2.6 RICHVALE IRRIGATION DISTRICT

District Characteristics

Richvale Irrigation District (RID/District) occupies approximately 34,150 acres in and around the agricultural community of Richvale, west of Highway 99 and the City of Oroville (Figure 2-15). Established in 1930, the District currently provides irrigation services through approximately 80 miles of open canals. RID does not provide any domestic water services. The District is comprised primarily of agricultural lands, 99 percent of which are farmed in rice. The District supplies water to 125 customers for agricultural irrigation, rice straw decomposition, waterfowl and wildlife, and other agricultural uses within its boundaries. The District is located within the Butte Creek Watershed.

District Size: Approximately 34,150 acres

Parcels within District: 517

Estimated Population within District: 993

Office Location: 1193 Richvale Highway, Richvale, CA

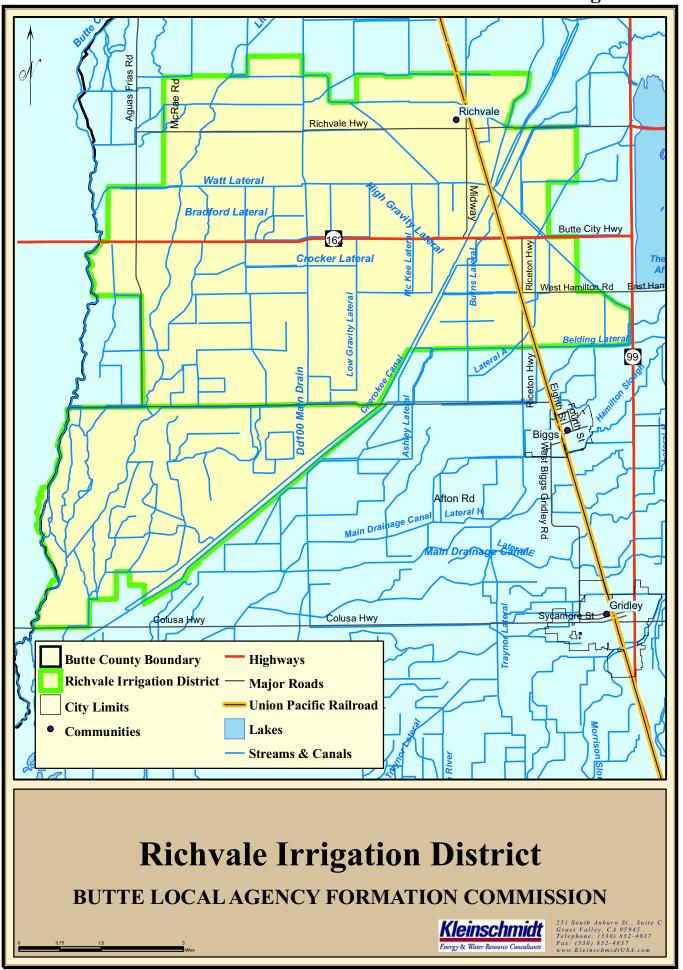
Services: Agricultural and environmental irrigation

Employees: 7

Date of Formation: July 1930

Enabling Legislation: California Water Code, Division 11, §20500 et seq.

Figure 2-16



Source: Butte LAFCO

Review and Analysis of Service Provision

GROWTH AND INFRASTRUCTURE

Growth and Population

A. Population: Existing and Projected (5, 10, 15, 20 Year Time Frame)

The Richvale Irrigation District (RID) provides agricultural irrigation water services to 517 agricultural and rural residential parcels within the approximately 34,150 acres that make up the District. The predominant land use is intensive agricultural. The small agricultural community of Richvale is contained within the District boundaries and consists of low-density residential uses. The estimated population within the district is 993 people (*utilizing the methodology described in the Introduction*). It is currently estimated that approximately half of the total potential customers within the District are being served. RID does not provide domestic water services.

Projected population growth in the District is anticipated to reach 1,261 by 2030 (Figure 2-17). Projections assume a growth rate of 1.1 percent, which corresponds to the projected growth in the unincorporated portions of the County as estimated by the Butte County Association of Governments for 2006–2030. Population growth is limited by the County's land-use designations within the District, the existing sewer capability, and the infrastructure capacity of Richvale. All but a very limited number of parcels are zoned Agriculture with at least a 40-acre minimum density.

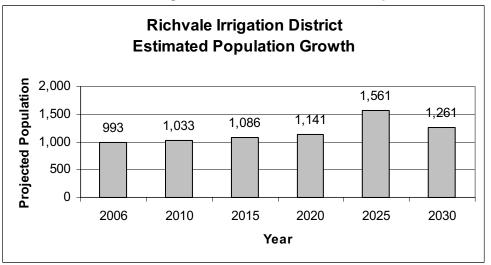


Figure 2-17. Richvale Irrigation District Estimated Population Growth

B. Land Use/Significant Growth Areas

Most of the approximately 34,150 acres within the district boundaries are held in agricultural use. The community of Richvale is approximately 150 acres in size and, although located within the District boundaries, is not served by the District. Historically, all but 37 acres of the approximately 34,000 acres of farmland within the District boundaries are planted in rice (approximately 33,963). Annual demand for irrigation water is dependent upon the total acres of rice being planted, which can fluctuate from year to year. Rice utilizes approximately 5.5 acrefeet applied water per acre. The remaining acreage served by the District is in irrigated pasture.

The Richvale Irrigation District has no expansion capability for two reasons. First, the District's boundaries are limited by the Western Canal Water District (WCWD) to the north and Biggs-West Gridley Water District to the south. Second, the District's water supply is finite and restricted under contract, rendering expansion opportunities unlikely. Also, due to Irrigation Code limits, RID may not develop significant domestic water services. Therefore, even if the population of Richvale were to increase in size, RID would be unable to provide domestic water. The District is not expected to grow in size, population, or extent of services provided. The District's Sphere of Influence was last updated in 1989 and no need for expansion was identified.

The District does not anticipate any significant changes in land use in the future. The majority of the District is located within a floodplain, which will limit residential growth. Additionally, the District does not anticipate a significant change in crop cultivation from rice due to the heavy soil type within the District. The soil is not conducive to most other types of crops.

Determination RID-1 (Growth):

1-1 It is anticipated that the population within the Richvale Irrigation District will continue to increase at a rate of approximately 1.1 percent over the next 20 years consistent with BCAG's growth projections for the unincorporated areas of Butte County.

Infrastructure

A. Conveyors/detention

The District's water is supplied from the Feather River via Lake Oroville and the Thermalito Afterbay. In addition, RID has a riparian water right on Little Dry Creek for 18,300 acre-feet that is limited to use from April through September (Butte County Water Inventory and Analysis, 2001).

The District provides irrigation water to customers through an extensive system of canals and laterals. The District maintains approximately 80 miles of open canal. The majority of the laterals within the District are maintained by private landowners. Most of the primary laterals and canals are District owned and maintained. Aging infrastructure may be problematic in the future. Additionally, infrastructure capacity is occasionally limited during spring flood periods. The system flow capacity is 750 cfs.

Determination RID-2 (Conveyors/Detention Facilities):

2-1 The Richvale Irrigation District maintains approximately 80 miles of open canal. During preparation of this MSR, RID noted that aging infrastructure may be a future concern. RID combats this by performing regular maintenance, repairs, inspections, and replacement. If these measures become ineffective, then the District's aging infrastructure represents a concern to the

long-term efficient delivery of services. Therefore, it is recommended that an infrastructure analysis, a replacement/improvement plan, and an implementation timeline be developed as a part of a future sphere of influence update.

B. Capacity

The Richvale Irrigation District is a member of a Joint Powers Agreement known as the Joint Water District and is allocated 27 percent of 555,000 acre-feet of water annually acquired by the Joint Water District pursuant to pre-1914 water rights. The District's allocation amounts to approximately 149,850 AF. The Joint Water District consists of RID, Biggs-West Gridley Water District (BWGWD), Butte Water District (BWD), and Sutter Extension Water District (SEWD) (Figure 2-11). In addition, Richvale Irrigation District has a riparian water right on Little Dry Creek for 18,300 acre-feet that is limited to use from April through September (Butte County Water Inventory and Analysis, 2001).

The District's Feather River water rights amount to approximately 149,850 acre-feet annually. Annual water supply is essentially controlled by the Feather River flows into Lake Oroville and the capacity of the water distribution system. Water enters the District's distribution system through the Thermalito Afterbay beginning in April of each year. The irrigation season is typically April through October; however, the District may continue water distribution from November to January for rice straw decomposition, to benefit wildlife habitat in the Butte Basin, and to comply with restrictions on rice straw burning (Butte County Water Inventory and Analysis, 2001). The system capacity is approximately 750 cubic feet per second (cfs), with 500 cfs at the Richvale Main and 250 cfs at the Minderman Weir.

In accordance with the "Agreement on the Diversion of Water from the Feather River" of May 27, 1969, water supply may be decreased during years of drought. Water supply may be reduced no more than 50 percent in any given year and no more than a total of 100 percent in any series of seven consecutive years.

There are no proposed or planned changes in system capacity, and water supplies are determined to be adequate to serve projected demand within the District boundaries. Primary constraints to water delivery will be the limitations of District facilities and availability of water in drought years. The District noted future challenges in water supply, drought, levee repairs, environmental issues, and aging infrastructure as concerns that will need to be addressed. The District is currently in the process of preparing a long-range planning and implementation document with acquisition of Proposition 50 funds.

Determination RID-3 (Capacity):

- 3-1 Due to the stable trend in agricultural land uses, the District does not anticipate the need for any potential increases in capacity. No capacity problems have been reported to the District.
- 3-2 The District noted future challenges in water supply, drought, levee repairs, environmental issues, and aging infrastructure as concerns that will need to be addressed. It is recommended that the District continue in their endeavors to prepare a long-range planning and implementation plan to address their future challenges and concerns.

C. Facilities

The District owns approximately five acres in the community of Richvale, on which its offices and maintenance buildings are located. Some of the canals and laterals within the system are owned by RID, while others are held through easements across private property. There is no comprehensive list of which canals and laterals are owned and which are held through easements.

The District owns construction equipment used in the operation and maintenance of its facilities, including the following: John Deere 6420, John Deere 160LC excavator, John Deere 410G backhoe, Cat D-4G dozer, numerous trucks and pickups, and various support equipment. All equipment is in good condition.

Determination RID-4 (Facilities):

4-1 The District's facilities consist of office and maintenance buildings on approximately five acres within the community of Richvale. The District also owns various maintenance equipment in varying ages and condition. No needs for additional facilities or equipment were identified.

4-2 A comprehensive inventory of canals and laterals and their ownership/easement status may facilitate management of the District's facilities.

FINANCING AND RATE RESTRUCTURING

In accordance with Government Code Section 53901, RID files a copy of its annual budget with the Butte County Auditor unless exempted by the County Auditor 60 days after the beginning of its fiscal year (FY). The district is subject to yearly County audit.

The District follows the General Accounting Standard Board Statement No. 34 (GASB 34) accounting standards. Financial statements with independent auditor's reports were provided for fiscal years ending in 2004 and 2005, and proposed/approved budgets for 2005 and 2006.

Proposition 218 restricts local government's ability to impose assessment and property-related fees and requires elections to approve many local governmental revenue-raising methods. Any change in the amount of the assessment must be approved by a majority of the voters in the District at a duly-called election pursuant to Proposition 218 and legislation implementing its terms. It is assumed that since the implementation of Proposition 218 any impacts have been adjusted for in the District's finances. A statewide diversion fee currently being proposed by the SWRCB could have a significant impact to District customers if passed into legislation.

In FY 2005, the District maintained \$5,272,983 in total net assets and \$64,037 in total liabilities. Major sources of funding included irrigation water sales and standby fees. Operating revenues totaled \$757,471. Major sources of expenditure included employer wages and fringe benefits; maintenance costs; legal, accounting, and bookkeeping costs; dues and Water Board expenses; insurance costs, depreciation of capital assets; and other miscellaneous expenses. Operating expenses totaled \$1,002,705. The total operating income for FY 2005 showed a loss of \$245,234.

Factoring in other sources of operating and non-operating income, the District witnessed a total change in net assets between FY 2004 and FY 2005 of -\$29,368. Similarly, the District experienced a total change in net assets of -\$24,316 from FY 2005 to FY 2006. Assets are being utilized to cover the difference between revenues and expenditures.

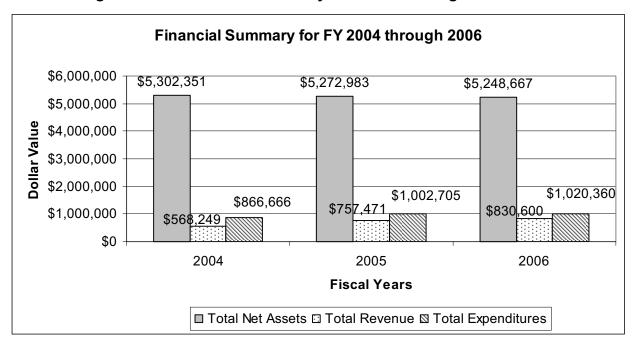


Figure 2-18. Financial Summary for Richvale Irrigation District

The District maintains a substantial cash reserve in excess of \$2 million. This reserve should be more than sufficient to cover the annual net loss in system operations. The District does not have an adopted Capital Improvement Plan, does not provide an annual contribution to the State Education Revenue Augmentation Funds (ERAF), and has no outstanding public debt. The District noted that it has outstanding litigation costs of approximately \$80,000.

Water rates for the 2006 calendar year were established at \$8.00/acre for all conditions except for the spring rice water period when fees were \$16.00/acre. A fee of \$6.75/acre is charged for all irrigable areas, including acreage irrigated from privately owned wells, to help defray the cost of maintaining the system.

Determination RID-5 (Financing and Rate Restructuring):

5-1 Since FY 2004, expenditures have exceeded revenues. Rates should be re-evaluated as necessary to ensure that they cover the costs of providing related services.

COST AVOIDANCE AND FACILITIES SHARING

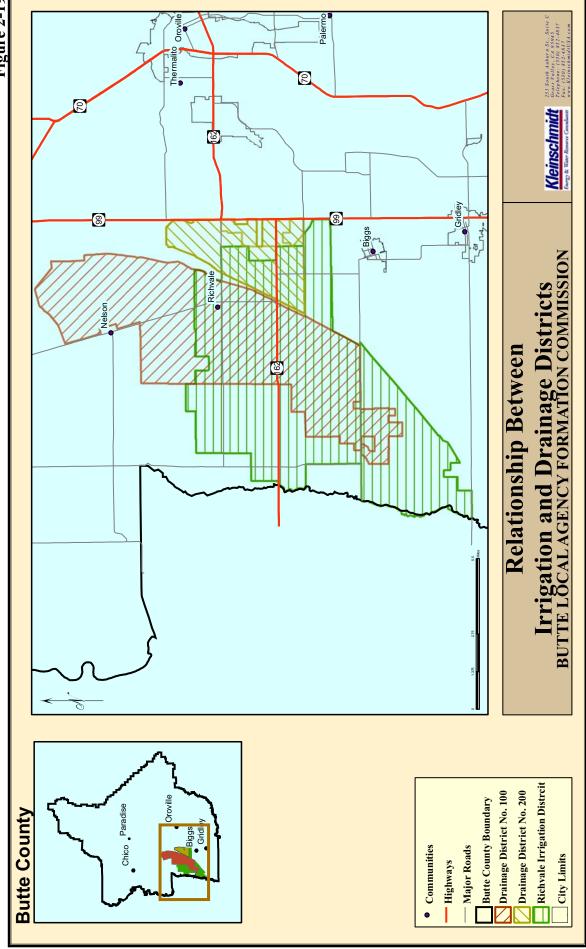
The District is exposed to various risks of losses including the following: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District transfers risks that may arise from these and other events through the purchase of medical insurance, dental insurance, and a pooled insurance program (ACWA/JPIA Insurance).

The District is a member of a Joint Powers Agreement known as the Joint Water District and is made up of Richvale Irrigation District, Butte Water District, Biggs-West Gridley Water District, and Sutter Extension Water District (Figure 2-11). As a member of the Joint Water District, Richvale Irrigation District shares common maintenance, facilities, and equipment. The purpose of the Joint Water District Board is for protection of water rights and maintenance and improvements of joint conveyance system and facilities. There are no other mutual or automatic aid agreements in place.

It has been suggested that it may be beneficial for the Richvale Irrigation District to absorb Drainage Districts 100 and 200 (DD100 and DD200). Both drainage districts are located almost entirely within the boundaries of the Richvale Irrigation District and have limited resources of their own (Figure 2-19). There appear to be mutually beneficial opportunities for consolidation of maintenance and administrative duties. For example, there are instances in which DD100 and RID operate and maintain ditches on opposite sides of the same road. Additionally, RID currently provides maintenance services for DD200 for an annual fee of \$5,000.

Determination RID-6 (Cost Avoidance and Facilities Sharing):

- 6-1 The District appears to be well-staffed and organized, and participates in appropriate joint agreements.
- 6-2 Consolidation of Richvale Irrigation District, Drainage District No. 100, and Drainage District No. 200 is recommended to more efficiently provide facilities and maintenance resources.



Source: Butte LAFCO

Service area boundaries and sphere of influence boundaries are based on best available data, are provided for general representational purpose only, and should not be considered final LAFCO approved boundaries

GOVERNMENT STRUCTURE AND LOCAL ACCOUNTABILITY

The Richvale Irrigation District is run by a three-member Board of Directors that serves as the decision making authority. Each director is elected to a four-year term by the landowners in the District and must have landholdings within the District boundaries.

The current Board of Directors is as follows:

Member	Term Expires	
Gene Harris, President	not provided	
Walt Meyer, Director	not provided	
Lyle Job, Director	not provided	

The Board of Directors is responsible for appointing a Treasurer/Assessor who provides direction to the District Manager, who in turn serves as Secretary to the Board and is responsible for managing the District's other six employees. Members of the Board and the Treasurer/ Assessor receive a \$100 stipend per meeting. Meetings are held on the third Thursday of the month at 1:30 p.m. During Spring work and harvest, meetings are moved to the third Wednesday of the month at 7:30 p.m. Meetings are posted, and anyone interested is welcome to attend. The District's legal counsel is responsible for ensuring compliance with the Brown Act.

Determination RID-7 (Government Structure and Local Accountability):

- 7-1 The District maintains accountability and compliance in its governances and public meetings appear to be held in compliance with Brown Act requirements.
- 7-2 There are sufficient opportunities for local involvement in District activities and information regarding the District is readily available to members of the public.

MANAGEMENT EFFICIENCIES

The District is governed by a three-member Board of Directors. The Board appoints a District Manager to oversee a staff of six other employees. The ratio of managers to workers is appropriate; the District is not top-heavy in managers.

The management structure of the Richvale Irrigation District is relatively simple and is well-suited to the type of operations undertaken by the District; the linear management structure ensures reportability and accountability. Alternative structures or reorganizations of the staff would not necessarily result in more efficient operations. The existing structure is considered appropriate for the District.

Several service boundary inconsistencies were noted during research and information collection. Assessor Parcel Numbers (APN) 029-010-010 and 029-170-009 are mapped as having overlapping irrigation coverage on both the Western Canal Water District and Richvale Irrigation District boundary maps. However, both parcels are served by Western Canal Water District. Additionally, four parcels located between RID and WCWD boundaries are currently not within either boundaries and yet are being served by RID.

Determination RID-8 (Management Efficiencies):

- 8-1 The overall management structure of the District is sufficient to account for necessary services and to maintain operations in an efficient and effective manner.
- 8-2 Overlapping boundary mapping for Western Canal Water District and Richvale Irrigation District over APNs 029-010-010 and 029-170-009 should be remedied. Both parcels are served irrigation water by Western Canal Water District.
- 8-3 Four parcels outside of and between the two district boundaries are being served by RID and include APNs 029-030-021, 029-030-022, 029-030-008, and 029-220-048. Inclusion of these parcels in RID's boundaries may facilitate management of their services.

Summary of Determinations for Richvale Irrigation District

RID-1 (Growth)	1-1	It is anticipated that the population within the Richvale
		Irrigation District will continue to increase at a rate of
		approximately 1.1 percent over the next 20 years
		consistent with BCAG's growth projections for the
		unincorporated areas of Butte County.
RID-2 (Conveyors/Detention	2-1	The Richvale Irrigation District maintains
Facilities)		approximately 80 miles of open canal.
	2-2	During preparation of this MSR, RID noted that aging
		infrastructure may be a future concern. RID combats
		this by performing regular maintenance, repairs,
		inspections, and replacement. If these measures become
		ineffective, then the District's aging infrastructure
		represents a concern to the long-term efficient delivery
		of services. Therefore, it is recommended that an
		infrastructure analysis, a replacement/improvement
		plan, and an implementation timeline be developed as a
		part of a future sphere of influence update.
RID-3 (Capacity)	3-1	Due to the stable trend in agricultural land uses, the
		District does not anticipate the need for any potential
		increases in capacity. No capacity problems have been
		reported to the District.
	3-2	The District noted future challenges in water supply,
		drought, levee repairs, environmental issues, and aging
		infrastructure as concerns that will need to be
		addressed. It is recommended that the District continue
		in their endeavors to prepare a long-range planning and
		implementation plan to address their future challenges
		and concerns.

RID-4 (Facilities)	4-1	The District's facilities consist of office and
		maintenance buildings on approximately five acres
		within the community of Richvale. The District also
		owns various maintenance equipment in varying ages
		and condition. No needs for additional facilities or
		equipment were identified.
	4-2	A comprehensive inventory of canals and laterals and
		their ownership/easement status may facilitate
		management of the District's facilities.
RID-5 (Financing and Rate	5-1	Since FY 2004, expenditures have exceeded revenues.
Structuring)		Rates should be re-evaluated as necessary to ensure that
		they cover the costs of providing related services.
RID-6 (Cost Avoidance and	6-1	The District appears to be well-staffed and organized,
Facilities Sharing)		and participates in appropriate joint agreements.
	6-2	Consolidation of Richvale Irrigation District, Drainage
		District No. 100, and Drainage District No. 200 is
		recommended to more efficiently provide facilities and
		maintenance resources.
RID-7 (Government	7-1	The District maintains accountability and compliance in
Structure and Local		its governances and public meetings appear to be held
Accountability)		in compliance with Brown Act requirements.
	7-2	There are sufficient opportunities for local involvement
		in District activities and information regarding the
		District is readily available to members of the public.
RID-8 (Management	8-1	The overall management structure of the District is
Efficiencies)		sufficient to account for necessary services and to
		maintain operations in an efficient and effective manner.

2.0 REVIEW OF SERVICES BY IRRIGATION SERVICE PROVIDER

8-2	Overlapping boundary mapping for Western Canal
	Water District and Richvale Irrigation District over
	APNs 029-010-010 and 029-170-009 should be
	remedied. Both parcels are served irrigation water by
	Western Canal Water District.
8-3	Four parcels outside of and between the two District
	boundaries are being served by RID and include APNs
	029-030-021, 029-030-022, 029-030-008, and 029-220-
	048. Inclusion of these parcels in RID's boundaries
	may facilitate management of their services.