

LOCAL AGENCY FORMATION COMMISSION OF YOLO COUNTY

Regular Meeting AGENDA

June 26, 2014 - 9:00 a.m.

BOARD OF SUPERVISORS CHAMBERS

625 COURT STREET, ROOM 206
WOODLAND, CALIFORNIA 95695

COMMISSIONERS

OLIN WOODS, CHAIR (PUBLIC MEMBER)
MATT REXROAD, VICE CHAIR (COUNTY MEMBER)
BILL KRISTOFF (CITY MEMBER)
DON SAYLOR (COUNTY MEMBER)
CECILIA AGUIAR-CURRY (CITY MEMBER)

ALTERNATE COMMISSIONERS

ROBERT RAMMING (PUBLIC MEMBER)
JIM PROVENZA (COUNTY MEMBER)
ROCHELLE SWANSON (CITY MEMBER)

CHRISTINE CRAWFORD
EXECUTIVE OFFICER

ROBYN TRUITT DRIVON
COMMISSION COUNSEL

All persons are invited to testify and submit written comments to the Commission. If you challenge a LAFCo action in court, you may be limited to issues raised at the public hearing or submitted as written comments prior to the close of the public hearing. All written materials received by staff 72 hours before the hearing will be distributed to the Commission. If you wish to submit written material at the hearing, please supply 10 copies.

All participants on a matter to be heard by the Commission that have made campaign contributions totaling \$250 or more to any Commissioner in the past 12 months must disclose this fact, either orally or in writing, for the official record as required by Government Code Section 84308.

Any person, or combination of persons, who make expenditures for political purposes of \$1,000 or more in support of, or in opposition to, a matter heard by the Commission must disclose this fact in accordance with the Political Reform Act.

CALL TO ORDER

1. Pledge of Allegiance
2. Roll Call

3. Public Comment: Opportunity for members of the public to address the Yolo County Local Agency Formation Commission (LAFCo) on subjects not otherwise on the agenda relating to LAFCo business. The Commission reserves the right to impose a reasonable limit on time afforded to any topic or to any individual speaker.

CONSENT AGENDA

4. Approve LAFCo Meeting Minutes of May 22, 2014

PUBLIC HEARINGS

5. Receive the staff presentation on the Wild Wings County Service Area Municipal Service Review (MSR), open the Public Hearing for comments, close the Public Hearing, find the project is exempt from environmental review and adopt the MSR and find that no sphere of influence update is necessary at this time.
6. Receive the staff presentation on the Dunnigan County Service Area Municipal Service Review and Sphere of Influence Update (MSR/SOI), open the Public Hearing for comments, close the Public Hearing, find the project is exempt from environmental review and adopt the MSR/SOI.

REGULAR AGENDA

7. Consider 2014 CALAFCO Board of Director Nominations for a County Member
8. Discuss and provide staff direction regarding any aspect of the Shared Services Workshop tentatively scheduled to immediately follow the September Meeting, including location, attendees, scope and desired outcomes.
9. Adopt an amendment to the Yolo LAFCo Administrative Policies and Procedures Section 5.7 Contingency Reserve to change the existing policy which recommends an amount equal to 20% of the overall budget be appropriated as contingency to instead allow for a 5% contingency and a 15% reserve; and amend the Final LAFCo Budget for FY 14/15 Account 86-9900 Appropriations for Contingency from \$90,000 to \$22,672 accordingly

EXECUTIVE OFFICER'S REPORT

10. A report by the Executive Officer on recent events relevant to the Commission and an update of Yolo LAFCo staff activity for the month. The Commission or any individual Commissioner may request that action be taken on any item listed.
 - Shared Services
 - Staff Activity Report - May 19 - June 20, 2014

COMMISSIONER COMMENTS

11. Opportunity for any Commissioner to comment on issues not listed on the agenda. No action will be taken on off-agenda items unless authorized by law.

CLOSED SESSION

12. Public Employee Performance Evaluation
(GC Section 54957)

Position Title: Executive Officer

Public report of action taken in Closed Session (GC§54957.1)

ADJOURNMENT

13. Adjournment

Next meeting is scheduled for July 24, 2014

I declare under penalty of perjury that the foregoing agenda was posted by 5:00 p.m. on June 20, 2014, at the following places:

- On the bulletin board at the east entrance of the Erwin W. Meier Administration Building, 625 Court Street, Woodland, California; and
- On the bulletin board outside the Board of Supervisors Chambers, Room 206 in the Erwin W. Meier Administration Building, 625 Court Street, Woodland, California.
- On the LAFCo website at: www.yololafco.org.

Terri Tuck, Clerk
Yolo County LAFCo

NOTICE

If requested, this agenda can be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 and the Federal Rules and Regulations adopted in implementation thereof. Persons seeking an alternative format should contact the Commission Clerk for further information. In addition, a person with a disability who requires a modification or accommodation, including auxiliary aids or services, in order to participate in a public meeting should telephone or otherwise contact the Commission Clerk as soon as possible and at least 24 hours prior to the meeting. The Commission Clerk may be reached at (530) 666-8048 or at the following address:

Yolo County LAFCo
625 Court Street, Room 203
Woodland, CA 95695

Note: Audio for LAFCo meetings will be available directly following conclusion of the meeting at www.yololafco.org.



Consent 4.

LAFCO

Meeting Date: 06/26/2014

Information

SUBJECT

Approve LAFCo Meeting Minutes of May 22, 2014

RECOMMENDED ACTION

Approve LAFCo Meeting Minutes of May 22, 2014

Attachments

Item 4-Minutes 05/22/14

Form Review

Form Started By: Terri Tuck
Final Approval Date: 06/11/2014

Started On: 06/11/2014 10:46 AM

LOCAL AGENCY FORMATION COMMISSION of YOLO COUNTY

MEETING MINUTES

May 22, 2014

The Local Agency Formation Commission of Yolo County met on the 22nd day of May 2014, at 9:00 a.m. in the Yolo County Board of Supervisors Chambers, 625 Court Street, Room 206, Woodland CA. Members present were Chair and Public Member Olin Woods, County Members Matt Rexroad and Don Saylor, and City Members Bill Kristoff and Cecilia Aguiar-Curry. Others present were Alternate Public Member Robert Ramming, former City Member Skip Davies, Executive Officer Christine Crawford, Analyst Tracey Dickinson, Clerk Terri Tuck and Counsel Robyn Truitt Drivon.

Items No 1 and 2 Call to Order, Pledge of Allegiance and Roll Call

Chair Woods called the Meeting to order at 9:03 a.m.

City Member Cecilia Aguiar-Curry led the Pledge of Allegiance

PRESENT: Aguiar-Curry, Kristoff, Rexroad, Saylor, Woods ABSENT: None

Item No 3 Public Comments

None

CONSENT

Item No 4 Approve LAFCo Meeting Minutes of March 27, 2014

Item No 5 Review and File the May 2014 CALAFCO Quarterly

Item No 6 Review and File the Spring 2014 CH&W Newsletter by Special Counsel Colantuono, Highsmith & Whatley, PC

Item No 7 Review and File CALAFCO legislative updates and letters of position for Assembly Bills 1729, 2156 and 2762

Item No 8 Review and File Fiscal Year 2013/14 3rd Quarter Financial Update

Item No 9 Ratify Resolution 2014-02 commending City Member Skip Davies for his tenure with the Yolo LAFCo

Minute Order 2014-09: Approves all of the recommended actions on Consent with the following change made to Item 4, LAFCo Meeting Minutes of March 27, 2014, Commissioner Comments:

“...was well attended and was a nice fitting tribute to Mr. Faye’s life.”

Approved by the following vote:

MOTION: Rexroad SECOND: Aguiar-Curry
AYES: Aguiar-Curry, Kristoff, Rexroad, Saylor, Woods
NOES: None
ABSTAIN: None
ABSENT: None

REGULAR

Item No 10 Elect a Chair and Vice Chair to serve a one-year term, ending May 2015

Minute Order 2014-10: Commissioners Woods and Rexroad were elected to another one year term as Chair and Vice Chair, respectively, ending May 2015.

Approved by the following vote:

MOTION: Rexroad SECOND: Saylor
AYES: Aguiar-Curry, Kristoff, Rexroad, Saylor, Woods
NOES: None
ABSTAIN: None
ABSENT: None

Item No 11 Select Shared Services Sub-Committee member to replace former City Member Skip Davies

Minute Order 2014-11: By consensus, the recommended action was approved, naming City Member Cecilia Aguiar-Curry to the Shared Services Sub-Committee.

Approved by the following vote:

AYES: Aguiar-Curry, Kristoff, Rexroad, Saylor, Woods

PUBLIC HEARING

Item No 12 Receive the Fiscal Year 2014/15 Final Budget, open the Public Hearing for comments, close the Public Hearing and consider and adopt the Final LAFCo Budget for FY 14/15 (Staff recommends budget Option 1)

After a report by staff the Chair opened the Public Hearing. No one came forward and the Hearing was closed.

Minute Order 2014-12: Approves the recommended action, adopting Option 1, to apply a fund balance surplus of \$43,405 to reduce agency costs, as the Final LAFCo Budget for 2014/15.

Approved by the following vote:

MOTION: Rexroad SECOND: Saylor
AYES: Aguiar-Curry, Kristoff, Rexroad, Saylor, Woods
NOES: None
ABSTAIN: None
ABSENT: None

Item No 13 Executive Officer's Report

The Commission was given a report of the staff's activities for the period of March 24 through May 16, 2014 and was verbally updated on recent events relevant to the Commission.

Staff was tasked with drafting a request for proposals to contract out for sheltering and animal control services. A first draft of that proposal has been circulated to the cities and the County for review. Staff has received comments from three (3) of the five (5) agencies and will be working on the second draft soon.

The Broadband Strategic Plan is moving along and staff stated that the report should be complete by summer.

In other local broadband news, Commissioner Aguiar-Curry and the California Emergency Technology Fund (CETF) have had numerous meetings to discuss using the City of Winters in a pilot program for a neighborhood transformation program and, in addition, there may be some funding for Yolo County to help with its agricultural economy.

Additionally, last week staff did a presentation on broadband issues for the California State Association of Counties (CSAC) Legislative Conference which seemed to be well received.

Staff attended the CALAFCO Staff Workshop April 23-25, which was held in Berkeley this year. There were some interesting sessions including one on brain-based models for collaboration and leadership styles. Staff also presented a session on its Municipal Service Review Checklist Tool, a useful screening tool to help streamline the service review process.

When updating the annual staff work plan, staff will be utilizing the Municipal Service Review Checklist Tool to do more advance work in gauging whether or not agencies would require a service review.

Item No 14 Commissioner Comments

Commissioner Saylor stated that he had been asked about the possibility of presenting, on behalf of the Sacramento Area Council of Governments (SACOG), at the next CALAFCO Conference in Ontario on October 15-17. The

session topic would center on the implementation of Rural-Urban Connections Strategy (RUCS).

Commissioner Kristoff reported that the West Sacramento City Council has concerns with the Shared Services Initiative (SSI) and how topics are chosen. Kristoff indicated that, after conferring with Chair Woods on the matter, Woods suggested having a shared services workshop with members from each jurisdiction attending.

Minute Order 2014-13: By consensus, the Commission agreed that Chair Woods would work with staff and Shared Services Sub-Committee members, Commissioners Saylor and Aguiar-Curry, to set up a workshop to take place during the next fiscal year prior to the December 2014 LAFCo meeting.

Approved by the following vote:

AYES: Aguiar-Curry, Kristoff, Rexroad, Saylor, Woods

Former City Member Skip Davies was presented **Resolution 2014-02**, commending him for his tenure on the Yolo LAFCo.

Item No 15 Adjournment

Minute Order 2014-14: By order of the Chair, the meeting was adjourned at 9:41am to a reception outside the Board Chambers for former City Member Skip Davies.

Next scheduled meeting is June 26, 2014.

Olin Woods, Chair
Local Agency Formation Commission
County of Yolo, State of California

ATTEST:

Terri Tuck
Clerk to the Commission



LAFCO

Meeting Date: 06/26/2014

Information

SUBJECT

Receive the staff presentation on the Wild Wings County Service Area Municipal Service Review (MSR), open the Public Hearing for comments, close the Public Hearing, find the project is exempt from environmental review and adopt the MSR and find that no sphere of influence update is necessary at this time.

RECOMMENDED ACTION

1. Receive staff presentation on the Wild Wings County Service Area MSR.
2. Open the Public Hearing for public comments on this item.
3. Close the Public Hearing.
4. Consider the information presented in the staff report and during the Public Hearing. Discuss and direct staff to make any necessary changes.
5. Find that the project is exempt from environmental review pursuant to CEQA Guidelines Section 15262.
6. Adopt the Municipal Service Review for the Wild Wings County Service Area and find that no Sphere of Influence update is necessary at this time.

FISCAL IMPACT

No fiscal impact.

REASONS FOR RECOMMENDED ACTION

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

An MSR is conducted prior to, or in conjunction with, the update of an SOI. LAFCos are required to review an agency's Sphere of Influence every five years. An MSR evaluates the structure and operations of district services and includes a discussion of the capability and capacity of the district to ensure the provision of municipal services to the existing service area and any future growth of the district's boundaries. The SOI indicates the probable future physical boundaries and service area of a district and lays the groundwork for potential future annexations.

Yolo LAFCo staff utilizes a checklist format for MSRs that allows staff to streamline the assessment of each District's municipal services. Based on the findings of the MSR checklist staff can recommend whether a SOI update is warranted. Staff conducted a MSR for the Wild Wings CSA (attached), and recommends that the Commission determine that a SOI updated is not necessary for the CSA at this time.

BACKGROUND

District Profile and Background

The Wild Wings development is a planned community of 337 single-family residential homes with a public nine-hole golf course. The Wild Wings community has reached full build-out and the population is estimated at about 850 persons.

The CSA was formed in December of 2004 to provide wastewater disposal and domestic water supply to the Wild Wings community, and added parks and recreation services in 2008. The Yolo County Board of Supervisors governs the Wild Wings CSA, and receives input from a five member advisory committee composed of local Wild Wings residents. The CSA is staffed

by the Department of Planning and Public Works (PPW), and is billed for the staff time of the CSA Coordinator, finance staff, and County legal counsel when such services are utilized.

The Wild Wings golf course community subdivision is located 5 miles west of the City of Woodland along Highway 16. It is adjacent to the Yolo Fliers Country Club to the south and the Watts-Woodland Airport immediately to the east. Please see the map of District boundaries for greater detail (attached).

The most recent MSR/SOI for the Wild Wings County Service Area (CSA) was completed in August of 2003, prior to LAFCo approving the formation of the CSA. LAFCo began work on the current MSR/SOI update in 2009 and was ready for the Commission to adopt the final report at the end of 2010. However, during the public hearing on the MSR/SOI update some concerns were expressed by Wild Wings residents regarding odor issues at the CSA's wastewater treatment facility, and the update was placed on hold while these issues were investigated. LAFCo resumed work on the MSR in 2013, but the report has been entirely re-written to better align with changes in the MSR/SOI process and format currently utilized by Yolo LAFCo.

Municipal Service Overview

MSRs are designed to equip LAFCo with information to guide decision making regarding agency boundaries and the provision of efficient government services. LAFCo has broad discretion regarding the scope of the study including determining the geographic or agency focus of the report and identifying alternatives for improving the efficiency, cost-effectiveness, accountability and reliability of public services.

Overall, the MSR finds that the Wild Wings CSA is performing its municipal service responsibilities at a sufficient level, and there is no need for LAFCo to take any actions pertaining to the CSA's boundaries or Sphere of Influence at this time. The MSR determines that there is no expected growth in the community that might impact service delivery; there are no issues with disadvantaged unincorporated communities; the CSA has plenty of capacity to offer services; the Board and Advisory Committees are meeting regularly in compliance with public meetings laws; and there are no opportunities for shared services or cost savings that are not already being utilized.

The report does identify several internal CSA issues pertaining to adequacy of services, financial management practices, and customer service, but the County appears to be aware of the issues, and in some cases has already taken actions to address them. Recommendations regarding how these issues can be further addressed are included in the MSR determinations below.

Municipal Service Determinations

The CKH Act requires that MSRs make written determinations on seven topics. Of these seven study areas, LAFCo identified three (Capacity and Adequacy; Financial Ability; and Accountability) that might indicate the need for additional action, such as changes in CSA policy, practices, or organizational structure. The Wild Wings CSA MSR determinations are listed below. A more in-depth discussion on each topic can be found in the attached MSR.

1. Growth and Population

At this time the Wild Wings community has reached full build out, and LAFCo staff is not aware of any potential growth or development in the area that might impact the CSA's municipal service delivery.

2. Disadvantaged Unincorporated Communities

The Wild Wings CSA provides municipal water and sewer services to the inhabited unincorporated community of Wild Wings. However, the provisions of SB 244 regarding disadvantaged unincorporated communities do not apply to the CSA, because the community has a median household income of \$116,917, and is not considered disadvantaged.

3. Capacity and Adequacy of Public Facilities and Services

LAFCo currently has no concerns regarding the Wild Wings CSA's present or future capacity to offer water, wastewater, or parks and recreation services. However, LAFCo does have concerns regarding the adequacy of the water and wastewater services offered by the CSA, due to complaints from residents and compliance issues with regulatory agencies.

The CSA currently has an active Compliance Order with the California Department of Public Health (CDPH) that was issued in 2009 due to high arsenic levels in its Canvasback Well. The CSA designated the Well as a standby rather than primary domestic water source, which seems to have largely resolved the issue. In addition, the CSA is building a reserve for the water system which is positive because a more permanent solution will need to be determined at some point, which will likely involve expensive treatment or well replacement.

The CSA is also having issues at its wastewater treatment facility, where a handful of residents living nearby have been complaining for several years regarding a foul odor. The CSA received a Notice of Violation (NOV) from the Yolo-Solano Air Quality Management District in May 2012 for causing an odor nuisance at the Wild Wings Treatment Facility. Although the NOV has been resolved AQMD has requested that the CSA implement a continual treatment process using Calcium Hydroxide, which the CSA plans to begin in May 2014. Please see Section 4- Financial Ability for a discussion and recommendations regarding the need for a dedicated reserve to help resolve this issue.

Recommendations:

- LAFCo encourages the CSA to continue working with the Yolo-Solano AQMD to resolve odor issues at the wastewater

treatment facility. Please notify LAFCo of any significant issues and/or milestones during the Notice of Violation process including any clearance notice from the Yolo-Solano AQMD that the case has been resolved and closed.

- The CSA should continue working with the CDPH to resolve its Compliance Order, and should notify LAFCo of any significant issues and/or milestones during the process.

4. Financial Ability

The CSA has had issues with overspending its revenues in all three of its service functions (water, wastewater, parks and recreation) during the first four of the past five years. In response the CSA successfully underwent Proposition 218 proceedings in 2013 to raise its water and wastewater rates, which should help to resolve these issues.

The CSA has strong financial policies, as determined by the Yolo County Board of Supervisors,. However, LAFCo has some concerns that the CSA should be more actively monitored to ensure that it maintains strong financial management practices. The CSA does also engage in some strong financial practices, such as developing a strong reserve, which it is bolstering with a property tax assessment to be put into a restricted capital fund for the water system. The CSA also has no debt, and is actively maintaining an infrastructure replacement plan.

Recommendations:

- For each budget cycle, the CSA should provide an estimate of anticipated costs, and then adjust as needed, rather than leaving unknown costs out of the budget altogether thus requiring significant amendments mid-year.
- If allowable according to the CSA's recent Proposition 218 ballot initiative, the CSA should consider placing funds aside for maintenance or treatment at the wastewater facility.
- When planning for future Proposition 218 initiatives, the CSA should consider the need for dedicated reserves for significant upcoming maintenance issues.

5. Shared Services and Facilities

LAFCo staff is not aware of any opportunities for shared services or alternate governance options that might reduce costs, increase efficiencies, make excess capacity available to others, or avoid duplicative efforts.

6. Accountability, Structure and Efficiencies

The CSA has frequent, publicly accessible meetings that are well publicized in accordance with the Brown Act. It communicates with the residents well via a regular newsletter. There appear to be no chronic issues with filing advisory committee vacancies. The CSA adopts annual budgets and completes annual audits as part of the county wide financial management policies. There are no recommended changes to the organization's structure that would enhance services or eliminate deficiencies or redundancies in services. There are no overlapping boundaries that confuse the public and cause service inefficiencies.

While conducting interviews for this MSR, discussions topics were raised that suggest there are issues regarding operational efficiencies in terms of responsiveness between the CSA function and other County departments such as the Board of Supervisors, the County Administrator's Office, and County Counsel's office. There appear to be internal County customer service issues with the CSA function. LAFCo experienced delays in responses to requests for information and responses that were incomplete.

The Grand Jury also released a recent report regarding the County's Proposition 218 "protest election" process, based on the Prop 218 process conducted by the Wild Wings CSA in 2013. The report finds that while the CSA does meet the minimum requirements of Proposition 218 law, there are several recommendations for how the County can improve the process to better incorporate clear instructions, provide more information, and encourage wider participation in the process.

Recommendations:

- The County should consider providing additional staff resources to the CSA, or provide whatever support may be necessary to resolve internal and external customer service issues.
- The County should implement the recommendations in the 2013-14 Grand Jury report "Proposition 218 Protest Election Process: The Yolo Way" to improve its Proposition 218 protect election process.

7. Other Issues

Outreach with multiple Wild Wings CSA stakeholders has not identified any additional issues related to effective or efficient service delivery that might be resolved in this MSR.

Sphere of Influence

Spheres of Influence are intended to indicate the probable physical boundaries and service area of a District, as well as to define any areas where future annexations may occur. The CKH Act requires that LAFCo provide written determinations regarding five topic areas prior to updating a district's SOI.

However, based on the results of the MSR, staff is not recommending an SOI update for the Wild Wings CSA in this review. LAFCo is not aware of any development proposals or requests by adjacent landowners to connect to the municipal services of

the Wild Wings CSA for any health and safety issues, and the CSA's Advisory Committee has indicated that they are not interested in altering their SOI boundaries at this time.

Public Involvement

LAFCo staff has taken several steps to allow for public and stakeholder involvement in the MSR process for the Wild Wings CSA. While researching the MSR staff conducted outreach with several Wild Wings CSA stakeholders, including staff from the CSA, staff from the Department of Planning and Public Works, staff in the County Administrator's Office, County Counsel, the District 3 County Supervisor, the Wild Wings CSA Advisory Committee and several of the CSA's regulatory agencies.

On May 15, 2014 a "Notice of Availability of Draft MSR/SOI and Public Hearing" was released by LAFCo, which requested written comments from the public and stakeholders. Staff recieved a comment letter from the Chair of the CSA Advisory Committee with several minor corrections, which have already been corrected in the Public Review Draft attached to this staff report.

CEQA

Adopting a MSR could potentially be considered a discretionary action subject to CEQA. However, no SOI Update is proposed at this time. Therefore, staff recommends that adopting the MSR is exempt from environmental review per CEQA Guidelines Section 15262 which indicates that adopting planning studies that do not commit the agency to future actions are exempt from CEQA.

Attachments

- [ATT A-Reso 2014-03](#)
- [ATT B-Draft MSR/SOI](#)
- [ATT C-Public Comments](#)

Form Review

Inbox	Reviewed By	Date
Christine Crawford	Christine Crawford	06/10/2014 02:55 PM
Tracey Dickinson LAFCO	Tracey Dickinson	06/10/2014 03:11 PM
Tracey Dickinson LAFCO	Tracey Dickinson	06/17/2014 01:43 PM
Christine Crawford	Christine Crawford	06/17/2014 01:50 PM
Form Started By: Tracey Dickinson		Started On: 06/09/2014 04:10 PM
Final Approval Date: 06/17/2014		

LOCAL AGENCY FORMATION COMMISSION OF YOLO COUNTY

Resolution № 2014-03

**A Resolution Approving the Municipal Service Review for the Wild Wings County Service Area and Finding that No Sphere of Influence Update is Necessary
LAFCo Proceeding S-035**

WHEREAS, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 set forth in Government Code Sections 56000 et seq. governs the organization and reorganization of cities and special districts by local agency formation commissions established in each county, as defined and specified in Government Code Sections 56000 et seq. (unless otherwise indicated all statutory references are to the Government Code); and,

WHEREAS, Section 56425 et seq. provides that the local agency formation commission in each county shall develop and determine the sphere of influence of each local governmental agency within the county, and enact policies designed to promote the logical and orderly development of areas within the spheres of influence, as more fully specified in Sections 56425 et seq.; and,

WHEREAS, Section 56430 requires that local agency formation commissions conduct a municipal service review (MSR) prior to, or in conjunction with, consideration of actions to establish or update a sphere of influence (SOI) in accordance with Sections 56076 and 56425; and,

WHEREAS, in 2009, the Yolo County Local Agency Formation Commission (LAFCo) undertook to conduct a review of the municipal services and sphere of influence of the Wild Wings County Service Area (CSA), but placed the review on hold in 2010 (prior to adoption by the Commission) due to complaints from Wild Wings residents regarding odor issues at the CSA's wastewater treatment facility. LAFCo resumed work on the review in 2013, and entirely re-wrote the report to better align with changes in the MSR/SOI process currently utilized by Yolo LAFCo; and,

WHEREAS, based on the results of the MSR staff has determined that an SOI update for the Wild Wings CSA is not necessary in this review, as staff is not aware of any development proposals or requests by adjacent landowners to connect to the municipal services of the Wild Wings CSA for any health or safety issues, and the CSA's Advisory Committee has expressed that they are not interested in altering their SOI boundaries at this time; and,

WHEREAS, staff has reviewed the Municipal Service Review pursuant to the California Environmental Quality Act (CEQA) and determined that the MSR is exempt from environmental review per CEQA Guidelines Section 15262 which indicates that adopting planning studies that do not commit the agency to future actions are exempt from CEQA; and, based thereon, the Executive Officer prepared a Notice of Exemption; and,

WHEREAS, the Executive Officer set a public hearing for June 26, 2014 for consideration of the environmental review and the draft Municipal Service Review and caused notice thereof to be posted, published and mailed at the times and in the manner required by law at least twenty-one (21) days in advance of the date; and,

WHEREAS, on June 26, 2014, the draft Municipal Service Review came on regularly for hearing before LAFCo, at the time and place specified in the Notice; and,

WHEREAS, at said hearing, LAFCo reviewed and considered the Notice of Exemption, the draft Municipal Service Review, and the Executive Officer's Report and Recommendations; each of the policies, priorities and factors set forth in Government Code Sections 56430; LAFCo's Guidelines and Methodology for the Preparation and Determination of Municipal Service Reviews and Spheres of Influence; and all other matters presented as prescribed by law; and,

WHEREAS, at that time, an opportunity was given to all interested persons, organizations, and agencies to present oral or written testimony and other information concerning the proposal and all related matters; and,

WHEREAS, the Commission received, heard, discussed, and considered all oral and written testimony related to the sphere update, including but not limited to protests and objections, the Executive Officer's report and recommendations, the environmental documents and determinations and the service review.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED that the Yolo County Local Agency Formation Commission hereby:

1. States that each of the foregoing recitals is true and correct.
2. Determines that the project is exempt from CEQA pursuant to Section 15262 which indicates that adopting planning studies that do not commit the agency to future actions are exempt from CEQA; and directs the Executive Officer to prepare and file a Notice of Exemption with the County Recorder.
3. Adopts Resolution 2014-03 approving the Municipal Service Review for the Wild Wings County Service Area as set forth in Exhibit A attached hereto and incorporated herein by this reference, and finds that no Sphere of Influence Update is necessary, subject to the following findings and recommendations:

FINDINGS

1. Finding: The Project is exempt from CEQA in accordance with CEQA Guidelines Section 15262, which indicates that adopting planning studies that do not commit the agency to future actions are exempt from CEQA. A Notice of Exemption will be filed with the County Recorder.

Evidence: The project includes adoption of a Municipal Services Review, but finds that no Sphere of Influence Update is necessary at this time. This study is simply a review of municipal services, the adoption of which will not commit the CSA, County or LAFCo to changes in land use, construction or other improvements.

2. Finding: Approval of the Municipal Service Review and finding that no Sphere of Influence Update is necessary is consistent with all applicable state laws and local LAFCo policies.

Evidence: The project was prepared consistent with the requirements in the Cortese-Knox-Hertzberg Act for a MSR/SOI and all applicable Yolo LAFCo policies and adopted Standards for Evaluation. The MSR includes written determinations as required by Section 56430 of the Cortese Knox Hertzberg Local Government Act.

RECOMMENDATIONS

1. LAFCo encourages the CSA to continue working with the Yolo-Solano Air Quality Management District (AQMD) to resolve odor issues at the wastewater treatment facility. Please notify LAFCo of any significant issues and/or milestones during the Notice of Violation process including any clearance notice from the AQMD that the case has been resolved and closed.
2. The CSA should continue working with the California Department of Public Health to resolve its Compliance Order, and should notify LAFCo of any significant issues and/or milestones during the process.
3. For each budget cycle, the CSA should provide an estimate of anticipated costs, and then adjust as needed, rather than leaving unknown costs out of the budget altogether thus requiring significant amendments mid-year.
4. If allowable according to the CSA's recent Proposition 218 ballot initiative, the CSA should consider placing funds aside for maintenance or treatment at the wastewater facility.
5. When planning for future Proposition 218 initiatives, the CSA should consider the need for dedicated reserves for significant upcoming maintenance issues.
6. The County should consider providing additional staff resources to the CSA, or provide whatever support may be necessary to resolve internal and external customer service issues. The County should implement the recommendations in the 2013-14 Grand Jury report "Proposition 218 Protest Election Process: The Yolo Way" to improve its Proposition 218 protect election process.

PASSED AND ADOPTED by the Local Agency Formation Commission, County of Yolo, State of California, this 26th day of June, 2014, by the following vote:

Ayes:
Noes:
Abstentions:
Absent:

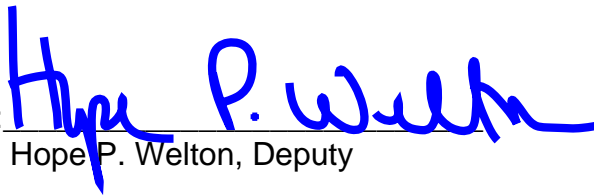
Olin Woods, Chair
Yolo County Local Agency Formation Commission

Attest:

Christine Crawford, Executive Officer
Yolo County Local Agency Formation Commission

Approved as to form:

Robyn Truitt Drivon

By: 
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2014

Attachment B

PUBLIC REVIEW DRAFT

MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE STUDY

FOR THE

Wild Wings County Service Area (CSA)





Project Name: MSR/SOI for Wild Wings County Service Area (CSA)

LAFCo Project No. S-035

Conducted By: Yolo Local Agency Formation Commission
625 Court Street, Suite 203
Woodland, CA 95695

Date: May 2014

Subject Agency: Wild Wings County Service Area

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Date of Last MSR/SOI Adopted by LAFCo: Not Applicable

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MSR/SOI BACKGROUND

ROLE AND RESPONSIBILITY OF LAFCo

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, as amended (“CKH Act”) (California Government Code §§56000 et seq.), is LAFCo’s governing law and outlines the requirements for preparing Municipal Service Reviews (MSRs) for periodic Sphere of Influence (SOI) updates. MSRs and SOIs are tools created to empower LAFCo to satisfy its legislative charge of “discouraging urban sprawl, preserving open-space and prime agricultural lands, efficiently providing government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances (§56301). CKH Act Section 56301 further establishes that “one of the objects of the commission is to make studies and to obtain and furnish information which will contribute to the logical and reasonable development of local agencies in each county and to shape the development of local agencies so as to advantageously provide for the present and future needs of each county and its communities.”

Based on that legislative charge, LAFCo serves as an arm of the State; preparing and reviewing studies and analyzing independent data to make informed, quasi-legislative decisions that guide the physical and economic development of the state (including agricultural uses) and the efficient, cost-effective, and reliable delivery of services to residents, landowners, and businesses. While SOIs are required to be updated every five years, they are not time-bound as planning tools by the statute, but are meant to address the “probable physical boundaries and service area of a local agency” (§56076). SOIs therefore guide both the near-term and long-term physical and economic development of local agencies their broader county area, and MSRs provide the near-term and long-term time-relevant data to inform LAFCo’s SOI determinations.

PURPOSE OF A MUNICIPAL SERVICE REVIEW

As described above, MSRs are designed to equip LAFCo with relevant information and data necessary for the Commission to make informed decisions on SOIs. The CKH Act, however, gives LAFCo broad discretion in deciding how to conduct MSRs, including geographic focus, scope of study, and the identification of alternatives for improving the efficiency, cost-effectiveness, accountability, and reliability of public services. The purpose of a Municipal Services Review (MSR) in general is to provide a comprehensive inventory and analysis of the services provided by local municipalities, service areas, and special districts. A MSR evaluates the structure and operation of the local municipalities, service areas, and special districts and discusses possible areas for improvement and coordination. The MSR is intended to provide information and analysis to support a sphere of influence update. A written statement of the study’s determinations must be made in the following areas:

1. Growth and population projections for the affected area;
2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence;

3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence;
4. Financial ability of agencies to provide services;
5. Status of, and opportunities for, shared facilities;
6. Accountability for community service needs, including governmental structure and operational efficiencies; and
7. Any other matter related to effective or efficient service delivery, as required by commission policy.

The MSR is organized according to these determinations listed above. Information regarding each of the above issue areas is provided in this document.

PURPOSE OF A SPHERE OF INFLUENCE

In 1972, LAFCos were given the power to establish SOIs for all local agencies under their jurisdiction. As defined by the CKH Act, "‘sphere of influence’ means a plan for the probable physical boundaries and service area of a local agency, as determined by the commission" (§56076). SOIs are designed to both proactively guide and respond to the need for the extension of infrastructure and delivery of municipal services to areas of emerging growth and development. Likewise, they are also designed to discourage urban sprawl and the premature conversion of agricultural and open space resources to urbanized uses.

The role of SOIs in guiding the State’s growth and development was validated and strengthened in 2000 when the Legislature passed Assembly Bill ("AB") 2838 (Chapter 761, Statutes of 2000), which was the result of two years of labor by the Commission on Local Governance for the 21st Century, which traveled up and down the State taking testimony from a variety of local government stakeholders and assembled an extensive set of recommendations to the Legislature to strengthen the powers and tools of LAFCos to promote logical and orderly growth and development, and the efficient, cost-effective, and reliable delivery of public services to California’s residents, businesses, landowners, and visitors. The requirement for LAFCos to conduct MSRs was established by AB 2838 as an acknowledgment of the importance of SOIs and recognition that regular periodic updates of SOIs should be conducted on a five-year basis (§56425(g)) with the benefit of better information and data through MSRs (§56430(a)).

Pursuant to Yolo County LAFCO policy an SOI includes an area adjacent to a jurisdiction where development might be reasonably expected to occur in the next 20 years. A MSR is conducted prior to, or in conjunction with, the update of a SOI and provides the foundation for updating it. In Yolo County, a SOI generally has two planning lines. One is the 10-year boundary which includes the area that may likely be annexed within 10 years, while the 20-year boundary is anticipated to accommodate boundary expansions over a 20-year horizon.

LAFCo is required to make five written determinations when establishing, amending, or updating an SOI for any local agency that address the following (§56425(c)):

1. The present and planned land uses in the area, including agricultural and open-space lands.
2. The present and probable need for public facilities and services in the area.
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
4. The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.
5. For an update of an SOI 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.

DISADVANTAGED UNINCORPORATED COMMUNITIES

SB 244 (Chapter 513, Statutes of 2011) made changes to the CKH Act related to “disadvantaged unincorporated communities,” including the addition of SOI determination #5 listed above. Disadvantaged unincorporated communities, or “DUCs,” are inhabited territories (containing 12 or more registered voters) where the annual median household income is less than 80 percent of the statewide annual median household income.

On March 26, 2012, LAFCo adopted a “Policy for the Definition of ‘Inhabited Territory’ for the Implementation of SB 244 Regarding Disadvantaged Unincorporated Communities”, which identified 21 inhabited unincorporated communities for purposes of implementing SB 244.

CKH Act Section 56375(a)(8)(A) prohibits LAFCo from approving a city annexation of more than 10 acres if a DUC is contiguous to the annexation territory but not included in the proposal, unless an application to annex the DUC has been filed with LAFCo. The legislative intent is to prohibit “cherry picking” by cities of tax-generating land uses while leaving out under-served, inhabited areas with infrastructure deficiencies and lack of access to reliable potable water and wastewater services. DUCs are recognized as social and economic communities of interest for purposes of recommending SOI determinations pursuant to Section 56425(c).

ORGANIZATION OF MSR/SOI STUDY

This report has been organized in a checklist format to focus the information and discussion on key issues that may be particularly relevant to the subject agency while providing required LAFCo’s MSR and SOI determinations. The checklist questions are based on the Cortese-Knox-Hertzberg Act, the LAFCo MSR Guidelines prepared by the Governor’s Office of Planning and Research and adopted Yolo LAFCo local policies and procedures. This report provides the following:

- Provides a description of the subject agency;

- Provides any new information since the last MSR and a determination regarding the need to update the SOI;
- Provides MSR and SOI draft determinations for public and Commission review; and
- Identifies any other issues that the Commission should consider in the MSR/SOI.

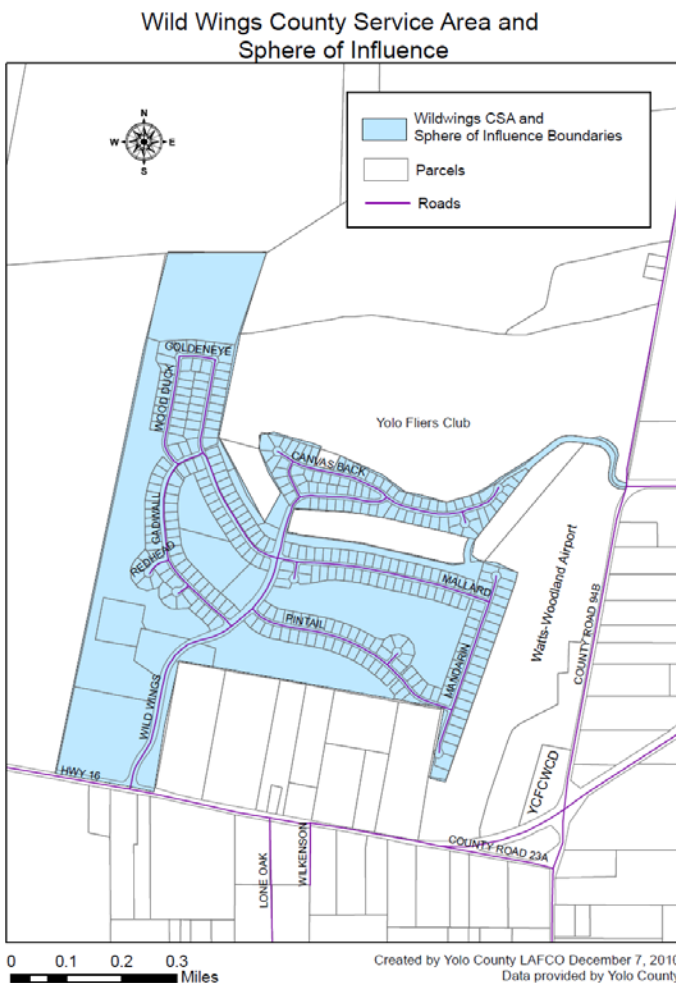
AGENCY PROFILE

The Wild Wings development is a planned community of single-family residential housing with a public nine-hole golf course. There are 337 single-family homes, a golf course with a clubhouse, and several buildings related to wastewater treatment and water supply. The Wild Wings community has reached full build-out and the population is estimated at about 850.

Structure and Governance

The Wild Wings County Service Area was formed in December 2004 to provide wastewater disposal and domestic water supply to the Wild Wings community, and added parks and recreation services in 2008.

The Yolo County Board of Supervisors governs the Wild Wings CSA, and receives advice from a five member advisory committee composed of local Wild Wings residents who are appointed to the committee by the Board. As directed by California Government Code Section 25212.4, the advisory committee’s role is to provide advice to the Board regarding the services and facilities of the CSA, but it is not within the authority of the advisory committee to make decisions, manage, or direct the delivery of services and facilities. The CSA is staffed by the Department of Planning and Public Works (PPW), and is billed for the staff time of the CSA Coordinator, finance staff, and County legal counsel when such services are utilized.



Location

The Wild Wings golf course community subdivision is 5 miles west of the City of Woodland along Highway 16. It is adjacent

to the Yolo Fliers Country Club on the south and the Watts-Woodland Airport immediately to the east. See map for greater detail.

Municipal Services

When the CSA was formed in 2004 it was given the active powers to provide water and wastewater services. All other community services were provided by the Wild Wings Homeowners Association, including the following:

- Road Maintenance
- Street Light Maintenance
- Street Sweeping and Street Cleaning
- Erosion/Storm Drainage
- Solid Waste Services and Refuse Removal
- Tree Maintenance
- Parks and Recreation

The CSA was provided this same list of services as latent powers, in case the CSA was required to assume any of them at some point. According to California Government Code 25213.5, in order to activate a latent power the CSA must seek approval of the LAFCo Commission.

In 2008 the CSA's governing board chose to activate its latent power to provide parks and recreation services, allowing the Wild Wings CSA to purchase and operate the Wild Wings Golf Course. The privately owned golf course was having some financial troubles, and the owners proposed to sell the golf course to the CSA for \$1. The CSA acquired the golf course in early 2009, after Wild Wings residents approved a special tax to purchase and maintain the golf course. The CSA has contracted with KemperSports for the operation and management of the golf course since its acquisition in March 2009.

AFFECTED AGENCIES

Per Government Code Section 56427, a public hearing is required to adopt, amend, or revise a sphere of influence. Notice shall be provided at least 21 days in advance and mailed notice shall be provided to each affected local agency or affected County, and to any interested party who has filed a written request for notice with the executive officer. Per Government Code Section 56014, an affected local agency means any local agency that overlaps with any portion of the subject agency boundary or SOI (included proposed changes to the SOI).

The affected local agencies for this MSR/SOI are:

County/Cities:

- City of Davis
- City of West Sacramento
- City of Winters

- City of Woodland
- County of Yolo

County Service Areas (CSAs)

- Dunnigan, El Macero, Garcia Bend, Madison-Esparto Regional CSA (MERCESA), North Davis Meadows, Snowball, **Wild Wings**, and Willowbank

School Districts:

- Davis Joint Unified.
- Esparto Unified
- River Delta Unified
- Washington Unified
- Winters Joint Unified
- Woodland Joint Unified

Special Districts:

- Cemetery District – Capay, **Cottonwood**, Davis, Knight’s Landing, Mary’s, Winters
- Community Service District – Cacheville, Esparto, Knight’s Landing, Madison
- Fire Protection District – Capay, Clarksburg, Dunnigan, East Davis, Elkhorn, Esparto, Knights Landing, Madison, No Man’s Land, Springlake, West Plainfield, **Willow Oak**, Winters, Yolo, Zamora
- Sacramento-Yolo Port District
- Reclamation District – 150, 307, 537, 730, 765, 785, 787, 827, 900, 999, 1600, 2035, 2076, 2120
- Yolo County Resource Conservation District
- Water District – Dunnigan, Knight’s Landing Ridge Drainage, **YCFCWCD**, Yolo-Zamora

Multi-County Districts:

- Reclamation District – 108 (Colusa), 2068 (Solano), 2093 (Solano)
- Water District – Colusa Basin Drainage
- Sacramento-Yolo Mosquito Vector Control District

MUNICIPAL SERVICE REVIEW

POTENTIALLY SIGNIFICANT MSR DETERMINATIONS

The MSR determinations checked below are potentially significant, as indicated by “yes” or “maybe” answers to the key policy questions in the checklist and corresponding discussion on the following pages. If most or all of the determinations are not significant, as indicated by “no” answers, the Commission may find that a MSR update is not warranted.

- | | |
|---|--|
| <input type="checkbox"/> Growth and Population | <input type="checkbox"/> Shared Services |
| <input type="checkbox"/> Disadvantaged Unincorporated Communities | <input checked="" type="checkbox"/> Accountability |
| <input checked="" type="checkbox"/> Capacity, Adequacy & Infrastructure to Provide Services | <input type="checkbox"/> Other |
| <input checked="" type="checkbox"/> Financial Ability | |

1. GROWTH AND POPULATION

Growth and population projections for the affected area.	YES	MAYBE	NO
a) Is the agency's territory or surrounding area expected to experience any significant population change or development over the next 5-10 years?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Will population changes have an impact on the subject agency's service needs and demands?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Will projected growth require a change in the agency's service boundary?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

- a-c) The Wild Wings development is a planned community of 337 single-family homes. The Wild Wings community has reached full build-out and the population is estimated at approximately 850. The 2030 Countywide General Plan does not indicate any planned additional growth for the Wild Wings subdivision or its surrounding areas.

Growth and Population MSR Determination

At this time the Wild Wings community has reached full build out, and LAFCo staff is not aware of any potential growth or development in the area that might impact the CSA's municipal service delivery.

2. DISADVANTAGED UNINCORPORATED COMMUNITIES

The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

	YES	MAYBE	NO
a) Does the subject agency provide public services related to sewers, municipal and industrial water, or structural fire protection?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Are there any "inhabited unincorporated communities" (per adopted Commission policy) within or adjacent to the subject agency's sphere of influence that are considered "disadvantaged" (80% or less of the statewide median household income)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) If "yes" to both a) and b), it is feasible for the agency to be reorganized such that it can extend service to the disadvantaged unincorporated community (if "no" to either a) or b), this question may be skipped)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

- a) The Wild Wings CSA provides municipal water and sewer services to the Wild Wings subdivision, which are both services that may trigger the provisions of SB 244, making a LAFCo determination regarding any disadvantaged unincorporated communities within or adjacent to the agency's sphere of influence necessary.
- b) The term "Inhabited Unincorporated Communities" is defined per Commission adopted policy as those areas on the County of Yolo 2030 General Plan Land Use Map (see Figures LU-1B through LU-1H) that contain land use designations that are categorized as Residential by Table LU-6. The communities of Rumsey and West Kentucky are also included in this definition (even though the current land use designations are Agriculture (AG) and Commercial Local (CL) respectively) because their existing uses are residential. These communities are as follows:

Binning Farms	Guinda	Rumsey
Capay	Knights Landing	West Kentucky
Clarksburg	Madison	West Plainfield
Dunnigan	Monument Hills	Willow Oak
El Macero	North Davis Meadows	Willowbank
El Rio Villa	Patwin Road	Yolo
Esparto	Royal Oak	Zamora

Wild Wings is included in the Monument Hills community, and is therefore considered an inhabited unincorporated community. However, according to the United States Census Bureau (2010) the Monument Hills community has a median household income of \$116,917, which is well above the

statewide median household income of \$61,400. Therefore, Wild Wings is not a disadvantaged community.

Disadvantaged Unincorporated Communities MSR Determination

The Wild Wings CSA provides municipal water and sewer services to the inhabited unincorporated community of Wild Wings. However, the provisions of SB 244 regarding disadvantaged unincorporated communities do not apply to the CSA, because the community has a median household income of \$116,917, and is not considered disadvantaged.

3. CAPACITY AND ADEQUACY OF PUBLIC FACILITIES AND SERVICES

Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.

	YES	MAYBE	NO
a) Are there any deficiencies in agency capacity to meet service needs of existing development within its existing territory?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Are there any concerns regarding public services provided by the agency being considered adequate?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Are there any issues regarding the agency's capacity to meet the service demand of reasonably foreseeable future growth?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Are there any significant infrastructure needs or deficiencies to be addressed?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Are there changes in state regulations on the horizon that will require significant facility and/or infrastructure upgrades?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Are there any service needs or deficiencies for disadvantaged unincorporated communities related to sewers, municipal and industrial water, and structural fire protection within or contiguous to the agency's sphere of influence?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

a-b) The CSA provides three municipal services, all of which have varying levels of capacity and adequacy for service.

WATER: The Wild Wings CSA provides domestic water services to Wild Wings residents. The current operator under contract with the CSA for maintenance and operation of the water facility is California

American Water Company (CalAm). The water supply system includes two water supply sites (one primary and one standby) with 360,000 gallon steel water storage tanks. The CSA also maintains one domestic water well and one standby well, including the associated pumps, hydro-pneumatic tanks and chlorination facilities for both wells. In addition, the CSA's water system infrastructure includes:

- A trailed mounted diesel generator
- C900 domestic water distribution pipes between the well sites, 337 domestic metered services, and 6 metered irrigation services
- C900 raw water distribution pipes between the two well sites and the water treatment facility
- 4 metered lake fill services, valves, air release valves, and fire hydrants
- Sampling ports
- Supervisory Control and Data Acquisition System (SCADA)
- Medium voltage switchgear and motor control centers

Water Adequacy: The current water supply system meets most specifications and regulations, although there have been some issues with contamination due to high arsenic levels in the standby well. The California Department of Health (CDPH) has set a maximum arsenic contamination level (MCL) of 10 micrograms per liter (mg/L) for domestic water sources. The Wild Wings water system's primary well (called the Pintail Well) has arsenic levels of 8 mg/L, which are within the allowable levels (Consumer Confidence Report, 2012). However, the standby well (called the Canvasback Well) was issued Compliance Order No. 01-09-09-CO-003 from CDPH on July 30, 2009 for detecting arsenic concentrations slightly above the arsenic MCL.

According to CDPH, after more than a year of regular monitoring the Canvasback Well had a running average arsenic level below the MCL. The CSA has been required to continue quarterly monitoring, and has also designated the Canvasback Well as a standby water source, which is not currently used for domestic water supply. According to CDPH, converting the Canvasback Well to a standby water source is an acceptable solution that still allows the CSA to remain in compliance with daily maximum water demands. CDPH has stated that the CSA is currently considering options for resolving the arsenic issues, and is expected to share an action plan for resolving the problem once one has been determined.

The CSA commissioned a study by GEI Consultants, Inc. (2011) to determine options for reducing the arsenic levels in Canvasback Well. The consultants ruled out most affordable options for reducing the arsenic levels, and determined that the only feasible options are treatment or well replacement, which are both very cost prohibitive. The CSA is unable to undertake either option currently, and is actively placing funds each year into a restricted reserve for future treatment.

Water Capacity: Even given restrictions on water due to the contamination issues with the standby well, water production is well above actual use. If the only operational well is the Pintail Well, the water system has the capacity for an additional 89 domestic water connections. If the contamination issues in

the Canvasback Well are resolved so that both wells are in operation, the water system has the capacity for an additional 200 connections for domestic water use. These numbers take into account water needs relating to fire, emergency services, irrigation, and lake-fill water. These numbers also account for the water required for open space, golf course irrigation, and emergency service requirements. Having a second potable well would be preferable according to State standards, but the CSA is able to use the Canvasback Well as a short-term back up well in instances where the Pintail Well needs to be shut down for routine maintenance and repairs.

WASTEWATER COLLECTION AND DISPOSAL: The Wild Wings CSA is responsible for providing wastewater collection and disposal for the Wild Wings community. The current operator under contract with the CSA for maintenance and operation of the Wild Wings Wastewater Treatment Facility (WWTF) is California American Water Company (CalAm). The existing wastewater system infrastructure includes:

- A gravity vitrified clay pipe, sanitary sewer collection pipes, and manholes
- A sewer lift station known as "Site B" and the associated sewer force main
- A wastewater treatment facility
- A belt press sludge dewatering system

Wastewater Adequacy: The only concern over adequacy with the Wild Wings wastewater services relates to complaints about a foul odor coming from the wastewater treatment facility. When Yolo LAFCo previously attempted to complete the Wild Wings CSA MSR/SOI in 2010 the process was delayed due to complaints from Wild Wings residents over the foul odor, and LAFCo placed this MSR/SOI on hold while the issues were investigated.

When LAFCo resumed work on this MSR in 2013 staff conducted initial outreach with the CSA to determine the status of these odor issues. CSA staff indicated that from their perspective the odor issues had been resolved, as they were no longer receiving complaints from residents. However, during outreach with the Yolo-Solano Air Quality Management District (AQMD) LAFCo staff was informed that the odor issues were still present; that AQMD still receives complaints from residents regarding odor, and that a Notice of Violation (NOV-001325) was issued to the Wild Wings CSA on May 21, 2012 for odor nuisance.

AQMD and the Wild Wings CSA reached a mutual settlement agreement (MSA) regarding NOV-001325 in late 2013 in which the CSA agreed to pay a \$1,000 fine, implement a study involving the addition of certain chemicals within 60 days, and submit a report to AQMD documenting the performance of the addition of such chemicals on the odor issues within four months. The MSA was formally resolved in February 2014, at which time AQMD requested that the CSA implement the chemical solution on a continual basis in order to eliminate the odor issues and avoid future AQMD enforcement action. The CSA agreed to the addition of chemicals, but the process was delayed because the solution was not permissible under the current Treatment Permit (R5-2002-0077) as

regulated by the State Water Resources Control Board. An alternative chemical was recommended for the long-term chemical solution by the facility operator, CalAm, and the CSA has stated that it intends to introduce the alternative chemical (Calcium Hydroxide) into the WWTF treatment process during the month of May 2014.

The CSA has indicated that it is supportive of working with AQMD on identifying a mutually acceptable resolution to the odor issues at the treatment facility, though it has also emphasized that these odor issues impact very few Wild Wings residents. LAFCo acknowledges that the odor issues impact only a small portion of the Wild Wings community, meaning that the CSA is required to spend a significant amount of resources on an issue that does not impact the majority of Wild Wings residents. However, LAFCo does encourage the CSA to continue working with AQMD on identifying a solution that works for everyone, as not fully resolving the odor issues may result in AQMD pursuing further enforcement action that will become increasingly costly and cumbersome for the CSA.

Wastewater Capacity: The current capacity for the Wild Wings wastewater system is .100 million gallons per day (gpd), of which it typically processes about .055 million gpd. The system has capacity for an additional 220 sewer connections while remaining within prescribed state standards and requirements.

PARKS AND RECREATION: When the Wild Wings community was established, the 9-hole golf course was owned and operated by a private company called Wild Wings, LLC. However, in 2008 Wild Wings, LLC determined it could no longer afford to operate the golf course, and offered the purchase of the course to the CSA for a \$1 sale price.

The Yolo County Board of Supervisors (the CSA's governing body) voted to move forward with an approach to acquire and operate the Wild Wings Golf Course on October 21, 2008 based on feedback received during several public meetings. This vote activated the CSA's parks and recreation function, which was given to the CSA as a latent power at the time of its formation.

On March 10, 2009 the Wild Wings community passed Measure O (which was a special tax on Wild Wings residents for the acquisition, operation, maintenance and improvement of the Wild Wings Golf Course) and the Yolo County Board of Supervisors approved a management agreement with KemperSports for the operation of the course.

Parks and Recreation Adequacy and Capacity: Since the CSA's purchase of the golf course in 2009 LAFCo is not aware of any concerns with capacity or adequacy of services at the course.

- c) The Wild Wings community is currently at full build-out, and LAFCo staff is not aware of any potential future development that will impact the CSA's capacity to meet service demands.
- d) The CSA has a capital improvement program that dictates the regular maintenance and replacement of the CSA's infrastructure and equipment. CSA staff has indicated that they continue to make necessary

improvements on an annual basis, and are placing funds into a restricted reserve to deal with arsenic treatment or well replacement if such a step becomes necessary. A similar reserve was not put in place for the wastewater facility, which could become problematic if it is determined that further actions are needed to resolve the odor issues. Depending on how this issue evolves, the CSA may wish to consider adding a reserve for the wastewater facility if and when a new Proposition 218 effort is undertaken.

- e) LAFCo staff is not aware of any changes in State legislation on the horizon that will significantly impact the CSA.
- f) The CSA does not have any disadvantaged unincorporated communities within or contiguous to its sphere of influence.

Capacity and Adequacy of Public Facilities and Services MSR Determination

LAFCo currently has no concerns regarding the Wild Wings CSA’s present or future capacity to offer water, wastewater, or parks and recreation services. However, LAFCo does have concerns regarding the adequacy of the water and wastewater services offered by the CSA, due to complaints from residents and compliance issues with regulatory agencies.

The CSA currently has an active Compliance Order with the California Department of Public Health that was issued in 2009 due to high arsenic levels in its Canvasback Well. The CSA designated the Well as a standby rather than primary domestic water source, which seems to have temporarily resolved the issue. In addition, the CSA is building a reserve for the water system which is positive because a more permanent solution will need to be determined at some point, which will likely involve expensive treatment or well replacement.

The CSA is also having issues at its wastewater treatment facility, where a handful of residents living nearby have been complaining for several years regarding a foul odor. The CSA received a Notice of Violation (NOV) from the Yolo-Solano Air Quality Management District in May 2012 for causing an odor nuisance at the Wild Wings Treatment Facility. Although the NOV has been resolved AQMD has requested that the CSA implement a continual treatment process using Calcium Hydroxide, which the CSA plans to begin in May 2014.

Recommendations:

- LAFCo encourages the CSA to continue working with the Yolo-Solano AQMD to resolve odor issues at the wastewater treatment facility. Please notify LAFCo of any significant issues and/or milestones during the Notice of Violation process including any clearance notice from the Yolo-Solano AQMD that the case has been resolved and closed.

4. FINANCIAL ABILITY

Financial ability of agencies to provide services.

	YES	MAYBE	NO
a) Does the organization routinely engage in budgeting practices that may indicate weak financial management, such as overspending its revenues, failing to commission independent audits, or adopting its budget late?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Is the organization lacking adequate reserve to protect against unexpected events or upcoming significant costs?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Is the organization's rate/fee schedule insufficient to fund an adequate level of service, and/or is the fee inconsistent with the schedules of similar service organizations?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Is the organization unable to fund necessary infrastructure maintenance, replacement and/or any needed expansion?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Is the organization lacking financial policies that ensure its continued financial accountability and stability?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f) Is the organization's debt at an unmanageable level?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

- a) The Wild Wings County Service Area routinely adopts and operates an annual budget as part of the larger Yolo County budget process, which is approved by the Yolo County Board of Supervisors. The tables below provide five-year budget trends for the CSA's wastewater, water, and golf course funds.

WILD WINGS COUNTY SERVICE AREA- WASTEWATER BUDGET					
	2008-09	2009-10	2010-11	2011-12	2012-13
Revenues:					
Investment Earnings	17,602.28	4,523.56	3,087.81	2,819.12	1,432.12
Special Assessments	360,906.00	341,023.78	347,177.40	353,176.00	363,623.00
Charge for Sanitation Services	0.00	29,295.00	33,926.00	33,926.00	33,926.00
Other (Operating Transfers In)	0.00	45,185.16	28,481.39	34,117.70	64,117.70
WASTEWATER REVENUES	378,508.28	420,027.50	412,672.60	424,038.82	463,098.82
Expenditures:					
Maintenance (Equipment, Buildings, Improvements)	153,860.22	181,685.56	246,908.69	299,543.37	225,133.01
Services (Auditing, Fiscal, Legal, Professional & Specialized)	38,911.08	32,248.37	19,439.06	24,628.42	62,088.82
Utilities	26,566.50	33,609.76	33,652.29	29,257.86	32,283.01
Other Services and Supplies (Office Exp, Special Dept Exp)	155,348.77	186,967.49	27,617.48	58,623.00	58,929.10
Other (Operating Transfers Out)	86,193.07	95,462.91	0.00	0.00	0.00
WASTEWATER EXPENDITURES	460,879.64	529,974.09	327,617.52	412,052.65	378,433.94
<i>Net Amount</i>	<i>-82,371.36</i>	<i>-109,946.59</i>	<i>85,055.08</i>	<i>11,986.17</i>	<i>84,664.88</i>

YOLO LAFCo MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

WILD WINGS COUNTY SERVICE AREA- WATER BUDGET					
	2008-09	2009-10	2010-11	2011-12	2012-13
Revenues:					
Investment Earnings	17,232.78	3,752.82	2,731.03	2,318.39	894.64
Special Assessments	291,014.00	159,210.80	162,965.52	159,064.00	262,493.70
Charge for Water Services	0.00	151,000.00	151,623.00	151,623.00	151,623.00
Other	0.00	10,907.42	14,202.31	40,294.89	40,294.89
WATER REVENUES	308,246.78	324,871.04	331,521.86	353,300.28	455,306.23
Expenditures:					
Maintenance (Equipment, Buildings, Improvements)	158,962.31	122,094.93	153,169.79	213,204.11	139,488.19
Services (Auditing, Fiscal, Legal, Professional & Specialized)	40,405.84	34,054.70	33,238.76	37,788.36	44,680.49
Utilities	54,365.89	52,294.75	42,410.90	41,880.33	53,579.01
Other Services and Supplies (Office Exp, Special Dept Exp)	82,239.45	89,506.80	123,443.85	145,640.35	111,255.50
Other (Operating Transfers Out)	91,457.29	54,537.09	0.00	0.00	0.00
WATER EXPENDITURES	427,430.78	352,488.27	352,263.30	438,513.15	349,003.19
<i>Net Amount</i>	<i>-119,184.00</i>	<i>-27,617.23</i>	<i>-20,741.44</i>	<i>-85,212.87</i>	<i>106,303.04</i>
WILD WINGS COUNTY SERVICE AREA- GOLF COURSE BUDGET					
	2008-09	2009-10	2010-11	2011-12	2012-13
Revenues:					
Investment Earnings	487.08	1,125.19	456.56	118.70	-336.58
Special Assessments	274,318.00	446,367.00	502,804.00	502,804.00	572,900.00
Parks and Recreation Fees	115,003.00	399,158.00	360,619.00	356,547.00	318,213.00
Other (Sales, Operating Transfers In)	3,207,365.36	393,326.93	242,441.00	250,360.00	315,683.00
GOLF COURSE REVENUES	3,597,173.44	1,239,977.12	1,106,320.56	1,109,829.70	1,206,459.42
Expenditures:					
Maintenance (Equipment, Buildings, Improvements)	59,297.29	150,724.71	1,154.79	279.00	0.00
Services (Auditing, Fiscal, Legal, Professional & Specialized)	131,072.60	89,072.57	91,287.13	86,341.57	86,135.89
Utilities	16,400.00	180,295.00	185,549.00	185,549.00	185,549.00
Fixed Assets (Land, Buildings)	3,035,351.31	0.00	0.00	0.00	0.00
Debt	0.00	0.00	0.00	0.00	5,872.00
Other	467,796.39	858,014.15	729,951.27	834,954.79	927,280.79
GOLF COURSE EXPENDITURES	3,709,917.59	1,278,106.43	1,007,942.19	1,107,124.36	1,204,837.68
<i>Net Amount</i>	<i>-112,744.15</i>	<i>-38,129.31</i>	<i>98,378.37</i>	<i>2,705.34</i>	<i>1,621.74</i>
WILD WINGS COUNTY SERVICE AREA BUDGET					
TOTAL REVENUES	4,283,928.50	1,984,875.66	1,850,515.02	1,887,168.80	2,124,864.47
TOTAL EXPENDITURES	4,598,228.01	2,160,568.79	1,687,823.01	1,957,690.16	1,932,274.81
REVENUES LESS EXPENDITURES	-314,299.51	-175,693.13	162,692.01	-70,521.36	192,589.66
SOURCE: County of Yolo Budget and Revenue Status Reports					
End of Year Fund Balances	883,109.00	685,846.00	848,537.00	778,015.00	970,605.00
SOURCE: Yolo County Financial Statements					

As evidenced by the tables above, the CSA has had issues with overspending its revenues in all three of its service functions over the past five years, resulting in a net loss to the CSA in three of the previous five fiscal years.

In the case of the golf course, the budgetary issues occurred in the first two years after the CSA acquired the golf course, and can likely be attributed to the significant improvements that were necessary at the time of purchase. Additionally, it is reasonable for some financial uncertainty in the

initial years of any new endeavor, while the organization gains a more stable understanding of the costs and revenues. In the past three years the golf course budget has stabilized, and LAFCo is not concerned about the financial well-being of the Wild Wings Golf Course at this time.

The CSA's wastewater and water funds also had budgetary issues in recent years, which were resolved in 2013 by a fee increase for both services. The CSA's wastewater service was unable to operate within its revenues in both FY 08-09 and 09-10. Additionally, the CSAs water service was unable to operate within its revenues for four consecutive years, from FY 08-09 to 11-12. The consistency of these budgetary shortfalls indicated that the programs were inadequately funded, so the CSA conducted a fee study, and ultimately raised the fees for water and wastewater services to better support the maintenance and operational needs of the programs. The fee increase seems to have resolved the CSA's major budget issues regarding operating expenses, making the CSA much more financially stable.

While researching the Wild Wings budgets LAFCo observed a concerning financial practice of the CSA that might be adjusted in the future to better reflect sound financial management practices. In March 2014 the CSA placed an item on the Board of Supervisors agenda that raised the CSA's FY 13-14 water budget by \$200,000 to "address additional operations and maintenance costs and water projects." The adopted budget was \$275,975 for FY 13-14, and approval of the proposed agenda item by the Board of Supervisors nearly doubled the annual budget, raising the total budget to \$475,975. When inquiring about the significant budget increase LAFCo staff was informed by the CSA Coordinator that the adopted budget of \$275,000 was only a budget placeholder as there were several uncertainties in the budget development process (including uncertainty regarding the cost of additional arsenic treatment, reserve funds, and a contract for operations and maintenance that was going out to RFP and makes up the majority of the CSA's expenses). The CSA Coordinator indicated that due to uncertainty regarding the exact cost of these expenses staff left them out of the proposed and adopted budgets, with the intention of adjusting the mid-year budget to include the accurate costs.

LAFCo suggests that in such cases where the CSA is aware that an expense is going to occur but is uncertain of the exact cost of the expense, a more financially sound practice would be to provide an estimate of the expected costs, and then adjust as needed, rather than leaving uncertain costs out of the budget with the expectation that significant amendments would be made mid-year. County budget staff has confirmed this recommendation, stating that an appropriate practice would be to include the amount used in the previous year as a placeholder rather than omitting the item.

- b) The CSA has maintained a strong reserve in recent years, with a combined fund balance of \$1,004,361 for the water and wastewater funds. The CSA reports that for the past two years it has also been placing money into a restricted fund to cover any expensive treatments that may become necessary due to the high arsenic levels in the canvasback well, with a ~~accumulated~~ total of **\$162,686 (accumulated \$81,343 annually over the past two years)**. The CSA should consider developing a

similar reserve for the wastewater facility to protect it in the event that further actions are needed to resolve the odor issues.

LAFCo recommends that if allowable according to the CSA’s recent Proposition 218 ballot initiative, the CSA also consider placing funds aside for maintenance or treatment at the wastewater facility. LAFCo also recommends that when planning for future Proposition 218 initiatives the CSA consider the need for dedicated reserves for such upcoming maintenance issues.

As previously discussed, in 2013 the CSA successfully underwent Proposition 218 proceedings to raise the water and wastewater treatment rates in order to more accurately reflect the cost of providing services, as well as to develop a capital reserve for the water system. The rate schedule is provided in the table below. The rates were determined through an engineering study that identified the actual cost of providing water and wastewater services in the Wild Wings community, and are reasonable given the cost of providing the service. CSA staff has indicated that the additional revenues for ongoing operations and maintenance have improved the CSA’s financial situation, although resources will always be tight due to Proposition 218 regulations that limit how much the CSA is allowed to charge for services.

Wild Wings CSA Annual Water and Wastewater Rates				
	FY 13/14	FY 14/15	FY 15/16	FY 16/17
Water Base Rate:	\$875	\$893	\$911	\$929
Water Usage Charge (per each 100 gallons exceeding 250,000 gallons):	\$0.30	\$0.30	\$0.30	\$0.30
Water Treatment Charge:	\$241	\$241	\$241	\$241
Water Capital Reserve:	\$350	\$350	\$350	\$0
Total Fee for Water Services:	\$1466	\$1484	\$1502	\$1170

- d) The Wild Wings CSA is a part of the County of Yolo, and is governed by the Yolo County Board of Supervisors. As such, the CSA is subject to the Capital Asset Policy as adopted by the Board of Supervisors, which is prepared and updated annually.

The CSA’s capital improvement program dictates the schedule and funding of regular maintenance and replacement for the CSA’s assets and CSA staff has indicated that it continues to make the necessary improvements to infrastructure on an annual basis. Additionally, the CSA successfully underwent Proposition 218 proceedings in 2013 which allowed the CSA to collect \$350 from each parcel within its boundaries over a three year period, to be placed in a restricted reserve for capital projects in the CSA’s water system. The CSA should consider adding a similar reserve for the wastewater facility if and when a new Proposition 218 effort is undertaken.

- e) The Wild Wings CSA is a part of the County of Yolo, and is governed by the Yolo County Board of Supervisors. As such, the CSA is subject to the financial policies that have been adopted by the County, which the County is currently in the process of re-writing to better align with nationwide best practices in financial management. The County should continue to monitor the CSA to ensure that it adheres to any new countywide financial policies and best practices.

- f) The CSA's **water and wastewater functions do** not currently have any debt. **However, the Wild Wings Golf Course does have a line of credit with KemperSports for approximately \$200,00, which will be paid in full by June 2015. This is a manageable level of debt for the CSA.**

Financial Ability MSR Determination

The CSA has had issues with overspending its revenues in all three of its service functions (water, wastewater, parks and recreation) during the first four of the past five years. . In response the CSA successfully underwent Proposition 218 proceedings in 2013 to raise its water and wastewater rates, which should help to resolve these issues.

The CSA has strong financial policies, as determined by the Yolo County Board of Supervisors,. However, LAFCo has some concerns that the CSA should be more actively monitored to ensure that it maintains strong financial management practices. The CSA does also engage in some strong financial practices, such as developing a strong reserve, which it is bolstering with a property tax assessment to be put into a restricted capital fund for the water system. The CSA also has no debt, and is actively maintaining an infrastructure replacement plan.

Recommendations:

- For each budget cycle, the CSA should provide an estimate of anticipated costs, and then adjust as needed, rather than leaving unknown costs out of the budget altogether thus requiring significant amendments mid-year.
- If allowable according to the CSA's recent Proposition 218 ballot initiative, the CSA should consider placing funds aside for maintenance or treatment at the wastewater facility.
- When planning for future Proposition 218 initiatives, the CSA should consider the need for dedicated reserves for significant upcoming maintenance issues.

5. SHARED SERVICES AND FACILITIES

Status of, and opportunities for, shared facilities.

	YES	MAYBE	NO
a) Is the agency currently sharing services or facilities with other organizations? If so, describe the status of such efforts.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Are there any opportunities for the organization to share services or facilities with neighboring or overlapping organizations that are not currently being utilized?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Are there any governance options that may produce economies of scale and/or improve buying power in order to reduce costs?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

- d) Are there governance options to allow appropriate facilities and/or resources to be shared, or making excess capacity available to others, and avoid construction of extra or unnecessary infrastructure or eliminate duplicative resources?

Discussion:

a-b) The CSA currently shares many services with the County, which offers the administrative, overhead, and management services necessary to keep the CSA functioning. Additionally, the CSA Coordinator position splits its time between the various CSA's in Yolo County, which allows small CSA's who could not independently afford a dedicated staff member to receive the attention and staffing they need to function.

c-d) LAFCo is not aware of any alternate governance options or overlapping boundary issues that can be considered in the MSR.

Shared Services MSR Determination

LAFCo staff is not aware of any opportunities for shared services or alternate governance options that might reduce costs, increase efficiencies, make excess capacity available to others, or avoid duplicative efforts.

6. ACCOUNTABILITY, STRUCTURE AND EFFICIENCIES

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

	YES	MAYBE	NO
a) Are there any issues with meetings being accessible and well publicized? Any failures to comply with disclosure laws and the Brown Act?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Are there any issues with filling board vacancies and maintaining board members?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Are there any issues with operational efficiencies such as budget development, staff turnover, transparency or decision-making processes?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Is there a lack of regular audits, adopted budgets and public access to these documents?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Are there any recommended changes to the organization's governance structure that will increase accountability and efficiency?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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f) Are there any governance restructure options to enhance services and/or eliminate deficiencies or redundancies?

g) Are there any opportunities to eliminate overlapping boundaries that confuse the public, cause service inefficiencies, unnecessarily increase the cost of infrastructure, exacerbate rate issues and/or undermine good planning practices?

Discussion:

a-b) The Yolo County Board of Supervisors meets on various Tuesdays in Room 206 of the County Administration Building, where they make decisions regarding the Wild Wings CSA during their regular meeting agendas. The Board is in compliance with public meeting regulations, and all meeting materials (including agendas, minutes, and video recordings) can be accessed on the County’s website.

Additionally, the CSA has an advisory committee and recreation and golf advisory subcommittees that both meet regularly and are in compliance with Brown Act regulations. The recreation and golf subcommittee currently has all its seats filled, and the CSA advisory committee has two openings. The vacancies appear to be coincidental and not a chronic issue. Two of the appointed members serve on both committees. LAFCo is not aware of any issues with frequent vacancies that might be resolved through this MSR process.

c) The CSA is communicating with the Advisory Committee and the Wild Wings residents well. The CSA has stated that it conducts publically noticed advisory committee meetings, provides bimonthly statements to customers, sends updates on the Homeowners Association (HOA) list serve, and sends a representative to report on CSA issues at every HOA meeting. However, while conducting interviews for this MSR, items were raised that suggest that there are issues regarding operational efficiencies in terms of responsiveness between the CSA function and other County departments such as the Board of Supervisors, the County Administrator’s Office, and County Counsel’s office. There appear to be internal County customer service issues with the CSA function.

Internal Customer Service

LAFCo experienced significant delays in our requests for information. During the MSR process LAFCo sent the initial request for information on October 15, 2013, and did not receive a response until January 21, 2014. During the three month period LAFCo reached out to CSA staff on four occasions to inquire about the status of the information request, and received only one short email in response. When LAFCo did receive the response we were informed that our questions regarding the CSA budgets would be forwarded to PPW business services, and we did not receive a response regarding that information until April 15, 2014, after reminding CSA staff of the outstanding request.

When the requested information was provided it was, in one case, incomplete to the point of being misleading. The CSA response stated that the CSA had been through “a number of years of collaboration” with the Yolo-Solano Air Quality Control District to mediate any outstanding odor concerns from the residents. The CSA’s response did not disclose the Notice of Violation dated 5/21/12, of which the Mutual Settlement Agreement was still active at the time of LAFCo’s request for information. In contrast, LAFCo received 260 pages of documentation from the AQMD detailing extensive back and forth between AQMD and the CSA.

No inaccurate information was conveyed, but it was far short of being forthcoming and failed to provide directly relevant information to this MSR. The CSA directed LAFCo to their website for additional information on the odor issues when the website turned out to be incomplete. Per Government Code Section 56386(a), CSA staff “shall furnish the executive officer with any records or information in their possession which may be necessary to assist the commission and the executive officer in their duties, including, but not limited to, the preparation of reports...”.

LAFCo does not suggest that any of these issues were intentional and could have occurred because staff resources may be spread too thin. The County should consider providing additional staff resources if possible or provide whatever support may be necessary to resolve these customer service issues as the CSA function is an extremely important one.

Grand Jury Review- Proposition 218 Protest Election Process

The Grand Jury recently reviewed the notification process the County uses when conducting Proposition 218 protest elections, after receiving a series of complaints regarding the Wild Wings CSA’s 2013 process. See Attachment A for the full report. The report focuses on the notification process for Proposition 218 protest elections, and finds that the County’s notification process meets the minimum standards required by Proposition 218, but could be revised to be clearer, provide more information, and to encourage wider participation. The report states that in general, citizens understand the term “election” to mean that they will cast a vote on a ballot, while “protest elections” can be confusing in that residents or property owners opposing the proposed increase must submit a formal letter of protest. It’s important for the ballot to be clear because its counter intuitive to the public that by taking no action residents are effectively voting “yes” to the proposed increase. The Grand Jury report makes five findings relating to the Wild Wings Proposition 218 process, as follows:

F1: Yolo County met the minimum requirements of Proposition 218 for a proposed utility rate increase in Wild Wings, but did not adequately and clearly inform the residents how to successfully protest an election.

F2: Yolo County does not have a written set of procedures for the management of the Proposition 218 election process within its jurisdiction.

F3: It is not easy to locate or access all supporting documentation regarding a specific Proposition 218 action.

F4: There are other jurisdictions within Yolo County that have provided more detailed information to their residents about how a Proposition 218 “protest election” works.

F5: Yolo County does not issue Proposition 218 related notices in language other than English.

The report recommends that (1) the County Administrator’s Office work with other County departments to develop a set of procedures for Proposition 218 elections, (2) PPW develop guidelines for the preparation of a Proposition 218 Public Notice, (3) the Board of Supervisors consider including a protest form in the public notice to be completed and returned by protesting residents for future Proposition 218 actions, and (4) the Board of Supervisors identify the appropriate department to maintain and make accessible Proposition 218 election records.

- d) The Wild Wings CSA is part of the County of Yolo, and is therefore subject to the same financial regulations and practices of the County. The Board of Supervisors routinely adopts a budget for the CSA as part of their annual budget process, the County Auditor-Controller provides financial reports at the close of each FY, and the County also commissions an independent audit each year. This information is all publicly available on the County Auditor-Controller website.

However, the Wild Wings CSA documentation is very difficult to pinpoint in the County’s financial documents (such as adopted budgets, financial reports and audits), which often span several hundred pages and dozens of County departments. The CSA has stated that it will begin providing adopted budgets and third party financial audits on each CSA website beginning in fiscal year 14/15.

- e-f) LAFCo currently is not aware of any possible changes to the governance structure that would increase accountability, enhance services, or eliminate redundancies.
- g) LAFCo is not aware of any overlapping boundary issues that confuse the public, cause service inefficiencies, unnecessarily increase the cost of infrastructure, exacerbate rate issues and/or undermine good planning practices. The Wild Wings CSA does have overlapping boundaries with several other special districts, but none offer similar services that would cause potential confusion or conflict.

Accountability, Structure and Efficiencies MSR Determination

The CSA has frequent, publicly accessible meetings that are well publicized in accordance with the Brown Act. It communicates with the residents well via a regular newsletter. There appear to be no chronic issues with filing advisory committee vacancies. The CSA adopts annual budgets and completes annual audits as part of the county wide financial management policies. There are no recommended changes to the organization’s structure that would enhance services or eliminate deficiencies or redundancies in services. There are no overlapping boundaries that confuse the public and cause service inefficiencies.

While conducting interviews for this MSR, discussions topics were raised that suggest there are issues regarding operational efficiencies in terms of responsiveness between the CSA function and other County departments such as the Board of Supervisors, the County Administrator’s Office, and County Counsel’s office. There appear to be internal County customer service issues with the CSA function. LAFCo experienced delays in responses to requests for information and responses that were incomplete.

The Grand Jury also released a recent report regarding the County’s Proposition 218 “protest election” process, based on the Prop 218 process conducted by the Wild Wings CSA in 2013. The report finds that while the CSA does meet the minimum requirements of Proposition 218 law, there are several recommendations for how the County can improve the process to better incorporate clear instructions, provide more information, and encourage wider participation in the process.

Recommendations:

- The County should consider providing additional staff resources to the CSA, or provide whatever support may be necessary to resolve internal and external customer service issues.
- **The County should implement the recommendations in the 2013-14 Grand Jury report “Proposition 218 Protest Election Process: The Yolo Way” to improve its Proposition 218 protect election process.**

7. OTHER ISSUES

Any other matter related to effective or efficient service delivery, as required by commission policy.

	YES	MAYBE	NO
a) Are there any other service delivery issues that can be resolved by the MSR/SOI process?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

- a) LAFCo staff conducted outreach to several Wild Wings CSA stakeholders while researching this MSR, including CSA staff, the PPW Interim Director, staff in the County Administrator’s Office, County Counsel, the District 3 Supervisor, the Wild Wings CSA Advisory Committee and several of the CSA’s regulatory agencies. None of these parties identified additional service delivery issues that need to be resolved in the MSR.

Other Issues MSR Determination

Outreach with multiple Wild Wings CSA stakeholders has not identified any additional issues related to effective or efficient service delivery that might be resolved in this MSR.

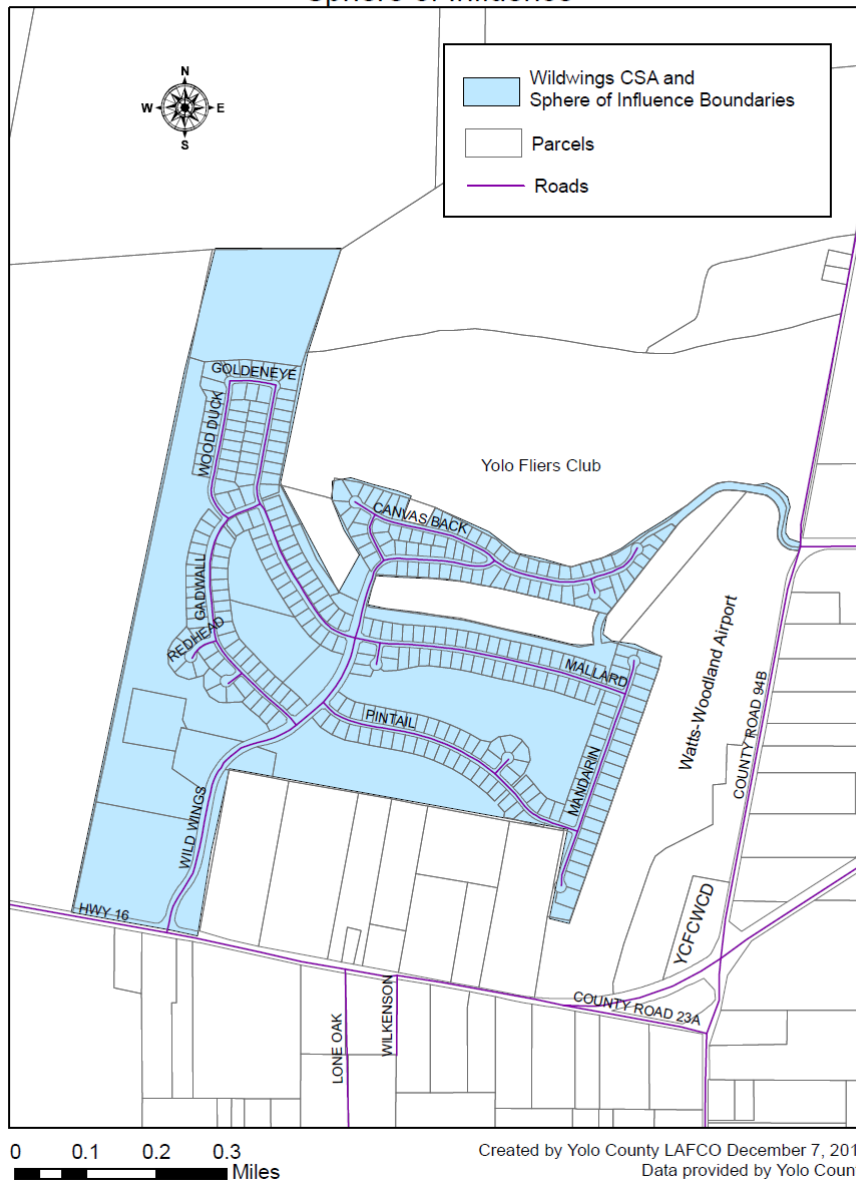
SPHERE OF INFLUENCE STUDY

The boundaries for the Wild Wings CSA are as reflected in the map below. The SOI for the Wild Wings CSA is coterminous with the boundaries.

LAFCo is not aware of any development proposals or requests by adjacent landowners to connect to the municipal services of the Wild Wings CSA for any health and safety issues. Therefore, no SOI is recommended with this review.

On the basis of the Municipal Service Review:

Wild Wings County Service Area and Sphere of Influence



- Staff has reviewed the agency's Sphere of Influence and recommends that a SOI Update is NOT NECESSARY in accordance with Government Code Section 56425(g). Therefore, NO CHANGE to the agency's SOI is recommended and SOI determinations HAVE NOT been made.

- Staff has reviewed the agency's Sphere of Influence and recommends that a SOI Update IS NECESSARY in accordance with Government Code Section 56425(g). Therefore, A CHANGE to the agency's SOI is recommended and SOI determinations HAVE been made and are included in this MSR/SOI study.

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Attachments

GRAND JURY REPORT

Proposition 218 Protest Election Process: “The Yolo Way”

SUMMARY

The Grand Jury reviewed the notification process Yolo County uses when conducting Proposition 218 protest elections after receiving a series of complaints regarding management of the Wild Wings County Service Area (Wild Wings CSA). After considering the numerous issues raised in the complaints, the Grand Jury narrowed the scope of its investigation to the Proposition 218 protest election notification process in Yolo County.

Proposition 218 restricts local governments’ ability to impose assessments and property related fees and property tax assessments to pay for specific services (i.e. water, sewer, lighting, etc.). While there are a number of traditional election formats outlined by Proposition 218, it also provides for a "protest election". These "protest elections" are unique in that a "yes" vote is cast by doing nothing and a "no" vote is cast by filing a protest with the governmental body holding the election. For Proposition 218 “protest elections” within the jurisdiction of Yolo County, the Board of Supervisors is required to send the notice of a Proposition 218 election to affected residents and property owners, advise them they can file a “protest,” and hold a public hearing to collect and tabulate “votes”.

The Grand Jury found that the Yolo County notification process meets the minimum standards required by Proposition 218. However, the Grand Jury discovered that other jurisdictions within Yolo County, and local governmental jurisdictions within California, provide better election notifications that are clearer, more informative, and encourage wider participation by residents and homeowners.

The Grand Jury calls on Yolo County to implement a Proposition 218 protest election process which:

- provides information to voters that fully describes the protest election process in an easily readable and understandable fashion;
- ensures eligible voters receive an easily understandable ballot with clear directions regarding how to submit a protest vote; and
- encourages public participation.

BACKGROUND

The Grand Jury received three complaints regarding the Wild Wings County Service Area (CSA). The complaints raised questions regarding the fiscal operations of the newly acquired golf course, the management of the loans and reserves for the CSA and whether the Proposition 218 election in 2013 complied with the law.

The Grand Jury found no fiscal improprieties within the Wild Wings CSA. The Grand Jury did find reason to further investigate the Proposition 218 protest election process.

METHODOLOGY

The Grand Jury reviewed the complaints and interviewed managers, staff and elected officials from the County of Yolo and residents of the Wild Wings CSA. In addition to the interviews, the Grand Jury reviewed the following documents:

- Yolo County Administrative Policy Manual (APM);
- County Service Area 2013-14 Budget Information;
- Wild Wings County Service Area Formation Document dated May 25, 2004;
- Wild Wings CSA Golf Course/Recreation Advisory Sub-Committee Formation Document, dated June 2, 2009;
- Text of Proposition 218;
http://www.lao.ca.gov/1996/120196_prop_218/understanding_prop218_1296.html
- Proposition 218 Implementation Guide, League of California Cities;
<http://www.cacities.org/UploadedFiles/LeagueInternet/c2/c2f1ce7c-2b14-45fe-9aaa-d3dd2e0ffecc.pdf>
- Proposition 218 documents for Wild Wings Homeowners; and
- Proposition 218 notices from other counties and local agencies.

The last interview was conducted on March 3, 2014.

DISCUSSION

County Service Areas

Yolo County provides some public services through County Service Areas (CSA). A CSA is a branch of county government that provides funding and management for a wide range of public services including lighting, fire protection, road maintenance, potable water supply, and wastewater treatment and disposal. It may also provide a limited number of these or other services depending on how and for what purpose it was formed. Each CSA provides public service needs unique to a particular community or neighborhood. Eleven CSAs have been established in Yolo County.

CSA Advisory Committees (CSA Committee) are established within each CSA to provide oversight of the delivery of services and financial status of each CSA. Services to these unique areas are funded initially in a manner similar to Special Districts through enactment of a parcel tax. A CSA Committee may also request the County hold an election under the provisions of Proposition 218 to fund existing services or to provide new services within a CSA.

CSA Committees are composed of community members who reside within the boundaries of the CSA for which that particular committee provides oversight. CSA committee members are appointed by the Yolo County Board of Supervisors. The CSA Committees act solely in an advisory capacity and may only make recommendations to the Board of Supervisors regarding the services provided by the CSAs. The ultimate authority regarding governance of a CSA resides with the Board of Supervisors.

Additional oversight of the CSA is provided by the Yolo County Department of Planning and Public Works (PPW). The PPW provides oversight through a County Service Area Manager (CSAM). The CSAM attends CSA Committee meetings, provides advice to the CSA Committee, and acts as a liaison between the CSA Committees and the Board of Supervisors. The CSAM also assists the Board of Supervisors in providing oversight of a Proposition 218 election process.

Proposition 218

Proposition 218 is contained in the California Constitution, Article XIII D. It limits the authority of government agencies to impose property related fees or charges, including water rates. Like other taxpayer protections in California, Proposition 218 requires government agencies to follow certain procedures to adopt or increase water rates and limits those rates to the amounts necessary to provide the property related service.

In general, citizens understand the term “election” to mean that they will cast a vote on a ballot as they would in any other general election. This is not always the case with a Proposition 218 election where most of the increases to the cost for services will result from a “protest election.” In a “protest election”, if the residents or property owners oppose the proposed increase, they must submit a ballot in the form of a letter of protest prior to, or at, a public hearing scheduled to act on the matter. Residents who support the proposed increase “vote” by taking no action.

As with any other legislation or law, Proposition 218 provides only the basic requirements for implementation. The public agency has the ability to determine its own procedures as long as the basic requirements are met. Generally these requirements include a minimum amount of time a notice must be issued prior to the hearing date or a statement that an increase cannot be passed if a majority of the residents submit protest letters. Proposition 218 does not specifically state how the public notice is to be written or how much information should be included in this notice.

Wild Wings County Service Area

The Wild Wings CSA was initially created in 2004 to provide oversight of the operation and maintenance of the potable water delivery and waste water treatment systems for the Wild Wings development. The Wild Wings development is composed of approximately 330 homes. In 2009 Yolo County acquired the Wild Wings Golf Club, which is located within the development. The oversight of the operation of the golf club then became the responsibility of the Wild Wings CSA.

During 2013, a Proposition 218 “protest election” was held on a proposed increase in the utility rates paid by the residents of Wild Wings. In accordance with the requirements of Proposition 218, the County drafted and mailed the required notice of a public hearing which took place on July 16, 2013. At the conclusion of the public hearing, the Board of Supervisors voted to pass the increases. There are no records indicating whether any Wild Wings residents attended the public hearing and no record that any protests to the proposed rate increase were filed.

Although the County complied with Proposition 218 during the 2013 election, the County provided only a minimum amount of information to residents regarding the voting procedure. The 2013 Wild Wings Proposition 218 public notice stated that written protests could be received at, or prior to, the public hearing. The notice did not clearly state that residents who opposed the increase would need to file a protest in order to “vote” against it nor did it advise residents as to the form a protest letter should take.

Administration of Proposition 218 Elections in Yolo County

The Grand Jury was not able to identify any written procedures maintained by Yolo County for the management of a Proposition 218 “protest election” within its jurisdiction. The Grand Jury learned that the County does not have an established policy or practice for receiving and recording election protests.

The Grand Jury found it difficult to locate and review the past Proposition 218 information within Yolo County. There is no specific collector and keeper of these records within the County and no location where a resident could go to review previously held Proposition 218 election records.

The Grand Jury learned that Yolo County did not offer Proposition 218 information in multiple languages during the 2013 Wild Wings CSA election.

Proposition 218 Notices of Public Hearing

The Grand Jury reviewed Proposition 218 public notices issued by other agencies within Yolo County and other regions of California and found that the amount of information contained in Proposition 218 public notices varied widely from agency to agency, and among the various local governmental agencies within Yolo County.

For example, the Grand Jury reviewed Proposition 218 public notices from the City of Woodland. In addition to meeting the minimum requirements of the proposition, the City of Woodland also issued the Proposition 218 notice in multiple languages, informed the residents exactly how to participate in the process and included a statement explaining that if a majority of the residents protested, the increases could not be implemented. The Proposition 218 notice reviewed by the Grand Jury from the City of Davis also was specific in informing the citizens how to effectively protest the action.

The Grand Jury compared the Wild Wings notice of a public hearing with one from San Diego. The Grand Jury believes that the San Diego notice contained all of the important

information that should be provided to residents and homeowners when a Proposition 218 “protest election” occurs. The San Diego notice:

- showed evidence of thoughtful graphic design intended to draw people’s attention to the information;
- specified who could file a protest (one written protest per affected property);
- specified what should be in the protest, and included a form that could be used as the protest letter;
- indicated that the information is available in alternative formats for disabled and non-English speaking residents;
- stated the consequence of a successful protest, and defined a successful protest.

The following graphic illustrates the visual difference between the two notices with the Yolo County example to the right overlapping the San Diego example.

Visual Comparison of San Diego Notice of Public Hearing and Yolo County Notice of Public Hearing

You Can Protest the Proposed Rate Adjustment
 You can use the form in this notice to register your protest against the proposed water rate adjustment. You can also choose to write a letter to the City, following the requirements below, or appear at the public hearing listed on the front cover of this notice to submit your written protest.

How Can I Participate?
 Interested parties can comment on the proposed rates. California Constitution Article XIII D section 6 (Proposition 218) prohibits the City from implementing the new rates if a majority of the affected property owners or tenants file written protests opposing the rates before the end of the public hearing. Only one written protest per affected property will be counted towards the majority protest. Written protests must be received by the City Clerk, City of San Diego, Mail Station No. 29, City Administration Building, 202 C Street, San Diego, CA 92101, before the end of the public hearing which is scheduled for 10:00 a.m., November 21, 2013. Each protest must identify the affected property (by street address or Assessor's Parcel Number) and include the signature of the property owner or utility customer of record. In compliance with Proposition 218, e-mail protests will not be accepted. Fax protests will also not be accepted. Although oral comments at the public hearing will not qualify as formal protests unless accompanied by a written protest, the City Council welcomes input from the community during the public hearing.

Some customers will receive multiple notices
 In order to ensure that all San Diegans are informed about possible water rate increases, these Notices are being sent to all City of San Diego water customers. If you are responsible for more than one bill, you will receive more than one Notice.

USE THIS FORM TO PROTEST THE PROPOSED WATER RATE INCREASE

_____, (Print first and last name) protest this proposed increase to water rates.

Property Address or Assessor's Parcel Number: _____

Signature: _____

If you wish to use this form as your protest, please fill out and mail in a stamped envelope to: City Clerk, City of San Diego, City Administration Building, 202 C Street, MS 2P, San Diego, CA 92101 or deliver it to the City Clerk before the end of the Public Hearing on November 21, 2013.

This material is available in alternative formats upon request to accommodate persons with disabilities or non-English speakers. To order information in an alternative format, or to arrange for a sign language or oral interpreter at the November 21, 2013 hearing, please call the Clerk's office on or before November 8, 2013 at (619) 533-4000 (voice) or (619) 236-7012 (TTY).

San Diego Notice of Public Hearing
 Excerpt from full document located at: <http://www.sandiego.gov/water/pdf/rates/jan20142015publichearingnotice.pdf>

THE CITY OF SAN DIEGO

Notice of Public Hearing

The San Diego City Council will hold a public hearing to consider a proposed water rate increase primarily as a result of an increase by the San Diego County Water Authority for the wholesale cost of water.

Interested parties are invited to attend. Read inside to learn more.

November 21, 2013
10:00 a.m.
 City Administration Building
 202 "C" Street, 12th Floor
 Council Chambers

Thereafter, fees shall not increase by more than the Consumer Price Index (CPI-W and CPI-U) for the San Francisco-Oakland-San Jose, CA area for the most recent February to February as compiled by the Bureau of Labor Statistics.

At 9:00 a.m. (or as soon thereafter as circumstances permit) on July 16, 2013, in the Board of Supervisors Chambers, at 625 Court Street, Room 206, Woodland, California, the Board of Supervisors will hold a Public Hearing to consider the proposed fee increases, and to receive and consider all public comments, including but not limited to any protests against the proposed fee increases.

The water service that is the subject of this proposed increase is described in a fee rate analysis on file with the Clerk of the Board at 625 Court Street, Room 204, Woodland, California. This represents the estimated annual cost of providing water service to each parcel within the Wild Wings County Service Area.

A detailed fee analysis is available to the public concerning the proposed fee increases, including the cost or estimated cost of providing the service for which each fee is proposed to be charged, the revenue sources anticipated to provide the service (including general fund revenues), and the bases of the allocation of the cost of the services. This information is available for review at the Office of the Clerk of the Board of Supervisors, at 625 Court Street, Room 204, Woodland, California.

All interested persons are invited to attend and be heard at the time of the hearing. As provided in the County Service Area Law, Government Code 25210.77a and following, any interested person may file a written protest with the Clerk of the Board at 625 Court Street, Room 204, Woodland, California, at or before the close of the public hearing.

Additional information regarding the proposed fee may be obtained from Regina Espinoza, County Service Area Manager, at (530) 666-8725.

Dated: May 21, 2013

Julie Daehler
 Clerk of the Board of Supervisors

By: _____
 Deputy
 (SEAL)

Yolo County Proposition 218 Notice of Public Hearing
 Excerpt from full document located at: <http://www.yolocounty.org/home/showdocument?id=23040>

FINDINGS

- F1. Yolo County met the minimum requirements of Proposition 218 for a proposed utility rate increase in Wild Wings, but did not adequately and clearly inform the residents how to successfully protest an election.
- F2. Yolo County does not have a written set of procedures for the management of the Proposition 218 election process within its jurisdiction.
- F3. It is not easy to locate or access all supporting documentation regarding a specific Proposition 218 action.
- F4. There are other jurisdictions within Yolo County that have provided more detailed information to their residents about how a Proposition 218 “protest election” works.
- F5. Yolo County does not issue Proposition 218 related notices in languages other than English.

RECOMMENDATIONS

- R1. By October 1, 2014, the County Administrative Officer shall work with the County Counsel, Clerk of the Board of Supervisors and the Department of Planning & Public Works to develop a set of procedures for a Proposition 218 election, including outlining each department’s responsibilities.
- R2. By December 1, 2014, the Department of Planning & Public Works, in coordination with County Counsel and the Clerk of the Board, shall develop guidelines for the preparation of a Proposition 218 Public Notice. The notice shall include all legally required information and the following:
 - An explanation of the “protest” election process;
 - How a resident can participate in the protest election;
 - How the protests are counted and what constitutes a successful protest;
 - How relevant information can be obtained; and
 - How disabled and non-English speaking residents can participate.
- R3. The Board of Supervisors shall consider including a protest form in the public notice to be completed and returned by a protesting resident for all future Proposition 218 actions.
- R4. By October 1, 2014 the Board of Supervisors shall identify the appropriate department to maintain and make accessible Proposition 218 election records, consistent with the maintenance of other utility rate, election and financial records.

REQUEST FOR RESPONSES

Pursuant to Penal Code section 933.05, the Grand Jury requests responses as follows:

From the following individuals:

- County Administrative Officer: Recommendations R1 and R4
- Director of Planning and Public Works: Recommendation R2

INVITED RESPONSES

- Board of Supervisors: Recommendations R3 and R4

Reports issued by the Grand Jury do not identify individuals interviewed. Penal Code section 929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Grand Jury.
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DISCLAIMER

This report is issued by the 2013-14 Yolo County Grand Jury with the exception of two jurors who were recused from the interviews and investigations.

From: Regina Espinoza <Regina.Espinoza@yolocounty.org>
Date: June 12, 2014 at 3:05:19 PM PDT
To: Christine Crawford <Christine.Crawford@yolocounty.org>
Cc: Midge Schubert <midgeschubert@sbcglobal.net>, Ed Smith <Ed.Smith@yolocounty.org>
Subject: FW: Yolo LAFCO WW CSA Draft Report May 2014

Christine,

The below is a set of comments from Midge Schubert, member of the WW CSA Advisory Committee.

Thank-you,

Regina

Regina G. Espinoza
Manager of County Service Areas and Special Districts
County of Yolo Planning and Public Works Department
292 W. Beamer Street
Woodland CA, 95695
530-666-8725 Direct
530-666-8775 Front Counter

From: Midge Schubert [<mailto:midgeschubert@sbcglobal.net>]
Sent: Monday, June 09, 2014 7:03 AM
To: Regina Espinoza
Subject: Yolo LAFCO WW CSA Draft Report May 2014

Hi Regina,

I have the following recommended changes to the LAFCO draft report. If you concur please forward them to Christine Crawford.

1. Page 19 – headings
 - Water Budget, Water Expenditures not Wastewater Expenditures
 - Golf Course Budget, Golf Course Revenues not Water Revenues
 - Golf Course Budget, Golf Course Expenditures not Wastewater Expenditures
2. Page 21 b) Restricted Funds for arsenic level treatments in Canvas Back well – \$81,343 annually or \$162,686 accumulated for the past two years
3. Page 22 f) The CSA does not currently have any debt. However, the CSA WW Golf Course has a line of credit with KemperSports for approximately \$200,000, which will be paid by June 2015.

Thanks, Midge



LAFCO

Meeting Date: 06/26/2014

Information

SUBJECT

Receive the staff presentation on the Dunnigan County Service Area Municipal Service Review and Sphere of Influence Update (MSR/SOI), open the Public Hearing for comments, close the Public Hearing, find the project is exempt from environmental review and adopt the MSR/SOI.

RECOMMENDED ACTION

1. Receive staff presentation on the Dunnigan County Service Area MSR/SOI.
2. Open the Public Hearing for public comments on this item.
3. Close the Public Hearing.
4. Consider the information presented in the staff report and during the Public Hearing. Discuss and direct staff to make any necessary changes.
5. Find that the project is exempt from environmental review pursuant to CEQA Guidelines Section 15061(b)(3).
6. Adopt the Municipal Service Review and Sphere of Influence Update for the Dunnigan County Service Area.

FISCAL IMPACT

No fiscal impact.

REASONS FOR RECOMMENDED ACTION

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

An MSR is conducted prior to, or in conjunction with, the update of an SOI. LAFCos are required to review agency's SOIs every five years. An MSR evaluates the structure and operations of district services and includes a discussion of the capability and capacity of the district to ensure the provision of municipal services to its existing service area and future growth of the district's boundaries. The SOI indicates the probable future physical boundaries and service area of a district and lays the groundwork for potential future annexations.

Yolo LAFCo staff utilizes a checklist format for MSRs that allows staff to streamline the assessment of each District's municipal services. Based on the findings of the MSR checklist staff can recommend whether a SOI update is warranted. Staff conducted a MSR for the Dunnigan CSA (attached), and recommends that the Commission adopt the expanded SOI for the CSA as described below and in the MSR/SOI.

BACKGROUND

District Profile and Background

Dunnigan County Service Area (CSA) was formed January 8, 1991 as a single function special district responsible for providing street lighting services to the town of Dunnigan. The Yolo County Board of Supervisors governs the Dunnigan CSA, and receives input from a five member advisory committee composed of Dunnigan residents. The CSA is staffed by the Department of Planning and Public Works (PPW), and is billed for the staff time of the CSA Coordinator, finance staff, and County legal counsel when such services are utilized.

The CSA contracts with Pacific Gas and Electric (PG&E) to supply electricity for its public street lighting system, as well as to

install, maintain, and service the light poles across much of the developed area in the community of Dunnigan. Consequently, the CSA does not own or operate any equipment, although it is financially responsible for all one-time installation and ongoing costs associated with maintaining the street lighting network. The CSA largely functions as a pass-through agency, collecting funds from the Dunnigan residents to pay the PG&E bills for the public street lighting service.

The CSA covers over 600 acres of land in northern Yolo County, and its service area includes most of the inhabited and commercial areas in the town of Dunnigan. It is bounded by County Road 6 on the south, County Road 2 on the north, Southern Pacific railroad tracks to the east, and County Road 88 to the west. A map of the service area was included in the MSR. The CSA's sphere of influence is coterminous with its service boundaries, and both have remained the same since the time of its formation.

Municipal Service Overview

MSRs are designed to equip LAFCo with information to guide decision making regarding agency boundaries and the provision of efficient government services. LAFCo has broad discretion regarding the scope of the study including determining the geographic or agency focus of the report and identifying alternatives for improving the efficiency, cost-effectiveness, accountability and reliability of public services.

The MSR determines that there is no expected growth in the community that might impact service delivery until such time as the Dunnigan Specific Plan is approved; there are no issues with disadvantaged unincorporated communities; the Board and Advisory Committees are meeting regularly in compliance with public meeting laws; and there are no opportunities for shared services or cost savings that are not already being utilized. The report does identify several internal CSA issues pertaining to financial management practices and internal communication that might be addressed to improve the overall service delivery of the CSA, but the County appears to be aware of the issues and in some cases has already begun taking actions to address them.

Overall, the MSR finds that the Dunnigan CSA is performing its public lighting responsibilities adequately, although the CSA has expressed some desire to expand its service area and street lighting network due to public safety concerns. Some of the areas the CSA would like to target for street lighting are currently outside its existing boundaries. LAFCo staff is generally supportive of the proposed changes, and believes additional street lighting would be an asset for the community, but does caution that the CSA will likely need to increase its revenues in order to accommodate the proposed expansion in services.

Municipal Service Determinations

The CKH Act requires that MSRs make written determinations on seven topics. Of these seven study areas, LAFCo identified four that might indicate the need for additional action (Growth and Population; Capacity and Adequacy; Financial Ability; and Accountability), such as changes in CSA policy, practices, or organizational structure. The Dunnigan CSA MSR determinations are listed below.

1. Growth and Population

At this time the Dunnigan community is not projected to experience any significant development or growth that might impact the CSA's street lighting service delivery. However, the County of Yolo is currently processing an application for the Dunnigan Specific Plan (SP), which would result in significant development and growth in the Dunnigan community. Since approval of the Specific Plan is uncertain at this time and would trigger a comprehensive evaluation of the delivery of a broad range of new municipal services in the community, for the purposes of this MSR LAFCo has assumed no development under the proposed Specific Plan.

2. Disadvantaged Unincorporated Communities

The Dunnigan CSA does not provide any public services related to sewers, municipal and industrial water, or structural fire protection. Additionally, the Dunnigan community is not considered a disadvantaged unincorporated community, as its median household income is nearly equivalent to the statewide median household income. Therefore, the provisions of SB 244 regarding disadvantaged unincorporated communities do not apply to the Dunnigan CSA.

3. Capacity and Adequacy of Public Facilities and Services

Residents in the Dunnigan community and members of the Dunnigan CSA Advisory Committee have expressed to LAFCo that the existing street lighting is not providing an adequate level of public safety. The Dunnigan CSA Advisory Committee is currently considering increasing the amount of street lighting to better serve the community. In some cases, this expanded lighting is needed in areas outside of the CSA's current boundaries, which will require an initial expansion of the CSA's sphere of influence, and eventually an annexation of additional parcels into the CSA's boundaries. Additionally, residents would like to upgrade the lighting system to include cheaper and more advanced lighting technology, such as LED or solar lights.

LAFCo has no concerns about the CSA's current capacity to offer street lighting services, but does have some concern over the financial capacity of the CSA to support an expanded street lighting network.

Recommendation:

- Prior to expanding services, the CSA should consider undergoing a Proposition 218 election to increase its revenues.

4. Financial Ability

Overall, the Dunnigan CSA seems to be financially stable, but LAFCo does have a few concerns over the revenue levels and overall financial management practices of the CSA. The CSA has had some difficulty operating within its revenues in recent years, and is beginning to consider expanding its service level, which will increase its operating costs even further. If the CSA chooses to expand its services it may need to consider conducting Proposition 218 proceedings to ensure that it receives adequate funding for its services.

The CSA funds also lack a dedicated reserve that can be used during emergencies or unexpected events. If the CSA chooses to undergo Proposition 218 proceedings this may be an opportunity to increase revenues enough to expand its service level, as well as to collect an adequate reserve.

Recommendation:

- CSA staff should consider developing a dedicated reserve for unexpected issues, either by placing some of the balance transfer from the Special Road Maintenance District into a reserve and/or by including a reserve set-aside in future Proposition 218 proceedings.

5. Shared Services and Facilities

LAFCo staff is not aware of any opportunities for shared services or alternate governance options that are not already being utilized, which might reduce costs, increase efficiencies, make excess capacity available to others, or avoid duplicative efforts.

6. Accountability, Structure and Efficiencies

The CSA has frequent, publicly accessible meetings that are well publicized in accordance with the Brown Act. There appear to be no issues with filing advisory committee vacancies. The CSA adopts annual budgets and completes annual audits as part of the county wide financial management policies. There are no recommended changes to the organizations structure that would enhance services or eliminate deficiencies or redundancies in services. There are no overlapping boundaries that confuse the public and cause service inefficiencies.

As the advisory committee is planning some potentially significant changes for the CSA (such as additional lighting, updated technology, expanded boundaries, and increased rates), CSA staff should continue to improve communication with the Advisory Committee. Such projects will require a significant amount of research and logistical implementation that will have to be conducted at the staff level, and communication between staff and the advisory committee will be essential to the success of these efforts.

Recommendations:

- CSA staff should continue working towards improved communications with the CSA Advisory Committee.
- The CSA staff should consider expanding content and use of its website as a method of communication with Dunnigan residents, including posting adopted budgets and third party financial audits.

7. Other Issues

Outreach with multiple Dunnigan CSA stakeholders has not identified any additional issues related to effective or efficient service delivery that might be resolved in this MSR.

Sphere of Influence Overview

Spheres of Influence are intended to indicate the probable physical boundaries and service area of a District, as well as to define any areas where future annexations may occur.

This SOI study proposes that the SOI for the Dunnigan CSA be expanded to better reflect the service needs of the Dunnigan community. The CSA's existing boundaries limit the provision of adequate lighting to the town of Dunnigan, as some of the areas where public lighting would be helpful for the safety and wellbeing of the community are not currently within the CSA's boundary or sphere. Expanding the District's sphere will not allow the District to begin offering services within the new area, but rather, acknowledges that the sphere is an area of land that may make sense to be included within the District's boundaries at some point in the future. If LAFCo approves changes to the sphere the CSA will still be required to go through formal annexation proceedings before it can offer services in the expanded area. Additionally, there is some concern regarding the financial capacity of the CSA to provide expanded services, which will need to be resolved (likely through Proposition 218 proceedings) before an annexation can occur.

Sphere of Influence Determinations

The CKH Act requires that LAFCo provide written determinations regarding five topic areas prior to updating a district's SOI. Of these five study areas, staff did not identify any that might be potentially significant. The Dunnigan CSA SOI determinations are listed below.

1. Present and Planned Land Uses

The proposed SOI for Dunnigan CSA will remain within the established community of Dunnigan, and will not impact orderly patterns of urban development, prime agricultural land, open space, existing community identities, or Census boundaries.

2. Need for Public Facilities and Services

The proposed SOI will remain within the established community of Dunnigan, and will not encourage growth, sprawl, or the conversion of agricultural or open space lands.

3. Capacity and Adequacy of Provided Services

The proposed SOI should allow the Dunnigan CSA to more adequately meet the lighting needs of its community by providing lighting in areas that are currently dark, and often unsafe. However, the CSA may have issues with financial capacity if it chooses to expand its boundaries, which may be resolved through a Proposition 218 proceeding to raise the lighting rates.

4. Social or Economic Opportunities of Interest

There are no inhabited unincorporated communities within the Dunnigan CSA's proposed or current SOI that are considered disadvantaged, as the proposed SOI remains within the established town of Dunnigan, and Dunnigan's median household income is nearly equivalent to the statewide median household income.

5. Disadvantaged Unincorporated Communities

The Dunnigan CSA does not provide any public services related to sewers, municipal and industrial water, or structural fire protection. Therefore, the provisions of SB 244 regarding disadvantaged unincorporated communities do not apply to proposed SOI.

Public Involvement

LAFCo staff has taken several steps to allow for public and stakeholder involvement in the MSR/SOI process for the Dunnigan CSA. While researching the MSR staff conducted outreach with several Dunnigan CSA stakeholders, including the CSA Advisory Committee, staff from the CSA, staff from the Department of Planning and Public Works, local Dunnigan residents, and staff from the District 5 County Supervisor's office.

On May 15, 2014 a "Notice of Availability of Draft MSR/SOI and Public Hearing" was released by LAFCo, which requested written comments from the public and stakeholders.

- Staff received a letter of support from the Dunnigan Fire Protection District (DFPD) stating that the District was supportive of the CSA's work towards increasing lighting in the Dunnigan community, as it will make it easier for the DFPD to see at night.
- Staff received a letter from the Dunnigan CSA Advisory Committee, which focuses largely on the topic of Disadvantaged Unincorporated Communities (DUCs). The letter expresses concern over the determination in the MSR that Dunnigan is not a DUC because the median household income is equivalent to the statewide median household income (this is the formula LAFCo's are required to use to make determinations regarding DUCs by SB 244). The comment letter explains that while the median household income for the community as a whole may indicate that the community is not a DUC, there are areas within the Dunnigan community that might be considered disadvantaged if considered separately. The letter expresses that while DUCs may not be a critical determination in a lighting district MSR, the determination might be used by other agencies in the future regarding other topics (such as the Dunnigan Specific Plan or the current drought). However, staff believes this is not the case. LAFCo's determination regarding the DUC status of a community should only be used by LAFCo. Other agencies impacted by SB 244 will be required to make their own DUC determinations based on the unique parameters set forth in the law for different issues.
- The Dunnigan CSA Advisory Committee letter also states that the Committee is considering forgoing its goal of annexing additional territory due to the high costs of conducting a Proposition 218 election, although the Committee still hopes to add additional lighting within its existing boundaries and upgrade the technology of its existing network. However, the Committee has not revoked its request for an expanded SOI, and staff believes expanding the SOI to coincide with the entire developed Dunnigan community still makes sense.

CEQA

Adopting an expanded SOI boundary is a discretionary action subject to CEQA. However, in this case LAFCo is considering adoption of an expanded SOI merely to facilitate the potential future installation of six streetlights. Therefore, staff recommends that this project is exempt under the general rule that indicates where it can be seen with certainty that there is no possibility that the activity in question may have a significant adverse environmental effect that the project is exempt per CEQA Guidelines Section 15061(b)(3).

Attachments

ATT A-Reso 2014-04

ATT B-Draft MSR/SOI

ATT C-Public Comments

Inbox

Christine Crawford
Tracey Dickinson LAFCO
Christine Crawford
Tracey Dickinson LAFCO
Christine Crawford
Form Started By: Tracey Dickinson
Final Approval Date: 06/17/2014

Reviewed By

Christine Crawford
Tracey Dickinson
Christine Crawford
Tracey Dickinson
Christine Crawford

Date

06/10/2014 02:11 PM
06/10/2014 02:36 PM
06/10/2014 03:03 PM
06/17/2014 01:41 PM
06/17/2014 01:50 PM
Started On: 06/09/2014 02:58 PM

LOCAL AGENCY FORMATION COMMISSION OF YOLO COUNTY

Resolution № 2014-04

**A Resolution Approving the Municipal Service Review and Sphere of Influence
Update for the Dunnigan County Service Area
LAFCo Proceeding S-041**

WHEREAS, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 set forth in Government Code Sections 56000 et seq. governs the organization and reorganization of cities and special districts by local agency formation commissions established in each county, as defined and specified in Government Code Sections 56000 et seq. (unless otherwise indicated all statutory references are to the Government Code); and,

WHEREAS, Section 56425 et seq. provides that the local agency formation commission in each county shall develop and determine the sphere of influence of each local governmental agency within the county, and enact policies designed to promote the logical and orderly development of areas within the spheres of influence, as more fully specified in Sections 56425 et seq.; and,

WHEREAS, Section 56430 requires that local agency formation commissions conduct a municipal service review (MSR) prior to, or in conjunction with, consideration of actions to establish or update a sphere of influence (SOI) in accordance with Sections 56076 and 56425; and,

WHEREAS, in 2013, the Yolo County Local Agency Formation Commission (LAFCo) undertook to conduct a review of the municipal services and sphere of influence of the Dunnigan County Service Area (CSA); and,

WHEREAS, based on the results of the MSR staff has determined that the SOI for the Dunnigan CSA should be expanded to better reflect the service needs of the Dunnigan community as provided in Map A; and,

WHEREAS, staff has reviewed the Municipal Service Review and Sphere of Influence Update pursuant to the California Environmental Quality Act (CEQA) and determined that while adopting an expanded SOI boundary is a discretionary action subject to CEQA, in this case the purpose of the expanded SOI is merely to facilitate the potential future installment of six streetlights. Therefore, staff has determined that this project is exempt under the general rule that indicates where it can be seen with certainty that there is no possibility that the activity in question may have a significant adverse environmental effect that the project is exempt per CEQA Guidelines Section 15061(b)(3); and, based thereon, the Executive Officer prepared a Notice of Exemption; and,

WHEREAS, the Executive Officer set a public hearing for June 26, 2014 for consideration of the environmental review and the draft Municipal Service Review and

Sphere of Influence Update and caused notice thereof to be posted, published and mailed at the times and in the manner required by law at least twenty-one (21) days in advance of the date; and,

WHEREAS, on June 26, 2014, the draft Municipal Service Review and Sphere of Influence Update came on regularly for hearing before LAFCo, at the time and place specified in the Notice; and,

WHEREAS, at said hearing, LAFCo reviewed and considered the Notice of Exemption, the draft Municipal Service Review and Sphere of Influence Update, and the Executive Officer's Report and Recommendations; each of the policies, priorities and factors set forth in Government Code Sections 56430; LAFCo's Guidelines and Methodology for the Preparation and Determination of Municipal Service Reviews and Spheres of Influence; and all other matters presented as prescribed by law; and,

WHEREAS, at that time, an opportunity was given to all interested persons, organizations, and agencies to present oral or written testimony and other information concerning the proposal and all related matters; and,

WHEREAS, the Commission received, heard, discussed, and considered all oral and written testimony related to the sphere update, including but not limited to protests and objections, the Executive Officer's report and recommendations, the environmental documents and determinations and the service review.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED that the Local Agency Formation Commission of Yolo County hereby:

1. States that each of the foregoing recitals is true and correct.
2. Determines that the project is exempt from CEQA pursuant to Section 15061(b)(3) which indicates that where it can be seen with certainty that there is no possibility that the activity in question may have a significant adverse environmental effect that the project is exempt.
3. Adopts Resolution 2014-04 approving the Municipal Service Review and Sphere of Influence Update for the Dunnigan County Service Area as set forth in Exhibit A attached hereto and incorporated herein by this reference, subject to the following findings and recommendations:

FINDINGS

1. Finding: The Project is exempt from CEQA in accordance with CEQA Guidelines Section 15061(b)(3) which indicates that where it can be seen with certainty that there is no possibility that the activity in question may have a significant adverse environmental effect that the project is exempt. A Notice of Exemption will be filed with the County Recorder.

Evidence: In this case the purpose of the expanded SOI is merely to facilitate the potential future installment of six streetlights in areas outside of the CSAs existing boundary. The expanded SOI remains within the developed community of Dunnigan.

2. Finding: Approval of the Municipal Service Review and Sphere of Influence Update is consistent with all applicable state laws and local LAFCo policies.

Evidence: The project was prepared consistent with the requirements in the Cortese-Knox-Hertzberg Act for a MSR/SOI and all applicable Yolo LAFCo policies and adopted Standards for Evaluation. The MSR includes written determinations as required by Section 56430 of the Cortese Knox Hertzberg Local Government Act.

RECOMMENDATIONS

1. Prior to expanding its street lighting services, the CSA should consider undergoing a Proposition 218 election to increase its revenues.
2. CSA staff should consider developing a dedicated reserve for unexpected issues, either by placing some of the balance transfer from the Special Road Maintenance District into a reserve and/or by including a reserve set-aside in future Proposition 218 proceedings.
3. CSA staff should continue working towards improved communications with the CSA Advisory Committee.
4. The CSA staff should consider expanding content and use of its website as a method of communication with Dunnigan residents, including posting adopted budgets and third party financial audits.

PASSED AND ADOPTED by the Local Agency Formation Commission, County of Yolo, State of California, this 26th day of June, 2014, by the following vote:

Ayes:
Noes:
Abstentions:
Absent:

Olin Woods, Chair
Yolo County Local Agency Formation Commission

Attest:

Christine Crawford, Executive Officer
Yolo County Local Agency Formation Commission

Approved as to form:



Robyn Drivon, Commission Counsel

2014

Attachment B

PUBLIC REVIEW DRAFT

MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE STUDY

FOR THE

Dunnigan County Service Area (CSA)





Project Name: MSR/SOI for Dunnigan County Service Area (CSA)

LAFCo Project No. S-042

Conducted By: Yolo Local Agency Formation Commission
625 Court Street, Suite 203
Woodland, CA 95695

Date: 5/15/14

Subject Agency: Dunnigan County Service Area

Agency Address: 292 West Beamer Street
Woodland, CA 95695

Agency Contact Person: Regina Espinoza, County Service Area Manager

Phone Number: (530) 666-8775

Date of Last MSR/SOI Adopted by LAFCo: 2/27/2006

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MSR/SOI BACKGROUND

ROLE AND RESPONSIBILITY OF LAFCO

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, as amended (“CKH Act”) (California Government Code §§56000 et seq.), is LAFCo’s governing law and outlines the requirements for preparing Municipal Service Reviews (MSRs) for periodic Sphere of Influence (SOI) updates. MSRs and SOIs are tools created to empower LAFCo to satisfy its legislative charge of “discouraging urban sprawl, preserving open-space and prime agricultural lands, efficiently providing government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances (§56301). CKH Act Section 56301 further establishes that “one of the objects of the commission is to make studies and to obtain and furnish information which will contribute to the logical and reasonable development of local agencies in each county and to shape the development of local agencies so as to advantageously provide for the present and future needs of each county and its communities.”

Based on that legislative charge, LAFCo serves as an arm of the State; preparing and reviewing studies and analyzing independent data to make informed, quasi-legislative decisions that guide the physical and economic development of the state (including agricultural uses) and the efficient, cost-effective, and reliable delivery of services to residents, landowners, and businesses. While SOIs are required to be updated every five years, they are not time-bound as planning tools by the statute, but are meant to address the “probable physical boundaries and service area of a local agency” (§56076). SOIs therefore guide both the near-term and long-term physical and economic development of local agencies their broader county area, and MSRs provide the near-term and long-term time-relevant data to inform LAFCo’s SOI determinations.

PURPOSE OF A MUNICIPAL SERVICE REVIEW

As described above, MSRs are designed to equip LAFCo with relevant information and data necessary for the Commission to make informed decisions on SOIs. The CKH Act, however, gives LAFCo broad discretion in deciding how to conduct MSRs, including geographic focus, scope of study, and the identification of alternatives for improving the efficiency, cost-effectiveness, accountability, and reliability of public services. The purpose of a Municipal Services Review (MSR) in general is to provide a comprehensive inventory and analysis of the services provided by local municipalities, service areas, and special districts. A MSR evaluates the structure and operation of the local municipalities, service areas, and special districts and discusses possible areas for improvement and coordination. The MSR is intended to provide information and analysis to support a sphere of influence update. A written statement of the study’s determinations must be made in the following areas:

1. Growth and population projections for the affected area;
2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence;
3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence;
4. Financial ability of agencies to provide services;
5. Status of, and opportunities for, shared facilities;

6. Accountability for community service needs, including governmental structure and operational efficiencies; and
7. Any other matter related to effective or efficient service delivery, as required by commission policy.

The MSR is organized according to these determinations listed above. Information regarding each of the above issue areas is provided in this document.

PURPOSE OF A SPHERE OF INFLUENCE

In 1972, LAFCOs were given the power to establish SOIs for all local agencies under their jurisdiction. As defined by the CKH Act, “‘sphere of influence’ means a plan for the probable physical boundaries and service area of a local agency, as determined by the commission” (§56076). SOIs are designed to both proactively guide and respond to the need for the extension of infrastructure and delivery of municipal services to areas of emerging growth and development. Likewise, they are also designed to discourage urban sprawl and the premature conversion of agricultural and open space resources to urbanized uses.

The role of SOIs in guiding the State’s growth and development was validated and strengthened in 2000 when the Legislature passed Assembly Bill (“AB”) 2838 (Chapter 761, Statutes of 2000), which was the result of two years of labor by the Commission on Local Governance for the 21st Century, which traveled up and down the State taking testimony from a variety of local government stakeholders and assembled an extensive set of recommendations to the Legislature to strengthen the powers and tools of LAFCOs to promote logical and orderly growth and development, and the efficient, cost-effective, and reliable delivery of public services to California’s residents, businesses, landowners, and visitors. The requirement for LAFCOs to conduct MSRs was established by AB 2838 as an acknowledgment of the importance of SOIs and recognition that regular periodic updates of SOIs should be conducted on a five-year basis (§56425(g)) with the benefit of better information and data through MSRs (§56430(a)).

Pursuant to Yolo County LAFCO policy an SOI includes an area adjacent to a jurisdiction where development might be reasonably expected to occur in the next 20 years. A MSR is conducted prior to, or in conjunction with, the update of a SOI and provides the foundation for updating it. In Yolo County, a SOI generally has two planning lines. One is the 10-year boundary which includes the area that may likely be annexed within 10 years, while the 20-year boundary is anticipated to accommodate boundary expansions over a 20-year horizon.

LAFCo is required to make five written determinations when establishing, amending, or updating an SOI for any local agency that address the following (§56425(c)):

1. The present and planned land uses in the area, including agricultural and open-space lands.
2. The present and probable need for public facilities and services in the area.
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
4. The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.
5. For an update of an SOI 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.

DISADVANTAGED UNINCORPORATED COMMUNITIES

SB 244 (Chapter 513, Statutes of 2011) made changes to the CKH Act related to “disadvantaged unincorporated communities,” including the addition of SOI determination #5 listed above. Disadvantaged unincorporated communities, or “DUCs,” are inhabited territories (containing 12 or more registered voters) where the annual median household income is less than 80 percent of the statewide annual median household income.

On March 26, 2012, LAFCo adopted a “Policy for the Definition of ‘Inhabited Territory’ for the Implementation of SB 244 Regarding Disadvantaged Unincorporated Communities”, which identified 21 inhabited unincorporated communities for purposes of implementing SB 244.

CKH Act Section 56375(a)(8)(A) prohibits LAFCo from approving a city annexation of more than 10 acres if a DUC is contiguous to the annexation territory but not included in the proposal, unless an application to annex the DUC has been filed with LAFCo. The legislative intent is to prohibit “cherry picking” by cities of tax-generating land uses while leaving out under-served, inhabited areas with infrastructure deficiencies and lack of access to reliable potable water and wastewater services. DUCs are recognized as social and economic communities of interest for purposes of recommending SOI determinations pursuant to Section 56425(c).

ORGANIZATION OF MSR/SOI STUDY

This report has been organized in a checklist format to focus the information and discussion on key issues that may be particularly relevant to the subject agency while providing required LAFCo’s MSR and SOI determinations. The checklist questions are based on the Cortese-Knox-Hertzberg Act, the LAFCo MSR Guidelines prepared by the Governor’s Office of Planning and Research and adopted Yolo LAFCo local policies and procedures. This report provides the following:

- Provides a description of the subject agency;
- Provides any new information since the last MSR and a determination regarding the need to update the SOI;
- Provides MSR and SOI draft determinations for public and Commission review; and
- Identifies any other issues that the Commission should consider in the MSR/SOI.

AGENCY PROFILE

Dunnigan County Service Area (CSA) was formed January 8, 1991 as a single function special district responsible for providing street lighting services to the town of Dunnigan (County of Yolo, 1991). At the time of its formation, the CSA was also given the latent power to provide all services allowable for CSAs by California law, which it may activate by seeking approval of the LAFCo Commission.

The CSA covers over 600 acres of land in northern Yolo County, and its service area comprises most of the inhabited and commercial areas in the town of Dunnigan. It is bounded by County Road 6 on the south, County Road 2 on the north, Southern Pacific railroad tracks to the east, and County Road 88 to the west (refer to the map below for more details). The CSA’s sphere of influence is coterminous with its service boundaries, and both have remained the same since the time of its formation.

executive officer. Per Government Code Section 56014, an affected local agency means any local agency that overlaps with any portion of the subject agency boundary or SOI (included proposed changes to the SOI).

The affected local agencies for this MSR/SOI are:

County/Cities:

- City of Davis
- City of West Sacramento
- City of Winters
- City of Woodland
- County of Yolo

County Service Areas (CSAs)

- Dunnigan CSA

School Districts:

- Davis Joint Unified.
- Esparto Unified
- River Delta Unified
- Washington Unified
- Winters Joint Unified
- Woodland Joint Unified
- Pierce Joint Unified

Special Districts:

- Cemetery District – Mary’s
- Community Service District – Cacheville, Esparto, Knight’s Landing, Madison
- Fire Protection District – Dunnigan
- Sacramento-Yolo Port District
- Reclamation District – 150, 307, 537, 730, 765, 785, 787, 827, 900, 999, 1600, 2035, 2076, 2120
- Yolo County Resource Conservation District
- Water District – Dunnigan

Multi-County Districts:

- Reclamation District – 108 (Colusa), 2068 (Solano), 2093 (Solano)
- Water District – Colusa Basin Drainage
- Sacramento-Yolo Mosquito Vector Control District

MUNICIPAL SERVICE REVIEW

POTENTIALLY SIGNIFICANT MSR DETERMINATIONS

The MSR determinations checked below are potentially significant, as indicated by “yes” or “maybe” answers to the key policy questions in the checklist and corresponding discussion on the following pages. If most or all of the determinations are not significant, as indicated by “no” answers, the Commission may find that a MSR update is not warranted.

- Growth and Population
- Disadvantaged Unincorporated Communities
- Capacity, Adequacy & Infrastructure to Provide Services
- Financial Ability
- Shared Services
- Accountability
- Other

1. GROWTH AND POPULATION

Growth and population projections for the affected area.	YES	MAYBE	NO
a) Is the agency’s territory or surrounding area expected to experience any significant population change or development over the next 5-10 years?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Will population changes have an impact on the subject agency’s service needs and demands?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Will projected growth require a change in the agency’s service boundary?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Discussion:

- a) According to the U.S. Census (2010) the population in the town of Dunnigan was 1,416 in 2010, and the Dunnigan community is not projected to experience significant growth in the near future. In fact, the Yolo County General Plan (2009) projects a population increase of only 2.5 percent between 2013 and 2015 for the Dunnigan community.
- b-c) The County of Yolo is currently processing an application for the Dunnigan Specific Plan (DSP) which would create new development and growth in the Dunnigan community. If the County Board of Supervisors approves the specific plan it will result in a significant expansion of the 3,110-acre community of Dunnigan. If the DSP were to reach full build out as it is currently envisioned it would provide approximately 9,230 additional dwelling units. This would constitute a substantial increase in the size of the Dunnigan community, and would require that additional municipal services be added in the area. While the developers would likely be responsible for building the infrastructure needed to offer an array of municipal services to the community, LAFCo would still need to designate an organization to operate the municipal

services once the infrastructure was in place. The CSA is one possible vehicle for operating additional services in the community, as it already has the latent powers to provide such services and could receive staff support from the County. However, considering the size and scale of the new development proposed, a community services district would likely be preferable.

The Dunnigan Specific Plan is currently mired in significant General Plan policy issues and approval of the Specific Plan is uncertain at this time. Considering that approval of the Specific Plan would trigger a complete reevaluation of the delivery of municipal services and governance structures, this MSR assumes no development under the proposed Specific Plan.

Growth and Population MSR Determination

At this time the Dunnigan community is not projected to experience any significant development or growth that might impact the CSA’s street lighting service delivery. However, the County of Yolo is currently considering an application for a Dunnigan Specific Plan (SP), which would result in significant development and growth in the Dunnigan community, and subsequently a reevaluation of the delivery of municipal services in the community. The Dunnigan SP has not yet been approved by the Yolo County Board of Supervisors, and LAFCo has assumed no development under the proposed Specific Plan until such time as it is formally approved.

2. DISADVANTAGED UNINCORPORATED COMMUNITIES

The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

	YES	MAYBE	NO
a) Does the subject agency provide public services related to sewers, municipal and industrial water, or structural fire protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Are there any “inhabited unincorporated communities” (per adopted Commission policy) within or adjacent to the subject agency’s sphere of influence that are considered “disadvantaged” (80% or less of the statewide median household income)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) If “yes” to both a) and b), it is feasible for the agency to be reorganized such that it can extend service to the disadvantaged unincorporated community (if “no” to either a) or b), this question may be skipped)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Discussion:

a) The Dunnigan CSA does not provide any public services related to sewers, municipal and industrial water, or structural fire protection. The CSA’s only service is public street lighting.

A “yes” response indicates that the agency provides a service that may trigger the provisions of SB 244 and a LAFCo determination regarding any disadvantaged unincorporated communities within or adjacent to the agency’s sphere of influence is required. A “no” response indicates that the provisions of SB 244 would not apply to a SOI update, if applicable.

b) The term “Inhabited Unincorporated Communities” is defined per Commission adopted policy as those areas on the County of Yolo 2030 General Plan Land Use Map (see Figures LU-1B through LU-1H) that contain land use designations that are categorized as Residential by Table LU-6. The communities of Rumsey and West Kentucky are also included in this definition (even though the current land use designations are Agriculture (AG) and Commercial Local (CL) respectively) because their existing uses are residential. These communities are as follows:

Binning Farms	Guinda	Rumsey
Capay	Knights Landing	West Kentucky
Clarksburg	Madison	West Plainfield
Dunnigan	Monument Hills	Willow Oak
El Macero	North Davis Meadows	Willowbank
El Rio Villa	Patwin Road	Yolo
Esparto	Royal Oak	Zamora

Dunnigan is considered an “inhabited unincorporated community”.

According to SB 244 (Chapter 513, Statutes of 2011) disadvantaged unincorporated communities, or “DUCs,” are inhabited territories where the annual median household income is less than 80 percent of the statewide annual median household income.

As established above, the only inhabited unincorporated community within or contiguous to the Dunnigan CSA’s sphere of influence is the town of Dunnigan. Dunnigan has a median household income of \$61,111, which is nearly equivalent to the statewide median household income of \$61,400 (U.S. Census Bureau, 2010). A community is only considered disadvantaged for the purposes of SB 244 if the community has a median household income level at less than 80% of the median statewide income, which means that Dunnigan is not a disadvantaged unincorporated community.

Disadvantaged Unincorporated Communities MSR Determination

The Dunnigan CSA does not provide any public services related to sewers, municipal and industrial water, or structural fire protection. Additionally, the Dunnigan community is not considered a disadvantaged unincorporated community, as its median household income is nearly equivalent to the statewide median household income. Therefore, the provisions of SB 244 regarding disadvantaged unincorporated communities do not apply to the Dunnigan CSA.

3. CAPACITY AND ADEQUACY OF PUBLIC FACILITIES AND SERVICES

Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.

	YES	MAYBE	NO
a) Are there any concerns regarding public services provided by the agency being considered adequate?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

b) Are there any significant infrastructure needs or deficiencies to be addressed?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Are there any deficiencies in agency capacity to meet service needs of existing development within its existing territory?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Are there any issues regarding the agency's capacity to meet the service demand of reasonably foreseeable future growth?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Are there changes in state regulations on the horizon that will require significant facility and/or infrastructure upgrades?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Are there any service needs or deficiencies for disadvantaged unincorporated communities related to sewers, municipal and industrial water, and structural fire protection within or contiguous to the agency's sphere of influence?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

a-b) Residents in the Dunnigan community, particularly the Dunnigan CSA Advisory Committee, have expressed some concerns to LAFCo about an inadequate amount of street lighting in Dunnigan. The Advisory Committee would like to add street lights at road intersections that serve residential and commercial areas, some of which are beyond the CSA's present boundaries. Many of the proposed additions to the Dunnigan CSA's street lighting network stem from concerns over public safety such as increased auto safety at intersections, increased visibility of pedestrians, and the deterrence of criminal activity.

In a Draft Dunnigan CSA Lighting Plan dated March 2014, the advisory committee identifies the following six priorities for additional lighting due to public safety concerns:

1. Road 5 at Road 88A (road is narrow and dangerous)
2. Road 5 at 88B (road is narrow and dangerous)
3. Road 4 at Highway 99W (dangerous corner with poor visibility)
4. Road 89, south of its split from Highway 99 (fast moving traffic in both directions)
5. North of the post office parking lot, on the west side of Highway 99
6. West of I-5 on the south side of Road 4, between Road 88A and Road 88B

In addition to safety concerns, the advisory committee's street lighting plan expresses concerns that the current lighting infrastructure and system do not adequately take advantage of new technologies such as LED lighting and solar panels, which could improve brightness, lengthen bulb life, and reduce overall energy use and costs.

In order to implement the proposed street lighting plan (including adding new lighting and updating the technology used) the CSA will likely need to consider taking several steps aimed at expanding the CSA's service boundary and increasing its revenues.

1. Receive LAFCo approval to expand the CSA's sphere of influence to include the territory the CSA would eventually like to annex.
2. Commission a rate study to determine both the one-time and ongoing revenues, and subsequent rates, which will be necessary to sustain the proposed lighting service improvements.
3. Conduct Proposition 218 proceedings to raise the CSA's rates for lighting service.
4. Conduct proceedings to annex additional land into the CSA service boundaries.

In this MSR/SOI update, LAFCo can only address the CSA's Sphere of Influence. However, LAFCo will need to be involved in any future changes to the agency's service boundaries and LAFCo staff will be available to discuss annexation proceedings when the CSA is ready to begin the process.

As defined by the CKH Act, "sphere of influence" means a plan for the probable physical boundaries and service area of a local agency, as determined by the commission"(\$56076). SOIs are designed to both proactively guide and respond to the need for the extension of infrastructure and delivery of municipal services to areas of emerging growth and development. Expanding a district's sphere does not allow the district to begin offering services within the new area, but rather, acknowledges that the sphere is an area of land that may make sense to be included within the district's boundaries at some point due to growth and development.

Given this definition, and the CSA's mandate to provide public lighting to the community of Dunnigan, it makes sense for LAFCo to consider expanding the CSA's current sphere of influence to include the entire town of Dunnigan (see the sphere of influence study later in this report for further discussion and determinations). The CSA's existing boundaries limit the provision of adequate lighting to the town of Dunnigan, as some of the areas where public lighting would be helpful for the safety and wellbeing of the community are not currently within the CSA's boundary or sphere. If LAFCo approves changes to the CSA's sphere the CSA will still be required to go through formal annexation proceedings before it can offer services in the expanded area.

- c-d) LAFCo does not have any concerns about the capacity of Dunnigan CSA to provide street lighting services to the town of Dunnigan at this time. The service is structured as a simple funding pass-through, and does not require extensive equipment or infrastructure.

However, should the CSA move forward with adding new lighting areas, as proposed in the advisory committee's draft street lighting plan, LAFCo does want to note that financial capacity may become an issue. As evidenced in Section 4 of this MSR, the CSA is barely able to support its existing level of service at its current funding level. In order for the CSA to grow its services and begin using new technology it will first need to carefully consider how such changes will be funded.

- e) LAFCo is not aware of any upcoming State legislative changes pertaining to public street lighting.
- f) The town of Dunnigan is not a disadvantaged unincorporated community, and there are no service needs or deficiencies relating to SB 244 that need to be addressed in this MSR.

Capacity and Adequacy of Public Facilities and Services MSR Determination

Residents in the Dunnigan community and members of the Dunnigan CSA Advisory Committee have expressed to LAFCo that the existing street lighting is not providing an adequate level of public safety. The Dunnigan CSA Advisory Committee is currently considering increasing the amount of street lighting to better serve the community. In some cases, this expanded lighting is needed in areas outside of the CSA's current boundaries, which will require an initial expansion of the CSA's sphere of influence, and eventually an annexation of additional parcels into the CSA's boundaries. Additionally, residents would like to upgrade the lighting system to include cheaper and more advanced lighting technology, such as LED or solar lights.

LAFCo has no concerns about the CSA’s current capacity to offer street lighting services, but does have some concern over the financial capacity of the CSA to support an expanded street lighting network.

Recommendations:

- Prior to expanding services, the CSA should consider undergoing a Proposition 218 election to increase its revenues.

4. FINANCIAL ABILITY			
Financial ability of agencies to provide services.			
	YES	MAYBE	NO
a) Does the organization routinely engage in budgeting practices that may indicate poor financial management, such as overspending its revenues, failing to commission independent audits, or adopting its budget late?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Is the organization lacking adequate reserve to protect against unexpected events or upcoming significant costs?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Is the organization’s rate/fee schedule insufficient to fund an adequate level of service, and/or is the fee inconsistent with the schedules of similar service organizations?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Is the organization unable to fund necessary infrastructure maintenance, replacement and/or any needed expansion?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Is the organization lacking financial policies that ensure its continued financial accountability and stability?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Is the organization’s debt at an unmanageable level?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

- a) The Dunnigan County Service Area routinely adopts and operates an annual budget as part of the larger Yolo County budget process, which is approved by the Yolo County Board of Supervisors. The table below provides a summary of the budget trends for Dunnigan CSA’s expenditures and revenues since the last MSR was completed in 2006. As evidenced by the table, the CSA has not operated within its revenues for four consecutive FYs (08-09 through 12-13), although in the two most recent years the operating deficit was relatively small.

Revenues during the FYs in question have remained stable, and the budgetary troubles appear to be caused by an increase in service related charges. Most noteworthy of these changes is the significant increase in professional and specialized services, which largely represent charges for County staff time. This charge increased from \$697 in FY 08-09 to \$3,559 in FY 09-10, which constitutes an increase of 410%. CSA staff has

stated that this increase is due to a change in Yolo County policy that made all of the CSA’s full cost recovery districts, meaning that staff is required to charge the CSA for all time spent on CSA issues.

Dunnigan County Service Area Budgets							
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Revenues:							
Investment Earnings	464.24	502.92	344.28	134.00	68.83	43.30	20.59
Special Assessments	6,365.35	6,802.00	6,754.50	6,593.00	6,536.00	6,498.00	6,574.00
TOTAL REVENUES	6,829.59	7,304.92	7,098.78	6,727.00	6,604.83	6,541.30	6,594.59
Expenditures:							
Office Expense	0.00	0.00	0.00	262.18	0.00	0.00	0.00
Auditing & Fiscal Services	340.00	357.00	358.00	344.00	344.00	608.00	608.00
Professional & Specialized Services	380.52	697.80	697.61	3,559.80	3,380.14	1,721.84	637.90
Utilities	5,413.70	5,182.93	4,923.65	4,926.54	4,961.97	4,582.85	5,487.01
TOTAL EXPENDITURES	6,134.22	6,237.73	5,979.26	9,092.52	8,686.11	6,912.69	6,732.91
REVENUES LESS EXPENDITURES	695.37	1,067.19	1,119.52	-2,365.52	-2,081.28	-371.39	-138.32
SOURCE: County of Yolo Budget and Revenue Status Reports							
End of Year Fund Balances	10,077.00	11,144.00	12,263.00	9,898.00	7,817.00	7,445.00	7,584.00
SOURCE: Yolo County Financial Statements							

- b) The CSA does not currently have a dedicated reserve, which limits its ability to respond to unexpected issues relating to the CSA’s street lighting system. However, the CSA will receive a fund transfer of approximately \$19,000 during the current FY due to the dissolution of the Dunnigan Special Road Maintenance District. The former District’s remaining balance is being credited to the Dunnigan CSA, and the CSA may choose to spend it however it wishes. One option is for the CSA to place some of these funds in reserve for unexpected events, which would be in keeping with nationwide financial management best practices. The lack of reserve may also be addressed if the CSA chooses to increase its special assessment through Proposition 218 proceedings, as the CSA may include a temporary assessment meant to build an adequate reserve.
- c) The Dunnigan CSA currently collects \$19 per parcel each year to provide its street lighting service. This fee schedule is adequate to support the current level of service, but will be inadequate to support any expanded services. If the CSA chooses to move forward with expanding its service level it will need to consider conducting Proposition 218 proceedings to increase its special assessment for street lighting, but will first need to commission a rate study to determine the expected cost and appropriate rates for providing the service.
- d) All maintenance and replacement of the Dunnigan CSA’s street lighting system is provided by PG&E when necessary, and billed to the CSA.
- e) The Dunnigan CSA is a part of the County of Yolo, and is governed by the Yolo County Board of Supervisors. As such, the CSA is subject to the financial policies that have been adopted by the County, which the County is currently in the process of re-writing to better align with nationwide best practices in financial management.
- f) The CSA does not currently have any debt.

Financial Ability MSR Determination

Overall, the Dunnigan CSA seems to be financially stable, but LAFCo does have a few concerns over the revenue levels and overall financial management practices of the CSA. The CSA has had some difficulty operating within its revenues in recent years, and is beginning to consider expanding its service level, which will increase its operating costs even further. If the CSA chooses to expand its services it may need to consider conducting Proposition 218 proceedings to ensure that it receives adequate funding for its services.

The CSA funds also lack a dedicated reserve that can be used during emergencies or unexpected events. If the CSA chooses to undergo Proposition 218 proceedings this may be an opportunity to increase revenues enough to expand its service level, as well as to collect an adequate reserve.

Recommendations:

- CSA staff should consider developing a dedicated reserve for unexpected issues, either by placing some of the balance transfer from the Special Road Maintenance District into a reserve and/or by including a reserve set-aside in future Proposition 218 proceedings.

5. SHARED SERVICES AND FACILITIES			
Status of, and opportunities for, shared facilities.			
	YES	MAYBE	NO
a) Is the agency currently sharing services or facilities with other organizations? If so, describe the status of such efforts.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Are there any opportunities for the organization to share services or facilities with neighboring or overlapping organizations that are not currently being utilized?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Are there any governance options that may produce economies of scale and/or improve buying power in order to reduce costs?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Are there governance options to allow appropriate facilities and/or resources to be shared, or making excess capacity available to others, and avoid construction of extra or unnecessary infrastructure or eliminate duplicative resources?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

- a) Dunnigan CSA currently contracts with PG&E to supply electricity as well as to install, maintain, and service its light poles. This partnership between the CSA and PG&E is likely the only realistic option for public lighting service provision and maintenance in the community, as the CSA cannot afford to purchase and maintain the equipment necessary to operate on its own.

The CSA also shares many services with the County, which offers the administrative, overhead, and management services necessary to keep the CSA functioning. Additionally, the CSA Coordinator position is shared between the various CSA's in Yolo County, which allows small CSA's who could not independently afford a dedicated staff member to receive the attention and staffing they need to function.

b-d) LAFCo is not aware of any alternate governance options at this time. However, as mentioned in the discussion for 1b), approval of the proposed Dunnigan Specific Plan would trigger a reevaluation of the provision of municipal services in the Dunnigan community and alternate governance options may be appropriate to consider at that time.

Shared Services MSR Determination

LAFCo staff is not aware of any opportunities for shared services or alternate governance options that are not already being utilized, which might reduce costs, increase efficiencies, make excess capacity available to others, or avoid duplicative efforts.

6. ACCOUNTABILITY, STRUCTURE AND EFFICIENCIES

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

	YES	MAYBE	NO
a) Are there any issues with meetings being accessible and well publicized? Any failures to comply with disclosure laws and the Brown Act?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Are there any issues with filling board vacancies and maintaining board members?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Are there any issues with operational efficiencies such as budget development, staff turnover, or decision-making processes?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Is there a lack of regular audits, adopted budgets and public access to these documents?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Are there any recommended changes to the organization's governance structure that will increase accountability and efficiency, enhance services, or eliminate redundancies?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Are there any opportunities to eliminate overlapping boundaries that confuse the public, cause service inefficiencies, unnecessarily increase the cost of infrastructure, exacerbate rate issues and/or undermine good planning practices?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

a-b) The Yolo County Board of Supervisors meets on various Tuesdays in Room 206 of the County Administration Building, where they make decisions regarding the Dunnigan CSA during their regular meeting agendas. The Board is in compliance with public meeting regulations, and all meeting materials (including agendas, minutes, and video recordings) can be accessed on the County's website.

Additionally, the Dunnigan CSA advisory committee meets on the third Tuesday of every month at 7:00pm, and publicly notices their meetings in order to comply with Brown Act regulations and to ensure that meetings are publicly accessible. The committee is currently at its full capacity of five members, and has not had any recent

issues with filling vacancies. However, the committee did report to LAFCo staff that the group was not actively meeting for several years. The committee only began meeting again in September 2013.

- c) At the February 25, 2014 Advisory Committee meeting, several of the members of the Advisory Committee and public expressed concerns to LAFCo regarding the management of the CSA particularly with regards to financial matters. The County's policy shift to a full cost recovery model has left the community feeling unreasonably charged for staff time (see the discussion under item 4a). When the Advisory Committee began actively meeting again in 2013 they requested that the CSA Coordinator no longer attend their meetings in order to realize savings in staff costs.

Senior County staff and representatives of the CSA Advisory Committee have met to discuss and resolve these disagreements, and County staff has made noteworthy efforts to resolve issues with the Dunnigan residents and Advisory Committee. However, the relationship appears to remain strained, and significant efforts are required on the part of the Interim Director of PPW and staff from District 5 Board of Supervisors to keep the relationship with the Dunnigan residents and Advisory Committee intact.

This is particularly noteworthy for the CSA at present, because the advisory committee is planning some significant changes for the CSA (such as additional lighting, updated technology, expanded boundaries, and increased rates). Some of these projects will require a significant amount of research and logistical implementation that will have to be conducted at the staff level, and communication between staff and the advisory committee will be essential to the success of these efforts. LAFCo does not view the current solution, in which the PPW Interim Director and the Deputy Supervisor of BOS District 5 attend Advisory Committee meetings and provide Dunnigan residents with information, as sustainable if the CSA expands its service area, because the Advisory Committee will need the technical expertise of the CSA Coordinator to navigate the Proposition 218 process and annexation process.

- d) The Dunnigan County Service Area is part of the County of Yolo, and is therefore subject to the same financial regulations and practices of the County. The Board of Supervisors routinely adopts a budget for the CSA as part of their annual budget process, the County Auditor-Controller provides financial reports at the close of each FY, and the County also commissions an independent audit each year. This information is all publicly available on the County Auditor-Controller website.

However, the Dunnigan CSA documentation is very difficult to pinpoint in the County's financial documents (such as adopted budgets, financial reports and audits), which often span several hundred pages and dozens of County departments. The CSA webpage currently has very little posted on it, which could instead provide an opportunity to communicate information to the Dunnigan residents. Even at the current funding levels of the CSA, spending minimal staff time maintaining the website could potentially improve communication between CSA/PPW staff and the Dunnigan residents. Additionally, providing adequate financial and operations documentation on the website would increase the overall transparency of the organization. The CSA has stated that it intends to begin providing adopted budgets and third party financial audits on each CSA website beginning in fiscal year 14/15.

- e) LAFCo currently is not aware of any possible changes to the governance structure that would increase accountability, enhance services, or eliminate redundancies. The Advisory Committee inquired about forming a Community Services District (CSD) so that they could have independence from the County and obtain local decision making ability, however, a CSD doesn't appear to be financially viable for a single purpose agency that

provides a pass through function for PG&E bills. Should the County approve the Dunnigan Specific Plan, however, there would be the potential to form a CSD.

- f) LAFCo is not aware of any overlapping boundary issues that confuse the public, cause service inefficiencies, unnecessarily increase the cost of infrastructure, exacerbate rate issues and/or undermine good planning practices. The Dunnigan CSA does have overlapping boundaries with several other special districts, but none offer similar services that would cause potential confusion or conflict.

Accountability, Structure and Efficiencies MSR Determination

The CSA has frequent, publicly accessible meetings that are well publicized in accordance with the Brown Act. There appear to be no issues with filing advisory committee vacancies. The CSA adopts annual budgets and completes annual audits as part of the county wide financial management policies. There are no recommended changes to the organizations structure that would enhance services or eliminate deficiencies or redundancies in services. There are no overlapping boundaries that confuse the public and cause service inefficiencies.

Because the advisory committee is planning some potentially significant changes for the CSA (such as additional lighting, updated technology, expanded boundaries, and increased rates), the CSA should continue to improve communication with the Advisory Committee. Such projects will require a significant amount of research and logistical implementation that will have to be conducted at the staff level, and communication between staff and the advisory committee will be essential to the success of these efforts.

Recommendations:

- CSA staff should continue working towards improved communications with the CSA Advisory Committee.
- The CSA staff should consider expanding content and use of its website as a method of communication with Dunnigan residents, including posting adopted budgets and third party financial audits.

7. OTHER ISSUES

Any other matter related to effective or efficient service delivery, as required by commission policy.

	YES	MAYBE	NO
a) Are there any other service delivery issues that can be resolved by the MSR/SOI process?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

- a) LAFCo staff met with several Dunnigan CSA stakeholders while researching this MSR, including the CSA advisory committee, local Dunnigan residents, staff in Supervisor Chamberlain’s office (the Board member representing District 5) and staff from the PPW Department. None of these parties identified additional service delivery issues that need to be resolved in this MSR.

Other Issues MSR Determination

Outreach with multiple Dunnigan CSA stakeholders has not identified any additional issues related to effective or efficient service delivery that might be resolved in this MSR.



Dunnigan Proposed Sphere of Influence

POTENTIALLY SIGNIFICANT SOI DETERMINATIONS

The SOI determinations below are potentially significant, as indicated by “yes” or “maybe” answers to the key policy questions in the checklist and corresponding discussion on the following pages.

- Present and Planned Land Uses
- Need for Public Facilities and Services
- Capacity and Adequacy of Provide Services
- Social or Economic Communities of Interest
- Disadvantaged Unincorporated Communities

1. PRESENT AND PLANNED LAND USES

The present and planned land uses in the area, including agricultural and open-space lands.

	YES	MAYBE	NO
a) Are there any present or planned land uses in the area that would create the need for an expanded service area?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Would the SOI conflict with planned, orderly and efficient patterns of urban development?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Is there a conflict with the adopted SACOG Metropolitan Transportation Plan/Sustainable Communities Strategy?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Would the SOI result in the loss of prime agricultural land or open space?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Would the SOI impact the identity of any existing communities; e.g. would it conflict with existing postal zones, school, library, sewer, water census, fire, parks and recreation boundaries?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Are there any natural or made-made obstructions that would impact where services can reasonably be extended or should otherwise be used as a logical SOI boundary?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Would the proposed SOI conflict with a Census boundary, such that it would compromise the ability to obtain discrete data?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

- a) As discussed in the MSR, the County is considering a Dunnigan Specific Plan that would potentially create the need for an expanded service area for the CSA. Considering that approval of the Specific Plan would trigger a complete reevaluation of the delivery of municipal services and governance structures, this MSR assumes no development under the proposed Specific Plan.
- b-g) The CSA only provides public street lighting services within an existing community. The proposed SOI will remain within the established community of Dunnigan, and will not impact orderly patterns of urban development, prime agricultural land, open space, existing community identities, or Census boundaries.

Present and Planned Land Uses SOI Determination

The proposed SOI for Dunnigan CSA will remain within the established community of Dunnigan, and will not impact orderly patterns of urban development, prime agricultural land, open space, existing community identities, or Census boundaries.

2. NEED FOR PUBLIC FACILITIES AND SERVICES

The present and probable need for public facilities and services in the area.

	YES	MAYBE	NO
a) Would the SOI conflict with the Commission’s goal to increase efficiency and conservation of resources by providing essential services within a framework of controlled growth?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Would the SOI expand services that could be better provided by a city or another agency?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Does the SOI represent premature inducement of growth or facilitate conversion of agriculture or open space lands?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Does the SOI conflict with the Regional Housing Needs Analysis (RHNA) or other SACOG growth projections?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Are there any areas that should be removed from the SOI because existing circumstances make development unlikely, there is not sufficient demand to support it or important open space/prime agricultural land should be removed from urbanization?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Have any agency commitments been predicated on expanding the agency’s SOI such as roadway projects, shopping centers, educational facilities, economic development or acquisition of parks and open space?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

- a-f) The CSA only provides public street lighting services within an existing community. The proposed SOI will remain within the established community of Dunnigan, and will not encourage growth, sprawl, or the conversion of agricultural or open space lands.

Need for Public Facilities and Services SOI Determination

The proposed SOI will remain within the established community of Dunnigan, and will not encourage growth, sprawl, or the conversion of agricultural or open space lands.

3. CAPACITY AND ADEQUACY OF PROVIDED SERVICES

The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

	YES	MAYBE	NO
a) Are there any issues regarding the agency’s capacity to provide services in the proposed SOI territory?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Are there any issues regarding the agency’s willingness and ability to extend services?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

- a) Currently there are no issues with the CSA’s ability to adequately deliver services. With the proposed extension of services the CSA will have additional financial demands that will need to be addressed. The CSA is aware of these issues, and hopes to eliminate this problem by raising their rates through Proposition 218 proceedings. If the CSA’s Prop 218 efforts fail, it will have to re-assess its financial capacity to expand its services.
- b) The Dunnigan CSA advisory committee is eager to extend public lighting services to an expanded area, and Supervisor Chamberlain’s office (the Board member representing the Dunnigan community) has stated that he is supportive of the proposed changes.

Capacity and Adequacy of Provided Services SOI Determination

The proposed SOI should allow the Dunnigan CSA to more adequately meet the lighting needs of its community by providing lighting in areas that are currently dark, and often unsafe. However, the CSA may have issues with financial capacity if it chooses to expand its boundaries, which may be resolved through a Proposition 218 proceeding to raise the lighting rates.

4. SOCIAL OR ECONOMIC COMMUNITIES OF INTEREST

The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

	YES	MAYBE	NO
a) Are there any “inhabited unincorporated communities” (per adopted Commission policy) within or adjacent to the subject agency’s sphere of influence that are considered “disadvantaged” (same as MSR checklist question 2b)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

- a) As established in section 2b of the MSR, the only inhabited unincorporated community within or contiguous to the Dunnigan CSA’s sphere of influence is the town of Dunnigan. Dunnigan has a median household income of \$61,111, which is nearly equivalent to the statewide median household income of \$61,400 (U.S. Census Bureau,

2010). A community is only considered disadvantaged for the purposes of SB 244 if the community has a median household income level at less than 80% of the median statewide income, which means that Dunnigan is not a disadvantaged unincorporated community.

Social or Economic Communities of Interest SOI Determination

There are no inhabited unincorporated communities within the Dunnigan CSA’s proposed or current SOI that are considered disadvantaged, as the proposed SOI remains within the established town of Dunnigan, and Dunnigan’s median household income is nearly equivalent to the statewide median household income.

5. DISADVANTAGED UNINCORPORATED COMMUNITIES

For an update of an SOI 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.

	YES	MAYBE	NO
a) Does the subject agency provide public services related to sewers, municipal and industrial water or structural fire protection (same as MSR checklist question 2a)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) If yes, does the proposed SOI exclude any disadvantaged unincorporated community (per MSR checklist question 2b) where it either may be feasible to extend services or it is required under SB 244 to be included?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

- a) The Dunnigan CSA does not provide public services related to sewers, municipal and industrial water or structural fire protection, and Dunnigan is not a Disadvantaged Unincorporated Community. Therefore, the MSR did not identify a potentially significant finding related to DUCs.
- b) The proposed SOI does not exclude any disadvantaged unincorporated communities.

Disadvantaged Unincorporated Communities SOI Determination

The Dunnigan CSA does not provide any public services related to sewers, municipal and industrial water, or structural fire protection. Therefore, the provisions of SB 244 regarding disadvantaged unincorporated communities do not apply to proposed SOI.

REFERENCES

- California State Controller. (2013). Special Districts Annual Report FY 11-12. http://www.sco.ca.gov/Files-ARD-Local/LocRep/1112_special_districts.pdf
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- County of Yolo. (1991). *Yolo County Board of Supervisors Resolution 91-7: Resolution Ordering the Formation of the Dunnigan County Service Area.*
- Dunnigan County Service Area Advisory Committee. (2014). *Draft Dunnigan CSA Lighting Plan.*
- Espinoza, R. (2014). County of Yolo Department of Planning and Public Works. *Personal Communication.*
- State of California. *California Government Code, Section 25212.4.*
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- United States Census Bureau. (2010). Dunnigan CDP, California.
http://factfinder2.census.gov/faces/nav/jsf/pages/community_facts.xhtml
- Valenzuela, P. (2014). Board of Supervisors, District 5. *Personal Communication.*

Attachment C

From: [Michael Urlaub](#)
To: [Anita Tatum](#); [Bob Becker](#); [Kelly Strong](#); [Sherri Still](#); [Sherrill Jenkins - Home](#); [Sherrill Jenkins - Work](#); [Tom Watson](#)
Cc: [Chad Hawkins](#); [R-CAO LAFCO](#)
Subject: Dunnigan County Service Area - Lighting District
Date: Thursday, June 05, 2014 12:18:55 PM
Attachments: [PHN-DunniganCSADraftMSR-SOI-1.pdf](#)
[PUBLIC REVIEW DRAFT Dunnigan CSA 2014 MSR-SOI 05.15.14.pdf](#)

Commissioners,

While working on another project, I came across this The Draft Municipal Service Review and Sphere of Influence Update (MSR/SOI) for the Lighting District. I glanced through the documents and it shows the Fire District as an affected agency. I spoke with LAFCO and they don't expect any impact on the Fire District. The Lighting District is trying to expand their planning area/sphere of influence to add more street lights to the Dunnigan Area. I believe this to be a plus to the Fire District because it will make it easier to see at night especially home addresses. Anita, please feel free to chime in if I miss spoke on any of this.

Thanks,

Mike

--

Michael Urlaub
Assistant Fire Chief
Dunnigan Fire Protection District - Station 12
530-724-3515 - Station
707-738-4081 - Mobile

page!

Dunnigan, CA 95937
P.O. Box 76
9 June 14

Yolo LAFCo

625 Court St., Suite 203
Woodland, CA 95695

Comments on DRAFT MSR/SOI update
for Dunnigan Service Area II (Lighting).
from Service Area II Advisory Committee.

1. Special thanks to Christine Crawford
and Tracy Dickinson for their repeated
visits to our Service Area II advisory
committee.

Thanks and genuine appreciation for such
a well organized, complete and instructive
draft. Of special value was the primer on
LAFCo, MSR/SOI and DUCs. Congratulations!

2. As with any draft document there may be
issues not as clearly ^{described} as we may need and
even possibly an error of fact. Most comments
from this writer regard clarity, ^{issues} which may
occur not through your material, but because
of the mindset of the reader!
3. Considering the scenic and productive values
of Yolo County Agriculture many of us,
especially our CSA II advisory committee,

are enthusiastic about the LATCO legislative charge - "Discourage urban sprawl, preserving open space and prime agricultural lands, efficiently providing government services..."

4. As you have noted, our CSA 11 advisory committee and other community members challenge some (perhaps most) of the "professional services" charged in the last 3 or 4 fiscal years against our CSA 11. Because documentation of those charges are (or have been) incomplete or inadequate or perhaps mis-charged. To our parochial view this management is less than efficient, probably not cost effective, and as noted in your PART 6. Accountability, etc, discussion (pages 15, 16 of ^{your} ~~this~~ draft) has lead to strained relations.

As you note in para e) of page 16 the advisory committee would like to transition the CSA to a CSD as soon as ^{possible,} ~~practicable~~. To us the present county CSA management has not been cost effective or cost predictive.

(Has the fire district to Rt 10? Boundary of our Dunnigan Community)

5. Overall in the draft it is not clear when terms "Town of Dunnigan" and Dunnigan community are ^{both} used. To those who have

lived here for a few years there are four parts to The community or even somewhat more. The four are:

1. Old Town, ^{and} Post office Rd 6 commercial cluster
2. Hardwood Subdivision
3. Campers' Inn
4. Road 8/I-5 Complex

small, only a few blocks and less

Old Town is ⁿ north of Rd 6 and east of the rail road tracks. A sub-part that could also be considered another area is the ^{small} ⁿ mainly commercial area south of the post office to include Bill + Kathy's Restaurant. That restaurant and two near-by gas stations are just south of Rd 6. Most of that ^{commercial} ⁿ segment of the community is west of Rd 99. A site of grain elevators is between Rd 99 and the rail road tracks just south of Main St.

The Hardwood subdivision appears to exist because of a subdivision laid out with many ^{ONE} ⁿ acre lots about 1900. It lies north of Rd 5 and south of Rd 2. Most homes are on Rds 88, 88A, 88B, 88C west of I-5. But some homes lie east of I-5 and west of Rd 99A. A few are east of 99A near Rd 4.

page 4

Campers Inn lies between Rd 88 and I-5 about $\frac{3}{4}$ mile south of Rd 2. Until just a couple of weeks ago parking for campers (hence the name) was provided with a pool, once also a 9 hole golf course and park like recreation. About 40 manufactured or mobile homes are represented by dots on ^{map} page 5. ^{of your draft} During the last year a proposal to the county planners would have doubled or tripled the number of units. It appears to have been delayed or withdrawn in the submitted form.

The Road 8/I-5 Complex has a residential park of manufactured homes, club facilities (a "senior" park for those over ~~of~~ the age of 55 years) and a camp ground with parking for R/Vs and a swimming pool. There is a restaurant, a motel and a mini mart north of the residential park (Country Fair Estates). All of this is north of Rd 8, west of Rd 99 and east of I-5. Just south of Rd 8, west of 99 and east of I-5 is a PILOT Truck + auto stop with a Wendy's. Just west of PILOT also south of Rd 8 and east of I-5 is a restaurant called, "The Oasis". Ritchie
South of Pilot is ^{industrial} Pichy Brothers a large equipment and vehicle Auction yard of perhaps 50 acres.

page 5

West of I-5 and ~~south~~^{north} of Rd 8 is an older smaller Truck stop.

This amount of detail is offered to urge some clarity in the term Durnigan Community. Just what part of these areas - or what ^{other} inclusions make up the census tract of 1416¹ people in 2010? What residents provide such income that the average ~~is~~ (median) household income is \$61,111? As a long time resident, perhaps land owners (farmers) in the census tract skew that income median? Perhaps there are relatively wealthy retired people north of the Hardwood Subdivision but south of the County-line road?

The point is that there may be ~~two~~ several disadvantaged unincorporated communities (DUCs) within the Durnigan Community.

One may be the 40 or so homes at The Campers' Inn mobile home community. The threshold of 12 or more registered voters might be met.

The oldest part of the Hardwood Subdivision, south of Rd 4 and north of Rd 5 considering homes on both sides of Roads 88A, 88B and 88C, may also be a DUC within the Durnigan Community.

For the specific MSR/SOI at hand, DUCs may not be significant. However a document as thoroughly prepared as this draft is going to be reviewed by staff in consideration of issues other than a CSA II lighting SOI change. Quite likely authors of subsequent MSRs will review and perhaps cite extensively from it.

The confusion about what is the area of the Dunnigan Community should ~~be~~ ^{encompass} presented on a ~~map~~ Present a map in the MSR/SOI of whatever area is so described.

Although Disadvantaged Unincorporated Communities may not be critical for a lighting CSA their presence or absence within the Dunnigan Community should be resolved. If that is too costly, please work with us to test ~~our~~ ^{our} hypothesis.

Considering agricultural ^{workers} and other workers only marginally employed ^{plus} and reduced employment in this critical drought year the assumption of a \$6,111 ^{median} does not seem credible for ^{several} all of the different sub parts of our community. Median requires an equal number earning more and earning less so it is not skewed by a few very large earners. Was this a 2010 census statistic?

Page 7

After listening to years of discussion - including ^{public} meetings of the Yolo County Board of Supervisors, the reason for their Yolo County General Plan with a city-sized Dunnigan Community (probably a city) was to provide size (capital) adequate to provide services here. It seemed apparent that several supervisors, ^{a Board majority} were convinced the present level of services were inadequate.

With rapidly falling ground water levels in the shallow aquifers serving almost all home wells here, there may be a water emergency ^{this summer} ~~as~~ when dropping water levels ^{would} ~~be~~ no longer ^{be} reached by many pumps. If that happens and descriptions of community wealth are sought (in order to judge an ability to drill ever deeper wells competing with ag wells costing several hundred thousand dollars each) it would be useful to determine now if these disadvantaged unincorporated communities do exist within this larger community. Preliminary data from a monitoring well ~~near~~ ^{near} the County-line Road shows a frightening decline in an important aquifer already this year (an eighty foot drop in three months). This should be ^{noted as} preliminary information. Monthly follow-up is planned.

page 8

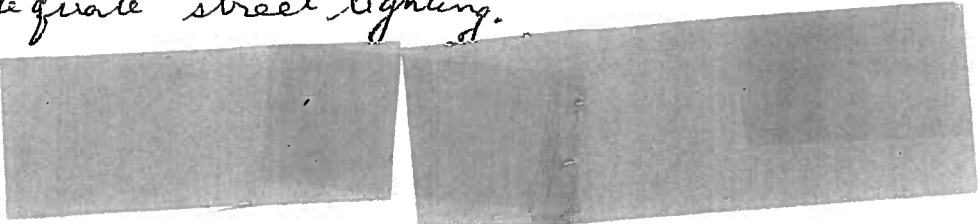
What is the factual error noted in the draft? Please see page 4 Agency Profile and the map of The CSA page 5.

Statement ... "The CSA covers over 600 acres ... and its service area comprises most of the inhabited and commercial areas in the town of Dunnigan."

The statement may be accurate on population. Not ~~so~~ ^{for} ~~the~~ commercial areas in use or planned. Yes there is an auto recycling area (junkyard) along and just west of Rd 99W north of Road 5 and there are concrete silo grain elevators between Rd 99W and the railroad track south of main St.

There was a small (very low volume) store within The Campers' Inn. It closed very recently.

The CSA appears to have been drawn to avoid the commercial areas near ^{the} Rd 6/I-5 intersection. Motels, gas stations and restaurants are not in the lighting area. Presumably they already had adequate street lighting.



Dunnigan, CA 95937
11 ~~At~~ June 2014

To: Yolo LAFCO
625 Court St, Suite 203
Woodland, CA 95695

Attention: Christine Crawford
and Tracey Dickinson

Preliminary

Comments from Dunnigan CSA Advisory Committee #11
were approved last evening. This is a personal letter.

Our meeting with some public participation last evening noted the comments are too long with too much about possible Disadvantaged Unincorporated Communities within the larger community.

They are still included because SB244 of 2011 shows the interest of ^{our state} government in aiding such communities where "sewers, municipal and industrial water or structural fire protection" are concerned. This lighting SOI is simpler but you have provided so much good information that The MSR/SOI Study will be ^{reviewed and} referenced by many interested people.

The statement top of p 4 that on March 26, 2012 LAFCO adopted a policy for the Definition of 'Inhabited Territory' is of interest. But their identification of 21 communities clouds the issue. ~~It~~ There is ~~is~~ ^{is} a template they used to make those 21 identifications, that could be useful in the future. Surely There are ^{NOT} only 21 such communities in all of California!

If there are DUCs within our community we will

An aside: Page 23 top Discussion: a) the determination that the only incorporated community of interest is "The town of Dunnigan" is incomplete. As noted at some length in my discussion, at least two of the sub-communities within the overall community are likely DUCs. This needs to be tested by population and earnings and ^{##}registered voters (which perhaps can increase!).

want to determine that as a fact - not because of the SOI request, but we face a possible domestic water emergency here this summer.

If there are state programs that can help DUCs within our community we need to learn how to access that state help. Drought and other problems lie ahead.

If the SOI would be expanded and an annexation of parcels requires an election, ^{by affected parcel owners,} would the added costs ^{at that time} be worth it? Progress towards a Dunnigan specific plan have been delayed and may not reach completion. But if the specific plan is completed and accepted and an EIR is completed wouldn't development negate some of our concerns?

We look to improve our financial situation by applying more productive new technologies (LED lights & solar panels). That can be done without an SOI change.

Our Advisory Committee for CSA II has not considered a revocation of this request but when we meet again July we can put that on our agenda.

The County may help us buy some new lights and they are working to make the professional advice for our CSA a no cost option. We hope that will work.

Your suggestion of a reserve fund is excellent!
Respectfully,
Erin Louise
Vice Chair CSA II (lighting - Dunnigan)



Regular 7.

LAFCO

Meeting Date: 06/26/2014

Information

SUBJECT

Consider 2014 CALAFCO Board of Director Nominations for a County Member

RECOMMENDED ACTION

1. Determine any nominees for County Member to the 2014 CALAFCO Executive Board.
2. Authorize the Chair to sign a letter of recommendation of support if a nominee(s) is chosen.
3. Designate voting delegate and alternate.

FISCAL IMPACT

CALAFCO Executive Board Members are not reimbursed by the Association. Each LAFCo absorbs the traveling costs for its own member on the Executive Board. The estimated annual traveling costs will vary depending on the location of Board meetings. Board members may participate in meetings via conference call; however, because of the length of Board meetings, those who choose to conference in have a more difficult time participating. The Board meets four to five times each year at alternate sites around the state. The annual cost could range from \$500 to \$1,000 if air travel is required. Sufficient funds can be budgeted for this expense.

REASONS FOR RECOMMENDED ACTION

The CALAFCO Recruitment Committee is accepting nominations to the Executive Board. The office of the County Member is open in the Central Region, where Yolo LAFCo is located. The office of the District Member is also open; however, Special Districts do not have a seat on the Yolo LAFCo.

Nominations are due to the recruitment committee by Monday, September 15, 2014. The election will be conducted during regional caucuses at the CALAFCO annual conference prior to the Annual Membership Meeting on Thursday, October 16, 2014, at the DoubleTree by Hilton in Ontario, CA.

BACKGROUND

The 2014 CALAFCO Board of Directors Election Nomination packet includes an invitation from the Recruitment Committee, details on any changes to the election process, and nomination forms. Electronic ballots will be available for LAFCos that cannot send representatives to the Annual Meeting. According to the Yolo LAFCo Administrative Policies and Procedures, the most senior tenured Regular Commissioner at the conference will be the voting member. Additionally, to accommodate the smaller number of voters in each region, a runoff election will be required in the event of a tie or a non-majority vote.

Any submitted changes in bylaws or other association administrative documents may also be voted upon at the annual conference.

Attachments

[ATT-CALAFCO Board Nomination Packet](#)

Form Review

Inbox

Christine Crawford

Form Started By: Terri Tuck

Final Approval Date: 06/13/2014

Reviewed By

Terri Tuck

Date

06/13/2014 10:20 AM

Started On: 06/13/2014 09:37 AM

12 June 2014

**2013-2014
Board of Directors**

Chair

MARY JANE GRIEGO
Yuba LAFCo

Vice Chair

JOHN LEOPOLD
Santa Cruz LAFCo

Secretary

STEPHEN TOMANELLI
Riverside LAFCo

Treasurer

GAY JONES
Sacramento LAFCo

JULIE ALLEN
Tulare LAFCo

ROBERT BERGMAN
Nevada LAFCo

JAMES CURATALO
San Bernardino LAFCo

LARRY R. DUNCAN
Butte LAFCo

JULIANA INMAN
Napa LAFCo

MICHAEL KELLEY
Imperial LAFCo

DR. WILLIAM KIRBY
Placer LAFCo

MICHAEL R. MCGILL
Contra Costa LAFCo

EUGENE MONTANEZ
Riverside LAFCo

THEODORE NOVELLI
Amador LAFCo

JOSH SUSMAN
Nevada LAFCo

ROGER WELT
Santa Barbara LAFCo

Staff

PAMELA MILLER
Executive Director

MARJORIE BLOM
Executive Officer

CLARK ALSOP
Legal Counsel

STEPHEN LUCAS
Deputy Executive Officer

SAMUEL MARTINEZ
Deputy Executive Officer

DAVID CHURCH
Deputy Executive Officer

JENI TICKLER
Executive Assistant

To: Local Agency Formation Commission
Members and Alternate Members

From: Elliot Mulberg, Committee Chair
Mary Jane Griego, Committee Vice Chair
Board Recruitment Committee
CALAFCO Board of Directors

RE: Nominations for 2014/2015 CALAFCO Board of Directors

CALAFCO



Nominations are now open for the fall elections of the CALAFCO Board of Directors. Serving on the CALAFCO Board is a unique opportunity to work with other commissioners throughout the state on legislative, fiscal and operational issues that affect us all. The Board meets four to five times each year at alternate sites around the state. Any LAFCo commissioner or alternate commissioner is eligible to run for a Board seat.

CALAFCO's Recruitment Committee is accepting nominations for the following seats on the CALAFCO Board of Directors:

Northern Region

City Member
Public Member

Central Region

District Member
County Member

Coastal Region

District Member
County Member

Southern Region

City Member
Public Member

The election will be conducted during regional caucuses at the CALAFCO annual conference prior to the Annual Membership Meeting on Thursday, October 16, 2014 at the DoubleTree by Hilton in Ontario, CA.

Please inform your Commission that the CALAFCO Recruitment Committee is accepting nominations for the above-cited seats until Monday, September 15, 2014.

Incumbents are eligible to run for another term. Nominations received by September 15th will be included in the Recruitment Committee's Report and on the ballot, copies of which will be distributed to LAFCo members October 1 and made available at the Annual Conference. Nominations received after this date will be returned; however, nominations will be permitted from the floor during the Regional Caucuses or during at-large elections, if required, at the Annual Membership Meeting.

For those member LAFCos who cannot send a representative to the Annual Meeting an electronic ballot will be made available if requested in advance. The ballot request must be made no later than Monday, September 15, 2014. Completed absentee ballots must be returned by October 13. If returned by the deadline absentee ballots will be used in the case of a run-off election.

Should your Commission nominate a candidate, the Chair of your Commission must complete the attached Nomination Form and the Candidate's Resume Form, or provide the specified information in another format other than a resume.

Commissions may also include a letter of recommendation or resolution in support of their nominee. ***The nomination forms and materials must be received by the CALAFCO Executive Director no later than Monday, September 15, 2014.***

Here is a summary of the deadlines for this year's nomination process:

- **June 12** – Nomination Announcement and packet sent to LAFCo membership and posted on the CALAFCO website.
- **September 15** – Completed Nomination packet due
- **September 15** – Request for an absentee/electronic ballot
- **October 1** – Distribution of the Recruitment Committee Report (includes all completed/submitted nomination papers)
- **October 1** – Distribution of requested absentee/electronic ballots.
- **October 13** – Absentee ballots due to CALAFCO
- **October 16** - Elections

Returning the nomination form prior to the deadline ensures your nominee is placed on the ballot.

Please forward nominations to:

CALAFCO Recruitment Committee c/o Executive Director
California Association of Local Agency Formation Commissions
1215 K Street, Suite 1650
Sacramento, California 95814
FAX: 916-442-6535

Electronic filing of nomination forms and materials is encouraged to facilitate the recruitment process. Please send e-mails with forms and materials to info@calafco.org. Alternatively, nomination forms and materials can be mailed or faxed to the above address.

Attached please find a copy of the CALAFCO Board of Directors Nomination and Election Procedures. Members of the 2014/2015 CALAFCO Recruitment Committee are:

Chair – Elliot Mulberg elliott@mulberg.com	Associate Member and former CALAFCO Board member 916-217-8393
Vice Chair- Mary Jane Griego mgriego@calafco.org	Yuba LAFCo (Northern Region) 530-749-7510
Julie Allen jallen@calafco.org	Tulare LAFCo (Central Region) 559-288-9411
Juliana Inman jinman@calafco.org	Napa LAFCo (Coastal Region) 707-226-5304
Michael Kelley mkelley@calafco.org	Imperial LAFCo (Southern Region) 760-482-4308

Former CALAFCO Board Member and Associate Member Elliot Mulberg has agreed to once again assist CALAFCO with the election process. We appreciate and value his expertise. Questions about the election process can be directed to him at elliott@mulberg.com or 916-217-8393.

Please consider joining us!
Enclosures

Board of Directors Nomination and Election Procedures and Forms

The procedures for nominations and election of the CALAFCO Board of Directors [Board] are designed to assure full, fair and open consideration of all candidates, provide confidential balloting for contested positions and avoid excessive demands on the time of those participating in the CALAFCO Annual Conference.

The Board nomination and election procedures shall be:

1. APPOINTMENT OF A RECRUITMENT COMMITTEE

- a. Following the Annual Membership Meeting the Board shall appoint a Committee of four members of the Board. The Recruitment Committee shall consist of one member from each region whose term is not ending.
- b. The Board shall appoint one of the members of the Recruitment Committee to serve as Chairman. The CALAFCO Executive Officer shall appoint a CALAFCO staff member to serve as staff for the Recruitment Committee in cooperation with the CALAFCO Executive Director.
- c. Each region shall designate a regional representative to serve as staff liaison to the Recruitment Committee.
- d. Goals of the Committee are to encourage and solicit candidates by region who represent member LAFCoS across the spectrum of geography, size, and urban-suburban-rural population, and to provide oversight of the elections process.

2. ANNOUNCEMENT TO ALL MEMBER LAFCoS

- a. No later than three months prior to the Annual Membership Meeting, the Recruitment Committee Chair shall send an announcement to each LAFCo for distribution to each commissioner and alternate. The announcement shall include the following:
 - i. A statement clearly indicating which offices are subject to the election.
 - ii. A regional map including LAFCoS listed by region.
 - iii. The dates by which all nominations must be received by the Recruitment Committee. The deadline shall be no later than 30 days prior to the opening of the Annual Conference. Nominations received after the closing date shall be returned to the proposing LAFCo marked "Received too late for Nominations Committee action."
 - iv. The names of the Recruitment Committee members with the Committee Chair's LAFCo address and phone number, and the names and contact information for each of the regional representatives.
 - v. The address to send the nominations forms.
 - vi. A form for a Commission to use to nominate a candidate and a candidate resume form of no more than one page each to be completed for each nominee.
- b. No later than four months before the annual membership meeting, the Recruitment Committee Chair shall send an announcement to the Executive Director for distribution to each member LAFCo and for publication in the newsletter and on the website. The announcement shall include the following:

Key Timeframes for Nominations Process	
<u>Days*</u>	
90	Nomination announcement
30	Nomination deadline
14	Committee report released
<small>*Days prior to annual membership meeting</small>	

- i. A statement clearly indicating which offices are subject to the election.
 - ii. The specific date by which all nominations must be received by the Recruitment Committee. Nominations received after the closing dates shall be returned to the proposing LAFCo marked "Received too late for Recruitment Committee action."
 - iii. The names of the Recruitment Committee members with the Committee Chair's LAFCo address and phone number, and the names and contact information for each of the regional representatives.
 - iv. Requirement that nominated individual must be a commissioner or alternate commissioner from a member in good standing within the region.
- c. A copy of these procedures shall be posted on the web site.

3. THE RECRUITMENT COMMITTEE

- a. The Recruitment Committee and the regional representatives have the responsibility to monitor nominations and help assure that there are adequate nominations from each region for each seat up for election. No later than two weeks prior to the Annual Conference, the Recruitment Committee Chair shall distribute to the members the Committee Report organized by regions, including copies of all nominations and resumes, which are received prior to the end of the nomination period.
- b. At the close of the nominations the Recruitment Committee shall prepare regional ballots. Each region will receive a ballot specific to that region. Each region shall conduct a caucus at the Annual Conference for the purpose of electing their designated seats. Caucus elections must be held prior to the annual membership meeting at the conference. The Executive Director or assigned staff along with a member of the Recruitment committee shall tally ballots at each caucus and provide the Recruitment Committee the names of the elected Board members and any open seats. In the event of a tie, the staff and Recruitment Committee member shall immediately conduct a run-off ballot of the tied candidates.
- c. Make available sufficient copies of the Committee Report for each Voting Member by the beginning of the Annual Conference.
- d. Make available blank copies of the nomination forms and resume forms to accommodate nominations from the floor at either the caucuses or the annual meeting (if an at-large election is required).
- e. Advise the Annual Conference Planning Committee to provide "CANDIDATE" ribbons to all candidates attending the Annual Conference.
- f. Post the candidate statements/resumes organized by region on a bulletin board near the registration desk.
- g. Regional elections shall be conducted as described in Section 4 below. The representative from the Recruitment Committee shall serve as the Presiding Officer for the purpose of the caucus election.
- h. Following the regional elections, in the event that there are open seats for any offices subject to the election, the Recruitment Committee Chair shall notify the Chair of the Board of Directors that an at-large election will be required at the annual membership meeting and to provide a list of the number and category of seats requiring an at-large election.

4. ELECTRONIC BALLOT FOR LAFCO IN GOOD STANDING NOT ATTENDING ANNUAL MEETING

Limited to the elections of the Board of Directors

- a. Any LAFCo in good standing shall have the option to request an electronic ballot if there will be no representative attending the annual meeting.
- b. LAFCos requesting an electronic ballot shall do so in writing no later than 30 days prior to the annual meeting.
- c. The Executive Director shall distribute the electronic ballot no later than two weeks prior to the annual meeting.
- d. LAFCo must return the ballot electronically to the executive director no later than three days prior to the annual meeting.
- e. LAFCos voting under this provision may discard their electronic ballot if a representative is able to attend the annual meeting.
- f. LAFCos voting under this provision may only vote for the candidates nominated by the Recruitment Committee.

5. AT THE TIME FOR ELECTIONS DURING THE REGIONAL CAUCUSES OR ANNUAL MEMBERSHIP MEETING

- a. The Recruitment Committee Chairman, another member of the Recruitment Committee, or the Chair's designee (hereafter called the Presiding Officer) shall:
 - i. Review the election procedure with the membership.
 - ii. Present the Recruitment Committee Report (previously distributed).
 - iii. Call for nominations from the floor by category for those seats subject to this election:
 1. For city member.
 2. For county member.
 3. For public member.
 4. For special district member.
- b. To make a nomination from the floor, a LAFCo, which is in good standing, shall identify itself and then name the category of vacancy and individual being nominated. The nominator may make a presentation not to exceed two minutes in support of the nomination.
- c. When there are no further nominations for a category, the Presiding Officer shall close the nominations for that category.
- d. The Presiding Officer shall conduct a "Candidates Forum". Each candidate shall be given time to make a brief statement for their candidacy.
- e. The Presiding Officer shall then conduct the election:
 - i. For categories where there are the same number of candidates as vacancies, the Presiding Officer shall:
 1. Name the nominees and offices for which they are nominated.
 2. Call for a voice vote on all nominees and thereafter declare those unopposed candidates duly elected.

- ii. For categories where there are more candidates than vacancies, the Presiding Officer shall:
 - 1. Poll the LAFCoS in good standing by written ballot.
 - 2. Each LAFCo in good standing may cast its vote for as many nominees as there are vacancies to be filled. The vote shall be recorded on a tally sheet.
 - 3. With assistance from CALAFCO staff, tally the votes cast and announce the results.
- iii. Election to the Board shall occur as follows:
 - 1. The nominee receiving the majority of votes cast is elected.
 - 2. In the case of no majority, the two nominees receiving the two highest number of votes cast shall face each other in a run-off election.
 - 3. In case of tie votes:
 - a. A second run-off election shall be held with the same two nominees.
 - b. If there remains a tie after the second run-off, the winner shall be determined by a draw of lots.
 - 4. In the case of two vacancies, any candidate receiving a majority of votes cast is elected.
 - a. In the case of no majority for either vacancy, the three nominees receiving the three highest number of votes cast shall face each other in a run-off election.
 - b. In the case of no majority for one vacancy, the two nominees receiving the second and third highest number of votes cast shall face each other in a run-off election.
 - c. In the event of a tie, a second run-off election shall be held with the tied nominees. If there remains a tie after the second run-off election the winner shall be determined by a draw of lots.

6. ADDITIONAL PROCEDURES

- a. For categories where there are more candidates than vacancies, names will be listed in the order nominated.
- b. The Recruitment Committee Chair shall announce and introduce all Board Members elected at the Regional Caucuses at the annual business meeting.
- c. In the event that Board seats remain unfilled after a Regional Caucus, an election will be held immediately at the annual business meeting to fill the position at-large. Nominations will be taken from the floor and the election process will follow the procedures described in Section 4 above. Any commissioner or alternate from a member LAFCo may be nominated for at-large seats.
- d. Seats elected at-large become subject to regional election at the expiration of the term. Only representatives from the region may be nominated for the seat.
- e. As required by the Bylaws, the members of the Board shall meet as soon as possible after election of new board members for the purpose of electing officers, determining meeting places and times for the coming year, and conducting any other necessary business.

7. LOSS OF ELECTION IN HOME LAFCO

Board Members and candidates who lose elections in their home office shall notify the Executive Director within 15 days of the certification of the election.

8. FILLING BOARD VACANCIES

Vacancies on the Board of Directors may be filled by appointment by the Board for the balance of the unexpired term. Appointees must be from the same category as the vacancy, and should be from the same region.

These policies and procedures were adopted by the CALAFCO Board of Directors on 12 January 2007 and amended on 9 November 2007, 8 February 2008, 13 February 2009, 12 February 2010, 18 February 2011, and 29 April 2011. They supersede all previous versions of the policies.

CALAFCO Regions



The counties in each of the four regions consist of the following:

Northern Region

Butte
Colusa
Del Norte
Glenn
Humboldt
Lake
Lassen
Mendocino
Modoc
Nevada
Plumas
Shasta
Sierra
Siskiyou
Sutter
Tehama
Trinity
Yuba

CONTACT: Steve Lucas, Butte LAFCo
slucas@buttecounty.net

Southern Region

Orange
Los Angeles
Imperial
Riverside
San Bernardino
San Diego

CONTACT: Sam Martinez,
San Bernardino LAFCo
smartinez@lafco.sbcounty.gov

Coastal Region

Alameda
Contra Costa
Marin
Monterey
Napa
San Benito
San Francisco
San Luis Obispo
San Mateo
Santa Barbara
Santa Clara
Santa Cruz
Solano
Sonoma
Ventura

CONTACT: David Church, San Luis Obispo
LAFCo
dchurch@slolaftco.com

Central Region

Alpine
Amador
Calaveras
El Dorado
Fresno
Inyo
Kern
Kings
Madera
Mariposa
Merced
Mono
Placer
Sacramento
San Joaquin
Stanislaus
Tulare
Tuolumne
Yolo

CONTACT: Marjorie Blom, Stanislaus LAFCo
blomm@stancounty.com

Board of Directors 2014/2015 Nominations Form

Nomination to the CALAFCO Board of Directors

In accordance with the Nominations and Election Procedures of CALAFCO,

_____ LAFCo of the _____ Region

Nominates _____

for the (check one) City County Special District Public

Position on the CALAFCO Board of Directors to be filled by election at the next Annual
Membership Meeting of the Association.

LAFCo Chair

Date

NOTICE OF DEADLINE

Nominations must be received by **September 15, 2014**
to be considered by the Recruitment Committee. Send
completed nominations to:
CALAFCO Recruitment Committee
CALAFCO
1215 K Street, Suite 1650
Sacramento, CA 95814

Board of Directors 2014/2015 Candidate Resume Form

Nominated By: _____ LAFCo Date: _____

Region (please check one): Northern Coastal Central Southern

Category (please check one): City County Special District Public

Candidate Name _____

Address _____

Phone Office _____ Mobile _____

e-mail _____ @ _____

Personal and Professional Background:

LAFCo Experience:

CALAFCO or State-level Experience:

Availability:

Other Related Activities and Comments:

NOTICE OF DEADLINE

Nominations must be received by **September 15, 2014** to be considered by the Recruitment Committee. Send completed nominations to:
CALAFCO Recruitment Committee
CALAFCO
1215 K Street, Suite 1650
Sacramento, CA 95814



Regular 8.

LAFCO

Meeting Date: 06/26/2014

Information

SUBJECT

Discuss and provide staff direction regarding any aspect of the Shared Services Workshop tentatively scheduled to immediately follow the September Meeting, including location, attendees, scope and desired outcomes.

RECOMMENDED ACTION

Discuss and provide staff direction regarding any aspect of the Shared Services Workshop tentatively scheduled to immediately follow the September Meeting, including location, attendees, scope and desired outcomes.

FISCAL IMPACT

The workshop itself will require staff time, which is already budgeted for plus minor expenses such as office supplies and potentially food. Assuming the outcome of the workshop will result in a list of shared services action items, those projects could have fiscal impacts to be determined and acted upon by the Commission at a later date.

REASONS FOR RECOMMENDED ACTION

At the May Commission meeting, staff was directed to organize a Shared Services Workshop to occur sometime before the December meeting. Staff met with Chair Woods and counsel Robyn Drivon for an initial planning discussion to begin roughing out the scope and agenda of the session. Chair Woods requested this be scheduled as a discussion item at the June meeting to help clarify the Commission's expectations for the session.

BACKGROUND

Our understanding is that the Commission is seeking a workshop for the agencies to collectively develop the prioritized list of shared service initiatives to be led by LAFCo.

We are tentatively planning on holding this strategic planning workshop on the same date/time as our regularly scheduled Commission meeting on September 25, 2014 at a different location to facilitate discussion and creative problem-solving, yet centrally located, such as the Woodland Community and Senior Center. We expect the workshop will need to take about 2 hours to have sufficient time to have discussion and come to consensus while being respectful of elected official's full schedules. We would have our regular LAFCo Commission meeting (hopefully short) at the same location and then adjourn to hold the workshop immediately thereafter.

Proposed Date/Time

Following the regular Commission meeting on September 25, 2014 for approximately two hours.

Proposed Location

Woodland Community and Senior Center

Attendees

During the initial discussion with the Chair and counsel, we discussed expanding the attendees beyond the Commission so that all the cities could be represented including the two cities that are currently not regular voting members. There was also discussion that there could be value in expanding the attendees even further to include two council members from each city. Two council members would match the County representation and might facilitate stronger buy-in and agency commitment, although time invested and availability may be an issue.

Another consideration regarding attendees is the city/county managers group. They will be critical in the implementation of the elected officials' vision for shared services. Staff has identified several options for engaging them in the process, including: (1) engaging them prior to the workshop and reporting their needs/interests, (2) inviting them to attend the workshop itself, or (3) conducting the workshop to set the direction and having staff follow up with the managers afterward. A combination of all three

might also be used as a more iterative process.

Proposed Background/Scope for the Workshop

During the Commission discussion regarding the shared services workshop, Commissioner Kristoff mentioned that he wanted to "cherry pick" the list of shared services that LAFCo takes on. Commissioner Rexroad also stated that he didn't want to be "talked at" and seemed to call for a more proactive discussion with tangible outcomes. He went on further to indicate that the workshop should be focused on making decisions and elected officials having a candid discussion of individual agencies' sacrosanct service areas where changes would not likely be considered. Other Commissioners indicated their support for shared services in general and noted that there are other benefits to agencies beyond cost savings.

Therefore, based on this direction staff suggests the following advance work for the session:

- Staff updates the opportunity matrix originally vetted with city/County managers in 2012.
- Develop a short analysis of the issues including pros/cons and value proposition with each potential shared service area.
- Consider any joint studies that don't necessarily involve reorganizing existing services but may help advance the agencies collectively (such as the Yolo Broadband Strategic Plan).
- Summarize and organize the list of potential projects in some organized fashion.

Agenda

For a rough outline of the workshop agenda itself, staff suggests:

1. Brief review of SACOG and Orange County LAFCo's shared service programs and status to date.
2. Explanation of each potential shared service area to be considered.
3. Interactive exercise rating service areas in a manner (such as a graph) which considers the potential for positive impact versus feasibility. This exercise will hopefully demonstrate which projects should be undertaken.
4. Discussion regarding whether these initiatives are appropriate at a local (city or county), county wide (LAFCo) or regional (SACOG) level.
5. Consensus regarding the tentative list of shared service initiatives with priorities assigned.

Staff would use this tentative list to revise LAFCo's Shared Services Strategic Plan accordingly and bring it back to the Commission for adoption at the next regular meeting.

Key Questions:

1. Any feedback on date, time, location and duration?
2. Should attendees be expanded to include: (a) no additional attendees beyond the LAFCo Commission regular voting members, (b) one council member from each city, or (c) two council members from each city?
3. Should we engage the city/county managers before, during, after the workshop, or at multiple points in the process?
4. Does the discussion of the advance prep work meet your expectations? Is there additional information you would like to see?
5. Does the proposed agenda format of the workshop meet your expectations? If not, what should be added/changed?
6. Does staff's proposal meet your expectations for an end product?

Attachments

ATT-LAFCo Shared Services Strategic Plan

Form Review

Inbox

Christine Crawford

Form Started By: Christine Crawford

Final Approval Date: 06/19/2014

Reviewed By

Christine Crawford

Date

06/19/2014 12:33 PM

Started On: 06/12/2014 10:47 AM



Yolo Local Agency Formation Commission Shared Services Strategic Plan December 2012, Updated June 2013

This Shared Services Strategic Plan was adopted by the Yolo LAFCo Commission on December 3, 2012. The Commission directed that this Plan be periodically reviewed and updated as needed or at least every two years.

Shared Services Vision

Yolo LAFCo is a valued, county-wide regional agency, aggressively promoting efficient high-quality government services through collaboration and sharing of resources as illustrated in the attached radial diagram.

Shared Services Values

1. Yolo LAFCo has been requested to lead the Shared Services Initiative by Yolo County and the four cities and will continue to develop shared service improvements with this collective support.
2. A “culture of collaboration” is key to fostering the trust required for shared services to be successful. It is worthwhile for LAFCo to invest its resources in fostering collaboration among our partner agencies.
3. Shared Services is a voluntary effort. LAFCo recognizes that each agency will determine what level of commitment and implementation is appropriate for them.
4. Staff will consult and collaborate with the executive managers of other agencies on shared service issues while ultimate authority and direction regarding LAFCo activities will come from the Commission.
5. LAFCo will assist other agencies in “teeing-up” shared service opportunities; however detailed implementation must be handed off to individual agencies. LAFCo can best assist agencies by keeping its eye on the big picture by analyzing new opportunities without getting over-involved in detailed implementation.
6. LAFCo participation in the review of oversight issues of joint powers agencies is needed in order to maintain quality performance and public trust.
7. LAFCo will utilize its existing tools and processes to evaluate new opportunities for shared services and improved government efficiencies such as the municipal service review (MSR).
8. LAFCo will proactively exercise its statutory mission and authority to initiate agency consolidations and/or dissolutions where appropriate and understands that such change will bring adaptive challenges that must be delicately handled.
9. Effective government service delivery will involve partnerships with agencies at numerous levels: the Sacramento Area Council of Governments (SACOG), school districts, UC Davis, the Yocha Dehe Wintun Nation, special districts, non-profits and potentially agencies in other counties.

Shared Services Goals and Action Items

Goal 1 - LAFCo promotes the most effective forms of government for the common good.

Action 1.1 LAFCo is proactive with its Municipal Service Review process to review an agency's financial ability to provide services and opportunities for shared services and facilities, including possible consolidation of government agencies.

Action 1.2 LAFCo will use the Municipal Service Review process to identify government efficiencies and initiate agency consolidations and/or dissolutions where necessary to "right size" public agencies.

Action 1.3 Following completion of the MSR process, staff aggressively follows up with agencies requiring status updates as necessary regarding their implementation of/compliance with LAFCo recommendations.

Goal 2 - LAFCo actively works to promote shared services that will save agencies money and allow them to either maintain services levels during difficult financial times or even improve service delivery.

Action 2.1 LAFCo evaluates new shared service areas for their potential to maintain or improve services at a reduced cost in order to determine the value of implementation.

Action 2.2 LAFCo leverages its independent status to assist agencies to provide third-party independent analysis in evaluating existing conditions and studying new shared opportunities, such as discussions between the City of Woodland and Yolo County regarding potentially sharing building maintenance and other services.

Action 2.3 Staff facilitates next steps as determined by the Commission to implement shared service opportunities, such as contracting for a transition plan to improve the Yolo County Animal Services program at the most efficient cost to partner agencies.

Goal 3 – LAFCo assists the agencies in providing a framework and/or platform to facilitate shared services.

Action 3.1 – Staff creates agreement framework(s) (JPA, MOU, contract templates, etc.) as appropriate to facilitate shared services among government agencies.

Action 3.2 – LAFCo promotes the creation of a web-based platform to foster information sharing, communication and a clearinghouse for shared services activities.

Goal 4 - Yolo LAFCo fosters and promotes agency collaboration at all levels.

Action 4.1 Yolo LAFCo organizes and promotes regular Yolo Leaders forums with agenda topics/speakers that are of interest and value to elected leaders in all geographic areas of the county and at all agency levels.

Action 4.2 LAFCo promotes shared services at any and all levels, speaking at and coordinating with CALAFCO, the SACOG shared services ad hoc committee, Yolo Non-

Profit Leaders, and others to coordinate and compliment each others' shared service efforts.

Goal 5 - LAFCo acts as a facilitator/convener as requested for appropriate Yolo intra-agency issues.

Action 5.1 Yolo LAFCo acts as a convener for multi-agency joint projects in a coordinating role as appropriate such as the potential agricultural distribution hub project with the City of Winters and Yolo County.

Goal 6 – LAFCo participates in the oversight of existing shared service partnerships implemented through joint powers agreements (JPAs) as needed.

Action 6.1 A draft Shared Services JPA for agency consideration will be structured to allow for consolidation and oversight of existing JPAs as deemed appropriate by the member agencies.

Action 6.2 Training should be provided to newly appointed JPA board members regarding their oversight role and responsibilities.





LAFCO

Meeting Date: 06/26/2014

Information

SUBJECT

Adopt an amendment to the Yolo LAFCo Administrative Policies and Procedures Section 5.7 Contingency Reserve to change the existing policy which recommends an amount equal to 20% of the overall budget be appropriated as contingency to instead allow for a 5% contingency and a 15% reserve; and amend the Final LAFCo Budget for FY 14/15 Account 86-9900 Appropriations for Contingency from \$90,000 to \$22,672 accordingly

RECOMMENDED ACTION

1. Adopt an amendment to the Yolo LAFCo Administrative Policies and Procedures Section 5.7 Contingency Reserve to change the existing policy which recommends an amount equal to 20% of the overall budget be appropriated as contingency to instead allow for a 5% contingency and a 15% reserve.
2. Amend the Final LAFCo Budget for FY 14/15 Account 86-9900 Appropriations for Contingency from \$90,000 to \$22,672 accordingly.

FISCAL IMPACT

None.

REASONS FOR RECOMMENDED ACTION

As a follow up to LAFCo's latest audit process, the Commission adopted Yolo LAFCo Administrative Policies and Procedures in 2012. One of the issues staff included in the policies and procedures was a policy regarding how LAFCo should prepare for contingencies or unforeseen costs, such as litigation. After considering the policies from several other LAFCos, staff recommended including a contingency equal to or greater than 20% of the overall budget in the annual budget, which was subsequently adopted by the Commission. Since the policy was adopted staff has identified several issues with the current practice and would like to revise the policy to better reflect best practices and the needs of Yolo LAFCo. Each year the 20% contingency is appropriated in the annual budget, which skews the overall budget and makes it appear that we are under spending our budget in quarterly reports. Additionally, the contingency is generally not spent over the course of the year, meaning that LAFCo has to "roll over" the funds from one year to the next during the budget process.

Therefore, staff is seeking approval to modify LAFCo's policy to clarify that 15% of these funds will be held in reserve and the other 5% will be appropriated as contingency. The Government Finance Officers Association (GFOA) recommends that public agencies keep 5%-15% in reserve for unforeseen events. LAFCo's total annual budget is relatively small, so it makes sense for LAFCo to use the highest end of this range to ensure that funds are available in the event of significant unforeseen costs. There is no set standard for contingencies and best practices indicate that the size of an agencies contingency should depends on the given particulars and risks of each agency. Staff believes that including a small contingency in the annual budget would be helpful in responding to any unexpected shared services projects that might require contracting with a consultant. If a contingency is not included staff may have to request additional funds from each agency, which is difficult to accomplish mid-year. Staff has considered two possible contingency levels for the FY 14/15 budget, including a 5% contingency (which would equal \$22,672) and a 3% contingency (which would equal \$13,603). Staff recommends a 5% contingency to ensure there are sufficient funds to use if desired by the Commission. In addition, utilizing a 5% contingency keeps the overall budget expenditures the same compared to what was adopted.

After going through the recent budget process, staff intended to make this change for the next budget cycle in FY 15/16. However, staff now realizes there is sufficient time to accomplish that task and it will be beneficial to adjust the budget immediately so that the budget does not appear unnecessarily skewed through FY 14/15.

BACKGROUND

With this change, the adopted FY 14/15 budget that adopted \$90,000 Appropriations for Contingency (Account 86-9900) would be amended to be \$22,672 and the remaining \$67,328 would be held in fund balance. The change would make the accounting cleaner and would have no net effect on the total LAFCo fund. Any changes during the course of the fiscal year to use contingency funds or to appropriate fund balance would require Commission approval.

The following language is recommended to amend the contingency policy:

5.7 CONTINGENCY AND RESERVE

The annual budget should strive to include a contingency ~~reserve~~ equal to ~~or greater than 5%~~ ~~or greater than 5.20%~~ of the overall budget, as determined by the Commission. **An amount equal to 15% of the budget should be held in reserve.** Funds budgeted in the contingency and reserve shall not be used or transferred to any other expense account without prior approval of the Commission.

Attachments

ATT-LAFCo 2014/15 Budget

Form Review

Inbox

Christine Crawford

Form Started By: Christine Crawford

Final Approval Date: 06/18/2014

Reviewed By

Christine Crawford

Date

06/18/2014 03:55 PM

Started On: 06/17/2014 05:28 PM

Option 1 - Does NOT Program Unused Contingency from FY 13/14

Account #	Account Name	FY 13/14 Revenue Budgeted	FY 14/15 Proposed Revenue	Net Change	Agency Apportionment FY 14/15
REVENUES					
82-4100	INTEREST	\$ 1,500	\$ 1,500	\$ -	
82-5820	OTHER GOVT AGENCY-COUNTY	\$ 182,070	\$ 202,767	\$ 20,697	50.00%
82-5821	OTHER GOVT AGENCY-WEST SACRAMENTO	\$ 59,589	\$ 67,728	\$ 8,139	16.70%
82-5822	OTHER GOVT AGENCY-WOODLAND	\$ 54,488	\$ 59,792	\$ 5,304	14.74%
82-5823	OTHER GOVT AGENCY-WINTERS	\$ 5,874	\$ 6,509	\$ 635	1.61%
82-5824	OTHER GOVT AGENCY-DAVIS	\$ 62,120	\$ 68,737	\$ 6,617	16.95%
82-6225	LAFCO FEES	\$ 6,000	\$ 3,000	\$ (3,000)	
82-7600	OTHER SALES				
	FUND BALANCE & CONTINGENCY OFFSET	\$ 74,328	\$ 133,405	\$ 59,077	
					\$ 405,533.00
	TOTAL AGENCY FY 14/15 COST	\$ 364,141	\$ 405,533	\$ 41,392	
	TOTAL OTHER SOURCES	\$ 81,828	\$ 137,905	\$ 56,077	
	TOTAL FINANCING SOURCES	\$ 445,969	\$ 543,438	\$ 97,469	
FUND BALANCE					
	CURRENT FUND BALANCE	\$ 183,405			
	OPEB LIABILITY	\$ (50,000)			Per FY 11/12 Audit
	CONTINGENCY	\$ (90,000)			Contingency 20% per Admin Policy
	OFFSET APPLIED TO 14/15	\$ (43,405)			
	REMAINING FUND BALANCE AVAILABLE	\$ -			

FINAL LAFCO BUDGET - FINANCING USES - SCHEDULE B
FISCAL YEAR 2014/15
FUND NO: 368

Account #	Account Name	FY 2013/14 Adjusted Budget	FY 14/15 Proposed Budget	Net Change	Explanation of Change
SALARIES AND BENEFITS					
86-1101	REGULAR EMPLOYEES	\$ 175,377	\$ 193,000	\$ 17,623	EO Step D to E 5% increase 6/2015*
86-1102	EXTRA HELP			\$ -	Assoc. Mgmt Analyst Step B to C 5% increase 4/2015*
86-1103	OVERTIME			\$ -	* Discretionary annual merit steps
86-1201	RETIREMENT	\$ 33,432	\$ 39,677	\$ 6,245	employees pay full 8% towards retirement
86-1202	OASDI	\$ 12,765	\$ 13,871	\$ 1,106	
86-1203	MEDICARE TAX	\$ 3,085	\$ 3,403	\$ 318	
86-1400	UNEMPLOYMENT INSURANCE	\$ 1,500	\$ 1,500	\$ -	
86-1500	WORKER'S COMPENSATION INSURANCE	\$ 1,500	\$ 1,500	\$ -	
86-1600	CAFETERIA PLAN BENEFITS	\$ 55,769	\$ 61,362	\$ 5,593	includes health, dental, vision, life insurance
86-1999	SALARY ALLOCATION/ADJUSTMENT	\$ (8,096)	\$ (10,227)	\$ (2,131)	reimbursement from County for 1/2 analyst benefits
	TOTAL SALARY & BENEFITS	\$ 275,332	\$ 304,086	\$ 28,754	new 1/2 time analyst
SERVICES AND SUPPLIES					
86-2090	COMMUNICATIONS	\$ 3,000	\$ 3,000	\$ -	
86-2130	FOOD	\$ 500	\$ 350	\$ (150)	
86-2202	INSURANCE - PUBLIC LIABILITY	\$ 1,000	\$ 1,000	\$ -	LAFCo's liability insurance through YCPARMA
86-2271	MAINTENANCE - EQUIPMENT	\$ 500	\$ 500	\$ -	
86-2330	MEMBERSHIPS	\$ 2,900	\$ 3,100	\$ 200	CALAFCO/APA dues increase
86-2360	MISCELLANEOUS	\$ 500	\$ 250	\$ (250)	
86-2390	OFFICE EXPENSE	\$ 1,000	\$ 750	\$ (250)	
86-2391	OFFICE EXPENSE - POSTAGE	\$ 750	\$ 500	\$ (250)	
86-2392	OFFICE EXPENSE - PRINTING	\$ 750	\$ 1,000	\$ 250	
86-2417	IT SERVICES - Dept System Maintenance	\$ 970	\$ 1,048	\$ 78	
86-2418	IT SERVICES - Enterprise/Resource/Planning	\$ 1,242	\$ 1,354	\$ 112	
86-2419	IT SERVICES - Connectivity	\$ 2,696	\$ 3,000	\$ 304	Cost to be finalized before final budget
86-2421	AUDITING & FISCAL SERVICES	\$ 6,000	\$ 6,000	\$ -	Set aside for audit per 3 yr cycle
86-2422	INFORMATION TECH SERVICES	\$ 400	\$ 400	\$ -	GIS Software License
86-2423	LEGAL SERVICES	\$ 10,500	\$ 7,500	\$ (3,000)	
86-2429	PROFESSIONAL & SPECIALIZED SERVICES	\$ 30,000	\$ 80,000	\$ 50,000	Assumes contracting out 2 MSRs @ \$40k each
	PROF SERVICES - SHARED SERVICES (SSP)	\$ 50,000	\$ 20,000	\$ (30,000)	Placeholder - future shared services studies unknown
86-2460	PUBLICATIONS & LEGAL NOTICES	\$ 1,500	\$ 1,500	\$ -	
86-2491	RENTS & LEASES - EQUIPMENT	\$ 1,500	\$ 1,500	\$ -	
86-2495	RECORDS STORAGE "ARCHIVES"	\$ 400	\$ 400	\$ -	
86-2548	TRAINING EXPENSE	\$ 10,000	\$ 12,000	\$ 2,000	New staff + air travel for conferences
86-2610	TRANSPORTATION & TRAVEL	\$ 1,500	\$ 2,000	\$ 500	
86-3102	PAYMENTS TO OTHER GOVT INSTITUTIONS	\$ 1,000	\$ 1,000	\$ -	Costs are charged back to applicants
	TOTAL SERVICES & SUPPLIES	\$ 128,608	\$ 148,152	\$ 19,544	
OTHER FINANCING USES					
86-6110	PC EQUIPMENT REPLACEMENT FUND	\$ 1,200	\$ 1,200	\$ -	Set aside to upgrade 3 computers every 4 yrs
86-9900	APPROPRIATIONS FOR CONTINGENCY	\$ 40,829	\$ 90,000	\$ 49,171	Last FY contingency \$74,328 (budget adjustment)
	TOTAL APPROPRIATIONS	\$ 445,969	\$ 543,438	\$ 97,469	



LAFCO

Meeting Date: 06/26/2014

Information

SUBJECT

A report by the Executive Officer on recent events relevant to the Commission and an update of Yolo LAFCo staff activity for the month. The Commission or any individual Commissioner may request that action be taken on any item listed.

- Shared Services
 - Staff Activity Report - May 19 - June 20, 2014
-

Attachments

[ATT-Staff Activity Report](#)

Form Review

Form Started By: Terri Tuck
Final Approval Date: 06/19/2014

Started On: 06/19/2014 08:41 AM

LAFCo Staff Activity Report May 19 through June 20, 2014

Date	Meeting/Milestone	Comments
05/20/2014	Lunch meeting w/Don Saylor	LAFCo Update
05/23/2014	Shared Services – Yolo Manager's Meeting	Presented update on shared services
05/23/2014	Shared Services – Conference call w/Patty Wong, Cecilia Aguiar-Curry, Tara Thronson & Jarrid Keller (CIO, CA State Library)	Regarding CA Library Assoc. (CLA) Conference Session on Broadband in November.
05/28/2014	Shared Services – Yolo Leaders Forum-Homelessness in Yolo County	Attended
05/29/2014	Shared Services – Connected Capital Area Broadband Consortium w/Cecilia Aguiar-Curry	Attended Broadband Solutions Meeting: Internet, Education & the Common Core Curriculum
05/29/2014	Shared Services – University Downtown Gateway Project (Nishi) Meeting	Attended-Public Outreach
05/30/2014	Shared Services – Yolo Broadband Workgroup Meeting	Facilitated meeting
06/02/2014	Winters/County 2x2	Presented update on broadband
06/04/2014	Meeting w/Kevin Yarris (General Services)	County Space Planning
06/04/2014	Meeting w/Cacheville CSD	Discussed district's MSR/SOI update and process
06/05/2014	Shared Services – Davis/County 2x2	Attended
06/05/2014	Meeting w/Dirk Brazil (CAO)	Discussion on Springlake FPD and West Village property tax revenue issues
06/06/2014	Shared Services – Meeting w/Olin Woods, Robyn Drivon	Planning Meeting for Shared Services Workshop/Retreat
06/12/2014	Shared Services – Meeting w/Mindi Nunes (CAO)	Animal Services RFP
06/13/2014	Shared Services – Yolo Broadband Workgroup Meeting	Facilitated meeting
06/16/2014	UCD Extension Course – Understanding & Resolving Agriculture, Land Use & Development Conflicts	Attended

Date	Meeting/Milestone	Comments
06/17/2014	Shared Services –Call w/Mike McKeever (SACOG)	Shared Services Retreat/Workshop
06/17/2014	Meeting w/Knights Landing CSD	To discuss upcoming MSR/SOI issues and process
06/18/2014	Shared Services – Yolo Leaders Group/Yolo Stewardship w/Patrick Blacklock & Susan Lovenburg (CA Forward)	Attended
06/20/2014	Shared Services – Yolo Manager's Meeting	Presented Shared Services Update



LAFCO

12.

Meeting Date: 06/26/2014

Information

SUBJECT

Public Employee Performance Evaluation
(GC Section 54957)

Position Title: Executive Officer

Public report of action taken in Closed Session (GC§54957.1)

Attachments

No file(s) attached.

Form Review

Form Started By: Terri Tuck
Final Approval Date: 06/11/2014

Started On: 06/11/2014 10:51 AM