

SOUTH YUBA COUNTY RECLAMATION DISTRICTS

SPHERE OF INFLUENCE UPDATE

The Commission is charged with developing and updating the Sphere of Influence (SOI) for each city and special district within the county. Once LAFCO has adopted the MSR determinations, it must update the SOI for all districts subject to its jurisdiction including reclamation districts. ***This report is the Sphere of Influence update for the Reclamation District 817, Reclamation District 2103, and Reclamation District 784.***

An SOI is a LAFCO-approved plan that designates an agency's probable future boundary and service area. The definition for a Sphere of Influence in Government Code Section 56076 is a *"Sphere of Influence" means a plan for the probable physical boundaries and service are of a local agency, ad determined by the Commission.* Spheres are planning tools used to provide guidance for individual boundary change proposals and are intended to encourage efficient provision of organized community services and prevent duplication of service delivery. Territory cannot be annexed by LAFCO to a city or district unless it is within that agency's sphere. The purposes of the SOI include the following: to ensure the efficient provision of services, discourage urban sprawl and premature conversion of agricultural and open space lands, and prevent overlapping jurisdictions and duplication of services.

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

LAFCO may recommend government reorganizations to particular agencies in the county, using the SOIs as the basis for those recommendations.

In determining the SOI, LAFCO is required to complete an MSR and adopt six determinations.

In addition, in adopting or amending an SOI, LAFCO must make the following determinations:

- ❖ Present and planned land uses in the area, including agricultural and open-space lands;
- ❖ Present and probable need for public facilities and services in the area;
- ❖ Present capacity of public facilities and adequacy of public service that the agency provides or is authorized to provide;

- ❖ Existence of any social or economic communities of interest in the area if the Commission determines these are relevant to the agency; and
- ❖ For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing Sphere of Influence.¹

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

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

Yuba LAFCO Sphere of Influence Policies

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

4.1 General Policies

1. Serve as a master plan for the future organization of local governments within the County by providing long-range guidelines for the efficient provision of services to the public.
2. Discourage duplication of services by local governmental agencies;
3. Guide the Commission's consideration of individual proposals for changes of organization;
4. Identify the need for specific reorganization studies, and provide the basis for recommendations to particular agencies for government reorganizations;
5. LAFCO shall establish the nature, location, and extent of any functions or classes of service provided by existing districts as part of SOI update and service review processes (§56425, §56430).

¹ This policy does not apply to reclamation districts since they do not provide public facilities or services related to sewers, municipal and industrial water, or structural fire protection.

4.4(e) A substantial SOI amendment is an amendment that causes the SOI to be internally inconsistent, is inconsistent with provisions of the CKH Act, has the potential to cause significant adverse social, economic, environmental, or other consequences, or has substantial adverse regional planning implication. Substantial SOI amendments shall not be processed until service reviews are completed (§56430) and the subject SOI is updated consistently with §56425.

4.4 (f) A substantial SOI amendment may be processed concurrently with a service review and incorporated into a SOI update. However, LAFCO will make service review determinations prior to considering a substantial SOI amendment (§56425, §56430).

4.4 (g) A review of a municipal services pertaining to a subject SOI will be prepared prior to, or in conjunction with, each SOI update (§56430) or substantial amendment unless the Commission determines that a prior service review remains adequate.

4.4 (h) When determining which local agency should provide services, considerable weight will be given to an agency's ability and willingness to provide services. When more than one agency can serve an area, LAFCO shall also consider the conclusion of service reviews, each agency's service capacity, financial capabilities and costs to provide service. Social and economic interdependencies, topographic, historic and environmental factors, input from affected communities and agencies, and pertinent LAFCO policies shall also be considered (§56668, §56430).

4.4 (i) LAFCO shall prioritize pending or anticipated SOI actions and related services review, and consider preliminary work plans as part of its annual work plan and budget hearing processes, although the Commission may consider SOI proposals whether or not they are reflected in the budget. The Commission may also initiate related service reviews.

4.4 (j) Agencies will be asked to participate in an SOI scoping session and complete SOI/service review questionnaires relating to their services and plans. Agencies will be required to complete and submit questionnaires within 90 days. Failure to respond within 90 days will be regarded as concurrence with Executive Officer recommendations.

4.4 (k) LAFCO shall hear and consider the SOI, and related service reviews if any, at a noticed public hearing.

5. OTHER RELATED POLICIES

a. LAFCO will make every attempt to establish Spheres of Influence acceptable to affected agencies, property owners, and other stakeholders but ultimately, LAFCO is the final determinant of a Sphere of Influence.

i. Inclusion within an agency's sphere of influence does not ensure annexation to that agency.

- ii. In order to encourage orderly growth of urban areas, the Commission promotes infill development of incorporated vacant lands located adjacent to already developed areas.
- iii. Developed lands which benefit from municipal services and are contiguous to a city boundary should be annexed to the city that provides service.
- iv. Spheres of influence for cities and districts should respect the long-term preservation and protection of the County's agricultural and open space resources when not in conflict with Policy 4.5.3.
- v. When an application for a new sphere of influence involves a City, the City and County are required to meet prior to submitting the application to LAFCO, to attempt to reach a mutual agreement regarding the boundaries, development standards, and zoning requirements for the proposed sphere. These agreements are required to carry great weight in any LAFCO decision (§56425).

RECLAMATION DISTRICT 817

Reclamation District 817 provides levee maintenance and internal drainage services to an agricultural area southwest of Wheatland.

EXISTING BOUNDS AND SOI

RD 817 was formed in 1910 to maintain the northern Bear River levee between the Dry Creek confluence and the RD 2103 boundary. RD 817 provides levee maintenance and internal drainage services.

The boundary area extends north to the Dry Creek southern levee, west to the Bear River and Dry Creek confluence, south to the Bear River northern levee, and east to the Oakley Lane vicinity.

The eastern boundary along the Bear River Levee is about 0.7 miles west of Oakley Lane, and along the Dry Creek Levee is about .65 miles west of Oakley Lane. Some territory north of Dry Creek is included within the bounds, although only portions of that territory are protected by the levee and lie within the 100-year floodplain.

The District's SOI is coterminous with its boundary. The existing SOI signifies that no territory is expected to be annexed to or detached from the District, and that the District is expected to continue to exist.

Service Area

RD 817 provides services within its boundary area, and to a portion of the Dry Creek levee just northeast of the District boundary.

Planning Area

The District does not conduct formal planning, and has no master plan describing District facilities. The City of Wheatland has conducted some analysis of flood improvement needs in the area through its most recent General Plan update.

Overlapping Providers

There are several local agencies with boundaries that overlap the RD 817 or existing SOI, however, none provide levee maintenance. There are two adjacent levee districts responsible for maintaining levee segments adjacent to those maintained by RD 817; however, these districts do not overlap RD 817.

- 1) The RD 2103 boundary and SOI abut RD 817 to the east. RD 2103 is responsible for maintaining segments of the north Bear River and south Dry Creek levees that are located adjacent to RD 817. RD 817 and 2103 serve within the same hydrological area. The benefit areas of RD 817 and 2103 overlap due to ponding effects.

2) RD 784 is located immediately to the west. RD 784 is responsible for maintaining segments of the north Dry Creek levee that is located immediately west of the levees maintained by RD 817.

RD 817 overlaps a small western portion of the City of Wheatland. The City of Wheatland is responsible for internal drainage, which is also a District responsibility.

AGENCY PROPOSAL

The District proposed an SOI change to add a portion of land south of the Dry Creek levee in the northeast of the District (just west of Oakley Lane), which is currently not in bounds. The District is responsible for maintaining the levee in this area, and the affected property owner presently pays assessments to the District.

In addition, a District board member believes the District would prefer not to serve the area north of Dry Creek. A portion of the area north of Dry Creek that lies within District bounds is outside the floodplain. Furthermore, the District reports that the revenues generated north of Dry Creek do not compensate for the costs of maintenance of the north Dry Creek levee at state and federal standards.

SOI OPTIONS

Four potential options have been identified with respect to the RD 817 SOI. The options are shown on Figure 4-7 or the Sphere Options report prepared by Burr Consulting on page 7 below.

Option #1: SOI Expansion – Oakley Lane

This SOI option would signal that LAFCO anticipates that RD 817 would annex the portion of the southern Dry Creek levee (adjacent to Oakley Lane) where the District is providing service, and would continue to provide levee maintenance service to the remainder of the boundary area.

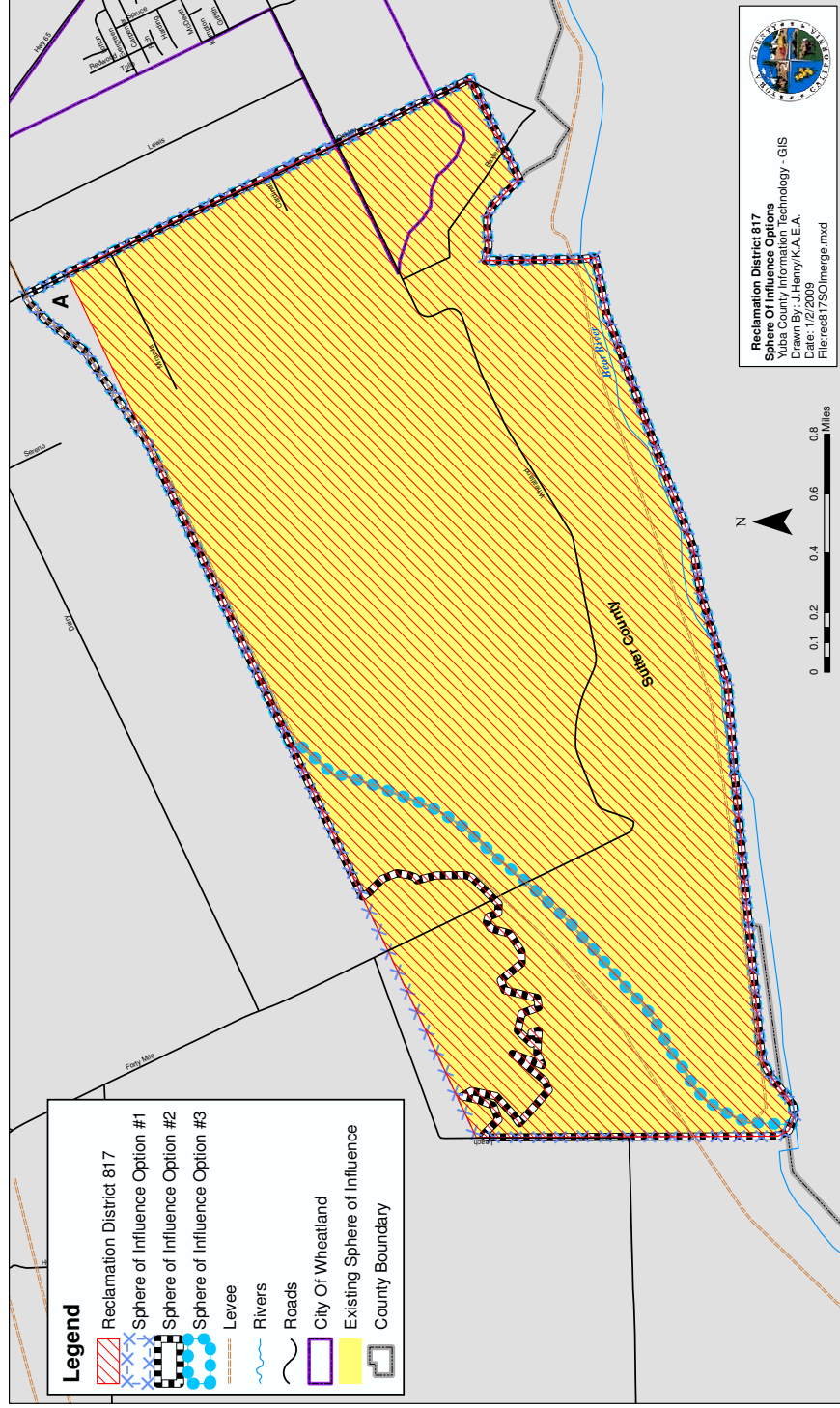
Option #2 SOI Reduction — Areas Outside Benefit Area

Reduce SOI to exclude areas outside the benefit area for the levees maintained by the District. The urban remainder of the District south of Dry Creek lies within the 200-year floodplain and receives protection from the levee, and remains within the SOI and benefit area. This SOI option would remove some territory north of Dry Creek that lies outside the 100-year flood plain (the relevant standard outside an urban area). This SOI option would signify that LAFCO anticipates detachment of such areas.

Option #3 SOI Reduction — Area North of Dry Creek

Reduce SOI to exclude areas north of Dry Creek that are not hydrologically connected to the District's primary area of responsibility. This SOI option would signify that LAFCO anticipates detachment of areas north of Dry Creek.

Fig. 4-7 Reclamation District 817 - Sphere Of Influence Options



Option #4: Zero SOI

A zero SOI would signify that LAFCO anticipates that the district would be dissolved and its functions provided by another service provider, such as RD 2103.

SOI ANALYSIS

LAFCO could process any of the SOI options as an SOI update, as none of the proposals appear to be growth-inducing. Levee maintenance and internal drainage services are needed in both rural and urban areas, and none of the SOI options extend beyond the District's existing bounds and service area.

The District is presently serving the southern Dry Creek levee segment east of the District's eastern boundary (marked area A on Figure 4-7 (page 7)), and is required by the Central Valley Flood Protection Board (CVFPB) to maintain that levee segment. This area is outside bounds by virtue of an error; an original title check from the 1930s had presumed it was in bounds but LAFCO found no evidence that annexation of the area had ever been processed.

The area north of Dry Creek is hydrologically distinct from RD 817's primary area of responsibility. Similarly, RD 784 project levees east of the WPIC are hydrologically distinct from its primary area of responsibility.² Both districts report that existing revenues generated in these areas do not cover the costs of maintaining the levees to state and federal standards. More logical policy options for both the RD 817 area north of Dry Creek and the RD 784 area east of the WPIC and south of Best Slough are: 1) to form a new reclamation district covering these areas if property owners value the benefits of these levees, or 2) for the project levees in this area to be deauthorized.³ Clearly, these areas should not be included in RD 817 or 784. It appears unlikely that the economic benefit of levee protection at project standards warrants the costs. It is unknown whether affected property owners would prefer that a new reclamation district be formed or the levees deauthorized. Given that public opinion is not known, it appears to be premature for LAFCO to remove these areas from the SOIs of the respective districts. However, it is unreasonable for the districts to subsidize levee maintenance in these areas. Therefore, the consultant recommended that LAFCO encourage RD 817 and RD 784 to confer on the pros and cons of deauthorization. LAFCO may also wish to consider this issue at the SOI update hearing to offer an opportunity to gauge public opinion among the property owners in the affected area.

The District bounds were developed many years ago as an approximation of the benefit area. At that time, the philosophy was that only properties thought to be in the floodplain benefited from levee protection. The existing bounds are not consistent with modern definitions of the benefit area, as discussed above.

² "Project levees" are Sacramento River Flood Control Project levees.

³ Deauthorization of project levees would require an act of Congress. The next opportunity would be through amendments to the Water Resources Development Act, which are anticipated to occur next in 2009. The process would require a study that demonstrates that these levees should not be project levees and that the affected property owners concur.

Moreover, the philosophy underlying the District's bounds may also be out of date. Some consider lands outside the floodplain to benefit from flood protection due to the value to the landowner of access to neighboring amenities and evacuation routes that are within the floodplain; also lands outside the floodplain contribute drainage that impacts the properties in the floodplain. For example, the Sacramento Area Flood Control Agency (SAFCA) formed an assessment district in 2007 that includes lands outside the floodplain; its philosophy was that those lands should be assessed because they produce runoff and also benefit from flood protection offered to adjacent lands.

Although the existing SOI is a poor approximation of the benefit area, it would be premature for LAFCO to reduce the RD 817 SOI to match the benefit area. A cohesive philosophy for future levee assessments in the Wheatland area should be developed by RD 817, RD 2103 and the City of Wheatland. LAFCO should not restrict the Districts' ability to modernize their assessment approaches at this time. In updating the SOIs of RD 817 and RD 2103, LAFCO may wish to establish policies encouraging the districts to give serious consideration to assessment philosophies for these areas prior to the 2014 SOI update cycle. In addition, geo-technical evaluation of these rural levees is planned by the State in 2009 or 2010, and update of the floodplain maps in this area is planned by FEMA by 2009. Hence, there will be better information available in the 2014 SOI update cycle to fine tune the SOI to reflect the actual benefit area if LAFCO should conclude that is the appropriate philosophical approach to reclamation district SOIs in the Wheatland area.

RD 817, which is operated by farmers, maintains levees and provides internal drainage within the recommended City of Wheatland SOI planning area. Once annexed to the City, this area would require 200-year urban flood protection and related financing would be arranged by the City. As part of the City of Wheatland, it would need to provide urban service levels with dedicated staff with related assessment increases.

Reclamation district consolidation is a government structure option identified in the MSR. However, consolidation is unlikely to occur in the foreseeable future due to differing service level and financing needs between RD 817 and adjacent districts. RD 2103 and RD 784 maintain adjacent segments of levees along the Bear River and Dry Creek. The districts generally provide adequate service, although RD 817 maintenance was rated unacceptable in 2007. RD 817 and, to a lesser degree RD 2103, are run in a low-cost fashion by rural interests without staff. Wheatland is rapidly urbanizing with proposed and planned developments covering its existing sphere of influence, which overlaps RD 817. The City is expected to annex substantial territory in the next 20 years as adjacent areas urbanize. As urban development expands, the need for a greater level of flood protection and professionally managed service providers increases. The City of Wheatland is an unlikely service provider; due to the liability associated with levee maintenance responsibilities, cities and counties are unlikely to accept responsibility by becoming successor agencies.

An obstacle to consolidation is the rural, agricultural preference for lower assessments and service levels and the urban need for professionally staffed entities and higher service levels. RD 2103 encompasses the City of Wheatland; farmers in the District have been selling options to developers and the area will potentially urbanize. RD 817 remains agricultural, and takes a lower-cost approach to levee maintenance. The districts do not share the same goals in terms of flood protection levels. Although the districts do collaborate, it does not appear that RD 817 would welcome consolidation, particularly if it means assessment increases. A successful consolidation approach would likely need to develop assessment financing that would allow agricultural uses to pay based on need and benefit.

Recommendation

The recommended SOI update for RD 817 is to expand the SOI in the northeast to include the southern Dry Creek levee adjacent to Oakley Lane (SOI option #1).

It is recommended that LAFCO acknowledge that the RD 817 boundary and SOI area north of Dry Creek is hydrologically distinct from the preponderance of the district, and encourage RD 817 and 784 to confer on the costs and benefits of deauthorization of project levees serving the floodplain area east of the WPIC, south of Best Slough and north of Dry Creek. LAFCO may wish to consider this issue as part of the SOI update in order to provide an opportunity to gauge public opinion in the affected area as to whether project levee deauthorization or formation of a new reclamation district would be preferred.

Further, it was recommended by the Consultant that LAFCO adopt policies that encourage RD 817, RD 2103 and the City of Wheatland to develop a cohesive philosophy regarding future assessments prior to the 2014 SOI update cycle so that LAFCO may adjust the RD 817 and 2103 SOIs to be consistent with the long-term approach to financing levee maintenance in this area.

LAFCO may also wish to require that the City of Wheatland accept exclusive responsibility for internal drainage within its bounds, and clarify that RD 817 is only responsible for internal drainage in the portion of its boundary area outside the City of Wheatland. Such a policy would eliminate the overlapping provision of internal drainage services.

SOI DETERMINATIONS

Present and Planned Land Uses

RD 817 is a primarily agricultural area with walnut, almond, pear and rice farming operations, and residents. The District is zoned in unincorporated areas as exclusive agricultural, with minimum 80-acre and 40-acre lots. Business activity in the District includes farming operations and a hardware store. There were approximately 96 residents in the District in 2000.

The western portion of the planned Jones Ranch development in the City of Wheatland is located within the bounds of the District. Jones Ranch, is a 194-acre

development area annexed to the southwest of the City of Wheatland, south of Wheatland Road. The plan for development includes over 550 residential units and two acres of neighborhood commercial area.

Present and Probable Need for Public Facilities and Services

Most of the RD 817 boundary area lies within a 100-year floodplain, although some of the territory north of Dry Creek is in a 500-year floodplain.

The District has not experienced significant growth, although adjacent areas east of the District have experienced recent growth and urban development.

Within the District, future urban growth is constrained by flood conditions and infrastructure as well as the distance from existing infrastructure; however, there is long-term potential for development and growth within the District's bounds.

Present Capacity of Public Facilities and Adequacy of Public Service

The District maintains 9.2 miles of Sacramento River Flood Control Project levees, 3.9 miles of which are along the north (right) bank of the Bear River, 3.8 miles along the south (left) bank of Dry Creek, and 1.5 miles along the north (right) bank of Dry Creek.

A $\frac{3}{4}$ mile segment of the Bear River levee needs to be replaced and possibly relocated because it is built on sand and swirling almost caused a break. The Bear River levee has geotechnical deficiencies, erosion damage and vegetation issues. The Dry Creek levee has freeboard and geotechnical deficiencies, and needs to be raised by approximately three feet. The District participates in the Wheatland area levee rehabilitation project, although formal joint financing arrangements have not yet been made. The third phase of this project is expected to address deficiencies on RD 817 levees, although that phase is not presently funded. DWR levee borings will be conducted in rural areas in 2008 or 2009. That information will help engineers develop more detailed alternatives for RD 817.

The reclamation districts reported that flooding in the RD 817 area would affect upstream areas in the existing City of Wheatland SOI. Although anticipated, RD 817 has no formalized joint funding arrangement with the City of Wheatland. A formalized arrangement would likely involve the City collecting development impact fees to fund the project and potentially Community Facilities District revenues to fund future maintenance operations.

Existence of Any Social or Economic Communities of Interest

Communities of interest include rural residents west of the City along Wheatland Road and Forty Mile Road, and the planned Jones Ranch development in the westernmost portion of the City of Wheatland.

RECLAMATION DISTRICT 2103

Reclamation District 2103 maintains the northern Bear River and southern Dry Creek levees in the Wheatland area.

EXISTING BOUNDS AND SOI

Reclamation District (RD) 2103 was formed in 1964 to maintain five miles of the northern Bear River levee and 4.75 miles of the southern Dry Creek levee in the Wheatland area. The RD 2103 boundary area extends north to the Dry Creek southern levee, west to Oakley Lane (with the southwest corner extending about 0.7 miles west of Oakley Lane), south to the Bear River northern levee, and east to the vicinity of the historic Johnson Rancho. The City of Wheatland and much of the City's SOI area are within the bounds of RD 2103.

The District's SOI is coterminous with its boundary. The existing SOI signifies that no territory is expected to be annexed to or detached from the District, and that the District is expected to continue to exist.

Service Area

RD 2103 provides services within its boundary area, and does not provide services outside bounds. The District's benefit area—the area within the 200-year floodplain receiving protection from the levee—is depicted on Figure 4-8 of the Burr Consulting report and located on Page 14 of this report (SOI option #2)

Planning Area

The District's planning efforts are generally informal. The District does not have a master plan or capital improvement plan. Its engineers have evaluated Bear River levee infrastructure needs and levee rehabilitation design. The District retains engineering firms as needed for identification, design and feasibility assessment of contemplated improvements within District bounds. The City of Wheatland has conducted some analysis of flood improvement needs in the area through its most recent General Plan update.

Overlapping Providers

There are several local agencies with boundaries that overlap the RD 2103 or existing SOI, however, none provide levee maintenance. The RD 817 boundary and SOI abut RD 2103 to the west.

AGENCY PROPOSAL

RD 2103 did not propose a change to its SOI. The existing SOI is coterminous with RD 2103 boundaries.

SOI OPTIONS

Four potential options have been identified with respect to the RD 2103 SOI.

Option #1: Retain Existing Coterminous SOI

Retaining the existing coterminous SOI signifies that LAFCO does not anticipate any territory to be annexed to or detached from the District, and that the District is expected to continue to exist.

Option #2: Reduce SOI to Match Benefit Area

The benefit area for the District is smaller than the existing boundary and SOI. Reducing the SOI to exclude elevated areas outside the 200-year floodplain signifies that LAFCO anticipates detaching such territory from the District. By implication, detachment would mean that areas located on the ridge would not contribute assessments toward levee maintenance.

Option #3: Consolidated SOI

Expansion of the RD 2103 SOI to include the RD 817 boundary area would signify that LAFCO anticipates that RD 817 would be consolidated with RD 2103, and that RD 2103 would operate levee maintenance activities in the Wheatland area. The SOI would include area south of Dry Creek (northeast of existing RD 817 bounds) that are the maintenance responsibility of RD 817.

Option #4: Zero SOI

A zero SOI would signify that LAFCO anticipates that the district would be dissolved and its functions provided by another service provider, such as the City of Wheatland.

SOI ANALYSIS

It appears that LAFCO could pursue any of the identified SOI options through the SOI update process. It does not appear that these SOI options would be growth-inducing as RD 2103 provides levee maintenance services that benefit both urban and rural areas.

The District bounds were developed over 40 years ago as an approximation of the benefit area. At that time, the philosophy was that only properties thought to be in the floodplain benefited from levee protection. The existing bounds are not consistent with modern definitions of the benefit area, as discussed above. Moreover, the philosophy underlying the District's bounds may also be out of date. Some consider lands outside the floodplain to benefit from flood protection due to the value to the landowner of access to neighboring amenities and evacuation routes that are within the floodplain; also lands outside the floodplain contribute drainage that impacts the properties in the floodplain. For example, the Sacramento Area Flood Control Agency (SAFCA) formed an assessment district in 2007 that includes lands outside the floodplain; its philosophy was that those lands should be assessed because they produce runoff and also benefit from flood protection offered to adjacent lands.

Although the existing SOI is a poor approximation of the benefit area, it would be premature for LAFCO to reduce the RD 2103 SOI to match the benefit area. A cohesive philosophy for future levee assessments in the Wheatland area should be developed by RD 2103, RD 817 and the City of Wheatland. LAFCO should not restrict the Districts' ability to modernize their assessment approaches at this time. In updating the SOIs of RD 2103 and RD 817, LAFCO may wish to establish policies encouraging the districts to give serious consideration to assessment philosophies for these areas prior to the 2014 SOI update cycle. In addition, geo-technical evaluation of these rural levees is planned by the State in 2009 or 2010, and update of the floodplain maps in this area is planned by FEMA by 2009. Hence, there will be better information available in the 2014 SOI update cycle to fine tune the SOI to reflect the actual benefit area if LAFCO should conclude that is the appropriate philosophical approach to reclamation district SOIs in the Wheatland area.

Reclamation district consolidation is a government structure option identified in the MSR. However, consolidation is unlikely to occur in the foreseeable future due to differing service level and financing needs between RD 817 and RD 2103. In the long-term, consolidation of these districts is probable. Please refer to the RD 817 section above for discussion of this topic.

Recommendation

The recommended SOI update for RD 2103 is retaining the existing coterminous SOI (option #1).

Further, it is recommended that LAFCO adopt policies that encourage RD 2103, RD 817 and the City of Wheatland to develop a cohesive philosophy regarding future assessments prior to the 2014 SOI update cycle so that LAFCO may adjust the RD 2103 and 817 SOIs to be consistent with the long-term approach to financing levee maintenance in this area.

DRAFT SOI DETERMINATIONS

Present and Planned Land Uses

RD 2103 encompasses the City of Wheatland as well as an agricultural area. Existing land uses are residential, commercial and agricultural. The unincorporated portion of the district is zoned as exclusive agricultural, with minimum 40-acre (AE-40) and 10-acre (AE-10) lots.

Planned developments within the District include Almond Estates, Heritage Oaks East and West, Jones Ranch, The Hop Farm, Johnson Rancho and Nichols Grove. These planned developments cover over 5,000 acres, and could potentially add over 7,500 housing units.

Present and Probable Need for Public Facilities and Services

There is a present and probable need for public facilities and services in the area. The area lies within the existing City of Wheatland SOI. The City must achieve 200-year flood protection to accommodate development after 2015.

Present Capacity of Public Facilities and Adequacy of Public Service

The District is operated by board members. Although it relies on a professional engineer through a consulting arrangement, maintenance activities are not staffed by District employees.

RD 2103 is actively rehabilitating Bear River levees to achieve 200-year flood protection by 2008. Freeboard and geotechnical deficiencies on the Dry Creek and San Joaquin Drainage canal levees also need to be addressed to achieve 200-year flood protection, although this second project phase needs to be evaluated and funded.

RD 2103 provides adequate services as indicated by acceptable levee maintenance ratings for the District by the State. However, the MSR indicated that RD 2103 will need to enhance financing to rely on paid staff in the future to ensure that maintenance continues to meet State standards as the area continues to urbanize.

Existence of Any Social or Economic Communities of Interest

The community of interest is the City of Wheatland and vicinity.

RECLAMATION DISTRICT 784

Reclamation District (RD) 784 provides maintenance services to state-owned levees, and maintains drainage channels, detention basins, and pumping stations.

EXISTING BOUNDS AND SOI

The boundary of RD 784 extends north to the Yuba River southern levee, west to the inside of the Feather River levee (i.e., the levee toe), south to the inside of the Bear River levee, and east to the community of Linda in the northeast, the old Western Pacific Railroad in the central portion, and beyond SR 70 in the southeast. There are four holes in the District north of Plumas Arboga Road in the eastern area of the District. The boundaries encompass approximately 33 square miles.

According to the LAFCO record, no SOI has been established for the District.

Service Area

RD 784 provides levee maintenance and internal drainage services. The District's service area extends beyond its boundary area. The District is responsible for maintaining approximately four miles of project levees outside of its bounds along the south banks of the Yuba River and Best Slough. The levees along the south bank of the Yuba were previously in State Maintenance Area 8, which was subsequently dissolved. The State transferred levee maintenance responsibility to the District without additional funding for the services. The levee along the south bank of Best Slough extends outside the District's boundaries to Hoffman Plumas Road.

The District does not maintain non-project levees within its boundaries along the western bank of Algodon Canal, the north bank of Best Slough, and the east bank of the WPIC north of Best Slough. These levees are the responsibility of the landowners, according to the District.

Planning Area

For drainage activities the District has a master drainage plan, which defines the planning area as the RD 784 watershed, which extends from the community of Linda to the north, the Feather River to the west, the Bear River to the south, and the WPIC to the east.⁴ For flood control and levee maintenance services, the District relies on the Three Rivers Levee Improvement Authority (TRLIA) to define the planning area, which consists of an area of benefit that includes a majority of the area within RD 784's bounds excluding areas inside the levees along the Feather and Bear rivers and areas east of the Western Pacific Interceptor Canal, as well as areas outside of the District's bounds northwest of Ostrom Road and south of the Yuba River levee.

⁴ Ibid., Figure 1-2. The planning area excludes the Olivehurst community, which is located outside District bounds.

Overlapping Providers

There are several local agencies with boundaries that overlap the RD 784 boundaries or existing SOI, however, only TRLIA and the County provide similar drainage and flood control services to RD 784.

- TRLIA has provided for significant capital improvements to the levees that are under the purview of RD 784; however, upon completion of these improvements and certification of the levees, the levees are transferred back to RD 784 for continued maintenance.
- The County and RD 784 have overlapping responsibilities for internal drainage in the RD 784 boundary area. RD 784 maintains major drainage channels, most detention basins, and pumping stations. Underground drainage facilities, gutters and road side swales within residential subdivisions are maintained by the County. Just east of the RD 784 boundary in the East Linda area is an area where the County has primary responsibility for drainage facilities, although the District is responsible for levee maintenance and provides some drainage services to the County under a service contract.

AGENCY PROPOSAL

The District proposed an SOI consistent with its service area and area of benefit after completion of all levee improvements by TRLIA, as shown on Figure 4-16 in the Sphere Options Report prepared by Burr Consulting and on page 20 of this report. The District's SOI proposal includes two areas beyond the District's existing bounds.

There is a large annexable area to the northeast of the existing District bounds (area A on the map) that represents the benefit area associated with a planned assessment for properties receiving protection from levees maintained by RD 784 along the south bank of the Yuba River. The District collaborated with TRLIA in defining this area, and reported that the definition of the area was developed based on computer simulations of levee breaks along the south bank of the Yuba River. The District wishes to annex the area.

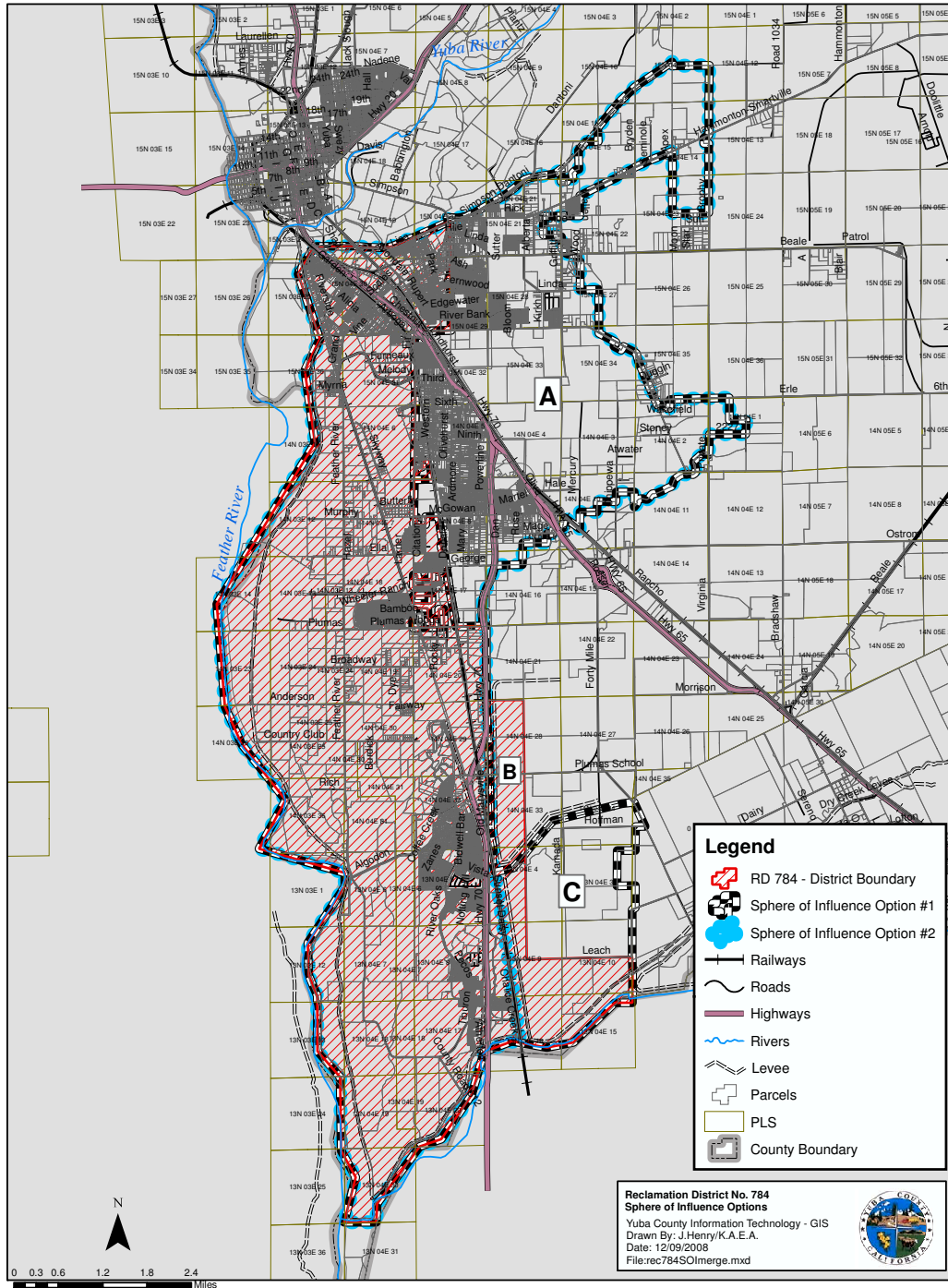
The second area (area C on the map) lies to the southeast of the agency's boundary in an area that presently receives benefit from project levees along the east bank of the WPIC (south of Best Slough), the south bank of Best Slough, and the north bank of the Bear River and Dry Creek. The District defined this area based on analysis of elevation from flood insurance and contour maps. RD 784 would agree to exclude this area but would gauge public opinion in these areas to determine if levees should be abandoned or a new district formed.⁵

Although the District wishes to relinquish responsibility of project levees east of the WPIC, its obligation to the State to maintain those levees cannot be unilaterally

⁵ Correspondence from RD 784 General Manager Steve Fordice to Yuba LAFCO Clerk-Analyst Paige Hensley, March 10, 2009.

changed. Until the District is relieved of this responsibility, it wishes to have the ability to defray maintenance costs by imposing assessments in the area of benefit.

Fig. 4-16 Reclamation District No. 784 Sphere of Influence Options



Finally, the District proposes to exclude from its SOI the portion of its boundary area that lies east of the WPIC and north of Best Slough (area B on the map). Although there is a levee located along the east bank of the WPIC in this area, it is not a project levee and RD 784 is not responsible for its maintenance. The District does not levee assessments in this portion of its boundary area, as it is not within its benefit area. RD 784 would agree to exclude this area but would gauge public opinion in these areas to determine if levees should be abandoned or a new district formed.⁶

SOI OPTIONS

Two SOI options were identified for RD 784.

Option #1: SOI Adoption – Area of Benefit

This SOI option is the area of benefit as defined by RD 784. The area includes the District's existing boundary with the exception of an area east of the WPIC that is not protected by District-maintained levees. It also includes territory outside the District's existing boundary that receives flood protection benefits from District-maintained levees.

Such an SOI would indicate that LAFCO anticipates the annexation and detachment of areas so that the District's boundary area matches the area that receives benefits and would be paying assessments.

Option #2: SOI Adoption – Area of Benefit within Primary Hydrology

The second option is the area of benefit except the southeast area east of the WPIC. The area east of the WPIC is in a separate hydrologic area than the preponderance of the District.

Such an SOI would indicate that LAFCO anticipates the annexation and detachment of areas so that the District's boundary area matches the area that receives benefits, and LAFCO anticipates that the area east of the WPIC would be served by a new reclamation district or state maintenance area, or that its project levees would be deauthorized.

SOI ANALYSIS

LAFCO could process any of the SOI options as an SOI update, as none of the proposals appear to be growth-inducing and are exempt from CEQA by statutory exemption. Levee maintenance and internal drainage services are needed in both rural and urban areas, and none of the SOI options extend beyond the District's existing service area.

The District should annex its benefit area to promote clarity and transparency, and to ensure appropriate future funding. These areas benefit from recent levee improvements, but are located outside District bounds and do not presently contribute to maintenance costs. An assessment in Area A is also needed to ensure

⁶ Correspondence from RD 784 General Manager Steve Fordice to Yuba LAFCO Clerk-Analyst Paige Hensley, March 10, 2009.

that adequate maintenance funding is in place timely so that the improved Yuba River levees qualify for certification. Both RD 784 and Yuba County governing bodies authorized TRLIA to impose an assessment.⁷ TRLIA is conducting an assessment election in the affected area with results anticipated in June 2009. TRLIA has agreed that RD 784 will be exclusively responsible for maintenance of the Yuba River levees protecting the proposed assessment area. TRLIA requires control over levee maintenance during the levee construction/rehabilitation process, but upon completion contracts with RD 784 for maintenance.⁸ TRLIA has conducted cross-training of RD 784 staff.

Once levee construction activities are completed, it is possible and perhaps probable that TRLIA will become dormant until its role is again needed for levee construction work. RD 784's role in levee maintenance is expected to be ongoing. The County does not provide levee maintenance services. Therefore, it is appropriate for RD 784 to annex its benefit area (area A) and an SOI expansion in the area is logical.

The District does not provide levee services that affect area B east of the WPIC, and area B is outside the benefit area for Yuba River levees. Levees in area B had been abandoned and reverted to private ownership. Those levees are not project levees, and the Central Valley Flood Protection Board does not require they be maintained by the reclamation district. Maintenance is a responsibility of private landowners in keeping with agreements between the property owners and the State regarding flowage easements whereby the State is authorized to flood the area as needed during peak flows. For these reasons, it is logical for LAFCO to allow detachment of area B to be initiated by reducing the RD 784 SOI to exclude the area.

The District is presently serving project levee segments in area C east of the WPIC—the eastern WPIC levee (south of Best Slough), the southern Best Slough levee, and the southern Bear River and Dry Creek levee segment east of the District's eastern boundary—and is required by the Central Valley Flood Protection Board (CVFPB) to maintain these levee segments. In turn, the State is required by the federal government to ensure continued maintenance of these levee segments. If detached, the State would bear responsibility for levee maintenance in this agricultural area. The State could then form a maintenance area whereby local landowners would bear the cost of levee maintenance or could reconsider the SRFCP ("project") status of such levees.

The area east of the WPIC (area C) is hydrologically distinct from RD 784's primary area of responsibility. This area is agricultural and associated revenues do not presently cover the costs of maintaining levees in the area to state and federal standards. Similarly, RD 817 project levees north of Dry Creek are hydrologically distinct from its primary area of responsibility. Both districts report that existing revenues generated in these areas do not cover the costs of maintaining the levees

⁷ Correspondence from RD 784 General Manager Steven Fordice, March 11, 2009.

⁸ Interview with TRLIA General Manager Paul Brunner, March 3, 2009.

to state and federal standards. More logical policy options for both the RD 784 area east of the WPIC and south of Best Slough and the RD 817 area north of Dry Creek are: 1) to form a new reclamation district covering these areas if property owners value the benefits of these levees, or 2) for the project levees in this area to be deauthorized.⁹ Clearly, these areas should not be included in RD 784 or 817. It appears unlikely that the economic benefit of levee protection at project standards warrants the costs. It is unknown whether affected property owners would prefer that a new reclamation district be formed or the levees deauthorized. Given that public opinion is not known, it appears to be premature for LAFCO to remove these areas from the SOIs of the respective districts. However, it is unreasonable for the districts to subsidize levee maintenance in these areas. Therefore, the consultant recommends that LAFCO adopt policies encouraging RD 784 and RD 817 to confer on costs and benefits of deauthorization. LAFCO may also wish to consider this issue at the SOI update hearing to offer an opportunity to gauge public opinion among the property owners in the affected area.

Recommendation

The consultant recommended adopting an SOI that includes RD 784's area of benefit to ensure that the District's service area is within its bounds and those receiving benefit from the improved levees are contributing to their maintenance (SOI option #1). Similarly, those that are not receiving protection should be detached from the District.

It is recommended that LAFCO acknowledge that the RD 784 boundary and SOI area east of WPIC is hydrologically distinct from the preponderance of the district, and encourage RD 817 and 784 to confer on costs and benefits of deauthorization of project levees serving the floodplain area east of the WPIC, south of Best Slough and north of Dry Creek. LAFCO may wish to consider this issue as part of the SOI update in order to provide an opportunity to gauge public opinion in the affected area as to whether project levee deauthorization or formation of a new reclamation district would be preferred.

It is also recommended that LAFCO ensure that the County and RD 784 have clearly delineated their respective responsibilities for internal drainage in RD 784 SOI area A prior to annexation of the area to RD 784.

DRAFT SOI DETERMINATIONS

Present and Planned Land Uses

The District bounds encompass single family and multi-family residential areas and commercial areas, as well as some agricultural areas with lots of 40 acres. The District encompasses the Plumas Lake Specific Plan Area (PLSP), the North Arboga

⁹ Deauthorization of project levees would require an act of Congress. The next opportunity would be through amendments to the Water Resources Development Act, which are anticipated to occur next in 2009. The process would require a study that demonstrates that these levees should not be project levees, and reports on public opinion among property owners in the affected area.

Study Area (NASA) and a portion of the East Linda Specific Plan (ELSP). Local business activities include construction, auto sales, storage, restaurants, retail, food processing, and the Plumas Lake Golf and Country Club.

The land within the recommended SOI is the community of Olivehurst consisting of single and multi-family residences and commercial uses, the eastern portion of the community of Linda and the ELSP, which is primarily single family residential with minimal multi-family residences, and two largely agricultural areas along Hammonton-Smartville Road and south of Erle Road.

Planned land uses within the District's boundaries and recommended SOI will vary greatly depending on the preferred land use alternative chosen for the County's general plan update. Presently, there are 31 planned developments within the District's boundaries. These developments are concentrated in the PLSP and ELSP areas and in NASA.

Present and Probable Need for Public Facilities and Services

As of 2000, the District boundaries included approximately 250 businesses and 3,375 residences, according to Yuba County GIS.¹⁰ There were 10,522 residents in RD 784, according to 2000 Census data and GIS analysis. Since 2000, the area has experienced significant growth and development.

Continued growth is anticipated within the District in the coming years as planned developments begin and continue construction. Excluding Edgewater, the total acreage of development area within the District bounds is over 5,400 (including 73 acres of non-residential), with over 17,300 planned dwelling units. The levees in area A require continued maintenance by RD 784 at appropriate service levels. The levees in area B are private and the State has not required RD 784 to play a role in maintaining those levees. Although levees in area C may require continued maintenance, RD 784 does not appear to be the logical service provider as area C is not hydrologically connected to the primary RD 784 service area and the area does not generate adequate revenues to finance maintenance services at State standards.

Present Capacity of Public Facilities and Adequacy of Public Service

With respect to levee improvements funded through TRLIA, financing sources are adequate to complete levee improvements that are expected to allow the protected area to achieve protection from a 200-year flood event. In isolated areas with rural or otherwise sparse development, financing sources are not adequate to improve levees to urban standards. Financing sources are not presently adequate for maintenance of Yuba River levees; an assessment election being conducted by TRLIA may yield appropriate financing in 2009 for RD 784 to maintain those levee segments. Current financing sources do not appear to be adequate to address needs for internal drainage facilities, particularly in low-lying portions of the Olivehurst

¹⁰ Yuba County, *Multi-Hazard Mitigation Plan*, 2007, p. 1-42.

area; the District and the County are both considering financing options to improve drainage in such areas.

Levee maintenance services are acceptable on the District's Feather River, Bear River, Dry Creek, western WPIC, and a segment of its Yuba River levees, according to State inspection records. RD 784 levee maintenance was rated minimally acceptable due to erosion, vegetation, crown, and encroachment issues on its eastern WPIC levee and the segment of the Yuba River levee north of Simpson Lane.

RD 784 does not presently maintain to an urban levee standard due to a lack of adequate funding. The District relies on a patchwork of funding sources, and should evaluate its funding approach comprehensively.

Existence of Any Social or Economic Communities of Interest

Within the District's boundaries, communities of interest include the community of Plumas Lake and a portion of the community of Linda. The District's proposed SOI also includes the remainder of the community of Linda, as well as the community of Olivehurst. In addition, the proposed SOI includes the predominantly agricultural community located between the WPIC and Forty Mile Road and south of Best Slough. The SOI reduction area includes the predominantly agricultural community located just east of the WPIC and north of Best Slough.