

YOLO LOCAL AGENCY FORMATION COMMISSION

Resolution № 2020-10

Adopting the Municipal Service Review (MSR) and Sphere of Influence (SOI) Update for the Yolo County Flood Control and Water Conservation District (LAFCo No. S-056)

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

WHEREAS, Section 56425 provides that LAFCos shall develop and determine the sphere of influence (SOI) of each local governmental agency within their respective counties, and enact policies designed to promote the logical and orderly development of areas within the spheres of influence; and,

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

WHEREAS, in 2020, the Yolo LAFCo conducted a review of the municipal services and SOI of the Yolo County Flood Control and Water Conservation District (YCFCWCD), and based on the results of the MSR determined that the SOI for the District should be updated; and,

WHEREAS, staff has reviewed the SOI Update and determined that it does not have the potential to cause a significant effect on the environment, and is therefore not subject to the California Environmental Quality Act (CEQA) in accordance with CEQA Guidelines Section 15301, and, based thereon, the Executive Officer will file a Notice of Exemption; and,

WHEREAS, the Executive Officer set a public hearing for December 3, 2020, for consideration of the draft MSR/SOI Update and caused notice thereof to be posted, published, and mailed at the times and in the manner required by law at least twenty-one (21) days in advance of the date; and,

WHEREAS, on December 3, 2020, the draft MSR/SOI Update came on regularly for hearing before Yolo LAFCo, at the time and place specified in the notice; and,

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

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

WHEREAS, the Commission received, heard, discussed, and considered all oral and written testimony related to the SOI update, including but not limited to protests and objections, the

Executive Officer's report and recommendations, the environmental determinations, and the MSR.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED that the Yolo Local Agency Formation Commission hereby adopts Resolution 2020-10 adopting the Municipal Service Review and Sphere of Influence Update for the Yolo County Flood Control and Water Conservation District with the boundaries as shown in Exhibit A, subject to the following findings and recommendations:

FINDINGS

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

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

2. Finding: Approval of the SOI Update for the YCFCWCD does not have the potential to cause a significant effect on the environment, and is therefore not subject to CEQA in accordance with CEQA Guidelines Section 15301 (Existing Facilities) and Section 15061(b)(3) (common sense exemption). A Notice of Exemption will be filed with the County Recorder.

Evidence: The SOI Update could allow for future annexation of additional territory into the YCFCWCD. The primary intent of this SOI Update is to cover the Yolo Subbasin Groundwater Agency territory as a member agency for potential future groundwater monitoring and recharge sites. This is to comply with the Sustainable Groundwater Management Act (SGMA) enacted to halt overdraft and bring groundwater basins into balanced levels of pumping and recharge, and would provide an environmental benefit. This additional territory could potentially also be served by the existing District water allocation. Future annexation would potentially allow existing agricultural lands to be served by surface water supplies instead of relying on groundwater pumping, however, the key consideration is the fact that the SOI Update involves no expansion of the existing agricultural use and is exempt under CEQA Guidelines Section 15301. The YCFCWCD does not supply potable drinking water and, therefore, the SOI Update will not be growth inducing or otherwise result in any expansion of use. Conjunctive surface and groundwater use is an environmental benefit as compared to the current practice of solely pumping groundwater.

3. Finding: Approval of the SOI Update for the YCFCWCD is in compliance with the Yolo LAFCo Project Policies Criteria for Spheres of Influence (Policy 6.3) as follows:

- Retention and strengthening of community identities, as well as increasing efficiency and conserving resources, by providing essential services within a framework of controlled growth;
- Identification of the county's prime agricultural land and protection of this land through all available devices, such as including controlling the provision of services, requiring infill development first, and preferring non-prime land for growth. Other open-space

resources such as stream banks, flood plains, and present and future recreation areas should also be protected for public benefit;

- Creation of realistic and controlled, yet flexible, planning areas into which anticipated services can be expanded as growth requires and as the communities' resources provide;
- Provision of infrastructure systems such as streets, sewers, water, open space for parks and recreation as a product of growth, rather than growth inducing;
- Encouragement of city annexation or incorporation as a means of supplying the full range of urban services as required; and
- Evaluation of the availability and need for basic services in each community and forecast these to meet anticipated population growth, and recommend creation, expansion, consolidation and/or reorganization of districts when need for such change is indicated.

Evidence: These policies apply to all city and special district SOIs but are largely not applicable to a district that provides non-potable water supporting continued agricultural use. The proposed SOI Update will serve to retain the rural agricultural farming community in a more sustainable manner utilizing conjunctive surface and groundwater use instead of the current practice of solely pumping groundwater. It will provide a flexible planning area where services can be expanded as surface water resources allow. The conveyance systems are either already existing or, if extended, would not be growth inducing because the water supports agricultural uses and is non-potable. District expansion is anticipated to support agricultural use, not population growth or urban expansion.

RECOMMENDATIONS

1. Financial transactions that relate directly to the Yolo Subbasin Groundwater Agency (YSGA) should not be recorded in the YCFCWCD ledgers.
2. Develop a policy or procedure to identify and record Federal and State revenue consistently as either non-operating grants or contributed capital based on the purpose of the grant.
3. Consider assessing a base service fee that would protect the District's financial condition from periods of extended drought.
4. Develop a formal capital improvement plan that includes a financing plan (i.e. long-range planning, not just on an annual basis).
5. Create a reserve policy that includes specific set asides, which are formally recorded in the accounting system, for financing a capital improvements plan, general reserve, and a catastrophic loss reserve to mitigate against loss of revenue and to finance unexpected large infrastructure losses due to disasters.
6. Complete the ongoing process to document the accounting controls, procedures and policies in case of any unexpected staff turnover.
7. YCFCWCD should consider adopting a policy that it rotates auditors at least every 6 years.
8. The YCFCWCD improved its transparency score from 67% in 2018 to 82% in 2019, however, there is still some room for improvement.

9. Take appropriate measures to safeguard any essential paper records in the office from fire or water damage.

PASSED AND ADOPTED by the Yolo Local Agency Formation Commission, State of California, this 3rd day of December, 2020, by the following vote:

Ayes: Sandeen, Sandy, Saylor, Stallard, Woods
Noes: None
Abstentions: None
Absent: None

Olin Woods, Chair
Yolo Local Agency Formation Commission

Attest:



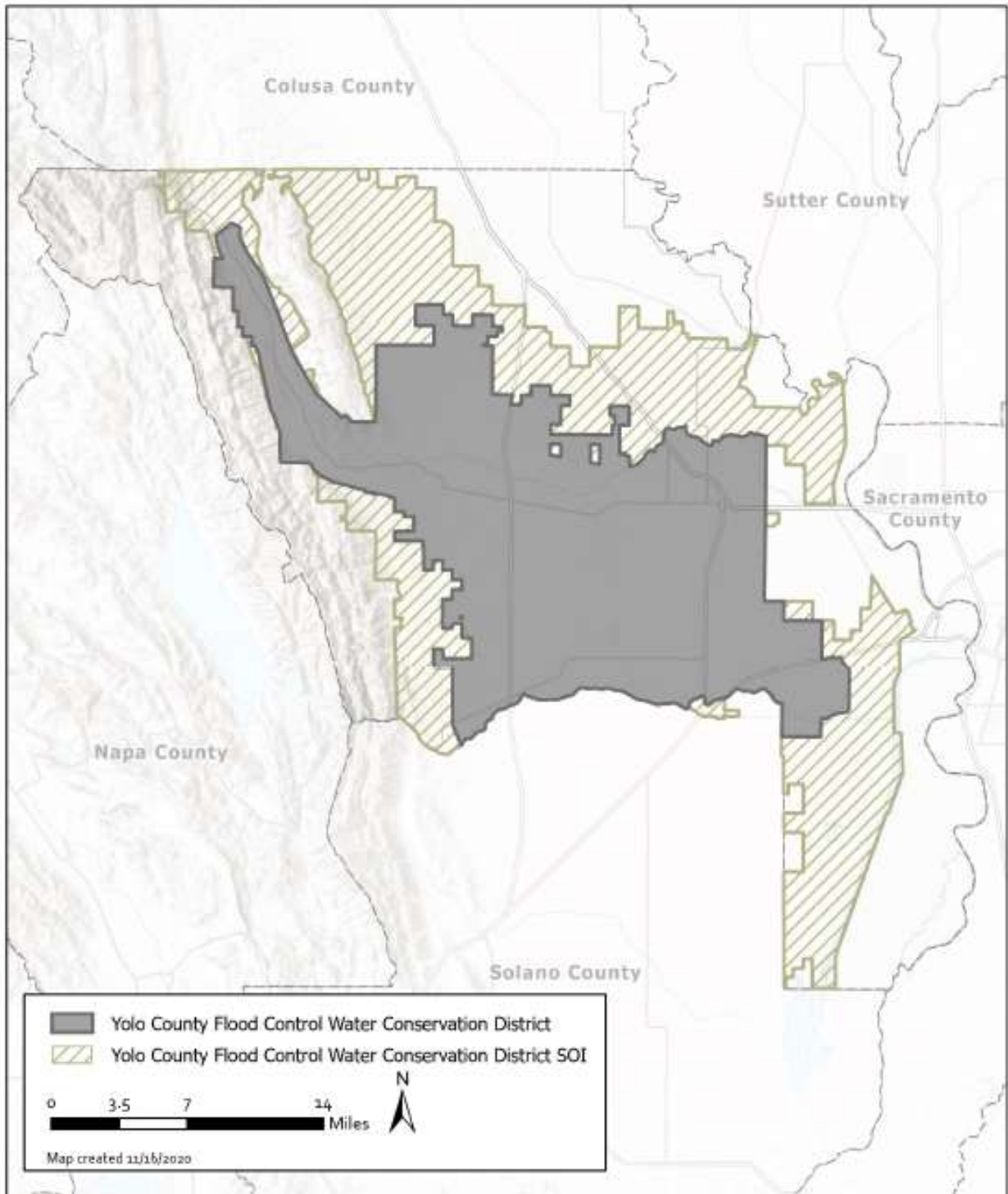
Christine Crawford, Executive Officer
Yolo Local Agency Formation Commission

Approved as to form:



Eric May, Commission Counsel

Yolo County Flood Control and Water Conservation District and Sphere of Influence



Adopted December 3, 2020