FS-80 all of which are intensive agricultural zones with 40 or 80 acre minimum parcel sizes.

In addition, 121 Butte County parcels totaling 27,894 acres and 46 of the Glenn County parcels totaling 7,434 acres are held in voluntary agricultural land conservation under rolling 10-year contracts associated with the Williamson Act (www.consrv.ca.gov/DLRP/lca/index.htm). Based on the 40, 80 and 160-acre minimum parcel sizes, there is some potential for the division of the larger parcels. There are 95 parcels with such land division potential. However, division of agricultural parcels in this area is unlikely due to economic and land-use trends associated with the intensity of agriculture within the District and the significant acreage under Williamson Act contracts. Additionally, there is approximately 57 acres of land designated for single-family residences in the small agricultural community of Nelson located on the Midway between Durham and Richvale. The community of Nelson has historically seen very little growth.



community of Nelson has historically seen very little growth.

The majority of Butte Creek Drainage District has been identified as a 100-year flood zone by the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Maps. Additionally, mapping performed by the State of California Office of Emergency Services (OES) includes almost the entirety of the District in a number of dam failure inundation areas, including Oroville Dam, Paradise Lake, and Magalia Reservoir. The District is located within the Butte Creek and Little Chico Creek Watersheds.

MSR FACTOR NO. 1: GROWTH AND POPULATION PROJECTIONS FOR THE AFFECTED AREA

For purposes of this analysis, the expected population growth in the District has been projected to the year 2030 assuming an annual growth rate of 0.5 percent, which corresponds to the historic growth in the unincorporated portions of the County as estimated by the State Department of Finance for the 7 years from 2010 to 2017. The 2010 population figure was derived from the 2010 Census using census block data.

Butte Creek Drainage District Estimated Population Growth	
2010	421
2015	432
2020	443
2025	454
2030	465

MSR DETERMINATION NO. 1: *The current population within the District is approximately 432 and is expected to grow at a rate of approximately 0.5 percent annually areas through 2030. No significant new development is anticipated to occur within the District.*

MSR FACTOR NO. 2: THE LOCATION AND CHARACTERISTICS OF ANY DISADVANTAGED UNINCORPORATED COMMUNITIES WITHIN OR CONTIGUOUS TO THE SPHERE OF INFLUENCE.

Disadvantaged unincorporated communities (DUCs) are defined by statute as inhabited territory (meaning 12 or more registered voters), or as determined by commission policy, that constitutes all or a portion of a community with an annual median household income (MHI) that is less than 80 percent of the statewide annual MHI (Water Code Section 79505.5). The statewide MHI data is obtained from the US Census American Community Survey (ACS) 5-Year Data: 2010 - 2014. California's MHI for this period was \$61,489, and 80 percent of that is \$49,191.

DUCs were identified by utilizing the Disadvantage Communities Mapping tool offered by the California Department of Water Resources at <https://gis.water.ca.gov/app/dacs/>. Based on census block groups, a small portion of the Butte Creek Drainage District is in a DUC located on the south and east sides of the community of Durham. The existence of a disadvantaged unincorporated community within the District does not affect the District's ability to provide services, nor do the District's services affect the status of these communities as "disadvantaged".

MSR DETERMINATION NO. 2: *A portion of the Butte Creek Drainage District has been identified as being disadvantaged unincorporated communities (DUC). The existence of disadvantaged unincorporated communities within the District does not affect the District's ability to provide services, nor do the District's services affect the status of these communities as "disadvantaged".*

MSR FACTOR NO. 3: PRESENT AND PLANNED CAPACITY OF PUBLIC FACILITIES ADEQUACY OF PUBLIC SERVICES, AND INFRASTRUCTURE NEEDS OR DEFICIENCIES INCLUDING NEEDS OR DEFICIENCIES RELATED TO SEWERS, MUNICIPAL AND INDUSTRIAL WATER, AND STRUCTURAL FIRE PROTECTION IN ANY DISADVANTAGED, UNINCORPORATED COMMUNITIES WITHIN OR CONTIGUOUS TO THE SPHERE OF INFLUENCE.

Butte Creek Drainage District owns no infrastructure, equipment or land. As previously discussed, the District does not maintain any of the numerous drainage ditches and drains located within its boundary. The purpose of the district is to partially fund and help maintain drainage capacity and facilities located outside of the district along Butte Creek, particularly a small portion known as the Moulton Cut and one bridge. Butte Creek and its associated drainage facilities accommodate agricultural runoff as well as stormwater runoff from several drainage and reclamation districts who share in the cost of maintaining the capacity and maintenance of limited infrastructure. Typically, agricultural drainage passes through this complex system prior to the onset of winter stormwater runoff and capacity is normally available. The District indicates that no capacity problems have been reported. It should be noted that because the majority of the District is located within a 100-year flood zone as mapped by FEMA and

the State of California OES, large storm events have the potential to overwhelm the drainage system and cause widespread flooding regardless of the District's drainage capacities.

MSR DETERMINATION NO. 3-1: *The operation and maintenance of the drainage facilities appears to be adequate. At the present time, the district has the ability and the capacity to serve the existing service area and has no unmet infrastructure needs or deficiencies for normal wet year scenarios. The physical capacity of the District to accommodate drainage or alterations to unusual peak flows is uncertain. Flooding of roads within the District and complaints of flooding from landowners have been documented.*

MSR Determination No. 3-2: *The District does not impact any disadvantaged unincorporated community as it does not deliver sewer, municipal water, or fire protection services.*

MSR FACTOR NO. 4: FINANCIAL ABILITY OF AGENCIES TO PROVIDE SERVICES

The District follows the General Accounting Standard Board Statement No. 34 (GASB 34) accounting standards. A summary of estimated revenue and expenditures was provided with the actual budget for Fiscal Years (FY) 2014–2015 through 2015-2016 and approved budget for FY 2017–2018. An actual budget has not been completed for FY 2016-2017. The District provided LAFCO staff with audits for fiscal years 2013-14, 2014-15, and 2015-16. The audits conform to the figures contained in the County budgets for those years.

In FY 2015–2016, the District maintained \$194,999 in the reserve fund. Major sources of revenue included property taxes and interest. Operating revenues totaled \$14,884. Operating expenses totaled \$2,956, which allowed the reserve fund balance to increase by \$11,928. While revenues and expense fluctuate slightly from year to year revenues generally exceed expenses as evidence by the Districts increasing fund balance which has increased \$19,179 over three years and approximately \$49,000 since FY2005-06 when it was \$145,619. The District appears to be managed in a fiscally responsible manner with adequate revenues to meet its obligations. No rate restructuring appears to be needed at this time. There are no emergency funding strategies or reserve policies in place.

The District does not have an adopted Capital Improvement Plan and would not need one as they have no capital projects. The District does not provide an annual contribution to the State Education Revenue Augmentation Funds (ERAF), and does not have any outstanding debt. The District has not been party to any legal actions affecting its financial status and has no outstanding litigation. The District is a member of the Special Districts Insurance Program.

The District does not currently have an assessment charge. If one were to be proposed it would be subject to Proposition 218 which restricts local government's ability to impose assessment and property-related fees and requires elections to approve many local governmental revenue raising methods. Any change to the assessment amount

must be approved by a majority of the voters in the District at a duly-called election pursuant to Proposition 218 and legislation implementing its terms.

In accordance with Government Code Section 53901, every local agency shall file a copy of its annual budget with the County Auditor of the County in which it conducts its principal operations, unless exempted by the County Auditor 60 days after the beginning of its fiscal year. District officials have complied with this requirement through submittal of annual budgets to the County Auditor. The District has not complied with this requirement as it relates to FY 2016-2017.

BUTTE CREEK DRAINAGE DISTRICT FY 2014-15 TO FY 2017-18 BUDGETS				
Detail by Revenue Category and Expenditure Object	2014-15 Actual	2015-16 Actual	*2016-17 Actual	2017-18 Adopted
REVENUES				
TAXES	8,374	11,635	-	9,055
INTEREST	1,607	1,881	-	1,500
FAIRMARKET VALUE ADJUSTMENT – GAIN (LOSS)	85	1,212	-	-
CHARGES FOR SERVICES	-	-	-	-
MISCELLANEOUS REVENUE	118	156	-	250
TOTAL REVENUES	\$10,185	\$14,884	\$	\$10,085
EXPENDITURES/APPROPRIATIONS				
SERVICE & SUPPLIES	2,934	2,956	3,332	25,000
FIXED ASSETS	-	-	-	-
TOTAL EXPENDITURES/APPROPRIATIONS	\$2,934	\$2,956	\$3,332	\$25,000
NET COSTS/USE OF FUND BALANCE	(\$7,251)	(\$11,928)	(\$)	(\$14,195)
ENDING FUND BALANCE	\$183,071	\$194,999	\$194,999	\$179,499

*Final budget not submitted

MSR DETERMINATION No. 4-1: Revenue appears to provide adequate funds to cover the cost of providing the limited drainage maintenance services the district provides. Revenue normally exceeds expenditures and the district currently has a small fund balance that could be utilized for unanticipated expenses.

MSR DETERMINATION No. 4-2: The District has not submitted an actual budget for FY 2016-2017. This should be completed as soon as possible.

MSR FACTOR 5: STATUS OF, AND OPPORTUNITIES FOR SHARED FACILITIES

The entirety of south Butte County is primarily an agricultural area with a myriad of water (both irrigation and reclamation) conveyance systems and structures to support the agricultural use of the land. This same infrastructure also mitigates to some extent stormwater flows from existing developed urban areas. While each component of infrastructure is unique to its purpose within in any one local agency, the water

conveyance systems have a unifying larger purpose of irrigating and draining south Butte County. For this reason, each local agency should be cognizant of potential resource sharing opportunities with respect to maintenance, stormwater planning and related functions.

As previously discussed, the District participates with several other districts to fund the maintenance of the Moulton Cut and Moulton weir on Butte Creek. Other than this participation the District has no facilities, equipment or infrastructure to share.

***MSR DETERMINATION NO. 5:** Butte Creek Drainage District has no facilities or equipment so there is little opportunity for shared facilities*

MSR FACTOR 6: ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS, INCLUDING GOVERNMENTAL STRUCTURE AND OPERATIONAL EFFICIENCIES.

Butte Creek Drainage District is an independent Special District of the State of California formed under "An Act to Promote Drainage" Section 5 of Act 985. The District is governed by a Board of Directors consisting of three members elected by landowners within the district. Two of the current members have been on the Board since for at least 9 years and the third was recently appointed. In speaking with the current contact for the District, the date of the last election was not known and a term expiration date for each Board member couldn't be exactly determined. A request was made for a copy of the Districts by-laws but no record of any adopted bylaws could be provided. The enabling act requires the District to adopt by-laws as guidance for governing the District. Terms for each board member must be determined and elections or appointments conducted to comply with the enabling act and State law. All three board member's term should not expire in the same year.

The District does not have a website, nor is it required to at this time. However, the California Special District Association (CSDA) strongly encourages all special districts to maintain a website by 2020 (2018 - Senate Bill 929) in an effort to support transparency and encourage citizen participation. The District has no employees, but rather utilizes independent contractors to perform maintenance functions as necessary.

MSR DETERMINATION NO. 6-1: *The District is managed by a Board of Directors elected by landowners within the district. The Board manages service need with independent contractors rather than full time staff, which allows for more efficiency in a small district. The district utilizes the Butte County Auditor Controller's office for treasury services which also promotes efficiency.*

MSR DETERMINATION NO. 6-2: *The District does not appear to be holding elections for the appointment of the Board of Directors as required. No by-laws could be found for the District. By-laws are required to be adopted by the principle act. This oversight needs to be rectified and elections or appointments conducted so that term expiration dates can be determined for each board member.*

MSR DETERMINATION NO. 6-3: *The District does not have a website. The District is encouraged to establish a website as a primary manner of conveying information about the District to its constituents.*

MSR FACTOR NO. 7: Any other matter related to effective or efficient service delivery, as required by commission policy.

Butte Creek Drainage District is located in both Butte County and Glenn County. The majority of the area is in Butte County and Butte County is the principle County for the District. Butte Creek Drainage District overlaps with Drainage District No. 100 boundaries in the northern portion of the District (Figure 6-2). Approximately 4,325 acres are located in this overlap area. Both Districts are concerned with drainage but provide very different levels of service. Butte Creek Drainage District exists to collect money for maintenance of drainage structures and facilities outside of their district. Drainage District 100 also collects money to help maintain facilities outside of the district but also actively maintains drainage facilities throughout the district including the overlap area. Because both Districts collect and contribute money for maintenance of the Moulton Cut, located outside of the boundary of both districts, it appears property owners within this overlap area are contributing twice for this service. This overlap presents a situation that should be rectified by reorganization of boundaries. Based on the delivery of services, it is recommended to reorganize the boundary in the overlap area such that the area is detached from Butte Creek Drainage District and remain in Drainage District 100.

Butte Creek Drainage District also overlaps Drainage District No. 2 in its entirety. The two Districts were formed under the same enabling statute and provide the same services. Both Districts are currently administered by Western Canal Water District's Manager. Neither Butte Creek Drainage District nor Drainage District No. 2 has sufficient staff or resources to perform its own administrative and maintenance duties. With this in mind, the dissolution of the Drainage District No. 2 and transfer of the assets and responsibilities to the larger and better-funded Butte Creek Drainage District would provide more efficient and seamless management of the drainage resources in the area.

An analysis of the district area was done using Tax Rate Area (TRA) data available from the Butte County GIS system. The analysis took all of the TRA numbers for the district

and identified every Assessor's Parcel Number (APN) that is being assessed a property tax share for Butte Creek Drainage District. The analysis identified a number of discrepancies between the parcels and the district boundary on file with LAFCo. Based on the TRA numbers there are 63 parcels, mostly in the town of Nelson that are in the district but are not being assessed through their property tax bills for contributions to the District. LAFCo staff will work with the District and County to address these discrepancies.

FIGURE 6-2 B.C. DRAINAGE DISTRICT & DRAINAGE DISTRICT 100 OVERLAP AREA

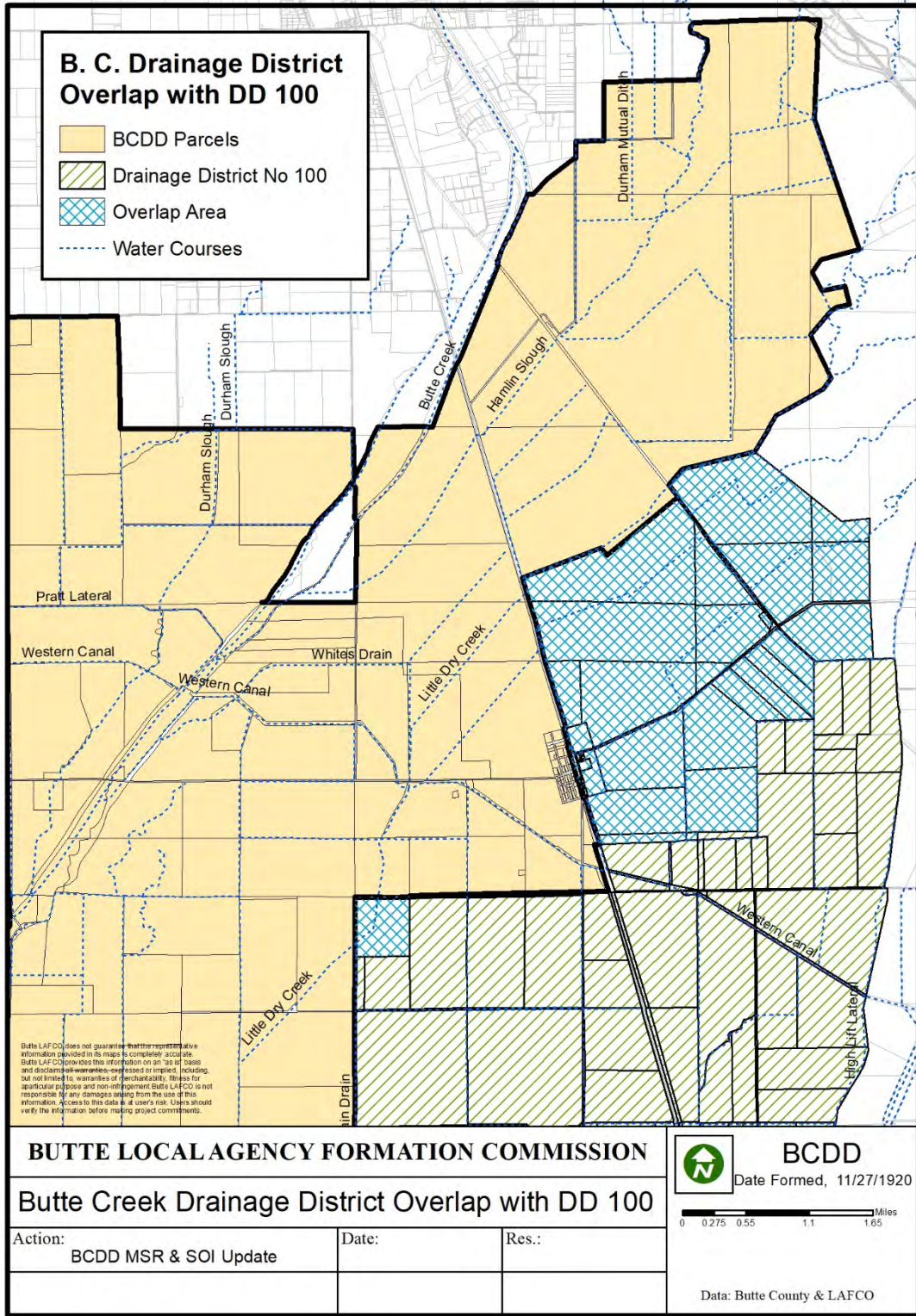
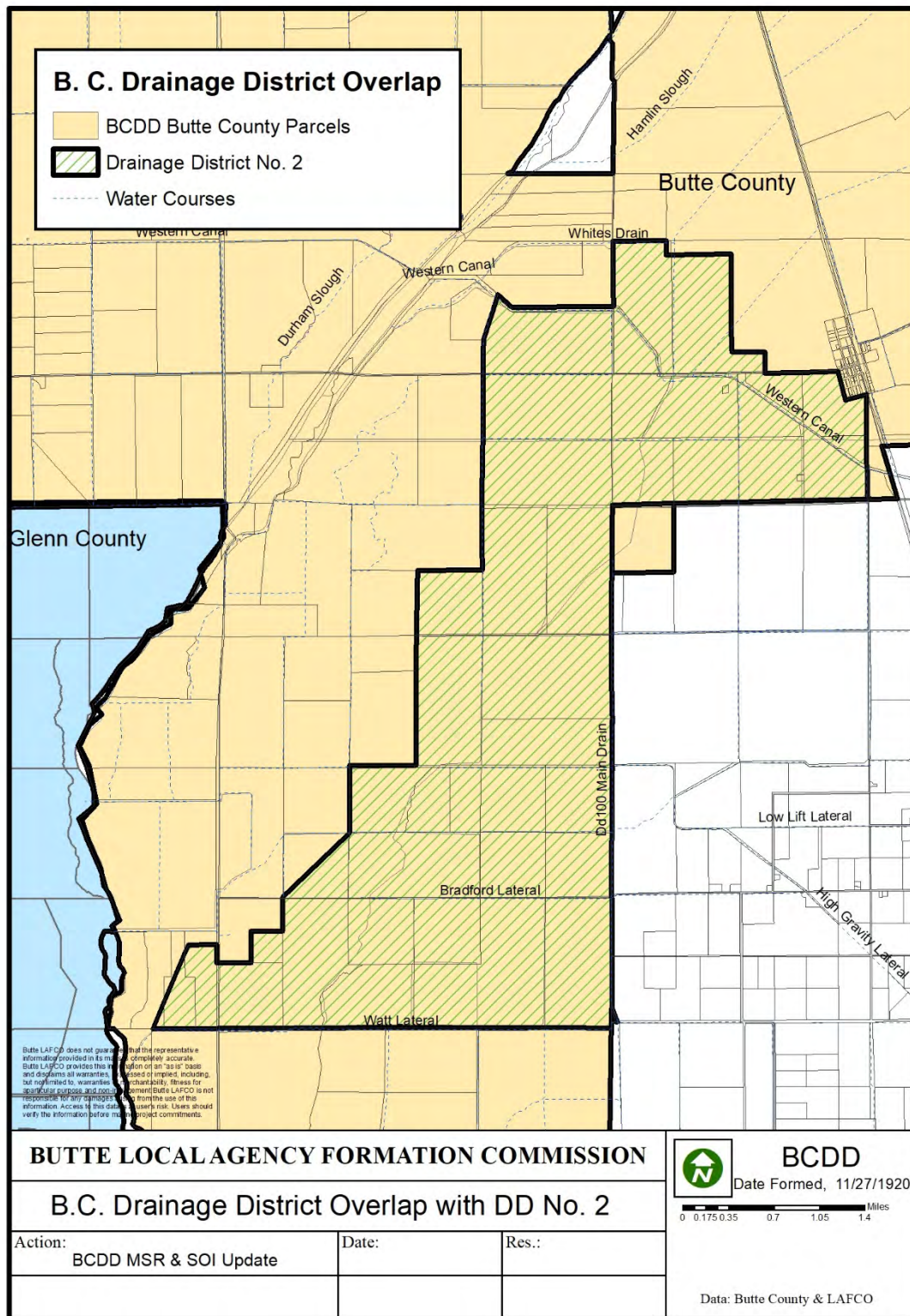


FIGURE 6-3 B.C. DRAINAGE DISTRICT AND DRAINAGE DISTRICT NO. 2 OVERLAP AREA



MSR DETERMINATION No. 7-1: *Butte Creek Drainage District's boundary overlaps the boundary of Drainage District No. 100. Butte Creek Drainage District provides no active maintenance in this overlap area while Drainage District No. 100 does provide active maintenance to this area. Both Districts collect tax monies to pay for maintenance of the Moulton Cut and portions of Butte Creek. Property owners in this overlap area are being charged twice for this service. The functions performed by Butte Creek Drainage District could reasonably be administered and managed by Drainage District No. 100 thereby simplifying the management and coordination of drainage services in the area.*

MSR Determination No. 7-2: *The District does not appear to be holding elections for the appointment of the Board of Directors as required. No by-laws could be found for the District. By-laws are required to be adopted by the principle act. This oversight needs to be rectified as soon as possible and elections or appointments conducted so that term expiration dates can be determined for each board*

SPHERE OF INFLUENCE PLAN

The Sphere of Influence (SOI) for Butte Creek Drainage District originates from the coterminous sphere that was adopted in 1985. No change to either the SOI or the district boundary has occurred since that date. The SOI Plan recommendation is based directly on the information and discussions in the MSR and the MSR factor determinations above. In Butte County, drainage and reclamation districts have all had coterminous SOI boundaries and Butte Creek Drainage District is no different. Unlike cities where boundaries are constantly changing because of new development that requires city services, drainage districts have been based on long-standing infrastructure and topography that doesn't normally change. Furthermore, new growth is not anticipated adjacent to the District that would require an expansion of the District boundary. With respect to Butte Creek Drainage District a Minus SOI is proposed which reduces the SOI boundary by the area that overlaps Drainage District No. 100. The revised SOI is shown in Figure 6-4 on page 6-15.

SPHERE OF INFLUENCE PLAN REVIEW FACTORS FOR BUTTE CREEK DRAINAGE DISTRICT

There are numerous factors to consider in reviewing an SOI Plan, including current and anticipated land uses, facilities, and services, as well as any relevant communities of interest. Updates generally involve a comprehensive review of the entire SOI Plan, including boundary and SOI maps and the District's MSR. In reviewing an agency's sphere, the Commission is required to consider and prepare written statements addressing five factors enumerated under California Government Code Section 56425(e). Each of the SOI review factors is listed below, with a corresponding determination.

SOI Factor No. 1: The present and planned land uses in the area, including agricultural and open-space lands.

SOI Determination No. 1: *Butte County retains the responsibilities for land use decisions for all parcels in the district. Agriculture is the primary land use in the district and it is unlikely that this will change in the foreseeable future. The County has zoned the district for agriculture with an 80-acre minimum parcel size. This zoning significantly limits any further land divisions and serves to maintain agriculture*

SOI Factor No. 2: The present and probable need for public facilities and services in the area.

SOI Determination No. 2: *With low projected population growth and limited potential for land divisions, the present and probable need for services within the District is not expected to change. Maintenance of existing facilities is the priority.*

SOI Factor No. 3: The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

SOI Determination No. 3: *The present capacity of the district's facilities is sufficient to provide acceptable levels of drainage services. There is no expected change to the present capacity or adequacy of the services currently provided by Butte Creek Drainage District.*

SOI Factor No. 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.

SOI Determination No. 4: *Butte Creek Drainage District provides drainage services to a large agricultural area that has limited population. No defined social or economic communities of interest exist within the district other than the production of agricultural commodities.*

SOI Factor No. 5: For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

SOI Determination No. 5: *Butte Creek Drainage District does not provide services related to sewers, municipal and industrial water, or structural fire protection.*

Butte Creek Drainage District Municipal Service Review and Sphere of Influence Findings and Recommendations

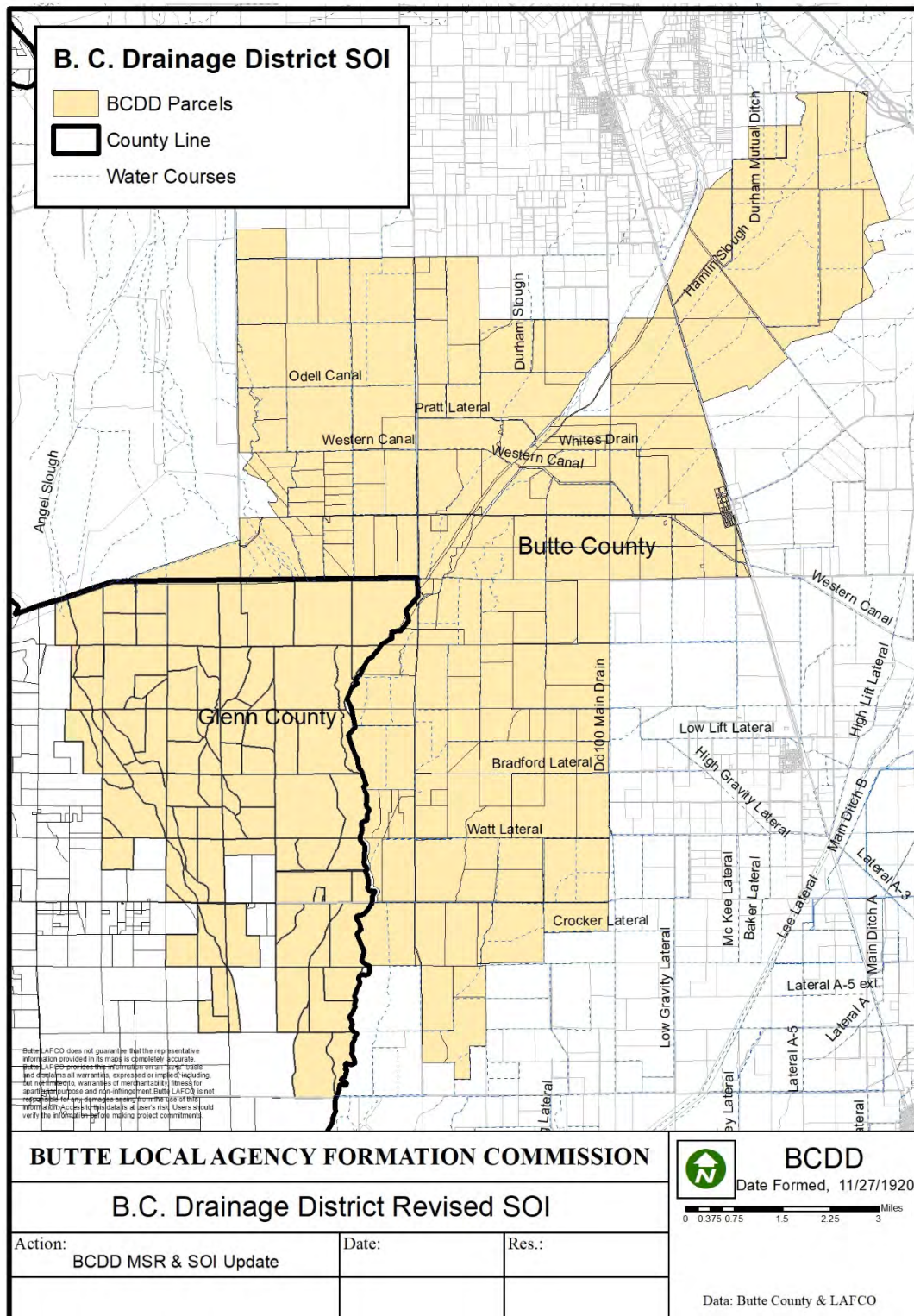
Based on the MSR and SOI determinations as listed above, the Commission:

1. Finds that the Butte Creek Drainage District boundary overlaps with Drainage District No. 100 and that Drainage District No. 100 provides active maintenance

of drainage conveyance facilities in the overlap are while Butte Creek Drainage District does not.

2. Parcels in the overlap area with Drainage District No. 100 are paying twice for the maintenance of drainage infrastructure on Butte Creek including the Moulton Cut.
3. Recommend that the District initiate proceedings to detach the overlap area from the District. This action provides for more efficient and seamless management of the drainage facilities and services in the area.
4. The Commission adopt a minus sphere of influence boundary that is reflective of the district boundary, as it would exist after the detachment of the overlapping area, as shown in Figure 6-4, below.

FIGURE 6-4 B.C. DRAINAGE DISTRICT PROPOSED SOI



MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE PLAN
FOR
ROCK CREEK RECLAMATION DISTRICT



ADOPTED JUNE 7, 2018
BUTTE LAFCO RESOLUTION NO. 16 2017/18

ROCK CREEK RECLAMATION DISTRICT DATA SHEET

Contact: Tara Rhoads, District Manager/Secretary of the Board
 Address: 5556 Wilson Landing Road Chico, CA 95973
 Phone: (530)567-1725
 Email: rockcreekreclamation@aol.com
 Webpage: <http://rockcreekreclamation.com/>

GOVERNING BOARD

Board of Trustees	<u>Member</u>	<u>4-Year Term Expires</u>
	Paul Behr/President	2012
	Mary Jo Lauderdale	2021
	James Strong	2019
	Elvin Bents	2021
	Aimee Raymond	2021
	Janet Leighty	2019
	Vacant	-

Normal Board Meeting Dates: Monthly, held at 5361 Wilson Landing Road, Chico, CA

FORMATION INFORMATION

Date of Formation: October 15, 1985

PURPOSE

1. Enabling Legislation: California Water Code Section 50000 et seq. and Resolution 85-167 (Butte County)
2. Provided Services:
Maintenance of drainage and flood control improvements and drainage courses

AREA SERVED

1. No. of Parcels: 76
3. District Size: 4,644 acres
4. Estimated Population: 156 (2015)
5. Location: Along Rock Creek between Highway 99 and Pine Creek, northwestern Butte County.
6. Sphere of Influence: Coterminous with approved district boundaries.

FINANCIAL INFORMATION

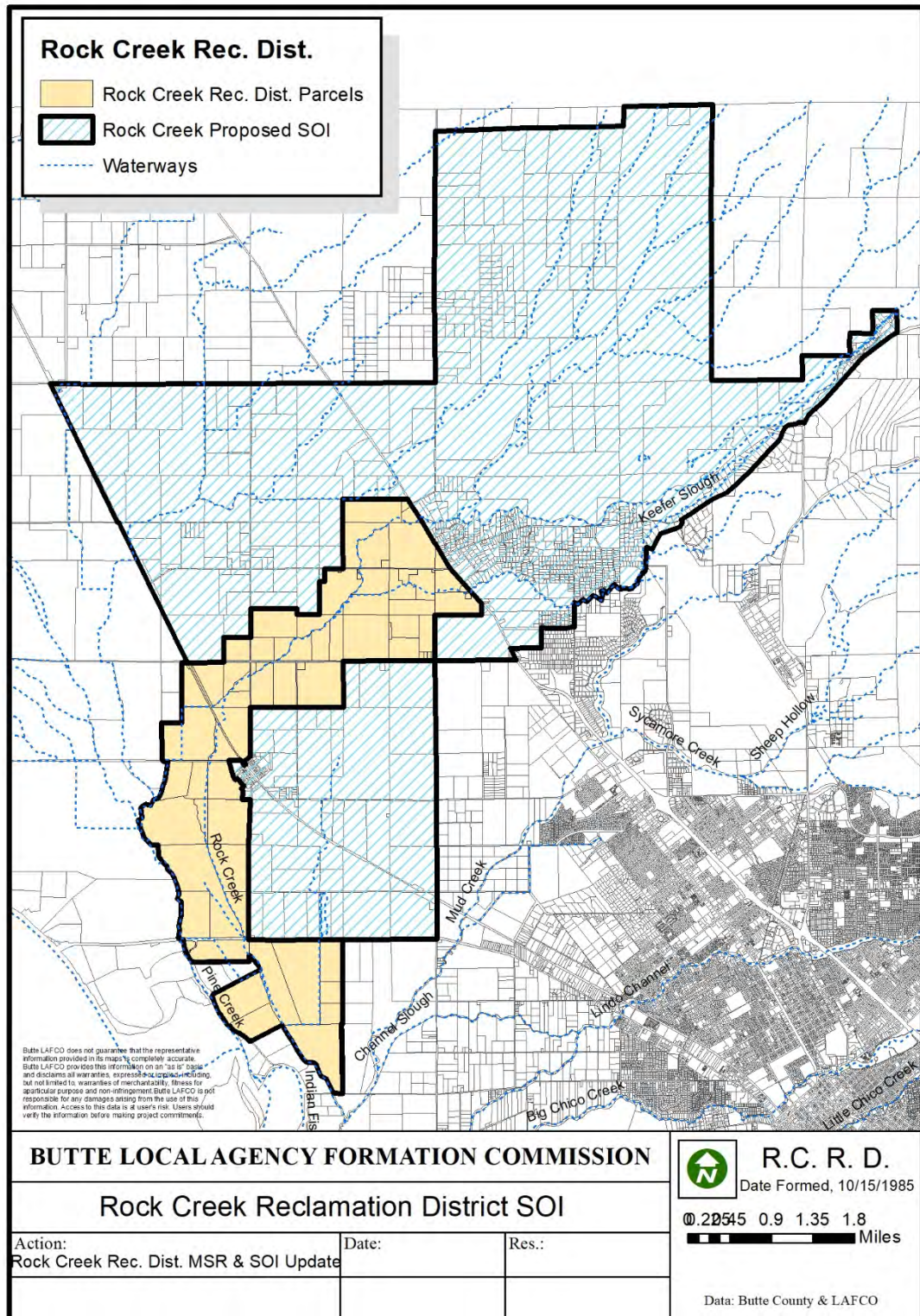
Fiscal Year 2016-17

Revenues: \$70,502
 Expenditures: \$28,095
 Fund Balance end of FY 2016-17: \$181,666

Revenue Sources:

- Property assessment
- Interest on fund balance

FIGURE 7-1 ROCK CREEK RECLAMATION DISTRICT



DISTRICT CHARACTERISTICS

Rock Creek Reclamation District (RCRD) was initially formed in 1985 under the State Reclamation Act. The District provides flood control services to approximately 4,644 acres of agricultural and single-family residential parcel owners in an area adjacent to the town of Nord in northern Butte County (Figure 7-1). The District consists of large agricultural properties and very low-density residential uses.

Pine Creek forms a portion of the western boundary above Highway 32. Additionally, Rock Creek flows down from the foothills through the District and joins Mud Creek and Big Chico Creek in the southern portion of the District. The majority of the Rock Creek Reclamation District has been identified as a 100-year flood zone on Federal Emergency Management Agency (FEMA) Flood Insurance Rate Maps. The District is also located in dam failure inundation areas for Shasta and Whiskeytown Dams. The District is located in the Big Chico Creek and Pine Creek Watersheds.

The Rock Creek Reclamation District coordinates repair of private levees and drains and attempts to control obstructions of flood capacity. The District serves agricultural and rural residential property owners of approximately 4,644 acres in the Nord area, between State Highway 99 and the Sacramento River, north of Big Chico Creek. The land use in the area within the District boundaries is primarily agriculture with very low-density, single-family residences. Rock Creek Reclamation District (RCRD) has an estimated 2015 population of approximately 156 within its boundaries.

Land use within the District boundaries is primarily intensive agricultural. Butte County's General Plan designates two zoning districts in the District: Agriculture – 80-acre minimum and Agriculture – 160-acre minimum. Additionally, 24 parcels totaling 2,147 acres are held in voluntary agricultural land conservation under rolling 10-year contracts associated with the Williamson Act (<http://www.consrv.ca.gov/DLRP/lca/index.htm>). There is the potential for division of the larger parcels. However, division of agricultural parcels in this area is unlikely due to economic and land-use trends associated with the intensity of agriculture within the District and the significant acreage under Williamson Act contracts.

The primary purpose of the District is to maintain the infrastructure needed to manage stormwater runoff to prevent flooding. This is accomplished by maintaining, repairing, and improving a series of levees from flooding and erosion threats. Stormwater volumes are directly related to the slope and runoff co-efficient of the land. The slope of the land within the district is generally very low 1% to 2%, which keeps drainage velocities low. Most of the stormwater that runs through the district is generated outside the district boundary in the larger Rock Creek watershed to the east which covers approximately 77 square miles and includes some urbanized areas which generate runoff as a result of residential development. Soil types and impervious surfaces directly affect runoff volumes. More runoff is generated from steeper terrain, saturated soils and impervious surfaces such as buildings, paved roads, and parking areas which can have the most significant impact on increased runoff by preventing infiltration.

The Rock Creek Reclamation District is also a recognized Groundwater Sustainability

Agency (GSA) pursuant to the 2014 Sustainable Groundwater Management Act (SGMA). This designation requires the District to develop a groundwater sustainability plan (GSP) by 2022. The district is located in the Vina sub-basin of the Sacramento Valley groundwater basin. There is interest from landowners adjacent to the District to annex into Rock Creek Reclamation District to become part of the local groundwater management agency as a way to have more local input to the groundwater plan as well as to receive flood protection benefits. The District has requested an expanded sphere of influence in order to accommodate this local interest.

MSR FACTOR NO. 1: GROWTH AND POPULATION PROJECTIONS FOR THE AFFECTED AREA

For purposes of this analysis, the expected population growth in the District has been projected to the year 2030, assuming a growth rate of 0.5%, which is based on historic growth figures derived from the estimates published by the State Department of Finance for Butte County as a whole for the 7 years from 2010 to 2017. The growth rate within the district is likely to be less than the rate for the County as a whole due to the established agricultural production pattern and low demand and limited allowance for new for housing in agricultural zones.

Rock Creek Reclamation District Estimated Population Growth	
2010	152
2015	156
2020	160
2025	164
2030	168

MSR DETERMINATION NO. 1-1: *The approximate population within the District is currently 156 and is expected to grow at a rate of approximately 0.5 percent annually areas through 2030. No significant new development is anticipated to occur within the District.*

MSR DETERMINATION NO. 1-2: *Continued urban/suburban development upstream of the District in the North Chico Specific Plan has the potential to affect the District’s ability to maintain adequate flood protection to the District landowners as well as to the residents of the town of Nord.*

MSR FACTOR NO. 2: THE LOCATION AND CHARACTERISTICS OF ANY DISADVANTAGED UNINCORPORATED COMMUNITIES WITHIN OR CONTIGUOUS TO THE SPHERE OF INFLUENCE.

Disadvantaged unincorporated communities (DUCs) are defined by statute as inhabited territory (meaning 12 or more registered voters), or as determined by commission policy, that constitutes all or a portion of a community with an annual

median household income (MHI) that is less than 80 percent of the statewide annual MHI (Water Code Section 79505.5). The statewide MHI data is obtained from the US Census American Community Survey (ACS) 5-Year Data: 2010 - 2014. California's MHI for this period was \$61,489, and 80 percent of that is \$49,191. DUCs were identified by utilizing the Disadvantage Communities Mapping tool offered by the California Department of Water Resources at <https://gis.water.ca.gov/app/dacs/>. Based on an analysis of census block groups, no DUCs were identified in Rock Creek Reclamation District.

MSR DETERMINATION NO. 2: *The Rock Creek Reclamation District is not within or adjacent to an area that has been identified as being a disadvantaged unincorporated community.*

MSR FACTOR NO. 3: PRESENT AND PLANNED CAPACITY OF PUBLIC FACILITIES ADEQUACY OF PUBLIC SERVICES, AND INFRASTRUCTURE NEEDS OR DEFICIENCIES INCLUDING NEEDS OR DEFICIENCIES RELATED TO SEWERS, MUNICIPAL AND INDUSTRIAL WATER, AND STRUCTURAL FIRE PROTECTION IN ANY DISADVANTAGED, UNINCORPORATED COMMUNITIES WITHIN OR CONTIGUOUS TO THE SPHERE OF INFLUENCE.

Rock Creek Reclamation District **does not own any facilities or infrastructure.** The purposes of the District include:

- 1) Coordinate the efforts of private landowners to provide for the maintenance, repair and improvements of private levees, and
- 2) Assist in controlling improper restrictions of flood capacity. Levees within the District used for channeling floodwaters and stormwater drainage are located along the north and south sides of Rock Creek, which runs through the District from State Highway 99 in the north to near the junction of Mud Creek to the south.

The District contracts out necessary maintenance duties to private vendors on an as-needed basis. For example, gravel bars form on Rock Creek and these are removed periodically in order to maintain channel capacity for stormwater flows.

Generally, the land within the district has a very low percentage of impervious surfaces and the likelihood of new areas of significant impervious surfaces is low due to the nature of the agricultural uses within the district. The larger Rock Creek watershed however, contains a variety of land surfaces, slopes and vegetation types that generate much higher runoff. Elevations range up to 4,000 feet and include steep canyon walls as well as ridge tops. A portion of the watershed is located in the North Chico Specific Plan area which is zoned for urban/suburban densities of 1 dwelling unit per acre and which is becoming increasingly developed. The north-central part of the North Chico Specific Plan is drained by Keefer Slough, a tributary to Rock Creek. Beginning in the 1980s and 1990s and continuing up to the present, development of homes and roads in the Keefer Slough watershed have contributed to adverse impacts to properties in the Rock Creek Drainage District. To address this issue the County

formed a county service area east of SR99 (CSA 87 - 1984) and initiated a county service area west of SR99 (CSA 89) which was never formed and sought to increase levee heights in the yet to be formed reclamation district and required increased stormwater detention in the subdivisions being developed throughout the northern portion of the Plan area including the Keefer Slough drainage. These two steps appear to have at least partially mitigated the issue of increased peak flow runoff, but flooding persists as witnessed by the flow of water over SR99 during periods of extended precipitation.

Information regarding the District's drainage capacity was not provided. The primary source of stormwater is directly related to the size of the watershed and terrain and is compounded by the increased impervious surface area associated with development located east of State Highway 99 as discussed above. Additionally, it should be noted that because the majority of the District is located within a 100-year flood inundation area as mapped by FEMA, large storm events have the potential to exceed the capacity of the levees protecting the lands within and cause widespread flooding, including flooding of the town of Nord.

District representatives expressed concern regarding the effects of increasing urbanization along the east side of Highway 99. The installation of additional upstream stormwater detention reservoirs would assist in reducing the effects of increased impervious surfacing associated with urbanization. Coordination between the County Planning Department and RCRD is needed to develop conditions of approval including the submittal of engineered drainage plans that ensure post-project peak flow conditions do not exceed pre-project conditions. For peak storm events, there is the potential that stormwater will meet or exceed the capacity in the managed section of Rock Creek. Changes to land use and the development of new impervious surfaces upstream of the District is largely out of the control of the District Board of Trustees though the Trustees can ensure that the impacts are mitigated by requiring that the Environmental analysis of new development projects adequately address stormwater runoff individually and cumulatively.

The District desires to become more diligent in pursuing grant funding for a flood mitigation feasibility study. The study would assess the benefits of installation of stormwater detention reservoirs and other alternative approaches to reducing peak flows in Rock Creek through the District. The District has participated in the Northern Sacramento Valley Integrated Regional Water Management Plan (NSVIRMP) and has identified Rock Creek and Sand Creek Flood Mitigation Project as a potential project for ranking in the draft NSVIRMP. The project would help preserve capacity in the Rock Creek Drainage District jurisdictional area. A preliminary plan for the development of additional stormwater detention facilities was done in 2011. The plan identifies suitable areas for detention facilities on Sand Creek, a tributary to Rock Creek, the locations of which are shown in Figure 7-2.

The District is not in or adjacent to a Disadvantaged Unincorporated Community (DUC) and does not provide sewer, municipal water or structural fire protection services and would therefore not have any service impact to any DUC.

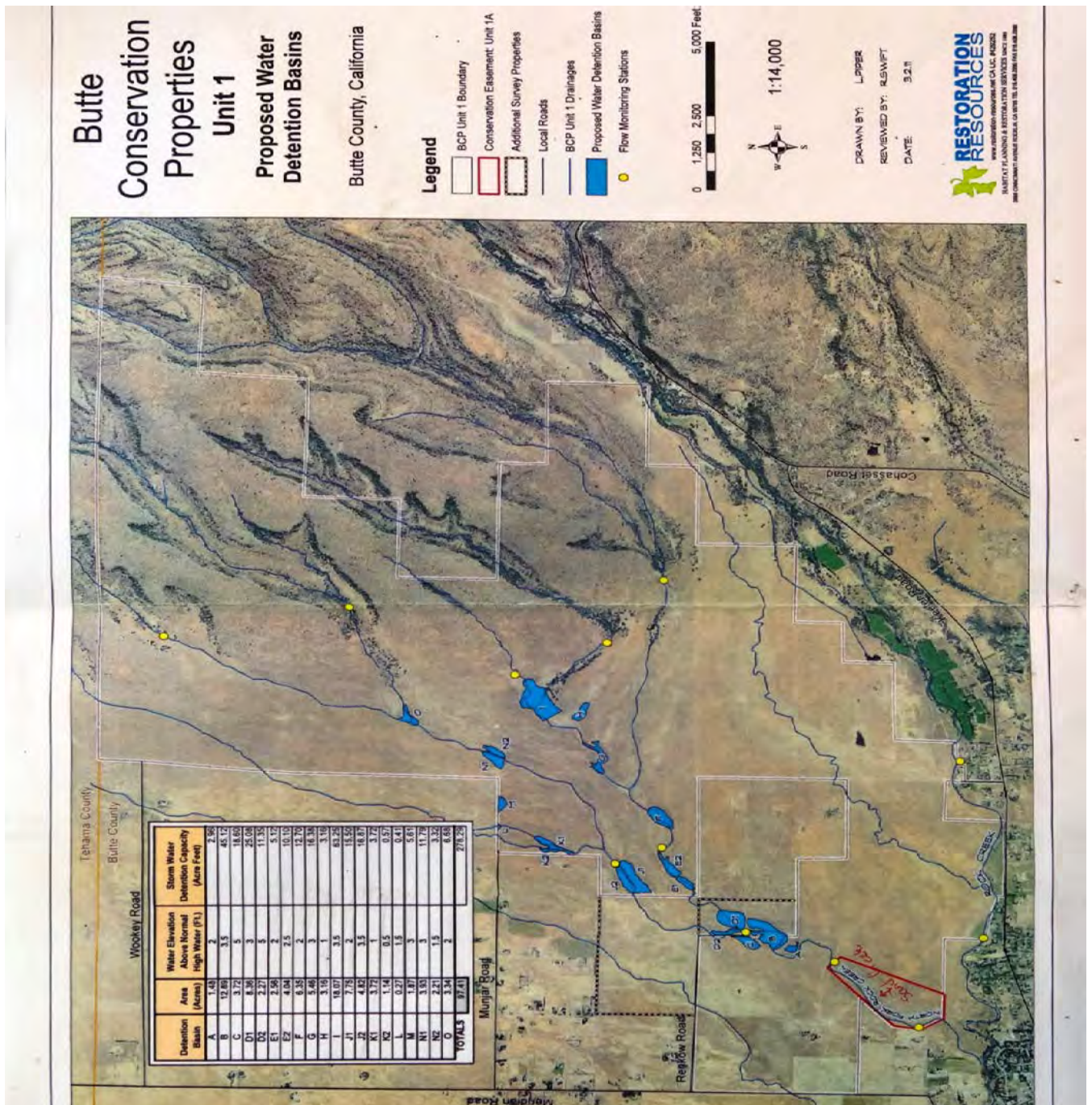
MSR DETERMINATION NO. 3-1: *At the present time, the District has the ability and the capacity to serve the existing service area and has no unmet infrastructure needs or deficiencies for normal wet year scenarios. The physical capacity of the District to accommodate drainage and flood waters for very high to extreme storm events is uncertain and there is no excess capacity in the managed section of Rock Creek.*

MSR Determination 3-2: *It is the responsibility of the Board of Trustees for the District to ensure that Butte County adequately analyzes changes to stormwater flows that result from the approval of new development upstream of the managed section of Rock Creek.*

MSR Determination 3-3: *An additional stormwater detention facility may be necessary if localized stormwater detentions facilities associated with individual development projects fail to adequately mitigate peak stormwater flows. A new detention facility would need to be located upstream of the managed section of Rock Creek and most likely be north of Rock Creek.*

MSR Determination 3-4: *The District does not impact any disadvantaged unincorporated community as it does not deliver sewer, municipal water, or fire protection services and is not in or adjacent to a disadvantaged unincorporated community.*

FIGURE 7-2 ROCK CREEK RECLAMATION DISTRICT STORMWATER DETENTION LOCATIONS



MSR FACTOR NO. 4: FINANCIAL ABILITY OF AGENCIES TO PROVIDE SERVICES

The Rock Creek Reclamation District follows the General Accounting Standard Board Statement No. 34 (GASB 34) accounting standards. A summary of estimated revenue and expenditures was provided with the actual budget for Fiscal Year (FY) 2014–2015 through FY 2016-2017 and the adopted budget for 2017-2018. The District provided LAFCO staff with audits for fiscal years 2013-14, 2014-15, and 2015-16. The audits conform to the figures contained in the County budgets for those years.

In 2013 the District prepared an engineering report to develop and document an assessment charge to be levied on property owners in the district. As a result of the report, assessment charges were adopted ranging from \$7.96 per acre to \$17.83 per acre. This assessment raises \$70,175 per year. In FY 2016–2017, the District maintained a fund balance of \$181,666. Operating revenues totaled \$70,502. Operating expenses totaled \$28,095 and consisted of services and supplies.

The total operating income fluctuates but generally exceeds expenses which is reflected by an increasing fund balance. Assessments based on specific projects and charges for services make up the entirety of the District’s revenue unless grant, State, or federal funds are obtained. The District does not have an adopted Capital Improvement Plan and does not provide an annual contribution to the State Education Revenue Augmentation Funds (ERAF).

ROCK CREEK RECLAMATION DISTRICT FY 2014-15 TO FY 2017-18 BUDGETS				
Detail by Revenue Category and Expenditure Object	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18* Adopted
REVENUES				
SPECIAL ASSESSMENTS	70,175	70,175	70,175	70,175
INTEREST	488	1,045	1,618	-
FAIRMARKET VALUE ADJUSTMENT – GAIN (LOSS)	34	866	(1,290)	-
CHARGES FOR SERVICES	-	-	-	-
MISCELLANEOUS REVENUE	-	-	-	-
TOTAL REVENUES	\$70,697	\$72,085	\$70,502	\$70,175
EXPENDITURES/APPROPRIATIONS				
SERVICE & SUPPLIES	13,088	16,792	28,095	239,197
TOTAL EXPENDITURES/APPROPRIATIONS	\$13,088	\$16,792	\$28,095	\$239,197
NET COSTS/USE OF FUND BALANCE	(\$57,609)	(\$55,294)	(42,407)	\$169,022
ENDING FUND BALANCE	\$83,965	\$139,259	\$181,666	\$12,644

In accordance with Government Code Section 53901, every local agency shall file a copy of its annual budget with the County Auditor of the County in which it conducts its principal operations, unless exempted by the County Auditor 60 days after the

beginning of its fiscal year. District officials have complied with this requirement through submittal of annual budgets to the County Auditor. The District has complied with this requirement.

MSR DETERMINATION NO. 4: *Revenue appears to provide adequate funds to cover the cost of the services provided by the District with revenues normally exceeding expenditures. The district currently has a moderate fund balance that can be utilized for future maintenance or improvement work.*

MSR FACTOR 5: STATUS OF, AND OPPORTUNITIES FOR SHARED FACILITIES

The District contracts for all administration and maintenance functions and does not own any facilities or equipment. The facilities maintained by the District are levees that are located on private property.

MSR DETERMINATION NO. 5: *The District has no employees and contracts with private contractors for the services it provides. As the District owns no facilities there is no opportunity for shared facilities.*

MSR FACTOR 6: ACCOUNTABILITY FOR COMMUNITY SERVICES NEEDS, INCLUDING GOVERNMENTAL STRUCTURE AND OPERATIONAL EFFICIENCIES.

The District is an independent Special District of the State of California formed pursuant to California Water Code Section 50000 et seq. and created by Resolution 85-167 of the Butte County Board of Supervisors on October 15, 1985. The District is governed by a 7-member Board of Trustees elected by landowners in the district. Currently there are two vacant positions that the District is seeking to fill. Members are elected for 4-year terms. The District appears to be providing proper notice of meetings and maintains adequate records of actions taken by the Board. One part-time employee who acts as the district manager and secretary handles the day-to-day operational needs of the District.

The District has a website which provides a full range of information including activities, notices, maps, and projects that could serve as a model for other districts. The California Special District Association (CSDA) strongly encourages all special districts to maintain a website by 2020 (2018 - Senate Bill 929) in an effort to support transparency and encourage citizen participation. The District has no employees, but rather utilizes independent contractors to perform maintenance functions as necessary.

MSR DETERMINATION NO. 6-1: *The District is managed by a board of trustees elected by landowners within the district. The trustees along with one part-time employee manage the administrative needs of the District. Independent contractors rather than full time staff are utilized for all maintenance functions which allows for more efficiency in a small district. The District utilizes the Butte County Auditor Controller's office for treasury services, which also promotes efficiency.*

MSR FACTOR NO. 7: ANY OTHER MATTER RELATED TO EFFECTIVE OR EFFICIENT SERVICE DELIVERY, AS REQUIRED BY COMMISSION POLICY.

An analysis of the district area was done using Tax Rate Area (TRA) data available from the Butte County GIS system. The analysis took all of the TRA numbers for the district and identified every Assessor's Parcel Number (APN) that is being assessed a property tax share for Rock Creek Reclamations District. The analysis identified a couple of parcel discrepancies between the TRA parcels and the district boundary on file with LAFCo. LAFCo staff will work with the District and County to address the source of these discrepancies. There does not appear to be any issue with the adopted district boundary.

<i>MSR DETERMINATION NO. 7: None.</i>

SPHERE OF INFLUENCE PLAN

LAFCo staff cannot find any information that indicates that a Sphere of Influence (SOI) was formally adopted for the Rock Creek Reclamation District. The District was formed in October of 1985, 6 months after the adoption of the sphere studies that were completed for most of the districts in the county. No changes to the boundary have occurred since that date. The SOI Plan recommendation is based directly on the information and discussions in the MSR and the MSR factor determinations above. In Butte County drainage and reclamation districts all have coterminous SOI boundaries. Unlike cities where boundaries are constantly changing because of new development that requires city services, the existing drainage districts have been based on long-standing infrastructure and topography that doesn't normally change. The Rock Creek Reclamation District is directly impacted by urban/suburban development upstream and an expanded SOI is recommended to provide the District with location options for a needed detention facility.

SPHERE OF INFLUENCE PLAN REVIEW FACTORS FOR ROCK CREEK RECLAMATION DISTRICT

There are numerous factors to consider in reviewing an SOI Plan, including current and anticipated land uses, facilities, and services, as well as any relevant communities of interest. Updates generally involve a comprehensive review of the entire SOI Plan, including boundary and SOI maps and the District's MSR. In reviewing an agency's sphere, the Commission is required to consider and prepare written statements addressing five factors enumerated under California Government Code Section 56425(e). Each of the SOI review factors is listed below, with a corresponding determination.

SOI FACTOR NO. 1: The present and planned land uses in the area, including agricultural and open-space lands.

SOI DETERMINATION NO. 1: *The present and planned land use in the District is for intensive agriculture. No change in land use is anticipated in the foreseeable future. Butte County has the land use authority in the District, which is currently for the preservation of agriculture as the primary use on parcels of at least 80 acres. However, land uses upstream of the District include a significant area of urban and suburban designations that can have a significant impact on the District's ability to*

SOI FACTOR NO. 2: The present and probable need for public facilities and services in the area.

SOI DETERMINATION NO. 2: *With low projected population growth and limited potential for land divisions, the generation of increased stormwater flows from new impervious surfacing from within the District is low. However, development outside the District upstream of the managed section of Rock Creek has the potential to increase stormwater flows as a result of new and existing urban/suburban development. Additional stormwater detentions facilities may be required outside of the District boundary upstream of the managed section of Rock Creek in order to accommodate new development.*

SOI FACTOR NO. 3: The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

SOI DETERMINATION NO. 3-1: *The present capacity of the District's facilities is sufficient to provide acceptable levels of drainage and flood protection services for existing agricultural uses during most storm events. During 25 year storm events and larger, the capacity of the District's flood protection facilities begins to be reached. Failure of the levee on the easterly side of Rock Creek could lead to significant flooding in the town of Nord.*

SOI DETERMINATION NO. 3-1: *The District is actively pursuing options to reduce the peak storm flows in Rock Creek during 25 year and larger storm events, including the construction of an off-stream detention facility north of Rock Creek, east of Highway 99.*

SOI FACTOR NO. 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.

SOI DETERMINATION NO. 4-1: *The function of the District helps protect and preserve the economic interests of agricultural production from flood damage.*

SOI DETERMINATION NO. 4-2: *The economic interest in the development of the North Chico Specific Plan is relevant to the long-term operation of the District and may be at odds to the purpose of the District. An expansion of the District's SOI to include areas suitable for the construction of a detention facility to mitigate peak stormwater flows would be appropriate and create a stronger incentive for County planners to integrate the District into planning efforts in the new SOI.*

SOI DETERMINATION NO. 4-3: *As a groundwater sustainability agency (GSA) the District represents an economic community of interest for local property owners to participate and have input on groundwater issues. The District has requested an expanded SOI to accommodate these property owners.*

SOI FACTOR NO. 5: For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

SOI DETERMINATION NO. 5: *The District does not provide services related to sewers, municipal and industrial water, or structural fire protection.*

ROCK CREEK RECLAMATION DISTRICT MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE FINDINGS AND RECOMMENDATIONS

Based on the MSR and SOI determinations as listed above, the Commission:

1. Finds that the services being provided by the district are adequate and are being provided in an effective and efficient manner.
2. Finds there is the potential for new urban/suburban development outside of the District that could increase stormwater peak flows thereby impacting the capacity of the flood protection infrastructure. The District has little control over such development.
3. Finds that an economic community of interest exist related to the District's designation as a groundwater sustainability agency that supports an expanded SOI.
4. Finds that because of lack of control in the upstream watershed, an expanded Sphere of Influence is appropriate to include areas upstream of the District

suitable for the construction of a future off-stream detention facility that would reduce peak stormwater flows in Rock Creek. This area would be designated as a study area and would allow the District flexibility to develop and manage additional drainage detention facilities in this area. The proposed SOI boundary is shown in Figure 7-1.

MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE PLAN
FOR
SACRAMENTO RIVER RECLAMATION DISTRICT



ADOPTED JUNE 7, 2018
BUTTE LAFCO RESOLUTION NO. 16 2017/18

SACRAMENTO RIVER RECLAMATION DISTRICT DATA SHEET

Contact: Paul Minasian, Legal Counsel
 Address: PO Box 1679, Oroville, CA 95965
 Phone: (530)533-2885
 Webpage: N/A

GOVERNING BOARD

<u>Board of Trustees</u>	<u>Member</u>	<u>Term Expires</u>
	Peter Petersen/President	2021
	Richard Wright/Treasurer	2021
	Harold Dawson	2021
	Roy Roney	2019
	James Strong	2019
	Rogelio Sanchez	2019
	Vacant	

Normal Board Meeting Dates: As needed. Meeting are held at the offices of Minasian, Meith, Soares, Sexton & Cooper, LLP located at 1681 Bird Street, Oroville, CA

FORMATION INFORMATION

Date of Formation: November 8, 1999

PURPOSE

1. Enabling Legislation: California Water Code Section 50000 et seq.
2. Provided Services:
Maintenance of drainage and flood control improvements and drainage courses

AREA SERVED

1. No. of Parcels: 142
3. District Size: 6,249 acres
4. Estimated Population: 125 (2015)
5. Location: Adjacent to the Sacramento River in the western portion of the County up to the Tehama County line.
6. Sphere of Influence: Coterminous with approved district boundaries.

FINANCIAL INFORMATION

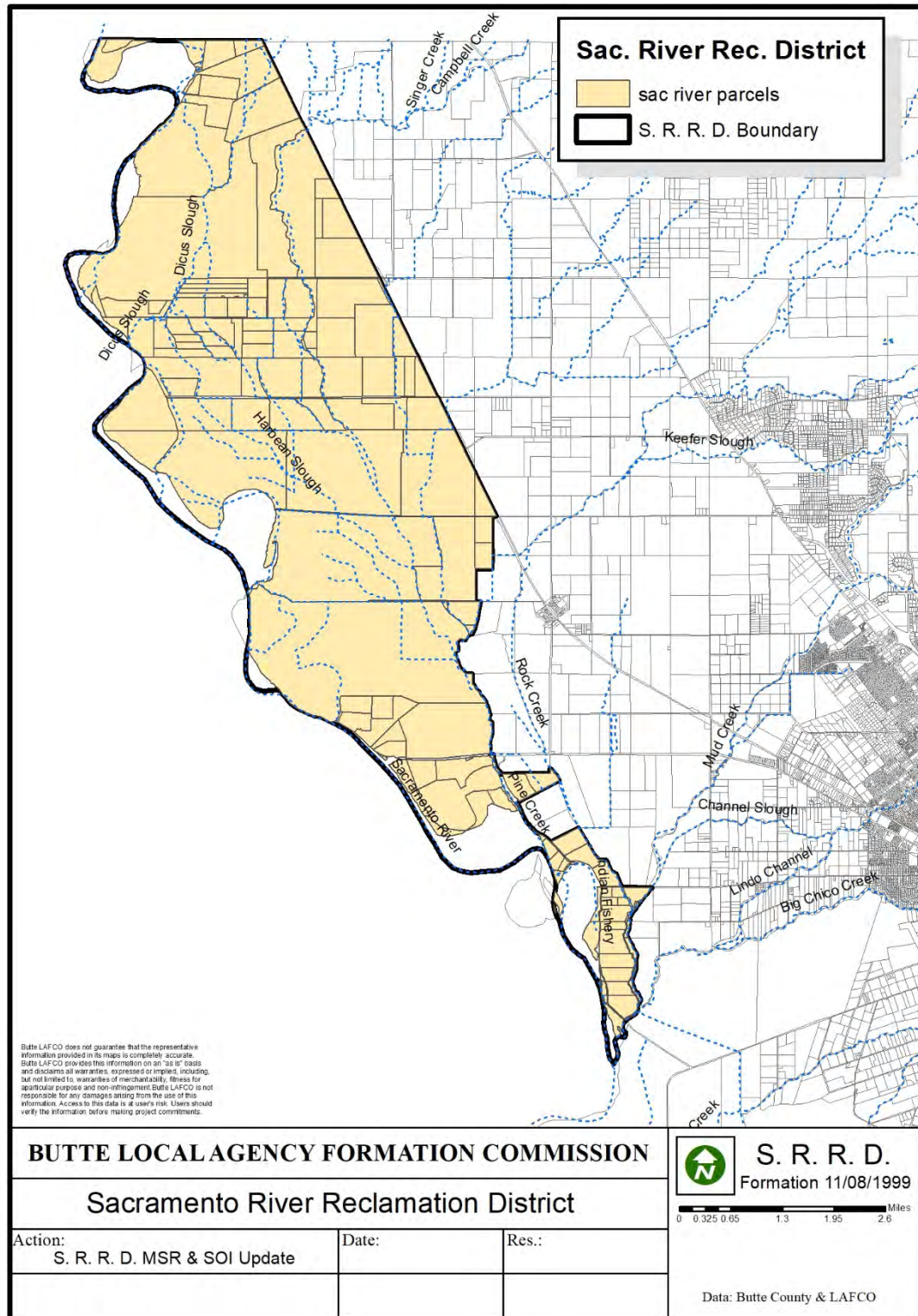
Fiscal Year 2016-17

Revenues: \$80
 Expenditures: \$0
 Fund Balance end of FY 2016-17: \$19,583

Revenue Sources:

- Property tax share
- Charges for services
- Interest on fund balance

FIGURE 8-1 SACRAMENTO RIVER RECLAMATION DISTRICT



DISTRICT CHARACTERISTICS

The Sacramento River Reclamation District (SRRD) was formed on November 8, 1999, under Water Code Section 50000, et seq. The District was formed to address the needs of parcel owners within its boundaries relating to flooding from the Sacramento River, including flooding, erosion and deposition of flood-borne materials; the need for coordination of efforts by private landowners to provide for the maintenance of existing land features in the face of flooding and erosion threats, including existing levees; and the coordination of their land uses to minimize damage and injury to property, and potential injury to life from flooding. The District provides flood control services to approximately 20,725 acres of agricultural and single-family residential parcels on the east side of the Sacramento River, north of Big Chico Creek (Figure 8-1).

The District's western boundary is defined by the Sacramento River. Additionally, Pine Creek flows through the District and joins Mud and Big Chico Creeks in the southern portion of the District. The majority of the Sacramento River Reclamation District has been identified as a 100-year flood zone on Federal Emergency Management Agency (FEMA) Flood Insurance Rate Maps. The District is also located in dam failure inundation areas for Shasta and Whiskeytown Dams. The District is located in the Pine Creek Watershed.

Land use within the District boundaries is primarily intensive agricultural. Butte County's General Plan designates two zoning districts in the District: Agriculture – 80-acre minimum and Agriculture – 160-acre minimum. State or Federal agencies own 27 parcels within the district totaling 1,373 acres. Additionally, 65 parcels totaling 18,376 acres are held in voluntary agricultural land conservation under rolling 10-year contracts associated with the Williamson Act (<http://www.consrv.ca.gov/DLRP/lca/index.htm>). There is the potential for division of the larger parcels. However, division of agricultural parcels in this area is unlikely due to economic and land-use trends associated with the intensity of agriculture within the District and the significant acreage under Williamson Act contracts.

MSR FACTOR NO. 1: GROWTH AND POPULATION PROJECTIONS FOR THE AFFECTED AREA

For purposes of this analysis, the expected population growth in the District has been projected to the year 2030 (Figure 4-4), assuming a growth rate of 0.5 percent, which is based on historic growth figures derived from the estimates published by the State Department of Finance for Butte County as a whole for the 7 years from 2010 to 2017. The growth rate within the district is likely to be less than the rate for the County as a whole due to the established agricultural production pattern and low demand for housing.

Sacramento River Reclamation District Estimated Population Growth	
2010	122
2015	125
2020	128
2025	132
2030	136

MSR DETERMINATION NO. 1: *The approximate population within the District is currently 125 and is expected to grow at a rate of approximately 0.5 percent annually areas through 2030. No significant new development is anticipated to occur within the District.*

MSR FACTOR NO. 2: THE LOCATION AND CHARACTERISTICS OF ANY DISADVANTAGED UNINCORPORATED COMMUNITIES WITHIN OR CONTIGUOUS TO THE SPHERE OF INFLUENCE.

Disadvantaged unincorporated communities (DUCs) are defined by statute as inhabited territory (meaning 12 or more registered voters), or as determined by commission policy, that constitutes all or a portion of a community with an annual median household income (MHI) that is less than 80 percent of the statewide annual MHI (Water Code Section 79505.5). The statewide MHI data is obtained from the US Census American Community Survey (ACS) 5-Year Data: 2010 - 2014. California's MHI for this period was \$61,489, and 80 percent of that is \$49,191.

DUCs were identified by utilizing the Disadvantage Communities Mapping tool offered by the California Department of Water Resources at <https://gis.water.ca.gov/app/dacs/>. Based on an analysis of census block groups, no DUCs were identified in the Sacramento River Reclamation District.

MSR DETERMINATION NO. 2: *The Sacramento River Reclamation District is not within or adjacent to an area that has been identified as being a disadvantaged unincorporated community.*

MSR FACTOR NO. 3: PRESENT AND PLANNED CAPACITY OF PUBLIC FACILITIES ADEQUACY OF PUBLIC SERVICES, AND INFRASTRUCTURE NEEDS OR DEFICIENCIES INCLUDING NEEDS OR DEFICIENCIES RELATED TO SEWERS, MUNICIPAL AND INDUSTRIAL WATER, AND STRUCTURAL FIRE PROTECTION IN ANY DISADVANTAGED, UNINCORPORATED COMMUNITIES WITHIN OR CONTIGUOUS TO THE SPHERE OF INFLUENCE.

The District does not own any facilities or infrastructure. The purposes of the District include:

- 1) Coordinate the efforts of private landowners to provide for the maintenance of existing land features, including existing levees given flooding and erosion threats,
- 2) Coordinating private land uses to minimize damage and injury to property and to reduce potential injury to life from flooding, and
- 3) Assisting landowners with permitting issues from State and Federal regulatory agencies.

The Reclamation Board and Army Corps of Engineers have also participated in levee repairs of private levees within the District. Additionally, the District serves as a vehicle for obtaining flood protection funding from State and Federal sources as it becomes available.

The primary source of flooding in the District is overflow from the Sacramento River. The flows in the Sacramento River are subject to significant fluctuations based on rainfall events which can be exacerbated by water releases from Shasta Dam. The District has no control over these flows and can only try to prepare for flood events and react to the after-effects of flood flows, particularly erosion. Flood stage on the Sacramento River at the Hamilton City/Highway 32 bridge is 148'. The most recent flood stage occurred on February 19, 2017 when the river reached in 149.32 ft.

Based on information received from the District's representatives damage to flood protection infrastructure and erosion from high river flows appears to be less in recent years compared to events 15-20 or more years ago. One hypothesis for this change is that more land along the river is owned and controlled by State and Federal agencies who have allowed riparian vegetation to flourish thereby providing better bank stabilization. However, it should be noted that because the majority of the District is located within a 100-year flood inundation area as mapped by FEMA, large flood events are possible which will likely cause widespread flooding regardless of the District's flood management capacities.

MSR DETERMINATION NO. 3-1: *The District does not own or operate any facilities but serves as an entity to collect funding to maintain flood prevention and drainage facilities and assist with the permitting procedure of State and Federal Agencies. As such, there is no calculable capacity. At the present time, the district has the ability and the capacity to serve the existing service area and has no unmet infrastructure needs or deficiencies for normal wet year scenarios. The physical capacity of the District to accommodate unusual peak flows is uncertain and can change based on river and creek flows in the area.*

MSR Determination 3-2: *The District does not impact any disadvantaged unincorporated community as it does not deliver sewer, municipal water, or fire protection services and is not in or adjacent to a disadvantaged unincorporated community.*

MSR FACTOR NO. 4: FINANCIAL ABILITY OF AGENCIES TO PROVIDE SERVICES

The Sacramento River Reclamation District follows the General Accounting Standard Board Statement No. 34 (GASB 34) accounting standards. A summary of estimated revenue and expenditures was provided with the actual budget for Fiscal Year (FY) 2014–2015 through FY 2015-2016. The District did not submit a budget for FY 2016-2017 or 2017-2018.

In FY 2015–2016, the District maintained a fund balance of \$45,505. The major sources of revenue included interest and charges for current services. Operating revenues totaled \$9,291. Operating expenses totaled \$2,319 and consisted of services and supplies. The total operating income fluctuates but generally exceeds expenses which is reflected by an increasing fund balance. Assessments based on specific projects and charges for services make up the entirety of the District's revenue unless grant, State, or

federal funds are obtained. The District does not consistently collect assessments from the landowners as it does not provide maintenance services and intends to serve as a vehicle for State or federal funding of levee and drainage improvements or repairs. The District does not have an adopted Capital Improvement Plan and does not provide an annual contribution to the State Education Revenue Augmentation Funds (ERAF).

SACRAMENTO RIVER RECLAMATION DISTRICT FY 2014-15 TO FY 2017-18 BUDGETS				
Detail by Revenue Category and Expenditure Object	2014-15 Actual	2015-16 Actual	2016-17* Actual	2017-18*
REVENUES				
SPECIAL ASSESSMENTS	8,604	-	-	-
INTEREST	328	404	-	-
FAIRMARKET VALUE ADJUSTMENT – GAIN (LOSS)	17	283	-	-
CHARGES FOR SERVICES	-	8,604	-	-
MISCELLANEOUS REVENUE	-	-	-	-
TOTAL REVENUES	\$8,949	\$9,291	\$	
EXPENDITURES/APPROPRIATIONS				
SERVICE & SUPPLIES	5,835	2,319	-	-
TOTAL EXPENDITURES/APPROPRIATIONS	\$5,835	\$2,319	\$	-
NET COSTS/USE OF FUND BALANCE	(\$3,114)	(\$6,972)		
ENDING FUND BALANCE	\$38,533	\$45,505	\$45,585	\$45,768

*The Board did not adopt a 2016-17 or 2017-18 budget

In accordance with Government Code Section 53901, every local agency shall file a copy of its annual budget with the County Auditor of the County in which it conducts its principal operations, unless exempted by the County Auditor 60 days after the beginning of its fiscal year. **District officials have not complied with this requirement for the past 2 years.**

MSR DETERMINATION NO. 4-1: Revenue appears to provide adequate funds to cover the cost of the services provided by the District with revenues normally exceeding expenditures. The district currently has a small fund balance that could be utilized for unanticipated expenses or to cover revenue shortfalls.

MSR DETERMINATION NO. 4-2: The District has not submitted annual budgets for the past 2 years. This issue should be addressed immediately and into the future.

MSR DETERMINATION NO. 5: The District has no employees and contracts with private vendors for the services it provides. As the District owns no facilities there is no opportunity for shared facilities.

MSR FACTOR 6: ACCOUNTABILITY FOR COMMUNITY SERVICES NEEDS, INCLUDING GOVERNMENTAL STRUCTURE AND OPERATIONAL EFFICIENCIES.

The Sacramento River Reclamation District is governed by a seven member Board of Directors elected by landowners within the District. **There are no employees or staff for the District.** Board actions and normal activities are carried out by the law firm of Minasian, Meith, Soares, Sexton & Cooper, LLP. District meetings are held as needed, generally at least twice a year and are held in the offices of Minasian, Meith, Soares, Sexton & Cooper, LLP located at 1681 Bird Street, Oroville, CA. Agendas are posted for the meetings as required.

The District does not have a website, nor is it required to at this time. However, the California Special District Association (CSDA) strongly encourages all special districts to maintain a website by 2020 (2018 - Senate Bill 929) in an effort to support transparency and encourage citizen participation. The District has no employees, but rather utilizes independent contractors to perform maintenance functions as necessary.

MSR DETERMINATION NO. 6-1: *The district is managed by a board of trustees elected by landowners within the district. The trustees manage service need with independent contractors rather than full time staff, which allows for more efficiency in a small district. The district utilizes the Butte County Auditor Controller's office for treasury services, which also promotes efficiency.*

MSR DETERMINATION NO. 6-2: *The District does not have a website. The District is encouraged to establish a website as a primary manner of conveying information about the District to its constituents.*

MSR FACTOR NO. 7: ANY OTHER MATTER RELATED TO EFFECTIVE OR EFFICIENT SERVICE DELIVERY, AS REQUIRED BY COMMISSION POLICY.

An analysis of the district area was done using Tax Rate Area (TRA) data available from the Butte County GIS system. The analysis took all of the TRA numbers for the district and identified every Assessor's Parcel Number (APN) that is being assessed a property tax share for Sacramento River Reclamation District. The analysis identified one discrepancy between the parcels and the district boundary on file with LAFCo. LAFCo staff will work with the District and County to address this issue.

MSR DETERMINATION NO. 7: *None.*

II. SPHERE OF INFLUENCE PLAN

LAFCo staff cannot find any information that indicates a Sphere of Influence (SOI) was formally adopted for the Sacramento River Reclamation District. The District was formed in 1999 well after the 1985 sphere studies that were completed for most of the districts in the county. No changes to the boundary have occurred since that date. The SOI Plan recommendation is based directly on the information and discussions in the

MSR and the MSR factor determinations above. In Butte County drainage and reclamation districts all have coterminous SOI boundaries. Unlike cities where boundaries are constantly changing because of new development that requires city services, the existing drainage districts have been based on long-standing infrastructure and topography that doesn't normally change and a coterminous SOI is the most appropriate.

SPHERE OF INFLUENCE PLAN REVIEW FACTORS FOR THE SACRAMENTO RIVER RECLAMATION DISTRICT

There are numerous factors to consider in reviewing a SOI Plan, including current and anticipated land uses, facilities, and services, as well as any relevant communities of interest. Updates generally involve a comprehensive review of the entire SOI Plan, including boundary and SOI maps and the District's MSR. In reviewing an agency's sphere, the Commission is required to consider and prepare written statements addressing five factors enumerated under California Government Code Section 56425(e). Each of the SOI review factors is listed below, with a corresponding determination.

SOI FACTOR NO. 1: The present and planned land uses in the area, including agricultural and open-space lands.

***SOI DETERMINATION NO. 1:** The Present and planned land use in the District is for intensive agriculture and with some habitat preservation occurring on publicly owned parcels. No change in land use is anticipated in the foreseeable future. Butte County has the land use authority in the District which is currently for the preservation of agriculture as the primary use on parcels of at least 80 to 160 acres.*

SOI FACTOR NO. 2: The present and probable need for public facilities and services in the area.

***SOI DETERMINATION NO. 2:** With low projected population growth and limited potential for land divisions or changes to the current land uses the probable need for additional infrastructure maintenance above what is being provided is low and probable need for services within the district is not expected to change. Maintenance of existing infrastructure is the priority.*

SOI FACTOR NO. 3: The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

***SOI DETERMINATION NO. 3:** The present capacity of the district's facilities is sufficient to provide acceptable levels of flood protection services. There is no expected change to the present capacity or adequacy of the services currently provided by*

SOI FACTOR NO. 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.

***SOI DETERMINATION NO. 4:** The function of the district helps protect and preserve the economic interests of agricultural production from flood damage.*

SOI FACTOR NO. 5: For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

***SOI DETERMINATION NO. 5:** The District does not provide services related to sewers, municipal and industrial water, or structural fire protection.*

SACRAMENTO RIVER RECLAMATION DISTRICT MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE FINDINGS AND RECOMMENDATIONS

Based on the MSR and SOI determinations as listed above, the Commission:

1. Finds that the services being provided by the district are adequate and are being provided in an effective and efficient manner.
2. Finds that no changes to the Sphere of Influence boundary for the district are necessary.
3. Adopts a Sphere of Influence that is coterminous to the boundary of the Sacramento River Reclamation District.

MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE PLAN
FOR
RECLAMATION DISTRICT NO. 833



ADOPTED JUNE 7, 2018
BUTTE LAFCO RESOLUTION NO. 16 2017/18

RECLAMATION DISTRICT 833 DATA SHEET

Contact: Charles E. Nuchols, Manager
 Address: 1643 W Biggs Gridley Road, Gridley, CA
 P.O. Box 247, Gridley, CA 95948
 Phone: (530)846-3303
 Webpage: N/A

GOVERNING BOARD

<u>Board of Trustees</u>	<u>Member</u>	<u>Term Expires</u>
	William B. Fiedler, Trustee	December 2019
	Dane Andes, Trustee	December 3, 2021
	Jerry Davis, Trustee	December 3, 2021

Normal Board Meeting Dates: Once a month during the last week of the month.

FORMATION INFORMATION

Date of Formation: 1921

PURPOSE

1. Enabling Legislation: State Reclamation Act.
2. Provided Services:
 Maintenance of drainage and flood control improvements and drainage courses

AREA SERVED

1. No. of Parcels: 4,292
3. District Size: 38,600 acres
4. Estimated Population: 10,250 (2015)
5. Location: Southwest Butte County encompassing the City of Gridley and extending westerly to the Cherokee Canal and Butte Creek.
6. Sphere of Influence: Coterminous with approved district boundaries.

FINANCIAL INFORMATION

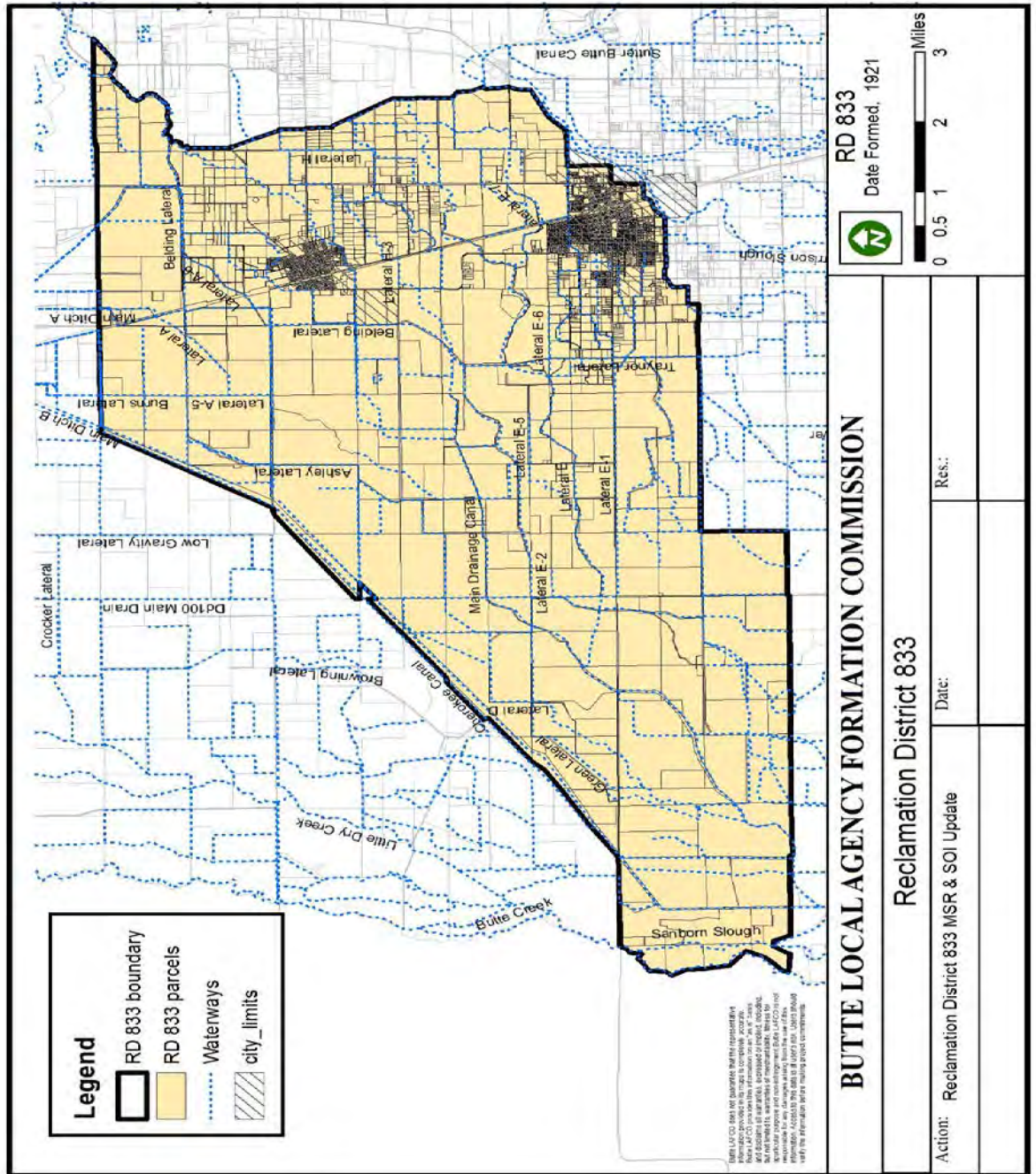
Fiscal Year 2016-17

Revenues: \$457,149
 Expenditures: \$364,615
 Fund Balance end of FY 2016-17: \$2,345,423

Revenue Sources:

- Property taxes
- Charges for services
- Land rental/hunting rights
- Interest on fund balance

FIGURE 9-1 RECLAMATION DISTRICT 833



DISTRICT CHARACTERISTICS

Reclamation District No. 833 (RD833) was initially formed in 1921 under the State Reclamation Act. The District provides flood control services to approximately 38,600 acres of agricultural and single-family residential parcel owners in the Biggs and Gridley area (Figure 9-1). While the District consists primarily of intensive agriculture in the form of rice farming, the District also includes all of the urbanized areas of Biggs and Gridley. Additionally, the District owns and operates a 720-acre property in the Butte Sink area located in Sutter County for drain-water management, duck hunting, and farming.

The western portion of the District is within the Butte Creek/Cherokee watershed (with the Cherokee Canal forming a large section of the western/northwestern boundary) and the eastern portion of the District is within the Feather River/Lower Honcut watershed (with the Sutter Butte Canal forming a large portion of the eastern boundary). Portions of the District have been mapped within a number of dam failure inundation zones, including Shasta Dam, Whiskeytown Dam, Black Butte Dam, Oroville Dam and Thermalito Forebay and Afterbay.

Agriculture is the primary land use in the region, including 104 parcels totaling 11,121 acres which are held in voluntary agricultural land conservation under rolling 10-year contracts associated with the Williamson Act (www.consrv.ca.gov/DLRP/lca/index.htm). However, the two urban areas of Gridley and Biggs are also within the District boundaries and land-use within these communities is primarily single-family residential and commercial. State Highway 99 runs north and south through the District, providing a main thoroughfare between Sacramento to the south and Chico to the north.

Both the City of Gridley and Biggs have updated their respective General Plans and have adopted an "Area of Concern" for the land that lies between the two cities. Gridley's General Plan, adopted in 2009, shows a future 1,250 acre urban area north of the City which is intended to serve as the primary growth area for the City over the next 20 years. This urban expansion area is planned to accommodate between 3,850 and 4,700 new dwellings, 1 to 1.3 million square feet of commercial buildings, and 3.2 to 4 million square feet of industrial buildings. A Sphere of Influence amendment was approved by Butte LAFCo to include this area in the SOI in December of 2010.

The City of Biggs has also expanded its Planning Boundary and Sphere of Influence to the south and east to encompass several large areas of potential development. Their General Plan adopted in 2014 included approximately 1,300 acres of land held by various landowners, and located in the unincorporated areas of Butte County for future urban development. However, the City has not proposed specific land uses within this area so an estimate of future buildout is not available at this time. No specific development projects are proposed at this time.

MSR FACTOR No. 1: GROWTH AND POPULATION PROJECTIONS FOR THE AFFECTED AREA

The District provides drainage services to the agricultural and residential property owners of approximately 38,600 acres in the unincorporated areas surrounding the

Biggs and Gridley region in southwestern Butte County. The primary land use within the District is intensive agriculture with very low population density. The District also serves portions of the incorporated cities of Biggs and Gridley, with estimated 2015 populations of 1,767 and 6,654, respectively (State of California Department of Finance Demographics Division). The District has an estimated 2015 population of approximately 10,508 within its boundaries.

For purposes of this analysis, the expected population growth in the District has been projected to the year 2030 (Figure 4-7) assuming two annual growth rate scenarios of 0.5 and 1.0 percent. The cities of Gridley and Biggs have grown at an average annual rate of 0.54 percent over the time period of 2010 to 2017 which is similar to the overall growth in Butte County. With a current economy that appears to be getting stronger the growth rate may increase in the future, therefore two growth estimates are provided.

Reclamation District No. 833 Estimated Population Growth 0.5%		Reclamation District No. 833 Estimated Population Growth 1.0%	
2010	10,250	2010	10,250
2015	10,508	2015	10,773
2020	10,773	2020	11,333
2025	11,045	2025	11,911
2030	11,324	2030	12,518

MSR DETERMINATION NO. 1: *The approximate population within the District is currently approximately 10,500 and is expected to grow at a rate between 0.5 and 1.0 percent annually areas through 2030. There is some potential that significant new development could occur around the cities of Gridley and Biggs particularly in the identified growth areas located between the two cities which may have an impact on the District's ability to provide adequate services.*

MSR FACTOR NO. 2: THE LOCATION AND CHARACTERISTICS OF ANY DISADVANTAGED UNINCORPORATED COMMUNITIES WITHIN OR CONTIGUOUS TO THE SPHERE OF INFLUENCE.

Disadvantaged unincorporated communities (DUCs) are defined by statute as inhabited territory (meaning 12 or more registered voters), or as determined by commission policy, that constitutes all or a portion of a community with an annual median household income (MHI) that is less than 80 percent of the statewide annual MHI (Water Code Section 79505.5). The statewide MHI data is obtained from the US Census American Community Survey (ACS) 5-Year Data: 2010 - 2014. California's MHI for this period was \$61,489, and 80 percent of that is \$49,191. The identification of DUCs as it relates to LAFCo is to ensure that these communities are fairly served with essential municipal services of public sewer, water and fire protection.

DUCs were identified by utilizing the Disadvantage Communities Mapping tool offered by the California Department of Water Resources at

<https://gis.water.ca.gov/app/dacs/>. Based on an analysis of census block groups, there are unincorporated areas around the cities of Biggs and in and around the City of Gridley that are DUCs and are in Reclamation District No. 833. Since the District does not provide any of the identified municipal services there is no requirement to provide further analysis. However, the provision of adequate drainage services is still important to disadvantaged unincorporated communities. The existence of a disadvantaged unincorporated community within the District does not affect the District's ability to provide services, nor do the District's services affect the status of these communities as "disadvantaged".

MSR DETERMINATION NO. 2: *A portion of Reclamation District No. 833 includes areas adjacent to the cities of Gridley and Biggs identified as being disadvantaged unincorporated communities (DUC). The existence of disadvantaged unincorporated communities within the District does not affect the District's ability to provide services, nor do the District's services affect the status of these communities as "disadvantaged". The District does not provide any of the municipal services that are central to the issue of disadvantaged unincorporated communities, which are public water, public sewer and fire protection.*

MSR FACTOR NO. 3: PRESENT AND PLANNED CAPACITY OF PUBLIC FACILITIES ADEQUACY OF PUBLIC SERVICES, AND INFRASTRUCTURE NEEDS OR DEFICIENCIES INCLUDING NEEDS OR DEFICIENCIES RELATED TO SEWERS, MUNICIPAL AND INDUSTRIAL WATER, AND STRUCTURAL FIRE PROTECTION IN ANY DISADVANTAGED, UNINCORPORATED COMMUNITIES WITHIN OR CONTIGUOUS TO THE SPHERE OF INFLUENCE.

Reclamation District No. 833 maintains a network of approximately 157 miles of drainage ditches within the District boundaries. The drainage ditches are a combination of District ownership and easements across private properties. The District provides no maintenance of private laterals, which are the responsibility of individual landowners within the District. The District also owns and maintains 720 acres in the Butte Sink area for drainage-water detention, duck hunting, and farming. After fall harvest is completed, the property is flooded for winter erosion control, which simultaneously provides habitat for waterfowl, such as ducks and geese. Additional responsibilities include maintenance of the Moulton Cut and the 833 Weir in the Butte Sink area.

Butte Creek is the major drainage conveyance for a number of districts in the area. In order to assist in the maintenance of a portion of Butte Creek and the Moulton Cut, the District is part of a multi-party maintenance agreement with Drainage District No. 200, Drainage District No. 100 and Butte Creek Drainage District. The maintenance agreement was established on June 2, 1936, and quantifies the apportionment of an expense to be shared between the districts based on each district's proportional acreage. Reclamation District No. 833's portion is the combined acreage of it and Drainage District No. 200's acreage. Reclamation District No. 833 performs the needed maintenance or administers a contract for the work. In recent years the work being performed has come under closer scrutiny by the California Department of Fish and Wildlife and the U.S. Army Corp of Engineers. The permitting requirement of these two

agencies has increased the cost of maintenance and significantly complicated the procedure for doing work in the stream channel. As a result, the District chose to replace a damaged bridge that had a support pier in Butte Creek with a new clear span bridge. The new bridge has significantly reduced the amount of trees and debris that was being trapped by the old bridge and significantly reduced the maintenance needed in this section of Butte Creek. Reclamation District No. 833 will continue to monitor this section of Butte Creek and perform the maintenance that it can. The Butte County Storm Water Management Plan (Adopted in September 2003 and reviewed annually) addresses issues associated with storm water pollution. Additionally, Reclamation District No. 833 participates in a Water Quality Coalition.

The District's drainage capacity has not been quantified. However, Butte Creek, which provides conveyance of irrigation and flood waters for a number of districts, including Reclamation District No. 833, has a capacity of approximately 20,000 cubic feet per second. The District has adequate capacity during the dry months of the year and is at, or exceeds, capacity during significant winter storm events. The District also accepts agricultural drainage water from Drainage District No. 200 located northerly of the District for conveyance to Butte Creek. Additionally, there are circumstances beyond the District's control that significantly impact its drainage system. The Board of Reclamation also utilizes the Butte Sink area for overflow from the Sacramento River during large storm events. During these occurrences, water can back up several miles toward the City of Gridley, severely impacting the District's drainage capabilities. During this type of event there is widespread flooding throughout the District, particularly west of Gridley.

Historically, flooding in the area was caused by the natural flood regime of the Feather River, Butte Creek, and the Sacramento River. The watershed has been significantly altered by construction of the following:

- Oroville Dam and associated facilities
- Levees
- State water project
- Residential and commercial buildings in and around urbanized areas
- Roads and other impervious surfaces in and around urbanized areas

Additionally, agricultural practices have evolved over the years. Given all these changes in the watershed, there is disagreement regarding the primary source of peak flows and flooding during the wet season. It is unlikely that irrigation water is the cause of winter peak flows or flooding because farmers do not irrigate their crops during the wet season; hence irrigation flows are reduced during this time period.

There are four stormwater detention facilities within the City of Gridley and one in the City of Biggs, all of which are maintained through separate maintenance districts. Reclamation District No. 833 assumes no responsibility for those detention facilities. The detention facilities serve to mitigate peak stormwater runoff from urban development which has a significant impact to the District's facilities. There is concern that additional growth in the Biggs/Gridley area may cause additional flooding due to an increase in impervious surfacing. There are existing regulations that require all new developments

to engineer their design for a no net increase in peak flow, which must be enforced in order for the District to continue to handle peak flows.

In March 2005, a Settlement Agreement (Agreement) between the City of Gridley and Reclamation District No. 833 was reached in response to concerns from both parties of the management of assessments and development within the urbanized areas in and surrounding the City. The Agreement clarifies allocation of District income within the urbanized areas surrounding the City be utilized solely for administration, maintenance and improvement of those drainage facilities, in whole or portion, located within the urban area as defined in the Agreement. Additionally, the Agreement limits the District's involvement in growth issues to matters relating to an agreed upon drainage detention standard.

During large storm events, there is flooding in the majority of the District's ditches, which the District attributes to the increase in impervious surfacing from new development. In order to correctly design or evaluate the size, quantity, and placement of storm drain infrastructure, one must consider the percent of impervious area and associated land uses in the drainage basin. Imperviousness is a measure of the inability of the ground to absorb water. The infiltration of surface water into the ground is directly related to the soil type, vegetation, and the percent of impervious cover (roofs, driveways, and streets).

FACILITIES

The District owns a one-acre parcel in Gridley where its offices and maintenance buildings are located. Additionally, the District owns 720 acres in the Butte Sink, which is located in Sutter County. The Butte Sink is used for water detention, duck hunting, and



farming. The District is responsible for maintenance of 157 miles of drainage ditches that are held by the District in a combination of fee-ownership and easements across private property. Additionally, the District holds a number of easements across private property in order to allow

maintenance personnel access to the drainage ditches for maintenance and operation purposes.

The District owns construction equipment used for operation and maintenance of facilities, canals, and ditches, including the following: 1983 backhoe, 2011 Kubota

tractor, 2012 Kenworth dump truck, Peterson Cat excavator, 2011 and 2006 pickups for spraying and maintenance work, and various pumps. The equipment ranges from fair-to-excellent in terms of condition.

MSR DETERMINATION NO. 3-1: *At the present time, the District has the ability and the capacity to serve the existing service area and has no unmet infrastructure needs or deficiencies for normal wet year scenarios. The physical capacity of the District to accommodate drainage and flood waters for very high to extreme storm events is uncertain. Flooding potential exists within the district during such large storm events however, relief from such flooding is beyond the control of the District.*

MSR DETERMINATION NO. 3-2: *The District does not affect any disadvantaged unincorporated community as it does not deliver public sewer, municipal water, or fire protection services.*

MSR FACTOR NO. 4: FINANCIAL ABILITY OF AGENCIES TO PROVIDE SERVICES

The District follows the General Accounting Standard Board Statement No. 34 (GASB 34) accounting standards. The District provided independent audits for FY 2013-2014 through FY 2015-2016. Budgets for these three years are also available from the Butte County Administration website and those budgets were reviewed and summaries provided in this document.

Proposition 218 restricts local government's ability to impose assessment and property-related fees and requires elections to approve many local governmental revenue-raising methods. Any change in the amount of the assessment must be approved by a majority of the voters in the District at a duly-called election pursuant to Proposition 218 and legislation implementing its terms. The District currently has no fee schedule. Rates are based on assessment only and are managed by the Butte County Tax Collector, which acts as fiduciary agent. Current assessments are based on acreage and consist of \$12.00 per acre for parcels less than 1.0 acre and \$3.00 per acre for parcels 1.01 acres or larger in size.

In FY 2016–2017, the District maintained a fund balance of \$2,345,432. Major sources of revenue included land rental/hunting leases, property assessments, property taxes and interest. Operating revenues totaled \$445,149. Operating expenses totaled \$364,615. The total operating income for FY 2016–2017 showed a small loss of \$2,230 which was easily absorbed by the fund balance. Although there are no emergency funding strategies or reserve policies in place, there remain sufficient carryover funds from year to year for the operating expenses required for this District's operational costs.

RECLAMATION DISTRICT 833 FY 2014-15 TO FY 2017-18 BUDGETS				
Detail by Revenue Category and Expenditure Object	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Adopted
REVENUES				
TAXES	74,898	81,581	84,610	87,016
LAND RENTAL/HUNTING RIGHTS	122,685	177,650	177,236	174,825
INTEREST	20,0345	22,331	23,122	17,000
FAIRMARKET VALUE ADJUSTMENT – GAIN (LOSS)	1,065	14,001	(19,412)	
SPECIAL ASSESSMENT	-	133,967	133,954	133,000
SPECIAL DISTRICT FEDERAL REVENUE	-	-		40,000
MISCELLANEOUS REVENUE	44,840	3,925	57,638	2,700
TOTAL REVENUES	\$397,465	\$433,455	\$457,149	414,514
EXPENDITURES/APPROPRIATIONS				
SALARIES & EMPLOYEE BENEFITS	214,110	248,992	225,957	232,400
FIXED ASSETS	33,889	74,662		107,000
SERVICE & SUPPLIES	94,616	112,031	138,658	180,600
Contingencies				52,000
TOTAL EXPENDITURES/APPROPRIATIONS	\$342,610	\$435,685	\$364,615	572,000
NET COSTS/USE OF FUND BALANCE	(\$54,855)	\$2,230	(92,534)	157,459
ENDING FUND BALANCE	\$2,255,120	\$2,252,890	\$2,345,423	\$2,187,964

In accordance with Government Code Section 53901, every local agency shall file a copy of its annual budget with the County Auditor of the County in which it conducts its principal operations, unless exempted by the County Auditor 60 days after the beginning of its fiscal year. District officials have complied with this requirement through submittal of annual budgets to the County Auditor. The District complies with this requirement.

MSR DETERMINATION No. 4: Revenue appears to provide adequate funds to cover the cost of the services provided by the District with revenues normally exceeding expenditures. The district currently has a substantial fund balance that could be utilized for unanticipated expenses or to cover revenue shortfalls.

MSR FACTOR 5: STATUS OF, AND OPPORTUNITIES FOR SHARED FACILITIES

The entirety of south Butte County is primarily an agricultural area with a myriad of water (both irrigation and reclamation) conveyance systems and structures to support the agricultural use of the land. This same infrastructure also mitigates to some extent stormwater flows from existing developed urban areas. While each component of infrastructure is unique to its purpose within any one local agency, the water conveyance systems have a unifying larger purpose of irrigating and draining south Butte County. For this reason, each local agency should be cognizant of potential resource sharing opportunities with respect to maintenance, stormwater planning and

related functions.

As previously stated Reclamation District No. 833 shares some of its facilities by conveying water from Drainage District No. 200 as well as the cities of Gridley and Biggs. Additionally, the District takes the lead to perform maintenance on the Moulton Cut section of Butte Creek in accordance with an agreement with Drainage District No. 200, Drainage District No. 100 and Butte Creek Drainage District.

MSR DETERMINATION NO. 5-1: *The District has 2 full-time and 2 part-time employees as well as equipment used for facility maintenance. Some of the drainage conveyances maintained by the District are also used by Drainage District No. 200 to convey drainage water to Butte Creek. The District also performs work outside of the District Boundary to help maintain drainage infrastructure utilized by a number of drainage districts in the southwest Butte County area.*

MSR DETERMINATION NO. 5-2: *The District accepts drainage water from Drainage District No. 200 and therefore participates in a sharing of their facilities. No fees are charged for this.*

MSR DETERMINATION NO. 5-3: *The District should continue to cooperatively address urban storm drainage concerns with the City of Biggs and City of Gridley to ensure that urban development impacts do not unduly affect agricultural operations.*

MSR FACTOR 6: ACCOUNTABILITY FOR COMMUNITY SERVICES NEEDS, INCLUDING GOVERNMENTAL STRUCTURE AND OPERATIONAL EFFICIENCIES.

Reclamation District No. 833 is governed by a three member Board of Directors elected by landowners within the District. The Board directs a full-time district manager who oversees the day-to-day operations of the District. Members are elected for 4-year terms. Elections are held when there are more candidates than open positions. When the number of candidates equals the number of positions an election is not required and appointments are made. Of the current members, two terms expire in 2021 and one term in 2019. Meetings are held monthly during the last week of the month. Meetings are conducted at the District's office located at 1643 W Biggs Gridley Road, Gridley, CA. Agendas are posted for the meetings as required.

The District does not have a website, nor is it required to at this time. However, the California Special District Association (CSDA) strongly encourages all special districts to maintain a website by 2020 (2018 - Senate Bill 929) in an effort to support transparency and encourage citizen participation.

MSR DETERMINATION NO. 6-1: *The District has a full-time manager and staff who are available to respond to service issues. Part-time staff is utilized to meet seasonal service demands. The board of trustees elected by landowners within the district are ultimately responsible for the District's operation and management. The district utilizes the Butte County Auditor Controller's office for treasury services, which also promotes a level of efficiency.*

MSR DETERMINATION NO. 6-2: *The District does not have a website. The District is encouraged to establish a website as a primary manner of conveying information about the District to its constituents.*

MSR FACTOR NO. 7: ANY OTHER MATTER RELATED TO EFFECTIVE OR EFFICIENT SERVICE DELIVERY, AS REQUIRED BY COMMISSION POLICY.

An analysis of the district area was done using Tax Rate Area (TRA) data available from the Butte County GIS system. The analysis took all of the TRA numbers for the district and identified every Assessor's Parcel Number (APN) that is being assessed a property tax share for Reclamation District No. 833. The analysis identified a few discrepancies between the parcels and the district boundary on file with LAFCo. There are approximately 6 parcels within the district boundary that are not being assessed for services as well as 3 parcels outside of the district that are being assessed. LAFCo staff will work with the District and County to determine if these are errors and rectify discrepancies.

LAFCo staff requested a map of the District's facilities and was given a map dated 1921. A more detailed map of the facilities is displayed in the District's office but according to the District Manager, even that map doesn't reflect changes that have occurred with the re-routing of some ditches. No digital mapping appears to be used by the District. LAFCo believes that both the District and LAFCo would benefit by having current mapping of the District's facilities.

MSR DETERMINATION NO. 7: *LAFCo Staff believes that the District would benefit from an updated mapping effort that includes an electronic mapping program such as GIS. This would help protect the District from the loss of institutional knowledge when long term employees leave the District.*

II. SPHERE OF INFLUENCE PLAN

The Sphere of Influence (SOI) for Reclamation District No. 833 originates from a coterminous sphere that was adopted in 1985. No change to either the SOI or the district boundary has occurred since that date. The SOI Plan recommendation is based directly on the information and discussions in the MSR and the MSR factor determinations above. In Butte County, drainage and reclamation districts have all had coterminous SOI boundaries and RD 833 is no different. Unlike cities where boundaries are constantly changing because of new development that requires city services, drainage districts have been based on long-standing infrastructure and topography

that doesn't normally change. Furthermore, new growth is not anticipated adjacent to the District that would require an expansion of the District boundary. A coterminous SOI is recommended as appropriate.

SPHERE OF INFLUENCE PLAN REVIEW FACTORS FOR RECLAMATION DISTRICT NO. 833

There are numerous factors to consider in reviewing an SOI Plan, including current and anticipated land uses, facilities, and services, as well as any relevant communities of interest. Updates generally involve a comprehensive review of the entire SOI Plan, including boundary and SOI maps and the District's MSR. In reviewing an agency's sphere, the Commission is required to consider and prepare written statements addressing five factors enumerated under California Government Code Section 56425(e). Each of the SOI review factors is listed below, with a corresponding determination.

SOI FACTOR NO. 1: The present and planned land uses in the area, including agricultural and open-space lands.

SOI DETERMINATION NO. 1: *The present and planned land use in the majority of the District is for intensive agriculture and with some habitat preservation occurring on publicly owned parcels. The majority of the population in the district is located in the cities of Gridley and Biggs that are both located entirely within the District. Both cities have identified growth areas that will result in the conversion of agricultural land to urban uses over the next 20+ years. LAFCo has already approved the expansion of the sphere of influence for both cities.*

SOI FACTOR NO. 2: The present and probable need for public facilities and services in the area.

SOI DETERMINATION NO. 2-1: *With the potential for additional development at urban densities, the need to mitigate the drainage runoff from new development will need to be incorporated into all new development.*

SOI DETERMINATION NO. 2-2: *The District has already reached an agreement with the City of Gridley for the detention of stormwater runoff from new development projects. A similar agreement should be executed with the City of Biggs*

SOI FACTOR NO. 3: The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

SOI DETERMINATION NO. 3: *The present capacity of the district's facilities is sufficient to provide acceptable levels of drainage services under normal conditions. There is no excess capacity to accommodate unusual storm events or increased runoff from urban development.*

SOI FACTOR NO. 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.

SOI DETERMINATION No. 4-1: *Reclamation District No. 833 provides a service essential to the agricultural economy of the area which represent an economic community of interest in the area.*

SOI Determination No. 4-2: *The socio-economic communities of interest represented by the City of Gridley and the City of Biggs have the potential to impact the District as a result of impervious surfaces from new development. Mitigation of peak stormwater flows into the District from urban development is*

SOI FACTOR NO. 5: For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

SOI DETERMINATION No. 5: *The District does not provide services related to sewers, municipal and industrial water, or structural fire protection.*

Drainage District No. 1 Municipal Service Review and Sphere of Influence Findings and Recommendations

Based on the MSR and SOI determinations as listed above, the Commission:

1. Finds that the services being provided by the District are adequate and are being provided in an effective and efficient manner.
2. Finds that no changes to the Sphere of Influence boundary for the District are necessary.
3. Affirms the existing Sphere of Influence coterminous with the boundary for Reclamation District No. 833.

Final Actions:

Adopted LAFCo Resolution

and

Approved Sphere of Influence Maps

Adopting Resolution

RESOLUTION NO. 16 2017/18

ADOPTION OF DRAINAGE AND RECLAMATION DISTRICTS MUNICIPAL SERVICE REVIEWS AND WRITTEN DETERMINATIONS, AND ADOPTION OF SPHERE OF INFLUENCE PLANS

WHEREAS, a municipal service review mandated by Government Code Section 56430 and a sphere of influence update mandated by Government Code Section 56425 for 5 Drainage Districts and 3 Reclamation Districts within the County of Butte have been conducted by the Local Agency Formation Commission of the County of Butte (hereinafter referred to as "the Commission") in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.); and

WHEREAS, at the times and in the form and manner provided by law, the Executive Officer has given notice of the public hearing by the Commission on this matter; and,

WHEREAS, the Executive Officer, pursuant to Government Code Section 56428 and 56430, has reviewed this proposal and prepared a report, including his recommendations thereon, and has furnished a copy of this report to each person entitled to a copy; and

WHEREAS, a public hearing by this Commission was called for June 7, 2018, and at the time and place specified in the notice of public hearing; and

WHEREAS, at the hearing, this Commission heard and received all oral and written comments; the Commission considered all plans and proposed sphere of influence amendments, objections and evidence which were made, presented, or filed; and all persons present were given an opportunity to hear and be heard in respect to any matter relating to the proposal, in evidence presented at the hearing; and

WHEREAS, acting as Lead Agency pursuant to the California Environmental Quality Act (CEQA) Guidelines, the Commission finds that the Drainage and Reclamation Districts Municipal Service Reviews and Sphere of Influence Plans are Categorically Exempt from the provisions of CEQA under Section 15306, "Information Collection" and under Categorically Exempt from the provisions of CEQA under Section 15061(b)(3) – General Rule Exemption, respectively; and

WHEREAS, Municipal Service Review determinations for each reviewed District are made in conformance with Government Code Section 56430 and local Commission policy; and

WHEREAS, Sphere of Influence determinations for each reviewed District are made in conformance with Government Code Section 56425 and local Commission policy; and

WHEREAS, based on presently existing evidence, facts, and circumstances considered by this Commission, including the findings as outlined above, the Commission adopts written determinations as set forth. The Commission modifies the SOI boundaries of 2 drainage districts and 1 reclamation district as identified below and affirms the existing Sphere of Influence boundaries for the remaining districts as shown on the SOI boundary maps found in each MSR/SOI Plan section, dated June 2018. The SOI boundaries to be modified are:

RESOLUTION NO. 16 2017/18

- Drainage District No. 2 – A Zero Sphere of Influence is adopted reflecting the Commissions determination that the District should be dissolved and the functions of the district be taken over by the Butte Creek Drainage District.
- Butte Creek Drainage District – A Minus Sphere of Influence boundary which has been modified to remove approximately 4,325 acres from the District's Sphere of Influence where the District overlaps with Drainage District No. 100.
- Rock Creek Reclamation District - An expanded Sphere of Influence boundary for the inclusion of an additional 19,340 acres to include lands east of Highway 99 including portions of the North Chico Specific Plan, portions of the Sand Creek watershed and lands west of Highway 99 adjacent to the District relating to the District's status as a Groundwater Sustainability Agency.

NOW, THEREFORE, BE IT RESOLVED, that pursuant to powers provided in §56425 and §56430 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, the Local Agency Formation Commission of the County of Butte adopts written determinations as set forth in the Drainage and Reclamation District Municipal Service Reviews and Sphere of Influence Plans, dated June 7, 2018, and adopts the Drainage and Reclamation District Municipal Service Reviews and Sphere of Influence Plans, adopted by the Commission on June 7, 2018.

PASSED AND ADOPTED by this Local Agency Formation Commission of the County of Butte, on the 7th day of June 2018 by the following vote:

- AYES:** Commissioners Lotter, Connelly, McGreehan, Wilkinson, Lambert and Chair
Leverenz
- NOES:** None
- ABSENT:** None
- ABSTAINS:** None

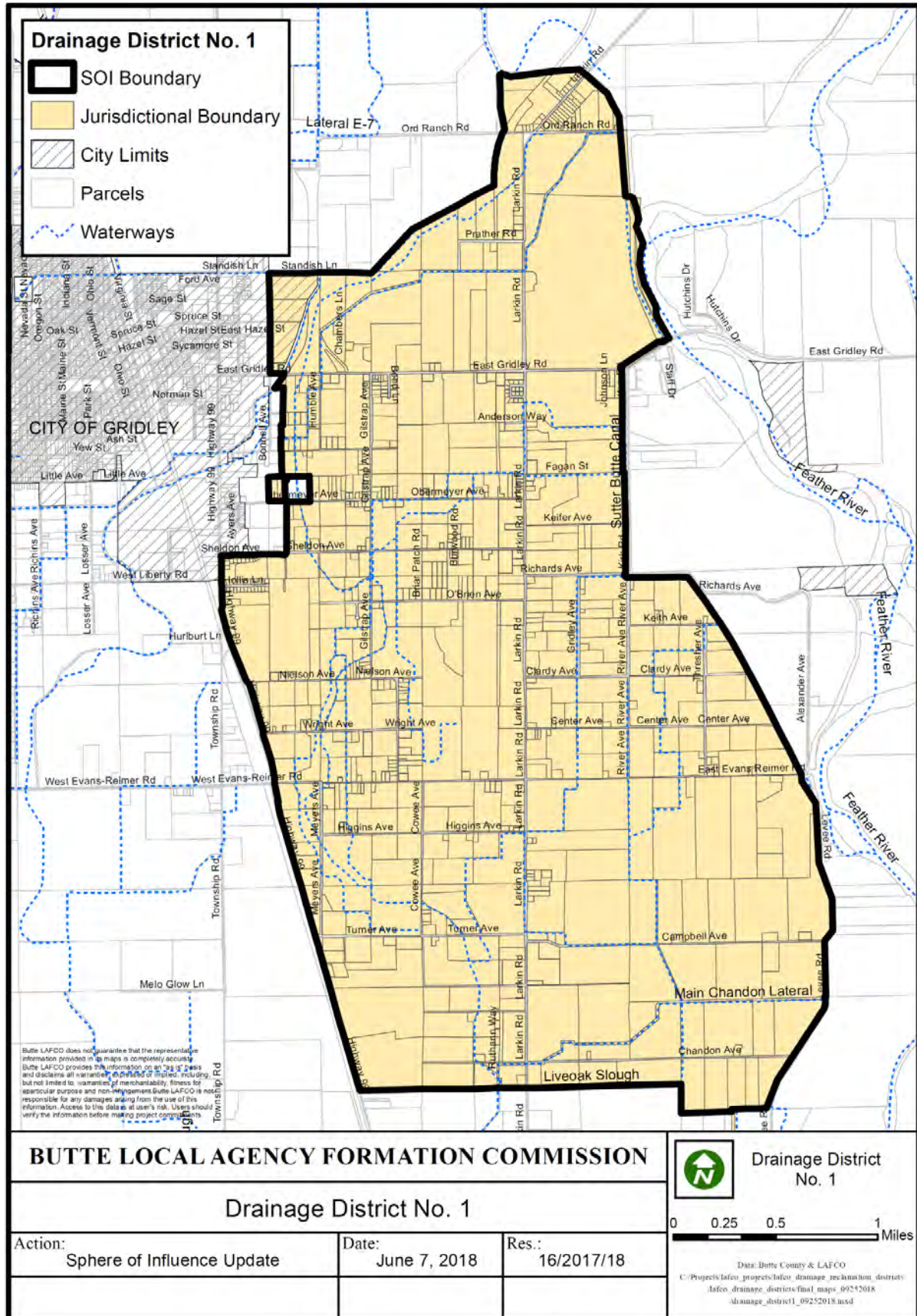
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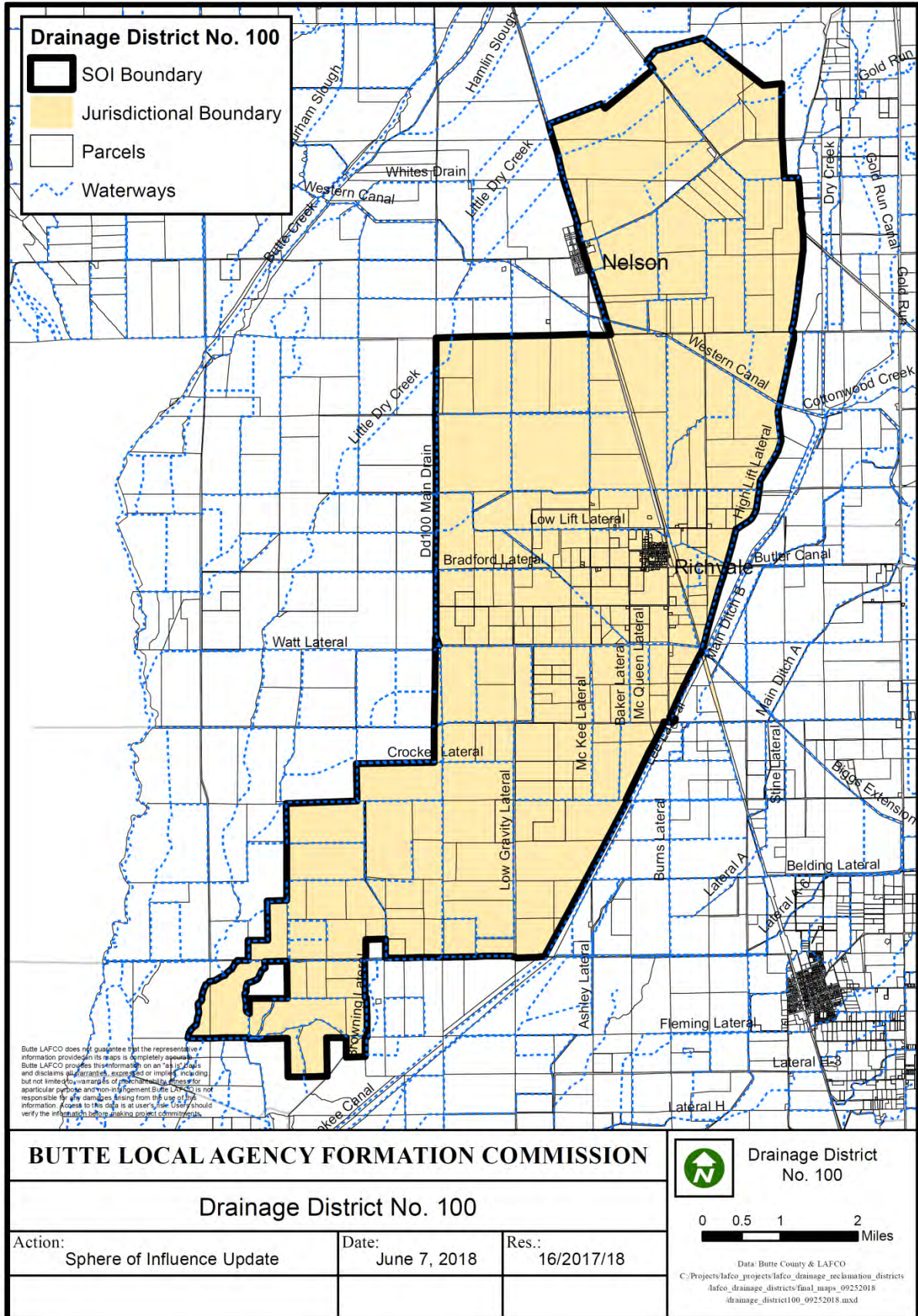


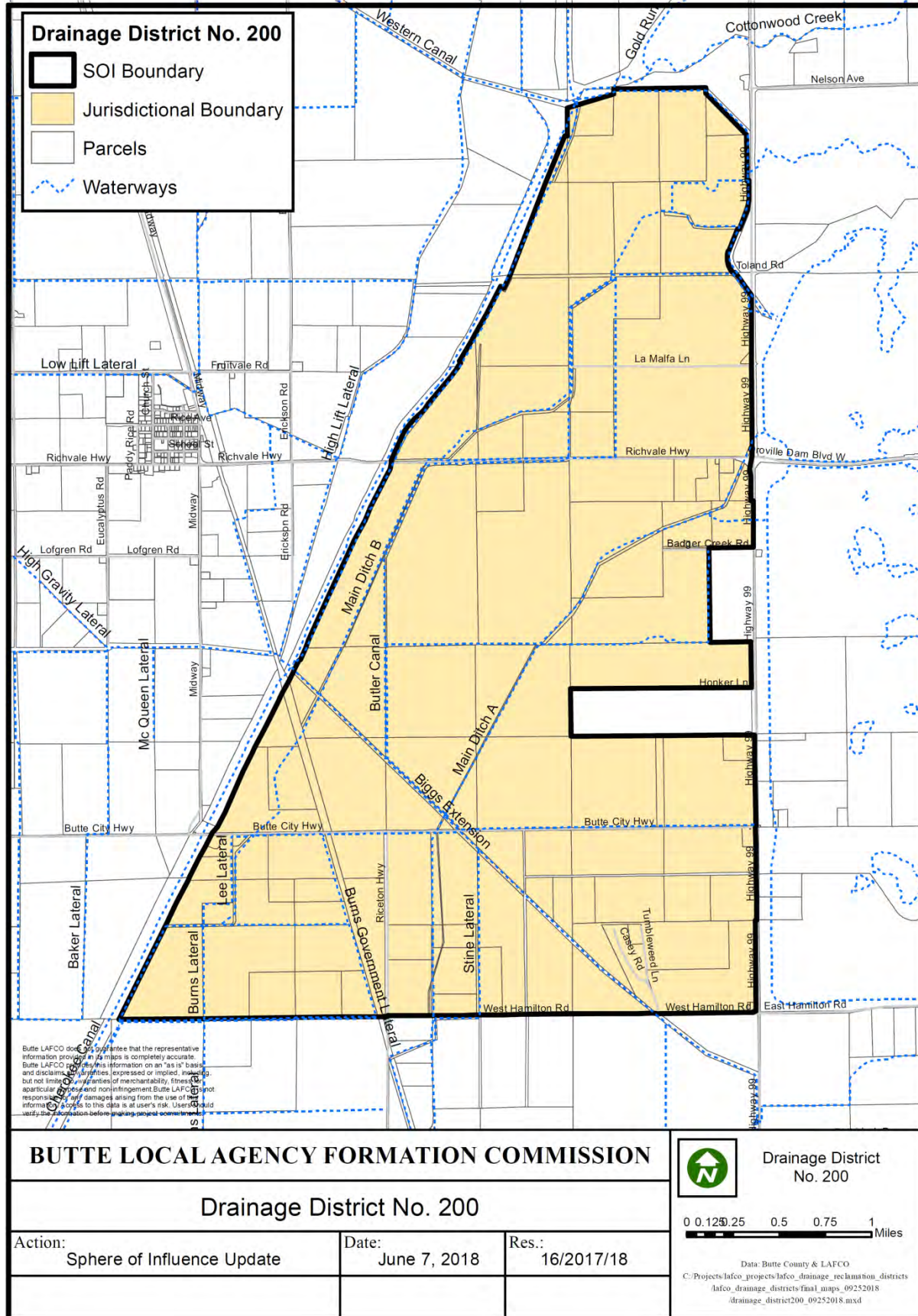
 Clerk of the Commission

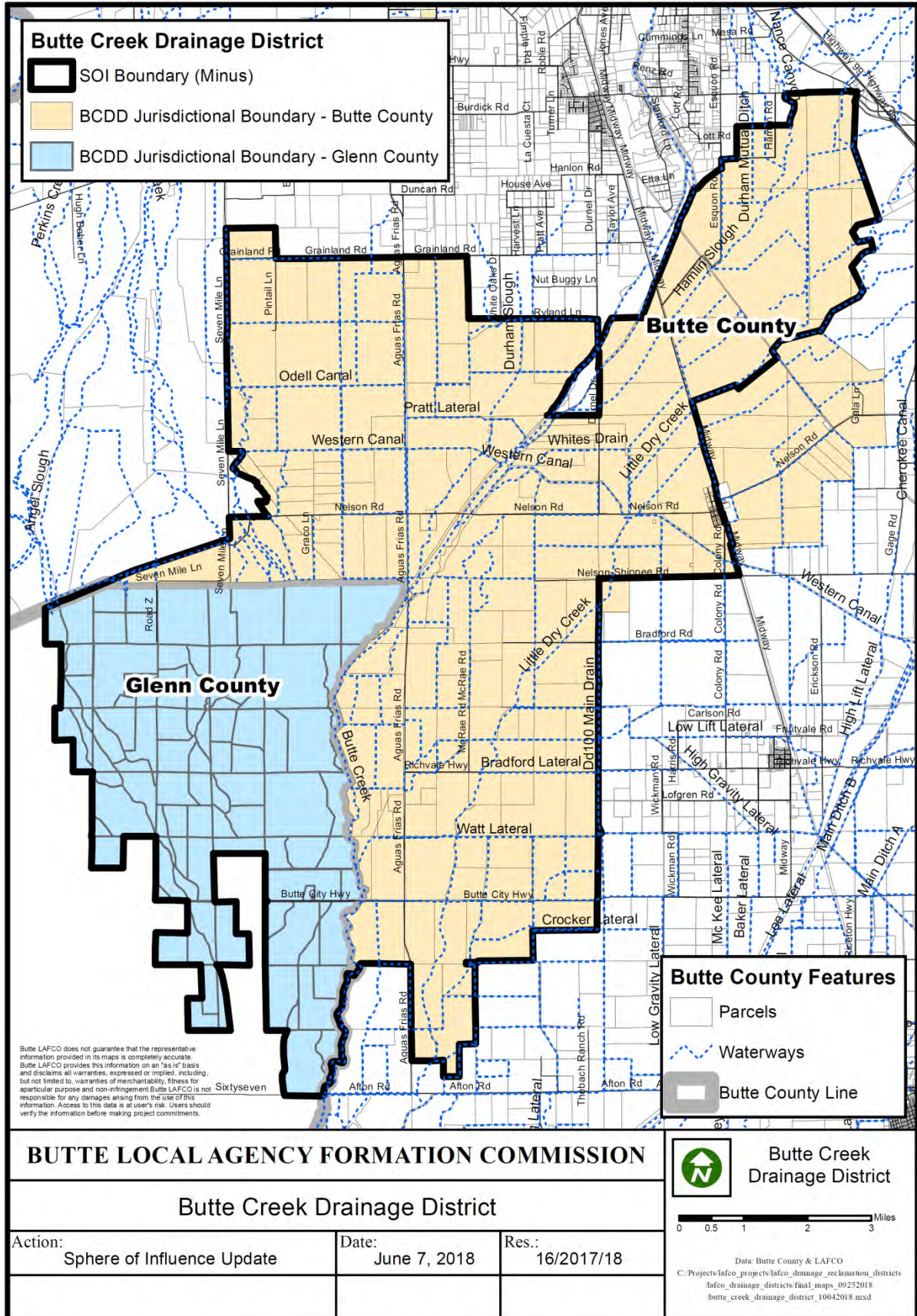


CARL LEVERENZ, Chair
 Butte Local Agency Formation Commission

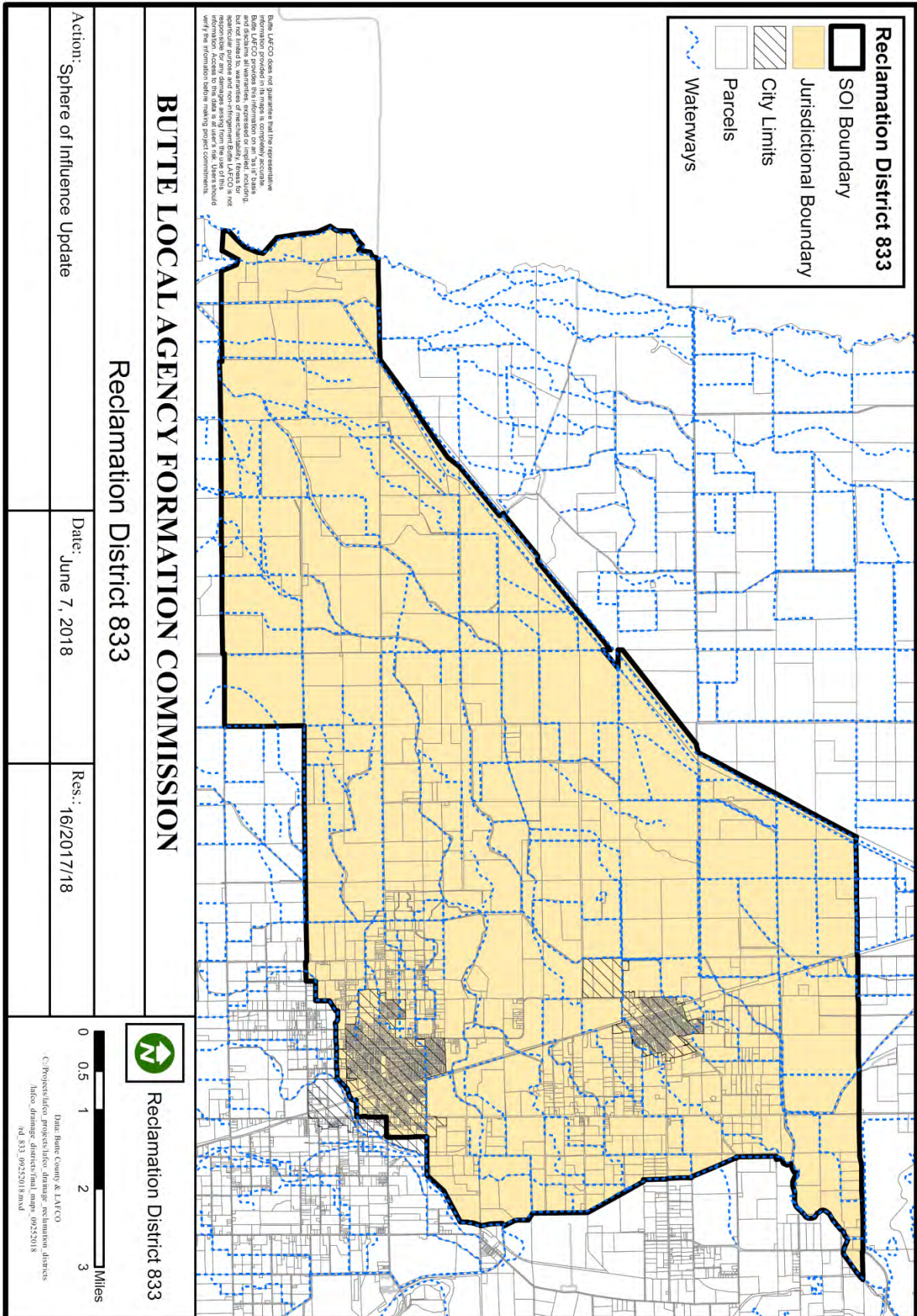


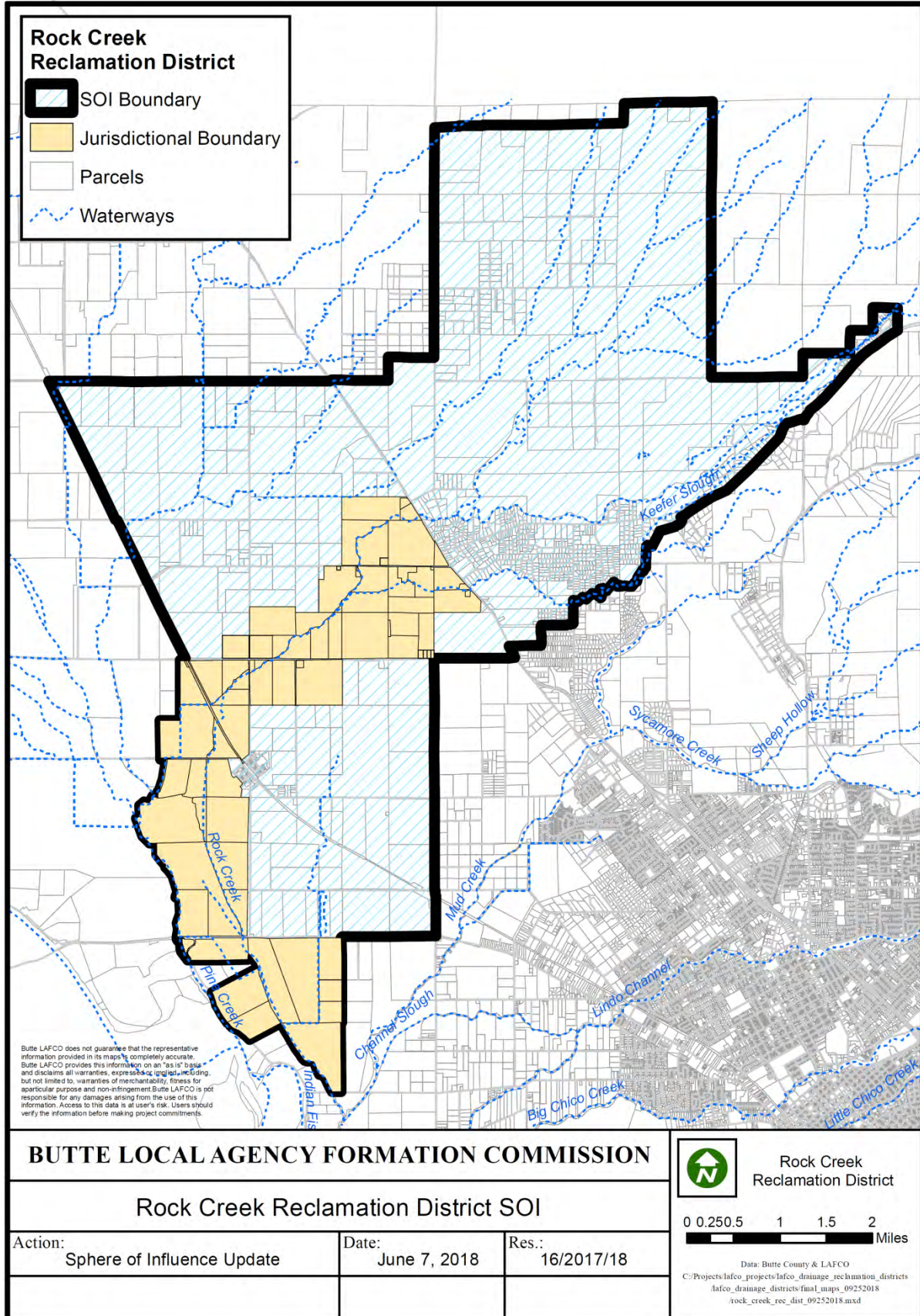


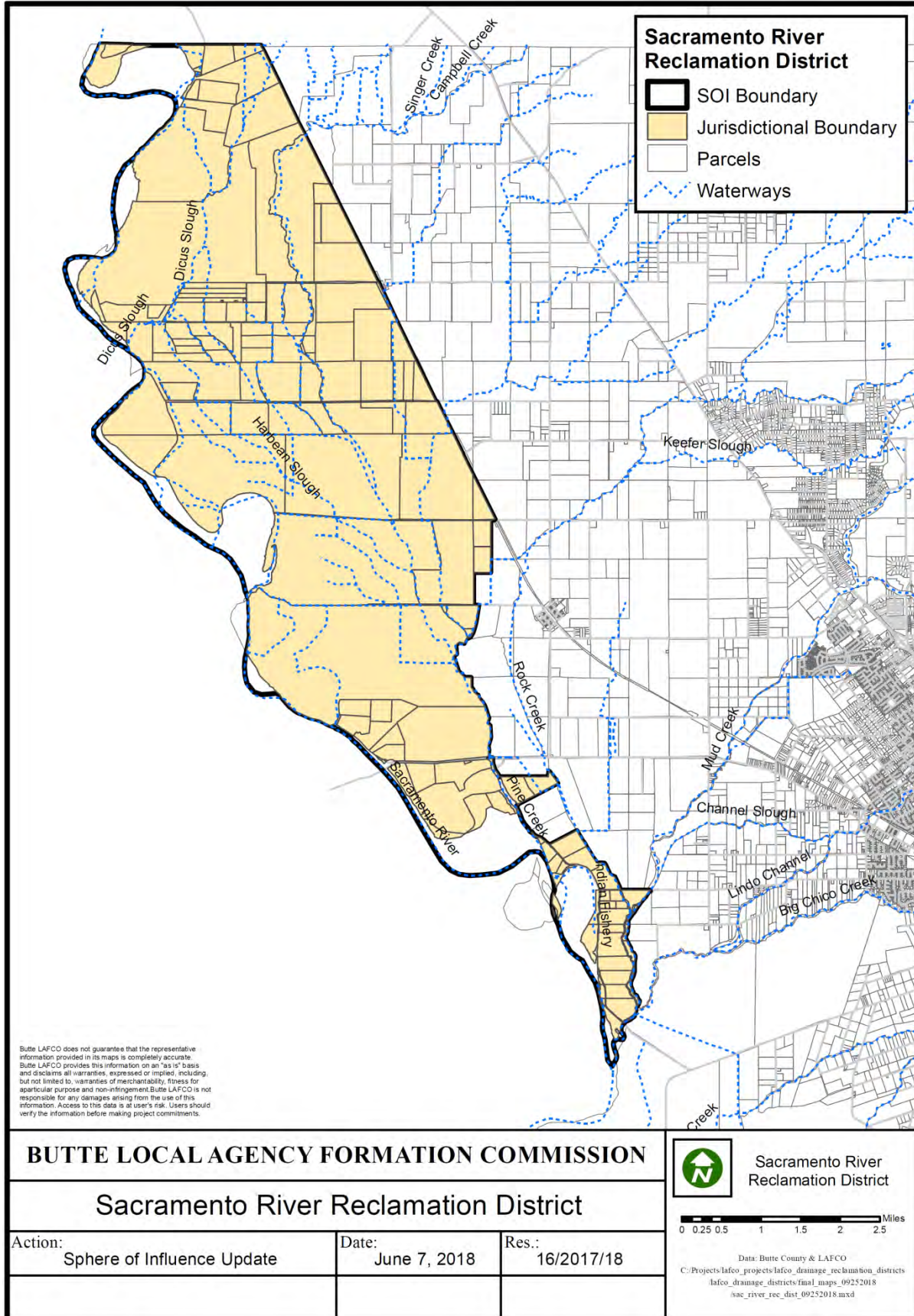




Butte LAFCO does not guarantee that the representative information provided in its maps is completely accurate. Butte LAFCO provides this information on an "as is" basis and disclaims all warranties, expressed or implied, including but not limited to, warranties of merchantability, fitness for a particular purpose and non-infringement. Butte LAFCO is not responsible for any damages arising from the use of this information. Access to this data is at user's risk. Users should verify the information before making project commitments.







COMMENTS RECEIVED AND RESPONSES TO COMMENTS

From: [Andrew McClure](#)
To: [Stover, Joy](#)
Subject: RE: Drainage & Reclamation Districts DRAFT MSR/SOI Plans
Date: Tuesday, June 05, 2018 5:10:29 PM

Hello Joy,

I am counsel to DD 200. have two comments on the 2018 MSR for DD 200:

1. On pg. 5-8 of the DD 200 MSR, Butte LAFCo made a finding that:

The analysis identified a number of discrepancies between the parcels and the district boundary on file with LAFCo including 14 parcels that are within the district boundary but are not being assessed for services and 1 parcel which is outside of the district that is being assessed. Based on a discussion with a District Board member, the parcels that are not being assessed are receiving services and should be assessed. LAFCo staff, working with the district and the County will work to reconcile these discrepancies which could be as a result of incorrect TRA assignment.

I have been asked by the Board of Directors to follow up on this finding, and to ensure that all parcels within the District which should be assessed are in fact assessed. I am reaching out to you to determine who my next point of contact on this issue should be. If there is somebody in the Assessor's office I should speak with, please advise. Thank you for your attention to this matter.

2. On pg. 5-3 of the DD 200 MSR, is a photograph of an irrigation ditch turnout.
 - a. The pictured facility is a Richvale Irrigation District facility, not a DD 200 facility.
 - b. While the statement "Infrastructure within the District consists of a network of drainage and irrigation canals" is true as far as it goes – the District points out that irrigation canals are the property of Richvale ID, and not DD 200. DD 200 does not own physical infrastructure.

Thank you for your attention to these matters. I look forward to receiving further direction regarding a remedy to the assessment discrepancy noted in the SOI/ MSR report.

Andy McClure

Andrew McClure

Partner

Minasian, Meith, Soares, Sexton & Cooper, LLP

1681 Bird St.

Oroville, CA

(530) 533-2885

GLOSSARY

ADOPTED BUDGET	The spending plan approved by resolution of the Board of Supervisors after the required public hearing and deliberations on the Recommended Budget. The Adopted Budget must be balanced with Total Financing Sources equal to Total Financing Uses.
ANNEXATION	The inclusion, attachment, or addition of a territory to a city or district.
BOARD OF SUPERVISORS	The elected board of supervisors of a county.
BUDGET	The planning and controlling document for financial operation with appropriations and revenues for a given period of time, usually one year.
CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)	The California Environmental Quality Act (CEQA) is intended to inform governmental decision-makers and the public about potential environmental effects of a project, identify ways to reduce adverse impacts, offer alternatives to the project, and disclose to the public why a project was approved. CEQA applied to projects undertaken, funded, or requiring issuance of a permit by a public agency.
CONTINGENCY	An amount appropriated for unforeseen expenditure requirements. Transfers from this budget unit to any other budget unit for specific use require a four-fifths vote of the Board of Supervisors.
DISTRICT OR SPECIAL DISTRICT	An agency of the state, formed pursuant to general law or special act, for the local performance of government or proprietary functions within limited boundaries. "District" or "special district" includes a county service area.
EXPENDITURES	Expenditures occur when the County buys goods and services and pays its employees. Expenditures can be categorized into three types: operating expenditures, capital expenditures, and debt service expenditures. Operating expenditures are the day-to-day spending on salaries, supplies, utilities, services, and contracts. Capital expenditures are generally for acquisition of major assets such as land and buildings or for the construction of

	buildings or other improvements. Debt expenditures repay borrowed money and interest on that borrowed money.
FISCAL YEAR	Twelve-month period for which a budget is prepared. Butte County's fiscal year is July 1 through June 30 of each year.
FUND BALANCE	The difference between assets and liabilities reported in a governmental fund.
GENERAL PLAN	A document containing a statement of development policies, including a diagram and text setting forth the objectives of the plan. The general plan must include certain state mandated elements related to land use, circulation, housing, conservation, open-space, noise, and safety.
INTERFUND TRANSFER	A transfer made between budget units in different funds for services rendered and received. The service rendering budget unit shows these transfers as revenue, as opposed to expenditure reduction.
LAFCO	A state mandated local agency that oversees boundary changes to cities and special districts, the formation of new agencies including incorporation of new cities, and the consolidation of existing agencies. The broad goals of the agency are to ensure the orderly formation of local government agencies, to preserve agricultural and open space lands, and to discourage urban sprawl.
LOCAL ACCOUNTABILITY AND GOVERNANCE	The term "local accountability and governance," refers to public agency decision making, operational and management styles that include an accessible staff, elected or appointed decision-making body and decision making process, advertisement of, and public participation in, elections, publicly disclosed budgets, programs, and plans, solicited public participation in the consideration of work and infrastructure plans, programs or operations and disclosure of results to the public.
MANAGEMENT EFFICIENCY	The term "management efficiency," refers to the organized provision of the highest quality public services with the lowest necessary expenditure of public funds. An efficiently managed entity (1) promotes and demonstrates implementation of continuous

improvement plans and strategies for budgeting, managing costs, training and utilizing personnel, and customer service and involvement, (2) has the ability to provide service over the short and long term, (3) has the resources (fiscal, manpower, equipment, adopted service or work plans) to provide adequate service, (4) meets or exceeds environmental and industry service standards, as feasible considering local conditions or circumstances, (5) and maintains adequate contingency reserves.

MUNICIPAL SERVICE REVIEW (MSR)

A study designed to determine the adequacy of governmental services being provided in the region or sub-region. Performing service reviews for each city and special district within the county may be used by LAFCO, other governmental agencies, and the public to better understand and improve service conditions.

PUBLIC AGENCY

The state or any state agency, board, or commission, any city, county, city and county, special district, or other political subdivision.

RESERVE

(1) For governmental type funds, an account used to earmark a portion of the fund balance, which is legally or contractually restricted for a specific use or not appropriate for expenditure. (2) For proprietary type/enterprise funds, the portion of retained earnings set aside for specific purposes. Unnecessary reserves are those set aside for purposes that are not well defined or adopted or retained earnings that are not reasonably proportional to annual gross revenues.

REVENUE

Funds received to finance governmental services from various sources and treated as income to the County. Examples: property taxes, sales taxes, and per parcel service charges.

SPHERE OF INFLUENCE (SOI)

A plan for the probable physical boundaries and service area of a local agency, as determined by the LAFCO

SPHERE OF INFLUENCE DETERMINATIONS

In establishing a sphere of influence the Commission must consider and prepare written determinations related to present and planned land uses, need and capacity of public facilities, and existence of social and economic communities of interest.

ZONE OF BENEFIT

A geographic area within a county service area that provides a particular service or services to the parcels within that area.

ZONING

The primary instrument for implementing the general plan. Zoning divides a community into districts or "zones" that specify the permitted/prohibited land uses.

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