

MUNICIPAL SERVICE REVIEW

POTENTIALLY SIGNIFICANT MSR DETERMINATIONS

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

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

1. GROWTH AND POPULATION

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

Discussion:

a) – c) According to the state Department of Finance, the City of Winters population actually declined from 2014 to 2015 from 6,970 to 6,954, a decrease of 0.2 percent. The City of Winters does anticipate an application for a specific plan to develop approximately 200 acres outside of the City which would require an annexation. However, this territory is already within the City’s SOI and therefore, no SOI amendment would be required to accommodate the proposed development.

Growth and Population MSR Determination

There is no population growth or development proposed that would have an impact on the City’s service demands and require an update to the City’s existing SOI.

2. DISADVANTAGED UNINCORPORATED COMMUNITIES

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

	YES	MAYBE	NO
a) Does the subject agency provide public services related to sewers, municipal and industrial water, or structural fire protection?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Are there any "inhabited unincorporated communities" (per adopted Commission policy) within or adjacent to the subject agency's sphere of influence that are considered "disadvantaged" (80% or less of the statewide median household income) that do not already have access to public water, sewer and structural fire protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) If "yes" to both a) and b), it is feasible for the agency to be reorganized such that it can extend service to the disadvantaged unincorporated community (if "no" to either a) or b), this question may be skipped)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Discussion:

- a) Please see agency profile. A "yes" response indicates that the agency provides a service that may trigger the provisions of SB 244 and a LAFCo determination regarding any disadvantaged unincorporated communities within or adjacent to the agency's sphere of influence is required. A "no" response indicates that the provisions of SB 244 would not apply to a SOI update, if applicable.
- b) The term "Inhabited Unincorporated Communities" is defined per Commission adopted policy as those areas on the County of Yolo 2030 General Plan Land Use Map (see Figures LU-1B through LU-1H) that contain land use designations that are categorized as Residential by Table LU-6. The communities of Rumsey and West Kentucky are also included in this definition (even though the current land use designations are Agriculture (AG) and Commercial Local (CL) respectively) because their existing uses are residential. These communities are as follows:

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

El Rio Villa is located near the City of Winters but it is not adjacent to the City. It is owned and managed by the Yolo Housing Authority located on the other side of I-505 and east of the City. The community residents are likely considered economically disadvantaged. The City already provides wastewater services and fire protection (through the City's contract with the Winters Fire Protection District) to El Rio Villa. Water service is provided by an onsite well that is according to the City

Manager having water quality issues. If the Yolo Housing Authority is unable to resolve these water issues, the City will likely extend its water service to this community.

- c) El Rio Villa is located approximately 0.5 miles east of the City limits across I-505. Therefore, it is not desirable to annex El Rio Villa into the City; however, water services could be extended if needed via an Out of Agency Services Agreement.

Disadvantaged Unincorporated Communities MSR Determination

El Rio Villa is a disadvantaged unincorporated community 0.5 miles east of the City of Winters. It already receives wastewater and fire protection services from the City. It is not desirable to annex El Rio Villa into the City; however, water services could be extended if needed via an Out of Agency Services Agreement.

3. CAPACITY AND ADEQUACY OF PUBLIC FACILITIES AND SERVICES

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

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

Discussion:

a) – d) The City provides police, fire, parks and recreation, water, wastewater, stormwater, solid waste/recycling, and streetlight services. Generally, the City's infrastructure master plans are current and are posted on the City's website:

- The City's sewer master plan was last updated in December 2006
- The city's water master plan was last updated in December 2006

- The City also performs water quality reports every year.

There are no known capacity and services issues related to City public facilities and services.

- e) There has been a recent change in state water quality standards that will have a significant impact on the City's water services. Specifically, the new state standards for Chromium 6 levels will result in significant infrastructure upgrade costs for the City which will be passed on to the residents. The City Manager estimates that base water costs for City residents may triple in order to cover the costs of the state required system upgrades.

There also may be new state regulations for tertiary treatment that will affect the City's wastewater treatment plant, but these new state standards are more speculative at this time.

- f) See 2 b) and 2 c).

Capacity and Adequacy of Public Facilities and Services MSR Determination

Generally, the City's infrastructure master plans are current and are posted on the City's website. However, there has been a recent change in state water quality standards that will have a significant impact on the City's water services. Specifically, the new state standards for Chromium 6 levels will result in significant infrastructure upgrade costs for the City which will be passed on to the residents. The City Manager estimates that base water costs for City residents may triple in order to cover the costs of the state required system upgrades.

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

f) Is the organization's debt at an unmanageable level?

Discussion:

a)-c), e)-f) The city of Winters prepares annual comprehensive financial audits on an annual basis, which are posted on their website. The audits are available through 2014. The City's audits have consistently been awarded a Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officer Association (GFOA) for the last twelve years in a row. In order to be awarded a Certificate of Achievement, the City of Winters published an easily readable and efficiently organized CAFR. This report satisfied both the GAAP and applicable legal requirements. The City performs sound financial management practices, adopting an annual budget, spending within its budget and performing independent audits. The City's reserve and debt is at management levels.

The city has developed a long-range financial plan. The goals of developing this long-range plan include the following:

1. Understanding of all the revenue sources used to implement projects and services throughout the community and the impacts to the growth rate of the services.
2. Identifying recurring vs. nonrecurring revenues.
3. Reviewing all services provided by the City and the corresponding costs of those services.
4. Provide service levels consistent with the General Plan.
5. Establish a Service reserve fund from nonrecurring (one-time) revenues.
6. Establish a long term financial strategy and plan.
7. Establish a "living" document that can be updated as identified variables change that will affect the plan.

The City of Winters has implemented projects within the community to utilize the \$7.8 million in tax allocation bonds issued by the Winters Community Development Agency(CDA) in March 2004 and the \$11.4 million in tax allocation bonds issued in September 2007. The projects that have been implemented to date include:

- Downtown Master Planning: The CDA worked with businesses and property owners within the Main Street and Railroad Avenue corridors to develop an overall strategy and infrastructure plan that will facilitate development within this area.
- Economic Development: The CDA worked with consultants to create a marketing program to make it easy for prospective developers to consider projects within the City.
- Affordable Housing Program: The CDA worked with developers to provide financing to complete construction of a 72 unit affordable housing development.
- Community Enhancements: The CDA has built an amphitheater at the community Center, completed a 110 downtown parking lot, rehabilitated the old railroad bridge to a bicycle and pedestrian trail across Putah Creek into the Community Center park area, installed restrooms at Rotary Park, and completed the installation of a shade structure on the Putah Creek entrance patio area of the Community Center.
- The Agency completed a \$1.5 million capital improvement to the intersection of Main St. and Railroad Ave. including roadway, pedestrian and street furnishings.
- First Time Home buyer program: The CDA has, in partnership with the City of Winters, implemented a first time homebuyer program. Approximately 15 first time homebuyers have been assisted through this program since the 04-05 fiscal year.
- The Agency completed construction of a Joint Police and Fire Facility providing a 40,000 square foot facility for both Police and Fire Departments and includes a training facility that also serves

as the Emergency Operations Center for the City of Winters, with a generator that will power the facility in case of power failure.

- The Agency completed a \$680,000 capital improvement to the intersection of Main and First Street, along with a Mid-Block crossing.

The City is implementing the Five Year Capital Improvement plan developed in fiscal 03-04 and has prioritized key infrastructure projects within the City. Projects have been implemented utilizing the 2007 Water and Sewer Revenue Bonds.

- Well #7 has been completed. This well was necessary to support economic development throughout the City.
- Water pipes were extended to the area along I-505, the next area of anticipated economic development outside of the downtown core.
- Sewer lines were replaced throughout the oldest part of the City.
- Wells #2 and #4 were rehabilitated to allow them to run more efficiently.
- A SCADA (Supervisory Control and Data Acquisition) system was installed. This allows for computer monitoring of the status of the Water and Sewer Systems at all times.
- Water Meters were installed City Wide and beginning January 2012, all water customers began being billed based on consumption.

The 03-04 Capital Improvement Plan will be reviewed and updated in the 14-15 fiscal year and will coordinate with the master plans for both Water and Sewer Enterprise Functions.

d) The City is able to fund necessary maintenance upgrades, but as noted in section 3 e), the City is facing significant infrastructure upgrades to its water system to respond to new state water quality standards for Chromium 6 levels which are naturally occurring from the rock formations in the coastal range and seeps into the aquifers. This City is current addressing these upgrades, but they will come at a significant rate increase to City residents. The City continues to grapple with this issue.

Financial Ability MSR Determination

The City of Winters practices sound financial management, adopting budgets, spending within its limits and preparing annual comprehensive financial updates. The City has adequate reserve to protect against unexpected events or upcoming significant costs. The City's rate/fee schedules are sufficient to fund an adequate level of service and its debt is at a manageable level.

The City is also facing significant infrastructure upgrades to its water system to respond to new state water quality standards for Chromium 6 levels. This City is current addressing these upgrades, but they will come at a significant rate increase to City residents. The City continues to grapple with this issue.

5. SHARED SERVICES AND FACILITIES

Status of, and opportunities for, shared facilities.

	YES	MAYBE	NO
a) Are there any opportunities for the organization to share services or facilities with neighboring or overlapping organizations that are not currently being utilized?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

- | | | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|-------------------------------------|
| b) Are there any governance options that may produce economies of scale and/or improve buying power in order to reduce costs? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Are there governance options to allow appropriate facilities and/or resources to be shared, or making excess capacity available to others, and avoid construction of extra or unnecessary infrastructure or eliminate duplicative resources? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Discussion:

a)-c) The City is currently partnering with LAFCo, the other cities and County on shared services. It is already providing services to the Winters Fire Protection District and sharing a Fire Chief with the City of Dixon. The City also participates in a number of regional programs addressing shared resources, services and facilities.

Shared Services MSR Determination

The City is currently partnering with LAFCo, the other cities and County on shared services. It is already providing services to the Winters Fire Protection District and sharing a Fire Chief with the City of Dixon. The City also participates in a number of regional programs addressing shared resources, services and facilities.

6. ACCOUNTABILITY, STRUCTURE AND EFFICIENCIES

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

	YES	MAYBE	NO
a) Are there any issues with meetings being accessible and well publicized? Any failures to comply with disclosure laws and the Brown Act?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Are there any issues with filling board vacancies and maintaining board members?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Are there any issues with staff turnover or operational efficiencies?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Is there a lack of regular audits, adopted budgets and public access to these documents?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Is the agency involved in any Joint Powers Agreements/Authorities (JPAs)?	<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"/>

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

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

Discussion:

- a)-c) City meetings are accessible and well publicized in accordance with the Brown Act. There do not appear to be any chronic issues with filling board vacancies and maintaining members. The City staff do not experience a high turnover and stay in their positions longer than seen with other cities in the area.
- d) See 4a).
- e) Yes the City is involved with a number of JPAs. A list of all the JPAs has been compiled by the County's Internal Auditing Division.
- f) LAFCo staff is not aware of any recommended changes to the City's governance to increase accountability and efficiency.
- g) LAFCo staff is not aware of any recommended changes to the City's governance structure to eliminate deficiencies or redundancies.

Accountability, Structure and Efficiencies MSR Determination

City meetings are accessible and well publicized in accordance with the Brown Act. There do not appear to be any chronic issues with filling board vacancies and maintaining members. The City staff do not experience a high turnover and stay in their positions longer than seen with other cities in the area. The City prepares annual audits which are posted on the City's website. LAFCo staff is not aware of any recommended changes to the City's governance to increase accountability and efficiencies.

7. OTHER ISSUES

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

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

Discussion:

- a) There are no City issues LAFCo or City staff is aware of that can be resolved by the MSR/SOI process.

Other Issues MSR Determination

There are no City issues LAFCo or City staff is aware of that can be resolved by the MSR/SOI process.

SPHERE OF INFLUENCE STUDY

On the basis of the Municipal Service Review:

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

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

REFERENCES

Department of Finance Population Projections

City of Winters Comprehensive Annual Financial Report, Year Ended June 30, 2014.

City of Winters website posting of infrastructure master plans including water and sewer.