

**LAFCO**

**Meeting Date:** 02/23/2023

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**Information**

**SUBJECT**

Consider approval of **Resolution 2023-01** adopting the Municipal Service Review (MSR) and Sphere of Influence (SOI) Review for the Yolo County Resource Conservation District (YCRCD), and determine the MSR/SOI is exempt from the California Environmental Quality Act (CEQA), LAFCo No. 22-06

**RECOMMENDED ACTION**

1. Open the Public Hearing to receive staff presentation and public comment on the YCRCD's MSR/SOI Review.
2. Close the Public Hearing.
3. Consider the information presented in the staff report and during the Public Hearing. Discuss and direct staff to make any necessary changes.
4. Approve Resolution 2023-01, adopting the MSR for the YCRCD and determining an SOI Update is not needed, and determining the MSR/SOI Review is exempt from CEQA.

**FISCAL IMPACT**

No fiscal impact. The LAFCo budget included staff costs and GIS work to complete the MSR/SOI in-house.

**REASONS FOR RECOMMENDED ACTION**

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) is LAFCo's governing law and outlines the requirements for preparing periodic Municipal Service Reviews (MSRs) and Sphere of Influence (SOI) updates. MSRs and SOIs are tools created to empower LAFCo to satisfy its legislative charge of "discouraging urban sprawl, preserving open space and prime agricultural lands, efficiently providing government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances."

An MSR is conducted prior to, or in conjunction with, the update of an SOI (LAFCos are required to review an agency's SOI every five years). In conducting an MSR, LAFCo comprehensively reviews all the agencies that provide the identified service or services within the designated geographic area. The commission may assess various alternatives for improving efficiency and affordability of infrastructure and service delivery within and contiguous to the sphere of influence, including, but not limited to, the consolidation of governmental agencies. An MSR also evaluates the structure and operations of agency services and includes a discussion of the capability and capacity of the agency to ensure the provision of municipal services to the existing service area and any foreseeable future growth. The SOI delineates the probable future physical boundaries and service area of an agency and lays the groundwork for potential future annexation. Based on the findings of the MSR checklist, staff reviews and recommends whether a SOI update is warranted.

YCRCD is the only RCD under the jurisdiction of Yolo LAFCo. There is a relatively small area between Dixon and the Port deep water ship channel (i.e. the area known as "No Man's Land") that is within the Dixon RCD's territory, and even though a portion of this RCD lies in Yolo County, most of it is in Solano County, so Solano is the LAFCo with jurisdiction. There are no other agencies under Yolo LAFCo's

purview that provide similar services, therefore this is a standalone MSR.

## **BACKGROUND**

### **Resource Conservation Districts in State Law**

Established under California law as special districts, Resource Conservation Districts (RCDs) are a non-regulatory form of local government. They are created by the community to meet a specific need. While other special districts meet needs for fire protection, open space, or flood control, RCDs help meet the need for the protection and wise management of critical agricultural and natural resources: water and soil. There are 97 RCDs recognized across the state. Within their geographic service areas, RCDs identify priorities for soil conservation and resource management and partner with landowners on locally led conservation. A cross between a trusted advisor and an environmental consulting firm, RCDs offer practical advice and hands-on assistance to help property owners conserve natural resources on their land. RCDs are local hubs for conservation and agriculture. They are the go-to partners for agencies like the U.S. Department of Agriculture's Natural Resources Conservation Service and for private landowners seeking to conserve wildlife or improve water quality or soil productivity.

### **YCRCD Determinations and Recommendations**

YCRCD has grown and matured as an organization since its last MSR in 2015. In many ways, the YCRCD operates more like a non-profit with most of its revenue being grant-funded. Many of the 2015 MSR recommendations were targeted on how the YCRCD can create more stability to weather the natural cycles of grant funded projects, which it has implemented. This plus the increase of its projects and portfolio overall has created a much more valuable and resilient agency. Staff had very few recommendations for the YCRCD as noted below and determined no SOI Update is needed since it already encompasses all the county not already within its boundaries (except for that portion of the "No Man's Land" area within the Dixon RCD territory).

Below are the determinations and recommendations contained in the MSR/SOI:

#### **Growth and Population MSR Determination:**

Growth and Population does not significantly affect the YCRCD's service needs and demands because it works with natural resources in both rural and urban areas.

#### **Recommendation(s):**

None.

#### **Disadvantaged Unincorporated Communities MSR Determination:**

The YCRCD does not provide essential municipal services such as water, sewer, and structural fire protection. District natural resource services are provided notwithstanding any communities' economic status.

#### **Recommendation(s):**

None.

#### **Capacity and Adequacy MSR Determination:**

The YCRCD provides natural resource conservation services throughout and in partnership with agencies outside Yolo County. LAFCo staff has no concerns regarding the District's capacity to provide services, or the adequacy of its services.

#### **Recommendation(s):**

None.

#### **Financial Ability MSR Determination:**

The YCRCD is financially stable even though most of its revenue comes from grant sources. The District can be flexible with staffing to adjust to grant revenue and instituted a reserve policy so that any gaps in funding can be managed.

#### **Recommendation(s):**

None.

**Shared Services MSR Determination:**

The YCRCD share staff on an as needed basis and recently shared an administrative assistant and financial manager with the Cache Creek Conservancy, but now has these positions full time. The YCRCD does not have or need any facilities to share, although it's current office space will not be able to accommodate a significant increase in staff.

**Recommendation(s):**

None.

**Accountability, Structure, and Efficiencies MSR Determination:**

There are no recommended changes to the YCRCD's governance structure. If finding Board members is a problem, YCRCD could consider annexing its SOI which includes the cities to increase the candidate pool. Board members and staff are stable and capable. YCRCD obtains annual independent audits, has adequate policies, and received a 70% score in the 2022 Yolo Local Government Website Transparency Scorecard.

**Recommendation(s):**

- If finding Board members remains challenging, YCRCD could consider annexing its SOI which includes the cities to increase the candidate pool.
- YCRCD received a 70% score in the 2022 Yolo Local Government Website Transparency Scorecard. Please review the report appendix to see what improvements can be made: <https://www.yololafco.org/yolo-local-government-website-transparency-scorecards>.

**Status of Previous MSR Recommendations Determination:**

Most of the 2015 MSR recommendations for YCRCD have been completed/implemented. The YCRCD Executive Director may have an exploratory conversation with the Dixon RCD about annexing its portion of the district in Yolo County. However, she is aware the Dixon RCD is actively doing work in this area and consolidation with YCRCD is not necessary, it would merely organize cleaner boundaries along county lines.

**Recommendation(s):**

None.

**Agency/Public Involvement**

While conducting this MSR/SOI, the LAFCo Executive Officer met with the YCRCD Executive Director several times during preparation of the administrative draft report. The YCRCD Executive Director was provided an opportunity to review and comment on it before the Draft MSR/SOI was made public. A notice of availability of the Draft MSR/SOI and public hearing was published in the Davis Enterprise 21 days in advance. Individual mailed notices were not provided because no SOI Update is involved and the mailing list exceeds 1,000 parcels. No changes to the public review draft have been made so far but if any edits are made, they will be formatted in added text and ~~deleted text~~ so it is clear what has changed as compared to the Public Review Draft. Any changes will be incorporated into the final adopted MSR/SOI. No public or agency correspondence has been received so far, and any received after this report will be provided to the Commission in a supplemental packet.

**California Environmental Quality Act (CEQA)**

CEQA requires analysis of agency approvals of discretionary "projects." A "project," under CEQA, is defined as "the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment." Section 15061 (b)(3) of the CEQA Guidelines describes the General Rule that CEQA only applies to projects which "have the potential for causing a significant effect on the environment; where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA." Further, Section 15320 exempts from CEQA "changes in the organization or reorganization of local governmental agencies where the changes do not change the geographical area in which previously existing powers are exercised." Approval of the MSR does not approve any development project or result in development. The agency's SOI was reviewed, and it was determined an update is not needed at this time. The nature of YCRCD services as a conservation district does not result in development. Furthermore, no special circumstances exist

that would create a reasonable possibility that approving the MSR/SOI Review would have a significant effect on the environment. Therefore, the project is exempt from CEQA and no further environmental review is necessary.

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### Attachments

ATT A-Reso 2023-01 Adopting Yolo RCD MSR-SOI

ATT B-Yolo RCD Public Review Draft MSR-SOI 02.13.2023

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### Form Review

**Inbox**

Christine Crawford (Originator)

Form Started By: Christine Crawford

Final Approval Date: 02/09/2023

**Reviewed By**

Christine Crawford

**Date**

02/09/2023 10:09 AM

Started On: 01/19/2023 11:51 AM