

YOLO LOCAL AGENCY FORMATION COMMISSION

Regular Meeting AGENDA

August 22, 2019 - 9:00 a.m.

BOARD OF SUPERVISORS CHAMBERS

625 COURT STREET, SUITE 206
WOODLAND, CALIFORNIA 95695

COMMISSIONERS

OLIN WOODS, CHAIR (PUBLIC MEMBER)
DON SAYLOR, VICE CHAIR (COUNTY MEMBER)
WILL ARNOLD (CITY MEMBER)
GARY SANDY (COUNTY MEMBER)
TOM STALLARD (CITY MEMBER)

ALTERNATE COMMISSIONERS

JIM PROVENZA (COUNTY MEMBER)
RICHARD DeLIBERTY (PUBLIC MEMBER)
BABS SANDEEN (CITY MEMBER)

CHRISTINE CRAWFORD
EXECUTIVE OFFICER

ERIC MAY
COMMISSION COUNSEL

NOTICE:

This agenda has been posted at least five (5) calendar days prior to the meeting in a location freely accessible to members of the public, in accordance with the Brown Act and the Cortese Knox Hertzberg Act. The public may subscribe to receive emailed agendas, notices and other updates by contacting staff at lafco@yolocounty.org.

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. If you wish to submit written material at the hearing, please supply 8 copies.

FPPC - Notice to All Parties and Participants in LAFCo Proceedings

All parties and 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.

Contributions and expenditures for political purposes related to any proposal or proceedings before LAFCo are subject to the reporting requirements of the Political Reform Act and the

regulations of the Fair Political Practices Commission, and must be disclosed to the Commission prior to the hearing on the matter.

CALL TO ORDER

1. Pledge of Allegiance
2. Roll Call
3. Public Comment: Opportunity for members of the public to address the LAFCo Commission on subjects relating to LAFCo purview but not relative to items on this Agenda. The Commission reserves the right to impose a reasonable time limit on any topic or on any individual speaker.

CONSENT AGENDA

4. Approve the LAFCo Meeting Minutes of July 25, 2019
5. Review and file Fiscal Year 2018/19 Fourth Quarter Financial Update
6. Correspondence
7. Approve a revised on-call legal services contract with Colantuono, Highsmith & Whatley, PC
8. Consider the proposed new dues structure for approval at the 2019 CALAFCO Annual Business Meeting

PUBLIC HEARINGS

9. Consider approval of **Resolution 2019-13** adopting the Joint Powers Agency (JPA) Service Review for the Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA) (LAFCo No. S-053)

REGULAR AGENDA

10. Consider a request to authorize the Wild Wings County Service Area to provide Out of Agency Water Service to the Watts-Woodland Airport, and adopt **Resolution 2019-14** subject to the findings and conditions (LAFCo No. 933)

11. Approve the response to the 2018/19 Yolo County Grand Jury Report and adopt a recommended new policy regarding independent third-party analysis for municipal service reviews

EXECUTIVE OFFICER'S REPORT

12. A report by the Executive Officer on recent events relevant to the Commission and an update of the Yolo LAFCo staff activity for the month. The Commission or any individual Commissioner may request that action be taken on any item listed.
 - A. CALAFCO 2019 Conference Announcement
 - B. Long Range Planning Calendar
 - C. EO Activity Report - July 22 through August 16, 2019

COMMISSIONER REPORTS

13. Action items and reports from members of the Commission, including announcements, questions to be referred to staff, future agenda items, and reports on meetings and information which would be of interest to the Commission or the public.

ADJOURNMENT

14. Adjourn to the next Regular LAFCo Meeting on Thursday, September 26, 2019

I declare under penalty of perjury that the foregoing agenda was posted by 5:00 p.m. on Friday, August 16, 2019, at the following places:

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

ATTEST:

Terri Tuck, Clerk
Yolo LAFCo

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 LAFCo, 625 Court Street, Suite 107, Woodland, CA 95695



Consent 4.

LAFCO

Meeting Date: 08/22/2019

Information

SUBJECT

Approve the LAFCo Meeting Minutes of July 25, 2019

RECOMMENDED ACTION

Approve the LAFCo Meeting Minutes of July 25, 2019.

Attachments

DRAFT Minutes 07.25.19

Form Review

Form Started By: Terri Tuck
Final Approval Date: 08/13/2019

Started On: 08/13/2019 02:08 PM

YOLO LOCAL AGENCY FORMATION COMMISSION

MEETING MINUTES

July 25, 2019

The Yolo Local Agency Formation Commission met on the 25th day of July 2019, at 9:00 a.m. in the West Sacramento Civic Center, 1110 West Capitol Avenue, 2nd Floor, West Sacramento CA. Voting members present were Chair and Public Member Olin Woods, County Members Gary Sandy and Don Saylor, and City Members Will Arnold and Tom Stallard. Others present were Alternate Public Member Richard DeLiberty and Alternate City Member Babs Sandeen, Executive Officer Christine Crawford, Clerk Terri Tuck, Counsel Eric May, and Special Counsel Michael Colantuono.

CALL TO ORDER

Chair Woods called the Meeting to order at 9:04 a.m.

Item № 1 Pledge

Tom Stallard led the Pledge of Allegiance.

Item № 2 Roll Call

PRESENT: Arnold, Sandy, Stallard, Woods ABSENT: Saylor

Item № 3 Public Comments

Comments were given by Sheila Johnston, a West Sacramento resident, regarding a recent Yolo County Grand Jury Report.

The Chair asked that copies of LAFCo's initial response to the Report be made available for public review.

Don Saylor arrived at 9:07am

CONSENT

Item № 4 Approve the LAFCo Meeting Minutes of June 27, 2019

Item № 5 Receive Letter of Interest from Patrick McCormick for On-Call LAFCo Services

Minute Order 2019-36: All recommended actions on Consent were approved.

Approved by the following vote:

MOTION: Stallard SECOND: Arnold
AYES: Arnold, Sandy, Saylor, Stallard, Woods
NOES: None
ABSTAIN: None

PUBLIC HEARING

Item No 6 Consider the following proposals regarding Reclamation District governance in the West Sacramento hydrologic basin: 1) City of West Sacramento proposals: Reorganization to detach the City portion of Reclamation District (RD) 537 and establish it as a subsidiary district (LAFCo No. 925) and a Change of Organization to establish RD 900 as a subsidiary district (LAFCo No. 926); and, 2) RD 900 alternative proposal: Reorganization of RD 900 and RD 537 to Provide Flood Protection and Levee Maintenance for the West Sacramento Basin Levee System (LAFCo No. 930)

After an overview report by staff, comments were made by the applicants; Mayor Cabaldon, City of West Sacramento; Dan Ramos, RD 900; and, Tom Ramos, RD 537. The Chair opened the Public Hearing. Speakers included Sheila and Ryan Johnston, Larry, Dani and Kevin Langford, Pat Flint, Martha Guerrero, Christy Jourdan, Matthew Hargrove, Joe DeAnda, Tom McDuffie, Maria Grijalva, Tom Ramos, Dan Ramos, Bill Denton, and Michael Lokteff. The Hearing was closed.

Minute Order 2019-37: The recommended action was approved, adopting **Resolution 2019-10** approving LAFCo Application #926 as follows and with the effective dates stated in the conditions of approval set forth in the resolution:

1. RD 900 is reorganized as a subsidiary district of the City of West Sacramento (Action 1);
2. The portion of RD 537's territory and its SOI within the boundaries of the City of West Sacramento is detached from the district (Action 2);
3. The SOI of RD 900 is amended to include the area detached from RD 537 and RD 537's SOI (i.e. State Maintenance Area 4) (Action 3);
4. RD 537's detached territory, RD 537's SOI, and the balance of RD 900's SOI in the West Sacramento Basin Levee System (excluding the U.S. Army Corp of Engineers' navigation levee and deep-water channel) are annexed into RD 900 (Action 4).
5. This reorganization is subject to the terms and conditions cited in the Resolution; and,
6. The Executive Officer is directed to file a CEQA Notice of Exemption and set the conducting authority protest proceeding on this reorganization.

It was further resolved that LAFCo Application #925 to detach the City portion of RD 537 and establish it as a subsidiary district be denied as unnecessary; and, that LAFCo Application #930 be denied for the reasons stated in the staff report.

Additionally, the Commission, as the conducting authority for this change of organization, delegated authority to the Executive Officer to conduct protest proceedings.

Approved by the following vote:

MOTION: Saylor
 SECOND: Sandy
 AYES: Arnold, Sandy, Saylor, Stallard, Woods
 NOES: None
 ABSTAIN: None

Item № 7 **Consider CALAFCO 2020 Board of Director Nominations for one City Member and one Public Member for the Central Region**

Minute Order 2019-38: Babs Sandeen, Alternate City Member, was nominated to run for a seat on the CALAFCO Board, job and duties permitting.

Ms. Sandeen graciously declined, stating current responsibilities would prevent her from the doing the job proficiently.

Approved by the following vote:

MOTION: Stallard SECOND: Sandy
AYES: Arnold, Sandy, Saylor, Stallard, Woods
NOES: None
ABSTAIN: None

Item № 8 **Consider CALAFCO 2019 Achievement Award Nominations**

Minute Order 2019-39: No action was taken.

Item № 9 **Executive Officer’s Report**

The Commission was given written reports of the Executive Officer’s activities for the period of June 24, 2019 through July 19, 2019, and was verbally updated on recent events relevant to the Commission.

Staff commented on the updated Long Range Planning Calendar, noting the following changes to the August agenda: 1) that the protest hearing for today’s public hearing item would be rescheduled to a later date, citing a request by RD 900 that the protest hearing be at least 90 days, but no more than 135 days from the date of notice of such hearing (§57002(b)); and, 2) a request from the Watts-Woodland Airport for out of agency services from the Wild Wings CSA for municipal water; and 3) LAFCo response to the Yolo County Grand Jury Report.

Item № 10 **Commissioner Reports**

Commissioner Sandy expressed his appreciation to staff for the great work they do keeping the Commission informed.

Commissioner’s Saylor and Arnold commended the Commission for coming to the meeting prepared, informed, and for speaking so eloquently on the subject items before them.

Item № 11 **Adjournment**

Minute Order 2019-40: By order of the Chair, the meeting was adjourned at 11:41 a.m.

The next Regular LAFCo Meeting will be August 22 2019.

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

ATTEST:

Terri Tuck
Clerk to the Commission

Consent 5.

LAFCO

Meeting Date: 08/22/2019

Information

SUBJECT

Review and file Fiscal Year 2018/19 Fourth Quarter Financial Update

RECOMMENDED ACTION

Review and file Fiscal Year 2018/19 Fourth Quarter Financial Update.

FISCAL IMPACT

None.

REASONS FOR RECOMMENDED ACTION

The intent of the quarterly financial report is to provide the Commission with an update on how LAFCo performed financially in the previous quarter as compared to the adopted budget and to discuss any issues as appropriate. The practice was recommended during a previous audit as an additional safeguard to ensure sound financial management, given the small size of the LAFCo staff. In accordance with LAFCo Administrative Policies and Procedures, the Commission adopts the final budget and is authorized to make adjustments as appropriate.

BACKGROUND

The LAFCo FY 2018/19 budget was adopted on May 24, 2018. Overall, the LAFCo budget for FY 2018/19 remained on target, with total revenues for FY 2018/19 at \$459,922 (104.78% of budget) and total expenditures at \$399,022 (84.30% of budget). Staff has added a new Budget Status Summary (attachment A). The Income Statement (attachment B) shows the amount expended for the fourth quarter, the year to date amount and budget, and the percentage of the budget used. The General Ledger Report (attachment C) shows a running balance of all transactions year to date, including both revenue and expenditure amounts.

REVENUES

During the fourth quarter of FY 2018/19, LAFCo received \$1,996 under *Investment Earnings* and \$4,092 under *Charges for Services* for a total of \$6,088

in revenues. Over the entire FY, LAFCo received \$459,922 (or 104.78%) in revenue for FY 2018/19, exceeding its budgeted revenue of \$438,925.

EXPENDITURES

LAFCo expended \$124,064 in the 4th quarter for an overall total expenditure of \$399,022 (84.30% of total budget) for FY 2018/19.

Salary and Employee Benefits

Fourth quarter expenses for *Salaries and Benefits* were \$99,310 for an overall FY total of \$340,685 (97.55% of total budget).

Services and Supplies

LAFCo expended \$22,353 in the 4th quarter for a year end total of \$55,086 (54.77% of budget). Expenses are shown in the attached Budget Status Summary.

Other Charges and Other Financing Uses

LAFCo expended \$2,400 in the 4th quarter under *Payments of Other Government Institutions* for an overall total expenditure of \$3,250 (\$325%). This account is used to pay other agency fees in processing LAFCo proposals. These fees are charged back to the proposal applicant and reimbursed through *Other Charges for Services - LAFCo Fees*. Under *Other Financing Uses, Appropriation for Contingency* was untouched in FY 2018/19.

Attachments

[ATT A-FY18-19 4th QTR Budget Status Summary](#)

[ATT B-FY18-19 4th QTR Income Statement](#)

[ATT C-FY18-19 4th QTR General Ledger](#)

Form Review

Inbox

Christine Crawford

Form Started By: Terri Tuck

Final Approval Date: 08/15/2019

Reviewed By

Christine Crawford

Date

08/14/2019 03:15 PM

Started On: 08/13/2019 02:57 PM

LAFCO BUDGET - 4th QUARTER BUDGET STATUS SUMMARY

FISCAL YEAR 2018/19

Account #	Account Name	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year to Date	FY 18/19 Budget	% Budget
REVENUES								
400700	INVESTMENT EARNINGS-POOL	\$0.00	\$1,653.50	\$2,315.80	\$1,996.16	\$5,965.46	\$ 1,500	397.70%
402010	OTHER GOVT AGENCY-COUNTY	\$216,713.00	\$0.00	\$0.00	\$0.00	\$216,713.00	\$ 216,713	100%
402030	OTHER GOVT AGENCY-WEST SACRAMENTO	\$69,885.00	\$0.00	\$0.00	\$0.00	\$69,885.00	\$ 69,885	100%
402040	OTHER GOVT AGENCY-WOODLAND	\$63,758.00	\$0.00	\$0.00	\$0.00	\$63,758.00	\$ 63,758	100%
402050	OTHER GOVT AGENCY-WINTERS	\$7,078.00	\$0.00	\$0.00	\$0.00	\$7,078.00	\$ 7,078	100%
402060	OTHER GOVT AGENCY-DAVIS	\$0.00	\$75,991.00	\$0.00	\$0.00	\$75,991.00	\$ 75,991	100%
403460	OTH CHRG FR SVC-LAFCO FEES	\$8,400.00	\$4,200.00	\$3,840.04	\$4,091.54	\$20,531.58	\$ 4,000	513.29%
	UNUSED FUND BALANCE FROM PREVIOUS FY						\$ 34,388	
	TOTAL AGENCY COST						\$ 433,425	
	TOTAL OTHER LISTED SOURCES						\$ 39,888	
	TOTAL FINANCING SOURCES	\$ 365,834	\$ 81,845	\$ 6,156	\$ 6,088	\$ 459,922	\$ 438,925	104.78%

LAFCO BUDGET - 4th QUARTER BUDGET STATUS SUMMARY

FISCAL YEAR 2018/19

Account #	Account Name	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year to Date	FY 18/19 Budget	% Budget
SALARIES AND BENEFITS								
500100	REGULAR EMPLOYEES	\$40,076.58	\$55,371.42	\$45,898.80	\$57,718.11	\$199,064.91	\$ 201,567	98.76%
500110	EXTRA HELP	\$1,680.00	\$3,460.00	\$3,510.00	\$6,320.00	\$14,970.00	\$ 20,000	74.85%
500310	RETIREMENT (CALPERS)	\$10,485.59	\$14,491.29	\$12,010.89	\$14,347.23	\$51,335.00	\$ 50,904	100.85%
500320	OASDI	\$2,650.10	\$3,717.88	\$3,196.59	\$4,014.52	\$13,579.09	\$ 13,360	101.64%
500330	FICA/MEDICARE TAX	\$619.77	\$869.51	\$747.60	\$938.83	\$3,175.71	\$ 3,516	90.32%
500340	HEALTH INSURANCE (Life Insurance/EAP)	\$33.00	\$39.00	\$36.00	\$42.00	\$150.00	\$ -	0.00%
500360	OPEB - RETIREE HEALTH INSURANCE	\$3,195.12	\$4,415.75	\$3,659.92	\$4,555.54	\$15,826.33	\$ 18,141	87.24%
500380	UNEMPLOYMENT INSURANCE	\$0.00	\$0.00	\$0.00	\$160.81	\$160.81	\$ 350	45.95%
500390	WORKERS' COMPENSATION INSURANCE	\$441.93	\$0.00	\$0.00	\$0.00	\$441.93	\$ 500	88.39%
500400	OTHER EMPLOYEE BENEFITS	\$9,371.50	\$10,223.46	\$11,173.46	\$11,213.25	\$41,981.67	\$ 40,894	102.66%
	TOTAL SALARY & BENEFITS	\$68,553.59	\$92,588.31	\$80,233.26	\$99,310.29	\$340,685.45	\$ 349,232	97.55%
SERVICES AND SUPPLIES								
501020	COMMUNICATIONS	\$278.47	\$392.73	\$408.56	\$532.83	\$1,612.59	\$ 2,500	64.50%
501030	FOOD	\$83.91	\$84.95	\$100.65	\$43.96	\$313.47	\$ 350	89.56%
501051	INSURANCE-PUBLIC LIABILITY	\$500.00	\$0.00	\$0.00	\$0.00	\$500.00	\$ 500	100.00%
501070	MAINTENANCE-EQUIPMENT	\$0.00	\$152.95	\$121.85	\$264.01	\$538.81	\$ 750	71.84%
501071	MAINTENANCE-BLDG IMPROVEMENT	\$0.00	\$450.00	\$18.75	\$300.00	\$768.75	\$ -	0.00%
501090	MEMBERSHIPS	\$2,805.00	\$0.00	\$0.00	\$2,594.00	\$5,399.00	\$ 3,600	149.97%
501100	MISCELLANEOUS EXPENSE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$ 250	0.00%
501110	OFFICE EXPENSE	\$155.85	\$296.42	\$261.08	\$279.11	\$992.46	\$ 1,250	79.40%
501111	OFFICE EXP-POSTAGE	\$60.00	\$236.49	\$29.00	\$45.10	\$370.59	\$ 250	148.24%
501112	OFFICE EXP-PRINTING	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$ 800	0.00%
501125	IT SERVICES-DPT SYS MAINT (Dept System Maint.)	\$0.00	\$168.00	\$0.00	\$0.00	\$168.00	\$ 2,000	8.40%
501126	IT SERVICES-ERP (Enterprise/Resource/Planning)	\$719.69	\$719.69	\$719.69	\$719.70	\$2,878.77	\$ 2,879	99.99%
501127	IT SERVICES-CONNECTIVITY	\$708.76	\$1,506.11	\$708.75	\$708.75	\$3,632.37	\$ 3,629	100.09%
501151	PROF & SPEC SVC-AUDITG & ACCTG	\$0.00	\$8,215.00	\$0.00	\$0.00	\$8,215.00	\$ 15,000	54.77%
501152	PROF & SPEC SVC-INFO TECH SVC	\$300.00	\$0.00	\$0.00	\$231.00	\$531.00	\$ 1,300	40.85%
501156	PROF & SPEC SVC-LEGAL SVC	\$0.00	\$0.00	\$3,800.00	\$10,678.00	\$14,478.00	\$ 7,000	206.83%
501165	PROF & SPEC SVC-OTHER	\$225.00	\$225.00	\$225.00	\$2,517.06	\$3,192.06	\$ 40,000	7.98%
501180	PUBLICATIONS AND LEGAL NOTICES	\$63.00	\$344.26	\$105.22	\$692.30	\$1,204.78	\$ 1,500	80.32%
501190	RENTS AND LEASES - EQUIPMENT	(\$674.54)	\$2,624.79	\$20.00	\$17.00	\$1,987.25	\$ 2,000	99.36%
501192	RENTS & LEASES-RECRDS STRGE (Archives)	\$0.00	\$0.00	\$0.00	\$967.96	\$967.96	\$ 925	104.64%
501205	TRAINING	\$2,850.00	(\$520.00)	\$930.00	\$403.16	\$3,663.16	\$ 4,200	87.22%
501210	MINOR EQUIPMENT (COMPUTERS)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$ 1,400	0.00%
501250	TRANSPORTATION AND TRAVEL	(\$358.20)	\$2,365.74	\$305.35	\$1,359.53	\$3,672.42	\$ 8,500	43.20%
	TOTAL SERVICES & SUPPLIES	\$7,716.94	\$17,262.13	\$7,753.90	\$22,353.47	\$55,086.44	\$ 100,583	54.77%
OTHER CHARGES								
502201	PAYMENTS TO OTHER GOV INSTITUTIONS	\$50.00	\$800.00	\$0.00	\$2,400.00	\$3,250.00	\$ 1,000	325.00%
	TOTAL OTHER CHARGES	\$50.00	\$800.00	\$0.00	\$2,400.00	\$3,250.00	\$ 1,000	325.00%
OTHER FINANCING USES								
503300	APPROP FOR CONTINGENCY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$ 22,500	0.00%
	TOTAL APPROPRIATIONS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$ 22,500	0.00%
	TOTAL EXPENDITURES	\$ 76,321	\$ 110,650	\$ 87,987	\$ 124,064	\$ 399,022	\$ 473,315	84.30%

Income Statement

GL293 Date 08/12/19
Time 14:31

Company 1000 - YOLO COUNTY
Income Statement
For Period 10 Through 12 Ending June 30, 2019

USD

Item 5-ATT B Page 1

Fiscal Year 2019 Budget 1

6940-0052-02981

6940522981

6940-LAF-LOCAL AGENCY FORMATIO

Account Nbr	Description	Period Amount	Period Budget	Pct Of Budget	Year To Date Amount	Year To Date Budget	Pct Of Budget
NETFUND/POST	NET FUND BALANCE						
REVENUES	REVENUES						
REVUSEMONEY	REVENUE FROM USE OF MONEY AND						
400700-0000	INVESTMENT EARNINGS-POOL	1,996.16-	0.00	0.00	5,965.46-	1,500.00-	397.70
	Total REVENUE FROM USE OF MONE	1,996.16-	0.00	0.00	5,965.46-	1,500.00-	397.70
INTGOVREVENU	INTERGOVERNMENTAL REVENUES						
OTHRGOVAGNCY	OTHER GOVERNMENTAL AGENCIES						
402010-0001	OTHR GOVT AGENCY-OTH CO-CITYS	0.00	0.00	0.00	216,713.00-	216,713.00-	100.00
402030-0001	OTHR GOVT AGENCY-WEST SAC	0.00	0.00	0.00	69,885.00-	69,885.00-	100.00
402040-0001	OTHR GOVT AGCY-WOODLAND	0.00	0.00	0.00	63,758.00-	63,758.00-	100.00
402050-0001	OTHR GOVT AGCY-WINTERS	0.00	0.00	0.00	7,078.00-	7,078.00-	100.00
402060-0001	OTHR GOVT AGCY-DAVIS	0.00	0.00	0.00	75,991.00-	75,991.00-	100.00
	Total OTHER GOVERNMENTAL AGENC	0.00	0.00	0.00	433,425.00-	433,425.00-	100.00
	Total INTERGOVERNMENTAL REVENU	0.00	0.00	0.00	433,425.00-	433,425.00-	100.00
CHG FOR SVCS	CHARGES FOR SERVICES						
403460-0000	OTH CHRG FR SVC-LAFCO FEE	4,091.54-	0.00	0.00	20,531.58-	4,000.00-	513.29
	Total CHARGES FOR SERVICES	4,091.54-	0.00	0.00	20,531.58-	4,000.00-	513.29
	Total REVENUES	6,087.70-	0.00	0.00	459,922.04-	438,925.00-	104.78
EXPENDITURES	EXPENDITURES						
SALARY&BEN	SALARIES AND EMPLOYEE BENEFITS						
SALARY&WAGES	SALARY AND WAGES						
500100-0000	REGULAR EMPLOYEES	57,718.11	0.00	0.00	199,064.91	201,567.00	98.76
500110-0000	EXTRA HELP	6,320.00	0.00	0.00	14,970.00	20,000.00	74.85
	Total SALARY AND WAGES	64,038.11	0.00	0.00	214,034.91	221,567.00	96.60
EMPBENEFITS	EMPLOYEE BENEFITS						
500310-0000	RETIREMENT	14,347.23	0.00	0.00	51,335.00	50,904.00	100.85
500320-0000	OASDI	4,014.52	0.00	0.00	13,579.09	13,360.00	101.64
500330-0000	FICA/MEDICARE	938.83	0.00	0.00	3,175.71	3,516.00	90.32
500340-0000	HEALTH INSURANCE	42.00	0.00	0.00	150.00	0.00	0.00
500360-0000	OPEB - RETIREE HEALTH INSURANC	4,555.54	0.00	0.00	15,826.33	18,141.00	87.24
500380-0000	UNEMPLOYMENT INSURANCE	160.81	0.00	0.00	160.81	350.00	45.95
500390-0000	WORKERS' COMP INSURANCE	0.00	0.00	0.00	441.93	500.00	88.39
500400-0000	OTHER EMPLOYEE BENEFITS	11,213.25	0.00	0.00	41,981.67	40,894.00	102.66
	Total EMPLOYEE BENEFITS	35,272.18	0.00	0.00	126,650.54	127,665.00	99.21
	Total SALARIES AND EMPLOYEE BE	99,310.29	0.00	0.00	340,685.45	349,232.00	97.55
SERVSUPPLIES	SERVICES AND SUPPLIES						
501020-0000	COMMUNICATIONS	532.83	0.00	0.00	1,612.59	2,500.00	64.50
501030-0000	FOOD	43.96	0.00	0.00	313.47	350.00	89.56
501051-0000	INSURANCE-PUBLIC LIABILITY	0.00	0.00	0.00	500.00	500.00	100.00
501070-0000	MAINTENANCE-EQUIPMENT	264.01	0.00	0.00	538.81	750.00	71.84
501071-0000	MAINTENANCE-BLDG IMPROVEMENT	300.00	0.00	0.00	768.75	0.00	0.00
501090-0000	MEMBERSHIPS	2,594.00	0.00	0.00	5,399.00	3,600.00	149.97
501100-0000	MISCELLANEOUS EXPENSE	0.00	0.00	0.00	0.00	250.00	0.00
501110-0000	OFFICE EXPENSE	279.11	0.00	0.00	992.46	1,250.00	79.40
501111-0000	OFFICE EXP-POSTAGE	45.10	0.00	0.00	370.59	250.00	148.24
501112-0000	OFFICE EXP-PRINTING	0.00	0.00	0.00	0.00	800.00	0.00
501125-0000	IT SERVICE-DPT SYS MAINT	0.00	0.00	0.00	168.00	2,000.00	8.40
501126-0000	IT SERVICE-ERP	719.70	0.00	0.00	2,878.77	2,879.00	99.99

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6940-0052-02981

6940522981

6940-LAF-LOCAL AGENCY FORMATIO

Account Nbr	Description	Period Amount	Period Budget	Pct Of Budget	Year To Date Amount	Year To Date Budget	Pct Of Budget
501127-0000	IT SERVICE-CONNECTIVITY	708.75	0.00	0.00	3,632.37	3,629.00	100.09
501151-0000	PROF & SPEC SVC-AUDITG & ACCTG	0.00	0.00	0.00	8,215.00	15,000.00	54.77
501152-0000	PROF & SPEC SVC-INFO TECH SVC	231.00	0.00	0.00	531.00	1,300.00	40.85
501156-0000	PROF & SPEC SVC-LEGAL SVC	10,678.00	0.00	0.00	14,478.00	7,000.00	206.83
501165-0000	PROF & SPEC SVC-OTHER	2,517.06	0.00	0.00	3,192.06	40,000.00	7.98
501180-0000	PUBLICATIONS AND LEGAL NOTICES	692.30	0.00	0.00	1,204.78	1,500.00	80.32
501190-0000	RENTS AND LEASES - EQUIPMENT	17.00	0.00	0.00	1,987.25	2,000.00	99.36
501192-0000	RENTS & LEASES-RECRDS STORAGE	967.96	0.00	0.00	967.96	925.00	104.64
501205-0000	TRAINING	403.16	0.00	0.00	3,663.16	4,200.00	87.22
501210-0000	MINOR EQUIPMENT	0.00	0.00	0.00	0.00	1,400.00	0.00
501250-0000	TRANSPORTATION AND TRAVEL	1,359.53	0.00	0.00	3,672.42	8,500.00	43.20
	Total SERVICES AND SUPPLIES	22,353.47	0.00	0.00	55,086.44	100,583.00	54.77
OTHERCHARGES	OTHER CHARGES						
502201-0000	PAYMENTS TO OTH GOV INSTITUTIO	2,400.00	0.00	0.00	3,250.00	1,000.00	325.00
	Total OTHER CHARGES	2,400.00	0.00	0.00	3,250.00	1,000.00	325.00
CONTINGENCY	APPROPRIATION FOR CONTINGENCIE						
503300-0000	APPROPRIATION FOR CONTINGENCY	0.00	0.00	0.00	0.00	22,500.00	0.00
	Total APPROPRIATION FOR CONTIN	0.00	0.00	0.00	0.00	22,500.00	0.00
	Total EXPENDITURES	124,063.76	0.00	0.00	399,021.89	473,315.00	84.30
	Total NET FUND BALANCE	117,976.06	0.00	0.00	60,900.15-	34,390.00	177.09-

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Posting	Sy	Pd	Journal/Seq	Inco	Transaction Desc	Activity	Catg	Debit	Credit	Balance
			Account	400700-0000	INVESTMENT EARNINGS-POOL				Begin Balance	3,969.30-
04/01/19	GL	10 N	780-00	1000	Q3 TREASURY FEES			148.58		3,820.72-
04/01/19	GL	10 N	780-00	1000	Q3 TREASURY FEES			.06		3,820.66-
04/01/19	GL	10 N	784-00	1000	Q3 TREASURY INTEREST				2,143.87	5,964.53-
04/01/19	GL	10 N	784-00	1000	Q3 TREASURY INTEREST				.93	5,965.46-
			Total Activity		Account			148.64	2,144.80	
			Account	400700-0000	INVESTMENT EARNINGS-POOL				End Balance	5,965.46-
			Account	402010-0001	OTHR GOVT AGENCY-OTH CO-CITYS				Begin Balance	216,713.00-
			402010-0001		OTHR GOVT AGENCY-OTH CO-CITYS				End Balance	216,713.00-
			Account	402030-0001	OTHR GOVT AGENCY-WEST SAC				Begin Balance	69,885.00-
			402030-0001		OTHR GOVT AGENCY-WEST SAC				End Balance	69,885.00-
			Account	402040-0001	OTHR GOVT AGCY-WOODLAND				Begin Balance	63,758.00-
			402040-0001		OTHR GOVT AGCY-WOODLAND				End Balance	63,758.00-
			Account	402050-0001	OTHR GOVT AGCY-WINTERS				Begin Balance	7,078.00-
			402050-0001		OTHR GOVT AGCY-WINTERS				End Balance	7,078.00-
			Account	402060-0001	OTHR GOVT AGCY-DAVIS				Begin Balance	75,991.00-
			402060-0001		OTHR GOVT AGCY-DAVIS				End Balance	75,991.00-
			Account	403460-0000	OTH CHRG FR SVC-LAFCO FEE				Begin Balance	16,440.04-
04/23/19	CB	10 N	96-00	1000	#927 ECSD Annex Bal				637.46	17,077.50-
05/31/19	GL	11 N	77-00	1000	931-ECSD SOI/AnnexEs				3,454.08	20,531.58-
			Total Activity		Account				4,091.54	
			Account	403460-0000	OTH CHRG FR SVC-LAFCO FEE				End Balance	20,531.58-
			Account	500100-0000	REGULAR EMPLOYEES				Begin Balance	141,346.80
04/05/19	PR	10 N	2-00	1000	Expense accrual			953.62		142,300.42
04/05/19	PR	10 N	2-00	1000	Expense accrual			1,634.79		143,935.21
04/05/19	PR	10 N	2-00	1000	Expense accrual			118.58		144,053.79
04/05/19	PR	10 N	2-00	1000	Expense accrual			2,134.46		146,188.25
04/05/19	PR	10 N	2-00	1000	Expense accrual			2,860.88		149,049.13
04/05/19	PR	10 N	2-00	1000	Expense accrual			118.58		149,167.71
04/05/19	PR	10 N	2-00	1000	Expense accrual			118.58		149,286.29
04/05/19	PR	10 N	2-00	1000	Expense accrual			25.00		149,311.29
04/05/19	PR	10 N	2-00	1000	Expense accrual				314.70	148,996.59
04/19/19	PR	10 N	6-00	1000	Expense accrual			541.02		149,537.61
04/19/19	PR	10 N	6-00	1000	Expense accrual			1,055.81		150,593.42
04/19/19	PR	10 N	6-00	1000	Expense accrual			118.58		150,712.00
04/19/19	PR	10 N	6-00	1000	Expense accrual			1,830.59		152,542.59
04/19/19	PR	10 N	6-00	1000	Expense accrual			4,393.50		156,936.09
04/19/19	PR	10 N	6-00	1000	Expense accrual			25.00		156,961.09
04/19/19	PR	10 N	6-00	1000	Expense accrual				314.70	156,646.39
05/03/19	PR	11 N	1-00	1000	Expense accrual			51.88		156,698.27
05/03/19	PR	11 N	1-00	1000	Expense accrual			118.58		156,816.85
05/03/19	PR	11 N	1-00	1000	Expense accrual			2,260.45		159,077.30

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			Account	500100-0000	REGULAR EMPLOYEES				Balance Fwd	159,077.30
05/03/19	PR	11 N	1-00	1000	Expense accrual			5,415.24		164,492.54
05/03/19	PR	11 N	1-00	1000	Expense accrual			59.29		164,551.83
05/03/19	PR	11 N	1-00	1000	Expense accrual			34.06		164,585.89
05/03/19	PR	11 N	1-00	1000	Expense accrual			25.00		164,610.89
05/03/19	PR	11 N	1-00	1000	Expense accrual				314.70	164,296.19
05/17/19	PR	11 N	4-00	1000	Expense accrual			118.58		164,414.77
05/17/19	PR	11 N	4-00	1000	Expense accrual			2,341.97		166,756.74
05/17/19	PR	11 N	4-00	1000	Expense accrual			4,700.02		171,456.76
05/17/19	PR	11 N	4-00	1000	Expense accrual			340.59		171,797.35
05/17/19	PR	11 N	4-00	1000	Expense accrual			29.65		171,827.00
05/17/19	PR	11 N	4-00	1000	Expense accrual			408.71		172,235.71
05/17/19	PR	11 N	4-00	1000	Expense accrual			25.00		172,260.71
05/17/19	PR	11 N	4-00	1000	Expense accrual				314.70	171,946.01
05/31/19	PR	11 N	7-00	1000	Expense accrual			81.53		172,027.54
05/31/19	PR	11 N	7-00	1000	Expense accrual			185.29		172,212.83
05/31/19	PR	11 N	7-00	1000	Expense accrual			118.58		172,331.41
05/31/19	PR	11 N	7-00	1000	Expense accrual			2,104.81		174,436.22
05/31/19	PR	11 N	7-00	1000	Expense accrual			5,193.87		179,630.09
05/31/19	PR	11 N	7-00	1000	Expense accrual			119.21		179,749.30
05/31/19	PR	11 N	7-00	1000	Expense accrual			136.23		179,885.53
05/31/19	PR	11 N	7-00	1000	Expense accrual			25.00		179,910.53
05/31/19	PR	11 N	7-00	1000	Expense accrual				314.70	179,595.83
06/14/19	PR	12 N	3-00	1000	Expense accrual			237.16		179,832.99
06/14/19	PR	12 N	3-00	1000	Expense accrual			544.93		180,377.92
06/14/19	PR	12 N	3-00	1000	Expense accrual			544.93		180,922.85
06/14/19	PR	12 N	3-00	1000	Expense accrual			118.58		181,041.43
06/14/19	PR	12 N	3-00	1000	Expense accrual			2,045.52		183,086.95
06/14/19	PR	12 N	3-00	1000	Expense accrual			4,257.27		187,344.22
06/14/19	PR	12 N	3-00	1000	Expense accrual			88.94		187,433.16
06/14/19	PR	12 N	3-00	1000	Expense accrual			102.17		187,535.33
06/14/19	PR	12 N	3-00	1000	Expense accrual			25.00		187,560.33
06/14/19	PR	12 N	3-00	1000	Expense accrual				314.70	187,245.63
06/28/19	PR	12 N	5-00	1000	Expense accrual			1,344.27		188,589.90
06/28/19	PR	12 N	5-00	1000	Expense accrual				295.11	188,294.79
06/28/19	PR	12 N	5-00	1000	Expense accrual				254.40	188,040.39
06/28/19	PR	12 N	5-00	1000	Expense accrual			2,164.09		190,204.48
06/28/19	PR	12 N	5-00	1000	Expense accrual			207.52		190,412.00
06/28/19	PR	12 N	5-00	1000	Expense accrual			4,189.15		194,601.15
06/28/19	PR	12 N	5-00	1000	Expense accrual			118.58		194,719.73
06/28/19	PR	12 N	5-00	1000	Expense accrual			170.29		194,890.02
06/28/19	PR	12 N	5-00	1000	Expense accrual			25.00		194,915.02
06/30/19	GL	12 N	1344-00	1000	ACCR PAYROLL 7/12/19			4,149.89		199,064.91
Total Activity Account								60,155.82	2,437.71	
			500100-0000	REGULAR EMPLOYEES				End Balance		199,064.91

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Posting	Sy	Pd	Journal/Seq	Inco	Transaction Desc	Activity	Catg	Debit	Credit	Balance
			Account	500110-0000	EXTRA HELP				Begin Balance	8,650.00
04/05/19	PR	10	N	2-00	1000	Expense accrual		1,420.00		10,070.00
04/19/19	PR	10	N	6-00	1000	Expense accrual		1,330.00		11,400.00
05/03/19	PR	11	N	1-00	1000	Expense accrual		910.00		12,310.00
05/17/19	PR	11	N	4-00	1000	Expense accrual		690.00		13,000.00
05/31/19	PR	11	N	7-00	1000	Expense accrual		490.00		13,490.00
06/14/19	PR	12	N	3-00	1000	Expense accrual		640.00		14,130.00
06/28/19	PR	12	N	5-00	1000	Expense accrual		840.00		14,970.00
Total Activity Account								6,320.00		
			Account	500110-0000	EXTRA HELP				End Balance	14,970.00
			Account	500310-0000	RETIREMENT				Begin Balance	36,987.77
04/05/19	PR	10	N	2-00	1000	Summarized transacti		2,001.82		38,989.59
04/19/19	PR	10	N	6-00	1000	Summarized transacti		2,001.81		40,991.40
05/03/19	PR	11	N	1-00	1000	Summarized transacti		2,001.82		42,993.22
05/17/19	PR	11	N	4-00	1000	Summarized transacti		2,001.82		44,995.04
05/31/19	PR	11	N	7-00	1000	Summarized transacti		2,001.82		46,996.86
06/14/19	PR	12	N	3-00	1000	Summarized transacti		2,001.82		48,998.68
06/28/19	PR	12	N	5-00	1000	Summarized transacti		2,006.95		51,005.63
06/30/19	GL	12	N	1344-00	1000	ACCR PAYROLL 7/12/19		329.37		51,335.00
Total Activity Account								14,347.23		
			Account	500310-0000	RETIREMENT				End Balance	51,335.00
			Account	500320-0000	OASDI				Begin Balance	9,564.57
04/05/19	PR	10	N	2-00	1000	Summarized transacti		562.34		10,126.91
04/19/19	PR	10	N	6-00	1000	Summarized transacti		569.13		10,696.04
05/03/19	PR	11	N	1-00	1000	Summarized transacti		543.10		11,239.14
05/17/19	PR	11	N	4-00	1000	Summarized transacti		529.46		11,768.60
05/31/19	PR	11	N	7-00	1000	Summarized transacti		517.06		12,285.66
06/14/19	PR	12	N	3-00	1000	Summarized transacti		526.37		12,812.03
06/28/19	PR	12	N	5-00	1000	Summarized transacti		539.96		13,351.99
06/30/19	GL	12	N	1344-00	1000	ACCR PAYROLL 7/12/19		227.10		13,579.09
Total Activity Account								4,014.52		
			Account	500320-0000	OASDI				End Balance	13,579.09
			Account	500330-0000	FICA/MEDICARE				Begin Balance	2,236.88
04/05/19	PR	10	N	2-00	1000	Summarized transacti		131.48		2,368.36
04/19/19	PR	10	N	6-00	1000	Summarized transacti		133.09		2,501.45
05/03/19	PR	11	N	1-00	1000	Summarized transacti		127.00		2,628.45
05/17/19	PR	11	N	4-00	1000	Summarized transacti		123.85		2,752.30
05/31/19	PR	11	N	7-00	1000	Summarized transacti		120.91		2,873.21
06/14/19	PR	12	N	3-00	1000	Summarized transacti		123.11		2,996.32
06/28/19	PR	12	N	5-00	1000	Summarized transacti		126.28		3,122.60
06/30/19	GL	12	N	1344-00	1000	ACCR PAYROLL 7/12/19		53.11		3,175.71

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Posting	Sy	Pd	Journal/Seq	Inco	Transaction Desc	Activity	Catg	Debit	Credit	Balance

Account			500330-0000	FICA/MEDICARE					Balance Fwd	3,175.71
Total Activity Account								938.83		

		500330-0000	FICA/MEDICARE					End Balance		3,175.71

Account			500340-0000	HEALTH INSURANCE					Begin Balance	108.00
04/05/19	PR	10	N	2-00	1000	Summarized transacti		3.00		111.00
04/19/19	PR	10	N	6-00	1000	Summarized transacti		6.00		117.00
05/03/19	PR	11	N	1-00	1000	Summarized transacti		6.00		123.00
05/17/19	PR	11	N	4-00	1000	Summarized transacti		6.00		129.00
05/31/19	PR	11	N	7-00	1000	Summarized transacti		6.00		135.00
06/14/19	PR	12	N	3-00	1000	Summarized transacti		6.00		141.00
06/28/19	PR	12	N	5-00	1000	Summarized transacti		6.00		147.00
06/30/19	GL	12	N	1344-00	1000	ACCR PAYROLL 7/12/19		3.00		150.00
Total Activity Account								42.00		

		500340-0000	HEALTH INSURANCE					End Balance		150.00

Account			500360-0000	OPEB - RETIREE HEALTH INSURANCE					Begin Balance	11,270.79
04/05/19	PR	10	N	2-00	1000	Summarized transacti		609.99		11,880.78
04/19/19	PR	10	N	6-00	1000	Summarized transacti		609.99		12,490.77
05/03/19	PR	11	N	1-00	1000	Summarized transacti		609.99		13,100.76
05/17/19	PR	11	N	4-00	1000	Summarized transacti		609.99		13,710.75
05/31/19	PR	11	N	7-00	1000	Summarized transacti		609.99		14,320.74
06/14/19	PR	12	N	3-00	1000	Summarized transacti		609.99		14,930.73
06/28/19	PR	12	N	5-00	1000	Summarized transacti		611.56		15,542.29
06/30/19	GL	12	N	1344-00	1000	ACCR PAYROLL 7/12/19		284.04		15,826.33
Total Activity Account								4,555.54		

		500360-0000	OPEB - RETIREE HEALTH INSURANCE					End Balance		15,826.33

Account			500380-0000	UNEMPLOYMENT INSURANCE					Begin Balance	0.00
04/30/19	GL	10	N	604-00	1000	UNEMPLOYMENT RECHARG		160.81		160.81
Total Activity Account								160.81		

		500380-0000	UNEMPLOYMENT INSURANCE					End Balance		160.81

Account			500390-0000	WORKERS' COMP INSURANCE					Begin Balance	441.93
		500390-0000	WORKERS' COMP INSURANCE					End Balance		441.93

Account			500400-0000	OTHER EMPLOYEE BENEFITS					Begin Balance	30,768.42
04/19/19	PR	10	N	6-00	1000	Expense accrual		447.32		31,215.74
04/19/19	PR	10	N	6-00	1000	Expense accrual		404.63		31,620.37
04/19/19	PR	10	N	6-00	1000	Expense accrual		851.96		32,472.33
05/03/19	PR	11	N	1-00	1000	Expense accrual		447.32		32,919.65
05/03/19	PR	11	N	1-00	1000	Expense accrual		404.63		33,324.28
05/03/19	PR	11	N	1-00	1000	Expense accrual		851.96		34,176.24
05/17/19	PR	11	N	4-00	1000	Expense accrual		447.32		34,623.56
05/17/19	PR	11	N	4-00	1000	Expense accrual		404.63		35,028.19
05/17/19	PR	11	N	4-00	1000	Expense accrual		851.96		35,880.15
05/31/19	PR	11	N	7-00	1000	Expense accrual		447.32		36,327.47

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			Account	500400-0000	OTHER EMPLOYEE BENEFITS				Balance Fwd	36,327.47
05/31/19	PR	11 N	7-00	1000	Expense accrual			404.63		36,732.10
05/31/19	PR	11 N	7-00	1000	Expense accrual			851.96		37,584.06
06/14/19	PR	12 N	3-00	1000	Expense accrual			447.32		38,031.38
06/14/19	PR	12 N	3-00	1000	Expense accrual			404.63		38,436.01
06/14/19	PR	12 N	3-00	1000	Expense accrual			851.96		39,287.97
06/28/19	PR	12 N	5-00	1000	Expense accrual			447.32		39,735.29
06/28/19	PR	12 N	5-00	1000	Expense accrual			404.63		40,139.92
06/28/19	PR	12 N	5-00	1000	Expense accrual			851.96		40,991.88
06/30/19	GL	12 N	1344-00	1000	ACCR PAYROLL 7/12/19			989.79		41,981.67
Total Activity Account								11,213.25		
			Account	500400-0000	OTHER EMPLOYEE BENEFITS				End Balance	41,981.67
			Account	501020-0000	COMMUNICATIONS				Begin Balance	1,079.76
04/17/19	GL	10 N	450-00	1000	185-1 03/19 INTERNAL			124.41		1,204.17
04/19/19	GL	10 N	484-00	1000	185-1 02/19 INTERNAL			8.50		1,212.67
04/23/19	GL	10 N	527-00	1000	185-1 03/19 INTERNAL			8.50		1,221.17
05/08/19	GL	11 N	148-00	1000	185-1 04/19 INTERNAL			125.49		1,346.66
05/30/19	GL	11 N	597-00	1000	185-1 04/19 INTERNAL			8.50		1,355.16
06/04/19	GL	12 N	151-00	1000	185-1 05/19 INTERNAL			124.00		1,479.16
06/20/19	GL	12 N	478-00	1000	185-1 05/19 INTERNAL			8.50		1,487.66
06/30/19	GL	12 N	1007-00	1000	185-1 06/19 INTERNAL			124.93		1,612.59
Total Activity Account								532.83		
			Account	501020-0000	COMMUNICATIONS				End Balance	1,612.59
			Account	501030-0000	FOOD				Begin Balance	269.51
06/30/19	GL	12 N	552-00	1000	Nugget-YoloLeaders/S			43.96		313.47
Total Activity Account								43.96		
			Account	501030-0000	FOOD				End Balance	313.47
			Account	501051-0000	INSURANCE-PUBLIC LIABILITY				Begin Balance	500.00
			Account	501051-0000	INSURANCE-PUBLIC LIABILITY				End Balance	500.00
			Account	501070-0000	MAINTENANCE-EQUIPMENT				Begin Balance	274.80
05/01/19	AP	11 N	10-00	1000	16728WIZIX TECHN			131.49		406.29
05/01/19	AP	11 N	10-00	1000	16728WIZIX TECHN			1.31		407.60
05/01/19	AP	11 N	10-00	1000	16728WIZIX TECHN			8.22		415.82
05/01/19	AP	11 N	10-00	1000	16728WIZIX TECHN			.99		416.81
06/30/19	AP	12 N	188-00	1000	16728WIZIX TECHN			112.96		529.77
06/30/19	AP	12 N	188-00	1000	16728WIZIX TECHN			1.13		530.90
06/30/19	AP	12 N	188-00	1000	16728WIZIX TECHN			7.06		537.96
06/30/19	AP	12 N	188-00	1000	16728WIZIX TECHN			.85		538.81
Total Activity Account								264.01		
			Account	501070-0000	MAINTENANCE-EQUIPMENT				End Balance	538.81

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Posting	Sy	Pd	Journal/Seq	Inco	Transaction Desc	Activity	Catg	Debit	Credit	Balance
			Account	501071-0000	MAINTENANCE-BLDG IMPROVEMENT				Begin Balance	468.75
05/31/19	GL	11 N	12-00	1000	Office Bulletin Boar			300.00		768.75
					Total Activity	Account		300.00		
				501071-0000	MAINTENANCE-BLDG IMPROVEMENT				End Balance	768.75
			Account	501090-0000	MEMBERSHIPS				Begin Balance	2,805.00
05/31/19	GL	11 N	56-00	1000	CSDA-Membership Dues			1,835.00		4,640.00
05/31/19	GL	11 N	57-00	1000	AmerPlanningAssoc-Me			759.00		5,399.00
					Total Activity	Account		2,594.00		
				501090-0000	MEMBERSHIPS				End Balance	5,399.00
			Account	501110-0000	OFFICE EXPENSE				Begin Balance	713.35
04/02/19	AP	10 N	14-00	1000	Staples Inv#80534260			54.60		767.95
04/19/19	AP	10 N	98-00	1000	10246ALHAMBRA			7.18		775.13
05/21/19	AP	11 N	120-00	1000	10246ALHAMBRA			3.59		778.72
05/31/19	GL	11 N	57-00	1000	BusinessJournal-Annu			115.00		893.72
06/17/19	AP	12 N	79-00	1000	10246ALHAMBRA			7.18		900.90
06/30/19	AP	12 N	207-00	1000	10246ALHAMBRA			10.18		911.08
06/30/19	AP	12 N	220-00	1000	Office Supplies			60.59		971.67
06/30/19	GL	12 N	327-00	1000	LAFCO 5/19 PRT REQ E			20.79		992.46
					Total Activity	Account		279.11		
				501110-0000	OFFICE EXPENSE				End Balance	992.46
			Account	501111-0000	OFFICE EXP-POSTAGE				Begin Balance	325.49
05/31/19	GL	11 N	56-00	1000	USPS-LAFCo Agenda Pa			14.70		340.19
06/30/19	GL	12 N	345-00	1000	USPS-Mail May Agenda			15.70		355.89
06/30/19	GL	12 N	762-00	1000	USPS-Agenda Packet M			14.70		370.59
					Total Activity	Account		45.10		
				501111-0000	OFFICE EXP-POSTAGE				End Balance	370.59
			Account	501125-0000	IT SERVICE-DPT SYS MAINT				Begin Balance	168.00
				501125-0000	IT SERVICE-DPT SYS MAINT				End Balance	168.00
			Account	501126-0000	IT SERVICE-ERP				Begin Balance	2,159.07
06/30/19	GL	12 N	1120-00	1000	LAFCO Q4 IT CHGS-ERP			719.70		2,878.77
					Total Activity	Account		719.70		
				501126-0000	IT SERVICE-ERP				End Balance	2,878.77
			Account	501127-0000	IT SERVICE-CONNECTIVITY				Begin Balance	2,923.62
06/30/19	GL	12 N	1120-00	1000	LAFCO Q4 IT CHGS-CON			708.75		3,632.37
					Total Activity	Account		708.75		
				501127-0000	IT SERVICE-CONNECTIVITY				End Balance	3,632.37

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Posting	Sy	Pd	Journal/Seq	Inco	Transaction Desc	Activity	Catg	Debit	Credit	Balance
			Account	501151-0000	PROF & SPEC SVC-AUDITG & ACCTG			Begin Balance		8,215.00
				501151-0000	PROF & SPEC SVC-AUDITG & ACCTG			End Balance		8,215.00
			Account	501152-0000	PROF & SPEC SVC-INFO TECH SVC			Begin Balance		300.00
06/30/19	GL	12	N	1034-00	1000	GSD-LAFCO Sys Sup FY		231.00		531.00
					Total Activity Account			231.00		
				501152-0000	PROF & SPEC SVC-INFO TECH SVC			End Balance		531.00
			Account	501156-0000	PROF & SPEC SVC-LEGAL SVC			Begin Balance		3,800.00
05/08/19	GL	11	N	132-00	1000	LEGAL SERVICES 3rd Q		4,598.00		8,398.00
06/30/19	GL	12	N	1588-00	1000	LEGAL SERVICES 4th Q		6,080.00		14,478.00
					Total Activity Account			10,678.00		
				501156-0000	PROF & SPEC SVC-LEGAL SVC			End Balance		14,478.00
			Account	501165-0000	PROF & SPEC SVC-OTHER			Begin Balance		675.00
04/19/19	AP	10	N	98-00	1000	16780DIGITAL DEP		75.00		750.00
05/21/19	AP	11	N	120-00	1000	16780DIGITAL DEP		75.00		825.00
06/17/19	AP	12	N	79-00	1000	16780STREAMLINE		75.00		900.00
06/28/19	GL	12	N	73-00	1000	LAFCo#930-Co.Surveyo		558.15		1,458.15
06/28/19	GL	12	N	73-00	1000	LAFCo#931-Co.Surveyo		1,103.15		2,561.30
06/28/19	GL	12	N	73-00	1000	LAFCo#932-Co.Surveyo		319.71		2,881.01
06/28/19	GL	12	N	73-00	1000	LAFCo#930,931,932-Co		186.05		3,067.06
06/30/19	AP	12	N	220-00	1000	LAFCoMtg Audio 05.23		125.00		3,192.06
					Total Activity Account			2,517.06		
				501165-0000	PROF & SPEC SVC-OTHER			End Balance		3,192.06
			Account	501180-0000	PUBLICATIONS AND LEGAL NOTICES			Begin Balance		512.48
04/08/19	AP	10	N	38-00	1000	2019/20 LAFCo Propos		80.00		592.48
04/24/19	AP	10	N	147-00	1000	LAFCo No. 932-Procee		126.40		718.88
05/07/19	AP	11	N	35-00	1000	#928 ReorgLowerElkho		45.50		764.38
05/07/19	AP	11	N	35-00	1000	Notice S-052 PortMSR		56.00		820.38
05/07/19	AP	11	N	35-00	1000	Notice-Final FY19/20		28.00		848.38
06/07/19	AP	12	N	38-00	1000	LAFCo928-Protest Not		98.00		946.38
06/30/19	GL	12	N	762-00	1000	Democrat-Notice/YECA		139.90		1,086.28
06/30/19	GL	12	N	762-00	1000	Democrat-Notice/LAFC		118.50		1,204.78
					Total Activity Account			692.30		
				501180-0000	PUBLICATIONS AND LEGAL NOTICES			End Balance		1,204.78
			Account	501190-0000	RENTS AND LEASES - EQUIPMENT			Begin Balance		1,970.25
04/19/19	AP	10	N	98-00	1000	10246ALHAMBRA		5.00		1,975.25
05/21/19	AP	11	N	120-00	1000	10246ALHAMBRA		5.00		1,980.25
06/17/19	AP	12	N	79-00	1000	10246ALHAMBRA		5.00		1,985.25
06/30/19	AP	12	N	207-00	1000	10246ALHAMBRA		2.00		1,987.25

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Account			501190-0000		RENTS AND LEASES - EQUIPMENT			Balance Fwd		1,987.25
					Total Activity	Account		17.00		
			501190-0000		RENTS AND LEASES - EQUIPMENT			End Balance		1,987.25

Account			501192-0000		RENTS & LEASES-RECRDS STORAGE			Begin Balance		0.00
06/30/19	GL	12	N	1188-00	1000	Archive Box Delivery		46.90		46.90
06/30/19	GL	12	N	1451-00	1000	FY19 RECORD CENTER B		921.06		967.96
					Total Activity	Account		967.96		
			501192-0000		RENTS & LEASES-RECRDS STORAGE			End Balance		967.96

Account			501205-0000		TRAINING			Begin Balance		3,260.00
04/30/19	GL	10	N	171-00	1000	Strength Finders 2/2		375.00		3,635.00
06/30/19	GL	12	N	345-00	1000	APA Planning-Worksho		28.16		3,663.16
					Total Activity	Account		403.16		
			501205-0000		TRAINING			End Balance		3,663.16

Account			501250-0000		TRANSPORTATION AND TRAVEL			Begin Balance		2,312.89
04/30/19	AP	10	N	178-00	1000	Travel-CALAFCO Works		191.92		2,504.81
04/30/19	AP	10	N	178-00	1000	Travel Staff Worksho		62.00		2,566.81
04/30/19	AP	10	N	178-00	1000	Travel Staff Worksho		210.48		2,777.29
05/01/19	AP	11	N	30-00	1000	FY18/19 3rdQTR Milea		110.48		2,887.77
05/31/19	GL	11	N	56-00	1000	CALAFCO Staff Worksh		655.40		3,543.17
06/21/19	AP	12	N	132-00	1000	Mileage-MayLAFCoMtg		21.23		3,564.40
06/30/19	AP	12	N	138-00	1000	CC-FY18/19 4th QTR M		98.02		3,662.42
06/30/19	GL	12	N	816-00	1000	OrangeTaxi-CALAFCO B		10.00		3,672.42
					Total Activity	Account		1,359.53		
			501250-0000		TRANSPORTATION AND TRAVEL			End Balance		3,672.42

Account			502201-0000		PAYMENTS TO OTH GOV INSTITUTION			Begin Balance		850.00
04/24/19	AP	10	N	147-00	1000	LAFCo#927 BOE Fees		350.00		1,200.00
05/31/19	GL	11	N	37-00	1000	NOD-932 Davis Annexa		50.00		1,250.00
06/07/19	AP	12	N	38-00	1000	LAFCo931 BOE Fees		500.00		1,750.00
06/07/19	AP	12	N	38-00	1000	LAFCo#932 BOE Fees		1,500.00		3,250.00
					Total Activity	Account		2,400.00		
			502201-0000		PAYMENTS TO OTH GOV INSTITUTION			End Balance		3,250.00
			69405229816991		LOCAL AGENCY FORMATION COMM			End Balance		60,900.15-
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Posting	Sy	Pd	Journal/Seq	Inco	Transaction Desc	Activity	Catg	Debit	Credit	Balance
			Account	100000-0000	CASH IN TREASURY				Begin Balance	299,104.06
04/01/19	GL	10 N	792-00	1000	Q3 RESTRICTED CASH M				.87	299,103.19
04/01/19	GL	10 N	780-00	1000	Auto Offset From Zon				148.64	298,954.55
04/01/19	GL	10 N	784-00	1000	Auto Offset From Zon		2,144.80			301,099.35
04/02/19	AP	10 N	14-00	1000	Auto Offset From Zon				54.60	301,044.75
04/05/19	PR	10 N	2-00	1000	Auto Offset From Zon				12,378.42	288,666.33
04/08/19	AP	10 N	38-00	1000	Auto Offset From Zon				80.00	288,586.33
04/17/19	GL	10 N	450-00	1000	Auto Offset From Zon				124.41	288,461.92
04/19/19	PR	10 N	6-00	1000	Auto Offset From Zon				14,003.73	274,458.19
04/19/19	AP	10 N	98-00	1000	Auto Offset From Zon				87.18	274,371.01
04/19/19	GL	10 N	484-00	1000	Auto Offset From Zon				8.50	274,362.51
04/23/19	CB	10 N	96-00	1000	Auto Offset From Zon		637.46			274,999.97
04/23/19	GL	10 N	527-00	1000	Auto Offset From Zon				8.50	274,991.47
04/24/19	AP	10 N	147-00	1000	Auto Offset From Zon				476.40	274,515.07
04/30/19	GL	10 N	171-00	1000	Auto Offset From Zon				375.00	274,140.07
04/30/19	AP	10 N	178-00	1000	Auto Offset From Zon				464.40	273,675.67
04/30/19	GL	10 N	604-00	1000	Auto Offset From Zon				160.81	273,514.86
05/01/19	AP	11 N	10-00	1000	Auto Offset From Zon				142.01	273,372.85
05/01/19	AP	11 N	30-00	1000	Auto Offset From Zon				110.48	273,262.37
05/03/19	PR	11 N	1-00	1000	Auto Offset From Zon				13,551.62	259,710.75
05/07/19	AP	11 N	35-00	1000	Auto Offset From Zon				129.50	259,581.25
05/08/19	GL	11 N	132-00	1000	Auto Offset From Zon				4,598.00	254,983.25
05/08/19	GL	11 N	148-00	1000	Auto Offset From Zon				125.49	254,857.76
05/17/19	PR	11 N	4-00	1000	Auto Offset From Zon				13,314.85	241,542.91
05/21/19	AP	11 N	120-00	1000	Auto Offset From Zon				83.59	241,459.32
05/30/19	GL	11 N	597-00	1000	Auto Offset From Zon				8.50	241,450.82
05/31/19	PR	11 N	7-00	1000	Auto Offset From Zon				13,099.51	228,351.31
05/31/19	GL	11 N	12-00	1000	Auto Offset From Zon				300.00	228,051.31
05/31/19	GL	11 N	37-00	1000	Auto Offset From Zon				50.00	228,001.31
05/31/19	GL	11 N	56-00	1000	Auto Offset From Zon				2,505.10	225,496.21
05/31/19	GL	11 N	57-00	1000	Auto Offset From Zon				874.00	224,622.21
05/31/19	GL	11 N	77-00	1000	Auto Offset From Zon		3,454.08			228,076.29
06/04/19	GL	12 N	151-00	1000	Auto Offset From Zon				124.00	227,952.29
06/07/19	AP	12 N	38-00	1000	Auto Offset From Zon				2,098.00	225,854.29
06/14/19	PR	12 N	3-00	1000	Auto Offset From Zon				13,261.00	212,593.29
06/17/19	AP	12 N	79-00	1000	Auto Offset From Zon				87.18	212,506.11
06/20/19	GL	12 N	478-00	1000	Auto Offset From Zon				8.50	212,497.61
06/21/19	AP	12 N	132-00	1000	Auto Offset From Zon				21.23	212,476.38
06/28/19	PR	12 N	5-00	1000	Auto Offset From Zon				13,504.05	198,972.33
06/28/19	GL	12 N	73-00	1000	Auto Offset From Zon				2,167.06	196,805.27
06/30/19	AP	12 N	138-00	1000	Auto Offset From Zon				98.02	196,707.25
06/30/19	AP	12 N	188-00	1000	Auto Offset From Zon				122.00	196,585.25
06/30/19	AP	12 N	207-00	1000	Auto Offset From Zon				12.18	196,573.07
06/30/19	AP	12 N	220-00	1000	Auto Offset From Zon				185.59	196,387.48
06/30/19	GL	12 N	327-00	1000	Auto Offset From Zon				20.79	196,366.69
06/30/19	GL	12 N	345-00	1000	Auto Offset From Zon				43.86	196,322.83
06/30/19	GL	12 N	552-00	1000	Auto Offset From Zon				43.96	196,278.87
06/30/19	GL	12 N	762-00	1000	Auto Offset From Zon				273.10	196,005.77
06/30/19	GL	12 N	816-00	1000	Auto Offset From Zon				10.00	195,995.77
06/30/19	GL	12 N	1007-00	1000	Auto Offset From Zon				124.93	195,870.84
06/30/19	GL	12 N	1034-00	1000	Auto Offset From Zon				231.00	195,639.84

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Posting	Sy	Pd	Journal/Seq	Inco	Transaction Desc	Activity	Catg	Debit	Credit	Balance
			Account	100000-0000	CASH IN TREASURY				Balance Fwd	195,639.84
06/30/19	GL	12 N	1120-00	1000	Auto Offset From Zon				1,428.45	194,211.39
06/30/19	GL	12 N	1188-00	1000	Auto Offset From Zon				46.90	194,164.49
06/30/19	GL	12 N	1451-00	1000	Auto Offset From Zon				921.06	193,243.43
06/30/19	GL	12 N	1588-00	1000	Auto Offset From Zon				6,080.00	187,163.43
						Total Activity	Account	6,236.34	118,176.97	
			Account	100000-0000	CASH IN TREASURY				End Balance	187,163.43
			Account	101000-0144	RC-LAFCO PC REPL				Begin Balance	147.38
04/01/19	GL	10 N	792-00	1000	Q3 RESTRICTED CASH M			.87		148.25
						Total Activity	Account	.87		
			Account	101000-0144	RC-LAFCO PC REPL				End Balance	148.25
			Account	190200-0000	FUTURE LONG TERM DEBT REQUIRE				Begin Balance	615,385.00
			Account	190200-0000	FUTURE LONG TERM DEBT REQUIRE				End Balance	615,385.00
			Account	195010-0000	DEFERRED OUTFLOWS-PENSIONS				Begin Balance	196,526.00
			Account	195010-0000	DEFERRED OUTFLOWS-PENSIONS				End Balance	196,526.00
			Account	195020-0000	DEFERRED OUTFLOWS-OPEB				Begin Balance	20,293.00
			Account	195020-0000	DEFERRED OUTFLOWS-OPEB				End Balance	20,293.00
			Account	205000-0000	ACCRUED PAYROLL-GROSS				Begin Balance	0.00
06/30/19	GL	12 N	1344-00	1000	ACCR PAYROLL 7/12/19				5,275.36	5,275.36-
						Total Activity	Account		5,275.36	
			Account	205000-0000	ACCRUED PAYROLL-GROSS				End Balance	5,275.36-
			Account	210010-0000	DUE TO OTH GOV				Begin Balance	0.00
06/30/19	GL	12 N	1344-00	1000	ACCR PAYROLL 7/12/19				704.16	704.16-
06/30/19	GL	12 N	1344-00	1000	ACCR PAYROLL 7/12/19				56.78	760.94-
						Total Activity	Account		760.94	
			Account	210010-0000	DUE TO OTH GOV				End Balance	760.94-
			Account	210900-0000	COMPENSATED ABSENSES (S/T)				Begin Balance	2,605.50-
			Account	210900-0000	COMPENSATED ABSENSES (S/T)				End Balance	2,605.50-
			Account	220501-0000	DEFERRED INFLOWS PENSION				Begin Balance	5,692.00-
			Account	220501-0000	DEFERRED INFLOWS PENSION				End Balance	5,692.00-
			Account	220510-0000	DEFERRED INFLOWS OTHER				Begin Balance	447.00-
			Account	220510-0000	DEFERRED INFLOWS OTHER				End Balance	447.00-

General Ledger Report

GL290 Date 08/12/19
Time 14:10

Company 1000 - YOLO COUNTY
RUNNING BAL TRANS - RUNNING BALANCE TRANS REPORT
For Period 10 - 12 Ending June 30, 2019

USD
Page 11
Sort Variable Level, Account
Type Amounts
Activity Beg Bal and Activity

Accounting Unit 69409900010001 LOC AGENCY FORM BSU ONLY Resp Level 6940-0099-00001-0001

Posting	Sy	Pd	Journal/Seq	Inco	Transaction Desc	Activity	Catg	Debit	Credit	Balance
Account			230000-0000		COMPENSATED ABSENSES (L/T)			Begin Balance		2,604.50-
			230000-0000		COMPENSATED ABSENSES (L/T)			End Balance		2,604.50-
Account			230600-0000		OTHER POST EMPLOYMENT BENEFITS			Begin Balance		172,754.00-
			230600-0000		OTHER POST EMPLOYMENT BENEFITS			End Balance		172,754.00-
Account			230650-0000		NET PENSION LIABILITY			Begin Balance		648,101.00-
			230650-0000		NET PENSION LIABILITY			End Balance		648,101.00-
Account			300600-0001		FD BAL-ASSIGNED-CAP ASSET REPL			Begin Balance		1,343.85-
			300600-0001		FD BAL-ASSIGNED-CAP ASSET REPL			End Balance		1,343.85-
Account			300999-0000		UNASSIGNED			Begin Balance		119,031.38-
			300999-0000		UNASSIGNED			End Balance		119,031.38-
			69409900010001		LOC AGENCY FORM BSU ONLY			End Balance		60,900.15

=====
 Company 1000 Totals:
 Debit Transactions 132,887.32
 Credit Transactions 132,887.32
 Debit Balances 1,418,537.57
 Credit Balances 1,418,537.57
 P/L Debit Transactions 126,650.11
 P/L Credit Transactions 8,674.05
 Net Loss 117,976.06

General Ledger Report

GL290 Date: 08/12/19
Time: 14:10

JOB SUBMISSION PARAMETERS

User Name: INFORBC\TTuck
Job Name: GL290TT
Step Nbr: 1

Company: 1000 YOLO COUNTY USD
or Company Group:
Reports: RUNNING BAL TRANS

Year Code: or Posting Dates: -
or Year: 2019
Periods: 10 - 12

Accounting Unit: 6940 LOCAL AGENCY FORMATION COMM
Accounts: -
Subaccounts: -
Report Currency: B Base

Consent 6.

LAFCO

Meeting Date: 08/22/2019

Information

SUBJECT

Correspondence

RECOMMENDED ACTION

Receive and file the following correspondence:

- A. CHW Newsletter-Summer 2019
 - B. CHW Bulletin-July 2019
-

Attachments

[ATT A-CHW Newsletter-Summer 2019](#)

[ATT B-CHW Bulletin-July 2019](#)

Form Review

Form Started By: Terri Tuck
Final Approval Date: 08/13/2019

Started On: 08/13/2019 02:15 PM



COLANTUONO
HIGHSMITH
WHATLEY, PC

Newsletter | Summer 2019

Update on Public Law

Local Governments Can Require State Agencies to Collect Taxes

By Michael G. Colantuono

The California Supreme Court recently decided an important local government finance case in which CH&W provided an *amicus curiae* (“friend of the court”) brief for the League of California Cities.

City and County of San Francisco v. The Regents of the University of California concerned San Francisco’s effort to compel UCSF, CSU San Francisco and the UC Hastings School of Law to collect (but not to pay) the City’s parking tax. All three operated parking lots open to the public as well as their students, faculty, patients, and other guests. The universities refused, claiming immunity as state agencies even though earlier cases have required special districts (also, technically, state agencies) to collect utility user taxes (UUTs). San Francisco sued to compel the universities to collect the tax, agreeing to bear their costs to do so. The lower courts ruled for the universities, although an appellate Justice dissented, describing the law as in “disarray.” The Court of Appeal majority relied on a distinction between “governmental” activities of public agencies and their “proprietary” activities — i.e., those that private parties engage in, too — to rule for the universities, concluding that providing campus parking was “governmental.” Our brief for the League of California Cities argued the governmental / proprietary distinction is outdated and suggested the Court either extend the UUT / special district cases to the universities or apply the analysis of the Court’s home rule cases, which balance the home rule power of charter cities with the State’s power to regulate matters of statewide concern.

The Supreme Court did not reject the governmental / proprietary distinction, but did adopt our suggestion to apply charter city home rule cases. Instead of a bright-line rule that taxes are or are not municipal concerns or that operation of universities is a matter for the State, the Court balanced the interests of the parties. It found little burden on the

(continued on page 2)

CH&W in Leadership Roles

All four CH&W shareholders have been elected to leadership roles in organizations serving California.

Michael Colantuono is now the Secretary / Treasurer of the California Academy of Appellate Lawyers, a prestigious association of fewer than 100 of California’s most respected appellate advocates. He will rise through the leadership ranks and serve as President in 2022.

Holly Whatley is now President of the City Attorneys Association of Los Angeles County, the largest network of city attorneys short of the League of Cities’ City Attorneys Department.

Terri Highsmith now Chairs the Executive Committee of the Legal Advocacy Committee of the City Attorneys Department of the League. This group manages the League’s *amicus curiae* brief program supporting cities on important questions in

(continued on page 3)

SCOTUS Allows Federal Litigation of Takings

By Jennifer L. Pancake

The highly anticipated U.S. Supreme Court decision in *Knick v. Township of Scott* is here, and with it the demise of one of local agencies' most effective defenses to federal regulatory takings claims. In a 5-4 decision, the Court overruled a 34-year old ripeness requirement of *Williamson County Regional Planning Commission v. Hamilton Bank*, which established two ripeness hurdles for federal takings claims: the would-be plaintiff had to (i) obtain a final decision from the defendant agency and (ii) sue in state court for a remedy under state law before suing in federal court.

Knick overrules only the second ripeness requirement. Plaintiffs must still obtain a final decision from the regulatory body as to how the regulation will be applied to them. This typically means seeking a variance before challenging zoning or proposing a revised project before challenging an initial denial.

Scott Township required property owners to allow daytime access from the nearest public road to any cemetery. Mrs. Knick refused to comply and sued, claiming the ordinance was a taking (and it likely is). Lower federal courts dismissed her case (brought by a conservative public interest group) as unripe under *Williamson*, requiring her to sue in state court. By virtue of the Supreme Court decision, this is no longer required.

Knick will certainly lead to more takings suits in federal courts where many state-law defenses will be unavailable. Property-rights lawyers have long claimed federal courts are friendlier to takings claims than California courts. Yet, federal courts cannot be expected to welcome a wave of disputes under complex state land use and other laws. Thus, we also expect renewed use of abstention doctrines by which federal judges require parties to bring state claims in state court. Moreover, it typically takes a long time to try a federal case in California,

especially in the over-burdened Eastern District serving inland counties from Inyo and Kern to Oregon.

The case is nevertheless a reminder to land use regulators to respect the constitutional rights of property owners such as the right to reasonable economic use of private property and the rule that dedication requirements and other exactions must be logically related to impacts of development and be no more than roughly proportionate to the extent of those impacts — the so-called *Nollan* and *Dolan* tests.

Further developments in this area are likely, so stay tuned!

For more information on this subject, contact Jenni at JPancake@chwlaw.us or (213) 542-5708.

State Agencies to Collect Taxes (cont.)

universities, especially as San Francisco agreed to pay their costs to implement its tax, and found a lot at stake for San Francisco — both its power to fund municipal services and the need to avoid an imbalanced market in which most parking lots collect the City's tax, but the universities sell parking either at a lower price or at the same total cost, pocketing the amount of the City tax. The case is an important win for local revenue power.

Cities and counties with substantial state presence should evaluate their tax portfolios and consider whether they can better enforce their taxes by enlisting state agency aid.

For more information on this subject, contact Michael at MColantuono@chwlaw.us or (530) 432-7359.

Courts Clarify Brown Act Agenda Requirement

By Ryan A. Reed

A trio of recent cases recently helpfully interpreted the Brown Act, California's open-meeting law for local governments. In *Olson v. Hornbrook Community Services District*, the plaintiff challenged agendas for three meetings. At the first, an agenda item described payment of a specific sum of money, but the Board approved a different amount. At the second, the agenda described four bills, but the Board approved five. At the third, the agenda called for approval of all bills received in a specified date range. The plaintiff sought to set aside these approvals for failure to comply with the Brown Act's requirement that every action taken be reasonably described on the agenda.

The Court of Appeal concluded the second agenda would allow approval of four bills, but not five. The first and second agenda were insufficient because the Board approved items other than those listed. The third agenda was sufficient.

In *TransparentGov Novato v. City of Novato*, the City Council discussed two non-agendized projects at length. The Council voted not to put one on a future agenda, and to form a subcommittee to study the other. The plaintiff advocacy group demanded the City commit not to repeat these violations — discussing and acting on off-agenda items. The City agreed not to establish further subcommittees without agendizing doing so and adopted a policy precluding Council from adopting agenda items for future meetings. Because the City promised that it would not violate the Brown Act in a new written policy, it complied with the Brown Act provision allowing such a response to a demand for cure, and left the Court nothing to consider.

Finally, in *Preven v. City of Los Angeles*, the plaintiff spoke at a Council subcommittee meeting. The following day, the full Council held a special meeting on the same subject. The Council did not allow plaintiff to speak again, citing the Brown Act's "committee exception" — there is no right to public

comment at the full Council on a topic previously addressed in committee. The Court of Appeal concluded the committee exception only applies to regular meetings.

These cases offer three lessons: First, public agencies must strike a balance when preparing agenda descriptions. Too specific an agenda description denies the legislative body flexibility. Second, public agencies can avoid liability by an appropriate response to a demand for a cure of an alleged Brown Act violation. Finally, the "committee exception" does not limit public comment at special meetings, only at regular meetings.

The Brown Act is often disputed and can be a moving target. As always, we will keep you posted!

For more information on this subject, contact Ryan at RReed@chwlaw.us or (530) 270-9490.

Leadership (cont.)

state and federal courts. The committee is important, its work interesting, and it is an honor to serve. Senior Counsel **Matt Summers** has also been appointed to the Committee to represent cities in Santa Barbara, San Luis Obispo and Ventura Counties.

Gary Bell has been appointed to the Advisory Committee to the Legislative Committee of the California Association of LAFCOs. This committee drafts, negotiates and lobbies for laws that help LAFCOs achieve their mission to avoid sprawl and promote efficient local government.

All our shareholders serve their clients each workday, but serve all local governments via their volunteer efforts, too. Kudos to all!



COLANTUONO
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GRASS VALLEY, CA 95945

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Name _____ Title _____

Affiliation _____

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City _____ State _____ Zip Code _____

Phone _____ Fax _____

E-mail _____

Mail E-Mail Both

Our newsletter is available as a printed document sent by U.S. Mail and as a PDF file sent by e-mail. Please let us know how you would like to receive your copy.

The contents of this newsletter do not constitute legal advice. You should seek the opinion of qualified counsel regarding your specific situation before acting on the information provided here.

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Reinstating Retired Annuitants is Risky

By Holly O. Whatley

The Court of Appeal's recent decision in *Byrd v. State Personnel Board* outlines the boundaries of permissible settlements involving involuntarily terminated employees who retire but who later are ordered reinstated following a successful appeal of the termination decision. In that case, the State Personnel Board (SPB) initially approved an employee's settlement with her employer, but CalPERS refused to reinstate her in the retirement system as the settlement provided. She sued CalPERS. The trial court ruled for CalPERS, and the employee appealed.

Byrd filed paperwork with CalPERS to retire as an Administrative Analyst/Specialist following her termination. She also appealed her dismissal. The parties settled her suit and, among other terms, the University that had employed her agreed to: 1) Reinstatement Byrd to a higher classification than she had previously held; 2) pay back pay and benefits based on that classification; and 3) place her on administrative leave while Byrd sought a medical retirement from CalPERS. The SPB approved the settlement and Byrd and the University implemented it.

CalPERS, however, refused to reinstate Byrd in the pension system at the higher classification. It cited Government Code section 21198 to argue that involuntarily terminated employees cannot be reinstated to a higher classification. The Court of Appeal agreed that "reinstatement" as used in

section 21198 generally limits reinstatement to the employee's previous classification. The Court did not adopt CalPERS' argument that an involuntarily terminated employee can **never** be reinstated to a higher classification. If the higher classification was connected to the underlying dispute, such as reinstatement following the successful appeal of a failure-to-promote claim, CalPERS could implement the higher classification upon reinstatement consistently with section 21198.

It is common for public agencies to settle employee discipline appeals with a suite of benefits to the employee. *Byrd* teaches that, even if both sides agree to deal terms, those terms must still comply with the limits under the Public Employees' Retirement Law. In short, you can't settle your employment cases with CalPERS' money.

It is common for public agencies to settle employee discipline appeals with a suite of benefits to the employee. *Byrd* teaches that, even if both sides agree to deal terms, those terms must still comply with the limits under the Public Employees' Retirement Law. In short, you can't settle your

employment cases with CalPERS' money.

Agencies should carefully examine the implications of reinstating a formerly terminated employee only to immediately place her on administrative leave. Although the Court did not reach the issue, CalPERS argued that pay for such time is not "compensation earnable." The lesson is not that this can never be done, but rather the parties must account for CalPERS' rules to ensure their assumptions about the effect settlements have on retirement benefits will withstand CalPERS' review.

For more information, please contact Holly at (213) 542-5704 or HWhatley@chwlaw.us.

Colantuono, Highsmith & Whatley is a law firm with offices in Pasadena and Grass Valley in the Sierra Foothills that represents public agencies throughout California. Its municipal law practice includes public revenues, land use, housing, CEQA, LAFCO matters and associated appeals and trial court litigation. We are committed to providing advice that is helpful, understandable, and fairly priced.

The firm includes California's leading experts on the law of local government revenues, including Propositions 13, 26, 62, and 218. Our litigators have broad experience in public-sector litigation as well as general commercial litigation, employment law, and unfair competition. The firm has litigated a number of important Prop. 218 cases in the California Supreme Court.

The firm serves as general counsel or city/town attorney for over a dozen government agencies. The firm also serves as special counsel to local governments throughout California.

Southern California

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Northern California

420 Sierra College Drive, Suite 140
Grass Valley, CA 95945-5091
Phone: (530) 432-7357

www.chwlaw.us

Consent 7.

LAFCO

Meeting Date: 08/22/2019

Information

SUBJECT

Approve a revised on-call legal services contract with Colantuono, Highsmith & Whatley, PC

RECOMMENDED ACTION

Approve a revised on-call legal services contract with Colantuono, Highsmith & Whatley, PC

FISCAL IMPACT

Any on-call legal services are anticipated to be related to a LAFCo proposal, which are reimbursed by the applicant per the Yolo LAFCo adopted fee schedule.

REASONS FOR RECOMMENDED ACTION

For typical ongoing legal services, Yolo LAFCo contracts with Yolo County Counsel's Office. Occasionally, a proposal is more complicated and requires more specialized LAFCo legal advice or additional capacity. Yolo LAFCo has maintained on-call service contracts for many years with three different law firms.

With the recent reclamation district reorganization proposals, outside counsel was needed. A revised contract was prepared because the name of Michael Colantuono's law firm had changed. The Executive Officer signed an interim agreement not to exceed \$5,000 consistent with her spending authority, however this amount has already been exceeded. Therefore, a revised contract requires LAFCo approval.

BACKGROUND

Some limited additional legal services are anticipated for the Reorganization to Establish RD 900 as a Subsidiary District of the City of West Sacramento Protest Hearing on November 13, 2019 and preparing the Conducting Authority Resolution for subsequent LAFCo approval. This contract would cover these services and any future services requested by Yolo LAFCo over the years as this

contract does not have an expiration date.

Attachments

AGR 2019-12 Colantuono Legal Services 08.22.19

Form Review

Inbox

Eric May

Christine Crawford (Originator)

Form Started By: Christine Crawford

Final Approval Date: 08/14/2019

Reviewed By

Eric May

Christine Crawford

Date

08/14/2019 09:55 AM

08/14/2019 10:26 AM

Started On: 08/13/2019 11:11 AM

YOLO LAFCo AGREEMENT No. 2019-12
(Agreement for Professional Services)

This Agreement is made this 22nd day of August, 2019, by and between the Yolo Local Agency Formation Commission (“LAFCo” or “Commission”) and Colantuono, Highsmith & Whatley, PC (“Law Firm”), who agree as follows:

TERMS

1. Law Firm shall provide special legal services to the Commission as requested by the Executive Officer. The Lead Attorney for the provision of the legal services required by this Agreement shall be Michael G. Colantuono who may, subject to the approval of the Executive Officer, be assisted by other attorneys and support personnel within Law Firm.
2. Law Firm shall perform said services on an as-needed basis, subject to attorney availability and clearance of any conflict checks. Either party may terminate this Agreement for any reason upon the provision of fifteen (15) days written notice to the other party. LAFCo shall have no obligation to pay Law Firm any further funds for services provided by Law Firm after the effective date of any termination set under this paragraph. LAFCo shall be obligated to pay Law Firm for all services provided by Law Firm up to the effective date of the termination. This agreement shall remain effective until terminated.
3. Subject to Law Firm’s satisfactory and complete performance of all the terms and conditions of this Agreement, and upon Law Firm’s submission of an appropriate invoice, LAFCo shall pay Law Firm the hourly rate of up to \$325 for advisory work and \$350 for litigation services. Law Firm will charge one-half of the hourly rates for travel to and from the LAFCo offices from Law Firm’s Nevada County office. Should travel from other offices be required, no travel time will be charged. Law Firm will be reimbursed for reasonable travel expenses, including car travel at the IRS rate.
4. It is understood that these hourly rates may be increased from time to time for business purposes. However, no such increase shall be binding on LAFCo unless expressly approved by the Executive Officer in writing. In establishing the maximum amounts for compensation and reimbursement of expenses, the Commission and the Law Firm recognize that the costs associated with the provision of the required legal services cannot be predicted with certainty. Law Firm will notify the LAFCo Executive Officer if the amount for compensation in any fiscal year (July 1 - June 30) exceeds \$50,000.
5. Law Firm shall exercise all of the care and judgment consistent with good practices in the performance of the services required by this Agreement. In addition, Law Firm shall indemnify, defend, and hold harmless the Commission, its elected representatives, officers, agents, and employees from and against any and all claims, demands, losses, defense costs, expenses (including reasonable attorneys’ fees) or liability of any kind or nature, for personal injury or property damage arising out of or, as a result of litigation or administrative proceeding(s), alleged to arise out of:

- a. any negligent act, error or omission of Law Firm, its officers, agents or employees, performing the services, responsibilities or duties required of Law Firm by this Agreement; or
- b. any breach of any statutory, regulatory, contractual or legal duty of any kind related, directly or indirectly, to the services, responsibilities or duties required of Law Firm by this Agreement.

In providing any defense under this Paragraph, Law Firm shall use counsel reasonably acceptable to the Commission. The provisions of this Paragraph shall survive the termination or expiration of this Agreement.

6. During the term of this Agreement, Law Firm shall maintain a professional errors and omission policy with amounts not less than \$1,000,000 individual, \$1,000,000 aggregate covering the services provided under this Agreement.
7. Law Firm shall comply with all applicable laws and regulations including but not limited to any which are promulgated to protect or prevent conflicts of interest. Law Firm shall defend LAFCo and reimburse it for any fines, damages or costs (including reasonable attorney fees) that might be incurred or assessed based upon a claim or determination that Law Firm has violated any applicable law or regulation.
8. Law Firm understands that none of its assigned personnel are employees of LAFCo and are not eligible for any Commission employee benefits, including but not limited to unemployment, health/dental insurance, worker's compensation, vacation or sick leave.
9. Law Firm will hold in confidence all non-public information disclosed to or obtained by Law Firm which relates to activities under this Agreement and/or to Commission's plans or activities. In addition, Law Firm shall retain all of its own records regarding this Agreement and the services provided hereunder for a period of not less than four (4) years.
10. This Agreement shall be deemed to be executed within the State of California and construed in accordance with and governed by the laws of the State of California. Any action or proceeding arising out of this Agreement shall be filed and resolved in a State court located in Woodland, California.
11. This Agreement constitutes the entire agreement of the parties, and no other agreements or representations, oral or written, have been made or relied upon by either party. This Agreement supersedes and replaces the Agreement of the Parties dated July 1, 2019. This Agreement may only be amended in writing signed by both parties, and any other purported amendment shall be of no force or effect.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above by affixing their signatures hereafter.

LAW FIRM

By: Mary B. Bell / for MGC

Michael G. Colantuono, President
Colantuono, Highsmith & Whatley, PC
420 Sierra College Drive, Suite 140
Grass Valley, CA 95945-5091
(530) 432-7357

LAFCo

By: _____

Olin Woods
Chair

Approved as to form:

E. May

Eric May
Commission Counsel

LAFCO

Meeting Date: 08/22/2019

Information

SUBJECT

Consider the proposed new dues structure for approval at the 2019 CALAFCO Annual Business Meeting

RECOMMENDED ACTION

Authorize Yolo LAFCo's voting delegate, Chair Woods, to vote in support of the new dues structure at the 2019 CALAFCO Annual Business Meeting on October 31, 2019.

FISCAL IMPACT

The proposal would increase Yolo LAFCo's annual membership dues by approximately \$900 compared to last year for an estimated total of \$4,161.

REASONS FOR RECOMMENDED ACTION

The CALAFCO Board has been wrestling with how to deal with a structural deficit in its budget for over a year. Up until now, it has relied on revenue from the Annual Conferences (often including unrealistic projections) which is highly variable and uncertain. As an example, last year's conference in Yosemite was at risk of being canceled due to a nearby forest fire.

BACKGROUND

At the 2018 Annual Conference Regional Roundtables, Board members facilitated a discussion on ideas to close the structural gap. As an interim measure, the CALAFCO Board approved a 16.25% dues increase for fiscal year 19/20 "across the board". The Board created an ad hoc committee to look at options and after much consideration has recommended the formula for the dues structure be changed from rural, suburban and urban categories to a more population based method.

On May 10, 2019 the CALAFCO Board approved a bylaws change that would need to be voted on by the membership at the Annual Conference. It creates a

base dues of \$1,000 plus per capita dues that are capped at a population threshold. The proposed dues structure would result in dues estimated for fiscal year (FY) 2020/21 that range from \$1,015 (Alpine County) to \$10,662 (for the 15 counties with a population over 700,000).

Under this proposed formula, member dues for Yolo LAFCo are proposed to change in FY 20/21 as follows (dues for FY 18/19 and FY 19/20 are already set):

FY 18/19	FY 19/20	FY 20/21
\$2,805	\$3,261	\$4,161

Attachments

ATT A-CALAFCO Member Dues Proposal Information 08.12.2019

Form Review

Inbox

Christine Crawford (Originator)
Form Started By: Christine Crawford
Final Approval Date: 08/13/2019

Reviewed By

Christine Crawford

Date

08/13/2019 01:55 PM
Started On: 08/13/2019 11:40 AM

August 12, 2019

TO: Member LAFCos
SUBJECT: Proposed new dues structure for approval at 2019 Annual Business Meeting

Dear Member LAFCos:

The CALAFCO Board of Directors continues to develop services to meet the evolving needs of our members, yet we find ourselves continually challenged to meet those needs with limited resources.

At the CALAFCO Annual Meeting in Yosemite last fall, the Board explained that additional revenues must be raised to close the ongoing structural deficit, which the association has operated with since its inception. As many of you heard, CALAFCO has had an unhealthy reliance on Conference revenue to balance the budget which is not a sound fiscal practice. After receiving your feedback during the roundtable discussions at that Conference and after process of almost 18 months, the Board took a two-phase approach to addressing the ongoing structural deficit.

First, as a short-term strategy to address this structural deficit in FY 2019-20, the Board approved a one-time cost sharing option in which member LAFCo dues were increased by 16.25% and the Board used one-time Conference net profits to close the deficit (\$33,452 raised through the 16.25% increase and \$31,138 coming from Conference net profit). As we move into FY 2019-20, the adopted budget has a structural deficit of \$37,980.

The Board was also committed to a long-term strategy of revising the current dues structure into a more sustainable model. As a result, at their May 10, 2019 meeting, the Board considered several options for a new dues structure brought forward from the Finance Ad Hoc Committee. This Committee undertook a lengthy and detailed process, considering eleven (11) different options before deciding on the two brought to the Board.

After much discussion and careful consideration, the Board unanimously approved presenting the proposed new dues structure to you, the membership, for a vote at the October 31, 2019 Annual Business Meeting. A new dues structure requires the approval of the membership as it is a change in the Bylaws.

The structure is population based with a number of variables including an annual base rate, population threshold and a per capita rate. Population data will be updated annually.

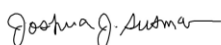
The first step to changing the dues structure is for the membership to discuss it at the Annual Business Meeting and vote. Should the membership approve the new structure, the Board will adopt policies relating to the three variables. To help you better understand the process up to this point in time, a Q&A document has been created and included with this letter. It provides details and answers to the questions we know many of you have. Additionally we are including a matrix of what the new dues structure looks like for the first year of implementation (FY 2020-21) should the membership approve.

Also the Annual Business Meeting Agenda and meeting packet will contain a full staff report with details and the proposed changes to the Bylaws associated with the new dues structure. This will be published early August.

We understand raising dues at any time is a difficult proposition. Our work at CALAFCO strives to support the success and meet the needs of all member LAFCos, large and small. We are committed to continually enhancing the services of CALAFCO and fulfilling our mandate "to assist member LAFCos with educational and technical resources that otherwise would not be available." We hope you will agree when we discuss this at our Annual Business Meeting at this year's Conference.

We and the rest of the Board are available to answer any questions you may have. You are encouraged to seek out the feedback of your regional Board members.

On behalf of the CALAFCO Board of Directors,



Josh Susman
Chair of the Board



Pamela Miller
Executive Director

Cc: CALAFCO Board of Directors
enclosures

CALAFCO BULLETIN

Proposed LAFCo Membership New Dues Structure



To be presented to the Membership for consideration and vote at the
2019 Annual Business Meeting in Sacramento, California on
October 31, 2019

Questions & Answers

Question: *How did the Board come up with the proposed dues structure?*

Answer: The Board spent over a year deliberating the structural deficit and dues structure through their Finance Ad Hoc Committee. They considered feedback received from the membership at the 2018 Annual Conference from the regional roundtable discussions and the message to work towards a more sustainable dues structure model. The Board discussed at length options presented to them by the Ad Hoc Committee in February and May.

Question: *Why was this structure selected over other options considered?*

Answer: After extensive research and discussion by the Ad Hoc Committee, and after considering a variety of possible structures including those based on LAFCo budget, County category (urban-suburban-rural), flat rate increases and population, ultimately it was a population-based structure that was favored. The Ad Hoc Committee presented two options to the Board with this population-based structural model and the Board agreed the population-based structure created the fewest irregularities to resolve and created a more sustainable funding formula. Ultimately this structure was unanimously approved by the Board.

Question: *What are the variables in the formula?*

Answer: The formula includes: (1) A flat annual fee or base rate (each LAFCo will pay the same flat rate); (2) Population threshold number; and (3) A per capita rate.

Question: *How will these variables be determined each year as CALAFCO considers member LAFCo dues?*

Answer: Should the membership approve the new structure, the Board will create policies to support the new structure. These policies will include the consideration of each of these variables and possible future adjustments. These policies will include keeping the Board's discretion to increase the dues by the CPI annually.

Question: *Where will the population data come from?*

Answer: The population data will be updated annually as the Board considers the next fiscal year dues. The data source to be used for updates is the California Department of Finance population estimates.

Question: *Is CALAFCO still budgeting for a net profit for the Annual Conference and how does that impact the annual budget?*

Answer: Yes. The Board has given clear direction that each year the annual budget should have a 15% net profit built into the budget for the Annual Conference (pursuant to Board Policy 4.2). CALAFCO's current FY 2019-20 budget calls for a 15% (or \$20,817) net profit. This net profit is still used to help balance the budget. However, the goal is for CALAFCO to move away from the unhealthy and unsustainable reliance on any higher net profit assumptions to balance the budget and fill the structural deficit.

The Ad Hoc Committee and the Board discussed at length using sponsorships to boost revenue and the Board continues to feel this revenue is unreliable and unpredictable and therefore unrealistic to use as a reliable revenue source.

Question: *How were the proposed base rate, population threshold and per capita rate selected?*

Answer: First, the Board committed to using the FY 2018-19 dues as the baseline from which to work, which they did (the FY 2018-19 dues are lower than the FY 2019-20 dues). The Board anticipated the FY 2020-2021 operational costs to be close to \$300,000, which was the baseline budget number from which they worked. The Ad Hoc Finance Committee considered eleven (11) different options before deciding on the population-based model with the three variables. To narrow that further, after looking at several (three) options with different variable numbers, the Board selected the current formula (\$1,000 base rate, 700,000 population threshold, per capita rate of 0.013802199 and population estimates for 2020 given that is the year the new dues structure would take effect, should it be approved). While this and other formulas realized the \$300,000 anticipated operational budget, these particular variables created dues for each LAFCo that the Board felt were the most equitable at this time.

Question: *How is this structure different than the current structure?*

Answer: The straight 3-category model no longer effectively serves the Association's member LAFcos. County populations vary enough that 3 categories just did not accurately capture the broader population picture. With the proposed model, the gap in the amount paid between the more populated rural LAFcos and their suburban colleagues has been reduced, as has the gap between the higher populated suburban LAFcos and the urban LAFcos.

Question: *Are LAFcos in counties with a population over 700,000 exempt from any future increase based on population growth?*

Answer: The proposed changes call for the Board to set the population threshold annually. Should the membership approve this proposed structure, the Board will set policies around the variables of population threshold, base rate and per capita rate. This means that population threshold can change based on Board discretion.

Question: *What if our LAFCo has a financial hardship? Is that still addressed in the Bylaws?*

Answer: Yes. The Board unanimously agreed to keep the provision of allowing any LAFCo with a financial hardship to bring that to the Board for consideration. (Please refer to Bylaws Section 2.2.4).

Question: *What will the dues be for my LAFCo if the membership approves this new structure?*

Answer: The spreadsheet accompanying this bulletin details what the first year will look like with this formula. As a starting point, the Bylaws will reflect the formula used to get at these rates and the rate chart itself. That detailed information will be contained in the meeting packet for the October 31, 2019 Annual Membership meeting.

Question: *When will the membership vote on this proposed structure?*

Answer: The proposed structure is being presented to member LAFcos for voting at the Annual Business meeting on October 31, 2019 during the Annual Conference in Sacramento. The Annual Business Meeting agenda and meeting packet will be distributed in early August, allowing approximately three months for discussion prior to the vote.

Question: *Can we vote by proxy or absentee ballot if we are not attending the Annual Business meeting?*

Answer: No, all member LAFcos must be present to vote at the Annual Business meeting pursuant to Bylaws Section 3.7. **For purposes of voting, each member LAFCo must be in good standing – which means all dues are current and paid in full by September 30, 2019. Further, each member LAFCo shall submit to CALAFCO the name of their voting delegate by September 30, 2019.**

Question: *What happens if the membership does not approve the proposed new dues structure?*

Answer: The Association will continue to have a structural deficit and may need to rely on accessing Fund Reserves to balance the budget. Further, in order to have a balanced budget, without additional sustainable and reliable revenues, expenses will need to be reduced which will equate to a reduction in services offered.

Question: *Who can I talk to if I have questions?*

Answer: If you have questions you are encouraged to contact Pamela Miller, CALAFCO's Executive Director at pmiller@calafco.org or 916-442-6536. You can also contact the CALAFCO Board Chair Josh Susman at jsusman@calafco.org. You are highly encouraged to reach out to any of your regional Board members and/or your regional staff representatives. All of their names and contact information can be found on the CALAFCO website at www.calafco.org.

CALAFCO
Proposed member LAFCo dues structure and dues beginning FY 2020-21

County	Population Estimate 2020	Population For Dues Calculation	Base Dues	Per Capita Dues	Base + Per Capita Dues	Total Per Capita Rate
ALAMEDA	1,703,660	700,000	1,000	9,662	10,662	0.0063
ALPINE	1,107	1,107	1,000	15	1,015	0.9171
AMADOR	37,560	37,560	1,000	518	1,518	0.0404
BUTTE	230,701	230,701	1,000	3,184	4,184	0.0181
CALAVERAS	44,953	44,953	1,000	620	1,620	0.0360
COLUSA	23,144	23,144	1,000	319	1,319	0.0570
CONTRA COSTA	1,178,639	700,000	1,000	9,662	10,662	0.0090
DEL NORTE	26,997	26,997	1,000	373	1,373	0.0508
ELDORADO	189,576	189,576	1,000	2,617	3,617	0.0191
FRESNO	1,033,095	700,000	1,000	9,662	10,662	0.0103
GLENN	29,691	29,691	1,000	410	1,410	0.0475
HUMBOLDT	137,711	137,711	1,000	1,901	2,901	0.0211
IMPERIAL	195,814	195,814	1,000	2,703	3,703	0.0189
INYO	18,724	18,724	1,000	258	1,258	0.0672
KERN	930,885	700,000	1,000	9,662	10,662	0.0115
KINGS	154,549	154,549	1,000	2,133	3,133	0.0203
LAKE	65,302	65,302	1,000	901	1,901	0.0291
LASSEN	30,626	30,626	1,000	423	1,423	0.0465
LOS ANGELES	10,435,036	700,000	1,000	9,662	10,662	0.0010
MADERA	162,990	162,990	1,000	2,250	3,250	0.0199
MARIN	265,152	265,152	1,000	3,660	4,660	0.0176
MARIPOSA	18,031	18,031	1,000	249	1,249	0.0693
MENDOCINO	90,175	90,175	1,000	1,245	2,245	0.0249
MERCED	286,746	286,746	1,000	3,958	4,958	0.0173
MODOC	9,422	9,422	1,000	130	1,130	0.1199
MONO	13,986	13,986	1,000	193	1,193	0.0853
MONTEREY	454,599	454,599	1,000	6,274	7,274	0.0160
NAPA	143,800	143,800	1,000	1,985	2,985	0.0208
NEVADA	99,548	99,548	1,000	1,374	2,374	0.0238
ORANGE	3,260,012	700,000	1,000	9,662	10,662	0.0033
PLACER	397,368	397,368	1,000	5,485	6,485	0.0163
PLUMAS	19,374	19,374	1,000	267	1,267	0.0654
RIVERSIDE	2,500,975	700,000	1,000	9,662	10,662	0.0043
SACRAMENTO	1,572,886	700,000	1,000	9,662	10,662	0.0068
SAN BENITO	60,067	60,067	1,000	829	1,829	0.0305
SAN BERNARDINO	2,230,602	700,000	1,000	9,662	10,662	0.0048
SAN DIEGO	3,398,672	700,000	1,000	9,662	10,662	0.0031
SAN FRANCISCO	905,637	700,000	1,000	9,662	10,662	0.0118
SAN JOAQUIN	782,662	700,000	1,000	9,662	10,662	0.0136
SAN LUIS OPISPO	284,126	284,126	1,000	3,922	4,922	0.0173
SAN MATEO	792,271	700,000	1,000	9,662	10,662	0.0135

CALAFCO
Proposed member LAFCo dues structure and dues beginning FY 2020-21

County	Population Estimate 2020	Population For Dues Calculation	Base Dues	Per Capita Dues	Base + Per Capita Dues	Total Per Capita Rate
SANTA BARBARA	460,444	460,444	1,000	6,355	7,355	0.0160
SANTA CLARA	2,011,436	700,000	1,000	9,662	10,662	0.0053
SANTA CRUZ	282,627	282,627	1,000	3,901	4,901	0.0173
SHASTA	180,198	180,198	1,000	2,487	3,487	0.0194
SIERRA	3,129	3,129	1,000	43	1,043	0.3334
SISKIYOU	44,186	44,186	1,000	610	1,610	0.0364
SOLANO	453,784	453,784	1,000	6,263	7,263	0.0160
SONOMA	515,486	515,486	1,000	7,115	8,115	0.0157
STANISLAUS	572,000	572,000	1,000	7,895	8,895	0.0156
SUTTER	101,418	101,418	1,000	1,400	2,400	0.0237
TEHAMA	65,119	65,119	1,000	899	1,899	0.0292
TRINITY	13,389	13,389	1,000	185	1,185	0.0885
TULARE	487,733	487,733	1,000	6,732	7,732	0.0159
TUOLUMNE	53,976	53,976	1,000	745	1,745	0.0323
VENTURA	869,486	700,000	1,000	9,662	10,662	0.0123
YOLO	229,023	229,023	1,000	3,161	4,161	0.0182
YUBA	79,087	79,087	1,000	1,092	2,092	0.0264

As proposed, the formula described below is used to create the proposed FY 2020-21 dues as noted above.

Notwithstanding the foregoing, Member LAFCO annual membership dues shall be levied based upon a formula that includes the following components:

1. Dues are population based. The fiscal year 2020-2021 dues uses a 0.013802199 per capita rate and 2020 population estimates based on data from the California Department of Finance.
2. A base charge as set by the Board of Directors, which shall be the same for each LAFCO. The base charge for fiscal year 2020-2021 is \$1,000 per LAFCO.
3. A population threshold as set by the Board of Directors.
4. Population estimates per County updated annually based on data provided by the California Department of Finance.
5. The per capita rate shall be set by the Board of Directors.
6. No LAFCO will pay less than its current dues based on the baseline dues of fiscal year 2018-2019.

LAFCO

Meeting Date: 08/22/2019

Information

SUBJECT

Consider approval of **Resolution 2019-13** adopting the Joint Powers Agency (JPA) Service Review for the Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA) (LAFCo No. S-053)

RECOMMENDED ACTION

1. Receive staff presentation on the JPA Service Review and open the Public Hearing for any comments on this item.
2. Close the Public Hearing and consider the information presented in the staff report and during the Public Hearing. Discuss and direct staff to make any necessary changes.
3. Consider approval of Resolution 2019-13 adopting the JPA Service Review for YCPARMIA.

FISCAL IMPACT

No fiscal impact. The JPA Service Review was prepared "in-house" and appropriate funds were budgeted.

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".

While MSRs are not legally required of Joint Powers Agencies/Authorities, LAFCo has been requested by the cities and County (i.e. JPA member agencies) to provide MSR-like service reviews of selected types of JPAs in the county. LAFCo has the authority to furnish informational studies and analyzing independent data to make informed recommendations regarding the efficient, cost-effective, and reliable delivery of services to residents, landowners, and businesses via these JPAs. With this intention, LAFCo has modified its MSR checklist to conduct service reviews of JPAs.

BACKGROUND

Agency Information

The Yolo County Public Agency Risk Management Authority (YCPARMIA) is a joint powers authority formed in 1978 by participating members. It provides non-profit risk management, insurance, and safety services to its members within Yolo County with seven full time employees. Prior to implementation of the YCPARMIA self-insurance program on March 1, 1979, each agency purchased its own insurance. Its risk sharing pool is comprised of public entities in Yolo County that have entered into a joint powers agreement as either a voting member or an associate member. It is governed by a Board that is appointed by its six member agencies. There are an additional twenty-six associate member public agencies served (including Yolo LAFCo). YCPARMIA's Board is independent, and not controlled by their member agencies. There is no insurance; with few specialized exceptions, members are covered by programs of self-insurance (funds YCPARMIA has set aside to pay claim costs). YCPARMIA, in turn, is a member of various excess pools made up of hundreds of other California public entities that provide coverage above YCPARMIA's pooled retentions/limits.

YCPARMIA's annual revenues come entirely from member premium/cash payments. An annual actuary study is used to determine premiums based largely on member's claim history in liability and workers' compensation. Loss prevention efforts that drive down claim frequency and severity will result in lower premium charges while catastrophic losses will result in increases. When YCPARMIA is able to "beat" the actuary's projections of future losses, surplus funds result. The YCPARMIA Board returns these surplus funds to members in the form of premium rebate credits. YCPARMIA is staffed to provide professional risk management and claim services for members; there are no separate charges for these services. YCPARMIA staff has no authority over the risk management efforts of its members; at best staff serve as an outside consultant, albeit with a vested interest representing agency's risk sharing partners.

The annual "premium" charged each agency is designed to reflect the risk exposure of each participating agency, and modified to reflect the actual losses paid by the pool on behalf of each participating agency. Equity is achieved to the greatest extent possible. The annual premium charged to each participating agency consists of its pro-rata share of: 1) Excess insurance premium, 2) Charge for the pooled risk (or losses), recognizing the deductible selected, 3) Claims adjusting and legal costs, and 4) Administrative and other costs to operate the Authority. Total expenses for YCPARMIA (administration and claim payments) has ranged from \$7,201,216 to \$10,418,622 over the last five fiscal years reviewed. Detailed information is provided in the report.

JPA Service Review Determinations and Recommendations

Six of the required seven MSR determinations are applicable to JPAs (the determination for disadvantaged unincorporated communities was removed for the JPA Service Review checklist). YCPARMIA's determinations and recommendations for Commission review and consideration are as follows:

Growth and Population Determination

Projected population estimates for the entire County is 243,234 by 2025 (an increase of 20,656 or 9.28%) and 259,339 by 2030 (an increase of 36,758 or 16.51%). YCPARMIA's claim volume can be correlated to population growth and/or a commensurate increase in agency staff (i.e. more staff, more claims). If the volume of member agency claims increases over time, YCPARMIA may need to increase its staff capacity to manage those claims, which would increase member administration and overhead costs. Agency annual "premiums" are designed and adjusted to reflect the risk exposure of each participating agency, and modified to reflect the

actual losses paid by the pool on behalf of each participating agency. YCPARMIA serves public agencies within Yolo County and population growth would not affect its service area.

Capacity and Adequacy of Public Facilities and Services Determination

There are no deficiencies in YCPARMIA's capacity to meet member service needs and the agency is able to respond to any member needs to increase capacity as determined by its Board. YCPARMIA owns its facility but the building is in need of some upgrades. YCPARMIA should consider developing a schedule and setting aside funds for regular maintenance.

Climate adaptation is an important issue for YCPARMIA and it is aware and responding to climate adaptation issues by necessity. YCPARMIA's CEO indicated industry property premiums have been going up due to changes in weather patterns by 30-50%. Even if there are no claims for YCPARMIA agencies, there is an indirect impact statewide.

Capacity and Adequacy of Public Facilities and Services Recommendation(s):

1. YCPARMIA should consider developing a schedule and setting aside funds for regular building maintenance.

Financial Ability Determination

YCPARMIA is a financially well-run organization. Adopted budgets with revenue exceeding expenditures are routinely adopted. In addition to the annual financial audit the agency is subjected to 4 other audits and an annual actuary study. The agency has been accredited with excellence by two of the auditing organizations. In addition, YCPARMIA has received the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting for each year covered by this MSR.

YCPARMIA also has good financial polices including funding reserves. As of June 30, 2018 net position was \$2.6M, which is approximately 23% of total expenses. The agency has also served its members well by maintaining a relatively flat level of general administrative expenses over the past 5 years.

Financial Ability Recommendation(s):

1. YCPARMIA should consider modifying their budgeting practice to include budgeting for loss reserve adjustments, expenses that are passed through to member agencies, dividends paid to members, depreciation, and changes to retiree health insurance (OPEB), pension and accrued compensation liabilities. Budget modifications can be made during the year as amounts are known. Some of these amounts are known after the completion of audits and actuarial studies.
2. YCPARMIA should consider reviewing the reserve calculation process to ensure funded reserves balances provided to the board reconciles to the actual ending net position balance. Also YCPARMIA should consider creating separate general ledger accounts for each reserve and maintain the balances to agree to the amounts calculated and reported to the board.
3. YCPARMIA should consider establishing an irrevocable trust to accumulate assets to fund the OPEB liability.
4. YCPARMIA should consider making voluntary lump sum payments to CalPERS, as funding permits, to reduce the pension liability.

Shared Services Determination

The JPA in itself is a risk sharing pool to reduce agency costs.

Accountability, Structure and Efficiencies Determination

There are no issues with YCPARMIA meetings being accessible and well publicized. JPA members keep the Board member seats filled with staff, which tend to be human resource professionals. There is a lack of risk management expertise on the Board, however, agencies rely on YCPARMIA to provide this as a shared service. The JPA's staff has remained relatively stable. Audits are performed on a regular schedule, on time and without issues or findings. YCPARMIA does need to improve its website and the content provided, per the 2018 website transparency scorecard.

Accountability, Structure and Efficiencies Recommendation(s):

1. YCPARMIA should improve its website and content. The agency received a 26% transparency score in the Yolo Local Government 2018 Website Transparency Scorecard report. The JPA's information deficiencies can be viewed here:
<https://www.yololafo.org/yolo-local-government-website-transparency-scorecards> .

Other Issues Determination

There are no other matters related to effective or efficient service delivery not already discussed in this report.

Attachments

[ATT A-YCPARMIA JPA Service Review Reso 2019-13](#)

[ATT B-YCPARMIA Draft JPA Service Review](#)

Form Review

Inbox

Christine Crawford (Originator)
Form Started By: Christine Crawford
Final Approval Date: 08/13/2019

Reviewed By

Christine Crawford

Date

08/13/2019 03:09 PM
Started On: 08/13/2019 12:31 PM

YOLO LOCAL AGENCY FORMATION COMMISSION

Resolution № 2019-13

**Adopting the Joint Powers Agency/Authority (JPA) Service Review for the
Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA)
(LAFCo No. S-053)**

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 56378(a) provides for a local agency formation commission to initiate and make studies of existing governmental agencies, including inventorying those agencies and determining their maximum service area and service capacities requesting studies, joint powers agreements, and plans of joint powers agencies and joint powers authorities; and

WHEREAS, the cities within Yolo County and the County of Yolo adopted the Yolo Local Government Transparency and Accountability Program at each's respective board meetings held in fall 2017 which requested that the Yolo Local Agency Formation Commission (LAFCo) add selected types of joint powers authorities/agencies ("JPA") to its municipal service review process; and

WHEREAS, the Yolo Local Government Transparency and Accountability Program implementation requests LAFCo conduct Municipal Service Reviews every five years of selected types of JPAs whose service area is mostly within the county and includes: (1) JPAs that provide municipal services; (2) JPAs that employ staff; and/or (3) JPAs with boards comprised of agency staff, and specifically identifies YCPARMIA; and

WHEREAS, in 2018/19, LAFCo conducted a JPA Service Review of YCPARMIA; and

WHEREAS, staff has reviewed the JPA Service Review pursuant to the California Environmental Quality Act (CEQA) and determined that a JPA Service Review is not a "project" per CEQA Guidelines Section 21065 because it is not an activity which may cause a direct or indirect physical change to the environment; and

WHEREAS, the Executive Officer set a public hearing for August 22, 2019, for consideration of the draft JPA 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 August 22, 2019, the draft JPA 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 the draft JPA Service Review, and the Executive Officer's Report and Recommendations; 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, and determinations and the service review.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED that the Yolo Local Agency Formation Commission hereby adopts Resolution 2019-13 adopting the JPA Service Review for the Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA) dated August 22, 2019 and incorporated herein by this reference, subject to the following finding and recommendations:

FINDING

Finding: Approval of the JPA Service Review is consistent with all applicable state laws and local Yolo Local Government Transparency and Accountability Program.

Evidence: The JPA Service Review was prepared consistent with the requirements in the Cortese-Knox-Hertzberg Act for requesting information from and furnishing studies for government agencies. Staff followed the steps outlined in the Program including: Compiling publicly and readily available information; Requesting any additional information from the JPA, minimizing JPA staff time; Developing JPA recommendations regarding each of the determinations; Completing an administrative draft report for preview by JPA management; Responding to any comments and preparing a draft report available for public review; Publishing a hearing notice for public review and comment of the draft JPA Service Review; Adopting the JPA Service Review at a public hearing, finalizing the report, and posting it online; and Sharing findings with city/county managers, including any cumulative recommendations on ways to streamline and improve efficiencies with the governance structures countywide.

RECOMMENDATIONS

1. YCPARMIA should consider developing a schedule and setting aside funds for regular building maintenance.
2. YCPARMIA should consider modifying its budgeting practice to include budgeting for loss reserve adjustments, expenses that are passed through to member agencies, dividends paid to members, depreciation, and changes to retiree health insurance (OPEB), pension and accrued compensation liabilities. Budget modifications can be made during the year as amounts are known. Some of these amounts are known after the completion of audits and actuarial studies.
3. YCPARMIA should consider reviewing the reserve calculation process to ensure funded reserves balances provided to the board reconciles to the actual ending net position balance. Also YCPARMIA should consider creating separate general ledger accounts for each reserve and maintain the balances to agree to the amounts calculated and reported to the board.
4. YCPARMIA should consider establishing an irrevocable trust to accumulate assets to fund the OPEB liability.

5. YCPARMIA should consider making voluntary lump sum payments to CalPERS, as funding permits, to reduce the pension liability.
6. YCPARMIA should improve its website and content. The agency received a 26% transparency score in the Yolo Local Government 2018 Website Transparency Scorecard report. The JPA's information deficiencies can be viewed here: <https://www.yololafco.org/yolo-local-government-website-transparency-scorecards> .

PASSED AND ADOPTED by the Yolo Local Agency Formation Commission, State of California, this 22nd day of August 2019, 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:



Eric May, Commission Counsel

2019

Item 9-ATT B

JPA SERVICE REVIEW FOR THE

Yolo County Public Agency Risk
Management Insurance Authority
(YCPARMIA)





Project Name: JPA Service Review for the Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA) JPA

LAFCo Project No. 053

Conducted By: Christine Crawford, Executive Officer
Yolo Local Agency Formation Commission
625 Court Street, Suite 107
Woodland, CA 95695

Date: August 22, 2019

Subject Agency: Yolo County Public Agency Risk Management Insurance Authority

Agency Address: 77 West Lincoln Avenue
Woodland, CA 95695

Agency Contact Person: Armond Sarkis, ARM, CPCU - CEO/Risk Manager

Date of Last JPA Service Review Adopted by LAFCo N/A

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JPA SERVICE REVIEW 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). 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.”

While MSRs are not legally required of Joint Powers Agencies/Authorities, LAFCo has been requested by the cities and County (i.e. JPA member agencies) to provide MSR-like service reviews of selected types of JPAs in the county. LAFCo has the authority to furnish informational studies and analyzing independent data to make informed recommendations regarding the efficient, cost-effective, and reliable delivery of services to residents, landowners, and businesses via these JPAs. With this intention, LAFCo has modified its MSR checklist to conduct service reviews of JPAs.

PURPOSE OF A JPA SERVICE REVIEW

LAFCo has broad discretion in conducting informational studies, including geographic focus, scope of study, and the identification of alternatives for improving the efficiency, cost-effectiveness, accountability, and reliability of public services. The intent of the JPA Services Review is to provide a comprehensive inventory and analysis of the services provided by local JPAs, service areas, and evaluation of the finances, structure and operation of the local agency and discuss possible areas for improvement and coordination. From the state required MSR determinations, the following determinations remain relevant to the comprehensive inventory and analysis of local JPAs (there is a disadvantaged unincorporated communities determination for MSRs that is not applicable to JPAs):

1. Growth and population projections for the service area;
2. Present and planned capacity of any public facilities, adequacy of services, and infrastructure needs or deficiencies;
3. Financial ability of agencies to provide services;
4. Status of, and opportunities for, shared services and facilities;
5. Accountability for community service needs, including governmental structure and operational efficiencies; and
6. Any other matter related to effective or efficient service delivery, or as required by commission policy.

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

AGENCY PROFILE

The Yolo County Public Agency Risk Management Authority (YCPARMIA) is a joint powers authority formed in 1978 by participating members. It provides non-profit risk management, insurance, and safety services to its members within Yolo County. Its risk sharing pool is comprised of public entities in Yolo County that have entered into a joint powers agreement as either a voting member or an associate member. It is governed by a Board that is appointed by its six member agencies. There are an additional twenty-six associate member public agencies served¹. YCPARMIA's Board is independent, and not controlled by their member agencies. There is no insurance; with few specialized exceptions, members are covered by programs of self-insurance (funds YCPARMIA has set aside to pay claim costs). YCPARMIA, in turn, is a member of various excess pools made up of hundreds of other California public entities that provide coverage above YCPARMIA's pooled retentions/limits.

Prior to implementation of the YCPARMIA self-insurance program on March 1, 1979, each agency purchased its own insurance. To one degree or another, insurance related services such as loss prevention, claims and loss record keeping were supplied by the insurance companies. The pooling program substitutes a collective approach to loss funding and servicing for the previous programs.

YCPARMIA Mission:

“To protect the members' resources from the impact of loss through a program of insurance coverage, prevention, education, training, and service.

Objectives

- *Assess and address the needs of the members;*
- *Provide the most cost effective insurance coverage available*
- *Provide the most relevant training & education;*
- *Maintain the organizational strength of YCPARMIA, and*
- *Provide responsive and comprehensive risk management services.”*

JPA Members

The Agency is governed by a six-member Board of Directors; one representative from each member agency. Board members comprised of agency staff members that are appointed by their jurisdiction's governing body. The Board of Directors adopts an annual meeting calendar which generally meets on the fourth Thursdays of most months of the year (eight meetings are scheduled for 2019).

The current voting members (and the year joined) making up the Board of Directors are:

- County of Yolo (1979)
- City of Woodland (1979)
- City of Davis (1979)
- City of Winters (1979)
- Esparto School District (1979)
- City of West Sacramento (1985)

The current associate/non-voting members (and the year joined) are:

- YCPARMIA (1979)
- Yolo-Solano Air Quality Management District (1985)
- Yolo Emergency Communications Agency (1988)

¹ Yolo LAFCo is an associate member of YCPARMIA.

- Capay Fire Protection District (1986)
- Springlake Fire Protection District (1983)
- East Davis County Fire Protection District (1997)
- California Superior Courts, County of Yolo (1999)
- No Man's Land Fire Protection District (2000)
- Yolo County Law Library (2001)
- Yolo County In-Home Supportive Services Public Authority (2002)
- Yolo LAFCo (2003)
- Davis Cemetery District (2003)
- Madison Fire District (2003)
- Yolo Habitat Conservancy JPA (2003)
- Winters Cemetery District (2003)
- Dunnigan Fire Protection District (2004)
- Cottonwood Cemetery District (2005)
- Clarksburg Fire Protection District (2005)
- Sacramento-Yolo Port District (2006)
- Winters Fire Protection District (2006)
- Madison Community Service District (2008)
- Woodland-Davis Clean Water Agency (2009)
- Willow Oak Fire Protection District (2016)
- West Plainfield Fire Protection District (2016)
- Esparto Fire Protection District (2017)
- Valley Clean Energy Alliance JPA (2017)

Member “Premiums”

YCPARMIA's annual revenues come entirely from member premium/cash payments. An annual actuary study is used to determine premiums based largely on member's claim history in liability and workers' compensation. Loss prevention efforts that drive down claim frequency and severity will result in lower premium charges while catastrophic losses will result in increases. When YCPARMIA is able to “beat” the actuary's projections of future losses, surplus funds result. The YCPARMIA Board returns these surplus funds to members in the form of premium rebate credits. YCPARMIA is staffed to provide professional risk management and claim services for members; there are no separate charges for these services. YCPARMIA staff has no authority over the risk management efforts of its members; at best staff serve as an outside consultant, albeit with a vested interest representing agency's risk sharing partners.

The annual "premium" charged each agency is designed to reflect the risk exposure of each participating agency, and modified to reflect the actual losses paid by the pool on behalf of each participating agency. Equity is achieved to the greatest extent possible. The annual premium charged to each participating agency consists of its pro-rata share of: 1) Excess insurance premium, 2) Charge for the pooled risk (or losses), recognizing the deductible selected, 3) Claims adjusting and legal costs, and 4) Administrative and other costs to operate the Authority.

Workers compensation claims administration services are contracted with outside third party administrators for the adjustment of all losses. Loss record keeping services are provided by the third party administrators in the form of computerized loss runs supplied monthly to YCPARMIA. All other types of claims are handled and processed by YCPARMIA staff.

Under the pooling program, losses are funded in the following manner:

- 1) Each participating agency assumes a deductible to a level commensurate with its financial size. However, the minimum deductible is \$1,000.
- 2) A self-insurance fund is created and funded by all participating agencies at the “YCPARMIA Level”.

- 3) Excess insurance is purchased by YCPARMIA for all catastrophic losses under all coverage lines, or obtained through membership in the California Association of Joint Powers Authorities, California Joint Powers Risk Management Authority, and CSAC Excess Insurance Authority. At this level coverage can be provided by pooled funding, reinsurance, or the purchase of excess insurance.

YCPARMIA provides the following risk sharing programs:

- Liability General: Auto, Personal, Employment Liability, and Errors and Omissions
- Workers' Compensation: Including Employers' Liability
- Property/Boiler & Machinery Buildings, Contents, Property in the open, and Vehicle physical damage
- Fidelity: Employee dishonesty

YCPARMIA passes through other liability programs to other insurance providers:

- Aircraft Liability
- Airport Liability
- Cyber Liability
- Drone Liability
- Landfill Liability
- Marine Liability
- Medical Malpractice
- Pollution Liability
- School Bus Liability
- Special Event Liability
- Underground Storage Tank Liability

Typical YCPARMIA claims include:

- Auto Accidents
- Dangerous Conditions/Premises Liability (slip/trip, potholes, falling trees, etc.)
- Employment Practices (discrimination, harassment matters,
- Law Enforcement (excessive force, false arrest)
- Federal claims (civil rights, etc.)

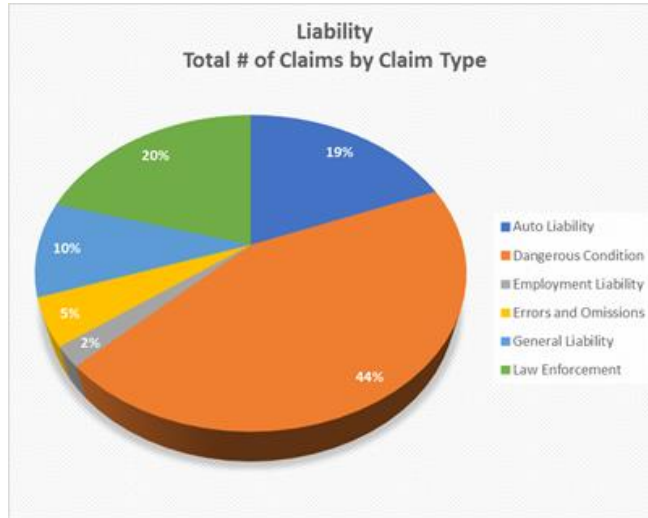
The great majority of YCPARMIA workers' compensation injuries involves workers injuring themselves; to that add the safety adage that "all injuries are preventable." If each worker had their own zero tolerance on safety issues, there would be very few work-place injuries. However, the number of YCPARMIA's injured workers has remained constant for the past decade – about 10% of the total YCPARMIA workforce suffers a work-place injury in any given year.

Agency members have opted to join the JPA and not hire their own risk managers. YCPARMIA provides members with information, but agencies need to prioritize their own training recognizing there is not sufficient staff or funding to do it all. Although member agencies may not do everything they should, lawsuits and claims can change behavior. YCPARMIA can also expel an agency if it has too many claims and it doesn't change its risk profile, but it has never happened to date.

Liability Claim Volume

The following data is for YCPARMIA's Liability Program and the total claim amount incurred for each claim type and by fiscal year:

FY End	Auto Liability	Dangerous Condition	Employment Liability	Errors and Omissions	General Liability	Law Enforcement	Grand Total
2014	\$ 168,593.19	\$ 743,363.28	\$ -	\$ -	\$ -	\$ 516,473.80	\$ 1,428,430.27
2015	\$ 54,589.96	\$ 1,231,266.08	\$ 61,025.78	\$ -	\$ 9,864.35	\$ 442,925.85	\$ 1,799,672.02
2016	\$ 89,300.17	\$ 145,477.86	\$ 340,682.47	\$ 106,961.37	\$ 46,908.74	\$ 129,303.13	\$ 858,633.74
2017	\$ 175,621.93	\$ 229,524.73	\$ -	\$ -	\$ 4,271.80	\$ 209,135.55	\$ 618,554.01
2018	\$ 524,158.42	\$ 68,195.24	\$ 20,000.00	\$ 10,000.00	\$ 17,599.27	\$ 59,165.00	\$ 699,117.93
Grand Total	\$1,012,263.67	\$ 2,417,827.19	\$ 421,708.25	\$ 116,961.37	\$ 78,644.16	\$ 1,357,003.33	\$5,404,407.97



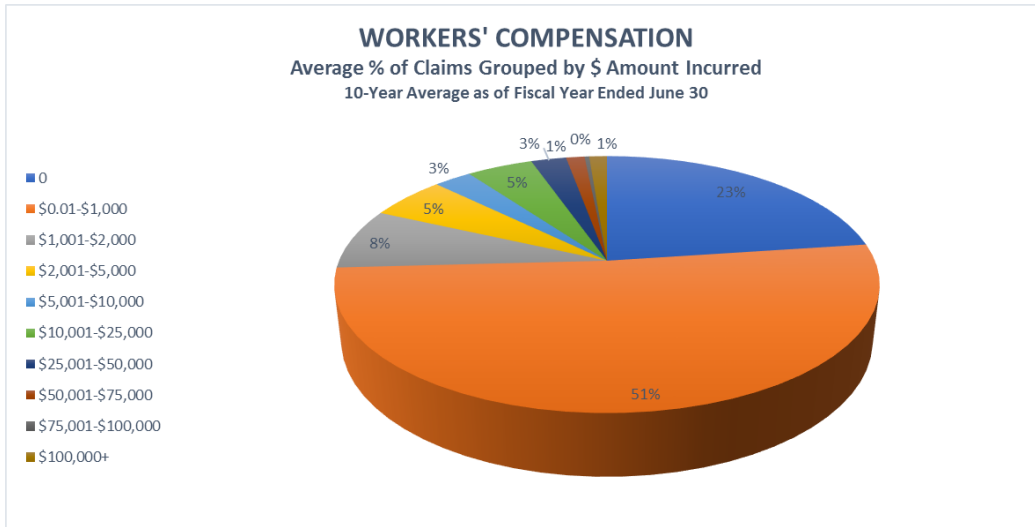
The following table shows the total number of claims filed each fiscal year by claim type:

FY End	Auto Liability	Dangerous Condition	Employment Liability	Errors and Omissions	General Liability	Law Enforcement	Grand Total
2014	19	32	1	8	4	26	90
2015	17	60	3	4	11	32	127
2016	23	51	6	8	7	18	113
2017	26	71	1	3	22	31	154
2018	24	38	1	5	12	11	91
Grand Total	109	252	12	28	56	118	575

Workers Compensation Claim Volume

The table below shows the number of workers' compensation claims for the last 10 fiscal years, categorized by the amount of the claims:

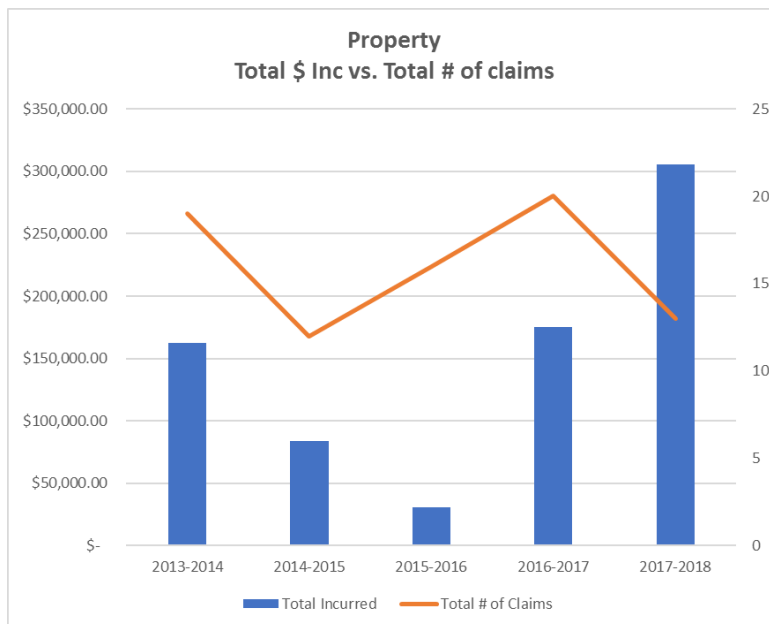
FY	\$0	\$0.01-\$1,000	\$1,001-\$2,000	\$2,001-\$5,000	\$5,001-\$10,000	\$10,001-\$25,000	\$25,001-\$50,000	\$50,001-\$75,000	\$75,001-\$100,000	\$100,000+	Grand Total
2008-2009	97	202	30	31	9	20	10	5	2	9	415
2009-2010	77	251	36	27	9	19	10	4	1	6	440
2010-2011	92	233	31	20	11	15	9	8	2	2	423
2011-2012	95	203	24	26	13	25	15	6	1	6	414
2012-2013	91	191	32	14	10	15	12	5	1	5	376
2013-2014	63	200	29	19	18	21	9	6	1	7	373
2014-2015	79	195	33	12	7	20	13	7	1	1	368
2015-2016	105	205	24	22	4	17	12	5	1	12	407
2016-2017	101	187	43	26	9	20	7	5	3	2	403
2017-2018	107	167	22	19	16	14	2	1	0	0	348
Average # of claims	90.7	203.4	30.4	21.6	10.6	18.6	9.9	5.2	1.3	5	396.7
% average	22.86%	51.27%	7.66%	5.44%	2.67%	4.69%	2.50%	1.31%	0.33%	1.26%	



Property Claim Volume

The tables below indicate the number of property claims paid each fiscal year with the total amount:

Fiscal Year	Total Incurred	Total # of Claims
2013-2014	\$ 162,727.84	19
2014-2015	\$ 84,185.00	12
2015-2016	\$ 30,692.30	16
2016-2017	\$ 175,306.68	20
2017-2018	\$ 305,560.78	13
Grand Total	\$ 758,472.60	80



JPA Staff

As of the fiscal year 2018/19 budget, the JPA has 7 authorized positions as shown below, which are all currently filled.

Authorized Positions	FTE Filled	FTE Authorized
CEO/Risk Manager	1	1
Administrative Assistant	1	1
Loss Prevention Analyst	1	1
Wellness Nurse	1	1
Financial Analyst	1	1
Claims Examiner I	1	1
Staff Investigator	1	1
Total	7	7

Training & Education Services Offered by YCPARMIA

YCPARMIA offers training and education services aimed at reducing agency claims. Topics include: facility inspections; ergonomics; CPR; safety policies; supervisor training; law enforcement training; employment issues; and offers a legal roundtable.

JPA SERVICE REVIEW

POTENTIALLY SIGNIFICANT DETERMINATIONS

The JPA Service Review 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 JPA Service Review update is not warranted.

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

LAFCO JPA SERVICE REVIEW:

- On the basis of this initial evaluation, the required determinations are not significant and staff recommends that a comprehensive JPA Service Review is NOT NECESSARY. The subject agency will be reviewed again in five years per the Commission adopted review schedule.
- The subject agency has potentially significant determinations and staff recommends that a comprehensive JPA Service Review IS NECESSARY and has been conducted via this checklist.

1. GROWTH AND POPULATION	YES	MAYBE	NO
Growth and population projections for the service area.			
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 development 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 area?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

- a) *Is the agency’s territory or surrounding area expected to experience any significant population change or development over the next 5-10 years?*

Maybe. According to the Department of Finance, the estimated total countywide population YCPARMIA serves on January 1, 2019 was 222,581 with a growth rate of 0.6% over last year's estimate². Projected population estimates for the entire County is 243,234 by 2025³ (an increase of 20,656 or 9.28%) and 259,339 by 2030 (an increase of 36,758 or 16.51%). YCPARMIA's claim volume can be correlated to population growth and/or a commensurate increase in agency staff (i.e. more staff, more claims).

b) *Will development have an impact on the subject agency's service needs and demands?*

Maybe. If the volume of member agency claims increases over time, YCPARMIA may need to increase its staff capacity to manage those claims, which would increase member administration and overhead costs. Agency annual "premiums" are designed and adjusted to reflect the risk exposure of each participating agency, and modified to reflect the actual losses paid by the pool on behalf of each participating agency.

c) *Will projected growth require a change in the agency's service area?*

No. YCPARMIA serves public agencies within Yolo County. Projected population growth would occur within member agency boundaries.

Growth and Population Determination

Projected population estimates for the entire County is 243,234 by 2025 (an increase of 20,656 or 9.28%) and 259,339 by 2030 (an increase of 36,758 or 16.51%). YCPARMIA's claim volume can be correlated to population growth and/or a commensurate increase in agency staff (i.e. more staff, more claims). If the volume of member agency claims increases over time, YCPARMIA may need to increase its staff capacity to manage those claims, which would increase member administration and overhead costs. Agency annual "premiums" are designed and adjusted to reflect the risk exposure of each participating agency, and modified to reflect the actual losses paid by the pool on behalf of each participating agency. YCPARMIA serves public agencies within Yolo County and population growth would not affect its service area.

2. CAPACITY AND ADEQUACY OF PUBLIC FACILITIES AND SERVICES

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

	YES	MAYBE	NO
a) Are there any deficiencies in agency capacity to meet service needs of existing development within its existing territory (also note number of staff and/or contracts that provide services)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) 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"/>

² CA Department of Finance Report E-1: Population Estimates for Cities, Counties, and the State - January 1, 2018 and 2019

³ CA Department of Finance Report P-1: State Population Projections (2010-2060): Total Population by County

c) Are there any significant infrastructure needs or deficiencies to be addressed for which the agency has not yet appropriately planned (including deficiencies created by new state regulations)?

d) If the agency provides water, wastewater, flood protection, or fire protection services, is the agency not yet considering climate adaptation in its assessment of infrastructure/service needs?

Discussion:

a) *Are there any deficiencies in agency capacity to meet service needs of existing development within its existing territory (also note number of staff and/or contracts that provide services)?*

No. As of the fiscal year 2018/19 budget, the JPA has 7 authorized positions as shown below, which are all currently filled.

Authorized Positions	FTE Filled	FTE Authorized
CEO/Risk Manager	1	1
Administrative Assistant	1	1
Loss Prevention Analyst	1	1
Wellness Nurse	1	1
Financial Analyst	1	1
Claims Examiner I	1	1
Staff Investigator	1	1
Total	7	7

Historically YCPARMIA has been able to immediately respond to member needs and requests, and there are no issues anticipated that would reduce responsiveness going forward. There is a balance between YCPARMIA staffing and member agency staffing; if the JPA Board wanted to take on more duties that are currently handled by member agencies, more staffing would be needed, but it would be targeted to agency requests.

b) *Are there any issues regarding the agency's capacity to meet the service demand of reasonably foreseeable future growth?*

No. YCPARMIA's staff of seven interacts with the approximately 4,000 employees and volunteers of member agencies. Growth of member agency staff or requests for expanded services could require additional YCPARMIA staffing. The most likely area for expanded service would be with the smaller member agencies that do not have risk management experience in house or staff to manage it. YCPARMIA can budget and program to expand its capacity if desired.

c) *Are there any significant infrastructure needs or deficiencies to be addressed for which the agency has not yet appropriately planned (including deficiencies created by new state regulations)?*

Maybe. YCPARMIA owns its facility but the building is in need of some upgrades. YCPARMIA should consider developing a schedule and setting aside funds for regular maintenance.

d) *If the agency provides water, wastewater, flood protection, or fire protection services, is the agency not yet considering climate adaptation in its assessment of infrastructure/service needs?*

No. YCPARMIA is aware and responding to climate adaptation issues by necessity. YCPARMIA's CEO indicated industry property premiums have been going up due to changes in weather patterns by 30-50%. Even if there are no claims for YCPARMIA agencies, there is an indirect impact statewide. Umbrella insurance costs are going up.

Capacity and Adequacy of Public Facilities and Services Determination

There are no deficiencies in YCPARMIA's capacity to meet member service needs and the agency is able to respond to any member needs to increase capacity as determined by its Board. YCPARMIA owns its facility but the building is in need of some upgrades. YCPARMIA should consider developing a schedule and setting aside funds for regular maintenance.

Climate adaptation is an important issue for YCPARMIA and it is aware and responding to climate adaptation issues by necessity. YCPARMIA's CEO indicated industry property premiums have been going up due to changes in weather patterns by 30-50%. Even if there are no claims for YCPARMIA agencies, there is an indirect impact statewide.

Recommendation(s)

- 1) YCPARMIA should consider developing a schedule and setting aside funds for regular building maintenance.

3. FINANCIAL ABILITY

Financial ability of agencies to provide services.

	YES	MAYBE	NO
a) Is the organization in an unstable financial position, i.e. does the 5-year trend analysis indicate any issues?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Does the organization engage in budgeting practices that may indicate poor financial management, such as overspending its revenues, using up its fund balance or reserve over time, or adopting its budget late?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Is there an issue with the organization's revenue sources being reliable? For example, is a large percentage of revenue coming from grants or one-time/short-term sources?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) 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"/>
e) 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"/>
f) Is the organization needing additional reserve to protect against unexpected events or upcoming significant costs?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

g) Does the agency have any debt, and if so, is the organization's debt at an unmanageable level?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h) If the agency has pension and/or other post-employment benefit (OPEB) liability, what is it the liability and are there any concerns that it is unmanageable?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
i) Is the organization in need of written financial policies that ensure its continued financial accountability and stability?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

a) *Is the organization in an unstable financial position, i.e. does the 5-year trend analysis indicate any issues?*

No. The financial data presented below shows that over the 5-year period total revenue has exceeded expenditures by \$1.4M. One of the primary goals of the agency is to control expenditures where possible. To this end YCPARMIA has maintained general administration expenses at the same level over the past 5 years. However, program expenditures (claims payments, excess insurance premiums, etc.), which are harder to control, were 16% higher in 2018 than in 2014 due to an unusual increase in claim payments. Overall, from 2014 to 2018 net position increased by \$493K, taking into account reductions due to the implementation of two new Government Accounting Standards Board Statements for changes in financial reporting of pension and other postemployment benefits (OPEB) liabilities.

**YOLO COUNTY PUBLIC AGENCY RISK MANAGEMENT INSURANCE AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGE IN NET POSITION**

	2014	2015	2016	2017	2018
Revenue					
Member contributions	\$ 7,512,769	\$ 8,278,813	\$ 8,620,049	\$ 9,695,621	\$ 9,969,437
Rebate credits	-	(23,000)	(335,000)	(672,200)	(657,000)
Premium rebate and other	325,557	138,821	196,382	182,683	8,954
Investment earnings	176,235	143,728	303,648	(26,758)	30,180
Total revenue	8,014,561	8,538,362	8,785,079	9,179,346	9,351,571
Expenses					
General administration	1,046,073	1,115,909	1,183,626	1,061,260	1,038,197
Programs:					
Liability program					
Claims administration	1,242	30	1,192	73,424	102,505
Claims paid	1,992,335	1,799,248	1,268,871	852,997	2,374,827
Excess coverage	1,111,821	1,118,678	1,209,678	1,444,881	1,662,543
Total liability	3,105,398	2,917,956	2,479,741	2,371,302	4,139,875
Workers' compensation program					
Claims administration	291,149	293,803	299,846	301,505	307,079
Claims paid	2,809,874	1,117,823	1,904,065	2,744,760	2,673,821
Excess coverage	715,074	866,862	954,814	1,172,652	1,117,249
Other	299,160	258,777	250,428	256,472	405,288
Total workers' compensation	4,115,257	2,537,265	3,409,153	4,475,389	4,503,437
Property program					
Claims paid	51,497	181,000	45,785	71,425	72,848
Excess coverage	314,841	419,988	417,719	470,000	718,127
Total property	366,338	600,988	463,504	541,425	790,975
Other					
Excess coverage	1,612	12,650	12,955	12,235	12,912
Pass thru coverage	75,300	16,448	31,053	84,557	(66,774)
Total other coverage	76,912	29,098	44,008	96,792	(53,862)
Total expenses	8,709,978	7,201,216	7,580,032	8,546,168	10,418,622
Change in net position	(695,417)	1,337,146	1,205,047	633,178	(1,067,051)
Net position, July 1	2,073,101	1,377,684	1,964,946	3,169,993	3,803,171
New GASB's restatements	-	(749,884)	-	-	(169,963)
Net position, July 1 restated	2,073,101	627,800	1,964,946	3,169,993	3,633,208
Net position, June 30	\$ 1,377,684	\$ 1,964,946	\$ 3,169,993	\$ 3,803,171	\$ 2,566,157

- b) *Does the organization engage in budgeting practices that may indicate poor financial management, such as overspending its revenues, using up its fund balance or reserve over time, or adopting its budget late?*

No. YCPARMIA operates on a fiscal year basis, July 1 to June 30. The bylaws require an annual budget adopted by July 1 each year. Staff practice has been to present the Board a preliminary budget in March for the following fiscal year. The Board has adopted the budgets at the same meeting.

The YCPARMIA budget consists of four basic parts:

- 1) Revenue – Consists of member payments (96.7%), investment earnings (1.4%) and rebates (1.9%),
- 2) Administrative and services expenses – This category includes general operating expenses, staff development and loss prevention services.
- 3) Claims expenses – This includes actual estimated claims payments, claims administration contracted services and actuarial determined loss reserve adjustments.
- 4) Excess premiums – Premiums paid to other governmental insurance pools and commercial insurance carriers for coverage above YCPARMIA’s self-insured retention levels.

Based on the agency’s unaudited budget to actual data the total adopted appropriations were exceeded in fiscal year 2013-14 by over \$920K, by \$703K in fiscal year 2016-17 and by \$2.53M in fiscal year 2017-18. Most of the budget overages were due to “unbudgeted” expenses such as, loss reserve adjustments, expenses that are passed through to member agencies, dividends paid to members, depreciation, and changes to retiree health insurance (OPEB), pension and accrued compensation liabilities. However, beginning in fiscal year 2015-16 the agency has exceeded the budget for excess premiums each year.

- c) *Is there an issue with the organization’s revenue sources being reliable? For example, is a large percentage of revenue coming from grants or one-time/short-term sources?*

No. 97% of revenue is from member agencies. 92% of member agency contributions is from four agencies; Yolo County, City of West Sacramento, City of Davis and City of Woodland. New participating agencies, per the JPA agreement, are obligated to an initial 3-year period. Thereafter any participating agency may withdraw only at the end of a fiscal year, provided it has given YCPARMIA a six-month written notice of its intent to withdraw. According to YCPARMIA staff if a large member agency were to withdraw the impacts would be minimal, the loss of revenue would equal the reduction in expenditures

- d) *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?*

No. Each year YCPARMIA calculates the cash contribution required by the participating agencies to cover outstanding liabilities, actuarially predicted losses, loss adjustment expenses, defense costs, excess insurance premiums, and administrative expenses. Also, if it is determined that the initial cash contributions are not sufficient to meet the obligations of a program year, the board by 2/3 (two-thirds) vote of the entire board, can levy a surcharge cash payment.

- e) *Is the organization unable to fund necessary infrastructure maintenance, replacement and/or any needed expansion?*

No. YCPARMIA does not have nor requires significant capital assets to serve its members. It only owns a small office building that has sufficient room for existing staff. The building is in need of some maintenance that can be funded within the normal budget process.

- f) *Is the organization needing additional reserve to protect against unexpected events or upcoming significant costs?*

No. An annual actuary study is prepared for the liability and workers compensation program to determine the funds needed for existing and unreported claims at various confidence levels. The Authority records an expense and liability, in accordance to generally accepted accounting principles (GAAP), which amounts to a 50% confidence level. By Board policy YCPARMIA has also established restricted funds, within net position, to an 80% confidence level for the liability and workers

compensation programs and up to other mounts, based on board policy, for the property and fidelity programs. On top of that YCPARMIA retains additional funds for a Catastrophic Fund up to amounts adopted by the board. Reserve targets and funded amounts reported to the board as of June 30,2018 is as follows:

	Reserves Recorded in Net Position							Total Funded Per Agency
	80% Confidence Level Reserve			Catastrophic Reserve				
	Target	% Funded	Funded Amount	Target	% Funded	Funded Amount		
Liability	536,754	a 100.00%	\$536,754	\$1,350,000	b 43.68%	\$589,660	\$1,126,414	
Workers Comp	911,219	a 100.00%	911,219	1,500,000	b 100.00%	1,500,000	2,411,219	
Fidelity	25,000	b 100.00%	25,000	25,000	b 100.00%	25,000	50,000	
Property	95,000	b 0.37%	350	65,000	b 0.00%	-	350	
Total reserved by agency staff							3,587,983	
Audited net position balance, 6/30/18							2,566,157	
Shortage							(1,021,826)	
a) Per actuary								
b) Board policy								

The reserve amounts reported to the board of \$3.6M is more than \$1M than actual net position.

- f) *Does the agency have any debt, and if so, is the organization’s debt at an unmanageable level?*

No. YCPARMIA does not have any debt.

- g) *If the agency has pension and/or other post-employment benefit (OPEB) liability, what is it the liability and are there any concerns that it is unmanageable?*

Maybe. OPEB – YCPARMIA provides a lifetime defined benefit for eligible retirees and spouses through the CalPERS membership plan, which covers both active and qualified retired members, along with a dental plan. As of June 30, 2018 the agency has not yet established an irrevocable trust fund to accumulate assets and pay benefits. The liability as of June 30, 2018 is \$844,036.

Pension - Beginning in fiscal year 2015 YCPARMIA was required to implement Government Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions. This statement requires agencies to report the amount of pension liability on the face of the financial statements. The pension liability as of June 30, 2018 is \$1.1M and has almost doubled since 2015.

- j) *Is the organization in need of written financial policies that ensure its continued financial accountability and stability?*

No. YCPARMIA’s has sufficient financial policies. Their investment policy has been awarded a Certification of Excellence by the Association of Public Treasurers of the US and Canada (APT US & Canada).

Financial Ability MSR Determination

YCPARMIA is a financially well-run organization. Adopted budgets with revenue exceeding expenditures are routinely adopted. In addition to the annual financial audit the agency is subjected to 4 other audits and an annual actuary study. The agency has been accredited with excellence by two of the auditing organizations. In addition, YCPARMIA has received the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting for each year covered by this MSR.

YCPARMIA also has good financial polices including funding reserves. As of June 30, 2018 net position was \$2.6M, which is approximately 23% of total expenses. The agency has also served its members well by maintaining a relatively flat level of general administrative expenses over the past 5 years.

Recommendation(s)

- 1) YCPARMIA should consider modifying their budgeting practice to include budgeting for loss reserve adjustments, expenses that are passed through to member agencies, dividends paid to members, depreciation, and changes to retiree health insurance (OPEB), pension and accrued compensation liabilities. Budget modifications can be made during the year as amounts are known. Some of these amounts are known after the completion of audits and actuarial studies.
- 2) YCPARMIA should consider reviewing the reserve calculation process to ensure funded reserves balances provided to the board reconciles to the actual ending net position balance. Also YCPARMIA should consider creating separate general ledger accounts for each reserve and maintain the balances to agree to the amounts calculated and reported to the board.
- 3) YCPARMIA should consider establishing an irrevocable trust to accumulate assets to fund the OPEB liability.
- 4) YCPARMIA should consider making voluntary lump sum payments to CalPERS, as funding permits, to reduce the pension liability.

4. SHARED SERVICES AND FACILITIES

Status of, and opportunities for, shared services and facilities.

	YES	MAYBE	NO
a) Are there any opportunities for the organization to share services or facilities with other organizations that are not currently being utilized?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Are there any recommendations to improve staffing efficiencies or other operational efficiencies to reduce costs?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

a) *Are there any opportunities for the organization to share services or facilities with other organizations that are not currently being utilized?*

No. The JPA in itself is a risk sharing pool to reduce agency costs.

b) *Are there any recommendations to improve staffing efficiencies or other operational efficiencies to reduce costs?*

No.

Shared Services Determination

The JPA in itself is a risk sharing pool to reduce agency costs.

5. 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? Is there a lack of Board member training regarding the organization's program requirements and financial management?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Are there any issues with staff turnover or operational efficiencies? Is there a lack of staff member training regarding the organization's program requirements and financial management?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Are there any issues with independent audits being performed on a regular schedule? Are completed audits being provided to the State Controller's Office within 12 months of the end of the fiscal year(s) under examination? Are there any corrective action plans to follow up on?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Does the organization need to improve its public transparency via a website? [A website should contain at a minimum the following information: organization mission/description/boundary, Board members, staff, meeting schedule/agendas/minutes, budget, revenue sources including fees for services (if applicable), and audit reports]?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) 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"/>

Discussion:

a) *Are there any issues with meetings being accessible and well publicized? Any failures to comply with disclosure laws and the Brown Act?*

No. There are typically eight (8) scheduled Board meetings every year held on the fourth Thursday of the scheduled months at the YCPARMIA office. No meetings are scheduled in February or September as the Board is invited to attend conferences for Board member development instead. There is one meeting in mid-December in-lieu of separate meetings in both November and December. YCPARMIA Board meetings are publicly accessible and held in compliance with the Brown Act, held at its offices

located at 77 West Lincoln Avenue in Woodland. Meeting agendas are posted on its website and emailed to all members.

- b) *Are there any issues with filling Board vacancies and maintaining Board members? Is there a lack of Board member training regarding the organization's program requirements and financial management?*

No. The five (5) founding members along with the City of West Sacramento (joining in 1985) make up the voting members of the YCPARMIA Board. Each Member agency's policy making body shall appoint either its Chief Administrative Officer, or department head or staff person responsible for its risk management functions. One alternate is also appointed by the member agency. Board elects a President and Vice President annually. Traditionally, they serve two (2) consecutive one-year terms. The Treasurer is appointed by the Board and need not be a Board member. Currently, this role is held by the Yolo County Chief Financial Officer.

Board members are not risk management experts, because member agencies rely on YCPARMIA instead of hiring such expertise. Therefore, Board members tend to focus on procedural issues. They are predominately human resources staff professions, so the focus is on these types of issues and potentially not the organization as a whole. Board Members, Alternates, and YCPARMIA staff attend PARMA and CAJPA Conferences each year.

- c) *Are there any issues with staff turnover or operational efficiencies? Is there a lack of staff member training regarding the organization's program requirements and financial management?*

No. YCPARMIA has experienced typical staff turnover. The longtime CEO retired in 2018 and the next CEO did not stay in the position long. However, the retired CEO returned in an interim capacity until a recruitment process could be completed. The new CEO started in April 2019. YCPARMIA recently hired a new Administrative Assistant in anticipation of a long tenured employee's retirement in June 2019. LAFCo is not aware of any staff turnover or operational efficiency issues. Board Members, Alternates, and YCPARMIA staff attend PARMA and CAJPA Conferences each year.

- d) *Are there any issues with independent audits being performed on a regular schedule? Are completed audits being provided to the State Controller's Office within 12 months of the end of the fiscal year(s) under examination? Are there any corrective action plans to follow up on?*

No. YCPARMIA produces an annual Comprehensive Annual Financial Report - awarded certificate of excellence by Government Finance Officers Association. During the past 5 years all the annual financial audits have been completed prior to the Government Finance Officers Association recommended best practice deadline of December 31. Previous audits have not resulted in any reservations or concerns. The Yolo County Chief Financial Officer serves as the YCPARMIA Board Treasurer.

- e) *Does the organization need to improve its public transparency via a website? [A website should contain at a minimum the following information: organization mission/description/boundary, Board members, staff, meeting schedule/agendas/minutes, budget, revenue sources including fees for services (if applicable), and audit reports]?*

Yes. YCPARMIA received a 26% transparency score in the Yolo Local Government 2018 Website Transparency Scorecard report. The JPA's information deficiencies can be viewed here: <https://www.yololafco.org/yolo-local-government-website-transparency-scorecards> .

- f) *Are there any recommended changes to the organization's governance structure that will increase accountability and efficiency?*

No. There are no recommended changes to YCPARMIA's structure.

Accountability, Structure and Efficiencies Determination

There are no issues with YCPARMIA meetings being accessible and well publicized. JPA members keep the Board member seats filled with staff, which tend to be human resource professionals. There is a lack of risk management expertise on the Board, however, agencies rely on YCPARMIA to provide this as a

shared service. The JPA's staff has remained relatively stable. Audits are performed on a regular schedule, on time and without issues or findings. YCPARMIA does need to improve its website and the content provided, per the 2018 website transparency scorecard.

Recommendation(s)

- 1) YCPARMIA should improve its website and content. The agency received a 26% transparency score in the Yolo Local Government 2018 Website Transparency Scorecard report. The JPA's information deficiencies can be viewed here: <https://www.yololafco.org/yolo-local-government-website-transparency-scorecards> .

6. OTHER ISSUES

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

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

Discussion:

- a) *Are there any other service delivery issues that can be resolved by the JPA Service Review process?*

No. There are no other matters related to effective or efficient service delivery not already discussed in this report.

Other Issues Determination

There are no other matters related to effective or efficient service delivery not already discussed in this report.

ATTACHMENTS

None.

LAFCO

Meeting Date: 08/22/2019

Information

SUBJECT

Consider a request to authorize the Wild Wings County Service Area to provide Out of Agency Water Service to the Watts-Woodland Airport, and adopt **Resolution 2019-14** subject to the findings and conditions (LAFCo No. 933)

RECOMMENDED ACTION

Consider a request to authorize the Wild Wings County Service Area to provide Out of Agency Water Service to the Watts-Woodland Airport, and adopt **Resolution 2019-14** subject to the findings and conditions (LAFCo No. 933).

FISCAL IMPACT

None. LAFCo will be reimbursed for staff time associated with processing this request in accordance with the adopted fee schedule.

REASONS FOR RECOMMENDED ACTION

In accordance with the Cortese-Knox-Hertzberg Act Section 56133, any extension of municipal services outside an agency's jurisdictional boundaries requires LAFCo approval.

BACKGROUND

On April 5, 2019 Yolo County Environmental Health staff met with Bruce Watts, the owner of the Watts-Woodland Airport and determined that the airport's onsite drinking water well and the associated distribution system meet the criteria of a public water system per California Health and Safety Code, thus triggering the need for a public water supply permit. However, SB 1263 that went into effect on January 1, 2017, discourages the establishment of new, unsustainable public water systems where there is a feasible alternative. The airport can connect to the Wild Wings County Service Area (CSA) water system via an approximately 850 foot connection.

The airport is not within the Wild Wings CSA sphere of influence and is not

anticipated for future annexation. However, LAFCo may authorize extended services outside an agency's sphere of influence in order to respond to an existing public health issue. Staff's preference is to approve this as a health and safety issue to ensure there are no growth inducing impacts. Extension of services would not be growth inducing in this case because the parcels are already developed with the airport. Yolo County has provided a letter confirming it is willing to serve the airport with water services via the Wild Wings CSA. The CSA is able to provide water without impacting its current service levels.

Attachments

[ATT A-Resolution 2019-14 Wild Wings CSA OOA to Watts Airport 08.22.19](#)

[ATT B-Proposed Water Extension Map](#)

[ATT C-Will Serve Letter from Wild Wings CSA 07.09.19](#)

[ATT D-Yolo County Environmental Health Support Letter 05.20.19](#)

Form Review

Inbox

Christine Crawford (Originator)

Form Started By: Christine Crawford

Final Approval Date: 08/13/2019

Reviewed By

Christine Crawford

Date

08/13/2019 01:55 PM

Started On: 08/05/2019 03:20 PM

RESOLUTION № 2019-14

**AUTHORIZING THE WILD WINGS COUNTY SERVICE AREA TO PROVIDE
OUT OF AGENCY WATER SERVICE TO THE WATTS-WOODLAND AIRPORT
APNS 025-440-084 AND 085 (LAFCO NO. 933)**

WHEREAS, on July 16, 2019, M. Bruce Watts, President of the Watts-Woodland Airport, Inc. submitted an application requesting Out of Agency Services from the Wild Wings County Service Area (CSA) for APNs 025-440-084 and 085 in order to provide water service to the airport; and

WHEREAS, Yolo County Environmental Health has determined that adding employees by the Watts-Woodland Airport's existing tenants triggers the requirement for a public water supply permit under California Health and Safety Code Section 116275(h); and

WHEREAS, compliance with SB 1263 that went into effect on January 1, 2017, discourages new unsustainable public water systems where an alternative exists; and

WHEREAS, in accordance with the Cortese Knox Hertzberg Act, Government Code Section 56133, the Yolo Local Agency Formation Commission (Yolo LAFCo) may authorize extended services outside jurisdictional boundaries in order to respond to an existing or impending health and safety issue; and

WHEREAS, the Wild Wings CSA and Yolo County have submitted a letter to LAFCo dated July 9, 2019 that the CSA is willing and able to provide domestic water service to the Watts-Woodland Airport; and

WHEREAS, the project was analyzed in accordance with Government Code Section 56133 and Yolo LAFCo's local policy for Out of Agency Service Review adopted January 28, 2016; and

WHEREAS, this discretionary action is subject to the California Environmental Quality Act (CEQA) and staff has reviewed the proposal and determined that it is categorically exempt under Public Resources Code Section 15303; and

WHEREAS, at said meeting, the application, the CEQA documentation, and the Executive Officer's Report and Recommendations were reviewed and considered.

NOW, THEREFORE, BE IT RESOLVED that the Yolo Local Agency Formation Commission authorizes the Wild Wings CSA to provide Out of Agency water services to the Watts-Woodland Airport, APNs 025-440-084 and -085 (LAFCo No. 933) subject to the following findings and conditions of approval:

Findings

1. **Finding:** Staff has reviewed the proposed project and determined that it is exempt under CEQA in accordance with CEQA Guidelines Section 15303 (New Construction or Conversion of Small Structures) and a Notice of Exemption will be filed.

Evidence: The Project is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15303 (New Construction or Conversion of Small Structures). The Class 3 exemption applies to the construction and location of limited numbers of new, small facilities or structures; installation of small new equipment and facilities in small structures; and the conversion of small structures from one use to another where only minor modifications are made in the exterior of the structure. Examples of this exemption include water mains and other utility extensions, including street improvements of reasonable length. The proposed water line extension to serve the existing airport will be approximately 850 feet in length. Staff reviewed the proposed project and did not find any evidence that special circumstances exist that would create a reasonable possibility that the proposed project will have a significant adverse effect on the environment. Therefore, the proposed Project qualifies for the exemption under CEQA Guidelines Section 15303.

2. Finding: Approval of Out of Agency Services for the project is consistent with Government Code Section 56133 and Yolo LAFCo policies.

Evidence: LAFCo may authorize a district or CSA to provide new or extended services outside its jurisdictional boundary and outside its sphere of influence to respond to an existing or impending threat to the health or safety of the public or the residents of the affected territory. The affected territory is already developed with an airport and Yolo County Environmental Health has determined additional employees have triggered the need for a public water system. However, SB 1263 discourages new unsustainable water systems and instead seeks to connect to existing proximate systems wherever possible. The Wild Wings CSA is willing and able to serve the airport domestic water service and Yolo County Environmental Health has submitted a support letter. There are no growth-inducing impacts associated with this water connection since it is already developed and the water would serve existing development.

Conditions of Approval

1. The applicant will pay all appropriate LAFCo application processing fees (charged on a time and materials basis).
2. To the extent allowed by law, the applicant and the real party of interest, if different, agree to defend, indemnify, hold harmless and release the Yolo Local Agency Formation Commission, its agents, officers, attorney and employees from any claim, action or proceeding brought against any of them, the purpose of which to attack, set aside, void, or annul the approval of this application or adoption of the environmental review which accompanies it. This indemnification obligation shall include, but not be limited to, damages, costs, expenses, attorney fees, or expert witness fees that may be asserted by any person or entity, including the applicant, arising out of or in connection with the approval of this application, whether or not there is concurrent passive negligence of the part of the Yolo Local Agency Formation Commission its agents, officers, attorney or employees.

3. The applicant shall execute a water service agreement with the Wild Wings CSA prior to initiation of construction activity associated with the service connection.
4. The Watts-Woodland Airport will pay the full cost of infrastructure improvements to tie into the Wild Wings CSA water system, including but not limited to any required engineering, studies, permits, fees, inspection, administration and right of way costs.
5. The Wild Wings CSA will own the infrastructure up to the water meter, with associated easements. The Watts-Woodland Airport will be responsible for all other water-related infrastructure on the property.
6. The Watts-Woodland Airport will pay established water rates adopted by the CSA through the Yolo County Board of Supervisors, will be billed as a Wild Wings CSA customer and will comply with all rules and policies applicable to Wild Wings CSA customers and will adhere to water conservation requirements.

PASSED AND ADOPTED by the Yolo Local Agency Formation Commission, State of California, this 22nd day of August 2019, by the following vote.

AYES:

NOES:

ABSENT:

Olin Woods, Chair
Yolo Local Agency Formation Commission

ATTEST:



Christine Crawford, Executive Officer
Yolo Local Agency Formation Commission

Approved as to form:



Eric May, Commission Counsel

Tuesday, August 13, 2019

Hi Christine:

This is very basic, but does give approximate location for the proposed pipe from the Wildwings well location to the north end of our water system.

Total distance is just under 850'. Eaton Pumps is the contractor, and plans to utilize horizontal boring for a 3" pipe under the fairway and runway, as indicated by the red line.

Please let me know if you need more information.

Best regards,

Bruce

Bruce Watts
Watts-Woodland Airport, Inc.
530-867-6652 cell
brucewatts1@mac.com





COUNTY OF YOLO

Item 10-ATT C

Office of the County Administrator

County Service Areas
Administrative Support Team

625 Court Street, Room 202 • Woodland, CA 95695
(530) 666-8153 • FAX (530) 668-4029
YoloCSA@yolocounty.org

Bruce Watts
Watts-Woodland Airport, Inc.
17992 County Road 94B
Woodland, CA 95695

July 9, 2019

Re: Will Serve Letter – Watts-Woodland Airport

Dear Mr. Watts,

This letter is to advise you that the Wild Wings County Service Area (CSA) is willing and able to provide domestic water service to the Watts-Woodland Airport in Yolo County, California.

In a letter to Yolo LAFCo, dated May 20, 2019, the Yolo County Environmental Health Division indicated their support of consolidating the Watts-Woodland Airport with the Wild Wings water system (attached). On June 5, 2019, the County Service Area (CSA) Advisory Committee considered the request and also indicated their support.

The provision of water service is contingent upon the following:

- LAFCo approval of consolidating the Watts-Woodland Airport with the Wild Wings water system and execution of a subsequent water service agreement with the CSA, on terms agreeable to the CSA, prior to initiation of construction activity associated with the provision of service.
- Watts-Woodland Airport will pay the full cost of infrastructure improvements to tie into the Wild Wings water system, including but not limited to any required engineering, studies, permits, fees, inspection, administration and right-of-way acquisition costs.
- The CSA will own the infrastructure up to the water meter, with associated easements. The Watts-Woodland Airport will be responsible for all other water-related infrastructure on the property.
- Watts-Woodland Airport will pay established water rates adopted by the CSA through the Board of Supervisors, will be billed as Wild Wings CSA customers and comply with all rules and policies applicable to Wild Wings CSA customers and will adhere to water conservation requirements.

Final details and conditions will be incorporated into the water service agreement.

Best regards,

Beth Gabor
Yolo County Manager of Operations & Strategy

Attached: Yolo County Environmental Health letter in support of extending drinking water service provided by Wild Wings County Service Area to Watts-Woodland Airport, Inc.



County of Yolo

Item 10-ATT D

DEPARTMENT OF COMMUNITY SERVICES

Environmental Health Division

292 W. Beamer Street, Woodland, CA 95695

PHONE - (530) 666-8646 FAX - (530) 669-1448

April Meneghetti, REHS
Director of Environmental Health

To: Christine Crawford, Executive Officer
Yolo Local Agency Formation Commission (LAFCO)
625 Court Street, Suite 107
Woodland, Ca 95695

From: Jianmin Huang, Supervising Environmental Health Specialist
Environmental Health Division
County of Yolo

Date: May 20, 2019

Subject: In support of extending drinking water service provided by Wild Wings County Service Area to Watts-Woodland Airport, Inc.

On April 5, 2019, Yolo County Environmental Health (YCEH) staff had a meeting with Bruce Watts, the owner of Watts-Woodland Airport, Inc. (Airport). It was determined that the Airport onsite drinking water well and the associated distribution system meet the criteria of a public water system per California Health and Safety Code (CHSC) 116275 (h), thus a public water supply permit is required.

One of the permitting requirements is to comply with SB1263, which became effective on January 1, 2017. The goal of SB1263 is to discourage the establishment of new, unsustainable public water systems where there is a feasible alternative. SB1263 amended section 116540 and added section 116527 to CHSC, and added section 106.4 to the Water Code. Based on the close proximity of the Wild Wings public water system to the Watts-Woodland Airport, YCEH staff believe that providing drinking water to the Airport by extending the Wild Wing's drinking water service area is a more feasible alternative than creating a new public water system. This also satisfies the SB 1263 mandate. Therefore, YCEH is in support of the efforts to move forward with this connection.

Please let me know if you have any questions.

Sincerely,

Jianmin Huang, REHS

cc: Bruce Watts, via email brucewatts1@mac.com
Beth Gabor, via email Beth.Gabor@yolocounty.org

LAFCO

Meeting Date: 08/22/2019

Information

SUBJECT

Approve the response to the 2018/19 Yolo County Grand Jury Report and adopt a recommended new policy regarding independent third-party analysis for municipal service reviews

RECOMMENDED ACTION

1. Approve the response to the 2018/19 Yolo County Grand Jury Report "Flood Management in the Urban Environment - Yolo County LAFCo and the Role of Reclamation Districts 537 and 900 within the City of West Sacramento" and authorize the Executive Officer to transmit the response to Judge Reed of the Superior Court and the Yolo County Grand Jury.
2. Adopt a new Yolo LAFCo Project Policy 6.13 titled Independent Third-Party Analysis as recommended.

FISCAL IMPACT

None.

REASONS FOR RECOMMENDED ACTION

The governance of responses to the Grand Jury Final Report is contained in Penal Code Sections 933 and 933.05. Responses of governing bodies must be submitted within 90 days to the Presiding Judge and the Grand Jury Foreperson.

BACKGROUND

Please see the attached response letter to the Yolo County Grand Jury Final Report. A advance copy of the report was provided to LAFCo on June 21, 2019 for review and comments. Although LAFCo offered comments regarding factual errors and misleading statements, no changes were made by the Grand Jury to its final report.

Recommendation 5 of the Report included creating a procedure/policy to conduct an independent, third-party examination when confronted by an extremely

impactful or unique issue. Staff recommends such a policy is not necessary but easy to comply with by adopting the following for its Municipal Service Review/Sphere of Influence Guidelines:

6.13 Independent Third-Party Analysis

One of LAFCo's purposes 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. During the preparation of an MSR and/or SOI that includes an impactful or controversial issue, LAFCo should consider obtaining any needed analysis or studies by soliciting or hiring consulting services itself and not relying solely on information provided by a subject agency or proponent.

Attachments

ATT A - Yolo LAFCo Response to Grand Jury Report Aug 2019

ATT B - Yolo LAFCo's Initial Response Letter to Grand Jury Report 06.25.2019

ATT C - Pages from 2018-19 Final Grand Jury Report 07.01.19

Form Review

Inbox

Eric May

Christine Crawford (Originator)

Form Started By: Christine Crawford

Final Approval Date: 08/14/2019

Reviewed By

Eric May

Christine Crawford

Date

08/14/2019 10:07 AM

08/14/2019 10:25 AM

Started On: 08/05/2019 02:44 PM

RESPONSE TO GRAND JURY REPORT

The governance of responses to the Grand Jury Final Report is contained in Penal Code §933 and §933.05. Responses must be submitted within 60 or 90 days. Elected officials must respond within sixty (60) days, governing bodies (for example, the Board of Supervisors) must respond within ninety (90) days. Please submit all responses in writing and digital format to the Presiding Judge and the Grand Jury Foreperson.

Report Title: "Flood Management in the Urban Environment – Yolo LAFCO and the Role of Reclamation Districts 537 and 900 within the City of West Sacramento"

Response by: YLAFCo

FINDINGS

I (we) agree with the findings numbered:

I (we) disagree wholly or partially with the findings numbered:
F 3, F 5, F 9, F 10, F 11, and F 12

RECOMMENDATIONS

Recommendations numbered: R 5

have been implemented (attach a summary describing the implemented actions).

Recommendations numbered: R 3 and R 7

require further analysis (attach an explanation of the analysis or study, and the time frame for the matter to be prepared by the officer or director of the agency or department being investigated or reviewed; including the governing body, where applicable. The time frame shall not exceed six (6) months from the date of the Grand Jury Report).

Recommendations numbered: R 6

will not be implemented because they are not warranted and/or are not reasonable (attach an explanation).

Date: _____ Signed _____

Total number of pages attached 6

YOLO
LOCAL
AGENCY
FORMATION
COMMISSION



August 22, 2019

COMMISSION
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OLIN WOODS
Public Member

VICE CHAIR
DON SAYLOR
Supervisor – 2nd District

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ALTERNATES
RICHARD DELIBERTY
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Supervisor – 4th District

BABS SANDEEN
Councilmember
City of West Sacramento

STAFF
CHRISTINE M. CRAWFORD, AICP
Executive Officer

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Clerk to the Commission

MARK KRUMMENACKER
Financial Analyst

COUNSEL
ERIC MAY

625 Court Street, Suite 107
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www.yololafco.org

To: Honorable Judge David W. Reed
Superior Court of California, County of Yolo
1000 Main Street
Woodland, CA 95695

To: Yolo County Grand Jury
P.O. Box 2142
Woodland, CA 95776
via e-mail: grand.jury@yolocounty.org

From: Yolo LAFCo

RE: 2018-2019 Yolo County Grand Jury Report: Flood Management in the Urban Environment – Yolo LAFCo and the Role of Reclamation Districts 537 and 900 within the City of West Sacramento

Honorable Judge Reed:

The following is the response from the Yolo Local Agency Formation Commission (“LAFCo”) to the findings and recommendations in the 2018-2019 Yolo County Grand Jury Report titled, “Flood Management in the Urban Environment – Yolo LAFCo and the Role of Reclamation Districts 537 and 900 within the City of West Sacramento”.

GRAND JURY FINDINGS (F)

F3. Over the last four years, RD 537 and 900, City, and YLAFCo failed to effectively collaborate and communicate.

Response: We disagree wholly with this finding as it pertains to LAFCo.

While LAFCo will not comment on the communication and collaboration between the reclamation districts (RDs) and the City, the assertion that LAFCo did not fully communicate and collaborate with the other agencies is wholly unsupported. LAFCo has been involved in flood control governance issues for over 10 years, and LAFCo staff have never rejected a meeting from any agency. Indeed, the 2018-2019 Yolo County Grand Jury Report provides no instances during which LAFCo was not proactive and involved in communicating and collaborating with the RDs and the City. LAFCo can provide multiple examples of joint written communication throughout the process and have not declined any meeting request or failed to readily return phone calls. In addition, there are no known instances where Commissioners did not respond to phone calls or meeting requests with representatives of the RDs or the City.

F5. YLAFCo removed the recommendation that allows for the more common option of reclamation district consolidation from the Final MSR/SOI for RD 537 and 900 for unknown reasons.

Response: We disagree wholly with this finding.

The Report expresses confusion about the modification from the December 7, 2017, Draft Municipal Services Review (MSR), which provided two options for reorganizing the RDs' structure, to the February 22, 2018 Final MSR, which recommended the subsidiary district option¹. Although the Grand Jury and the RDs may disagree with the Commission's recommendation, it is no secret and readily known how and why that recommendation was made: (1) at a public meeting on December 7, 2017, the Commission reviewed the Draft MSR that had two options and decided that the final report should make a specific recommendation; and (2) at subsequent public hearing on February 22, 2018, after much deliberation the Commission adopted the final MSR containing one recommendation. The Grand Jury report's language suggests this decision was made inappropriately and not transparent, which is clearly not the case.

The publicly-available audio recordings of LAFCo's December 7, 2017, and February 22, 2018, public meetings were provided to the Grand Jury. These meetings, attended by all the subject agencies, clearly demonstrate how and why the Commission decided to recommend one option in its final MSR. As the Commission considered the two governance options in the Draft MSR on December 7, 2017, several commissioners voiced their opinion that the Final MSR should identify a specific recommendation, and by failing to do so, LAFCo would be doing the public a disservice and "punting on the issue". The Commission directed staff to bring back additional information and analysis to inform a potential choice at its next meeting.

The February 22, 2018, staff report on the matter summarized these events as well and were also readily available to the Grand Jury on the LAFCo website. Staff provided additional analysis and presented an MSR that recommended that RD 900 and RD 537 become subsidiary districts to the City, in accordance with the Commission's expressed direction to ultimately recommend one option. At the February 22, 2018, Public Hearing, the Commission discussed the options at length, clearly stating its reasoning, and voted to approve the Final MSR by a 5-0 vote. Again, it is no secret and readily known how and why that decision was made.

F9. YLAFCo did not fully examine the potential cost savings or issue of liability before recommending in the Final MSR/SOI the singular option of the reclamation districts becoming subsidiaries of the City.

Response: We disagree wholly with this finding, and believe it misses the point.

While LAFCo is definitely concerned about the issue of cost, its main focus in this matters such as this where public safety is involved is determining which entity will provide the most

¹ See Grand Jury Report p. 1 (stating it is "impossible to determine why the consolidation option that was in the 2017 Draft report was removed before the 2018 Final report was published"); *id.* p. 11 ("[I]t cannot be determined who made this change or why it was changed."); *id.* p. 13 ("[T]he Grand Jury [is] unclear of how YLAFCo selected one option over the other."); Finding 5 ("LAFCo removed the recommendation that allows for the more common option of reclamation district consolidation from the Final MSR/SOI for RD 537 and 900 for unknown reasons.").

effective delivery of services over the long term. The Commission requested additional information regarding cost and liability, however its recommendation on governance did not hinge on these factors. A full analysis of potential cost savings or liability is not required per Government Code Section 56430, which states:

56430(a) "The Commission shall prepare a written statement of its determinations with respect to each of the following:

(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.

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

56430(b) "The commission may assess various alternatives for improving efficiency and affordability of infrastructure and service delivery within and contiguous to the sphere of influence, including, but not limited to, the consolidation of governmental agencies."

While costs savings or the issue of liability are relevant considerations, LAFCo deemed the information provided to be sufficient for the purposes of making a recommendation on governance for the municipal service review. Those issues were further evaluated during the evaluation of the parties' proposals.

F10. YLAFCo has no internal procedure to trigger an independent, third-party examination into topics such as costs resulting from a governance change when the proposals are clearly contentious or unique. In addition, there is no mechanism to pay for such an examination.

Response: We disagree wholly with this finding.

LAFCo's fee schedule provides a mechanism to pay for such an examination as follows, "Any additional expenses incurred by the Commission, in excess of the deposited amount, will be billed to and paid by the applicant before completion of the LAFCo proceedings, including final recordation and filings." This includes any additional studies or analysis deemed necessary by LAFCo. A formal procedure is not required for third-party examination to occur. The Commission saw no need in this case to request a third party examination.

F11. Creating a governance change for a landowner district is fully within the authority of YLAFCo. However, YLAFCo knew its MSR decision came with "potentially significant ramifications," yet did so in contrast to its mission statement and stated best practices. YLAFCo did not create the appearance of exercising due diligence in meeting its responsibilities to the community.

Response: We disagree wholly with this finding.

Please see the response to Finding F5. The Grand Jury Report confuses the difference between an MSR recommendation versus a change of organization decision. LAFCo's MSR action was a recommendation, not a decision. A full examination of cost and liability was provided as part of the actual reclamation district reorganization proposal decision process, which was considered at a LAFCo public hearing on July 25, 2019 (i.e. the hearing that actually approved the reorganization as opposed to merely a recommendation), subsequent to the issuance of the Report on June 28, 2019. The Grand Jury Report made this finding without the benefit of the exhaustive analysis and due diligence provided in the 200-page staff report and attachments found on LAFCo's website [here](#).

F12. YLAFCo took much longer than the five years mandated by LAFCo law to publish an MSR/SOI for Yolo County reclamation districts (13 years) and the City (eight years). This allowed mistrust and disagreements to fester.

Response: We disagree partially with this finding.

While it is factually accurate that LAFCo took longer than five years to publish its MSR, LAFCo MSRs are not written in a vacuum and it was determined by the Commission during its Annual Work Plan items each year it was valuable to delay the MSR so the Yolo County Flood Governance Study could be completed by the UC Davis Collaboration Center first because it would critically inform LAFCo's MSR. The UC Davis study was completed in 2014, and reviewed and adopted by the Department of Water Resources in 2015. LAFCo appropriately began its MSR/SOI process in FY 2015/16. In addition, there is no evidence to support the conclusion that the timing of the MSR has had any effect on mistrust and disagreements. The law affords LAFCo the flexibility to perform the reviews on such a schedule. See Gov. Code § 56425(g) (“[E]very five years thereafter, the commission shall, **as necessary**, review and update each sphere of influence.”) (emphasis added). Since this statement appears to be an opinion and speculation, the language of the Grand Jury Report should have been modified accordingly.

GRAND JURY RECOMMENDATIONS (R)

R3. By February 1, 2022, YLAFCo should revisit and publish the MSR/SOI for RD 537 and 900 earlier than scheduled to ensure whatever final decision in governance is made, the result is not detrimental to the functioning of flood protection.

Response: This recommendation requires further analysis.

The earliest possible date the RD 537 and RD 900 boundary changes will take effect is July 1, 2020. Currently, LAFCo has the MSR for the reclamation districts scheduled for fiscal year 2023/24. Therefore, the current schedule would provide for an MSR three years after the boundary changes would occur. LAFCo reviews this schedule every year at a minimum or anytime as needed and can assess if an earlier review is warranted.

R5. By January 1, 2020, YLAFCo should create an internal procedure/policy to conduct an independent, third-party examination when confronted by an extremely impactful or unique issue on topics such as costs and liability, before any final recommendation is made by the YLAFCo Commission. Reliance on opinions paid for

by affected parties should only be one basis for consideration. This new procedure/policy ensures due diligence, best practices, and is in the public's best interest.

Response: This recommendation has been implemented by LAFCo.

Notwithstanding the response to Finding F 9, at its August 22, 2019 meeting LAFCo adopted a new Yolo LAFCo Project Policy 6.13 as follows:

6.13 Independent Third-Party Analysis

One of LAFCo's purposes 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. During the preparation of an MSR and/or SOI that includes an impactful or controversial issue, LAFCo should considering obtaining any needed analysis or studies by soliciting or hiring consulting services itself and not relying solely on information provided by a subject agency or proponent.

- R6. By January 1, 2020, YLAFCo should ensure a mechanism exists, if legally feasible, for funding independent, third-party examinations when considering impactful or unique proposals (such as billing the affected or impacted parties).**

Response: This recommendation will not be implemented because it already exists.

LAFCo's fee schedule already provides a mechanism to pay for such an examination as follows, "Any additional expenses incurred by the Commission, in excess of the deposited amount, will be billed to and paid by the applicant before completion of the LAFCo proceedings, including final recordation and filings." This includes any additional studies or analysis deemed necessary by LAFCo.

- R7. By January 1, 2020, the Board of Supervisors should lead the creation of a multiagency and stakeholder flood committee or working group to facilitate collaboration among all Yolo County communities on all flood topics, plan for global warming flood changes, and present these discussions to the citizens. Since two Yolo County Supervisors are YLAFCo commissioners, those supervisors should present the formation of this committee to the full board.**

Response: The recommendation requires further analysis by Yolo County.

This year, Yolo County reinitiated FloodSAFE Yolo 2.0, a coordinated comprehensive flood management planning effort for the west side of the county. One of the goals is to establish a sustainable governance structure. Once that is established, it may offer an opportunity for greater coordination, but for now, it is the desire of the parties involved to start with a smaller area and demonstrate success before expanding. Should, however, the cities express interest in a countywide approach in the near term, LAFCo's understanding is the County stands ready to participate. Meanwhile, many agencies and stakeholders in Yolo County, including the County, participate in the following flood coordination groups:

- Westside Sacramento Integrated Regional Water Management (Lake, Solano, Napa and Yolo counties with Yolo County chairing the effort)
- Lower-Sacramento/Delta North Regional Flood Management Planning Group (Yolo and Solano counties, Reclamation District 2068/2098, WSAFCA, SAFCA, Solano County Water Agency)
- Central Valley Flood Control Association (50+ reclamation districts, 6 counties and 4 flood control agencies; Yolo County holds a seat on the Board)
- Central Valley Ag Floodplain Task Force Executive Committee
- Water Resources Association of Yolo County (County, all cities within Yolo County and Yocha Dehe Wintun Nation)



June 25, 2019

VIA U.S. Mail and Electronic Mail

COMMISSION
CHAIR
OLIN WOODS
Public Member

VICE CHAIR
DON SAYLOR
Supervisor – 2nd District

WILL ARNOLD
Councilmember
City of Davis

GARY SANDY
Supervisor – 3rd District

TOM STALLARD
Councilmember
City of Woodland

ALTERNATES
RICHARD DELIBERTY
Public Member

JIM PROVENZA
Supervisor – 4th District

BABS SANDEEN
Councilmember
City of West Sacramento

STAFF
CHRISTINE M. CRAWFORD, AICP
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Geoffrey Engel
Yolo County Grand Jury Foreperson
P.O. Box 2142
Woodland, CA 95776
grandjury@yolocounty.org

RE: Yolo LAFCo's Initial Response to Grand Jury Report

Dear Mr. Engel:

I write on behalf of the Yolo Local Agency Formation Commission ("LAFCo" or "Commission") regarding the Yolo County Grand Jury's report entitled, "Flood Management in the Urban Environment – Yolo LAFCo and the Role of Reclamation Districts 537 and 900 within the City of West Sacramento" ("Report"). LAFCo appreciates the time and effort the Grand Jury has devoted to understanding the inner workings of local government. However, the Report contains inaccuracies and misrepresentations that unfortunately will mislead the public about LAFCo's responsibilities and effectiveness. My understanding is that the Grand Jury is preparing to publicly release the Report on Friday. We hope that the Grand Jury will carefully review these items below and amend the report prior to its publication.

Scope of Complaints and Investigation

To avoid any public confusion, the Report should make clear that (1) the public policies supporting one form of governance over another are outside of the Grand Jury's review, and (2) the Report does not make any findings or recommendations as to the "complicated issue" of the most effective form of governance.

The Report states that the Grand Jury investigation was initiated by "complaints regarding concerns that the [City] was inappropriately moving towards bringing [RDs] 537 and 900 under City governance." (Report, p. 1.) The complaints alleged "concerns that funds intended for flood protection potentially may be misallocated by the City." (*Id.*) The Grand Jury goes on to state that it thus "investigated allegations of a questionable 'takeover' by the City of the reclamation districts with potential for mismanagement of flood funds...." (*Id.* p.4)

The initial complaints to the Grand Jury focused on the merits of whether the RDs should become subsidiary districts of the City. Those matters are outside the scope of the Grand Jury's purview, and the Report correctly steers away from delving into those policy issues. However, because the Report begins a discussion of the policy concerns that gave rise to the investigation, the public will believe that there is

some merit to those policy concerns simply by the fact that the Grand Jury investigated them. LAFCo is concerned the Grand Jury investigation and Report may cloud or taint its consideration of the RD reorganization proposals currently in process.

LAFCo Removing One MSR Recommendation Option

We respectfully request that the Report be modified on pages 1, 11, and 13, and Finding 5 to remove statements stating it being “impossible to determine” or “unknown reasons” of how and why LAFCo arrived at its MSR recommendation, and to note the Commission’s desire for a single recommendation while at the same time stating at the public hearing LAFCo would welcome a future proposal without prejudice from the RDs.

The Report expresses confusion about the modification from the December 7, 2017 Draft MSR (which provided two options for reorganizing the RDs' structure) to the February 22, 2018 Final MSR (which recommended the subsidiary district option)¹. Although the Grand Jury and the RDs may disagree with the Commission’s recommendation, it is no secret and readily known how and why that recommendation was made: (1) at a public meeting on December 7, 2017, the Commission reviewed the Draft MSR that had two options and decided that the final report should make a specific recommendation; and (2) at subsequent public hearing on February 22, 2018, after much deliberation the Commission adopted the final MSR containing one recommendation. The Grand Jury report’s language suggests this decision was made inappropriately and not transparent, which is clearly not the case.

The publicly-available audio recordings of LAFCo’s December 7, 2017, and February 22, 2018, public meetings were provided to the Grand Jury. These meetings, attended by all the subject agencies, clearly demonstrate how and why the Commission decided to recommend one option in its final MSR. As the Commission considered the two governance options in the Draft MSR on December 7, 2017, several commissioners voiced their opinion that the Final MSR should identify a specific recommendation, and by failing to do so, LAFCo would be doing the public a disservice and “punting on the issue”. The Commission directed staff to bring back additional information and analysis to inform a potential choice at its next meeting.

The February 22, 2018, staff report on the matter summarized these events as well and were also readily available to the Grand Jury on the LAFCo website. Staff provided additional analysis and presented an MSR that recommended that RD 900 and RD 537 become subsidiary districts to the City, in accordance with the Commission’s expressed direction to ultimately recommend one option. At the February 22, 2018, Public Hearing, the Commission discussed the options at length, clearly stating its reasoning, and voted to approve the Final MSR by a 5-0 vote. Again, it is no secret and readily known how and why that decision was made.

¹ See Report p. 1 (stating it is “impossible to determine why the consolidation option that was in the 2017 Draft report was removed before the 2018 Final report was published”); id. p. 11 (“[I]t cannot be determined who made this change or why it was changed.”); id. p. 13 (“[T]he Grand Jury [is] unclear of how YLAFCo selected one option over the other.”); Finding 5 (“LAFCo removed the recommendation that allows for the more common option of reclamation district consolidation from the Final MSR/SOI for RD 537 and 900 for unknown reasons.”).

RDs Proposal Application “in Spite of YLAFCo”

We respectfully request that references throughout the Report that the RD proposal was submitted “in spite of YLAFCo” be removed.

The Commission expressly stated during the public hearing on February 22, 2018 that, notwithstanding the MSR recommendation, it would still welcome and consider a proposal from the RDs without prejudice. And in fact, in a letter dated August 28, 2018 actually solicited the proposal. Therefore, the references to the RDs proposal application being “in spite of YLAFCo” misrepresents the actual events, is unnecessarily confrontational, and is contrary to the tone of the productive working relationship between the RDs and LAFCo.

Confusing the MSR Process with the Proposal Process

On page 1, paragraph 5, the Report should delete the phrase “and proposal application” in the following sentence: “In addition, YLAFCo failed to do a thorough examination during the MSR/SOI ~~and proposal application~~ processes into public costs, exposure of the City’s General Fund to liability, and the solvency of the WSAFCA before the Final MSR/SOI was reduced to one unique option.”

Yolo LAFCo has not yet completed its proposal application process with a hearing tentatively scheduled for July 25, 2019, and therefore its premature for the Grand Jury to conclude LAFCo failed to do a thorough analysis. The Report confuses the reader on the purposes of recommendations in a Municipal Services Review with the final decisions to be made on an application for government reorganization.

Comments Specific to Report Findings

- F3. *We respectfully request the reference to LAFCo in this finding be deleted as follows: “Over the last four years, RD 537 and 900, City, ~~and YLAFCo~~ failed to effectively collaborate and communicate.”*

Comment: While LAFCo will not comment on the communication and collaboration between the RDs and the City, the assertion that LAFCo did not fully communicate and collaborate with the other agencies is wholly unsupported. LAFCo has been involved in flood control governance issues for over 10 years, and LAFCo staff have never rejected a meeting from any agency. Indeed, the Report provides no instances during which LAFCo was not proactive and involved in communicating and collaborating with the RDs and the City. LAFCo can provide multiple examples of joint written communication throughout the process and have not declined any meeting request or failed to readily return phone calls.

- F5. *We respectfully request the phrase “for unknown reasons” be deleted from this finding as follows: “YLAFCo removed the recommendation that allows for the more common options of reclamation district consolidation from the Final MSR/SOI for RD 537 and 900 ~~for unknown reasons.~~”*

Comment: As stated previously, the Grand Jury may disagree with LAFCo’s MSR/SOI recommendation, but the reasons for LAFCo narrowing down its MSR recommendation to one is clearly known and stated in the audio record, which was provided to the Grand Jury. The reasons are also clearly stated in the written record from the staff report for the February

22, 2018 meeting These statements misrepresents the facts and unfairly suggest LAFCo has not been transparent in its reasoning and decision making process.

- F12. *We respectfully request the Report replace the statement “This allowed mistrust and disagreements to fester” and instead mirror the language from page 9 of the Report as follows: “YLAFCo took much longer than the five years mandated by LAFCo law to publish an MSR/SOI for Yolo County reclamation districts (13 years) and the City (eight years). ~~This allowed mistrust and disagreements to fester.~~ Had the MSR/SOI for the reclamation districts and City kept to a five-year review, issues surrounding communication and collaboration may have been mitigated.”*

Comment: LAFCo would like to note MSRs are not written in a vacuum and it was determined by the Commission during its Annual Work Plan items each year it was valuable to delay the MSR so the Yolo County Flood Governance Study could be completed by the UC Davis Collaboration Center first because it would inform LAFCo’s MSR. The UCD study was completed in 2014, and reviewed and adopted by DWR in 2015. LAFCo appropriately began its MSR/SOI process in FY 2015/16. In addition, there is no evidence to support the conclusion that the timing of the MSR has had any effect on mistrust and disagreements. Since this statement appears to be an opinion and speculation, it should be status as such and not as a factual statement.

Conclusion

LAFCo appreciates the role the Grand Jury plays in Yolo County and the hard work of its volunteer jurors. However, the Grand Jury wields significant powers and has considerable influence over how the public perceives the workings of local government. A report that contains misleading information can irrevocably damage a public agency’s reputation and the public’s trust, two of the most important assets of any agency that serves the people. Once a report with misleading or incorrect information is filed, the damage to the local agencies’ reputation and the public trust cannot be undone.

We therefore respectfully request the final report be revised to address the inaccurate and potentially misleading items noted above. While LAFCo disagrees with certain other opinions contained in the Report and its findings and recommendations, LAFCo will address those during the formal response period after the Report is published.

Sincerely,



Christine M. Crawford AICP
Executive Officer, Yolo LAFCo

cc: The Honorable David W. Reed, Grand Jury Supervising Judge (via hand delivery)
Philip Pogledich, Counsel to the Grand Jury (via e-mail)
Eric May, Commission Counsel (via e-mail)

Flood Management in the Urban Environment – Yolo LAFCo and the Role of Reclamation Districts 537 and 900 within the City of West Sacramento

SUMMARY

The 2018-2019 Yolo County Grand Jury (Grand Jury) received complaints regarding concerns that the City of West Sacramento (City) was inappropriately moving towards bringing Reclamation Districts (RD) 537 and 900 under City governance. As the proposed governing body, there were additional concerns that funds intended for flood protection potentially may be misallocated by the City. The Grand Jury was unable to find an example when a landowner district became a subsidiary of a city or county. The reclamation districts are opposed to coming under the City jurisdiction in any format.

The City did submit proposal applications in August 2018 to the Yolo Local Agency Formation Commission (YLAFCo) to bring the southern section of RD 537 and the entirety of RD 900 under the City as subsidiaries after YLAFCo made that recommendation in the February 2018 Final YLAFCo Maintenance Service Review (MSR) and Sphere of Influence (SOI) Report.

However, in the earlier December 2017 YLAFCo Draft MSR/SOI for RD 537 and 900, there were two recommendations. One was the subsidiary option and the second was allowing the reclamation districts to consolidate, which is the more common approach. Conflicting answers and information from multiple interviews and documents as detailed below (in the Approach section), made it impossible to determine why the consolidation option that was in the 2017 Draft report was removed before the 2018 Final report was published.

In response to the City's applications and in spite of YLAFCo's recommendation, RD 537 and RD 900 submitted their own proposal applications in December 2018 to YLAFCo to consolidate. The MSR/SOI recommendations, proposal applications, and procedures became the focus of this investigation.

The Grand Jury found there was a lack of communication and proactive collaboration amongst all four agencies (RD 537, RD 900, City, and YLAFCo) over the vital topic of West Sacramento flood protection. In addition, YLAFCo failed to do a thorough examination during the MSR/SOI and proposal application processes into public costs, exposure of the City's General Fund to liability, and the solvency of the West Sacramento Area Flood Protection Agency (WSAFCA) before the Final MSR/SOI was reduced to one unique option. By its own admission, YLAFCo knew this path was risky yet did so in spite of its own previously stated positions. It has also been 13 years since YLAFCo completed a MSR/SOI on the reclamation districts, eight years longer than the five years mandated by LAFCo law (Gov. Code § [56425\(g\)](#)).

The Grand Jury recommendations include, (1) ensuring that all reclamation district websites are transparent and highlight their work, (2) initiating regular meetings between the reclamation districts and the City, (3) increasing the size of the WSAFCA Board (including the addition of a public member), (4) changing YLAFCo’s internal policy to include independent, third-party examinations on controversial topics as well as who should pay for those examinations, and (5) publishing the next MSR/SOI for RD 537 and 900 earlier than scheduled to ensure whatever final decision in governance is made, the result is not detrimental to the citizens of West Sacramento in any way. Additionally, the Grand Jury recommends the formation of a countywide flood committee or working group so that all flood issues are highlighted for communities of the county.

ACRONYMS

CALAFCO	California Association of Local Agency Formation Commissions
CVFPB	Central Valley Flood Protection Board
DWR	Department of Water Resources (State)
LAFCo	Local Agency Formation Commission
LMA	Local Maintaining Agency
MA	Maintenance Area
MSR	Municipal Service Review
RD	Reclamation District
SOI	Sphere of Influence
WSAFCA	West Sacramento Area Flood Control Agency
YLAFCo	Yolo County LAFCo

BACKGROUND

Special districts are public agencies that provide one or more special services to a community, such as irrigation and water resources. They are the most common and often the least visible type of local government found in all counties, with over 3400 in California.¹ Eighty-five percent of these special districts perform a single-focus service and over two-thirds are termed “independent” (separate boards elected by the district’s own voters; Gov. Code § [56044](#)). Less than one-third of special districts are “dependent” districts, governed by a city or county. There are over 25 different types of special districts in California – cemetery districts, water districts, mosquito vector control districts – just to name a few. Yolo County has 54 special districts and is involved in an additional seven multi-county special districts.

Special districts have many of the same basic powers as counties and cities. Districts enter into contracts, employ workers, acquire real estate, and can also have the power of

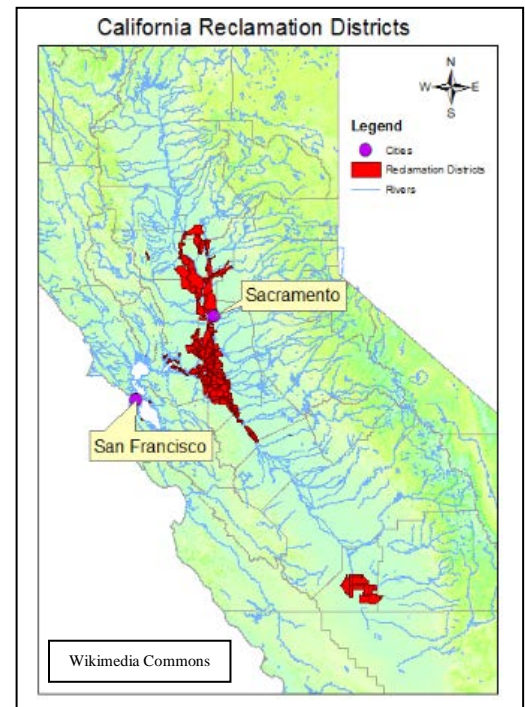
eminent domain. They have corporate powers and thus the authority to raise money for their projects and services.

Reclamation Districts (RDs) are a type of special district. Land reclamation in California started with the United States Congressional *Swamp Land Act* of 1850. This federal legislation authorized the transfer of federal swamplands to private ownership with the provision that they be drained and made productive. In 1855, California passed the *Reclamation District Act* which transferred control of the reclaimed lands from state and counties to the landowners. Under local boards of directors, owners of reclaimed lands were authorized to organize into special districts to acquire, build, manage, and operate reclamation works, such as levees, drains, canals, etc. (Water Code § [50000](#) et seq.)

Reclamation districts are one of only four types of special districts that are *landowner voting districts*.^{2,3} This is an important distinction in that both the reclamation district board and the district voters are solely comprised of landowners within that district (Gov. Code §§ [56049-56050](#)). The vast majority of special districts are *resident voting districts*.

In California, a complex system of levees, weirs, bypasses, etc., constructed over the last 150 years, helps protect urban and rural areas from flooding. This flood control system includes approximately 6,000 miles of levees in the Central Valley. Only 1,600 miles are termed “project levees” meaning they were constructed incrementally by local, state, or federal agencies (including reclamation districts) and are eligible for state and federal assistance for repair.^{4,5} The remaining levees are solely the physical and financial responsibility of those reclamation districts and landowners.

The Sacramento and San Joaquin Rivers and their tributaries create over 43,000 square miles of combined drainage area. The Central Valley has experienced many devastating floods over the years, which became the backdrop for significant advancements in statewide flood risk management. In response to Hurricane Katrina in 2005, flood control regulations, goals, and infrastructure requirements increased dramatically through new state law and then through the 2012 and 2017 Central Valley Flood Control Plans.



Examination of the Yolo County website (updated 2019) and board assignments (updated April 2019) shows that Yolo County has no active committees or working groups devoted to flood protection. Flood risk comes from levees in eastern Yolo, but also from

creeks, canals, and sloughs county-wide. Past attempts to address flood concerns include floodSAFE Yolo (two-year pilot program 2008-2009, under the Yolo County Flood Control and Water Conservation District), Yolo Bypass Working Group (last meeting July 2017), and Yolo Climate Change Compact (last meeting July 2009).

The Central Valley flood system is an interconnected system – what happens in one area affects another. This interconnectedness requires coordinated planning and management. It is within this framework that the Grand Jury investigated allegations of a questionable “takeover” by the City of the reclamation districts with potential for mismanagement of flood funds, and how the reclamation districts, the City, West Sacramento Area Flood Control Agency (WSAFCA), and YLAFCo interact.

APPROACH

During this investigation, the Grand Jury interviewed the complainants and multiple other witnesses in order to understand all sides of this complicated issue. Interviews included members of County government, City government, special districts, and local agencies.

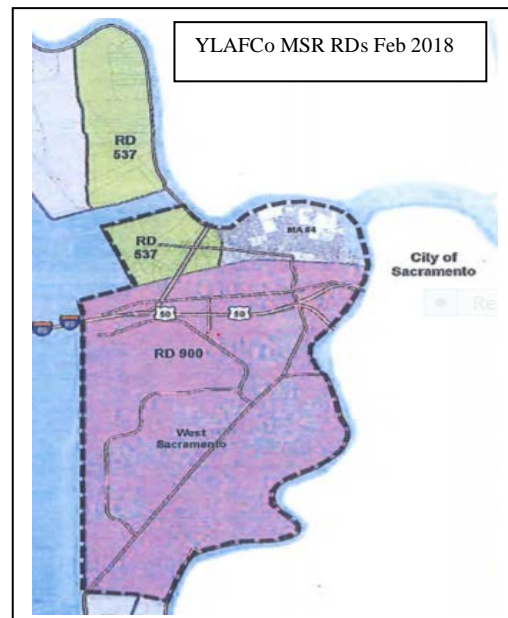
In addition, the Grand Jury reviewed a multitude of documents regarding flood protection (Central Valley, California), flood policies (local, state and federal), YLAFCo Municipal Service Review (MSR) and Sphere of Influence (SOI) reports, neighboring county documents on the topic of reclamation districts and governance, special districts, city documents, California Association of Local Agency Formation Commissions (CALAFCO) publications, Little Hoover Commission reports, and Yolo County publications. Audio recordings of Yolo County government public hearings and meetings were also reviewed.

The Grand Jury toured the areas under discussion, including levees, pumps, and drainage systems in the city.

DISCUSSION

Reclamation Districts (RDs) 537, 900, and Maintenance Area 4 (MA 4)

RD 537 was formed in 1891 under the General Reclamation District Law and oversees 6 miles of project levees and provides single-focus services of levee maintenance, drainage, and irrigation. RD 537 is an independent landowner district, and is geographically divided into two parts by the Sacramento Bypass.



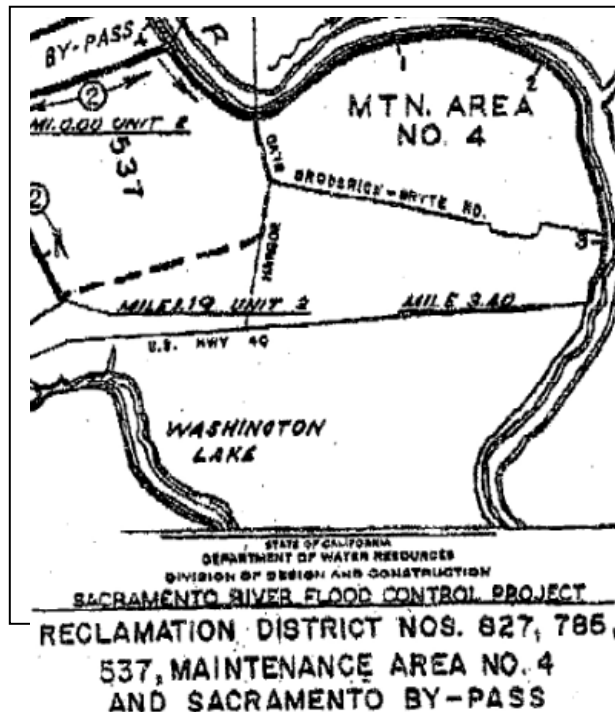
Only the southern section lies within the City limits. RD 537 lacks a website, and any information concerning meetings is posted at its office in West Sacramento. The board is comprised of three elected landowners.

RD 900 was formed in 1911 by a special act of the legislature with its footprint entirely within the current City limits. This independent landowner district services 13.6 miles of project levees and provides single-focus services of levee maintenance, drainage, pumping, and irrigation. RD 900 has an up-to-date website allowing the public access to current and past district information. The board is comprised of five elected landowners.

RD 537 and 900 have been conducting levee operation and maintenance as well as internal drainage in the City area for over 100 years. Reclamation districts have contracts and assume liability with the Department of Water Resources (DWR) on “project” levees. Contractual levee operation and maintenance agencies (such as reclamation districts) are known to DWR as Local Maintaining Agencies (LMAs).⁶ The DWR’s periodic and annual levee inspections have shown that both LMAs (RD 537 and 900) are doing a good job and are functioning districts.⁷ The districts have sufficient funds through Proposition (Prop) 218 specific assessments and WSAFCA funds to provide flood infrastructure upkeep.⁸ There have been no complaints by the public to either the City or to YLAFCo concerning the work of the reclamation districts. As stated in the February 2018 YLAFCo staff report, “RD 537 and 900 provide an outstanding level of service to the community.”⁹

When an LMA is unable to operate or maintain a project levee, DWR is authorized to form a “Maintenance Area” (MA) and appropriate the levee operation and maintenance (Water Code § [12878.1](#)). There are 10 MAs in the Central Valley.¹⁰

Maintenance Area 4 (MA 4) is 3.47 miles of project levee located in the northeastern portion of the City between the City and the Sacramento River, and is adjacent to RD 537. MA 4 was created in 2010 when RD 811 went defunct and was thereafter dissolved by YLAFCo. The City took over the internal drainage of RD 811 and DWR became the LMA of the RD 811 levee.



RD 537, RD 900 and the City of West Sacramento (City)

In the early 1900s, Bryte, Broderick, and West Sacramento were known as “East Yolo.” Those communities incorporated in 1987 as the City of West Sacramento. At that point in time, RD 537 had been operating for 96 years and RD 900 for 71 years. It is the flood protection work of RD 537 and 900 that in part has made it possible for West Sacramento to incorporate since the City is essentially surrounded by levees and lies in a “bathtub.”

The City is located directly across the Sacramento River from the state capital, Sacramento. The City is bordered by the Sacramento River to the east; the South Channel levee to the south; the Yolo Bypass and the Deep Water Channel to the west; and the Sacramento Bypass to the north.

All of RD 900 and the southern portion of 537 are within the city boundaries of West Sacramento. The rural landscape in East Yolo has changed since City incorporation in 1987. The City has become more urban and diverse as the population has changed from its rural roots and the population is expected to continue to grow rapidly over the coming years.^{11, 12}

Just as the City has changed since incorporation, so have the responsibilities of the reclamation districts. Land uses, levees, regulations, annual reporting, and agencies with oversight authority have changed significantly since 1987. Levee operation and maintenance has evolved into a complicated and costly process concerning regulatory agency approvals and mitigations. The dramatic loss of life and property from Hurricane Katrina in 2005 drove the legislature to enact five new laws to significantly increase levee operation and maintenance and to strengthen ties between flood risk reduction investments and accountability.^{13, 14} RD 537 and RD 900 have shown that they are keeping up with these changing regulations and level of flood protection, coming a long way from the time when landowners simply reclaimed swamp land.

Two important questions

The Grand Jury examined two questions that came up during the investigation.

- *Is it rare for a reclamation district to be fully within a city’s boundary?* In examining other Central Valley urban areas, Stockton has four reclamation districts fully within its city limits (out of a total of 12 reclamation districts that enter city limits); Lathrop has one RD fully within its city limits (out of three); West Sacramento has one RD fully within its city limits (out of two). All three incorporated cities are surrounded by levees.
- *Are there other reclamation districts or landowner districts that have experienced a governance change (“independent” to a “dependent” board) where a city or county is now the governing entity?* All 37 reclamation districts and five levee

districts that appear in the 2018 DWR LMA Inspection Report for the Central Valley (Sacramento System) are landowner districts with “independent” boards. In looking more thoroughly at the counties in the Sacramento System – Yolo, Glenn, Sutter, Yuba, Colusa, and Sacramento counties – there are an additional 42 reclamation districts and three water districts that are also “independent”. Therefore, just within these six counties, a total of 87 landowner districts have “independent” boards. None are “dependent” districts.

The Grand Jury found instances where *resident voting* districts, such as parks and recreation districts, or harbor districts, did indeed undergo governance changes by county LAFCoS to be run by a city or county.

Clearly, a governance change for a *landowner voting district* would be decidedly unique and unprecedented.

Potential Conflict – Recreation versus flood management

As the City evolves, the desires of the population may come into conflict with the specific work of the reclamation districts. An area of conflict beginning in 2015 between the reclamation districts and the City centered on recreational opportunities in and around levees, retention ponds, and canals. In a letter dated November 15, 2016, by RD 900 to the City Manager, RD 900 stated it would not accept responsibility for any future retention ponds if it was not allowed to review the layout and design of those ponds in advance.¹⁵ The City Council wants to allow recreational opportunities for its citizens and the reclamation districts want those recreational opportunities to be planned out to allow the reclamation districts to continue to do the necessary maintenance on drainage areas and levees. In addition, who will pay for the recreational infrastructure and its upkeep is also in contention.

Prop 218 assessments that help fund the internal drainage work of RD 900 are assessments levied on property owners to pay for public improvements or services that benefit property.¹⁶ Prop 218 assessments cannot be used for general services that benefit all citizens of the City, such as police or fire, or used to finance non-property-related services like recreation.¹⁷ City funds, grants, etc., must be used to pay for city-wide recreational benefits, as well as the upkeep of those recreational elements.

RD 900 did reach out to the City Council via a letter in April 2018 requesting formal meetings to discuss issues between the reclamation districts and the City. Grand Jury interviews indicate that the City opted not to respond.

How WSAFCA fits into the equation

The West Sacramento Area Flood Control Agency (WSAFCA), a Joint Powers Authority (JPA), was created in 1994 through a Joint Exercise of Powers agreement by the City,

RD 537, and RD 900. One Board member representing each of these three independent entities sits on the WSAFCA's Board with equal authority. WSAFCA was established to coordinate the planning and construction of flood protection projects that directly protects the City. WSAFCA is also tasked with procuring the local-share monies for federal and state flood control projects.¹⁸ WSAFCA works closely with DWR, U.S. Army Corps of Engineers, and the Central Valley Flood Protection Board (CVFPB) on these levee projects to reach the goal of 200-year flood protection by 2025 as dictated by State [Senate Bill 5](#).

WSAFCA represents all the citizens of West Sacramento in flood protection as its footprint follows City limits. The organization is funded through City flood in-lieu fees (a one-time fee paid for by developers of new construction), Prop 218 assessments (levee-specific as opposed to internal drainage), and other various City tax assessments, such as Measure V.

WSAFCA administrative functions are performed by City staff, therefore the important role WSAFCA plays in the community is presented through the City website. WSAFCA is also discussed in numerous documents authored by YLAFCo, DWR, CVFPB, and the U.S. Army Corps of Engineers because of WSAFCA's critical role in regional flood protection. YLAFCo stated in its February 22, 2018 staff report that WSAFCA "is responsible for debt associated with levee improvements and it cannot be dissolved."¹⁹

Yolo Local Agency Formation Commission (YLAFCo) and the role it plays

The post-World War II population and housing boom in California led to an increased demand for services. This rapid growth often resulted in poorly or hastily-planned cities and special districts.

In response to this, the California Legislature created Local Agency Formation Commissions (LAFCo) in 1963 in each California county (except San Francisco at that time) through the Knox-Nisbet Act.²⁰ Multiple changes in law between 1963 and 1985 created confusion over the application of LAFCo laws. Needed reform led to the Cortese-Knox Local Government Reorganization Act of 1985.

LAFCos are independent regulatory authorities of the state meant to be the legislative watchdogs to discourage sprawl and encourage orderly formation of cities. LAFCos operate with no direct state oversight using regulatory powers outlined in Gov. Code sections [56375](#) and [56133](#) which allow for approving, establishing, expanding, and reorganizing cities and special districts. The codes also provide limited powers for dissolving cities and special districts.

Current legal authority and mandates are further defined by the Cortese-Knox-Hertzberg Local Government Reorganization [Act of 2000](#).²¹ This act provides greater independence

for LAFCOs and further clarifies their mission. LAFCOs must produce Municipal Service Reviews (MSR) that determine the adequacy of governmental services being provided by a special district. MSRs are then used to establish local Spheres of Influence (SOI) reports, a plan for future boundary and service areas.

MSR/SOIs should be reviewed every five years. Yet, it was 13 years between YLAFCo's MSR/SOI publications for RD 537 and 900 (2005 and 2018) and an eight-year span for the City's MSR/SOI (2009 and 2017). In October 2018, YLAFCo adopted a proposed schedule of MSR/SOIs that keeps reviews to a five-year cycle. Had the MSR/SOI for the reclamation districts and City kept to a five-year review, issues surrounding communication and collaboration may have been mitigated.

MSRs and SOIs are critical to a county LAFCo's decision-making. Recommendations made by a LAFCo in these documents are simply recommendations and do not mandate an action. Any intended action must be made to the county LAFCo by a proposal application by an affected party, or in certain situations, by LAFCo itself.

LAFCo decisions are intended to improve the provision of services.²² Therefore, before a county LAFCo can make a consolidation, merger, or create a subsidiary, it must find, among other things, that the change, (1) will result in lesser or equal costs to the public, and (2) result in the promotion of public access and accountability (Gov. Code § [56881](#)). Neither YLAFCo nor the Cortese-Knox-Hertzberg Act of 2000 provide a way to check back with the affected parties to verify the findings after a governance change that is outside the five-year MSR/SOI review. Any reversal of a resulting detrimental decision must go through the normal and slow process of submitting a proposal application to YLAFCo. LAFCo decisions can, however, be challenged through the courts.²³

YLAFCo's opinion on the best organizational plan for RD 537, RD 900, and the City has evolved over time.

- 1979 – a YLAFCo special committee studied the feasibility of creating a city in East Yolo considering the impact of Prop 13, which severely limited increases to property taxes and hence the ability of Yolo County to fund future urbanized services in East Yolo. YLAFCo's recommendation concerning RD 537 and RD 900 was for the future city to take over the reclamation districts when the new city was well-funded.²⁴
- 2005 – YLAFCo MSR/SOI for the reclamation districts, “In an earlier study prior to the incorporation of West Sacramento, Yolo LAFCO analyzed the reorganization of Reclamation Districts 537, 811 and 900. It was recommended that Reclamation District 900 assume the services provided by Reclamation District 811, Maintenance Area No. 4, and Reclamation District 537 south of the Sacramento Bypass.”²⁵

This document grouped Yolo County reclamation districts into four groupings (or “reaches”) by location and service activities. Recommendations were to create a single purpose flood control agency and to consider consolidating the reclamation districts in the West Sacramento Reach (RD 537, 811, and 900) into one agency.

- 2009 – YLAFCO MSR/SOI for the City discussed the same options as in the 2005 MSR/SOI for the West Sacramento Reach (a single purpose flood control agency) and consider consolidating the reclamation districts into one agency. Another possible option was to first dissolve the reclamation districts and then reassign their functions to the City.
- 2014 – The Yolo County Flood Governance Study was published, funded by DWR, and compiled by the University of California, Davis Collaboration Center. This study recommended LMAs (like RD 537 and 900) function collectively in hydrologic basins. This would allow basins to collaborate and consolidate so local maintaining agencies could “speak with one voice” and perform consistent levee operation and maintenance in the same hydrologic basin.²⁶
- December 7, 2017 – In the Draft MSR/SOI for Yolo County reclamation districts, YLAFCo made two recommendations for RD 537 and 900. One recommendation was for RD 537 and 900 to become subsidiaries under the City. This would change the reclamation district boards from independent, single-focus boards to dependent, multi-focus boards. The second recommendation was for RD 537 and 900 to consolidate into one independent, single-focus district.

Consolidating “like” districts is the norm and is indeed YLAFCo’s recommendation for reclamation districts in the neighboring Elkhorn Basin. Similarly, Glenn County LAFCo recommended in its February 2019 MSR/SOI that Levee Districts 1, 2 and 3 (landowner and independent districts) consolidate to reduce costs.

- February 1, 2018 – YLAFCo met with DWR and Central Valley Flood Protection Board (CVFPB). According to the summary minutes, “LAFCo recommends that the agencies responsible for levee O&M [operation and maintenance] in each hydrologic basin develop governance solutions that will provide for a uniform level of operation and maintenance so that the protected area is not at risk due to inconsistent maintenance or flood fight response capabilities.”²⁷ This is also the position of DWR and the CVFPB.
- February 22, 2018 – In the Final MSR/SOI for RD 537 and 900, YLAFCo removed the option for RD 537 and RD 900 to consolidate, leaving only the subsidiary option with the City.

It cannot be determined who made this change or why it was changed. Conflicting answers and information from multiple interviews and documents made this assessment impossible.

Following the Final MSR/SOI, and after City Resolution 18-38, the City submitted two proposal applications in August 2018 to YLAFCo.^{28, 29} These proposals would bring the southern section of RD 537 and the entirety of RD 900 under the City as two subsidiaries. Two independent boards of elected landowners would be removed and an *ex officio* board of City Council members (or dependent board) would take its place (Gov. Code § [56078](#)). In theory the two reclamation districts would still exist, simply run by the City. The boards of RD 537 and RD 900 have made it clear they are opposed to any form of takeover by the City.

In response to the City's applications and in spite of YLAFCo removing the consolidation option, RD 537 and 900 submitted their own proposal applications in December 2018 to YLAFCo.^{30, 31} In the first proposal, RD 900 would annex the southern section of RD 537 as well as take over the levee operation and maintenance of MA 4 from DWR creating one flood entity in the West Sacramento Basin. In addition, the new RD 900 would only manage the levees surrounding the City and give all West Sacramento internal drainage responsibility (and the Prop 218 assessment) to the City. The second proposal application would consolidate the northern section of RD 537 with RDs 785 and 827 as the Elkhorn Hydrologic Basin. In summary, the reclamation districts within both neighboring hydrologic basins would consolidate amongst themselves and remain independent districts. The City would manage only the City's internal drainage.

Both RD 537 and RD 900, and the City provided opposing opinions to YLAFCo on a number of significant points during the MSR/SOI process and the subsequent proposal application submissions.

Opposing viewpoints

1. Cost of Services

- **The City** provided an opinion that a governance or board change would result in a slight savings or at least equal costs.
- **RD 537 and 900** provided an opinion that costs under the City Council (acting as the reclamation district boards) would increase 7-25%.³²

Before approving an application, LAFCo law compels YLAFCo to find public costs to be lesser or equal from the current costs. YLAFCo wrote in its 2005 MSR/SOI for reclamation districts, "Sometimes the actual savings as a result of reorganization are modest enough that it is not cost-efficient to pursue."³³ Yet, YLAFCo chose the City option for the final recommendation.

2. *Liability*

- **The City** states that becoming the board of the reclamation districts would not increase General Fund liability exposure in the event of major flooding as it would still be “separate” from the reclamation districts.
- **RD 537 and 900** maintain that when the City Council signs contracts as the LMAs, they do indeed increase their liability exposure and the exposure to the City’s General Fund. LMAs are responsible for project levees and thus the City as the board, would be responsible.

Legal precedent regarding some aspects of liability associated with levee failure was established in the 2003 California State Appeals Court decision, [*Paterno v. State of California*](#) when the State was held liable for major flooding in 1986 in Yuba County.³⁴

Since *Paterno*, the CVFPB and DWR have delegated the liability associated with project levee performance to the LMAs through LMA agreements.

The City is currently insured by the Yolo County Public Agency Risk Management Insurance Authority (or YCPARMIA), a risk pool for local agencies.³⁵ Documents reviewed by the Grand Jury indicate that YCPARMIA *will not insure* the City for a levee failure should the City become responsible for the reclamation districts.

3. *WSAFCA Solvency*

- **The City** maintains there would be no effect to WSAFCA; simply the City Council would now sit on all three boards and merely “change hats” from board to board.
- **RD 537 and 900** counter that WSAFCA would need to be disbanded (as per the joint powers agreement) as there would be no “partners.” Dissolving this joint powers authority would negatively impact flood improvement progress.

The Grand Jury believes that increasing the size of the three-person WSAFCA Board could broaden the impact and perspective of the Board, especially if a public member or a member from a neighboring flood control board is added.

In comparing WSAFCA to other joint powers authorities responsible for flood protection in the Central Valley – the Sacramento Area Flood Control Agency has 13 Board members made up of five independent Board entities. The San Joaquin Area Flood Control Agency has nine Board members made up of five independent board entities plus one public member. If the City Council sits on all

three Boards (RD 537, 900, City), there are no independent Board “partners” to make up the WSAFCA Board.

YLAFCo’s role in Yolo County is an important one

Its mission statement is “to provide professional, innovative, and proactive leadership in the implementation of policies of the Yolo LAFCo to enhance the quality of life for the community.”³⁶ CALAFCO and the Little Hoover Commission have written numerous documents to support this.

A CALAFCO White Paper in 2018 stated, “LAFCOs have a unique opportunity to help facilitate relationships among local agencies and raise awareness of best practices around growth management in support of local efforts to create sustainable communities.”³⁷

Furthermore, the Little Hoover Commission “finds that LAFCOs often do not have the capacity or will to make informed and economically sound decisions, particularly regarding independent special districts.”³⁸

Before YLAFCo voted in February 2018 to approve the Final MSR/SOI for RD 537 and 900 (recommending only for the reclamation districts to become subsidiaries under City), it received financial opinions from both sides, but did not conduct an independent, third-party examination, nor was a deeper investigation undertaken to determine which assumptions were accurate. Other than requested projected cost information from the affected parties after a governance change, there is no YLAFCo procedure or policy that triggers an independent, third-party examination in contentious situations. According to the December 14, 2009 YLAFCo Fee Schedule found on the YLAFCo website, there is no listing for this type of examination nor an associated fee.

The conflicting testimony and documents leave the Grand Jury unclear of how YLAFCo selected one option over the other. YLAFCo knew its recommendation in the MSR/SOI had potential pitfalls, stating in its February 2018 staff report, “It became apparent that any recommended changes could have potentially significant ramifications and would, understandably, be controversial.”³⁹

The Grand Jury reviewed the agenda minutes of each YLAFCo meeting from January 2013 to present. In over six years of decision-making, YLAFCo has never before addressed the issue of a governance change of a landowner district (changing from an independent to a dependent district).

A final determination on the submitted proposal applications before YLAFCo has not yet been reached at the time of the publication of this report.

FINDINGS

- F1. The quality and quantity of work performed by RD 537 and RD 900 met all expectations and requirements by oversight agencies for local maintaining agencies.
- F2. Whether RD 537 and RD 900 consolidate or remain separate, transparency and information for the public could be improved and expanded.
- F3. Over the last four years, RD 537 and 900, City, and YLAFCo failed to effectively collaborate and communicate.
- F4. Both reclamation districts and the City had ample opportunity to reach out to one another in numerous ways to improve communication and solve issues concerning their common goals.
- F5. YLAFCo removed the recommendation that allows for the more common option of reclamation district consolidation from the Final MSR/SOI for RD 537 and 900 for unknown reasons.
- F6. WSAFCA could better serve the citizens of the City with a larger board and the inclusion of a public member, similar to the approach taken with similar flood protection entities in other nearby counties.
- F7. It is unclear if WSAFCA can remain intact under the City's proposals for a reclamation district governance change.
- F8. It is unclear and untested if the City's General Fund is shielded from liability in a major flood event if the City Council becomes the board of the two local maintaining agencies.
- F9. YLAFCo did not fully examine the potential cost savings or issue of liability before recommending in the Final MSR/SOI the singular option of the reclamation districts becoming subsidiaries of the City.
- F10. YLAFCo has no internal procedure to trigger an independent, third-party examination into topics such as costs resulting from a governance change when the proposals are clearly contentious or unique. In addition, there is no mechanism to pay for such an examination.
- F11. Creating a governance change for a landowner district is fully within the authority of YLAFCo. However, YLAFCo knew its MSR decision came with "potentially significant ramifications," yet did so in contrast to its mission statement and stated best practices. YLAFCo did not create the appearance of exercising due diligence in meeting its responsibilities to the community.
- F12. YLAFCo took much longer than the five years mandated by LAFCo law to publish an MSR/SOI for Yolo County reclamation districts (13 years) and the City (eight years). This allowed mistrust and disagreements to fester.

F13. Although Yolo County had flood issue committees or working groups in the past, the County has no such active committees now.

RECOMMENDATIONS

- R1. By December 31, 2019, each reclamation district website should highlight its purpose, history, and the important work done or planned, in order to improve transparency.
- R2. By October 1, 2019, General Managers for RD 537 and RD 900 should have regularly scheduled formal meetings (minimally quarterly) with the City Manager to discuss joint directives and goals.
- R3. By February 1, 2022, YLAFCo should revisit and publish the MSR/SOI for RD 537 and 900 earlier than scheduled to ensure whatever final decision in governance is made, the result is not detrimental to the functioning of flood protection.
- R4. By January 1, 2020, increase the size of the WSAFCA Board from three to seven members and include a public member.
- R5. By January 1, 2020, YLAFCo should create an internal procedure/policy to conduct an *independent*, third-party examination when confronted by an extremely impactful or unique issue on topics such as costs and liability, before any final recommendation is made by the YLAFCo Commission. Reliance on opinions paid for by affected parties should only be one basis for consideration. This new procedure/policy ensures due diligence, best practices, and is in the public's best interest.
- R6. By January 1, 2020, YLAFCo should ensure a mechanism exists, if legally feasible, for funding independent, third-party examinations when considering impactful or unique proposals (such as billing the affected or impacted parties).
- R7. By January 1, 2020, the Board of Supervisors should lead the creation of a multi-agency and stakeholder flood committee or working group to facilitate collaboration among all Yolo County communities on all flood topics, plan for global warming flood changes, and present these discussions to the citizens. Since two Yolo County Supervisors are YLAFCo commissioners, those supervisors should present the formation of this committee to the full board.

REQUIRED RESPONSES

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

From the following governing bodies:

- YLAFCo Commissioners – F3, F5, F9, F10, F11, F12; R3, R5, R6, R7
- Yolo County Board of Supervisors – F13; R7

- West Sacramento City Council – F3, F4, F6, F7, F8; R2, R4
- Board of RD 537 – F1, F2, F3, F4, F6, F7; R1, R2, R3, R4
- Board of RD 900 – F1, F2, F3, F4, F6, F7; R1, R2, R3, R4

Note: The governing bodies indicated above should be aware that the comment or response of the governing body must be conducted subject to the notice, agenda and open meeting requirements of the Brown Act.

INVITED RESPONSES

From the following party:

- Board of WSAFCA – F6, F7; R4

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33. Dudek and Associates, Inc., “Final Report. Municipal Service Review and Sphere of Influence Study. Yolo Public Water and Reclamation Districts,” pg. 59.

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<https://lao.ca.gov/reports/2017/3571/managing-floods-032217.pdf>, pg. 15.
35. YLAFCo. “Regular Meeting Agenda Feb22, 2018,” Staff report, Item 8-ATT1. Staff report, pg. 52 of Agenda Report.
36. Yolo LAFCO. Mission statement. 2019.
<https://www.yololafco.org/our-mission>.
37. CALAFCO. “Creating Sustainable Communities and Landscapes,” pg. 2.
38. Little Hoover Commission. “Special Districts: Relics of the Past or Resources for the Future?” Report 155. Published online, LHC, May 2000.
<https://lhc.ca.gov/sites/lhc.ca.gov/files/Reports/155/Report155.pdf>, pg. vi.
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Reports issued by the Civil 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 Civil Grand Jury.
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Executive Officer Report 12.

LAFCO

Meeting Date: 08/22/2019

Information

SUBJECT

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

- A. CALAFCO 2019 Conference Announcement
 - B. Long Range Planning Calendar
 - C. EO Activity Report - July 22 through August 16, 2019
-

Attachments

[ATT A-CALAFCO 2019 Conference Announcement](#)

[ATT B-Long Range Planning Calendar 08.22.19](#)

[ATT C-EO Activity Report Jul22-Aug16](#)

Form Review

Form Started By: Terri Tuck

Started On: 08/13/2019 02:31 PM

Final Approval Date: 08/13/2019



Announcing The 2019 CALAFCO Annual Conference














Hosted by CALAFCO

October 30 – November 1

Hyatt Regency, Sacramento



Value-Added and Diverse General & Breakout Session Topics

-  Stress-testing LAFCoS and local agencies in changing times*
-  It takes a village: LAFCo, County and State collaboration to solve a local problem*
-  Water, water everywhere but not a drop to drink
-  Planning the legislative menu rather than being on the menu
-  What's your story? Crafting and communicating a compelling LAFCo narrative
-  MSRs: You get out what you put in
-  Opportunities and challenges for LAFCo in addressing the housing call
-  Solving difficult service issues with creative and innovative solutions
-  Leading your LAFCo into the next decade with courage and independence*
-  Annual CALAFCO Legislative Update*
-  CALAFCO Annual Business Meeting (for all CALAFCO members)*

Note: The Program is subject to change.

*Indicates General Session

Special Highlights

Mobile Workshop
Still under construction.



We are working on a tour of the **West Sacramento Port** and **Farmers Rice Coop** plant followed by a visit to the new **Sacramento Fire Fighter's Museum** with a special farm to fork lunch and several guest speakers.

Details will be announced shortly – but register now to secure your seat!

**Wednesday from
7:30 a.m. to 12:30 p.m.**
(times approx..)

LAFCo 101

An introduction to LAFCo and LAFCo law for Commissioners, Staff, and anyone interested in learning more about LAFCo

**Wednesday from
10: 00 a.m. to Noon**

**Thursday luncheon
keynote to be announced**

Invaluable Networking Opportunities

-  Regional Roundtable discussions on current regional LAFCo issues
-  Extended roundtable discussion for LAFCo legal counsel
-  Networking breakfasts and breaks
-  **Pre-dinner Reception with Sponsors Wednesday**
-  **Awards Banquet Wednesday**
-  **Welcome Reception Thursday**

Hyatt Regency downtown



Make your reservations now at the **Hyatt Regency** at the special CALAFCO rate of \$139 (excludes tax and fees). Special rates available 2 days pre and post-conference on availability, includes in-room wifi and parking.

Reservation cutoff date is 10/08/19.

TO MAKE HOTEL RESERVATIONS, PLEASE VISIT: [Hyatt Regency Online Reservation](https://www.hyatt.com) or call **877-803-7534** and reference CALAFCO Conference.

Visit www.calafco.org for Conference details or call us at 916-442-6536.

**Mark your calendar and
plan to attend!**
Registration is now open!
Visit www.calafco.org



Long Range Meeting Calendar – Tentative Items

August 22, 2019 LAFCo Meeting

Meeting Date	Tentative Agenda Items	Location
Sept 26, 2019		
Oct 24, 2019		
Nov 14, 2019	SPECIAL MEETING <ul style="list-style-type: none"> • Approve Conducting Authority Resolution certifying results for the WS Basin Reclamation District Protest Hearing (conducted by staff on Nov 13th) • RD 537 Finance Plan (to divide assets per terms and conditions) • Springlake FPD Change of Organization from an Independent District to a Dependent District to Yolo County • FY 19/20 Q1 Financial Update* 	Woodland
Dec 18, 2019	<ul style="list-style-type: none"> • Direction to Staff Re Convening a Shared Services Workshop* • Adopting LAFCo 2020 Meeting Calendar* 	Woodland
Jan 23, 2020	<ul style="list-style-type: none"> • 2019 Website Transparency Scorecard Report • FY 19/20 Q2 Financial Update 	Woodland

Shaded meeting dates note those scheduled while EO is working remotely

* Notes items that are flexible and will be scheduled as appropriate

New Proposals Received Since Last Meeting

Date Received	Proposal
August 9, 2019	<ul style="list-style-type: none"> • Springlake Fire Protection District Change of Organization from an Independent District to a Dependent District to Yolo County

LAFCo EO Activity Report July 22 through August 16, 2019

Date	Meeting/Milestone	Comments
07/22/2019	Meeting w/Olin Woods	LAFCo Agenda Review
07/23/2019	Attend BOS Meeting	Supervisor's approval waiving CalPERS 180-day waiting period to hire Patrick McCormick as a retired annuitant for LAFCo.
07/24/2019	Interview w/KCRA 3 (Mike Teselle)	RD Governance in the W Sac Basin (LAFCo #s 925, 926, & 930)
07/24/2049	Woodland Research Park	Meeting with Ken Hiatt, Woodland and Leslie Lindbo, Yolo County to discuss future annexation of project currently in the City process
07/31/2019	CALAFCO Conference Program Committee meeting #4	Facilitated Meeting
08/01/2019	Meeting w/Mary Ellen Rosebrough-Gay (County GIS)	LAFCo GIS data layers and internal viewer review
08/03/2019	Presentation to Democracy Winters group	Presentation regarding LAFCo, SOIs and the annexation process
08/07-08/08/19	Vacation	
08/09/2019	CALAFCO Board Meeting-San Diego	Attended and took minutes
08/12/2019	Meeting w/Olin Woods	LAFCo Agenda Review
08/14/2019	Meeting with Pat McCormick	Yolo LAFCo onboarding
08/14/2018	Shared Services – Yolo Leaders/YED Talks Planning Committee Meeting	Topic Selection for next YED Summit