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Pamela Morgan  
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Brenda Haynes  
Special District Member

Mark Mezzano  
City Member



Larry Russell  
Public Member

Katharine Ann Campbell  
Public Member Alternate

Joe Chimenti  
County Member

George Williamson  
Executive Officer

Fred Ryness  
Special District Alternate

James M. Underwood  
General Counsel

Kathy Bull  
Manager

## Agenda Item: 7.b.

**Meeting Date:** April 1, 2021

**From:** George Williamson, Executive Officer & Kathy Bull, LAFCO Manager

**Subject:** Fall River Resource Conservation District Municipal Services Review & Sphere of Influence Update

### **Background:**

Resource Conservation Districts (RCDs) are independent special districts under Resource Conservation District law (Public Resources Code §9001-9972). An RCD manages a diversity of resource conservation projects, including soil and water conservation projects, wildlife habitat enhancement and restoration, control of exotic plant species, watershed restoration, conservation planning, education, and many others.

The Fall River Resource Conservation District Municipal Services Review (MSR) & Sphere of Influence (SOI) Update is attached.

District Name	Service Area	Sphere of Influence
Fall River RCD	1,167,246 acres: Eastern Shasta, parts of Siskiyou, Lassen & Modoc Counties	Unchanged

### **Discussion:**

The 2021 Fall River RCD MSR and SOI Update is an opportunity to review the District's services and infrastructure. All of their funding comes from grants and they have been very successful in getting funding. The District is currently involved in many projects furthering their resource management goals. The projects involve work with private and public landowners and agencies to set aside land that is then managed by Fall River RCD. Fall River RCD works with the California Department of Forestry and Fire Protection (Cal Fire), the US Forest Service (USFS) and the Carbon Cycle Institute (CCI) among others. The work includes many fuels reduction and carbon sequestration projects through thoughtful land management practices.

Prior and future projects include work with the NRCD, Partners for Fish and Wildlife, CA Dept of Conservation, Wood Innovations USDA, Sierra Nevada Conservancy and the Wildlife Conservation Board.

Grants include projects awarded money from the California Energy Commission and funding from the Natural Resource Conservation Service (NRCD), California Department of Fish and Wildlife (CDFW), California Department of Conservation and the US Department of Agriculture (USDA).

**Infrastructure needs:** Fall River RCD owns an office building that is in need of a remodel. The building has no air conditioning unit so it is very cold in the winter and hot in the summer. Lighting in the building is hard to work under and needs updating.

The RCD owns 4,491 acres of grazing land that need a \$20,000 generator for the water system.

Should funds become available, the District would acquire a chipper to use in forest restoration and fuels reduction projects.

**Financial Considerations:** The Fall River RCD is primarily funded through grant funds, some property tax and through payment for services provided. The Fall River RCD demonstrates a positive net income in all three budget years shown. The most recent budget surplus is about \$777,198 projected for FY 2020-21. The District conducts annual audits and verbal reports from staff indicate strong financial District health due to a positive net position. The most recent FY 2018-19 Audit was not available for staff review at the time of writing.

**Recommendation:**

Staff recommends the Commission:

Receive verbal report from staff;

Open the public hearing and read testimony; and

Discuss item, close the hearing and consider action on recommendation:

1. Adopt Resolution 2021-03 approving the Fall River RCD MSR and SOI Update

Attachments:

Fall River RCD MSR and SOI Update;

Resolution 2021-03 approving the Fall River RCD MSR and SOI Update



## Fall River Resource Conservation District



### Municipal Service Review & Sphere of Influence Update

Commission Hearing Draft

March 2021

## **SHASTA LOCAL AGENCY FORMATION COMMISSION**

### **Commissioners**

Irwin Fust, Special District Member & Chair - Clear Creek Community Services District

Joe Chimenti, County Member & Vice Chair - District 1 Supervisor

Les Baugh, County Member - District 5 Supervisor

Mark Mezzano, City Member – City of Redding

Larry Farr, City Member - City of Shasta Lake

Brenda Haynes, Special District Member - Anderson Cottonwood Irrigation District

Larry Russel, Public Member

### **Alternate Members:**

Mary Rickert, County Member - District 3 Supervisor

Stan Neutze, City Member - City of Anderson

Fred Ryness, Special District Member – Burney Water District

Katherine Ann Campbell, Public Member

### **Shasta LAFCO Staff:**

George Williamson, AICP, Executive Officer

Kathy Bull, Office Manager

James M. Underwood, Legal Counsel

### **Planwest Partners Staff:**

Krystle Heaney, Services Specialist

Emily Morris, Services Specialist

Jason Barnes, GIS Analyst

### **Acknowledgements:**

LAFCO staff would like to thank the contributors to this Municipal Service Review. Input instrumental in completing this report was provided by Sharmie Stevenson, Executive Director and other District staff.

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# 1 INTRODUCTION

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This Municipal Service Review (MSR) and Sphere of Influence (SOI) Update provides information about Fall River Resource Conservation District's (RCD) infrastructure, management, services, and boundaries. The report is for use by the Shasta Local Agency Formation Commission (LAFCO) in conducting a statutorily required MSR review and SOI update process. The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) requires that the Commission conduct periodic reviews and SOI updates for cities and special districts in Shasta County (Government Code § 56425). State law also requires that, prior to SOI adoption, LAFCO must conduct a review of the municipal services provided by that local agency (Government Code §56430). This report provides LAFCO with a tool to study current and future public service conditions comprehensively and to evaluate organizational options for accommodating growth, preventing urban sprawl, and ensuring that critical services are provided efficiently.

## 1.1 Resource Conservation District and Principal Act Overview

Resource Conservation Districts (RCDs) are independent special districts under Resource Conservation District law (Public Resources Code §9001-9972). An RCD manages a diversity of resource conservation projects, including soil and water conservation projects, wildlife habitat enhancement and restoration, control of exotic plant species, watershed restoration, conservation planning, education, and many others. RCDs are governed by a board of five, seven, or nine Directors, either appointed by County Board of Supervisors or elected by resident voters to serve 4-year terms.

The California Department of Conservation (DOC) provides assistance to California's RCDs in their mission to develop a land stewardship ethic that promotes long-term sustainability of the state's rich and diverse natural resource heritage. This support can take the form of financial assistance through grant programs, as well as information and technical support through publications.<sup>1</sup> RCDs partner with local communities on a voluntary basis to care for California's land, water, soil and other natural resources. RCDs combine the accountability and transparency of a public agency with the flexibility and non-regulatory approach of a non-profit organization. This allows RCDs to adapt to the changing needs of communities, build relationships, and act as a bridge to connect individuals with state and federal partners and programs as well as Native American tribes, local agencies and private foundations.<sup>2</sup>

## 1.2 Service Review Determinations

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

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);

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<sup>1</sup> California Department of Conservation: Resource Conservation District Assistance Program <https://www.conservation.ca.gov/DLRP/rcd>

<sup>2</sup> *ibid*

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; and
7. Any other matter affecting or related to effective or efficient service delivery, as required by Commission policy.

This service review provides an overview of Resource Conservation Districts along with a profile for the subject agency.

State Guidelines and Commission policies encourage stakeholder cooperation in the municipal service review preparation. It also provides a basis to evaluate, and make changes to the Spheres of Influence, if appropriate.

### **1.3 Sphere of Influence Determinations**

A SOI is a LAFCO-approved boundary that designates an agency's probable physical service area. Spheres are planning tools used to provide guidance for individual boundary change proposals and are intended to encourage efficient provision of organized community services, discourage urban sprawl and premature conversion of agricultural and open space lands, and prevent overlapping jurisdictions and duplication of services.

LAFCO is required to establish SOIs for all local agencies and enact policies to promote the logical and orderly development of areas within the SOIs. Furthermore, LAFCO must update those SOIs every five years. In updating the SOI, LAFCO is required to conduct a municipal service review (MSR) and adopt related determinations. In addition, in adopting or amending an SOI, LAFCO must make the following determinations:

1. The present and planned land uses in 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; and
5. The present and probable need for public facilities and services related to sewers, municipal or industrial water, or structural fire protection of any disadvantaged unincorporated communities in the existing sphere of influence (effective July 1, 2012).

### **1.4 Uses of the Report**

This service review provides the opportunity to identify trends relating to the adequacy, capacity, and cost of providing services in rural areas of Shasta County. Service reviews may identify district boundary changes, where appropriate, to extend services; evaluate consolidation feasibility, where appropriate, and implement other measures to address community water and wastewater service needs. The potential uses of this report are described below.

#### *To Update Spheres of Influence*

This MSR serves as the basis for SOI update, to consider territory LAFCO believes represents an agency's appropriate future jurisdiction and service area. All boundary changes, such as annexations, must be consistent with an affected agency's SOI with limited exceptions.

## *To Consider Jurisdictional Boundary Changes*

LAFCO is *not* required to initiate any boundary changes based on service reviews. However, LAFCO, other local agencies (including cities, special districts, or the County), or the public may subsequently use this report together with additional research and analysis, where necessary, to pursue changes in jurisdictional boundaries.

## *Resource for Further Studies*

Other entities and the public may use this report for further study and analysis of issues relating to Resource Conservation Districts and their provided services in Shasta County.

### **1.5 Review Methods**

The following information was considered in the service review:

- o Agency-specific data: Fall River RCD responses to LAFCO Information Requests, maps, district plans and agency correspondence, district plans and agency correspondence, website;
- o Land Use, Lassen and Shasta County General Plan data: Shasta County Resource Management –Planning Division;
- o Demographic data: U.S. Census; Department of Finance; CA Water Resources Board;
- o Finances: budgets, rates and fees; and
- o Other Reports and Assessments: California Association of Resource Conservation District website; US Forest Service Crossroads Project

Information gathered was analyzed and applied to make the required determinations for the agency and reach conclusions about the focus issues identified in the service review. All information gathered for this report is filed by LAFCO for future reference.

### **1.6 California Environmental Quality Act**

The California Environmental Quality Act (CEQA) is contained in Public Resources Code §21000 *et seq.* Under this law, public agencies are required to evaluate the potential environmental effects of their actions. MSRs are statutorily exempt from CEQA pursuant to §15262 (feasibility or planning studies) and categorically exempt pursuant to CEQA Guidelines §15306 (information collection). It should be noted that when LAFCO acts to update an SOI, CEQA requirements must be satisfied. The lead agency for CEQA compliance would most likely be LAFCO.

## **2 AGENCY PROFILE**

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This section profiles the Resource Conservation District listed below. Included in the profile is a description of the agency's organizational development, tables listing key service information, and maps showing jurisdictional boundaries.

The Fall River RCD was organized in 1957 and consists of slightly less than 1.2 million acres in northeastern California, including 672,284 acres in Shasta, 269,929 acres in Lassen 195,482 acres in Siskiyou, and 29,551 in Modoc Counties. The Fall River RCD provides a number of important services to local landowners. The RCD focuses on soil and water conservation on rangeland, pastureland and irrigated cropland, and the water quality of Fall River, Pit River, Hat Creek, Burney Creek and all the watersheds in the District. The residents in the District have benefited from educational workshops on a variety of topics from fuel reduction to noxious weed control.



The Shasta County Board of Supervisors appoints RCD Directors who serve voluntarily. The Fall River RCD has seven local Directors who assume leadership positions within the District by providing direction in their communities' natural resource programs.

**Table 1: Fall River RCD Overview**

<b>Primary Contact</b>	Sharmie Stevenson, Executive Director		
<b>Phone</b>	(530) 299-3405		
<b>Email</b>	<a href="mailto:sharmie@frontiernet.net">sharmie@frontiernet.net</a> ; <a href="mailto:fallriverrcd@citlink.net">fallriverrcd@citlink.net</a>		
<b>Alternate Contact</b>	Bill Buckman, Board Chair		
<b>Phone</b>	(530) 336-6591		
<b>Email</b>	<a href="mailto:b_cbuck3@yahoo.com">b_cbuck3@yahoo.com</a>		
<b>Mailing Address:</b>	P.O Box 83 McArthur CA, 96056		
<b>Physical Address:</b>	44327 Hwy 299 E		
<b>Website</b>	<a href="https://www.fallriverrcd.org/">https://www.fallriverrcd.org/</a>		
<b>Services Provided</b>	Wetland & Riparian Habitat Restoration, Habitat Mitigation, Fire Protection Including Increasing Forest Health & Defensible Space.		
<b>Population Served:</b>	8,229	<b>Service Area:</b>	1,167,246 acres: Eastern Shasta, parts of Siskiyou, Lassen & Modoc Counties

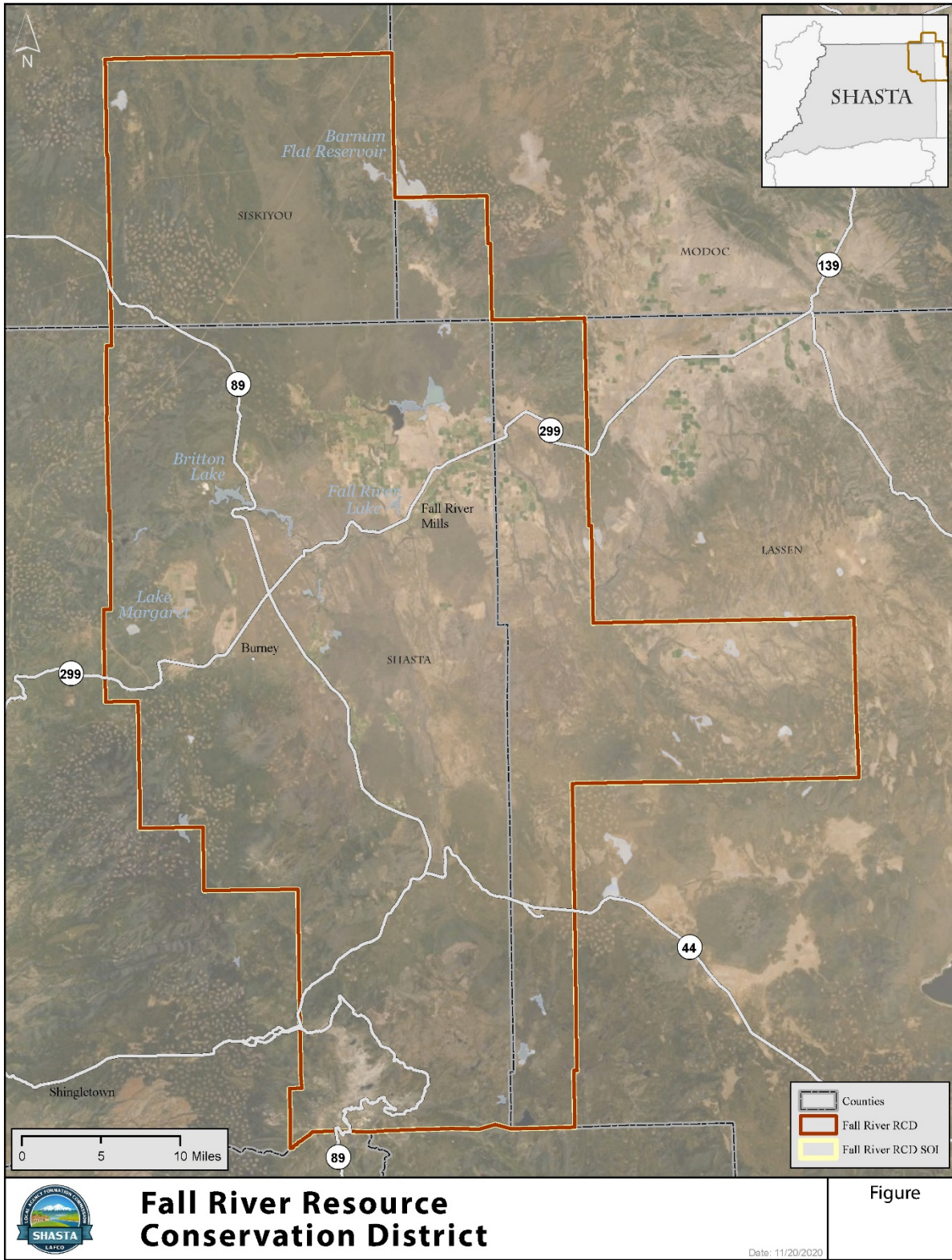
## 2.1 Formation

The Fall River RCD was formed by the Shasta County Board of Supervisors in 1957, covering eastern Shasta and regions in three other counties. The mission of the Fall River RCD is to support private and public landowners in the use and management of natural resources that will ensure the sustained highest economic, social, and environmental benefits of these resources. This support is expressed through the coordination of public agency referrals and information, the implementation of natural resource programs, education, and the organization of land management services.

## 2.2 RCD Service Area Boundary and Sphere of Influence

Fall River RCD covers a total population of about 8,229 including 7,474 in Shasta County, 640 in Lassen County, 111 in Modoc County and 4 in Siskiyou County. The service area is 1,167,246 acres including 672,284 acres in Shasta, 269,929 acres in Lassen 195,482 acres in Siskiyou, and 29,551 in Modoc Counties. The District boundary is coterminous with the SOI (Figure 1).

Figure 1: Fall River RCD Boundary and SOI



## 2.3 Growth and Population

### *Shasta County Growth Projections*

Between 2014 and 2018, the estimated Shasta County population grew from 178,520 to 180,040 people, an average annual growth rate of 0.17 percent<sup>3</sup>. When reviewing population data, it is important to distinguish between population changes that affect the entire County and the unincorporated portion of the County, which can be affected by annexations and other boundary changes. The unincorporated area of the County currently makes up about 38% of the County's total population. The California Department of Finance projects the County's population will increase from 179,412 to 188,154, between 2020 and 2030, an average annual growth rate of 0.49%. If the unincorporated area's portion of the County's population remains near 38%, it is estimated that the unincorporated area would increase from 68,177 to 71,499 people.

However, according to the most recent California Department of Finance estimate, the Shasta County population decreased by 0.1% from 2018 to 2019. This could be the result of recent wildfires throughout the county. For report purposes, an annual population growth estimate of 0.17% to 0.49% is used to predict the future population range that may be served by the RCD during this MSR cycle. It should also be noted that the Department of Finance, Demographics Division, now states that assumptions used to project future population may no longer be applicable and that these projections could change with their next estimate cycle, which is every 5 years.

### *District Population Estimates*

Fall River RCD covers a total population of about 8,229 including 7,474 in Shasta County, 640 in Lassen County, 111 in Modoc County and 4 in Siskiyou County.

## 2.4 Existing and Planned Land Uses

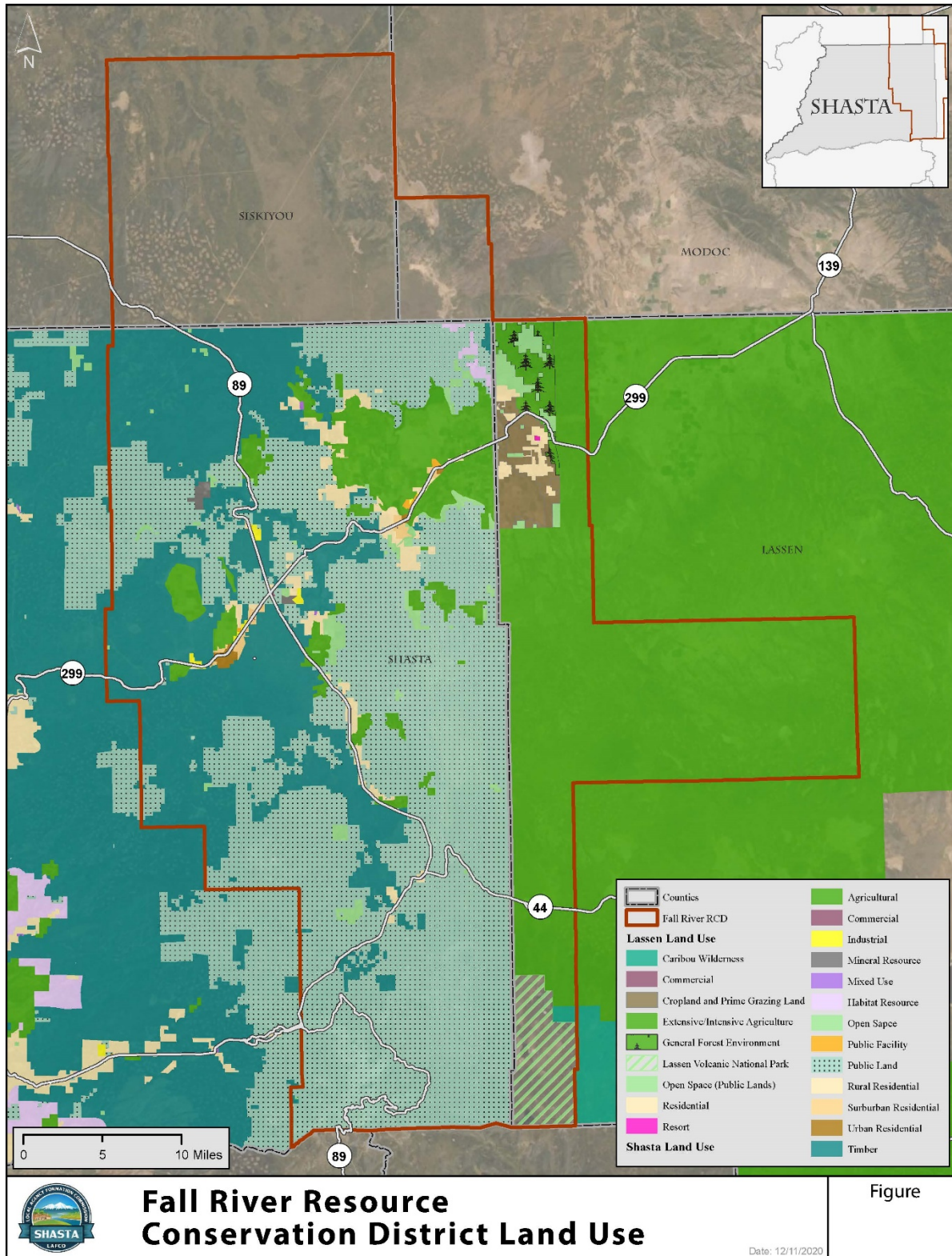
Land use within the unincorporated portion of the District is subject to the Shasta County General Plan and Zoning Regulations, which was last updated in 2004. Common land uses include Agricultural, Rural Residential and Timber land as well as vast areas designated Public Land (Figure 2). Much of the public land is managed by Shasta-Trinity National Forest with an area of Lassen National Forest to the East.

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<sup>3</sup> US Census Bureau, 2014-2018 American Community Survey 5-year Estimates for Shasta County (Table S0101).



Figure 2: Fall River RCD Land Uses



# 3 GOVERNANCE AND ACCOUNTABILITY

Fall River RCD operates as an independent special district under a Board of Supervisors. Any decisions regarding the RCD are made at regular Board meetings. The Board typically meets on the third Tuesday of the month at 7PM at their District office at 44327 Hwy 299 E. Board meeting dates, times, agendas, and minutes are available online at <https://www.fallriverrcd.org/2020-agendas>. Fall River RCD has a seven-member Board of Directors that serves 4-year terms appointed by Shasta County. Affected constituents may provide input directly to RCD staff or the respective member of the Board of Supervisors. The current Board members are provided below:

**Table 2: Fall River RCD Board of Directors**

Board Member	Phone	Email	Term End
Bill Buckman, Chair	(530) 262-8485	bcbuck3@yahoo.com	11/25/22
Dan Klatt	(530) 262-5436	dwklatt@frontiernet.net	11/25/22
Don Martin	(530) 640-3164	djmartin@shasta.com	12/1/24
Chuck Macfarlane	(530) 521-5634	macfarlanecc@hotmail.com	11/25/22
Pat Oilar	(530) 949-0041	haypat41@gmail.com	11/25/22
Clay Jacobsen	(530) 941-7386	jacobsonclay@hotmail.com	12/1/24
Chris Christofferson	(530) 708-7037	chris.christofferson@usda.gov	12/1/24

## 3.1 Management and Staffing

Fall River RCD employs an Executive Director, Sharmie Stevenson, a Range Manager, Julie Allen and a Watershed Recreation and Outreach Coordinator, Garrett Costello for a total of three part-time employees. In addition, the District contracts with Todd Sloat for Biological Consulting services who serves as a Project Manager and Restoration Specialist for a variety of RCD projects. Most of his work focuses on restoring meadows and assisting with project work through the Burney-Hat Creek Community Forest and Watershed Group. There are no full time employees.

## 3.2 Disadvantaged Unincorporated Communities

LAFCO is required to evaluate disadvantaged unincorporated communities (DUCs) as part of its municipal service review process. Per California Senate Bill 244, a DUC is defined as any area with 12 or more registered voters where the median household income (MHI) is less than 80 percent of the statewide MHI. Within a DUC, three basic services are evaluated: water, sewer and fire protection.

The most recently available data for US Census Block Groups, Tracts and Places from the US Census American Community Survey (ACS) 5- Year Data is used to determine disadvantaged communities in the region of interest. Using this information, each district or agency is evaluated to determine whether it is a DUC, or in the case of cities, whether there are DUCs within the city's SOI. In many cases, Census Block Groups are larger than Districts. In these cases, LAFCo's evaluation was conducted with an abundance of caution to ensure no DUCs are overlooked.

Within unincorporated Shasta County, fire services are provided by the Shasta County Fire Department in partnership with local Fire Protection Districts (FPDs). Water and sewer services are provided by a myriad of service providers within local communities. Since Fall River RCD does not provide water, sewer or fire protection services it is not obligated to provide them to DUCs within the District boundaries.

According to the 2014-2018 American Community Survey 5-Year Estimates, the California median household income (MHI) was \$71,228. The Shasta countywide MHI is \$50,905, which places it at 71% of the California MHI and classifies the County as disadvantaged.

Fall River RCD includes the communities of Fall River Mills with an MHI of \$40,885, 57% of CA's MHI, Burney with an MHI of \$40,119, 56% of CA's MHI and McArthur with an MHI of \$65,284, 92% of CA's MHI.

### **3.3 Other Service Providers**

Fall River RCD partners with National and State organizations to advance local conservation goals. To this end, Fall River RCD works with the Bureau of Land Management (BLM), the US Forest Service (USFS), the CA Department of Transportation (CalTrans), the State Water Resources Control Board (SWRCB) the Carbon Cycle Institute (CCI) and many others. The work includes many fuels reduction and carbon sequestration projects. Grants include projects awarded money from the California Energy Commission and funding from the Natural Resource Conservation Service (NRCD), California Department of Fish and Wildlife (CDFW), California Department of Conservation and the US Department of Agriculture (USDA). A list of current projects in progress or recently completed by Fall River RCD can be seen in Table 3.

## **4 DISTRICT SERVICES AND INFRASTRUCTURE**

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Fall River RCD provides services to in-district public and private landowners including:

- o Promoting voluntary action to resolve natural resource issues;
- o Focusing attention on local resource problems and opportunities;
- o Developing and implementing educational programs for landowner benefit;
- o Providing input for the development and implementation of government programs; and
- o Coordinating with federal, state, and local agencies as needed for technical assistance.

### **4.1 Projects**

The Fall River RCD is currently involved in many projects furthering their resource management goals. The projects involve work with private and public landowners and agencies to set aside land that is then managed by Fall River RCD. Fall River RCD also works with the California Department of Forestry and Fire Protection (Cal Fire), the US Forest Service (USFS) and the Carbon Cycle Institute (CCI) among others. The work includes many fuels reduction and carbon sequestration projects through thoughtful land management practices.

Prior and future projects include work with the NRCD, Partners for Fish and Wildlife, CA Dept of Conservation, Wood Innovations USDA, Sierra Nevada Conservancy and the Wildlife Conservation Board.

Grants include projects awarded money from the California Energy Commission and funding from the Natural Resource Conservation Service (NRCD), California Department of Fish and Wildlife (CDFW), California Department of Conservation and the US Department of Agriculture (USDA). A current project list can be seen in Table 3 below.

**Table 3: Fall River RCD Project List 2020-21**

Funding Source	Project Name	Amount
California Energy Commission	Burney-Hat Creek Bioenergy Project	\$5,000,000
CalFire/Carbon Cycle Institute	Crossroads Project: Burney-Hat Creek Forest Health Project	\$7,000,000
Wildlife Conservation Board	Hat Creek Enhancement Project	\$231,564
Sierra Nevada Conservancy	Eastern Shasta Recreation Plan	\$94,600
McConnell Foundation	Forest Health Project Planning	\$300,000

The Crossroads Project is a Fall River RCD project contribution funded through CCI funds that are being administered by Cal Fire. The Crossroads Project is located in the northeastern portion of Shasta County near the town of Burney. The site is within the Shasta Trinity National Forest administered by the Lassen National Forest and adjacent to McArthur-Burney Falls State Park. Lake Britton is nestled between the seven planning units totaling approximately 2,825 acres. Fall River RCD will log, chip, masticate, and burn within the boundaries of the project. The project will complete property boundary surveys, develop and complete the effects analysis to support the required National Environmental Protection Act (NEPA) for a decision by the Lassen National Forest to implement the Crossroads project. This project will also develop and complete parallel documents to support completion of CEQA with the Fall River RCD as the lead agency.

The Northwest Gateway Fall River RCD work is also funded from CCI funds that are being administered by Cal Fire. The RCD is negotiating with Lassen National Park (LNP) to begin treatment on that landscape in the spring. The District plans to use a similar treatment plan as the Crossroads Project which does have a burn component.

The Bioenergy Cluster Project is a proposed plan to create three small scale community-based bioenergy facilities. The facilities would be less than 5MW in size and able to participate in renewable energy incentive programs. The project would sustainably harvest 90,000 bone dry tons of biomass per year from both public and private land. Over a twenty-year period the project would restore over 14,000 acres. It involves multiple projects including the Burney-Hat Creek Bioenergy Project, the Tubit Enterprise Project and the McArthur Bioenergy Project. Critical development on the Burney-Hat Creek Bioenergy Project has already been completed including CEQA analysis, a site and grading plan, a System Impact Study (SIS) and Power Purchase Agreement (PPA) through PG&E and a partnership with West Biofuels, a gasification developer. In addition, it is guaranteed to be a BioMAT participant and is anticipated to be one of the first community scale biomass facilities in CA. The Tubit Enterprise facility is narrowing down a preferred technology and will submit information to PG&E for an SIS. Once the SIS is completed by PG&E, Tubit can enter the BioMAT program and will have the ability to secure a PPA with PG&E. McArthur bioenergy has completed a pre-application and has completed and submitted an SIS to PG&E.

To further CA Climate Investment goals, the USFS and Pit RCD have identified restoration opportunities on public and private lands to increase forest resilience, accelerate reforestation of severely burned forests, and reduce the risk of future catastrophic fire impacts to both communities and natural resources. Forest thinning through the diameter class and other fuel treatments (e.g. mastication, prescribed fire) will be used to reduce forest biomass and surface

fuels in order to reduce the risk of catastrophic fire. This reduction would help to protect tree-based carbon stocks, improve growth rates and carbon uptake of residual trees, and minimize greenhouse gas released in the instance of wildfire.

## **4.2 Infrastructure Needs and Deficiencies**

Fall River RCD owns an office building that is in serious need of a remodel. The building has no air conditioning unit so it is very cold in the winter and hot in the summer. Lighting in the building is hard to work under and needs updating.

The RCD owns 4,491 acres of grazing land that need a \$20,000 generator for the water system.

Should funds become available, the District would acquire a chipper to use in forest restoration and fuels reduction projects.

## **4.3 Shared Services**

Locally, there are no other organizations that provide equivalent services within District boundaries. Fall River RCD has not collaborated with Western Shasta RCD for at least the past three years, although there is a strong working relationship between the two agencies. Western Shasta RCD covers the western half of Shasta County and works on projects within its geographic area, which is generally geographically distinct from projects conducted by Fall River RCD. Pit River RCD covers an area to the east of Fall River RCD and currently shares an Executive Director with Fall River RCD, although they are not working on any shared projects.

There are currently no partnerships with special districts outside of a small agreement to provide “Firewise in the Classroom” services to local elementary schools in the spring of 2021. The RCD may enter into an agreement with the Fall River Mills Community Services District about the possibility of collaboration on Two Rivers park. The CSD completed work in 2020 that involved grading of the area and construction of a river trail and parking lot. They were awarded a Green Infrastructure Grant through the CA Natural Resources Agency for additional work on the park.

Local collaboration in the past has worked with the Burney Fire Safe Council on fuels reduction projects. Burney Fire Safe Council is a community-based collaborative of citizens, businesses, organizations, government entities and landowners who share a vision for a sustainable future for the community and surrounding landscapes.

## **4.4 Affected Agencies**

Per Government Code (GC) §56427, a public hearing is required to adopt, amend, or revise a sphere of influence (SOI). Notice shall be provided at least 21 days in advance and mailed notice shall be provided to each affected local agency or affected County, and to any interested party who has filed a written request for notice with the executive officer. Per GC §56014, an affected local agency means any local agency that overlaps with any portion of the subject agency boundary or SOI (included proposed changes to the SOI). The affected local agencies for this MSR/SOI include Fall River Joint Unified High School, Shasta Union High School District, Red Bluff Union High School District, Pine Grove/Fall River Mills, Millville Masonic & Oddfellows, Manton Joint, Halcumb and Burney Cemetery Districts, Fall River Mills Community Services District (CSD), Burney, McArthur and Fall River Mills Fire Protection Districts (FPDs), Burney Basin Mosquito Abatement District, Mayers Memorial Hospital District and Burney Water District among others.



## 5 FINANCIAL OVERVIEW

### 5.1 Budget Information

Fall River RCD is primarily funded by grants, some property tax and payments for services provided. Fall River RCD demonstrates a positive net income in all three budget years shown.

**Table 4: Fall River RCD Financial Summary**

Categories	Actual FY18-19	Actual FY19-20	Adopted FY20-21
<b>Revenue</b>			
Federal Grants	\$179,004.75	\$89,000.00	-
NRCS Grants	\$30,000.00	\$20,487.50	-
Property Tax	\$15,700.00	\$15,433.61	\$15,500.00
State Grants	\$4,975,842.16	\$7,117,711.00	\$5,000,000.00
Bee Hives	-	\$500.00	\$500.00
Hunting Permits	-	\$1,765.00	\$1,765.00
Share Hunts	-	-	\$3,413.25
Stewardship Council Grants	-	\$319,840.00	\$1,000,000.00
Grazing Fees	-	\$102,279.37	\$75,000.00
<b>Total Revenue</b>	<b>\$5,200,546.91</b>	<b>\$7,667,061.48</b>	<b>\$6,096,178.25</b>
<b>Expenses</b>			
<b>Operations Expenses</b>	\$9,229.71	\$15,261.35	\$23,440.00
<b>McArthur Swamp Expenses</b>	-\$0	\$103,683.36	\$119,220.00
<b>Payroll Expenses</b>	\$56,800.00	\$102,203.68	\$86,633.94
<b>Professional Fees</b>	\$5,080,600.00	\$2,817,174.63	\$5,162,000.00
<b>Misc. Expenses</b>	\$4,400.00	\$5,240.20	\$36,906.00
<b>Capital Repairs</b>	\$10,000.00	\$10,000.00	\$10,000.00
<b>Total Expenses</b>	<b>\$5,161,029.71</b>	<b>\$2,949,879.86</b>	<b>\$5,318,979.94</b>
<b>Net Income</b>	<b>\$39,517.20</b>	<b>\$4,717,136.62</b>	<b>\$777,198.31</b>

### 5.2 Audit Information

The District conducts annual audits and verbal reports from staff indicate strong financial District health due to a positive net position. The FY 2018-19 Audit was not available for staff review at the time of writing.

### 5.3 Financing Constraints and Opportunities

The RCD has no outstanding loans or debts and no financial obligations at this time.

# 6 MUNICIPAL SERVICE REVIEW DETERMINATIONS

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## (1) Growth and population projections for the affected area

- a) According to the most recent California Department of Finance estimate, the Shasta County population decreased by 0.1% from 2018 to 2019. This could be the result of recent wildfires throughout the county. For report purposes, an annual population growth estimate of 0.17% to 0.49% is used to predict the future population range that may be served by the RCD during this MSR cycle. It should also be noted that the Department of Finance, Demographics Division, now states that assumptions used to project future population may no longer be applicable and that these projections could change in their next estimate cycle.
- b) Fall River RCD covers a total population of about 8,229 including 7,474 in Shasta County, 640 in Lassen County, 111 in Modoc County and 4 in Siskiyou County.

## (2) The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence

- a) Within unincorporated Shasta County, fire services are provided by the Shasta County Fire Department in partnership with local Fire Protection Districts (FPDs). Water and sewer services are provided by a myriad of service providers within local communities. Since Fall River RCD does not provide water, sewer or fire protection services it is not obligated to provide them to DUCs within the District boundaries.
- b) According to the 2014-2018 American Community Survey 5-Year Estimates, the California median household income (MHI) was \$71,228. The Shasta countywide MHI is \$50,905, which is 71% of the California MHI and classifies the County as disadvantaged. Fall River RCD includes the community of Fall River Mills with an MHI of \$40,885, which is 57% of CA's MHI and Burney with an MHI of \$40,119, 56% of CA's MHI.

## (3) Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies

- a) The Fall River RCD is currently involved in many projects furthering their resource management goals. The projects involve work with private and public landowners and agencies to set aside land that is then managed by Fall River RCD. Fall River RCD also works with Cal FIRE and the Carbon Cycle Institute (CCI) among others. The work includes many fuels reduction and carbon sequestration projects through thoughtful land management practices. Grants include projects awarded money from the California Energy Commission and funding from the Natural Resource Conservation Service (NRCD), California Department of Fish and Wildlife (CDFW), California Department of Conservation and the US Department of Agriculture (USDA).
- b) Fall River RCD owns an office building that is in serious need of a remodel. The building has no air conditioning unit so it is very cold in the winter and hot in the summer. Lighting in the building is hard to work under and needs updating.  

The RCD also owns 4,491 acres of grazing land and need a \$20,000 generator for the water system.
- c) Should funds become available, the District would acquire a chipper to use in forest restoration and fuels reduction projects.

**(4) Financial ability of agencies to provide services**

- a) Fall River RCD is primarily funded through grant funds, some property taxes and through payment for services provided. Fall River RCD demonstrates a positive net income in all three budget years shown and has no outstanding loans or debts.

**(5) Status of and, opportunities for, shared facilities**

- a) Locally, there are no other organizations that provide equivalent services within District boundaries. Fall River RCD has not collaborated with Western Shasta RCD for at least the past three years, although there is a strong working relationship between the two agencies. Western Shasta RCD covers the western half of Shasta County and works on projects within its geographic area, which is generally geographically distinct from projects conducted by Fall River RCD. Pit River RCD covers an area to the east of Fall River RCD and currently shares an Executive Director with Fall River RCD, although they are not working on any shared projects.
- b) There are currently no partnerships with special districts outside of a small agreement to provide "Firewise in the Classroom" services to local elementary schools in the spring of 2021. The RCD may enter into an agreement with the Fall River Mills Community Services District (CSD) about the possibility of collaboration on Two Rivers park. The CSD completed work in 2020 that involved grading of the area and construction of a river trail and parking lot. They were awarded a Green Infrastructure Grant through the CA Natural Resources Agency for additional work on the park. Local collaboration in the past has worked with the Burney Fire Safe Council on fuels reduction projects. Burney Fire Safe Council is a community based collaborative of citizens, businesses, organizations, government entities and landowners who share a vision for a sustainable future for the community and surrounding landscapes.

**(6) Accountability for community service needs, including governmental structure and operational efficiencies**

- a) Fall River RCD operates as an independent special district under a Board of Directors. Any decisions regarding the RCD are made at regular Board meetings. The Board typically meets on the third Tuesday of the month at 7PM at their District office at 44327 Hwy 299 E. Board meeting dates, times, agendas, and minutes are available online at <https://www.fallriverrcd.org/2020-agendas>. Fall River RCD has a seven-member Board of Directors that serves 4-year terms appointed by Shasta County. Affected constituents may provide input directly to RCD staff or the respective member of the Board of Supervisors.

**(7) Any other matter related to effective or efficient service delivery.**

- a) None beyond those noted above.

## 7 SPHERE OF INFLUENCE DETERMINATIONS

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In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development of local governmental agencies, to advantageously provide for the present and future needs of the county and its communities, the commission shall develop and determine the sphere of influence, as defined by Government Code §56036, and enact policies designed to promote the logical and orderly development of areas within the sphere. In determining the sphere of influence of each local agency, the commission shall consider and prepare a written statement of its determinations with respect to the following:

**(1) Present and planned land uses in the area, including agricultural and open-space lands.**

- a) Land use within the unincorporated portion of the District is subject to the Shasta County General Plan and Zoning Regulations, which was last updated in 2004. Common land uses within the District include Agricultural, Rural Residential and Timber land as well as vast areas designated Public Land. Much of the public land is managed by Shasta-Trinity National Forest with an area of Lassen National Forest to the East.

**(2) Present and probable need for public facilities and services in the area.**

- a) While not easily quantifiable, the District appears to have experienced an increase in demand for its services over the last few years, as indicated by the increase in grant funding for specific projects. Countywide growth may increase pressure to convert resource lands; therefore, demand for services may increase due to this and other regulatory requirements.

**(3) Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.**

- a) The District provides valuable resource conservation services to landowners and collaborates with several other agencies. RCD's generally are constrained by available funding sources; Fall River RCD has been successful in receiving grant funds to continue providing essential services.

**(4) Existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.**

- a) The communities of Fall River Mills, Burney and McArthur provide their communities with goods and services.

**(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, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere.**

- a) The RCD does not provide services related to sewers, water provision, or structural fire protection, and is not obligated to analyze this service provision to DUCs within the District.

**SHASTA LOCAL AGENCY FORMATION COMMISSION  
SHASTA LAFCO RESOLUTION 2021-03**

**RESOLUTION OF THE SHASTA LOCAL AGENCY FORMATION COMMISSION  
ADOPTING THE MUNICIPAL SERVICE REVIEW & SPHERE OF INFLUENCE  
UPDATE OF THE FALL RIVER RESOURCE CONSERVATION DISTRICT**

**WHEREAS**, the Cortese Knox Hertzberg Local Government Reorganization Act of 2000 governs the organization and reorganization of cities and special districts by Local Agency Formation Commissions established in each county, as defined and specified in Government Code Sections 56000 et seq.; and

**WHEREAS**, the Shasta Local Agency Formation Commission (LAFCO), hereinafter referred to as the “Commission”, is authorized to conduct municipal service reviews and establish, amend, and update spheres of influence for local governmental agencies whose jurisdictions are within Shasta County; and

**WHEREAS**, The MSR/SOI update included:

*Fall River Resource Conservation District*

**WHEREAS**, the Executive Officer prepared a Municipal Service Review of the Fall River Resource Conservation District, and a proposed updated sphere of influence boundary recommendation based upon this analysis pursuant to California Code Section 56430; and

**WHEREAS**, in the accordance with California Government Code Section 56661, the Executive Officer has given sufficient notice of the public hearing by the Commission on the proposal; and

**WHEREAS**, the Executive Officer has presented to the Commission, a written staff report with recommendation on the proposal in the manner provided by law; and

**WHEREAS**, the Commission heard and fully considered all testimony and evidence presented at a public hearing held on April 1, 2021; and

**WHEREAS**, the Commission considered all the factors required under California Government Code Section 56425; and

**NOW THEREFORE, IT IS RESOLVED, DETERMINED AND ORDERED as follows:**

1. The Commission hereby accepts the Fall River Resource Conservation District Municipal Review and Sphere of Influence update, incorporated herein by reference.

2. The Commission, as the lead agency, finds the sphere of influence update is exempt from further review under the California Environmental Quality Act pursuant to Title 14 of the California Code of Regulations, Chapter 3 CEQA Guidelines, 15061(b)(3).

3. The Commission, pursuant to Government Code Section 56425, makes the written statement of determinations included in the sphere of influence update, hereby incorporated by reference.

4. The Executive Officer shall revise the official records of the Commission to reflect this Sphere of Influence Update.

**BE IT FURTHER RESOLVED** The Municipal Service Review and Sphere of Influence update of the Fall River Resource Conservation District is hereby approved and incorporated herein by reference as presented on the attached maps noted as Exhibit A.

**THE FOREGOING RESOLUTION** was passed and duly adopted at a regular meeting of the Shasta LAFCO Commission on April 1, 2021 by the following votes:

AYES:  
NOES:  
ABSTAINS:  
ABSENT:

Dated: \_\_\_\_\_

\_\_\_\_\_  
Irwin Fust, *Chairman*  
Shasta Local Agency Formation Commission

