

**LOCAL AGENCY FORMATION COMMISSION
COUNTY OF SAN BERNARDINO**

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DATE: FEBRUARY 11, 2008

FROM: MICHAEL TUERPE, LAFCO Analyst

TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item # 6: LAFCO 3002 – Service Review and Sphere of Influence Update for the Mojave Desert Resource Conservation District

INITIATED BY:

San Bernardino Local Agency Formation Commission

RECOMMENDATION:

Staff recommends that the Commission approve LAFCO 3002 by taking the following actions:

1. Certify that LAFCO 3002 is statutorily exempt from environmental review and direct the Clerk to file a Notice of Exemption within five (5) days.
2. Receive and file the municipal service review for the Mojave Desert Resource Conservation District and make the findings related to the service review required by Government Code 56430 as outlined in the staff report.
3. Amend the “Rules and Regulations Affecting Special Districts” to include Habitat Preservation as a service under the Resource Conservation function for the Mojave Desert Resource Conservation District as follows:

DISTRICT	FUNCTIONS	SERVICES
Mojave Desert Resource Conservation District	Resource Conservation	Control of runoff, prevention of soil erosion, development and distribution of water, improvement of land capabilities, and habitat preservation

4. Expand the sphere of influence of the Mojave Desert Resource Conservation District as shown on the map attached to this report and affirm the remainder of the District's sphere of influence.
5. Adopt LAFCO Resolution No. 2992 setting forth the Commission's findings and determinations.

INTRODUCTION:

LAFCO 3002 consists of a municipal service review pursuant to Government Code Section 56430 and sphere of influence (sphere) update to include a sphere expansion of approximately 960 +/- square miles pursuant to Government Code Section 56425 for the Mojave Desert Resource Conservation District.

The Mojave Desert Resource Conservation District (District) is an independent special district formed in 1951 under Division 9 of the Public Resources Code. The District comprises 17,969 square miles (11,500,000 acres), had an estimated population of 551,646 in 2007 (Department of Finance), and is governed by a five-member board of directors. The District's territory is so vast that the states of Massachusetts, New Jersey, and Rhode Island combined are smaller than the District. A map of the District's boundaries and its existing sphere is included as a part of Attachment #1, and the District's response to the service review and sphere update and additional information is included as Attachment #2.

What is a Resource Conservation District?

Resource conservation districts, once known as Soil Conservation Districts, are special districts of the state, set up under California law to be locally governed agencies with their own elected or appointed independent board of directors. Resource conservation districts were originally formed as a way to prevent the soil erosion problems of the Dust Bowl from recurring. They are currently empowered to educate landowners and the public about resource conservation and to conserve natural resources, mainly water and soil, within their districts by implementing projects on public and private lands. Resource Conservation Districts do not have regulatory authority and must meet their goals through voluntary approaches. Because of their lack of regulatory authority, they collaborate with other agencies such as the United States Department of Agriculture's Natural Resources Conservation Service and the California Department of Conservation. The collaboration with other agencies is further discussed later in this report. Attachment #3 includes information about resource conservation districts, which includes a LAFCO handout and information from the California Association of Conservation Districts website.

Resource Conservation District Law has been in existence since 1938. This legislation has been amended over time with the last major revision in 1991. In San Bernardino County, these agencies have evolved as the land uses have increased in intensity. The

agencies have expanded their focus from water pollution and wind erosion due to agricultural uses to include management of the watersheds within their jurisdiction.

Brief History of Resource Conservation Districts within San Bernardino County

Resource conservation districts have existed within the County since the 1950's. Following approval of Proposition 13, in 1979 the Commission conducted a special study to determine the financial viability of resource conservation districts, as resource conservation districts were losing approximately two-thirds of their ad valorem property tax support. The position adopted by the Commission in April 1979 was that resource conservation districts continued to perform a needed function by providing a local liaison for the Federal Soil Conservation Service (now known as the U.S. Department of Agriculture's Natural Resources Conservation Service), but that consolidation of the districts within San Bernardino County should be pursued due to the decrease in available revenues. A copy of that staff report and the minutes from the April 1979 hearing are included as Attachment #4.

In 2004, the Commission again discussed the continued viability of resource conservation districts within the County under the municipal service requirements. This discussion included the County's changing economy and what was perceived as the districts being an extra level of government for the delivery of services. The concerns were the ongoing fiscal crisis within the State as a whole, the County in particular, and the distribution of property tax revenues to resource conservation districts to support their services. As an outgrowth of LAFCO's service review program, the Inland Empire West Resource Conservation District and the East Valley Resource Conservation District submitted an application to LAFCO for consolidation of the two districts. The Commission approved the consolidation application, and the consolidated agency became known as the Inland Empire Resource Conservation District. The basis for the consolidation was to increase efficiency by having one agency utilize the available revenues for the Santa Ana watershed. Additionally, the Commission directed staff to address the question of the continued financial viability and possible further consolidation of resource conservation districts within the County in future service reviews.

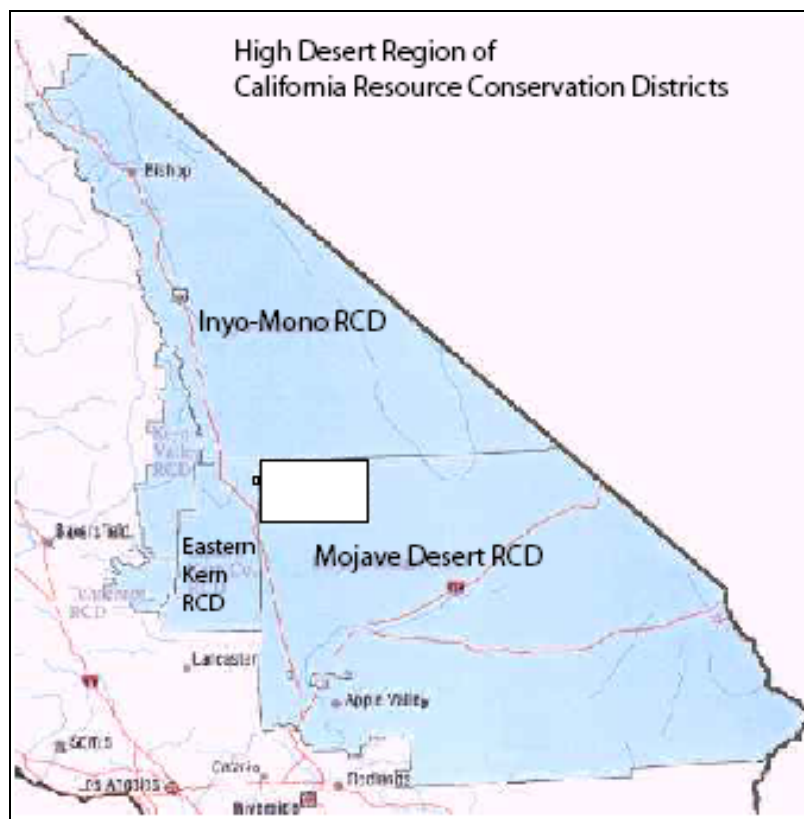
BOUNDARIES:

The service review and sphere study area is generally bordered on the east by the states of Nevada and Arizona; on the south by a combination of the Riverside County line and the Inland Empire Resource Conservation District; on the west by Los Angeles and Kern Counties; and on the north by Inyo County, excluding the areas of Searles Valley and a portion of the China Lake Naval Weapons Center within San Bernardino County.

The District's boundary currently encompasses approximately 17,969+/- square miles. Within the District's sphere but not within its boundaries are central portions of the Cities of Barstow and Needles, northern portions of the City of Victorville and Town of Apple

Valley, and numerous exclusions that include railway lines. The only sphere action for the District was its sphere establishment, LAFCO 1267 in 1973.

The District indicated in the materials submitted that it does not propose amendment of its sphere. However, staff recommends an expansion of approximately 960 +/- square miles to encompass the remaining territory within the County not within the boundary or sphere of influence of a resource conservation district. Maps of the District's current boundaries and sphere, as well as the proposed sphere expansion, are included as a part of Attachment #1. As shown below in white, this area is entirely surrounded by resource conservation districts. The area is generally bordered by Kern County on the west, Inyo County on the north, and the District on the east and south.



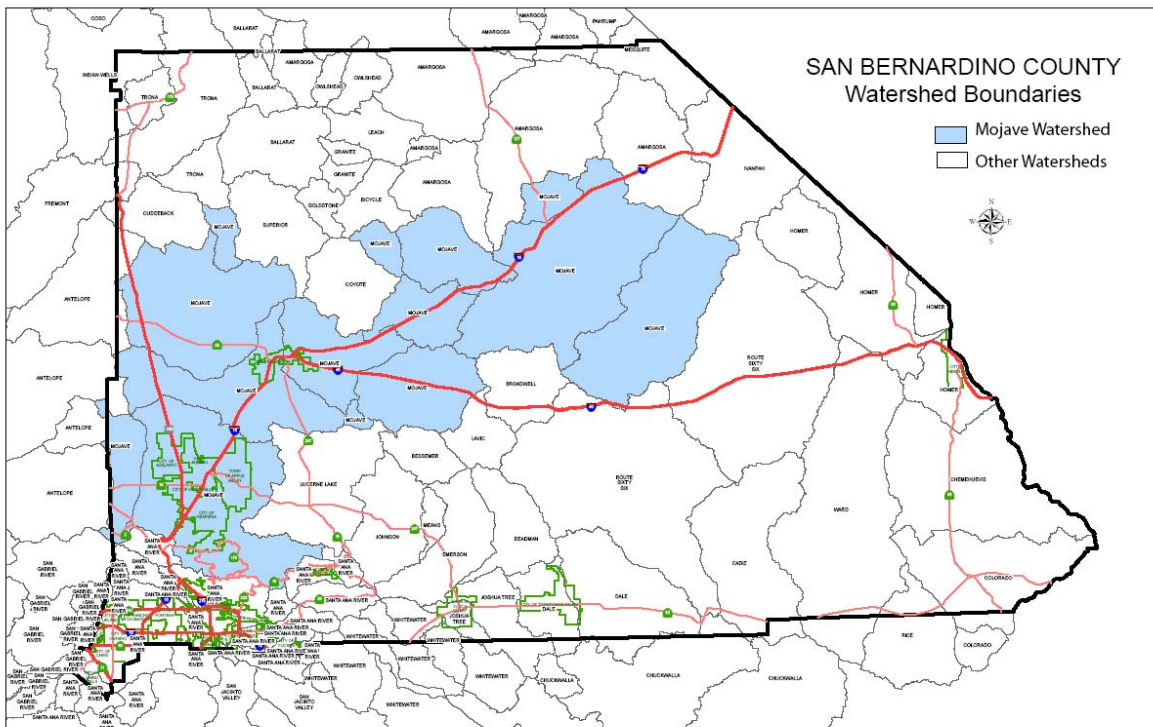
source: California Association of Resource Conservation Districts

According to the conservationist from the U.S. Department of Agriculture's Natural Resources Conservation Service assigned to the District, this area was not included in the District's formation in 1951, due to landowner opposition to imposition of a per parcel tax. Fifty-seven years has passed since the District's formation and there has been no test of the landowner's position in the interim. The proposed sphere expansion would allow the District to plan for providing services to the area and would include all lands in the County within in a boundary or sphere of a resource conservation district.

However, the principal act of Resource Conservation Districts defines the area which can be included within such a district as follows, "Territory need not be contiguous but shall be under the provisions of the same general plan or system for the control of runoff, the prevention or control of soil erosion and the development and distribution of water or land improvements."

Below is a map of the watersheds within the County. The major watershed within the District is the Mojave Watershed, indicated by the shaded color.

Map of Mojave Watershed



source: County of San Bernardino Geographic Information Systems

MUNICIPAL SERVICE REVIEW SUMMARY

LAFCO requested the submission of specific information from the District in order to prepare a service review as required by Government Code 56430. The District's response to LAFCO's request (briefly summarized below and included in Attachment #2) includes, but is not limited to, the District's FY 2006-07 Annual Report, Long Range Plan, and supporting material.

Growth and population projections for the affected area.

The District had an estimated population of 551,646 in 2007. The District's Long Range Plan provides a jurisdictional/landownership breakdown of the 11,500,000 acres within its boundaries as follows:

- City jurisdiction or the County of San Bernardino: 55,498 acres
- United States Forest Service: 174,297 acres
- State of California: 224,411
- Military: 1,570,416 acres
- National Park Service: 1,799,672 acres
- Private: 1,900,525 acres
- Bureau of Land Management: 5,775,181 acres

The amount of publicly owned land within the District limits development and comprises a large percentage of the District's total area. Within the District are the Fort Irwin Military Reservation, Yermo Marine Base, Twentynine Palms Marine Corps Base and Training Ground, and the Mojave National Preserve; and portions of the China Lake Naval Weapons Center, Edwards Air Force Base, Death Valley National Park, and Joshua Tree National Park. Population growth is not anticipated in these areas.

For the population centers, historical trends indicate moderate to high growth. Since 2000, the incorporated cities of the Victor Valley (Adelanto, Apple Valley, Hesperia, and Victorville) increased in population by 44% and the incorporated cities of the Morongo Basin (Town of Yucca Valley and City of Twentynine Palms) combined grew 45%.¹ Historical growth for the spheres of influence of these cities is not available.

The District's territory includes the full range of potential growth, from areas with little to no growth to areas anticipated to experience significant growth in the future. The Victor Valley is anticipated to experience 94% growth between 2006 and 2030² and the Morongo Basin is anticipated to experience 18% growth between 2005 and 2020.³ Corresponding horizon data for these areas (years 2020 versus 2030) was not available. Nevertheless, significant growth continues in these corridors and is anticipated in both the incorporated and unincorporated areas of the District.

Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies.

Rapid residential and commercial development in the Mojave Desert has resulted in increased demand on natural resources, especially water supply. Public Resources Code 9408 states, "It is the intent of the Legislature to encourage [resource conservation] districts to facilitate cooperation among agencies of government to address resource issues of local concern." The District states that it will continue to expand conservation programs by collaborating with other agencies to ensure that vital resources remain available to both humans and wildlife. It further indicates that it performs a needed service working with the U.S. Department of Agriculture's Natural

¹ Department of Finance, 2007 City and County Population Estimates, (2007).

² San Bernardino Associated Governments, Victor Valley Area Transportation Study, Fact Sheet, (July 2006).

³ San Bernardino Associated Governments, 2004 Regional Transportation Growth Forecast, (2004).

Resource Conservation Service and performs education programs, which are funded by other agencies.

Referring to its 2006-2007 Annual Report, the District has seven natural resource objectives:

- Provide resource management information to the community
- Promote the reduction of wind and water erosion
- Promote the proper utilization of our natural resources
- Promote water conservation
- Provide information for improved irrigation water management
- Demonstrate urban and agricultural practices that sustain and improve water quality and fish and wildlife habitat
- Work with the public and private sector toward land development practices that protect and enhance the region's natural resources and systems

The Report highlights its activities within the past year. The District has:

- Assisted 35 government agencies (examples include the Mojave Water Agency, the County of San Bernardino, and the Bureau of Land Management)
- Participated in the Emergency Watershed Protection-Watershed Recovery program in the mountain communities to remove dead, dying, and diseased trees. The District completed 175 dead tree removal projects on 10,063 parcels which removed an estimated 113,423 dead trees.
- Included 121 acres for irrigation water conservation (generally located in the Newberry Springs area). This program assists agricultural producers improve their irrigations systems and save water and electricity.
- Included 216 acres for the Food Security Act Conservation Plan (generally located in the High Desert). These plans attempt to control erosion on agricultural lands to reduce soil loss and protect air quality.

The District collaborates in numerous projects within the County. Among them are:

- Storm water education - This program demonstrated to students (K-8) the effects of storm water pollution, and satisfied the minimum control measure for education and outreach under the National Pollution Discharge Elimination System. The Victor Valley Water District provided funding for this project to the District for six months during FY 2005-06 and five months in FY 2006-07. Continuation of this project is subject to receipt of funding from participating agencies.
- ReLeaf Program - The District provides coordination in the development and implementation of reforestation of burned areas through its ReLeaf program.

Since 2004, this program has planted over 40,000 native seedlings on several hundred acres in the San Bernardino Mountains, including the Mojave and Santa Ana watersheds. The majority of funding for this project is received through grant funding from American Forests, a nonprofit conservation organization. This grant will continue through FY 2007-08. The California Department of Forestry and Fire Protection (CAL FIRE) is a technical advisor and financial sponsor for this project. Other partnerships for this project include the United Way, U.S. Department of Agriculture, Lake Arrowhead Community Services District, Arrowhead Chamber of Commerce, Southern California Edison, and numerous others.

- Mojave River Watershed Planning and Mapping Project – This 24 month project mapped the invasive tamarisk (salt cedar) species in the Mojave River watershed and was funded by a State Water Resources Control Board grant and the Mojave Water Agency. The project was completed in June 2007.
- Removal of tamarisk (salt cedar), arundo, and Russian-olive invasive species – One of the objectives of this project is to implement the Mojave Basin Area Judgment to improve riparian habitats, maintain ground/surface water saturation at root zone, and increase downstream flows.⁴ The Mojave Water Agency provides funding for this project, and a project progress report with a map of the project area is included as a part of Attachment #2.
- Sahara Mustard Project – The objective of this project was to provide best management practices that should be implemented to prevent, reduce, or eliminate Sahara mustard infestations. The U.S. Geological Survey is using this data for additional research. Funding came from CalTrans and the Federal Highway Administration.
- The District manages two California Irrigation Management Information Systems. These systems provide residents with daily evapo-transpiration rates for alfalfa and turf grasses, which is an important irrigation management tool. Funding is provided by the Mojave Water Agency.
- Environmental Quality Incentive Program – The District is the lead agency on the local work group for this project that annually seeks funds to help farmers improve their irrigation systems that enable them to conserve water and electricity.

The District does not currently maintain conservation easements. However, it is in the final stages of negotiation for maintaining in perpetuity two conservation easements. The first conservation easement is located in Running Springs on 23.76 acres. The

⁴ This is consistent with the Mojave Basin Area Judgment in relation to the “Habitat Water Supply Management Plan for the Adjudicated Area of the Mojave River Basin, San Bernardino County, California”, prepared by the California Department of Fish and Game and which was developed as a requirement of the Judgment.

California Department of Fish and Game is requiring a developer to permanently preserve land for the southern rubber boa. The second conservation easement is located in the City of Victorville on 4.29 acres owned by the San Bernardino County Flood Control District. This land is to be managed as a conservation easement in perpetuity as mitigation for improvements made by the Flood Control District to the west levee of the Mojave River. For each easement, the District requested a \$5,000 fee to study the property and to complete the necessary documents. Remaining for both conservations easements is the completion of negotiations with the landowners for the endowment fees to provide for long-term management of the properties.

As development has progressed, the District has engaged in mitigation activity for developers wanting to build in the North Desert. It is an authorized riparian/wetland mitigation broker by the Army Corps of Engineers and California Department of Fish and Game. An actual example is a developer proposing to grade and develop 78 acres totaling 313 single-family lots. The project will impact two acres of drainage systems. The developer is required by the California Department of Fish and Game to mitigate the permanent impacts to the two acres of drainage systems that will be a complete loss to wildlife at a three to one ratio by purchasing tamarisk removal credits within the Mojave River watershed from the District, totaling six acres. The District then charges the developer \$3,000 per acre in mitigation credits and carries out the mitigation efforts. To date, a total of 22.73 acres of mitigation credits have been received from developers.

There is a portion of the San Bernardino Mountains, within the territory of the Inland Empire RCD, devastated by wildfires and bark beetles. Due to success of and proximity of the District's Mountain Communities Wildlife ReLeaf program, both agencies are entering into an agreement for the District to plant seedlings in areas of need within Inland Empire RCD territory.

Financial ability of agencies to provide services.

The District's primary sources of revenues are the receipt of ad valorem property taxes and grants. According to the District's most recent audit for FY 2006-07, revenues were \$211,221 for the year. The secure source of funding is the receipt of property taxes, which accounted for 37% or \$77,276 of revenues. A sizeable portion of the District's property tax revenues derive from the former Mojave River County Water District. Initiated by the Board of Directors of the Mojave River County Water District, LAFCO 2795 dissolved the water district in 1995. As a condition of the dissolution, the water district's share of the ad valorem property tax was transferred to Mojave Desert RCD, with the understanding that Mojave Desert RCD would use these funds, to the extent practicable, for the benefit of the landowners along the Mojave River. At that time, the water district received approximately \$35,000 annually in property taxes.

These revenues cover operational expenses and four part-time staff positions. During the same year, the District paid \$126,104 in salaries and benefits from property tax revenues and portions of grants that allow for labor expenses. Since the secure source of revenue, property taxes, is not enough to cover labor and supply expenses, the

District is dependent on grant revenues for labor and supply expenditures. The District indicates that the grants that it receives contain an administrative component to cover administrative costs.

Much of the District's projects are funded through public, private, and non-profit grants and partnerships. Grant revenues are not guaranteed, and operational and labor activity fluctuates on the receipt of grant revenues. As shown below, in FY 2005-06 the District received \$516,027 in revenues of which \$365,975 were intergovernmental transfers (mainly grants received). The following year intergovernmental revenues decreased 65%, with an overall decrease in expenditures by 66%. Due to the fluctuation of grant revenues received, the District has increased its efforts in recent years to secure grant funding for its resource conservation programs and staff. Examples of grant funding and partnerships for projects are described on pages 7 and 8 of this report.

	Governmental Activities		% Change
	2006	2007	
Revenues			
Intergovernmental	\$ 365,975	\$ 129,322	(65%)
Property Tax	62,080	77,276	24%
Rents, Commissions and Royalties	25,474	3,580	(86%)
Charges for Current Services	56,534	229	(100%)
Interest	427	634	48%
Other Revenues	5,537	180	(97%)
Total Revenues	\$ 516,027	\$ 211,221	(59%)
Expenses			
Services and Supplies	\$ 228,968	\$ 29,689	(87%)
Salaries and Benefits	245,808	126,104	(49%)
Other Expenditures	(2,402)	1,498	162%
Depreciation Expense	2,596	5,278	103%
Total Expenses	\$ 474,970	\$ 162,569	(66%)
Change in Net Assets	\$ 41,057	\$ 48,652	18%

source: FY 2006-07 Audit

The Mojave Water Agency (MWA) is one the District's major partners that assist financially with conservation programs. Through a memorandum of understanding, MWA funded the Mojave River Salt Cedar Mapping project with \$28,848 in FY 2006-07. MWA will give \$440,214, with \$49,140 towards District labor, for the Mojave River Salt

Cedar Eradication project from FY 2007-08 through FY 2009-2010. A project progress report with a map of the project area is included as a part of Attachment #2.

Status of, and opportunities for, shared facilities.

The District and the U.S. Department of Agriculture's Natural Resource Conservation Service have a common objective to conserve natural resources and entered into a Cooperative Agreement in 2002 relative to sharing personnel services, office space, and vehicles. A copy of the Agreement is included as a part of Attachment #5. The District is to provide the NRCS with staff time, with limitations and conditions, to assist in federal resource conservation programs. In return, the Natural Resource Conservation Service provides the District with equipment, supplies, and facilities (to include office space) at no cost in order for the District to perform their assignments within the County. The District indicates that it also collaborates with various cities and agencies to take advantage of their resources such as data, informational services, and equipment.

Accountability for community service needs, including governmental structure and operational efficiencies.

Governmental Structure

The board of directors composition for resource conservation districts is unique in that board members are registered voters within the state and either: 1) reside in the district and a) own real property in the district or b) alternatively have served for two or more years as an associate director of the district, or 2) are designated agents of a resident landowner within the district. The District has not held an election within the past 10 years because each time only one applicant has expressed interest in the vacancy. The County of San Bernardino Board of Supervisors has appointed board members in-lieu of election. The District indicates that the members on the board of directors receive no compensation for time spent on District activities. As for representation on the board, there are no members that reside outside the Mojave watershed.

Resource conservation districts may also have associate directors. Associate directors serve as advisors to the board of directors, are chosen by directors, and do not have voting authority. The District currently has four associate directors. Currently, no associate directors reside outside the Mojave watershed. However, a former associate director lived in the Twentynine Palms area and served from 1999-2006.

Government Accountability

To inform constituents about the activities, Resource Conservation District Law requires resource conservation districts to publish an annual report that provides an overview of the district's programs and projects. The District complies with this directive and publishes an annual report. Additionally, the District prepares and submits progress reports for specific grant-funded projects with the respective contract requirements. The

progress report for tamarisk/salt cedar removal project and the 2006-07 Annual Report are included as a part of Attachment #2.

Operational Efficiencies

The District works and collaborates with many agencies to fulfill its mission. The relationship between resource conservation districts and the U.S. Department of Agriculture's Natural Resources Conservation Service (NRCS) has been around since the 1930's. Resource conservation districts and the NRCS formally ratified their relationship through a Memorandum of Understanding signed over 50 years ago to establish a partnership and mutual roles between districts and the USDA. An opportunity was presented for each resource conservation district to enter into a formal agreement with the NRCS, and the District entered into such an agreement in 1957. A copy of the District's Memorandum of Understanding with the NRCS is included as a part of Attachment #5.

The District works with the NRCS to implement soil and water conservation on agricultural lands and forested areas. Included as Attachment #6, is a letter from the District Conservationist from the NRCS explaining the relationship between the agencies. This unique relationship is mutually beneficial. The District assists the NRCS with prioritizing the NRCS' activities, provides planning and on-site technical assistance to the residents within the District's boundary and sphere of influence on erosion control, water conservation, water quality protection, and wildlife habitat preservation. In turn, the NRCS provides technical assistance to the District's programs, appoints a local District Conservationist to provide technical assistance to the District, and acts as a liaison between the District and federal programs. The local NRCS office also employs specialists such as soil experts and engineers to provide technical assistance to the District. Moreover, the District's headquarters is located at the USDA Service Center in Victorville. Importantly, with guidance from the District, the NRCS allocates funding to support programs within the County. This relationship has resulted in many successful programs. For example, the Environmental Quality Incentive Program assisted agricultural producers in conserving 20 to 25 percent of annual water usage and 30 percent of electrical usage. The District was the lead agency in this program, and the NRCS with District guidance provided over \$900,000 to agricultural producers in the high desert to improve their irrigation systems. The focus areas for this program are Lucerne Valley, Mojave River corridor, Newberry Springs, and Daggett. According to the materials provided, the water savings helped producers meet their mandated water adjudication requirements.

There is also a Working Agreement between the NRCS, the District, California Association of Resource Conservation Districts, and the California Department of Conservation. This Agreement supplements the Mutual Agreement mentioned above and documents "areas of common interest of the State, Federal, and Local partnership in natural resources conservation". The Agreement indicates that the District shall exhibit leadership to identify local resource needs, advocate for effective solutions and work with appropriate parties on implementation. It further states, "To the extent

possible, all signatories shall collaborate on the delivery of conservation through the Mojave Desert Resource Conservation District.” A copy of this Agreement is included as a part of Attachment #5.

Resource Conservation District law also provides for state-level support of resource conservation districts through the state Department of Conservation. However, the Department of Conservation does not have regulatory oversight of resource conservation districts. Rather, the Department serves districts by offering ongoing training on Resource Conservation District law and related government codes, provides technical assistance through education, as well as offering some financial assistance to districts through competitive grant awards. The District has applied for but has not received grants from the Department of Conservation.

As noted earlier, the Mojave Water Agency is one the District’s major partners that assist financially with conservation programs. Through a memorandum of understanding, MWA funded the Mojave River Salt Cedar Mapping project with \$28,848 in FY 2006-07 and will provide \$440,214 for the Mojave River Salt Cedar Eradication project in FY 2007-08.

Additionally, the District has worked with the California Department of Forestry and Fire Protection (CAL FIRE) to assist in the removal of bark beetle infested trees on private property. It also works to expand the availability of soils data for areas not covered by a soils survey.⁵ The District participates in the Mojave Desert-Mountain Resource Conservation Development Council, Saltcedar Task Force, Mojave River Watershed Group, Desert Lands Restoration Committee, and acts as a facilitator to the Antelope Creek Wash group to develop solutions to stream channel erosion control problems. The District is also a participant in the Alliance for Water Awareness and Conservation (AWAC). This alliance promotes water conservation throughout the High Desert.

Service Delivery

Of concern to the Commission in 2004/2005 and currently to staff is the inequitable delivery of services by the District within its territory. The Commission questioned this in 2004 when it consolidated the spheres of the Inland Empire West and East Valley RCDs. Currently staff shares this concern. As indicated on pages 6 and 7 of this report, the District’s activities are focused on the Mojave watershed. Although an important area, this represents only a portion of the District’s overall territory. The remainder of the District’s territory does not benefit from the District’s Mojave watershed efforts. Yet, the District receives a share of the ad valorem property tax in these areas. Moreover, the areas in the North Desert not a part of the District, including the City of Barstow and a portion of northern Apple Valley and Victorville (map included as a part of Attachment #1), benefit from the District’s services in the Mojave watershed, even

⁵ A soil survey details the chemical and physical properties of the soils within a defined area. The data include maps with soil boundaries, photos, descriptions, and tables of soil properties and features. The surveys are used by farmers, real estate agents, land use planners, engineers, etc... An example is the Johnson Valley Off Highway Vehicle Area Soil Survey and Joshua Tree National Park Soil Survey.

though the District does not receive a share of the ad valorem property tax from these areas.

As stated, the concern expressed by the Commission in 2004 was that the District received a share of the ad valorem property tax from areas outside of the Mojave watershed but did not provide services to these areas. Since that time, the District has utilized its close relationship with the USDA National Resource Conservation Service (NRCS) to advocate for grant funding for areas outside the Mojave watershed. In the materials provided by the District and in correspondence with staff, the District identifies four projects that have taken place outside of the Mojave watershed in recent years.

- First, the Fort Mojave Indian Reservation near Needles has received funding from the NRCS for improvement of irrigation systems.
- Second, the San Bernardino County Department of Public Works received \$126,000 from the NRCS for watershed protection to alleviate the effects of the Sawtooth Fire in the Morongo Valley and Pioneertown areas.

For the two projects above, the District utilized its close relationship with the NRCS and pushed for funding to be granted for these projects.

- Additionally, the NRCS is currently conducting a soil survey for the Morongo Valley, Yucca Valley, and Twentynine Palms areas. The District attends meetings in these areas with the NRCS to inform landowners about the soil surveys in order to gain permission from landowners to have soil descriptions and sampling performed on their property.
- The fourth project is the District's ReLeaf project. The goal of this project is to replant areas of the San Bernardino Mountains devastated by drought, bark beetle infestations, and wildfires. The District estimates that 40,000 native seedlings have been planted in the Santa Ana watershed. As mentioned previously, the District is entering into a memorandum of understanding with the Inland Empire RCD to plant seedlings in Inland Empire RCD territory.

In areas outside of the Mojave watershed, LAFCO staff concludes that the District's involvement is mainly indirect with some direct involvement. The District indirectly serves these areas by providing assistance to those agencies that directly provide services or support to the areas outside of the Mojave watershed. In the materials submitted by the District and in correspondence, there is only one instance in recent years of the District directly serving outside the Mojave watershed, the ReLeaf Project described in the paragraph above. Furthermore, the District utilizes its close relationship with other agencies, most notably the Natural Resource Conservation Service, to advocate for grant funding for projects in these areas. Nonetheless, even with the District advocating for grant funding from other agencies, LAFCO staff expresses concern that the other populated centers of the District, such as the Morongo

Valley, Yucca Valley, and Twentynine Palms areas, pay a share of the ad valorem property tax but do not receive or receive little direct benefit from the District.

Government Structure Options

While the discussion of some government structure options may be theoretical, a service review should address all possible options. One government structure option would be consolidation with the Inland Empire RCD to create a single resource conservation district, with the exception of Riverside-Corona RCD's 14 square mile extension into San Bernardino County. The Commission in 2004 determined detachment of Riverside-Corona RCD from San Bernardino County would jeopardize its multi-county status, which affects its share of the ad valorem property tax.

The position adopted by the Commission in 1979 from the special study was that resource conservation districts continued to perform a needed function by providing a local liaison for the Federal Soil Conservation Service (now known as the U.S. Department of Agriculture's Natural Resources Conservation Service), but that consolidations of the districts within San Bernardino County should be pursued (included as Attachment #4). Again in 2004, the Commission discussed the issue of consolidation of resource conservation districts within the County. As an outgrowth of LAFCO's service review program, the Inland Empire West Resource Conservation District and the East Valley Resource Conservation District submitted an application to LAFCO for consolidation of the two districts. The Commission approved the consolidation application, and the consolidated agency became known as the Inland Empire Resource Conservation District. The basis for the consolidation was to increase efficiency by having one agency utilize the available revenues for the Santa Ana watershed.

In the case of consolidation of the East Valley RCD and the Inland Empire West RCD in 2005, a consolidated agency serving the Valley portion of the County was determined by the Commission to improve joint operations and partnerships with other agencies concerned with conservation efforts. Consolidation occurred because the two agencies served within the watershed of the Santa Ana River, coordinated with the same representative of the USDA Natural Resource Conservation Service, and they coordinated with the same regional entities, such as the Santa Ana Watershed Association.⁶

The reasons above do not pertain to a possible consolidation of the Mojave Desert RCD and the Inland Empire RCD. First, the geographical separation of the agencies supports different climates, soils, and watersheds, each with different issues. The District primarily supports the Mojave River watershed and the Inland Empire RCD supports the Santa Ana watershed. The division of the water and air quality districts supports the division of the resource conservation districts. Second, the District has different land uses than the Inland Empire RCD. The agricultural products are different

⁶ The Santa Ana Watershed Association (SAWA) is a group composed of four Resource Conservation Districts (RCDs), the Orange County Water District, and several participating agencies.

between the regions. For example, in the North Desert pistachio and alfalfa are grown, which require different water intensities. Thus, the focus of the respective district's efforts is different in comparison with the other. Third, the lands within the District generally contain longer land tenure patterns due to much of the land being federally regulated. This is not the case within the Inland Empire RCD. Fourth, a dedicated Conservationist from the Natural Resource Conservation Service is assigned to each district due to the geologic and hydrologic divides, as outlined above.

Attached is a joint letter signed by the presidents of the Mojave Desert and Inland Empire RCDs concerning the possibility of consolidation of the two agencies (Attachment #7). Their reasons against consolidation in the letter are: 1) the two agencies support different climates, 2) they support different watersheds, 3) each agency has a Natural Resource Conservation Service conservationist assigned to it, and 4) the service areas are vastly different with the Mojave Desert RCD being vastly larger, resulting in more costly monitoring of projects due to an increase in travel time.

A second option would be for dissolution of the District. Staff does not support this option due to the Commission's previous position that resource conservation districts continue to perform a needed function. Further, the State Legislature, through Division 9 of the Public Resources Code recognizes the value of resource conservation through creation of these entities charged with development of programs to maintain the viability of the State's natural resources in cooperation with the Federal Government, the State, counties, cities, and other districts.

LAFCO staff does not recommend consolidation of the Mojave Desert and Inland Empire RCDs or dissolution of the Mojave Desert RCD; rather, staff recommends maintenance of two separate resource conservation districts based on the reasons described above.

SPHERE OF INFLUENCE REVIEW

LAFCO staff recommends that the Commission expand the Mojave Desert Resource Conservation District's sphere of influence by 960 +/- square miles to encompass the territory to its northwest and affirm the remainder of the District's sphere of influence.

LAFCO staff recommends that the Commission amend the "Rules and Regulations Affecting Special Districts" to include Habitat Preservation as a service under the Resource Conservation function for the Mojave Desert Resource Conservation District as follows:

FUNCTIONS

Resource Conservation

SERVICES

Control of runoff, prevention of soil erosion, development and distribution of water, improvement of

***land capabilities, and habitat
preservation***

The District's boundary currently encompasses approximately 17,969+/- square miles. Within the District's sphere but not within its boundaries are central portions of the Cities of Barstow and Needles, northern portions of the City of Victorville and Town of Apple Valley, and numerous exclusions that include railway lines. The District indicated in the materials submitted that it does not propose amendment of its sphere.

However, staff recommends expansion of approximately 960 +/- square miles to encompass the remaining territory within the County not within a sphere of influence of a resource conservation district. As shown on the map on page 4 of this report, this area is entirely surrounded by resource conservation districts. Moreover, the District serves the majority of the Mojave watershed, but a portion of the watershed extends into the proposed sphere expansion area. The proposed sphere expansion would allow the District to plan for providing services to the area.

When updating a sphere of influence for a special district, the Commission is required to establish the nature, location, and extent of any functions or classes of services provided by the district (Government Code §56425(i)). Currently, the District is authorized the function of resource conservation, and the District is in negotiations to begin taking care of conservation easements in perpetuity. Therefore, staff recommends that the Commission include the service description of Habitat Preservation to clarify and affirm the services the district performs.

FACTORS OF CONSIDERATION:

The District was requested to provide information regarding the sphere of influence update as required by State law. Staff's responses to the mandatory factors of consideration for a sphere of influence review (as required by Government Code Section 56425) are identified as follows:

Present and Planned Uses

Present uses within the District include the full range of densities from high density to non-developable land. Land uses also include the full range that includes open space, agricultural, residential, recreational, and industrial. There are Williamson Act Agricultural contract lands within the District, with many in the Lucerne Valley and Helendale areas. The District's Long Range Plan provides a jurisdictional/landownership breakdown of the 11,500,000 acres within its boundaries as follows:

- City jurisdiction or the County of San Bernardino: 55,498 acres
- United States Forest Service: 174,297 acres
- State of California: 224,411
- Military: 1,570,416 acres

- National Park Service: 1,799,672 acres
- Private: 1,900,525 acres
- Bureau of Land Management: 5,775,181 acres

As development continues, lands with the potential for agricultural use near population centers will continue to decrease and municipal land use will increase. Planned uses of the communities along the Mojave River include tract developments and other developments. Some of these projects include general plan amendments that will increase the densities of the land.

The proposed sphere expansion area includes the portion of the China Lake Naval Weapons Center in San Bernardino County and the community of Trona/Searles Valley. The land use designation of the majority of the area is Resource Conservation, which provides for open space and recreational activities and allows one dwelling unit per 40 acres. Other land use designations include Regional Industrial, Residential Single, and Institutional. The majority of the area is military and Bureau of Land Management lands. There is also significant mining activity in Trona with the Searles Valley Minerals Inc.'s soda ash processing plant as the largest plant in the area. Other operations include evaporative salt extraction and limestone.

Present and Probable Need for Public Facilities and Services

Referring to the District's objectives (outlined on page 6 of this report), the projected population growth and development, especially in the communities concerned with water resources, will create a need for expanded resource conservation. The District states that it has expanded its focus and activities to reflect the changing demographics and land-uses within its jurisdiction. This is reflected by the District's projects, as outlined on pages 7 and 8 of this report.

The proposed sphere expansion area is within the Mojave watershed as indicated in the map included in Attachment #1. Sphere expansion would allow the District to plan for providing services to the area and would fill the void of having an area being entirely surrounded by a resource conservation district boundary or sphere of influence.

Present Capacity of Public Facilities and Adequacy of Public Services

The District is financially constrained by the property tax revenues that it receives and the grants that it is able to secure. By successfully securing grant funding and entering into partnerships with other agencies, it sustains and expands its conservation programs. This is reflected by the District's projects, as outlined on pages 7 and 8 of this report. The District utilizes its close relationship with the Natural Resource Conservation Service to advocate for funding for programs within the District's territory. This relationship has resulted in many successful programs within the District.

The Mojave Water Agency is one of the District's major partners that assist financially with conservation programs. For example, through a memorandum of understanding, MWA

funded the Mojave River Salt Cedar Mapping project with \$28,848 in FY 2006-07 and will give \$440,214 for the Mojave River Salt Cedar Eradication project in FY 2007-08.

Social and Economic Communities of Interest

Social and economic communities of interest are the communities and the incorporated municipalities within its boundaries and sphere. These communities include but are not limited to, the Cities of Adelanto, Victorville, Hesperia, Twentynine Palms, and the Towns of Apple Valley and Yucca Valley, and the communities of Lucerne Valley, Homestead Valley, Joshua Tree, Morongo Valley, Oak Hills, Helendale, Newberry, Yermo, Daggett, and Phelan/Pinon Hills.

ADDITIONAL DETERMINATIONS:

- The Commission's Environmental Consultant, Tom Dodson and Associates, has determined that the municipal service review and sphere of influence expansion are statutorily exempt from environmental review. The basis for this determination is that LAFCO 3002 does not have the potential to cause a significant effect on the environment, and therefore does not constitute a project as defined by CEQA. He further states that a decision by the Commission to expand the sphere boundaries would not result in any potential for significant physical changes in the environment. Mr. Dodson's response is included as Attachment #8.
- Legal advertisement of the Commission's consideration has been provided through publication in the *Sun*, *Desert Dispatch*, *Hi Desert Star*, *Needles Desert Star*, and *Alpenhorn News* and through a publication of a 1/8 page legal ad in the *Daily Press* as required by law.

Pursuant to Commission Policy #27, a 1/8th page legal ad was provided in lieu of individual notice because the sphere expansion would have exceeded 1,000 landowner and registered voters notices.

- As required by State law, individual notification was provided to affected and interested agencies, County departments, and those agencies and individuals requesting mailed notice.
- Comments from landowners/registered voters and any affected agency will need to be reviewed and considered by the Commission in making its determinations.

CONCLUSION:

The Mojave Desert Resource Conservation District is empowered to assist in the conservation of resources within its jurisdiction by implementing projects on public and private lands and to educate landowners and the public about resource conservation. The District has expanded its focus from water pollution and wind erosion due to agricultural uses to include management of the watersheds its jurisdiction. The District

does not have regulatory power, but it relies on voluntary approaches and partnerships with other agencies to fulfill its objectives. Furthermore, the District utilizes its close relationship with other agencies to advocate for grant funding for projects within its territory.

Staff recommends expansion of the District's sphere of influence by approximately 960 +/- square miles, thereby including all territory within the County within a boundary or sphere of influence of a resource conservation district.

Attachments:

1. Maps of the District and its Sphere of Influence and Proposed Sphere Expansion Area, and Exclusion Areas within the North Desert
2. Municipal Service Review and Sphere of Influence Review Information Including FY 2006-2007 Annual Report, Long Range Plan, Invasive Species Eradication Project Progress Report, and Financial Information
3. Information on Resource Conservation Districts
4. LAFCO Staff Report and Minutes from 1979 Special Study on Resource Conservation Districts
5. Memorandums of Understanding and Cooperative Working Agreement between the Mojave Desert RCD and Other Agencies
6. Letter from Rick Aguayo, District Conservationist, U.S. Department of Agriculture Natural Resource Conservation Service, dated February 1, 2008
7. Joint Letter from the Mojave Desert Resource Conservation District and Inland Empire Resource Conservation District dated December 16, 2005
8. Response from the Commission's Environmental Consultant, Tom Dodson and Associates
9. Draft Resolution No. 2992

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