

LAFCO

Meeting Date: 09/26/2024

Information

SUBJECT

Continued Public Hearing to consider approval of Resolution 2024-10 adopting the Municipal Service Review (MSR) for Flood Protection Services and approving a Sphere of Influence (SOI) Update for Reclamation District (RD) 999, and determine the MSR/SOI is exempt from the California Environmental Quality Act (CEQA) (LAFCo No. 23-03)

RECOMMENDED ACTION

1. Reopen the Public Hearing to receive staff presentation and public comment on the MSR/SOI Update.
2. Close the Public Hearing and consider the information presented in the staff report and during the Public Hearing.
3. Approve Resolution 2024-10, adopting the MSR for Flood Protection Services and approving the SOI Update for RD 999.

REASONS FOR RECOMMENDED ACTION

This item was initially heard at the July 25, 2024, meeting and was continued until September 26, 2024, in order to allow additional time for the RD 999 board to meet and discuss the MSR recommendation regarding reorganizing the Clarksburg Basin RDs into RD 999 as the single Local Maintaining Agency successor for the Basin. In the meantime, the RD 999 board has met twice with staff's offers to attend politely declined.

Staff spoke with Tom Slater on the phone on September 5th. He indicated RD 999's opinion is that the US Army Corps of Engineers (USACE) System Wide Improvement Framework (SWIF) plan (i.e. the USACE levee rehabilitation plans for each basin) is working and all three RDs are now coordinating better using the same engineering firm, MBK Engineers. Mr. Slater stated his board is in agreement with the MSR recommendation to eventually reorganize, but it's not the right time to initiate it, and RD 999 does not currently support annexing either RD. He indicated the situation and thinking may shift in the future, but it is premature at this time. Regarding the other two RDs in the Clarksburg Basin, staff confirmed with RD 765 via email that their position has not changed since its July 23rd letter indicating a willingness to be absorbed by RD 999 so long as it didn't involve private water rights. Staff emailed RD 307 multiple times (Aug 8 and Sep 4) urging them to respond and attend the LAFCo meeting, to no avail.

Considering RD 999's position and that, per Government Code Section 56857, the Commission "shall" terminate a proposed annexation if the receiving district requests it, staff removed the previous recommendation from the July meeting to conduct additional outreach with the Clarksburg RDs with the goal of initiating reorganization because it would not be a good use of LAFCo resources. Instead, stronger accountability recommendations have been provided in an attempt to resolve longstanding RD 307 and RD 765 accountability issues. Below is the amended/new recommendation language for RD 307 and RD 765 (new language in bold and italic):

- ***RD 307/765 shall immediately*** secure independent audits of financial reports that meet California State Controller requirements every two years (repeat from 2018 MSR). ***Per Government Code Section 26909, for every special district which does not submit an audit to the county auditor within 12 months of fiscal year-end, the county auditor shall either make or contract an annual audit with any costs borne by the special district.***
- ***Per Water Code 50940 and 50941, RD 307/765 shall keep an office for the business of the district. All district books, maps, papers, records, contracts, and other documents shall be kept in the office and be open to inspection during all business hours by any person interested.***

To summarize and be clear, the MSR recommendation that RDs 307, 765, and 999 should be reorganized (either via dissolution/annexation or consolidation) into RD 999 as the single LMA successor entity for the basin remains in the MSR with a corresponding update to RD 999's SOI. However, the July staff report recommendation that the

Commission direct staff to conduct additional outreach regarding potential reorganization has been removed due to RD 999's objections to initiating any reorganizations at this time.

BACKGROUND

Since the July meeting, the Draft MSR/SOI has been edited to address the following issues:

1. Updated District Performance Indicators on page 2 to include the version organized by Basin.
2. Inserted Updated District Map (reflecting all the districts and not just RDs) on page 20.
3. Corrected the reference to the Sacramento River West Side ~~Drainage~~-**Levee** District (affected MSR Overview, Section 1.0, and Section 1.1)
4. Updated the Accountability recommendations for RD 307 and RD 765 as noted previously (affected MSR Overview, Section 6.1, and Section 6.2)

The sections that have been updated are dated September 17, 2024, in the footer. Those sections that remain the same as presented for the July meeting are dated July 8, 2024, in the footer.

Attachments

- ATT A-Resolution 2024-10 Adopting MSR-SOI for Flood Protection Services and RD 999 SOI Update - Sep 26, 2024
 - ATT B- July 25, 2024 Staff Report Exerpts
 - ATT C-DRAFT MSR-SOI for Flood Protection Services No. 23-03 dated Sep 17, 2024
-

Form Review

Inbox

Christine Crawford (Originator)
Christine Crawford (Originator)
Christine Crawford (Originator)
Form Started By: Christine Crawford
Final Approval Date: 09/18/2024

Reviewed By

Christine Crawford
Christine Crawford
Christine Crawford

Date

09/17/2024 01:10 PM
09/17/2024 04:12 PM
09/18/2024 10:55 AM
Started On: 09/10/2024 03:02 PM

**YOLO LOCAL AGENCY FORMATION COMMISSION
Resolution № 2024-10**

**Adopting the Municipal Service Review (MSR) for Flood Protection Services and a
Sphere of Influence (SOI) Update for Reclamation District 999
(LAFCo No. 23-03)**

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 (LAFCos) established in each county, as defined and specified in Government Code Sections 56000 et seq. (unless otherwise indicated all statutory references are to the Government Code); and,

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

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

WHEREAS, in summer 2023, the Yolo LAFCo began conducting an MSR and SOI Update for the agencies that provide flood protection services, comprised of 10 reclamation districts (RDs), County Service Area (CSA) 6, Knights Landing Ridge Drainage District (KLRDD), and the West Sacramento Area Flood Control Agency (WSAFCA) Joint Powers Authority (JPA); and,

WHEREAS, LAFCo staff worked with each agency involved in the MSR to the extent each was willing to respond, and emailed an administrative draft of each agency's MSR for review and comment prior to the Public Draft MSR; and,

WHEREAS, based on the results of the MSR, LAFCo staff has determined that an SOI Update is needed for RD 999 to implement accountability, structure, and efficiencies recommendations; and,

WHEREAS, LAFCo staff has reviewed the MSR pursuant to the California Environmental Quality Act (CEQA) and determined that the proposed MSR and SOI Update are exempt from CEQA pursuant to Section 15061 (b)(3) and Section 15320 of the State CEQA Guidelines. CEQA Guidelines section 15061(b)(3) sets forth the general rule exemption, which provides that CEQA only applies to projects which "have the potential for causing a significant effect on the environment." Section 15320 is a Categorical Exemption for reorganization of local governmental agencies where the changes do not change the geographical area in which previously existing powers are exercised. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA"; and,

WHEREAS, the Executive Officer set a public hearing on July 25, 2024, for consideration of the draft MSR and SOI Update and caused notice thereof to be posted and published at the times and in the manner required by law at least twenty-one (21) days in advance of the date; and,

WHEREAS, on July 25, 2024, the draft MSR and SOI Update was heard before LAFCo, at the time and place specified in the Notice of Public Hearing; 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, at said hearing, LAFCo reviewed and considered the draft MSR and SOI Update, and the Executive Officer's Report and Recommendations; each of the policies, priorities, and factors set forth in Government Code Sections Section 56425(e) and 56430 et seq.; LAFCo's Guidelines and Methodology for the Preparation and Determination of MSRs and SOIs; and all other matters presented as prescribed by law; and,

WHEREAS, LAFCo continued the Public Hearing until the next regular meeting on September 26, 2024, and reopened the opportunity for all interested persons, organizations, and agencies to present oral or written testimony and other information concerning the proposal and all related matters; and,

WHEREAS, LAFCo 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:

1. Finds the MSR and SOI Update for Flood Protection Services exempt from the California Environmental Quality Act (CEQA) pursuant to the California Code of Regulations, Title 14, Division 6, Chapter 3 (State CEQA Guidelines) Sections 15061(b)(3) and 15320; and,
2. Adopts Resolution 2024-10 approving the MSR for Flood Protection Services and approving an SOI Update for RD 999 as set forth in Exhibit A, attached hereto and incorporated herein by this reference, subject to the following findings and recommendations for each agency set forth in Exhibit B.

FINDINGS

1. Finding: Approval of the MSR and SOI Update is consistent with all applicable state laws and local LAFCo policies.

Evidence: The project was prepared consistent with the requirements in the Cortese-Knox-Hertzberg Act for an MSR and SOI Update and all applicable Yolo LAFCo policies and adopted Standards for Evaluation. The MSR includes written determinations for each district as required by Section 56430. The SOI Update include written statements for each applicable district as required by Section 56425(e). The new SOI for RD 999 supports the MSR recommendations to promote improved services, strengthening community identities and increasing efficiencies. Changes in RD 999's SOI will not affect agricultural land or be growth inducing. The MSR evaluated the existing services in light of the governance goal of establishing one Local Maintaining Agency for each hydrologic system/basin and recommended reorganization where appropriate as indicated in the MSR.

2. Finding: The proposed MSR and SOI Update are exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15061(b)(3) and Section 15320 of the State CEQA Guidelines.

Evidence: CEQA requires analysis of agency approvals of discretionary “projects.” A “project,” under CEQA, is defined as “the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.” Section 15061(b)(3) of the CEQA Guidelines describes the “common sense rule” that CEQA only applies to projects which “have the potential for causing a significant effect on the environment; where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.” Section 15320 is a Categorical Exemption for reorganization of local governmental agencies that do not change the geographical area in which previously existing powers are exercised. Approval of the MSR and SOI Update, and the district reorganization that might follow, do not approve any development project. No physical construction or activity is contemplated as a result of this action. The SOI Update does not change the geographical area in which flood protection services are exercised. The project, therefore, will not have the potential to result in individual or cumulative significant effects on the environment. Furthermore, no special circumstances exist that would create a reasonable possibility that approving the MSR and SOI Update would have a significant effect on the environment. Therefore, the project is exempt from CEQA, and no further environmental review is necessary.

PASSED AND ADOPTED by the Local Agency Formation Commission, County of Yolo, State of California, this 26th day of September 2024, by the following vote:

Ayes:
Noes:
Abstentions:
Absent:

Bill Biasi, Vice Chair
Yolo Local Agency Formation Commission

Attest:



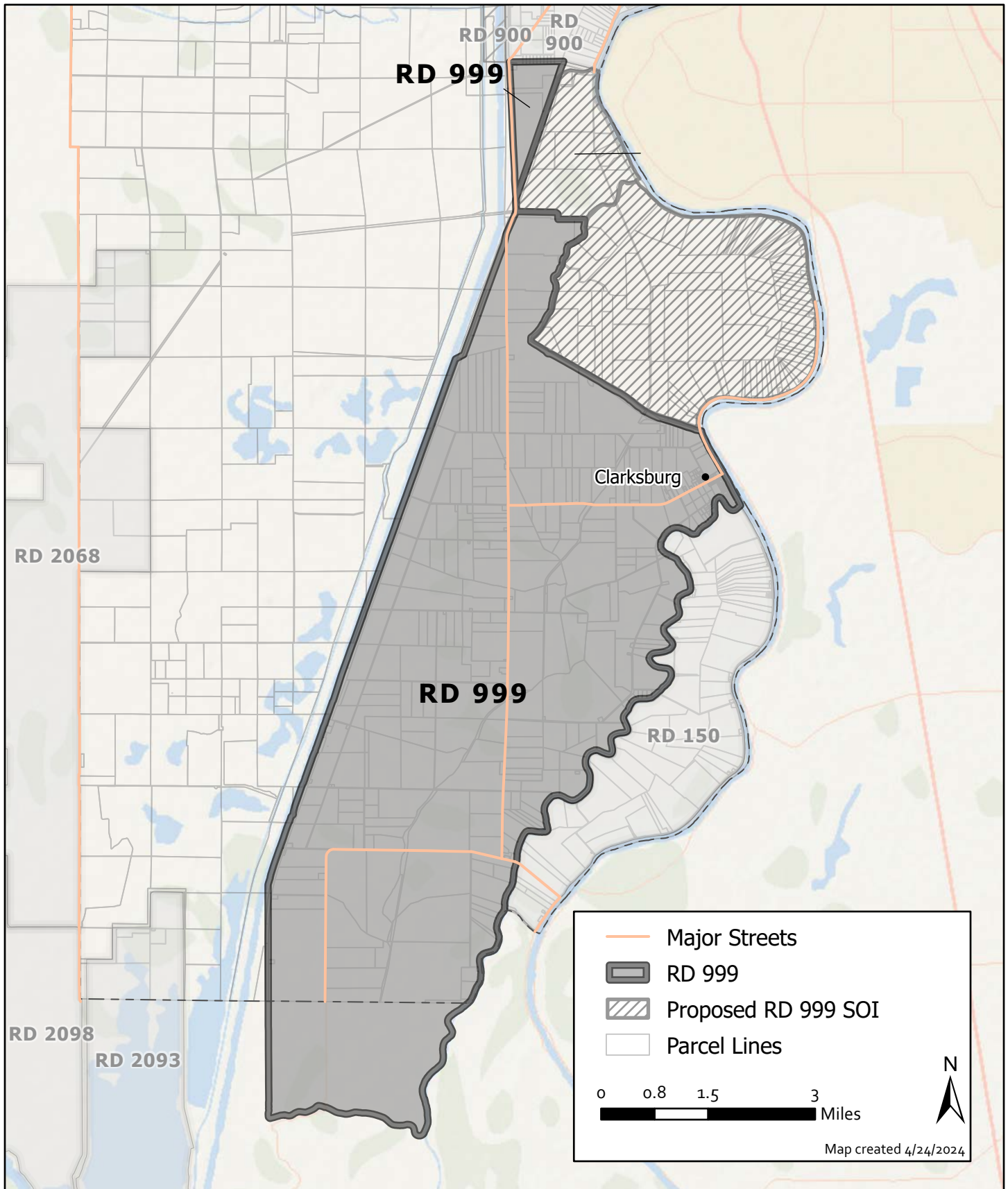
Christine Crawford, Executive Officer
Yolo Local Agency Formation Commission

Approved as to form:



Eric May, Commission Counsel

Reclamation District 999 and Sphere of Influence



Adopted September 26, 2024

**Exhibit B - 2024 MSR for Flood Protection Services (LAFCo No. 23-03)
Agency Recommendations**

North County Basin

RD 787

Capacity and Adequacy of Public Facilities and Services:

1. RD 787 should implement any remaining DWR Fall 2023 inspection report recommendations and correct issues itemized in the Spring 2024 inspection report:
 - The LMA should continue to maintain the area at the high level seen during the last inspection.

Financial Ability Recommendation(s):

2. Consider undergoing a proposition 218 preceding to establish a special assessment or bill owners a set amount annually to secure a reliable revenue source and provide a positive cash flow to pay expenditures without relying on the receipt of intergovernmental grants and subventions.
3. Adopt a capital improvement plan (CIP) or similar analysis to quantify the possible significant risks, infrastructure costs, or equipment failure to determine what the District fund balance goals should be (and fund accordingly).
4. Separate the RD 787 accounts from River Garden Farms so that financial analysis is transparent and accountable.
5. Develop procedures for the periodic review of the general ledgers to ensure that all transactions posted to the District's funds have been authorized and are accurate.
6. Begin filing the special district State Controller's Financial Transaction Reports annually (due 7 months after close of the fiscal year).

Accountability, Structure, and Efficiencies Recommendation(s):

7. For the Sacramento River West Bank (North County) System, RD 108 is the more robust district in the basin and should eventually absorb RD 787 as the single entity for the Yolo County portion of the basin. However, RD 787 is functioning well and both districts already work closely together, so combining the RDs is not urgent but is the eventual goal.
8. Secure independent audits of financial reports (separate from River Garden Farms) that meet California State Controller requirements every two years.
9. Adopt policies (as applicable) relating to personnel/payroll, general and administrative, board member and meetings, and segregating financial and accounting duties among staff and/or board to minimize risk of error or misconduct.
10. Establish a records retention policy to archive important District records.
11. Improve the District's 23% website transparency score <https://www.yololafco.org/yolo-local-government-website-transparency-scorecards>.

Knights Landing Basin

CSA 6

Capacity and Adequacy of Public Facilities and Services MSR Recommendations:

1. CSA 6 should implement any remaining DWR Fall 2023 inspection report recommendations and correct issues itemized in the Spring 2024 inspection report:
 - The LMA should focus more on controlling vegetation to maintain visibility and access.
 - The LMA should continue to maintain the area at the high level seen during the last inspection.

**Exhibit B - 2024 MSR for Flood Protection Services (LAFCo No. 23-03)
Agency Recommendations**

Financial Ability Recommendation(s):

2. To ensure accurate year-end balances, CSA 6 staff should work with County Department of Financial Services to record all relevant material balances.
3. CSA staff should work with County Treasury staff to come up with a plan to manage the capital project fund cash flow.

Accountability, Structure, and Efficiencies Recommendation(s):

4. For the Knights Landing System, KLRDD is the recommended single entity successor agency. However, it is premature to combine CSA 6 and KLRDD at this time due to the Knights Landing Flood Management Project underway to construct new levees and improvements to bring 100-year flood protection to Knights Landing. This recommendation including the timing should be reevaluated in the next MSR/SOI cycle once CSA 6's levees and assessments are brought up to standard.

KLRDD

Capacity and Adequacy of Public Facilities and Services:

1. KLRDD should implement any remaining DWR Fall 2023 inspection report recommendations and correct issues itemized in the Spring 2024 inspection report:
 - The LMA should continue to maintain the area at the high level seen during the last inspection.

Financial Ability Recommendation(s):

None.

Accountability, Structure, and Efficiencies Recommendation(s):

2. For the Knights Landing System, CSA 6 and KLRDD should eventually combine as a single entity. However, it is premature to combine them due to the Knights Landing Flood Management Project underway to construct new levees and improvements to bring 100-year flood protection to the town of Knights Landing. This issue should be reevaluated in the next MSR/SOI cycle to identify a single entity successor agency.
3. Initiate discussions with RD 730 to determine if an agreement to provide services or absorbing it altogether makes sense.
4. KLRDD should improve its 62% website transparency score <https://www.yololafco.org/yolo-local-government-website-transparency-scorecards>.

RD 730

Capacity and Adequacy of Public Facilities and Services: (Drainage Only, No Levee Maintenance)

None.

Financial Ability Recommendation(s):

1. RD 730 should develop procedures for the periodic review of the general ledgers to ensure that all transactions posted to the District's funds have been authorized and are accurate.
2. Provide financial reports for the trustees to review on a regular basis at meetings.

Accountability, Structure, and Efficiencies Recommendation(s):

3. RD 730 should explore whether a contract for services with RD 108 would be more effective and efficient, or potentially consider annexation into the KLRDD altogether.
4. RD 730 should immediately have audits completed for FYs ending 2022 and 2023 if not already done.
5. RD 730 should adopt policies for District operations and financial management including such topics as: board compensation, travel and expense reimbursements, purchasing and contracting, employee policies, safe practices and operating procedures, etc. (repeat of 2018 MSR recommendation).

**Exhibit B - 2024 MSR for Flood Protection Services (LAFCo No. 23-03)
Agency Recommendations**

6. RD 730 is legally required to maintain a website. Please see the “website resources” section of the website transparency scorecard for website recommendations and scholarship information at <https://www.yololafco.org/yolo-local-government-website-transparency-scorecards> (repeat of 2018 MSR recommendation).

Woodland/Conaway Basin

RD 2035

Capacity and Adequacy of Public Facilities and Services MSR Recommendations:

1. RD 2035 should implement any remaining DWR Fall 2023 inspection report recommendations and correct issues itemized in the Spring 2024 inspection report:
 - The LMA should continue to maintain the area at the high level seen during the last inspection.

Financial Ability Recommendation(s):

None.

Accountability, Structure, and Efficiencies Recommendation(s):

2. RD 2035 should improve its 20% website transparency score <https://www.yololafco.org/yolo-local-government-website-transparency-scorecards>.

Elkhorn Basin

RD 1600

Capacity and Adequacy of Public Facilities and Services MSR Recommendations:

1. RD 1600 should implement any remaining DWR Fall 2023 inspection report recommendations and correct issues itemized in the Spring 2024 inspection report:
 - There is vegetation that significantly impacts access and visibility in this Area.
 - The LMA should focus more on controlling vegetation to maintain visibility and access.
 - The LMA should focus on repairing erosion sites.

Financial Ability Recommendation(s):

2. RD 1600 should continue to increase its fund balance and create a policy for, and establish, an emergency reserve. Once the Yolo Bypass Comprehensive Study determines improvements and they are designed, a more detailed Capital Improvement Plan should be considered.
3. The District should develop written accounting and financial policies and procedures in order to ensure financial transactions are recording consistently and in accordance to generally accepted accounting principles.

Accountability, Structure, and Efficiencies Recommendation(s):

4. For the SacYolo North (Elkhorn) System, RD 537 and RD 1600 should eventually combine as a single entity. However, it is premature to combine them in 2024 due to the Upper Yolo Bypass Regional Planning Process and the Yolo Bypass Comprehensive Study underway to develop alternatives for the Yolo Bypass east levee that may significantly alter the RD 1600 territory. This issue should be reevaluated in the next MSR/SOI cycle to identify a single entity successor agency.
5. RD 1600 should improve its 47% website transparency score <https://www.yololafco.org/yolo-local-government-website-transparency-scorecards>.

**Exhibit B - 2024 MSR for Flood Protection Services (LAFCo No. 23-03)
Agency Recommendations**

RD 537

Capacity and Adequacy of Public Facilities and Services MSR Recommendations:

1. RD 537 should implement any remaining DWR Fall 2023 inspection report recommendations and correct issues itemized in the Spring 2024 inspection report:
 - The LMA should focus more on controlling woody vegetation.
 - The LMA should enhance its rodent control program.
 - The LMA should focus on repairing erosion sites.

Financial Ability Recommendation(s):

2. Adopt a capital improvement plan (CIP) or similar analysis to quantify the possible significant risks, infrastructure costs, or equipment failure to determine what the District fund balance goals should be (and fund accordingly).
3. The District should develop written accounting and financial policies and procedures in order to ensure financial transactions are recording consistently and in accordance to generally accepted accounting principles.

Accountability, Structure, and Efficiencies Recommendation(s):

4. For the SacYolo North (Elkhorn) System, RD 537 and RD 1600 should eventually combine as a single entity. However, it is premature to combine them due to the Upper Yolo Bypass Regional Planning Process and the Yolo Bypass Comprehensive Study underway to develop alternatives for the Yolo Bypass east levee that may significantly alter the RD 1600 territory. This issue should be reevaluated in the next MSR/SOI cycle to identify a single LMA successor agency.
5. RD 537 should improve its 24% website transparency score <https://www.yololafco.org/yolo-local-government-website-transparency-scorecards>.

West Sacramento Basin

RD 900

Capacity and Adequacy of Public Facilities and Services MSR Recommendations:

1. RD 900 should implement the Fall 2023 DWR Inspection Report Recommendations as follows:
 - The LMA should focus on repairing erosion sites.
 - The LMA should continue to maintain the area at the high level seen during the last inspection.

Financial Ability Recommendation(s):

2. Adopt a capital improvement plan (CIP) or similar analysis to quantify the possible significant risks, infrastructure costs, or equipment failure to determine what the District fund balance goals should be (and fund accordingly).

Accountability, Structure, and Efficiencies Recommendation(s):

3. Adopt policies (as applicable) relating to personnel/payroll, general and administrative, board member and meetings, and segregating financial and accounting duties among staff and/or board to minimize risk of error or misconduct.
4. RD 900 should improve its website transparency score of 61% <https://www.yololafco.org/yolo-local-government-website-transparency-scorecards>.

WSAFCA

Capacity and Adequacy Recommendation(s):

None.

**Exhibit B - 2024 MSR for Flood Protection Services (LAFCo No. 23-03)
Agency Recommendations**

Financial Ability Recommendation(s):

None.

Accountability, Structure, and Efficiencies Recommendation(s):

1. WSAFCA received a 74% score in the 2023 Yolo Local Government Website Transparency Scorecard. Please review the report appendix to see what improvements can be made: <https://www.yololafco.org/yolo-local-government-website-transparency-scorecards>.

Clarksburg Basin

RD 765

Capacity and Adequacy of Public Facilities and Services MSR Recommendations:

1. Prior to the next flood season, obtain an adequate amount of flood fighting materials and store them in a centralized location.
2. Prior to the next flood season, identify a crew and attend flood fight training from DWR. If necessary, "just in time" training is available online at <https://musrflood.squarespace.com/> to train new crew members and emergency volunteers.
3. RD 765 should implement any remaining DWR Fall 2023 inspection report recommendations as itemized in the Spring 2024 inspection report:
 - The LMA should focus more on controlling woody vegetation.
 - The LMA should focus more on controlling vegetation to maintain visibility and access.
 - The LMA should focus on repairing erosion sites.

Financial Ability Recommendation(s):

4. RD 765 should use the County Treasury to maintain its funds for improved accounting controls and accuracy.
5. Institute regular annual landowner assessments rather than on an as-needed basis with an automatic inflator to provide for a secure ongoing revenue source and to accumulate reserves.
6. Adopt annual budgets (if not already doing so). Budgets and other financial records/information should be provided to the public and LAFCo consistent with state law, including Section 56386 of the Cortese-Knox-Hertzberg Act Local Government Reorganization Act of 2000 (repeat from 2018 MSR)
7. Adopt a capital improvement plan (CIP) or similar analysis to quantify the possible significant risks, infrastructure costs, or equipment failure to determine what the District fund balance goals should be (and fund accordingly).
8. Provide financial reports for the trustees to review on a regular basis at meetings.

Accountability, Structure, and Efficiencies Recommendation(s):

9. The 2014 UC Davis Flood Governance Study funded by DWR determined that one agency should become the single Local Maintaining Agency (LMA) for each hydrologic basin. For the Sac Yolo South (Clarksburg) System, RD 999 is the most robust district in the basin. Therefore, RDs 307, 765, and 999 should be reorganized (either via dissolution/annexation or consolidation) into RD 999 as the single LMA successor entity for the basin. The Clarksburg Flood Management Project has not yet been finalized nor received funding, therefore there is no known reason to delay this reorganization process. This MSR (and the previous one in 2018) found RD 307 and RD 765 not functioning as responsive, accountable, and transparent government agencies. RDs 307 and 765 have not obtained flood fight materials and stored them in a nearby location (although RD 307 has access to the Delta Emergency Plan supplies), nor has either district received flood fight training recently (i.e., at least the past 5+ years). RD 999 has five full-time employees with the training and resources to respond to an emergency.

**Exhibit B - 2024 MSR for Flood Protection Services (LAFCo No. 23-03)
Agency Recommendations**

10. RD 765 shall immediately secure independent audits of financial reports that meet California State Controller requirements every two years (repeat from 2018 MSR). Per Government Code Section 26909, for every special district which does not submit an audit to the county auditor within 12 months of fiscal year end, the county auditor shall either make or contract an annual audit with all costs borne by the special district.
11. Per Water Code 50940 and 50941, RD 765 shall keep an office for the business of the district. All district books, maps, papers, records, contracts, and other documents shall be kept in the office and be open to inspection during all business hours by any person interested.
12. Adopt policies (as applicable) relating to personnel/payroll, general and administrative, board member and meetings, and segregating financial and accounting duties among staff and/or board to minimize risk of error or misconduct (repeat from 2018 MSR).
13. Create a website or adopt a hardship resolution annually in accordance with Government Code sections 6270.6 and 53087.8 to provide the public easily accessible and accurate information about the district (repeat from 2018 MSR).

RD 307

Capacity and Adequacy of Public Facilities and Services MSR Recommendations:

1. Prior to the next flood season, identify a crew and attend flood fight training from DWR. If necessary, "just in time" training is available online at <https://musrflood.squarespace.com/> to train new crew members and emergency volunteers.
2. RD 307 should implement any remaining DWR Fall 2023 inspection report recommendations as itemized in the Spring 2024 inspection report:
 - There is woody vegetation that significantly impacts access and visibility in this Area.
 - There is vegetation that significantly impacts access and visibility in this Area.
 - The LMA should focus more on controlling woody vegetation.
 - The LMA should focus more on controlling vegetation to maintain visibility and access.
 - The LMA should focus on repairing erosion sites.

Financial Ability Recommendation(s):

3. RD 307 may wish to consider increasing revenues via a Proposition 218 preceding to increase the special assessment including an automatic inflationary factor because revenues may not keep up with inflation.
4. RD 307 should review financial data on a regular basis to ensure County Treasury discrepancies are identified, investigated and corrective action taken in a timely manner.

Accountability, Structure, and Efficiencies Recommendation(s):

5. The 2014 UC Davis Flood Governance Study funded by DWR determined that one agency should become the single Local Maintaining Agency (LMA) for each hydrologic basin. For the Sac Yolo South (Clarksburg) System, RD 999 is the most robust district in the basin. Therefore, RDs 307, 765, and 999 should be reorganized (either via dissolution/annexation or consolidation) into RD 999 as the single LMA successor entity for the basin. The Clarksburg Flood Management Project has not yet been finalized nor received funding, therefore there is no known reason to delay this reorganization process. This MSR (and the previous one in 2018) found RD 307 and RD 765 not functioning as responsive, accountable, and transparent government agencies. RDs 307 and 765 have not obtained flood fight materials and stored them in a nearby location (although RD 307 has access to the Delta Emergency Plan supplies), nor has either district received flood fight training recently (i.e., at least the past 5+ years). RD 999 has five full-time employees with the training and resources to respond to an emergency.
6. RD 307 shall immediately secure independent audits of financial reports that meet California State Controller requirements every two years (repeat of 2018 MSR recommendation). Per Government Code Section 26909, for every special district which does not submit an audit to the county auditor

**Exhibit B - 2024 MSR for Flood Protection Services (LAFCo No. 23-03)
Agency Recommendations**

within 12 months of fiscal year end, the county auditor shall either make or contract an annual audit with all costs borne by the special district.

7. Per Water Code 50940 and 50941, RD 307 shall keep an office for the business of the district. All district books, maps, papers, records, contracts, and other documents shall be kept in the office and be open to inspection during all business hours by any person interested.
8. RD 307 should adopt policies (as applicable) relating to personnel/payroll, general and administrative, board member and meetings, purchasing/contracting, and segregating financial and accounting duties among staff and/or board to minimize risk of error or misconduct (repeat of 2018 MSR recommendation).
9. RD 307 is required to create a website or adopt a hardship resolution annually in accordance with Government Code sections 6270.6 and 53087.8 to provide the public easily accessible and accurate information about the district (repeat of 2018 MSR recommendation).

RD 999

Capacity and Adequacy of Public Facilities and Services MSR Recommendations:

1. RD 999 should implement any remaining DWR Fall 2023 inspection report recommendations as itemized in the Spring 2024 inspection report:
 - The LMA should ensure that the levee crown and access roads are able to be driven in all weather conditions.
 - The LMA should focus more on controlling woody vegetation.
 - The LMA should focus more on controlling vegetation to maintain visibility and access.
 - The LMA should continue to maintain the area at the high level seen during the last inspection.
 - The LMA should continue to maintain the area at the high level seen during the last Structure inspection.

Financial Ability Recommendation(s):

None.

Accountability, Structure, and Efficiencies Recommendation(s):

2. The 2014 UC Davis Flood Governance Study funded by DWR determined that one agency should become the single Local Maintaining Agency (LMA) for each hydrologic basin. For the Sac Yolo South (Clarksburg) System, RD 999 is the most robust district in the basin. Therefore, RDs 307, 765, and 999 should be reorganized (either via dissolution/annexation or consolidation) into RD 999 as the single LMA successor entity for the basin. The Clarksburg Flood Management Project has not yet been finalized nor received funding, therefore there is no known reason to delay this reorganization process. This MSR (and the previous one in 2018) found RD 307 and RD 765 not functioning as responsive, accountable, and transparent government agencies. RDs 307 and 765 have not obtained flood fight materials and stored them in a nearby location (although RD 307 has access to the Delta Emergency Plan supplies), nor has either district received flood fight training recently (i.e., at least the past 5+ years). RD 999 has five full-time employees with the training and resources to respond to an emergency.

Merritt Island Basin

RD 150

Capacity and Adequacy of Public Facilities and Services MSR Recommendations:

1. RD 150 should implement any remaining DWR Fall 2023 inspection report recommendations as itemized in the Spring 2024 inspection report:
 - There is vegetation that significantly impacts access and visibility in this Area.
 - The LMA should focus more on controlling vegetation to maintain visibility and access.
 - The LMA should focus on repairing erosion sites.

**Exhibit B - 2024 MSR for Flood Protection Services (LAFCo No. 23-03)
Agency Recommendations**

Financial Ability Recommendation(s):

2. Adopt a capital improvement plan (CIP) or similar analysis to quantify the possible significant risks, infrastructure costs, or equipment failure to determine what the District fund balance goals should be (and fund accordingly).

Accountability, Structure, and Efficiencies Recommendation(s):

3. Adopt policies (as applicable) relating to personnel/payroll, general and administrative, board member and meetings, and segregating financial and accounting duties among staff and/or board to minimize risk of error or misconduct. (repeat from 2018 MSR)

LAFCO

Meeting Date: 07/25/2024

Information

SUBJECT

Consider approval of **Resolution 2024-10** adopting the Municipal Service Review (MSR) for Flood Protection Services and approving a Sphere of Influence (SOI) Update for Reclamation District (RD) 999, and determine the MSR/SOI is exempt from the California Environmental Quality Act (CEQA) (LAFCo No. 23-03)

RECOMMENDED ACTION

1. Open the Public Hearing to receive staff presentation and public comment on the MSR/SOI Update.
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 requested changes.
3. Approve Resolution 2024-10, adopting the MSR for Flood Protection Services and approving the SOI Update for RD 999.
4. Direct staff to conduct outreach in the Clarkburg Basin regarding potential reorganization of RD 307, RD 765 and RD 999 and return with a later agenda item accordingly.

REASONS FOR RECOMMENDED ACTION

This is an abbreviated version of the Executive Summary and MSR Overview contained in Section 1 of the attached MSR.

Most of the districts included in this MSR were formed in the late 1800s and early 1900s when farmers could "reclaim" swampland by building their own levees and acquire the land for \$1 per acre. Flood protection has evolved over the decades since into a patchwork of federal, state, and local maintenance responsibilities for discreet segments of the overall Sacramento River System, a 1,600-mile system of levees. In 2005, Hurricane Katrina was a wake-up call for the need to step up flood protection resources and planning. Since then and with more state funding allocated, there has been extensive flood planning work done through the Department of Water Resources (DWR) 2012 Central Valley Flood Protection Plan (CVFPP), resulting regional flood management plans, and the DWR funded 2014 UC Davis Yolo County Flood Governance Study. Yolo LAFCo began to implement the governance recommendations contained in these framework documents in its 2018 MSR in an attempt to determine one Local Maintaining Agency (LMA) for each system/basin, because a basin is only as strong as its weakest link. Some of this reorganization work has already been accomplished with dissolving two inactive RDs in 2018 (RDs 2076 and 2120), the 2020 reorganization of the West Sacramento Basin (involving RD 537 and RD 900), and the 2020 reorganization of the Lower Elkhorn Basin (annexing RD 785 and RD 827 into RD 537).

The LMAs in each USACE system (i.e. basin) are inexorably tied together. After Hurricane Katrina, USACE realized it needed to step up its maintenance standards and all the systems were systematically inspected and deemed unacceptable. Rehabilitation plans for each system (called System Wide Improvement Framework or SWIF plans) were required for each system to regain standing in the rehabilitation program. If a system loses its "active" status in the USACE PL 84-99 Rehabilitation Program, districts are no longer eligible for rehabilitation of flood damaged facilities at 100% federal cost sharing to pre-disaster conditions. Therefore, the USACE Rehabilitation Plan is a huge incentive for LMAs to perform. However, any individual LMA can cause the entire system to lose its status, and therefore, can be a liability to other districts.

For this 2024 MSR/SOI, the overarching goal is to continue to identify the recommended "single local entity" for each system/basin. There are 11 systems identified by the US Army Corps of Engineers (USACE) in Yolo County, but 4 of them do not include any LMAs under LAFCo purview (only state agencies). Therefore, this MSR focuses on the 7 systems that do include LMAs. Of these 7 systems, 3 of them are already down to one LMA. In addition to conducting an MSR for each of the 13 agencies included, this MSR recommends a successor agency for each of

these 4 systems/basins. In particular, it is timely to move forward with reorganization for one of these basins, the Clarksburg Basin. Correspondingly, staff recommends LAFCo approve an SOI Update for RD 999 as the successor agency and direct staff to bring back a subsequent item to consider initiating reorganization.

The DWR Flood System Improvement Branch Chief and staff were consulted and concur with LAFCo's governance recommendations for the successor agency identified for each system/basin included in this MSR. DWR operates only roughly 300 miles of the 1,600 total levee miles in the State Plan of Flood Control and, therefore, relies heavily on LMAs, which would benefit from efficiency, shared services, expertise, appropriate size/scale, and borrowing power.

BACKGROUND

The MSR/SOI provides a detailed review of each of the 13 agencies, in addition to an overview section and executive summary. A list of recommendations for each agency is attached to the resolution. Below is a summary overview of each basin and its districts from the Executive Officer's perspective.

North County Basin

This basin extends far up into Colusa County with many agencies involved, and it may be unrealistic to ultimately have one LMA for this entire basin. However, for the Yolo County portion of it, there are 3 districts: RD 787, RD 108, and the Sacramento River West Side Drainage District. The latter two are not included in this MSR because Colusa is their principal county.

RD 787 is unusual in that River Garden Farms Co. owns 86% of the district and essentially operates the district as part of its business (somewhat similar to RD 2035 and Conaway Ranch). Surprisingly, the State Controller's Office and Board of Equalization did not have a record of RD 787 existing. RD 787 generally achieves high ratings from DWR and works closely with RD 108. The MSR recommends RD 787 create some separation and transparency separate from River Garden Farms Co. and operate more as a public agency. The MSR recommends that RD 787 eventually be annexed into RD 108, but it's not urgent because they already work closely together and levee maintenance is not suffering, according to inspection reports.

Knights Landing Basin

CSA 6 was not performing well up until 8--10 years ago, when the County CSA Manager transitioned to new staff. Since then, the CSA has been more active with implementing projects and the County's goal has been to bring the district up to par such that another district would be willing to take it over. DWR funded a Knights Landing Small Communities Study which determined flood projects that would bring the town of Knights Landing out of the 100-year flood plain, so development could resume with fewer restrictions. The Knights Landing Flood Management Project is underway. Once improvements are completed and if a new Prop 218 assessment for maintenance is passed, then CSA 6 will be in a better position to negotiate a governance change. The MSR recommends Knights Landing Ridge Drainage District (KLRDD), which already covers the same territory, should be the successor agency. KLRDD is operated by RD 108, which is a robust, highly functional, and widely respected district. However, a governance change is premature at this time and therefore, the MSR recommends this be revisited in the next MSR cycle.

RD 730 no longer maintains levees (incidentally, it used to maintain the levees now maintained by CSA 6) and its sole function is to operate pump stations to drain farm fields in the event of flooding. The MSR recommends it consider whether KLRDD could operate the District more efficiently. But in the end, RD 730 doesn't pose a risk outside its territory.

Woodland/Conaway Basin

RD 2035 has been the sole LMA in this basin for a long time, and it is performing well in terms of DWR ratings, finances, and accountability. RD 2035 is the one district in this MSR that is also a purveyor of water, both for farmland irrigation and a water supplier to the Woodland-Davis Clean Water Agency. Similar to RD 787 and River Garden Farms Co., this District also operates together with Conaway Ranch. However, there's better separation with its documentation and transparency. There are no recommended governance changes for this basin.

Elkhorn Basin

DWR is completing the Lower Elkhorn Basin Levee Setback (LEBLS) Project to widen the bypass and increase flow capacity. This project greatly impacted the three RDs that were operating in Lower Elkhorn (RDs 537, 785, and 827) and therefore, they voluntarily requested LAFCo combine them under RD 537 as the successor district, which became effective July 2020. Some of RD 537/785/827's poor ratings in the 5-year trend are due to DWR taking control of the bypass levee during project construction. Currently, only RD 537 and RD 1600 remain in the overall Elkhorn Basin. RD 537 is the larger of the two, but RD 1600 also functions reasonably well. Also, DWR is studying a similar widening project for Upper Elkhorn which has the potential to greatly impact RD 1600 (the Upper Yolo

Bypass Regional Planning Process and the Yolo Bypass Comprehensive Study). It's possible that a cross-levee will be constructed such that RD 1600 would become its own basin altogether. Therefore, the MSR recommends that, tentatively, RD 537 should be the successor agency, but this should be revisited in the next MSR cycle once the Upper Elkhorn project is determined.

West Sacramento Basin

This basin was reorganized, detaching RD 537 out of the northern portion of the City and aligning RD 900 with the City boundary. Part of this reorganization was also making RD 900 a subsidiary district under the City of West Sacramento. According to those met with during the MSR process, being a successor district has been a positive change for the RD 900, and it now operates more professionally. The only downside is that the City Council meeting as its Board may not have the same level of technical flood management expertise as before. However, its excellent staff operate the District well. At one point, the City was investigating special legislation which would allow the City Council to appoint several subject-matter experts to the Board, but that effort was abandoned.

RD 900 is very well funded by a robust assessment and has a large fund balance (\$12M) that continues to grow (at 17% per year averaging the last 5 years). This balance makes sense because it is the only district in this MSR held to urban flood protection standards and RD 900 is hoping to fund future improvements without carrying any debt. The MSR recommends the District adopt a Capital Improvement Plan (CIP), not because it doesn't have sufficient funds, but because it may want to explain the rationale for the funds it's collecting.

Clarksburg Basin

This basin includes three RDs, two of which are not performing well overall, and reorganization is needed. RD 307 and RD 765 have had consistently unacceptable ratings from DWR 2019-2021 and recent improvements to minimally acceptable may only be a result of the USACE SWIF Rehabilitation Plan. Neither of these RDs participate in training, conduct audits, have a website, or have been responsive to staff during this MSR process. RD 765 in particular only has three landowners and maintains only 1.78 miles of levee. RD 999 is a larger, more robust district with five full-time employees and is a relatively functional, accountable district. Therefore, the MSR recommends RD 999 be the successor agency and LMA for the entire basin, and the SOI Update reflects these future boundaries accordingly. Staff recommends the Commission consider conducting additional outreach and potentially initiating reorganization of these districts at a later date, presumably dissolving RD 307 and RD 765 and annexing the territory into RD 999. Limited feedback from RD 307 has been opposed to the MSR's recommendation and there's no interest in working with RD 999 in any capacity. RD 765 is open to consolidation regarding levee maintenance and drainage responsibilities, but there's a concern about water rights being sought after even though these rights are privately held and not District-owned.

Merritt Island Basin

RD 150 has always been the sole district for this basin and is performing reasonably well. It struggles with sufficient funding because it has many levee miles to maintain as an island and not a lot of acreage to spread assessments across to generate revenue. No governance changes are recommended for this basin.

Agency/Public Outreach

Staff began this MSR/SOI process in August 2023 by emailing an introductory letter and requesting an in-person meeting/site tour with each agency, which occurred during the August through October 2023 timeframe (RD 307 is the only district that would not meet with the Executive Officer). In addition, information was requested from each agency (all eventually responded except RD 307 and RD 765). Staff stayed in sporadic touch with the districts over the winter with questions here and there. Administrative draft MSRs were emailed to each agency for review and comment in early May 2024. Comments were received from all the agencies, except RD 765. A public hearing notice was published in the West Sacramento News-Ledger on June 28, 2024. Staff also prepared social media information that was posted by the City of West Sacramento, Yolo County, and potentially some of the Commissioners' elected official newsletters/social media accounts. A Public Draft MSR/SOI incorporating district comments was posted on the LAFCo website on Monday, July 8th and emails were sent to all 13 agencies notifying them. Additional more targeted follow-up emails were sent on July 12th to the Clarksburg RDs in particular, emphasizing the governance recommendation.

Staff's understanding is that most of the agencies are reasonably okay with the MSR recommendations and some even support them. But since the Draft MSR was posted on July 8th, we have not received any formal comments or any requested changes. In the Clarksburg Basin, RD 765 indicates an openness to reorganization as noted above, and will be submitting correspondence that will be shared in a supplemental packet. RD 999 indicated they would attend the meeting, offer comments and provide input on moving forward. RD 307 has not responded.

CEQA

LAFCo staff has reviewed the MSR pursuant to the California Environmental Quality Act (CEQA) and determined

that the proposed MSR and SOI Update are exempt from CEQA pursuant to Section 15061 (b)(3) and Section 15320 of the State CEQA Guidelines. CEQA Guidelines section 15061(b)(3) sets forth the general rule exemption, which provides that CEQA only applies to projects which "have the potential for causing a significant effect on the environment." Section 15320 is a Categorical Exemption for reorganization of local governmental agencies where the changes do not change the geographical area in which previously existing powers are exercised. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

Attachments

- ATT A-Flood Protection Districts Performance Indicators and Map
- ATT B-Reso 2024-10 Adopting MSR-SOI for Flood Protection Services July 25 2024
- ATT C-Draft MSR-SOI for Flood Protection Services July 8,2024

Form Review

Inbox

Christine Crawford (Originator)
Form Started By: Christine Crawford
Final Approval Date: 07/18/2024

Reviewed By

Christine Crawford

Date

07/18/2024 01:21 PM
Started On: 07/15/2024 10:34 AM

2024 MSR District Performance Indicators (Organized by Basin)

Districts	DWR Ratings							Accountability			
	2019	2020	2021	2022	2023	% items corrected Spr 2024	Flood Fight Material	Recent Training (~5 yr)	Does Audit	Has Website	Responsive to MSR
North County Basin											
RD 108	(not part of this MSR – principal county is Colusa)										
RD 787	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	100%	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Knights Landing Basin											
CSA 6	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	97%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
KLRDD	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	90%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RD 730 ⁱ	NA							<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Woodland/Conaway Basin											
RD 2035	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	96%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Elkhorn Basin											
RD 537	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	85%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RD 785 ⁱⁱ	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RD 827	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RD 1600	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	99%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
West Sacramento Basin											
RD 900	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	82%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Clarksburg Basin											
RD 307	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	53%	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
RD 765	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	62%	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
RD 999	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	68%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Merritt Island Basin											
RD 150	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	80%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

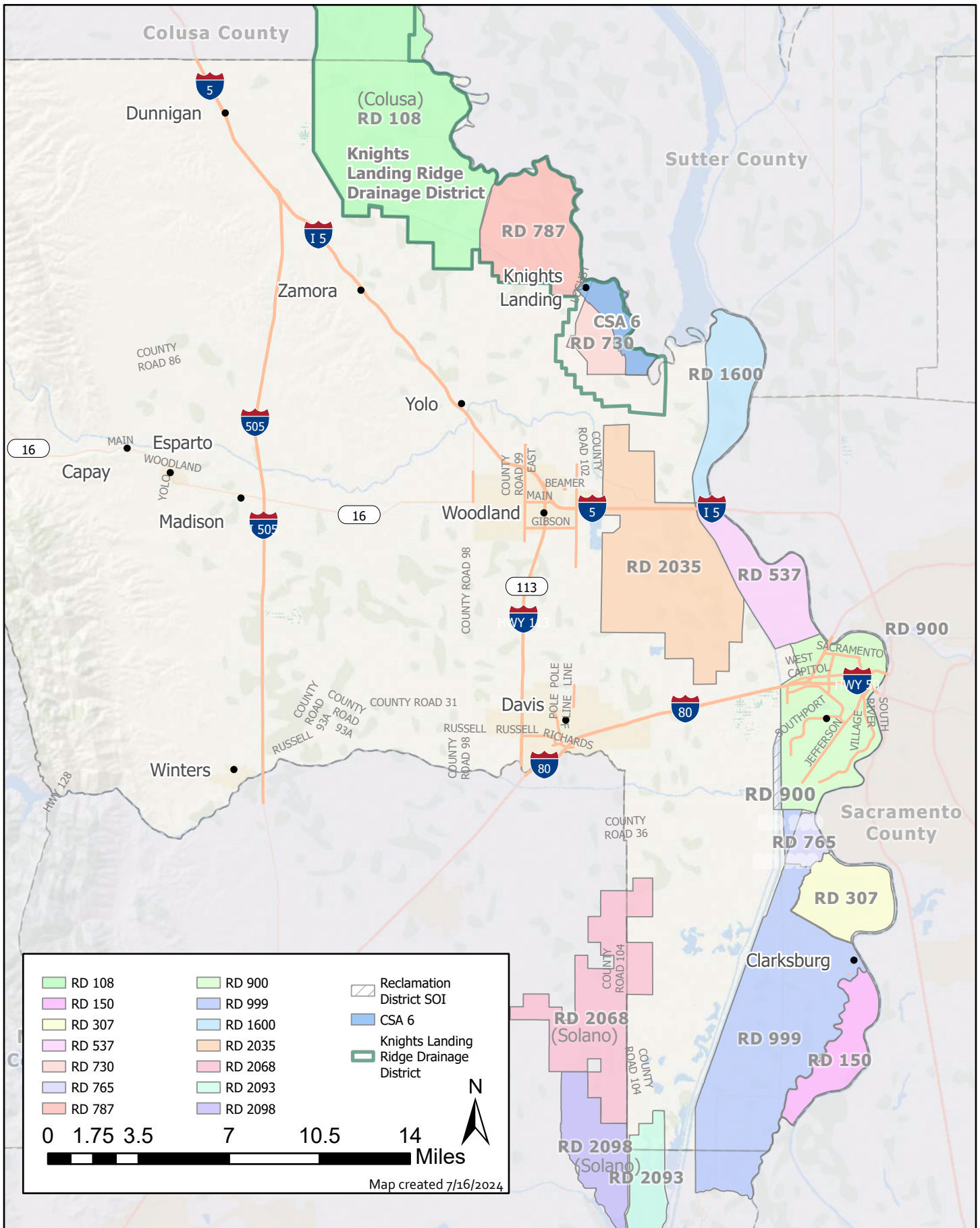
Matrix Legend:

- = fully meets criteria/DWR Acceptable Rating
- = mostly meets criteria/DWR Minimally Acceptable Rating
- = does not meet criteria/DWR Unacceptable Rating

District in **blue** color indicates the recommended successor entity for each basin. Nuances and timing details are included in each MSR.

ⁱ RD 730 does not maintain levees, only drainage pump stations.

ⁱⁱ RD 785 and RD 827 were dissolved by LAFCo and annexed into RD 537 effective July 2020, but DWR still maintained separate LMA inspection reports per previous RD territories through fall 2023. In spring 2024, DWR consolidated the RD 537 units and gave it an overall M* rating.



Districts Providing Flood Protection Services



500 CAPITOL MALL, SUITE 1000, SACRAMENTO, CA 95814
OFFICE: 916-446-7979 FAX: 916-446-8199
SOMACHLAW.COM

July 23, 2024

Via Electronic Mail Only

Christine Crawford
Executive Officer
Yolo County LAFCO
625 Court Street, Suite 107
Woodland, CA 95695
Christine.Crawford@yolocounty.gov

Re: Reclamation District 765's Comments on Draft MSR/SOI and Public Hearing

Dear Ms. Crawford,

I write on behalf of Reclamation District 765 (RD 765) to provide comments on the Draft Municipal Service Review (MSR)/Sphere of Influence (SOI) Update for Flood Protection Services (LAFCO No. 23-03). RD 765 was formed in 1905 and is a local maintaining agency with the Sacramento Yolo South Levee System (Clarksburg Basin). RD 765 provides levee maintenance and drainage for 1.7 miles of levee along the Sacramento River protecting 1,410 acres.

The MSR/SOI, among other things, recommends that Reclamation District 999 (RD 999) "absorb" RD 765 as well as Reclamation District 307 (RD 307) and that the "timing is appropriate now in 2024." RD 765 is supportive of the idea of consolidation with RD 999 and RD 307 with respect to its maintenance and drainage services and welcomes further discussion with Yolo County LAFCO and the other Reclamation Districts on this issue.

With regard to the other recommendations, RD 765 would note that it does not have any employees or staff and a limited budget. Accordingly, it will attempt to address the other recommendations contained in the MSR/SOI as appropriate under the circumstances.

Please feel free to contact me should you have any questions.

Very truly yours,

Alexis K. Stevens

cc: Patrick Markham (patrick@pmarkhamlaw.com)

Municipal Service Review (MSR) and Sphere of Influence (SOI) Update

for

Flood Protection Services

LAFCo No. 23-03



County Service Area 6 (Snowball)
Knights Landing Ridge Drainage District
RD 150 (Merritt Island)
RD 307(Lisbon)
RD 537(Lovdal)
RD 730 (Knights Landing)
RD 765 (Glide)
RD 787 (Fair)
RD 900 (West Sacramento)
RD 999 (Netherlands)
RD 1600 (Mull)
RD 2035 (Conaway)
West Sacramento Area Flood Control Agency JPA

Yolo Local Agency Formation Commission



SUBJECT AGENCIES:

This MSR/SOI includes the following RDs (RDs) and other agencies that provide flood protection and/or drainage services (and may have other services as well):

- County Service Area (CSA) 6 (Snowball)
- Knights Landing Ridge Drainage District
- RD 150 (Merritt Island)
- RD 307 (Lisbon)
- RD 537 (Lovdal)
- RD 730 (Knights Landing)
- RD 765 (Glide)
- RD 787 (Fair)
- RD 900 (West Sacramento)
- RD 999 (Netherlands)
- RD 1600 (Mull)
- RD 2035 (Conaway)
- West Sacramento Area Flood Control Agency Joint Powers Authority (WSAFCA)

The following additional agencies also provide flood protection and/or drainage services in Yolo County and are mentioned as an integral part of the overall system but are not a subject agency in this study because the agency is mostly located in a neighboring county and its LAFCo has jurisdiction and is responsible for conducting its MSR/SOI (including the RDs listed below).

- Colusa Basin Drainage District (Colusa)
- Sacramento River Westside Levee District (Colusa County)
- RD 108 (Colusa County)
- RD 2068 (Solano County)
- RD 2093 (inactive - Solano County)

SUBJECT AGENCIES:

RD 150 (Merritt Island)

PO Box 390
Clarksburg, CA 95612
Contact: David Ogilvie, Trustee
<http://www.rd150.com/>

RD 307 (Lisbon)

PO Box 518
Clarksburg, CA 95612
Contact: Peter Dwyer Jr., Trustee
lisbon307@gmail.com

RD 537 (Lovdal)

PO Box 655
Woodland, CA 5776
Contact: Will Mattos Jr., General Manager
<https://rd537.specialdistrict.org/>

RD 730 (Knights Landing)

429 First Street
Woodland, CA 95695
Contact: Todd Tommeraason, District Engineer
rnakken@yololaw.com

RD 765 (Glide)

1745 Yolo Street
West Sacramento, CA 95605
Contact: David Dickson, Trustee
david.dickson79@gmail.com

RD 787 (Fair)

c/o River Garden Farms
Knights Landing, CA 95645
Contact: Dominic Bruno, Trustee
<http://www.rd787.org/>

RD 900 (West Sacramento)

889 Drever Street
West Sacramento, CA 95691
Contact: Blake Johnson, General Manager
<http://www.rd900.org/>

RD 999 (Netherlands)

38563 Netherlands Road
Clarksburg, CA 95612
Contact: Tom Slater, Trustee
<http://rd999.org/>

RD 1600 (Mull)

PO Box 655
Woodland, CA 95695
Contact: Ammy Reyes, Trustee
<https://rd1600.specialdistrict.org/>

RD 2035 (Conaway)

45332 County Road 25
Woodland, CA 95776
Contact: Jesse Clark, Water Master
<https://rd2035.specialdistrict.org/>

Knights Landing Ridge Drainage District

PO Box 50
Grimes, CA 9550
Contact: Meegan Nagy, General Manager
<http://www.rd108.org/knights-landing-ridge-drainage-district>

Snowball County Service Area (CSA 6)

292 West Beamer Street
Woodland, CA 95695
Contact: Elisa Sabatini, Yolo County Natural Resources Manager
YoloCSA@yolocounty.org

West Sacramento Area Flood Control Agency (WSAFCA)

1110 West Capitol Avenue
West Sacramento, CA 95691
Contact: Greg Fabun, Flood General Manager
<https://www.cityofwestsacramento.org/government/departments/city-manager-s-office/flood-protection>

CONDUCTED BY:

Yolo Local Agency Formation Commission
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Lucas Frerichs, County Member
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Gloria Partida, City Member
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Individual MSR/SOI Studies (Organized by System/Basin from North to South)

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 Knights Landing Ridge Drainage District (KLRDD) 2.2
 RD 730 2.3
 Woodland/Conaway System Overview 3.0
 RD 2035 3.1
 Elkhorn System Overview 4.0
 RD 1600 4.1
 RD 537 4.2
 West Sacramento System Overview 5.0
 RD 900 5.1
 WSAFCA 5.2
 Clarksburg System Overview 6.0
 RD 765 6.1

YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

RD 307 6.2
RD 999 6.3
Merritt Island System Overview 7.0
RD 150 7.1

Executive Summary

MSR Purpose

The purpose of this Municipal Services Review (MSR) is to provide a comprehensive inventory and analysis of the services provided by these special districts and evaluate the governance structure and operation, and suggest ways to improve service delivery, financial controls, and accountability. The MSR also informs any recommended sphere of influence (SOI) updates based on the MSR's governance recommendations.

Levee Management Framework

Federal agencies are partners with DWR in oversight and management of the State Plan of Flood Control (SPFC). The US Army Corps of Engineers (USACE) Sacramento District is the district directly involved with the SPFC, and partners with Central Valley Flood Protection Board (CVFPB) to develop new flood management projects in the Sacramento River watershed. USACE has prepared O&M manuals that guide O&M of the various SPFC units.

DWR maintains and operates all works after completion in accordance with regulations prescribed by the USACE. DWR inspects levees maintained by many separate local agencies, and then reports its findings to USACE.

Local levee districts and reclamation districts, known collectively as Local Maintaining Agencies (LMA)s, regularly patrol, maintain, repair, and conduct flood fights as needed on the levees within their jurisdictions. The LMAs have given assurances to the CVFPB that they will operate and maintain the SPFC levees within their respective jurisdictions in perpetuity, in accordance with criteria established by the USACE.

Yolo County Levee Systems/Basins

The USACE has defined levee systems within the overall Central Valley Flood Protection Plan (CVFPP), each being a separate hydrologic basin. If one thinks of each system or basin as a ring of levees that form a metaphorical bathtub, multiple state and local agencies maintain a segment of the bathtub. If there's a levee failure somewhere in the bathtub it affects everyone, so there's an inherent interdependency among the agencies in each system.

There are 11 defined systems/basins in Yolo County, but 4 of them do not include any LMAs that are subject to LAFCo purview. Therefore, this MSR does not focus on all 11 systems/basins, only the 7 that include special districts subject to this LAFCo MSR review. Each system is maintained by a patchwork of local and state agencies as described in more detail in this study.

District Performance Indicators

It is difficult to summarize 12-20 pages of analysis for each individual district into a summary table. Each individual MSR provides individual recommendations for each district. Important details and explanations will unavoidably be glossed over but this information can be found in the individual sections for each district. Below are some key indicators that provide a high-level indication of how functional and accountable each district is performing.

2024 MSR District Performance Indicators (Organized by Basin)

Districts	DWR Ratings								Accountability		
	2019	2020	2021	2022	2023	% items corrected Spr 2024	Flood Fight Material	Recent Training (~5 yr)	Does Audit	Has Website	Responsive to MSR
North County Basin											
RD 108	(not part of this MSR – principal county is Colusa)										
RD 787	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	100%	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Knights Landing Basin											
CSA 6	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	97%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
KLRDD	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	90%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RD 730 ⁱ	NA								<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Woodland/Conaway Basin											
RD 2035	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	96%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Elkhorn Basin											
RD 537	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	85%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RD 785 ⁱⁱ	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RD 827	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RD 1600	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	99%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
West Sacramento Basin											
RD 900	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	82%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Clarksburg Basin											
RD 307	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	53%	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
RD 765	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	62%	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
RD 999	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	68%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Merritt Island Basin											
RD 150	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	80%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Matrix Legend:

- = fully meets criteria/DWR Acceptable Rating
- = mostly meets criteria/DWR Minimally Acceptable Rating
- = does not meet criteria/DWR Unacceptable Rating

District in blue color indicates the recommended successor entity for each basin. Nuances and timing details are included in each MSR.

RD 730 does not maintain levees, it only provides interior drainage services, therefore it has no DWR ratings. So, although it should improve its accountability issues, failure to do so doesn't impact anyone outside of its own landowners.

RD 307 and RD 765's DWR rating and accountability issues do have the potential to impact RD 999 and the Clarksburg community. These three RDs are linked together by each maintaining its levee segments in the same system/basin. And if any of these RDs fail to perform, it could result in the entire system/basin losing eligibility for the USACE PL 84-99 Rehabilitation Program, and no longer eligible for rehabilitation at 100-percent federal cost sharing of flood damaged facilities.

2024 MSR/SOI Overall Governance Recommendation

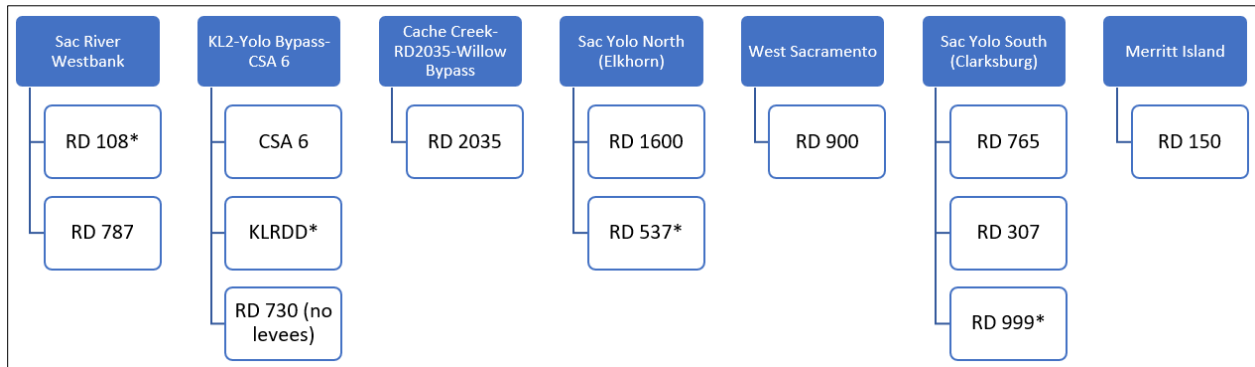
There has been extensive ground laid through the 2012 CVFPP, 2014 UC Davis Flood Governance Study, and the 2018 Yolo LAFCo MSR that establish and reinforce the goal of determining one LMA for each system/basin. Some of this has already been accomplished with the 2020 reorganization of RD 900 in the West Sacramento Basin and combining three RDs into one, RD 537, in the Elkhorn Basin.

For this 2024 MSR/SOI, the overarching goal is to continue this work to identify the recommended "single local entity" for each system/basin. The DWR Flood System Improvement Branch Chief and staff were

consulted and concur with LAFCo’s governance recommendations included in this MSR¹. DWR operates roughly 300 miles of the 1,600 total levee miles in the State Plan of Flood Control and relies heavily on LMAs, which would benefit from efficiency, shared services, expertise, appropriate size/scale, and borrowing power.

Below is a summary table of the districts in each basin, and the single recommended successor district. Three of the basins already have only one local LMA.

Districts in Each Levee System/Basin



* MSR recommended “single entity” for each system/basin

Some of these basins are more ready for combining than others. For the Sacramento River West Bank (North County) System, RD 108 is the more robust district in the basin and should eventually absorb RD 787 as the single entity for the basin. However, RD 787 is functioning well and both districts already work closely together, so combining the RDs is not urgent but is the eventual goal.

For the Knights Landing System, KLRDD is the recommended single entity successor agency. However, it is premature to combine CSA 6 and KLRDD at this time due to the Knights Landing Flood Management Project underway to construct new levees and improvements to bring 100-year flood protection to Knights Landing. This recommendation including the timing should be reevaluated in the next MSR/SOI cycle.

For the Sac Yolo North (Elkhorn) System it is premature to combine RD 537 and RD 1600 into a single entity due to the Yolo Bypass Comprehensive Study underway to develop alternatives for the Yolo Bypass east levee that may significantly alter the RD 1600 territory. This issue should be reevaluated in the next MSR/SOI cycle to identify a single entity successor agency.

For the Sac Yolo South (Clarksburg) System, RD 999 is the more robust district in the basin and should absorb RD 307 and RD 765 as the single entity for the basin. The Clarksburg Flood Management Project has not yet received funding. This MSR (and the previous one in 2018) has found RD 307 and RD 765 are not functioning as responsive, accountable, and transparent government agencies, therefore, the timing is appropriate now in 2024.

¹ Meeting with DWR staff on May 30, 2024.

2024 MSR/SOI Agency Recommendations

North County Basin

RD 787

Capacity and Adequacy of Public Facilities and Services:

1. RD 787 should implement any remaining DWR Fall 2023 inspection report recommendations and correct issues itemized in the Spring 2024 inspection report:
 - The LMA should continue to maintain the area at the high level seen during the last inspection.

Financial Ability Recommendation(s):

2. Consider undergoing a proposition 218 preceding to establish a special assessment or bill owners a set amount annually to secure a reliable revenue source and provide a positive cash flow to pay expenditures without relying on the receipt of intergovernmental grants and subventions.
3. Adopt a capital improvement plan (CIP) or similar analysis to quantify the possible significant risks, infrastructure costs, or equipment failure to determine what the District fund balance goals should be (and fund accordingly).
4. Separate the RD 787 accounts from River Garden Farms so that financial analysis is transparent and accountable.
5. Develop procedures for the periodic review of the general ledgers to ensure that all transactions posted to the District's funds have been authorized and are accurate.
6. Begin filing the special district State Controller's Financial Transaction Reports annually (due 7 months after close of the fiscal year).

Accountability, Structure, and Efficiencies Recommendation(s):

7. For the Sacramento River West Bank (North County) System, RD 108 is the more robust district in the basin and should eventually absorb RD 787 as the single entity for the Yolo County portion of the basin. However, RD 787 is functioning well and both districts already work closely together, so combining the RDs is not urgent but is the eventual goal.
8. Secure independent audits of financial reports (separate from River Garden Farms) that meet California State Controller requirements every two years.
9. Adopt policies (as applicable) relating to personnel/payroll, general and administrative, board member and meetings, and segregating financial and accounting duties among staff and/or board to minimize risk of error or misconduct.
10. Establish a records retention policy to archive important District records.
11. Improve the District's 23% website transparency score <https://www.yololafco.org/yolo-local-government-website-transparency-scorecards>.

Knights Landing Basin

CSA 6

Capacity and Adequacy of Public Facilities and Services MSR Recommendations:

1. CSA 6 should implement any remaining DWR Fall 2023 inspection report recommendations and correct issues itemized in the Spring 2024 inspection report:
 - The LMA should focus more on controlling vegetation to maintain visibility and access.
 - The LMA should continue to maintain the area at the high level seen during the last inspection.

Financial Ability Recommendation(s):

2. To ensure accurate year-end balances, CSA 6 staff should work with County Department of Financial Services to record all relevant material balances.
3. CSA staff should work with County Treasury staff to come up with a plan to manage the capital project fund cash flow.

Accountability, Structure, and Efficiencies Recommendation(s):

4. For the Knights Landing System, KLRDD is the recommended single entity successor agency. However, it is premature to combine CSA 6 and KLRDD at this time due to the Knights Landing Flood Management Project underway to construct new levees and improvements to bring 100-year flood protection to Knights Landing. This recommendation including the timing should be reevaluated in the next MSR/SOI cycle once CSA 6's levees and assessments are brought up to standard.

KLRDD

Capacity and Adequacy of Public Facilities and Services:

1. KLRDD should implement any remaining DWR Fall 2023 inspection report recommendations and correct issues itemized in the Spring 2024 inspection report:
 - The LMA should continue to maintain the area at the high level seen during the last inspection.

Financial Ability Recommendation(s):

None.

Accountability, Structure, and Efficiencies Recommendation(s):

2. For the Knights Landing System, CSA 6 and KLRDD should eventually combine as a single entity. However, it is premature to combine them due to the Knights Landing Flood Management Project underway to construct new levees and improvements to bring 100-year flood protection to the town of Knights Landing. This issue should be reevaluated in the next MSR/SOI cycle to identify a single entity successor agency.
3. Initiate discussions with RD 730 to determine if an agreement to provide services or absorbing it altogether makes sense.
4. KLRDD should improve its 62% website transparency score <https://www.yololafco.org/yolo-local-government-website-transparency-scorecards>.

RD 730

Capacity and Adequacy of Public Facilities and Services: (Drainage Only, No Levee Maintenance)

None.

Financial Ability Recommendation(s):

1. RD 730 should develop procedures for the periodic review of the general ledgers to ensure that all transactions posted to the District's funds have been authorized and are accurate.
2. Provide financial reports for the trustees to review on a regular basis at meetings.

Accountability, Structure, and Efficiencies Recommendation(s):

3. RD 730 should explore whether a contract for services with RD 108 would be more effective and efficient, or potentially consider annexation into the KLRDD altogether.
4. RD 730 should immediately have audits completed for FYs ending 2022 and 2023 if not already done.

5. RD 730 should adopt policies for District operations and financial management including such topics as: board compensation, travel and expense reimbursements, purchasing and contracting, employee policies, safe practices and operating procedures, etc. (repeat of 2018 MSR recommendation).
6. RD 730 is legally required to maintain a website. Please see the “website resources” section of the website transparency scorecard for website recommendations and scholarship information at <https://www.yololafco.org/yolo-local-government-website-transparency-scorecards> (repeat of 2018 MSR recommendation).

Woodland/Conaway Basin

RD 2035

Capacity and Adequacy of Public Facilities and Services MSR Recommendations:

1. RD 2035 should implement any remaining DWR Fall 2023 inspection report recommendations and correct issues itemized in the Spring 2024 inspection report:
 - The LMA should continue to maintain the area at the high level seen during the last inspection.

Financial Ability Recommendation(s):

None.

Accountability, Structure, and Efficiencies Recommendation(s):

2. RD 2035 should improve its 20% website transparency score <https://www.yololafco.org/yolo-local-government-website-transparency-scorecards>.

Elkhorn Basin

RD 1600

Capacity and Adequacy of Public Facilities and Services MSR Recommendations:

1. RD 1600 should implement any remaining DWR Fall 2023 inspection report recommendations and correct issues itemized in the Spring 2024 inspection report:
 - There is vegetation that significantly impacts access and visibility in this Area.
 - The LMA should focus more on controlling vegetation to maintain visibility and access.
 - The LMA should focus on repairing erosion sites.

Financial Ability Recommendation(s):

2. RD 1600 should continue to increase its fund balance and create a policy for, and establish, an emergency reserve. Once the Yolo Bypass Comprehensive Study determines improvements and they are designed, a more detailed Capital Improvement Plan should be considered.
3. The District should develop written accounting and financial policies and procedures in order to ensure financial transactions are recording consistently and in accordance to generally accepted accounting principles.

Accountability, Structure, and Efficiencies Recommendation(s):

4. For the SacYolo North (Elkhorn) System, RD 537 and RD 1600 should eventually combine as a single entity. However, it is premature to combine them in 2024 due to the Upper Yolo Bypass Regional Planning Process and the Yolo Bypass Comprehensive Study underway to develop alternatives for the

Yolo Bypass east levee that may significantly alter the RD 1600 territory. This issue should be reevaluated in the next MSR/SOI cycle to identify a single entity successor agency.

5. RD 1600 should improve its 47% website transparency score <https://www.yololafco.org/yolo-local-government-website-transparency-scorecards>.

RD 537

Capacity and Adequacy of Public Facilities and Services MSR Recommendations:

1. RD 537 should implement any remaining DWR Fall 2023 inspection report recommendations and correct issues itemized in the Spring 2024 inspection report:
 - The LMA should focus more on controlling woody vegetation.
 - The LMA should enhance its rodent control program.
 - The LMA should focus on repairing erosion sites.

Financial Ability Recommendation(s):

2. Adopt a capital improvement plan (CIP) or similar analysis to quantify the possible significant risks, infrastructure costs, or equipment failure to determine what the District fund balance goals should be (and fund accordingly).
3. The District should develop written accounting and financial policies and procedures in order to ensure financial transactions are recording consistently and in accordance to generally accepted accounting principles.

Accountability, Structure, and Efficiencies Recommendation(s):

4. For the SacYolo North (Elkhorn) System, RD 537 and RD 1600 should eventually combine as a single entity. However, it is premature to combine them due to the Upper Yolo Bypass Regional Planning Process and the Yolo Bypass Comprehensive Study underway to develop alternatives for the Yolo Bypass east levee that may significantly alter the RD 1600 territory. This issue should be reevaluated in the next MSR/SOI cycle to identify a single LMA successor agency.
5. RD 537 should improve its 24% website transparency score <https://www.yololafco.org/yolo-local-government-website-transparency-scorecards>.

West Sacramento Basin

RD 900

Capacity and Adequacy of Public Facilities and Services MSR Recommendations:

1. RD 900 should implement the Fall 2023 DWR Inspection Report Recommendations as follows:
 - The LMA should focus on repairing erosion sites.
 - The LMA should continue to maintain the area at the high level seen during the last inspection.

Financial Ability Recommendation(s):

2. Adopt a capital improvement plan (CIP) or similar analysis to quantify the possible significant risks, infrastructure costs, or equipment failure to determine what the District fund balance goals should be (and fund accordingly).

Accountability, Structure, and Efficiencies Recommendation(s):

3. Adopt policies (as applicable) relating to personnel/payroll, general and administrative, board member and meetings, and segregating financial and accounting duties among staff and/or board to minimize risk of error or misconduct.

4. RD 900 should improve its website transparency score of 61% <https://www.yololafco.org/yolo-local-government-website-transparency-scorecards>.

WSAFCA

Capacity and Adequacy Recommendation(s):

None.

Financial Ability Recommendation(s):

None.

Accountability, Structure, and Efficiencies Recommendation(s):

1. WSAFCA received a 74% score in the 2023 Yolo Local Government Website Transparency Scorecard. Please review the report appendix to see what improvements can be made: <https://www.yololafco.org/yolo-local-government-website-transparency-scorecards>.

Clarksburg Basin

RD 765

Capacity and Adequacy of Public Facilities and Services MSR Recommendations:

1. Prior to the next flood season, obtain an adequate amount of flood fighting materials and store them in a centralized location.
2. Prior to the next flood season, identify a crew and attend flood fight training from DWR. If necessary, "just in time" training is available online at <https://musrflood.squarespace.com/> to train new crew members and emergency volunteers.
3. RD 765 should implement any remaining DWR Fall 2023 inspection report recommendations as itemized in the Spring 2024 inspection report:
 - The LMA should focus more on controlling woody vegetation.
 - The LMA should focus more on controlling vegetation to maintain visibility and access.
 - The LMA should focus on repairing erosion sites.

Financial Ability Recommendation(s):

4. RD 765 should use the County Treasury to maintain its funds for improved accounting controls and accuracy.
5. Institute regular annual landowner assessments rather than on an as-needed basis with an automatic inflator to provide for a secure ongoing revenue source and to accumulate reserves.
6. Adopt annual budgets (if not already doing so). Budgets and other financial records/information should be provided to the public and LAFCo consistent with state law, including Section 56386 of the Cortese-Knox-Hertzberg Act Local Government Reorganization Act of 2000 (repeat from 2018 MSR)
7. Adopt a capital improvement plan (CIP) or similar analysis to quantify the possible significant risks, infrastructure costs, or equipment failure to determine what the District fund balance goals should be (and fund accordingly).
8. Provide financial reports for the trustees to review on a regular basis at meetings.

Accountability, Structure, and Efficiencies Recommendation(s):

9. The 2014 UC Davis Flood Governance Study funded by DWR determined that one agency should become the single Local Maintaining Agency (LMA) for each hydrologic basin. For the Sac Yolo South (Clarksburg) System, RD 999 is the most robust district in the basin. Therefore, RDs 307, 765, and 999

should be reorganized (either via dissolution/annexation or consolidation) into RD 999 as the single LMA successor entity for the basin. The Clarksburg Flood Management Project has not yet been finalized nor received funding, therefore there is no known reason to delay this reorganization process. This MSR (and the previous one in 2018) found RD 307 and RD 765 not functioning as responsive, accountable, and transparent government agencies. RDs 307 and 765 have not obtained flood fight materials and stored them in a nearby location (although RD 307 has access to the Delta Emergency Plan supplies), nor has either district received flood fight training recently (i.e., at least the past 5+ years). RD 999 has five full-time employees with the training and resources to respond to an emergency.

10. RD 765 shall immediately secure independent audits of financial reports that meet California State Controller requirements every two years (repeat from 2018 MSR). Per Government Code Section 26909, for every special district which does not submit an audit to the county auditor within 12 months of fiscal year end, the county auditor shall either make or contract an annual audit with all costs borne by the special district.
11. Per Water Code 50940 and 50941, RD 765 shall keep an office for the business of the district. All district books, maps, papers, records, contracts, and other documents shall be kept in the office and be open to inspection during all business hours by any person interested.
12. Adopt policies (as applicable) relating to personnel/payroll, general and administrative, board member and meetings, and segregating financial and accounting duties among staff and/or board to minimize risk of error or misconduct (repeat from 2018 MSR).
13. Create a website or adopt a hardship resolution annually in accordance with Government Code sections 6270.6 and 53087.8 to provide the public easily accessible and accurate information about the district (repeat from 2018 MSR).

RD 307

Capacity and Adequacy of Public Facilities and Services MSR Recommendations:

1. Prior to the next flood season, identify a crew and attend flood fight training from DWR. If necessary, "just in time" training is available online at <https://musrflood.squarespace.com/> to train new crew members and emergency volunteers.
2. RD 307 should implement any remaining DWR Fall 2023 inspection report recommendations as itemized in the Spring 2024 inspection report:
 - There is woody vegetation that significantly impacts access and visibility in this Area.
 - There is vegetation that significantly impacts access and visibility in this Area.
 - The LMA should focus more on controlling woody vegetation.
 - The LMA should focus more on controlling vegetation to maintain visibility and access.
 - The LMA should focus on repairing erosion sites.

Financial Ability Recommendation(s):

3. RD 307 may wish to consider increasing revenues via a Proposition 218 preceding to increase the special assessment including an automatic inflationary factor because revenues may not keep up with inflation.
4. RD 307 should review financial data on a regular basis to ensure County Treasury discrepancies are identified, investigated and corrective action taken in a timely manner.

Accountability, Structure, and Efficiencies Recommendation(s):

5. The 2014 UC Davis Flood Governance Study funded by DWR determined that one agency should become the single Local Maintaining Agency (LMA) for each hydrologic basin. For the Sac Yolo South (Clarksburg) System, RD 999 is the most robust district in the basin. Therefore, RDs 307, 765, and 999 should be reorganized (either via dissolution/annexation or consolidation) into RD 999 as the single LMA successor entity for the basin. The Clarksburg Flood Management Project has not yet been

finalized nor received funding, therefore there is no known reason to delay this reorganization process. This MSR (and the previous one in 2018) found RD 307 and RD 765 not functioning as responsive, accountable, and transparent government agencies. RDs 307 and 765 have not obtained flood fight materials and stored them in a nearby location (although RD 307 has access to the Delta Emergency Plan supplies), nor has either district received flood fight training recently (i.e., at least the past 5+ years). RD 999 has five full-time employees with the training and resources to respond to an emergency.

6. RD 307 shall immediately secure independent audits of financial reports that meet California State Controller requirements every two years (repeat of 2018 MSR recommendation). Per Government Code Section 26909, for every special district which does not submit an audit to the county auditor within 12 months of fiscal year end, the county auditor shall either make or contract an annual audit with all costs borne by the special district.
7. Per Water Code 50940 and 50941, RD 307 shall keep an office for the business of the district. All district books, maps, papers, records, contracts, and other documents shall be kept in the office and be open to inspection during all business hours by any person interested.
8. RD 307 should adopt policies (as applicable) relating to personnel/payroll, general and administrative, board member and meetings, purchasing/contracting, and segregating financial and accounting duties among staff and/or board to minimize risk of error or misconduct (repeat of 2018 MSR recommendation).
9. RD 307 is required to create a website or adopt a hardship resolution annually in accordance with Government Code sections 6270.6 and 53087.8 to provide the public easily accessible and accurate information about the district (repeat of 2018 MSR recommendation).

RD 999

Capacity and Adequacy of Public Facilities and Services MSR Recommendations:

1. RD 999 should implement any remaining DWR Fall 2023 inspection report recommendations as itemized in the Spring 2024 inspection report:
 - The LMA should ensure that the levee crown and access roads are able to be driven in all weather conditions.
 - The LMA should focus more on controlling woody vegetation.
 - The LMA should focus more on controlling vegetation to maintain visibility and access.
 - The LMA should continue to maintain the area at the high level seen during the last inspection.
 - The LMA should continue to maintain the area at the high level seen during the last Structure inspection.

Financial Ability Recommendation(s):

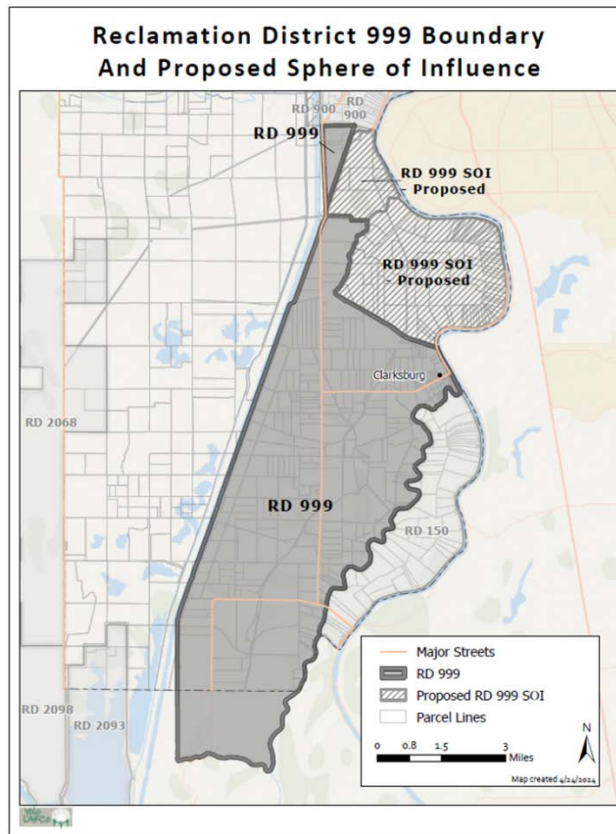
None.

Accountability, Structure, and Efficiencies Recommendation(s):

2. The 2014 UC Davis Flood Governance Study funded by DWR determined that one agency should become the single Local Maintaining Agency (LMA) for each hydrologic basin. For the Sac Yolo South (Clarksburg) System, RD 999 is the most robust district in the basin. Therefore, RDs 307, 765, and 999 should be reorganized (either via dissolution/annexation or consolidation) into RD 999 as the single LMA successor entity for the basin. The Clarksburg Flood Management Project has not yet been finalized nor received funding, therefore there is no known reason to delay this reorganization process. This MSR (and the previous one in 2018) found RD 307 and RD 765 not functioning as responsive, accountable, and transparent government agencies. RDs 307 and 765 have not obtained flood fight materials and stored them in a nearby location (although RD 307 has access to the Delta Emergency Plan supplies), nor has either district received flood fight training recently (i.e., at least the past 5+ years). RD 999 has five full-time employees with the training and resources to respond to an emergency.

Sphere of Influence Update Recommended for RD 999

The following SOI Update is recommended to implement the recommendation to either annex or consolidate with RDs 307 and 765:



Merritt Island Basin

RD 150

Capacity and Adequacy of Public Facilities and Services MSR Recommendations:

1. RD 150 should implement any remaining DWR Fall 2023 inspection report recommendations as itemized in the Spring 2024 inspection report:
 - There is vegetation that significantly impacts access and visibility in this Area.
 - The LMA should focus more on controlling vegetation to maintain visibility and access.
 - The LMA should focus on repairing erosion sites.

Financial Ability Recommendation(s):

2. Adopt a capital improvement plan (CIP) or similar analysis to quantify the possible significant risks, infrastructure costs, or equipment failure to determine what the District fund balance goals should be (and fund accordingly).

Accountability, Structure, and Efficiencies Recommendation(s):

3. Adopt policies (as applicable) relating to personnel/payroll, general and administrative, board member and meetings, and segregating financial and accounting duties among staff and/or board to minimize risk of error or misconduct. (repeat from 2018 MSR)

MSR/SOI Background and Context

Role and Responsibility of LAFCo

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, as amended (“CKH Act”) (California Government Code §§56000 et seq.), is LAFCo’s governing law and outlines the requirements for preparing Municipal Service Reviews (MSRs) for periodic Sphere of Influence (SOI) updates. MSRs and SOIs are tools created to empower LAFCo to satisfy its legislative charge of “discouraging urban sprawl, preserving open-space and prime agricultural lands, encouraging the efficient provision of 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 “[o]ne 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.”

Purpose of a Municipal Service Review (MSR)

The CKH Act gives LAFCo broad discretion in deciding how to conduct MSRs. The commission shall decide in the area designated for service review the county, the region, the subregion, or any other geographic area as is appropriate for an analysis of the service or services to be reviewed. 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.

The purpose of a MSR in general is to provide a comprehensive inventory and analysis of the services provided by local municipalities, service areas, and special districts and evaluate the structure and operation of the local municipalities, service areas, and special districts and suggest ways to improve efficiency and affordability of infrastructure and service delivery. A written statement of the study’s determinations must be made in the following areas:

1. Growth and population projections for the affected area.
2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.
3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.
4. Financial ability of agencies to provide services.
5. Status of, and opportunities for, shared facilities.
6. Accountability for community service needs, including governmental structure and operational efficiencies.
7. Any other matter related to effective or efficient service delivery, as required by commission policy.
 - a. Local policy requires the MSR to address broadband availability for local agencies that either serve communities and/or provide emergency services where broadband connection is critical (i.e. cities, community services districts, county service areas, fire protection districts and RDs); and
 - b. The status of past MSR recommendations.

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

Purpose of a Sphere of Influence (SOI)

In 1972, LAFCOs were given the power to establish SOIs for all local agencies under their jurisdiction. As defined by the CKH Act, “‘sphere of influence’ means a plan for the probable physical boundaries and service area of a local agency, as determined by the commission.” (§56076.) SOIs are designed to both proactively guide and respond to the need for the extension of infrastructure and delivery of municipal services to areas of emerging growth and development. Likewise, they are also designed to discourage urban sprawl and the premature conversion of agricultural and open space resources to urbanized uses. Regular periodic updates of SOIs should be conducted every five years (§56425(g)) with the benefit of better information and data through MSR’s (§56430(a)).

Pursuant to Yolo County LAFCo policy, an SOI includes an area adjacent to a jurisdiction where development might be reasonably expected to occur in the next 10-20 years. A MSR is conducted prior to, or in conjunction with, the update of a SOI and provides the foundation for updating it.

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

1. The present and planned land uses in the area, including agricultural and open-space lands.
2. The present and probable need for public facilities and services in the area.
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
4. The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.
5. For an update of an SOI of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

Organization of this MSR/SOI Study

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

District Outreach

Requests for information were sent to each agency in September 2023. Most districts, but not all, eventually responded. During September and October LAFCo staff met with and/or received district tours from most districts who were willing. Questions were emailed back and forth periodically throughout the process. Process outreach culminated in emailing administrative draft MSR’s to each agency for review and comment before the public draft was posted for the public hearing.

Yolo County Flood Protection Context

Flood Management Framework Agencies Involved

U.S. Army Corps of Engineers (USACE)

At the Federal level, USACE is primarily responsible for planning, designing, and constructing Federally authorized flood management facilities including dams, levees, and other structures. It also develops the operational rules for federally funded flood management reservoirs, which includes most of the major reservoirs on Central Valley streams. Following the Hurricane Katrina Gulf Coast disaster of 2005, USACE

implemented a National Levee Safety Program, promulgated strict vegetation management guidelines, and strengthened its national levee inspection program.

Central Valley Flood Protection Board (CVFPB)

The CVFPB, with regulatory authority over the State Plan of Flood Control (SPFC) levees, has given assurances to the USACE that the Federally authorized Project levees will be operated and maintained in accordance with USACE criteria. It can serve as the non-Federal sponsor for capital improvement projects for levees in the Region, regulate encroachments, and provide that the various components function as a system.

Department of Water Resources (DWR)

DWR, primarily acting through the Division of Flood Management, is responsible for State-level flood management in the region, including cooperating with USACE in project planning, design and funding flood and water supply forecasting, operating the Flood Operations Center, providing flood fight assistance for local agencies, and maintaining portions of the system (Maintenance Areas MA 4 and 9 in the region). DWR also conducts the annual levee inspection reports.

Local Maintaining Agencies (LMAs)

Local levee districts and reclamation districts, known collectively as LMAs, regularly patrol, maintain, repair, and conduct flood fights as needed on the levees within their jurisdictions. The LMAs have given assurances to the CVFPB that they will operate and maintain the SPFC levees within their respective jurisdictions in perpetuity, in accordance with criteria established by the USACE. Yolo County Flood Control and Water Conservation District also provides flood management O&M and drainage, but it is not an LMA.

Faced with limited funding and staffing, increasing regulatory constraints, and changing expectations for the multiple uses of the flood management system, it is increasingly difficult for local agencies in the Region to operate and maintain levees and channels. Among the most significant constraints are the cost and difficulty of navigating the regulatory process and the constricted time windows in the year when maintenance work can be carried out. Lack of clear and consistent requirements from State and Federal agencies make it more difficult for agencies to comply.

USACE Vegetation Policy Change

There are also complex permitting terms and conditions which end up being costly and cumbersome. A recent change in the USACE (beginning in 2006) approach toward woody levee vegetation also poses new challenges for those who operate and maintain the existing system of levees. Since the levee system failures along the Gulf Coast caused by Hurricane Katrina in 2005, USACE has strengthened their position that no woody vegetation should be tolerated on or near Federal project levees.

However, vegetation can reduce erosion, provide ecological and aesthetic value and is extremely costly for local agencies to remove because USACE policy requires excavating roots down to 1" in diameter, necessitating levee reconstruction when trees are removed. Vegetation can also cause O&M problems like obscuring potential problems and preventing access for flood fighting. Inconsistent policies have made vegetation management more difficult.

Woody vegetation on levees has the potential to compromise the effectiveness of levees. This, however, is a complex issue, as observation and research suggests there are instances where vegetation may be beneficial or at least not a problem. There are existing efforts, such as the California Levee Vegetation Research Program (CLVRP), a partnership of Federal, State, and local agencies, which are researching whether removing vegetation may actually amplify the probability of levee failure due to other risk factors.

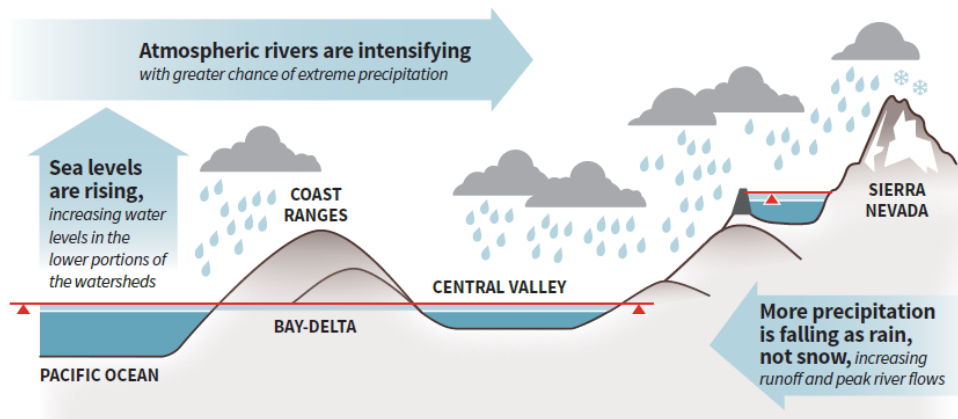
The CVFPP adopts a levee vegetation management approach that is intended to protect public safety while reducing the cost and environmental impacts that would be associated with strict adherence to the USACE policy. This approach allows the retention of vegetation on the lower waterside slope, pruning of vegetation

elsewhere in the levee system for access and inspection, and regular inspection and removal of hazard trees anywhere in the levee system. The CVFPP promotes adaptive management of levee vegetation and the modification of policy based on continued research by the CLVRP and USACE.

Climate Change

Uncertainty of future hydrology is another problem facing the flood management system in the Region. Earlier snowmelt and shifts from snowfall to rainfall will place increased demands on the operation of the reservoirs. Climate change also has the potential to increase the severity of storms in the Region and in wildfires in the watershed which could increase runoff and sedimentation.

Anticipated sea-level increases of 17 to 66 inches by 2100 due to climatic changes will affect water-level stages in the Delta and the lower reaches of the Sacramento River. A rise in sea level would increase exposure to waves and wind set-up, increasing the pressure on levees currently protecting low-lying land, much of which is already below sea level. These effects would contribute to the threat of catastrophic levee failures that could inundate communities, damage infrastructure, and interrupt water supplies throughout the State. Federal and State regulations require studies and projects consider climate change, and subsequent sea-level rise, in planning and design.



Federal Oversight and Management of State Plan of Flood Control²

Federal agencies are partners with DWR in oversight and management of the State Plan of Flood Control (SPFC). The US Army Corps of Engineers (USACE) Sacramento District is the district directly involved with the SPFC, and partners with CVFPB to develop new flood management projects in the Sacramento River watershed. USACE has prepared O&M manuals that guide O&M of the various SPFC units. DWR maintains and operates all works after completion in accordance with regulations prescribed by the USACE.

DWR inspects levees maintained by many separate local agencies, and then reports its findings to USACE. From the inspection information submitted, USACE may choose to conduct follow-up inspections in certain areas. USACE uses its own follow-up inspections and the State’s inspection findings to make Public Law 84-99 eligibility determinations for each local agency.

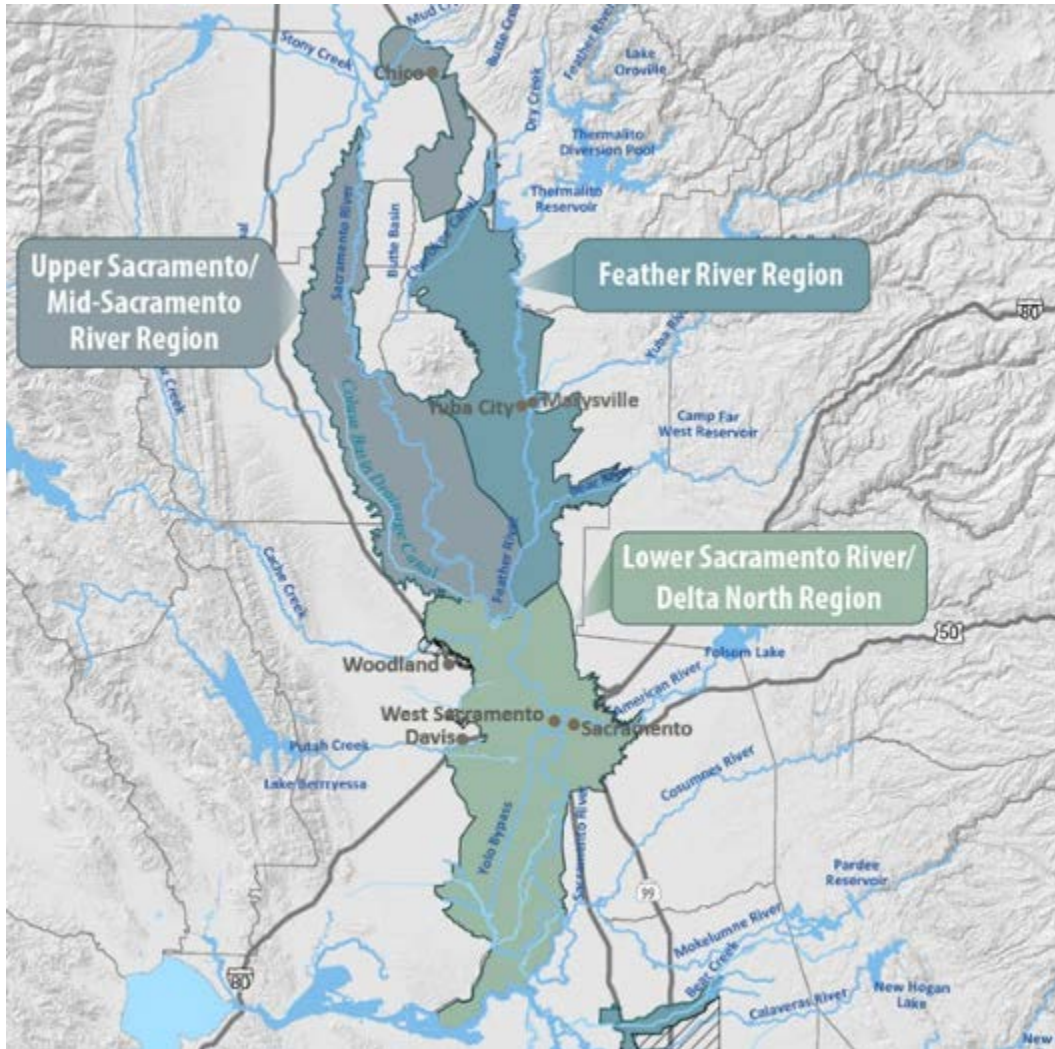
State Central Valley Flood Protection Plan

The Central Valley Flood Protection Plan (CVFPP) is a guide to managing flood risk in the Central Valley adopted by the Central Valley Flood Protection Board (CVFPB). Originally adopted in 2012, it is updated

² Central Valley Flood Protection Plan State Plan of Flood Control 2022 Update

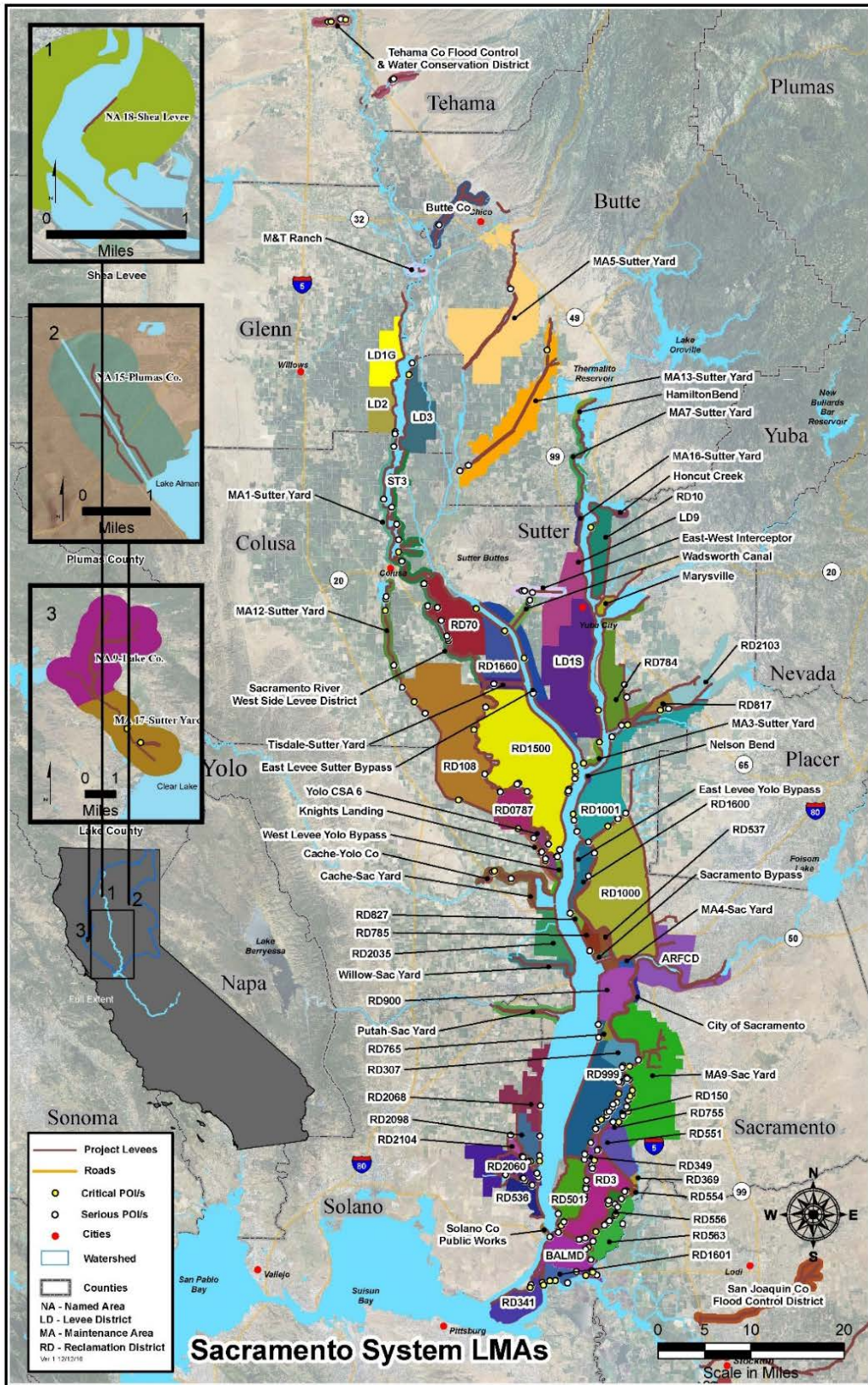
every five years (2017 and 2022). The goal of the CVFPP is to improve flood risk management with the following supporting goals:

- Improve operations and maintenance
- Promote ecosystem functions
- Improve institutional support
- Promote multi-benefit projects



Flood infrastructure is to be planned and managed centrally, but O&M, flood response, and infrastructure implementation can be implemented either regionally or by local maintaining agencies (LMAs). The CVFPP promotes regional governance via local consolidation and collaboration among partnering agencies.

CVFPP Sacramento System Local Maintaining Agencies



DWR Regional Flood Management Plans (2014)

Following adoption of the 2012 CVFPP, the Department of Water Resources funded six regionally led Regional Flood Management Plans (RFMPs) that describe local and regional flood management priorities, challenges, and potential funding mechanisms along with site-specific improvement needs. The six regions span from Chico to Stockton and Yolo County is included in two regions: (1) the Mid Sacramento River region (just north of Knights Landing into Colusa County) and (2) the Lower Sacramento River/Delta North region (from Knights Landing south to Rio Vista). These Regional Flood Management Plans were completed in 2014 and were developed by a regional working group comprised of the counties, cities, flood management agencies, local maintaining agencies (LMA), water agencies, emergency response agencies, citizen groups, tribes, and other interested stakeholders in the Region. The West Side Coordinating Committee, the regional working group for the Lower Sacramento River/Delta North region, is made up of stakeholder representatives from relevant agencies on the west side of the Sacramento River.

UC Davis Flood Governance Study (2014)

In addition to the RFMPs, funding was requested from DWR to conduct a flood governance study to analyze and make recommendations on governance for the agencies in Yolo County. This study was undertaken by the UC Davis Collaboration Center and was completed in August 2014. As part of an overall, integrated, regional flood management approach, the Collaboration Center worked with the various agencies and stakeholders to assess their capacities to address regional flooding issues, their willingness and feasibility of joining together, collaborating and/or consolidating certain functions, and their interests in collaborative flood governance.

The authors engaged with the districts and considered a wide range of existing flood governance models in the nation. The study considered a broad range of six alternatives, from maintaining the status quo to consolidating all the agencies into one new agency. The Study found that while RDs are well suited to continue routine O&M and on-site emergency response, some flood work would benefit from more regionalization and coordination.

Ultimately, the Study recommended a combination of the “regional communication and collaboration network” (Alternative 2) and a “hydrologic basin” approach (Alternative 3). The RDs/local maintaining agencies within Yolo County were loosely divided into five (5) hydrologic basin areas: 1) North County/Knights Landing; 2) Elkhorn; 3) Woodland/Conaway; 4) West Sacramento; and 5) Clarksburg. The hydrologic basins are loosely defined by their geography, community connections, and interdependence of levees and structural flood control needs.

The study recommended that each of the five hydrologic basins develop their own version of coordinated governance. These designations are consistent with current engineering logic, and formally coordinate areas that are either already working together, and/or depend on each other’s compliant flood infrastructure management. According to the Study, Yolo County residents would be better served if each basin provided a consistent level of maintenance and flood response and either functioned as one entity or in a coordinated manner to accomplish this objective.

2018 LAFCo Municipal Service Review & Subsequent Reorganizations

LAFCo 2018 Municipal Service Review

Tiering from the CVFPP and UC Davis study, the 2018 MSR/SOI recommended the agencies responsible for levee O&M 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 response capabilities. The governance solution for each basin could take a variety of forms including agency merger/consolidation, contracts for shared services, MOUs, or JPAs. The goal for each basin is to achieve equal service standards, consistent maintenance standards (which may require consistent fee/assessment structures), and improved coordination during flood events.

The MSR did not recommend any substantive changes in governance for the Clarksburg, North County/Knights Landing, Woodland/Conaway, and Elkhorn hydrologic basins, noting the Clarksburg Basin and the North County/Knights Landing Basin should actively participate in DWR’s Small Communities

Feasibility Studies for their basins. For the Elkhorn Basin, the MSR recommended that the districts continue the path to consolidation. Following adoption of the MSR/SOI, the lower Elkhorn RDs applied to dissolve RD 785 and RD 827 and annex the territory into RD 537, which was approved and was effective July 1, 2020.

For the West Sacramento Basin, after much analysis and discussion the MSR ultimately recommended RD 900 become a subsidiary district to the City of West Sacramento, shifting RD 537's boundary north to the city boundary and taking over DWR Maintenance Area (MA) #4 such that the boundaries of RD 900 generally aligned with the City's and the ring levy. This reorganization was approved by LAFCo and became effective July 1, 2020, although RD 900 is still working with the state on taking over MA#4. The Yolo County Grand Jury investigated LAFCo's proceedings and issued a report in FY 2018-19³.

Overarching/Common Issues Found

Many of the Districts did not have policies for District operations and financial management for such topics as board compensation, travel/expense reimbursement, purchasing and contracting, employee policies, and other operating procedure. The MSR recommended adopting operations and financial management policies.

The MSR included recommendations for each district related to necessary improvements detailed in the 2016 Department of Water Resources Inspection Report. Most of the districts had erosion sites that needed to be repaired as well as vegetation controlled to maintain visibility and access. Many of the districts also had rodent control issues. Operations and Maintenance (O&M) is an ongoing LMA function and DWR inspects levee segments annually.

The Regional Flood Management Plan details specific improvements necessary for each Reclamation District/Local Maintaining Agency, including the estimated cost, design, permitting, and funding readiness. Most of these improvements did not have local funding sources identified and the MSR recommended Districts work with State and Federal Resources to identify funding for these projects.

In terms of transparency, most of the LMAs did not have a website and the MSR recommended the districts consider websites.

Agency Specific Issues

The MSR recommended LAFCo dissolve the two inactive RDs in Yolo County, RD 2076 and RD 2120, pursuant to Section 56879 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. LAFCo took action to dissolve these inactive RDs on July 26, 2018.

The MSR included a recommendation that RD 1600 may need to consider approving a new assessment to maintain an adequate level of service and build up reserves for needed improvements. The MSR recommended RD 785 consider adopting a regular meeting schedule for consistency and transparency purposes, but this became a moot point because the district was dissolved and annexed into RD 537 effective July 1, 2020.

A few Districts, including RD 765 and RD 307, did not have formal audits prepared (and still do not). The MSR indicated audits should be completed and provided to the State Controller's Office, the Yolo County Department of Financial Services and LAFCo as required by law.

Yolo County Local Maintaining Agencies (LMAs)

At the local level along the Sacramento River System in Yolo County, there are 21 separate DWR levee inspection areas, 7 of which are maintained by the state. Of the 14 areas maintained locally, 3 are managed by RD 108, 2 by Yolo County, and the remaining 9 are individual RDs (two of these RDs, RD 785 and RD 827, were dissolved and annexed into RD 537 effective July 1, 2020. DWR's 2022 annual inspection report acknowledges LAFCo's efforts as follows:

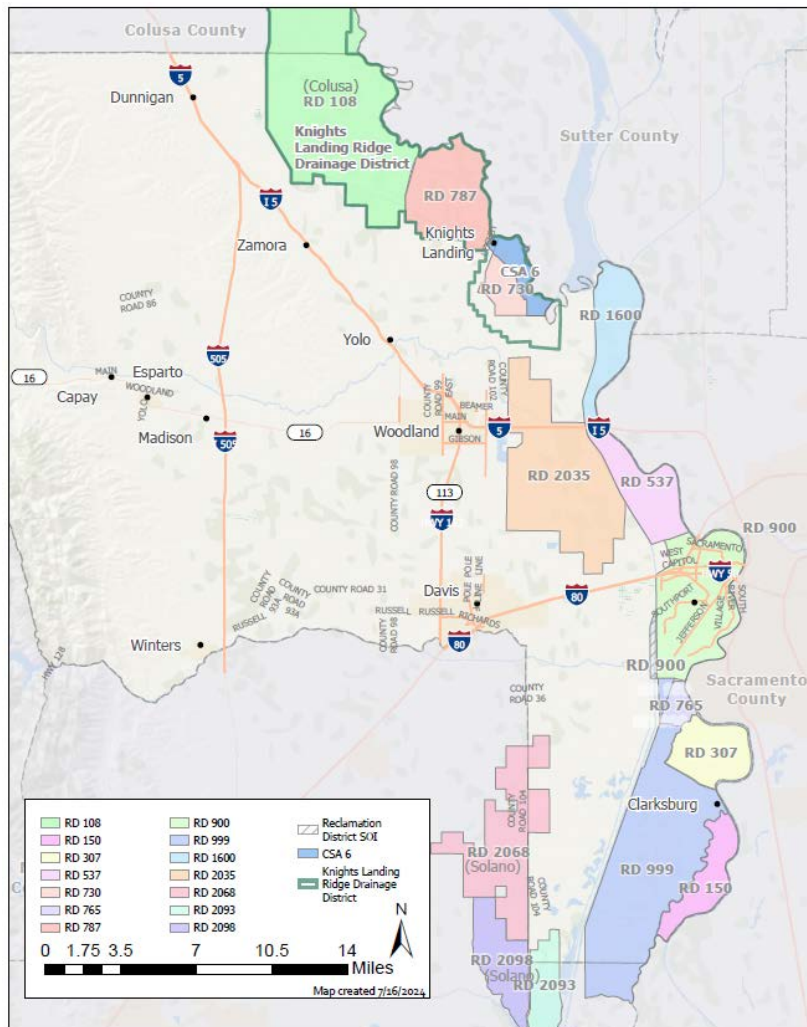
³ <https://www.yolocounty.org/living/grand-jury/yolo-county-grand-jury-reports>

In 2021, the Yolo Local Agency Formation Commission approved the reorganization of the Lower Elkhorn Reclamation Districts, dissolving RD 785 and RD 827, and concurrently annexing both territories into RD 537 through the adoption of Resolution 2019-06. RD 900 is also absorbing portions of RD 537 located south of the Sacramento Bypass. DWR acknowledges there is a formal process CVFPB will need to follow to complete the reorganization. Starting 2021, RD 537 has and will continue to report on levees that protect the dissolved RD 785 and RD 827 areas⁴.

The United States Army Corps of Engineers (USACE) also maintains the Navigation Levee constructed in association with the Deep-Water Ship Channel.

Each entity has varying capacities and responsibilities related to funding, operations and maintenance (O&M), planning, and policy. Further, there is a great variety in geography, historical development, and the presence of other enterprise activities, such as water sales. The common thread between all flood agencies in Yolo County is the recognition that the flood network is an inter-dependent system. In many cases individual district levees rely on neighboring levee's success. In many areas, if one levee fails, the adjacent levee and the population and land it protects are at risk.

Districts Providing Flood Protection Services in Yolo County

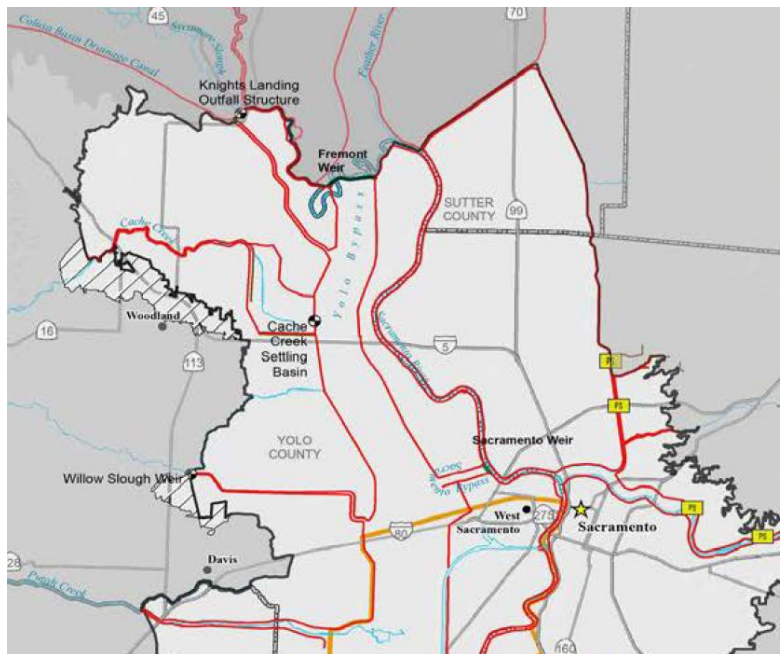


⁴ Inspection and Local Maintaining agency Report, DWR 2022, page 34.

Regional Flood Management Facilities in Yolo County

- Colusa Basin Drain⁵ provides essential storage which detains and attenuates peak flood flows. Colusa Basin Drain extends from its junction with Willow Creek south to the vicinity of Colusa and then follows the alignment of RD 108's back levee, terminating at the Knights Landing Outfall Gates in Yolo County.
- Willow Slough Weir – Conveys stormwater to the Yolo Bypass and the added capacity protects the City of Davis from flooding.
- Knights Landing Ridge Cut – The Knights Landing Ridge Cut drains the Colusa Basin Drain to the Yolo Bypass.
- Cache Creek Settling Basin – Located along the Yolo Bypass near Cache Creek, this settling basin collects water before entering the Yolo Bypass controlling flow rates and sediment which helps to maintain the flood conveyance integrity of the Yolo Bypass.
- Fremont Weir – Located just south of Knights Landing Outfall Structure at the junction of the Sacramento River and the joint Feather River/Sutter Bypass channel, the Fremont Weir controls the hydraulic energy of flowing water as it enters the Yolo Bypass.
- Sacramento Weir – diverts water from the Sacramento River into the Sacramento Bypass, which discharges into the Yolo Bypass. This bypass protects Sacramento, West Sacramento, and other riverside communities by conveying approximately 80 percent of flood flows through the greater Sacramento Area.
- Storm Water Pump Stations – Storm water pump stations are located along many of the levees and stream channels in the Region. These facilities are used to drain the areas adjacent to the channels protected by levee systems.

Regional Flood Management Facilities in Yolo County



⁵ Mid & Upper Sacramento River Regional Flood Management Plan Nov 10, 2014

FloodSAFE/CVFPP

In response to flooding concerns, Hurricane Katrina, and legislation (Senate Bill 5), DWR is currently implementing FloodSAFE, a long-term strategic initiative developed to reduce flood risk in California. One important planning document of FloodSAFE is the Central Valley Flood Protection Plan (CVFPP), which is a critical document to guide California's participation (and influence federal and local participation) in managing flood risk within lands protected by the SPFC. The CVFPP, adopted in 2012, promotes a State Systemwide Investment Approach (SSIA) for sustainable, integrated flood management in areas currently protected by facilities of the SPFC.

The goals and objectives for the Regional Flood Management Plan (RFMP) in Yolo County is:

- Develop the long-term vision for sustainable, integrated flood management in the Region through a collaborative process involving regional stakeholders
- Recommend feasible structural and nonstructural improvements to achieve 200-year level of protection in urban and urbanizing areas including Davis, West Sacramento, and Woodland.
- Recommend feasible structural and nonstructural improvements to achieve 100-year level of protection in small communities including Clarksburg, Knights Landing, and Yolo.
- Develop financing strategies for identified flood risk reduction activities in small communities, rural, and urban areas consistent with the CVFPP system wide investment approach.

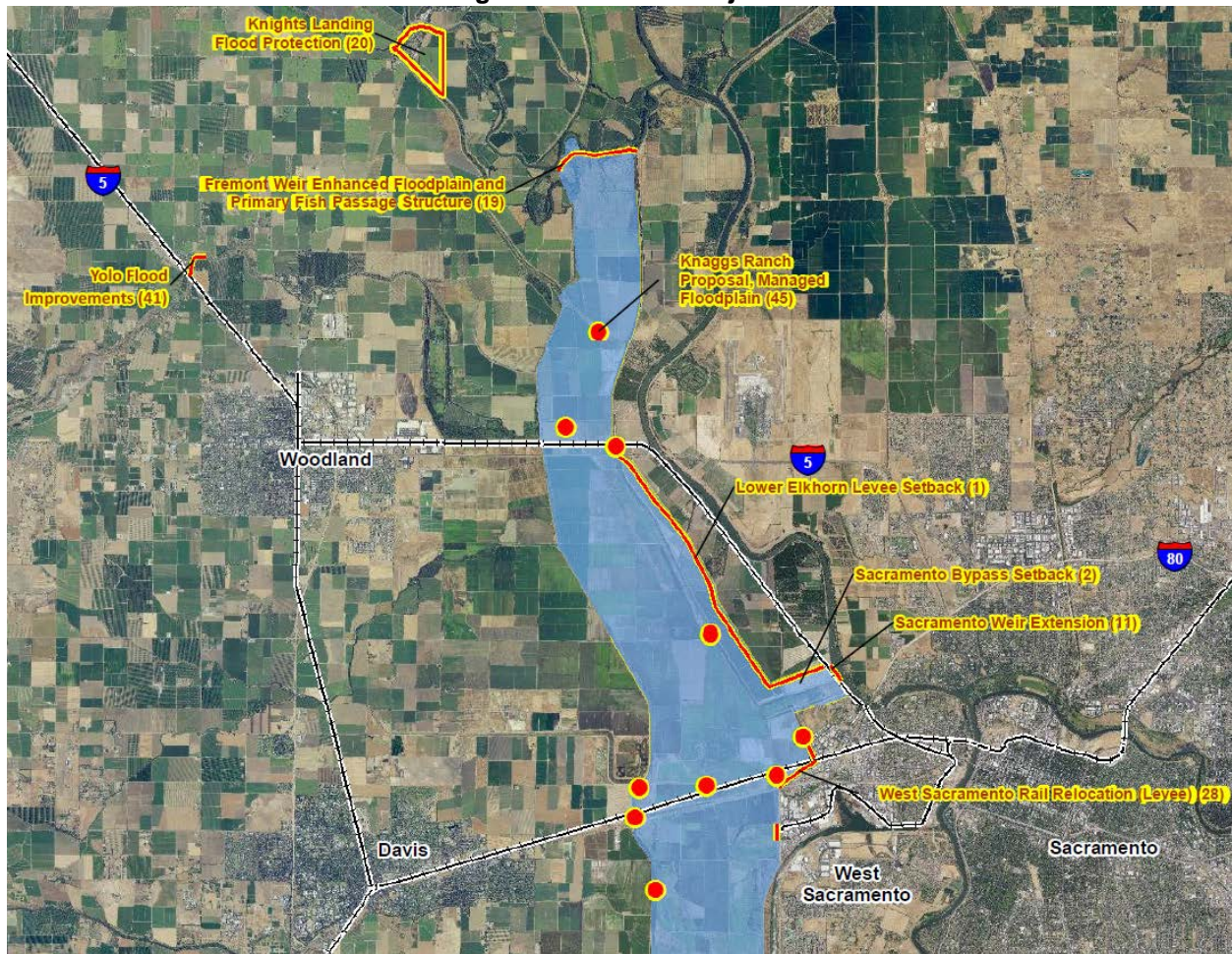
West Side Coordinating Committee

The Lower Sacramento River Flood Plain Coordinating Committee existed prior to the RFMP and includes flood managers from the west side of the Sacramento River. For the purposes of the RFMP, this existing committee is referred to as the West Side Coordinating Committee, and its function is to broadly represent the interests on the west side of the river, including assessing regional flood risk, prioritizing projects, and evaluating funding options. Members include: the Counties of Yolo and Solano; the Cities of West Sacramento, Woodland, Rio Vista, and Davis; Solano County Water Agency; WSAFCA; Yolo County Flood Control and Water Conservation District; DWR Maintenance Areas; and Reclamation Districts (RD) 108, 900, 501, 536, 2060, 730, 1600, 2035, 827, 537, 765, 785, 307, 150, 999, 2068, 2093, 2098, 2104, 2084; and Knights Landing Ridge Drainage District.

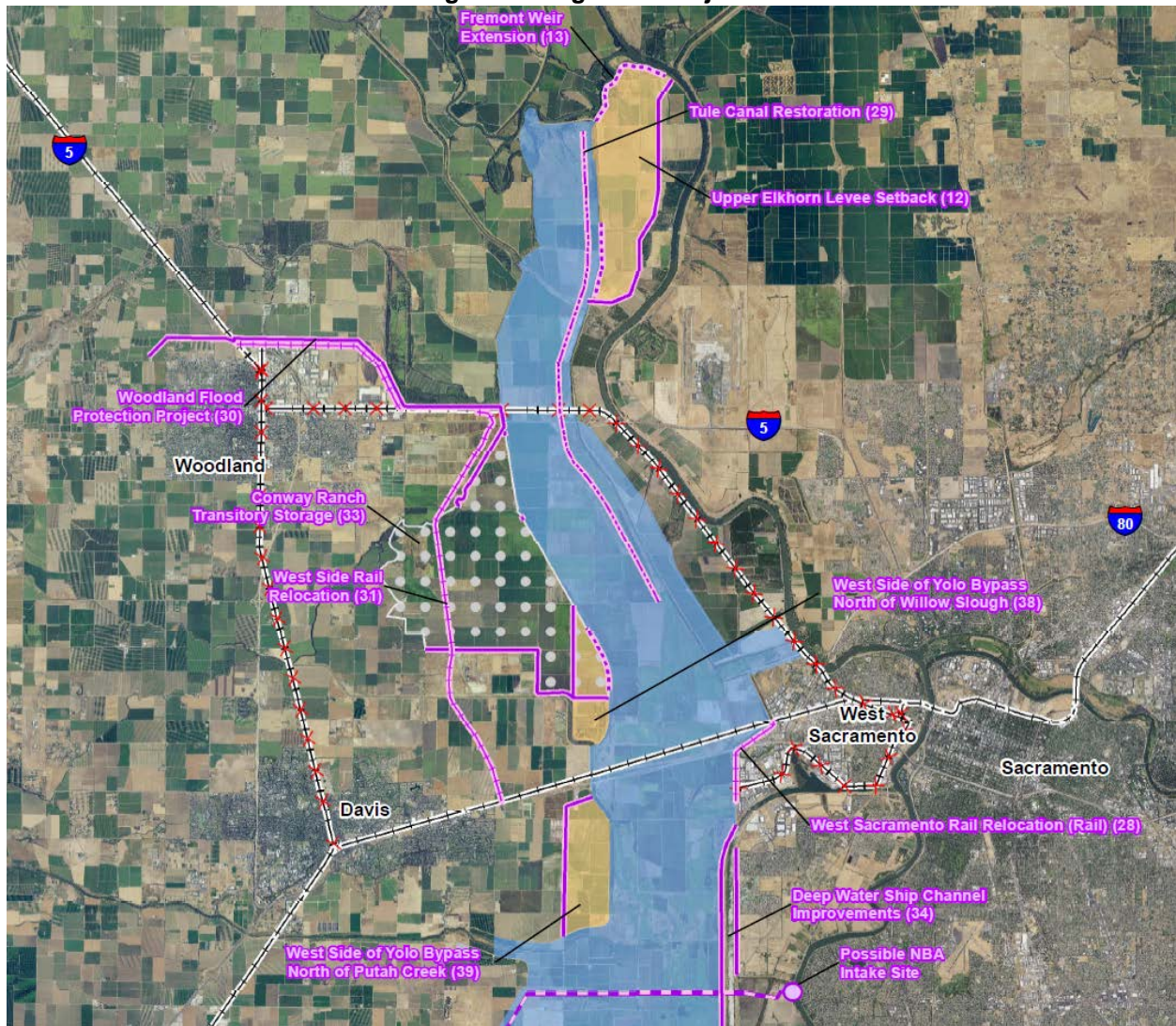
Project Focus Areas in Yolo County

- Yolo Bypass Widening
- Yolo Rail Relocation (Freemont Trestle)
- Small Community Studies to achieve 100-year flood protection for Clarksburg, Knights Landing, and Yolo.

Regional Mid-Term Projects⁶



⁶ Lower Sacramento/Delta North RFMP Input for Conservation Strategy Advisory Committee (Draft), Aug 2018

Regional Long-Term Projects⁷

Levee System Governance

Problems arise from levees getting evaluated individually rather than as a system (or as a whole), and critical non-project levees being overlooked. Other institutional problems include LMAs struggling with permitting involving multiple agencies and varying requirements. Particularly, LMAs have difficulty conducting routine operation and maintenance of the levee system because increasingly, the resource agencies are requiring compensatory mitigation. The timelines and cost of permitting, along with those of mitigation are not sustainable for LMAs. A streamlined approach is necessary to meet the public safety needs of the Region, while providing adequate conservation of ecological resources to compensate for impacts from flood projects.

⁷ Lower Sacramento/Delta North RFMP Input for Conservation Strategy Advisory Committee (Draft) Aug 2018

- Lack of formalized coordination between adjacent LMAs and their cities and counties (OAs), to include mutual aid agreements
- Many LMAs don't have the funding to maintain adequate staff, plans, and resources
- Some LMAs have inadequate funding and staff for proper O&M or to put together proposals for DWR grant funding.
- Inadequate or nonexistent emergency response or action plans
- No record of updating, practicing, or implementing a plan that does exist
- Incomplete understanding of flood fight roles
- Insufficient or no flood fight training
- No record of participating in any exercises

Yolo County Levee Systems/Basins

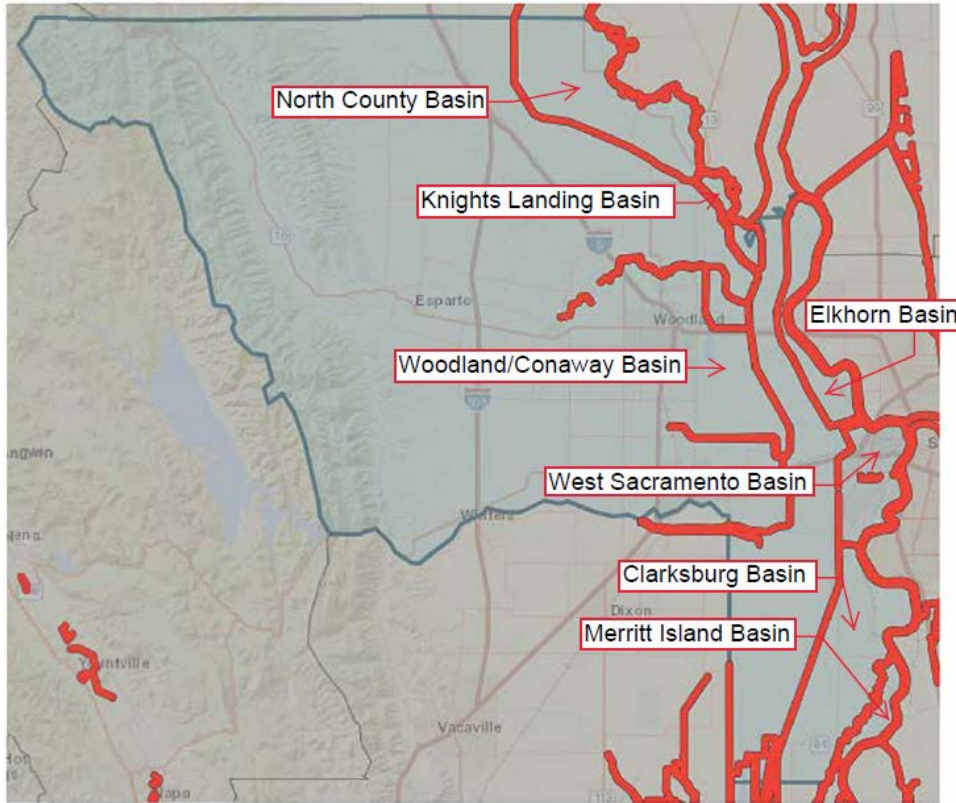
Although the 2014 Yolo Flood Governance Study and 2018 LAFCo Municipal Service Review grouped the districts into 5 hydrologic basins for governance purposes, from an engineering perspective there are additional levee systems that are a hydraulically connected flood zone. These levee systems are defined by the National Levee Database maintained by the USACE.

Several of these levee systems are owned, operated, and maintained by the CVFPB (DWR) and do not contain any local maintaining agencies (LMAs) included in this MSR. All 11 levee systems are briefly described below for countywide context, however this MSR focuses on the 7 systems/basins where special districts act as LMAs of the overall Sacramento River System.

The levee system names correlate to the USACE database and the name in parenthesis corresponds to the name used in the MSRs. For this 2024 MSR, the North County/Knights Landing have been separated and Merritt Island has been separated out from the Clarksburg basin because they are hydraulically separate systems. Therefore, the previous 5 basins from the 2018 MSR has expanded to 7 basins for this 2024 MSR (as shown in bold text below).

1. **Sacramento River West Bank (North County Basin)**
2. **Knights Landing Unit 2 – Yolo Bypass – Service Area 6 (Knights Landing Basin)**
3. Cache Creek Unit 1 – Yolo Bypass Unit 2 – Knights Landing Unit 1
4. Yolo Bypass West Levee – Cache Creek Unit 4
5. **Cache Creek – RD 2035 – Willow Bypass (Woodland/Conaway Basin)**
6. Putah Creek Unit 1 – Yolo Bypass – Willow Slough Unit 2 Levee System
7. Putah Creek Right Bank Unit 2
8. **SacYolo North (Elkhorn Basin)**
9. **West Sacramento Levee System (West Sacramento Basin)**
10. **SacYolo South (Clarksburg Basin)**
11. **RD 150 Merritt Island Levee System (Merritt Island Basin)**

Yolo County Levee System Basins for 2024 MSR

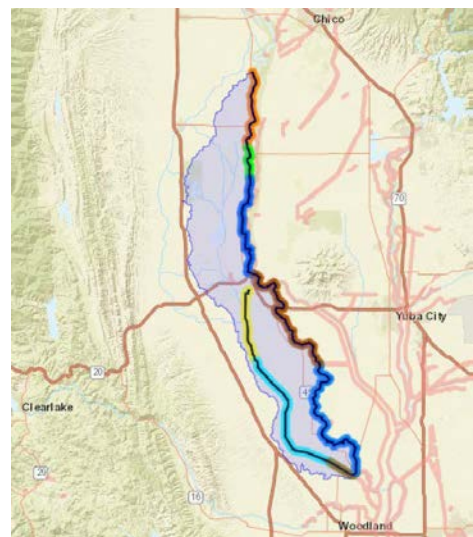
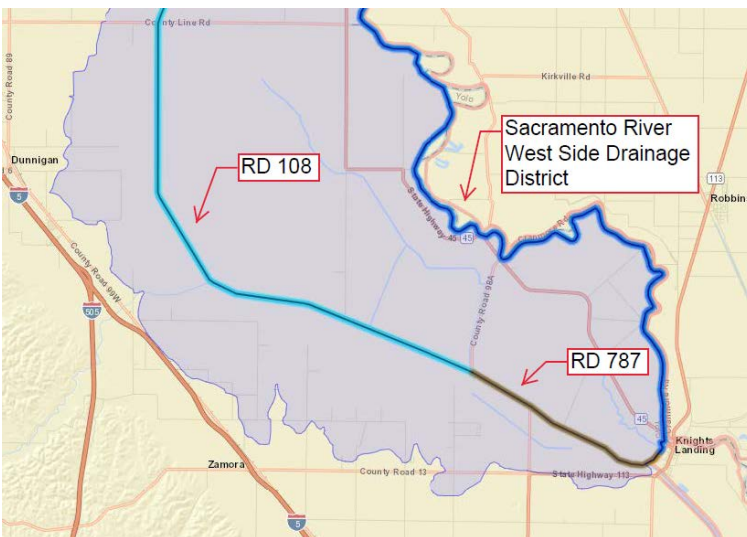


The levee systems/basins information below is sourced from the USACE National Levee Database <https://levees.sec.usace.army.mil/#/>.

Sacramento River West Bank (North County Basin)

North County Basin (Yolo Portion) – Maintaining Agencies

Entire Basin (into Colusa County)



Sacramento River West Bank is a system of earthen levees spanning multiple counties in the Sacramento River Valley in California. The levee system is 119.72 miles long and contains 8 segments. The eastern portion is made up of five segments along the west bank of the Sacramento River from Ord Bend in Glenn County to Knights Landing in Yolo County. The western portion includes three levee segments along the left bank of Colusa Drain from Colusa to Knight's Landing.

This levee was one of many levees along the Sacramento Valley constructed by local landowners in the late 1800's to reduce the risk of flooding. The exact date of construction and who specifically built it is not known by the USACE. The levees were completed by 1930s. Flood water rose above the top of the levee and caused the levee to breach, or break open, many times during floods after the 1930s construction. The system was reconstructed by the USACE in the 1940s and 1950s. Since then, additional emergency repairs and improvements have been made to the levee system, including installation of stone protection on the banks and increasing the levee height and width. The City of Colusa is the most populated area behind the levee, compared to most of the leveed area which is primarily agricultural.

The levee is in an area that is subject to seasonal flooding. The levee has experienced widespread seepage, or leaking of water through the soils, and erosion, deterioration of the levee soils, as a result of previous flood events. Water has risen high on the levee during past floods.

The foundation soils and soils that were used to build the levee are susceptible to further erosion and can be easily washed away by the fast-moving water expected during flood events. These soils also allow water to seep through them easily. Animal burrows, trees and bushes, discharge pipes, utility poles, and irrigation ditches also provide paths for water to travel through and weaken the levee. Past flooding events have caused erosion and caving on the levee banks at numerous locations, which make the levee more at risk for failure. It is highly likely that future flood events could result in additional seepage and erosion and increase the potential for a levee breach.

If the levee were to break, the northern half of the leveed area (which includes the city of Colusa) would experience shallow flooding, less than 2 feet in depth. South of Colusa, flood water anywhere between 2 and 15 feet deep. The worst of the flooding would occur at the southernmost part of this levee system, near Knight's Landing, where flooding could be greater than 15 feet deep. The majority of major flooding inside the leveed area would occur in primarily agricultural land.

This 119.72-mile moderate risk levee system (which includes large portions in Colusa and Glenn counties) protects an estimated 10,681 population, 3,770 buildings, and \$3.25B in property value.

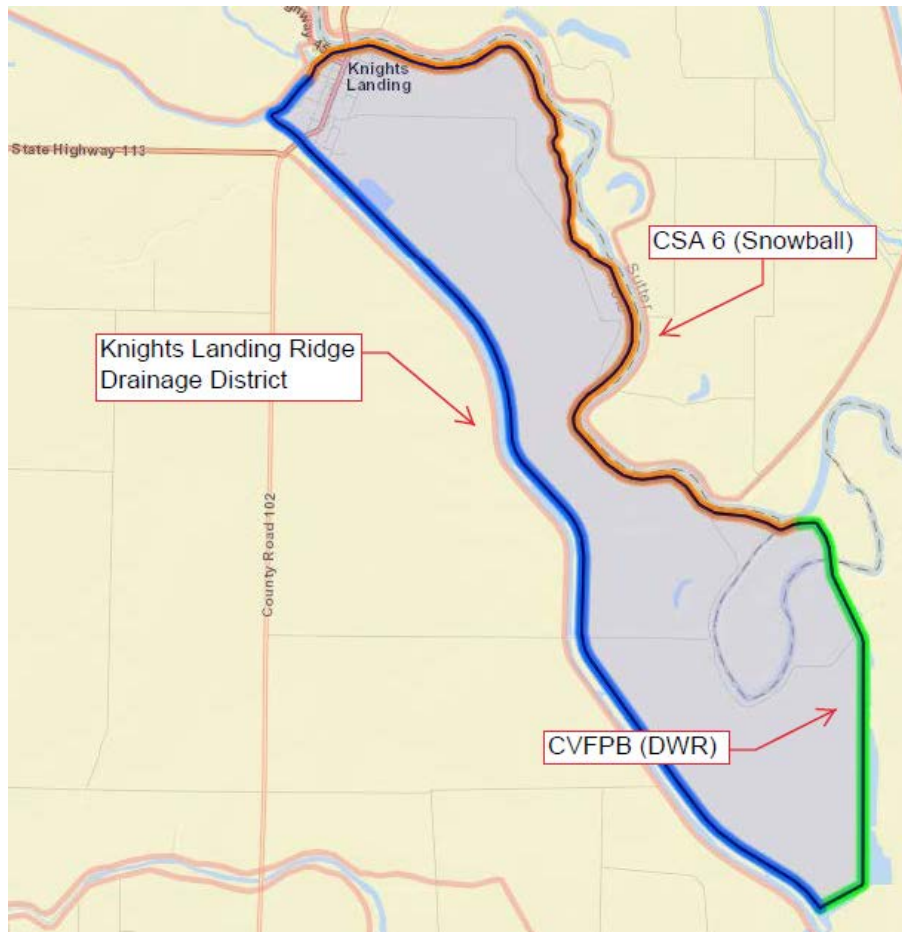
LMAs maintaining segments of this system in Yolo County include:

- Sacramento River West Side ~~Drainage~~ **Levee** District (not reviewed in this MSR because Colusa County is its principal county)
- RD 108 (not reviewed in this MSR because Colusa County is its principal county)
- RD 787

This system is in active/eligible standing in the USACE Rehabilitation Program.

Knights Landing Unit 2 – Yolo Bypass – Service Area 6 (Knights Landing Basin)

Knights Landing Basin – Maintaining Agencies



Knights Landing Unit 2 – Yolo Bypass – Service Area 6 levee system is a portion of the Sacramento River Flood Control Project, a large-scale levee project authorized by Congress and constructed in 1952. The map of the levee system shows the leveed area, the area which would be prone to flooding in the absence of a levee. Knights Landing Unit 2 – Yolo Bypass – Service Area 6 levee system reduces the risk of flooding for Yolo and Sutter County and adjacent agricultural lands from flood waters in Kings River. A nonurban population and a small number of structures are present within the leveed area. Knights Landing Unit 2 – Yolo Bypass – Service Area 6 levee system is constructed of earthen embankments and requires year-round maintenance. The Central Valley Flood Protection Board is the non-federal sponsor and is the responsible agency for operation and maintenance of the levee system.

This 15.2-mile moderate risk levee system protects an estimated 1,192 population, 406 buildings, and a property value of \$101M.

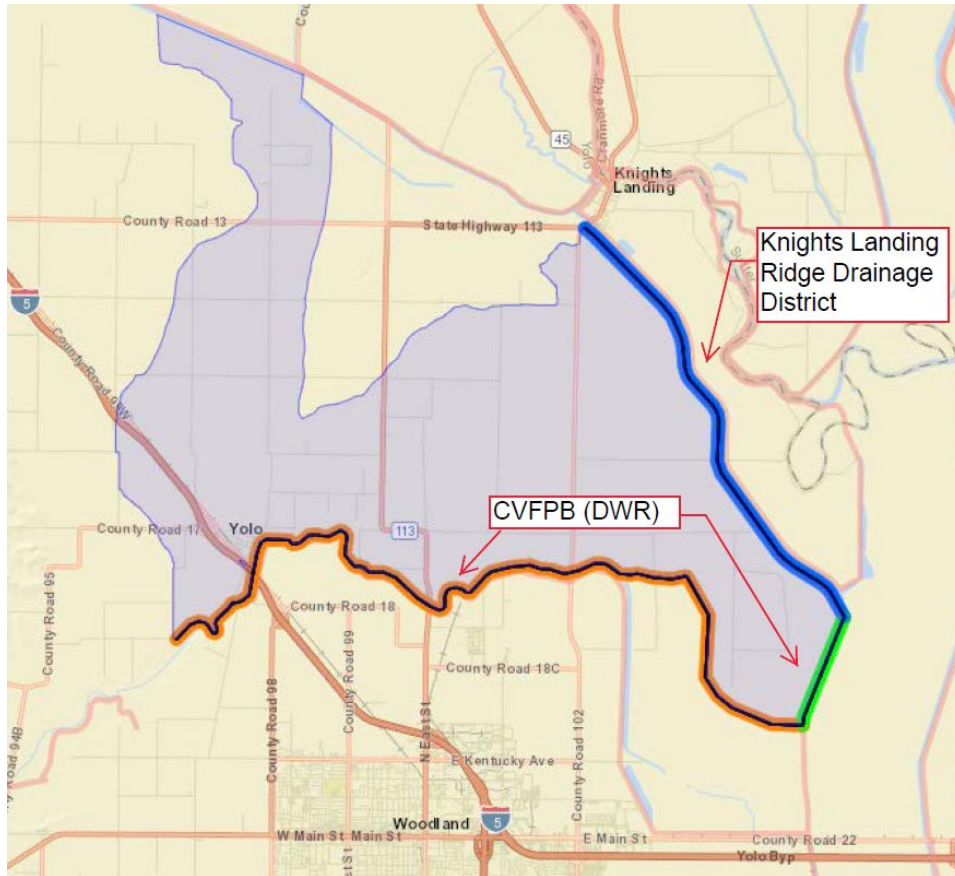
Districts either acting as LMAs maintaining segments of this system or pumping water out of this levee system include:

- County Service Area No. 6 Knights Landing Ridge Drainage District
- Knights Landing Ridge Drainage District
- RD 730 (provides drainage/pumping services only and does not maintain any levees)

This system is in active/eligible standing in the USACE Rehabilitation Program.

Cache Creek Unit 1 – Yolo Bypass Unit 2 – Knights Landing Unit 1

Maintaining Agencies



The Cache Creek Unit 1 - Yolo Bypass Unit 2 - Knights Landing Unit 1 levee system is a portion of the Sacramento River Flood Control Project, a large-scale levee project authorized by congress. The map of the levee system shows the leveed area, the area which would be prone to flooding in the absence of a levee. The Cache Creek Unit 1 - Yolo Bypass Unit 2 - Knights Landing Unit 1 levee system reduces the risk of flooding for the community of Yolo and surrounding agricultural lands from flood waters in Cache Creek, the Cache Creek Settling Basin, Yolo Bypass, and Knights Landing Ridge Cut. In addition to the mostly rural population within the leveed area, a significant number of structures, with property values estimated in the millions of dollars, are present within the leveed area. Highway 113 and Interstate 5 cross through the leveed area. The levees of the Cache Creek Unit 1 - Yolo Bypass Unit 2 - Knights Landing Unit 1 levee system are constructed of earthen embankments and require year-round maintenance. The Central Valley Flood Protection Board is the non-federal sponsor and is the responsible agency for operation and maintenance of the levee system.

This 19.61-mile moderate risk levee system protects an estimated 1,030 population, 396 buildings, and a property value of \$101M.

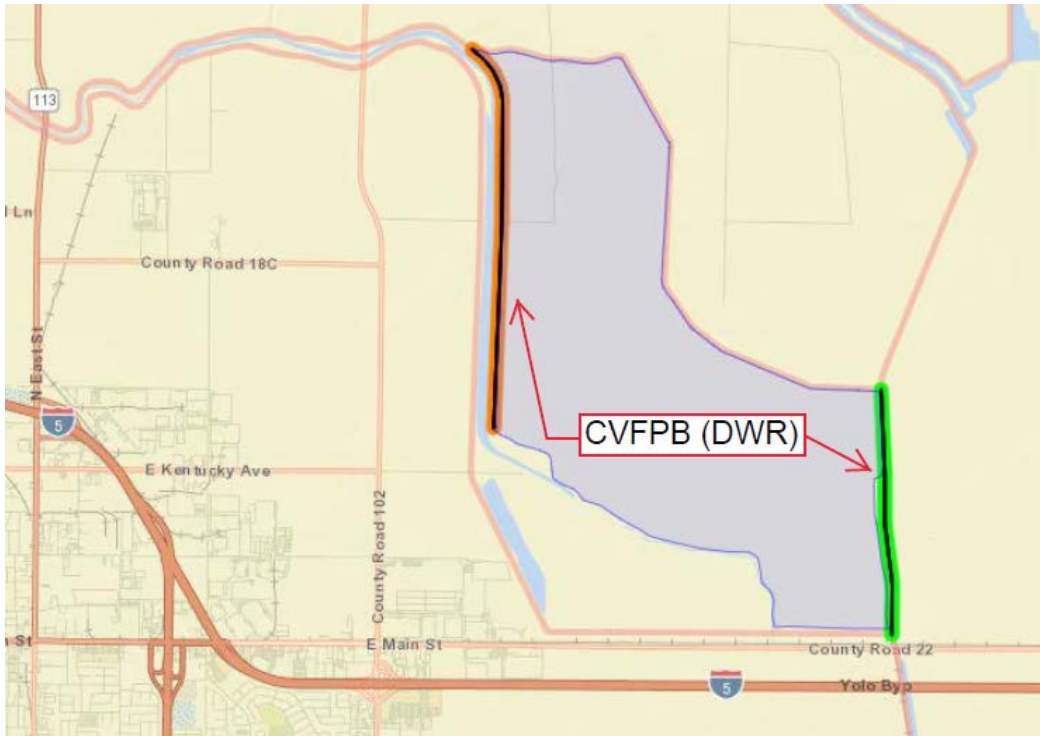
LMAs maintaining segments of this system include:

- Knights Landing Ridge Drainage District

This system is in active/eligible standing in the USACE Rehabilitation Program.

Yolo Bypass West Levee – Cache Creek Unit 4

Maintaining Agencies



Cache Creek runs from west to east and passes by the City of Woodland about three miles north of the city. About four miles northeast of Woodland, Cache Creek is diverted into the Cache Creek Stilling Basin before joining with the Yolo Bypass. This levee system includes two segments within the Cache Creek Stilling Basin along Cache Creek and a part of the west levee of the Yolo Bypass.

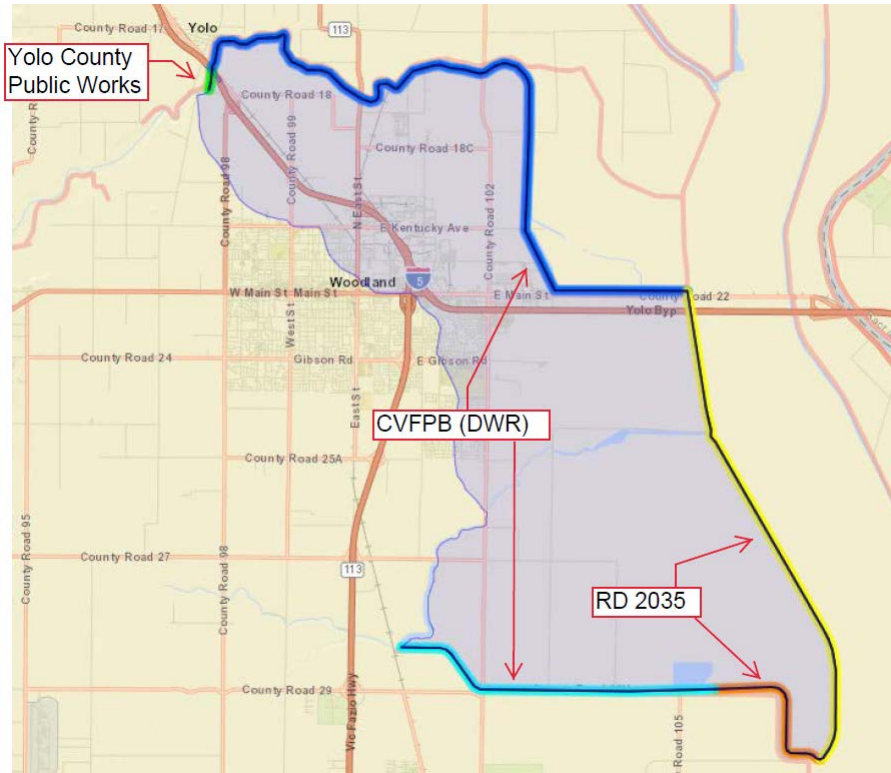
This system was designed to direct the flow of water and sediment from Cache Creek to the Yolo Bypass. The federal government authorized this system in 1917, and the two segments were constructed in the years 1937 and 1991. The California Department of Water Resources (DWR) maintains this levee system, and Central Valley Flood Protection Board is the levee sponsor.

This low risk 3.68-mile levee system protects an estimated 14 population, 4 buildings, and a property value of \$1.16M.

The California Department of Water Resources (DWR) maintains this levee system and no special districts maintain this system.

Cache Creek – RD 2035 – Willow Bypass (Woodland/Conaway Basin)

Woodland/Conaway Basin – Maintaining Agencies



The Cache Creek – RD 2035 – Willow Bypass levee system is a portion of the Sacramento River Flood Control Project, a large-scale levee project authorized by congress. The map of the levee system shows the leveed area, the area which would be prone to flooding in the absence of a levee. The Cache Creek – RD 2035 – Willow Bypass levee system reduces the risk of flooding for a portion of the City of Woodland and surrounding agricultural lands from flood waters in Cache Creek, the Cache Creek Settling Basin, Yolo Bypass, and Willow Slough Bypass. In addition to the urban population within the leveed area, a significant number of structures, with property values estimated in the millions of dollars, are present within the leveed area. Highway 113 and Interstate 5 cross through the leveed area. The levees of the Cache Creek – RD 2035 – Willow Bypass levee system are constructed of earthen embankments and require year-round maintenance. The Central Valley Flood Protection Board is the non-federal sponsor and is the responsible agency for operation and maintenance of the levee system.

This 29.1-mile high risk levee system protects an estimated 8,975 population, 2,227 buildings, and \$1.61B in property value.

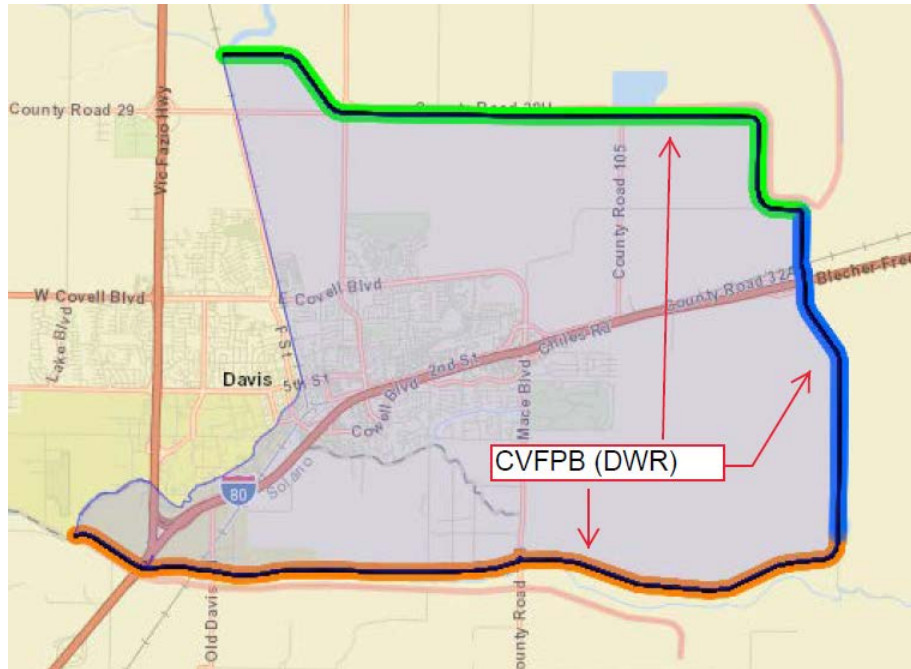
LMAs maintaining segments of this system include:

- RD 2035

This system is in active/eligible standing in the USACE Rehabilitation Program.

Putah Creek Unit 1 – Yolo Bypass – Willow Slough Unit 2 Levee System

Maintaining Agencies



Putah Creek Unit 1 - Yolo Bypass - Willow Slough Unit 2 is a soil levee located in Davis, California. The levee is a roughly 20 mile long, U-shaped system that extends from Brooks Road, west of the I-80/State Route 113 interchange, eastward along the north side of Putah Creek, a northward along a portion of the west side of the Yolo Bypass, and westward along the south side of Willow Slough Bypass, extending upstream to County Road 101A.

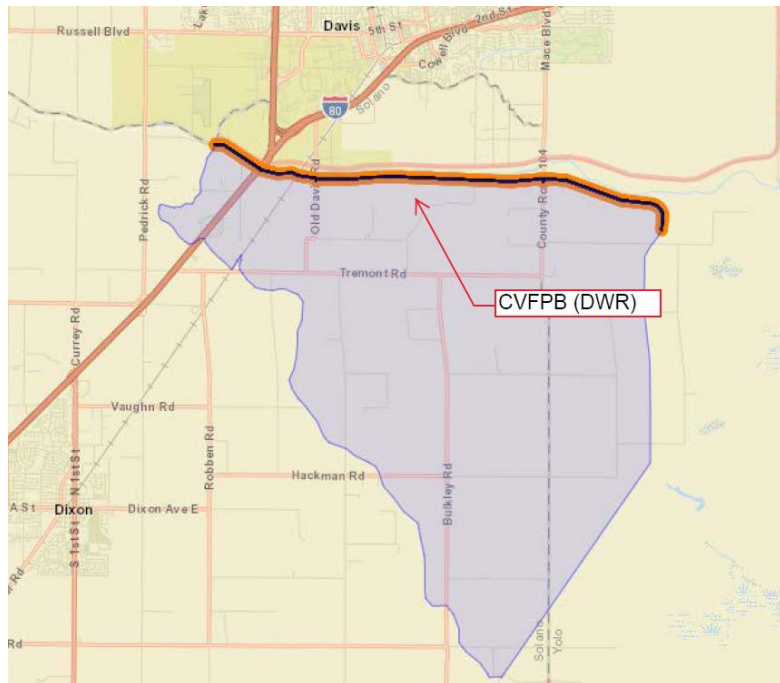
The levee was built from 1946 to 1951 by the U.S. Army Corps of Engineers to reduce the risk of flooding in Davis, which included re-routing Putah Creek from the historical channel through town to the current channel location. The leveed areas include housing structures, farms, commercial and residential buildings, rural agricultural fields and structures, a Union Pacific Railroad line, recreational areas (parks and golf courses), major road crossings and the University of California, Davis.

This moderate risk 19.89-mile levee system protects an estimated 30,649 population, 12,337 buildings, and a property value of \$6.56B.

The California Department of Water Resources (DWR) maintains this levee system and no special districts maintain this system.

Putah Creek Right Bank Unit 2

Maintaining Agency



Putah Creek Right Bank - Unit 2 is an earthen levee located just south of Davis, California. The levee is 7.53 miles long and is situated at the southeast portion of Yolo County and the northeast portion of Solano County.

The levee begins about a mile east of the intersection of Vineyard Lane and Pedrick Road, and extends east along the southern bank of Putah Creek, ending near the intersection of County Road 35 and County Road 106. The levee terminates at the Yolo bypass Channel, where floodwater is capable of coming around the downstream end of the levee.

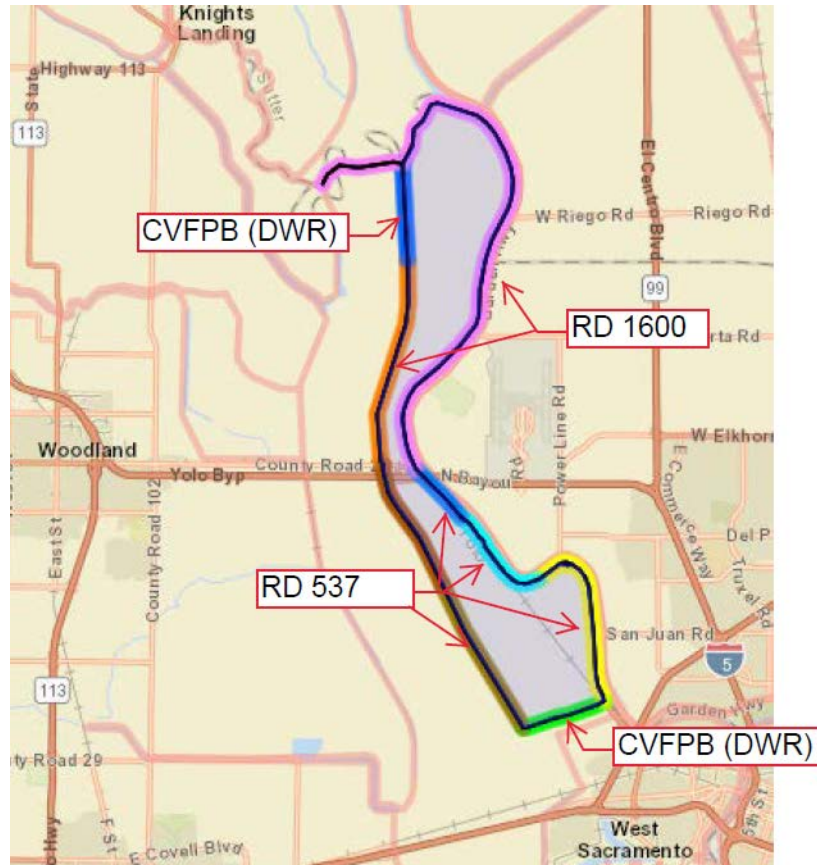
The levee was built from 1946 to 1951 by the U.S. Army Corps of Engineers to reduce the risk of flooding in rural areas south of Davis, which included re-routing Putah Creek from the historical channel through town to the current channel location. The area behind the levee includes agricultural fields, houses, and farms that are south of Putah Creek and west of the Yolo Bypass. Major roadways that cross the levee include Interstate 80, Old Davis Road, County Road 102, and County Road 104, and The Union Pacific Railroad tracks near Old Davis Road.

This low risk 7.2-mile levee system protects an estimated 529 population, 132 buildings, and a property value of \$87.1M.

The California Department of Water Resources (DWR) maintains this levee system and no special districts maintain this system.

SacYolo North (Elkhorn Basin)

Elkhorn Basin Maintaining Agencies



RD 1600, 0827, 0785, and 0537 – SacYolo North is a roughly 32-mile-long levee system that runs along the right bank of the Sacramento River and left bank of Yolo Bypass between the Sacramento Bypass and Fremont Weir, in Yolo County, California, northwest of the city of Sacramento, and the intersection of interstates 80 and 5. The levee surrounds mostly agricultural lands, with some residential use. The levee, made of compacted soils, was originally constructed by locals in the 1800s, though the exact construction history is unknown to the USACE. In the early 1900's, reconstruction of the levee by the USACE occurred under the Sacramento River Flood Control Project. Throughout the 1900's, the levee was improved after flood events, including placement of rock on the waterside slope to lower the likelihood of erosion, or washing away of the levee soils, and enlarging segments of the levee and flattening the slopes in the 1960s. The Sponsor for this system is the Central Valley Flood Protection Board.

This levee is considered a low-risk system. The Oroville Dam regulates flows into the Sacramento River upstream of the levee and lowers the expected damages to the levee during a storm. Flood waters have risen more than 70 percent of the way up the levee at some locations in this system. The levee has shown signs of seepage, or water leaking through the levee soils, unstable slopes, and erosion. Unauthorized encroachments, animal burrows, and vegetation on the levee all increase the likelihood for seepage to occur in the future. If the levee were to fail, flood waters are expected to be between 6 and 15 feet for most of the leveed area, with deepest flooding to depths greater than 15 feet occurring at the south end of the leveed area, near the Sacramento Bypass. Yolo County has an Emergency Operations Plan for the system with guidance for how to respond in a flood emergency. The population living inside the leveed area is sparse and there should not be traffic during an evacuation.

This 33.91-mile low risk levee system protects an estimated 102 population, 17 buildings, and \$11.8M in property value.

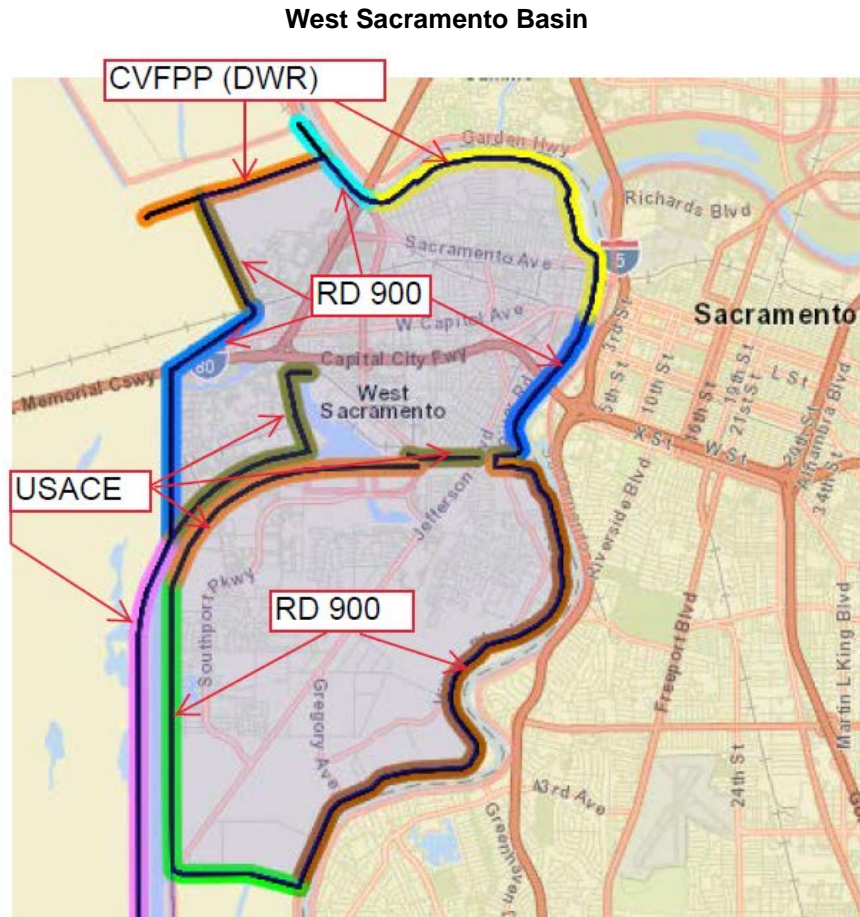
Even though LAFCo annexed RD 785 and RD 827 into RD 537 in 2019, the state has not yet combined these units/districts and still produces separate levee inspection reports. It is anticipated that the state will combine these reports after the Yolo Bypass Setback Levee Project is completed.

LMAs maintaining segments of this system include:

- RD 537
- RD 1600

This system is in active/eligible standing in the USACE Rehabilitation Program.

West Sacramento Levee System (West Sacramento Basin)



The West Sacramento levee system is a portion of the Sacramento River Flood Control Project, a large-scale levee project. The West Sacramento levee system is comprised of levees authorized by congress and a non-federal levee, levee which was locally constructed and is locally operated and maintained. The map of the levee system shows the leveed area, the area which would be prone to flooding in the absence of a levee. The West Sacramento levee system reduces the risk of flooding for a northern portion of the City of West Sacramento and adjacent agricultural lands from flood waters in the Sacramento River, Deep Water Ship Channel, and the Yolo Bypass. In addition to the urban population within the leveed area, a significant number of structures, with property values estimated in the billions of dollars, are present within the leveed area. Highway 50 and Interstate 80 cross through the leveed area. The West Sacramento levee system is constructed of a combination of earthen embankments, floodwalls, and four closure structures and which they all require year-round maintenance. The closure structures are closable openings in the levee, which when closed prevent flood flows from entering the leveed area. The Central Valley Flood Protection Board is the non-federal sponsor of the congressionally authorized portion and RD 900 sponsors

the non-federal portion and both are the responsible agencies for operation and maintenance of the levee system.

This 46.98-mile levee system is considered high risk and protects an estimated 49,927 population, 17,617 buildings, and \$4.35B in property value.

Even though LAFCo reorganized RD 537 out of this basin in 2019, the state has not yet combined these units/districts and still produces separate levee inspection reports.

LMAs maintaining segments of this system include:

- RD 900

This system is in active/eligible standing in the USACE Rehabilitation Program.

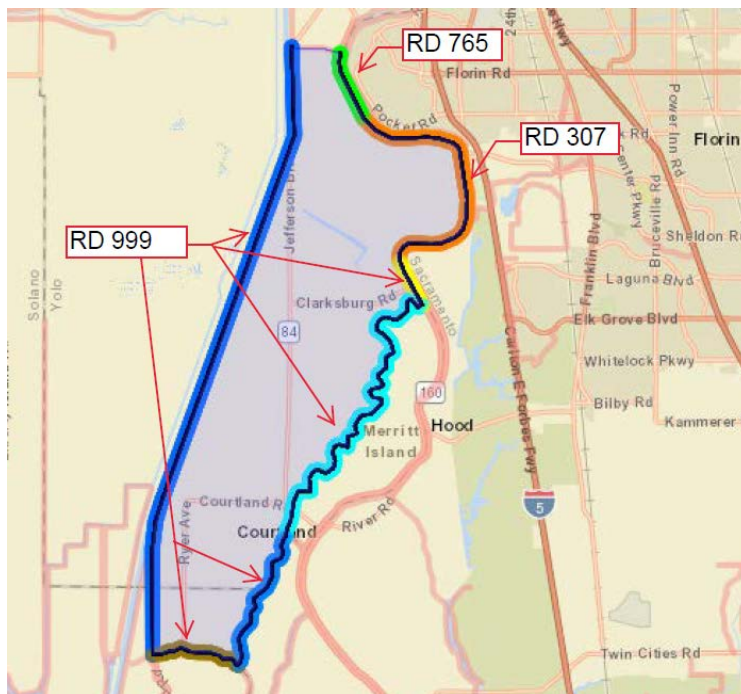
West Sacramento Area Flood Control Agency

The WSAFCA operates under a board-manager form of government and provides flood protection to the City of West Sacramento's residents, businesses, and assets. The Agency provides services related to the construction, maintenance, and regulation of West Sacramento's levee system. Services include the capital expansion and improvement of levee facilities, regulatory services to fulfill legal requirements associated with Federal and State programs that relate to the Agency's activities, surveying and mapping services, and planning services that relate to and provide for the public's health and safety in regard to flood prevention, control, and emergency response.

WSAFCA is a joint powers authority created by an agreement made between the City of West Sacramento, RD 900, and RD 537. The three member WSAFCA Board formulates and enacts policy for the Agency. The elected boards of RD 900, RD 537, and the West Sacramento City Council each appoint a director and alternate director to serve as a member of the WSAFCA Board.

SacYolo South (Clarksburg Basin)

Clarksburg Basin Maintaining Agencies



The SacYolo South levee system is a portion of the Sacramento River Flood Control Project, a large-scale levee project. The map of the levee system shows the leveed area, the area which would be prone to

flooding in the absence of a levee. The SacYolo South levee system reduces the risk of flooding for a portion of a rural area and agricultural lands in Yolo County from flood waters in the Sacramento River, Elk Slough, Sutter Slough, Minor Slough and the Yolo Bypass. In addition to the rural population within the leveed area, a significant number of structures, with property values estimated in the millions of dollars, are present within the leveed area. The SacYolo South levee system is constructed of earthen embankments and requires year-round maintenance. The Central Valley Flood Protection Board is the non-federal sponsor and is the responsible agency for operation and maintenance of the levee system.

This 40.47-mile levee system is considered moderate risk and protects an estimated 1,113 population, 569 buildings, and \$167M in property value.

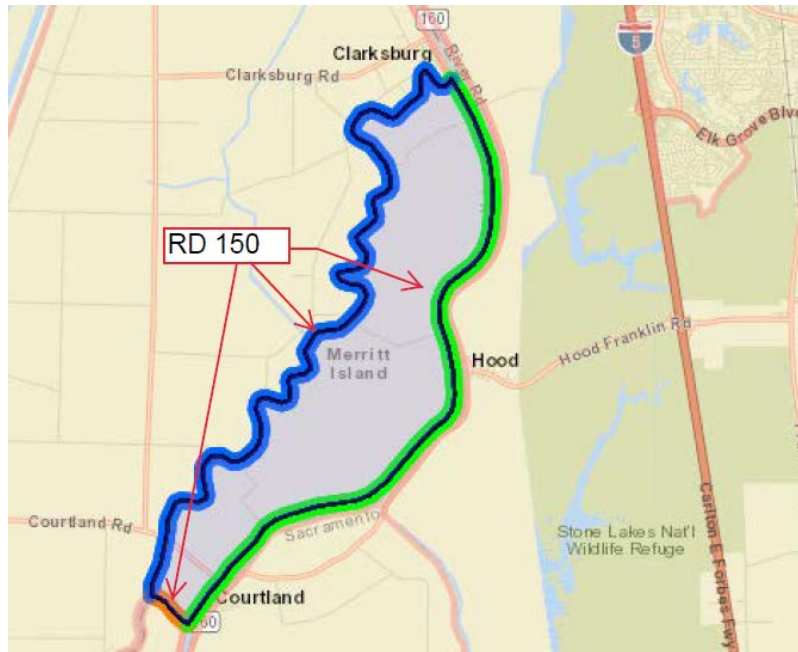
LMAs maintaining segments of this system include:

- RD 307
- RD 765
- RD 999

This system is in active/eligible standing in the USACE Rehabilitation Program.

RD 150 Merritt Island Levee System (Merritt Island Basin)

Merritt Island Basin Maintaining Agency



The RD 0150 - Merritt Island levee system is a portion of the Sacramento River Flood Control Project, a large-scale levee project. The map of the levee system shows the leveed area, the area which would be prone to flooding in the absence of a levee. The RD 0150 - Merritt Island levee system reduces the risk of flooding for agricultural lands located on Merritt Island from flood waters in Elk Slough, Sutter Slough, and the Sacramento River. In addition to the rural population within the leveed area, a significant number of structures, with property values estimated in the millions of dollars, are present within the leveed area. The RD 0150 - Merritt Island levee system is constructed of earthen embankments and requires year-round maintenance. The Central Valley Flood Protection Board is the non-federal sponsor and is the responsible agency for operation and maintenance of the levee system.

This 17.75-mile levee system is considered moderate risk and protects an estimated 119 population, 93 buildings, and \$29.4M in property value.

LMAs maintaining segments of this system include:

- RD 150

This system is in active/eligible standing in the USACE Rehabilitation Program.

District Services Provided

District Powers and Services

The following list includes the services of the agencies included in this MSR/SOI.

Flood Control & Drainage Agencies Authorized Services

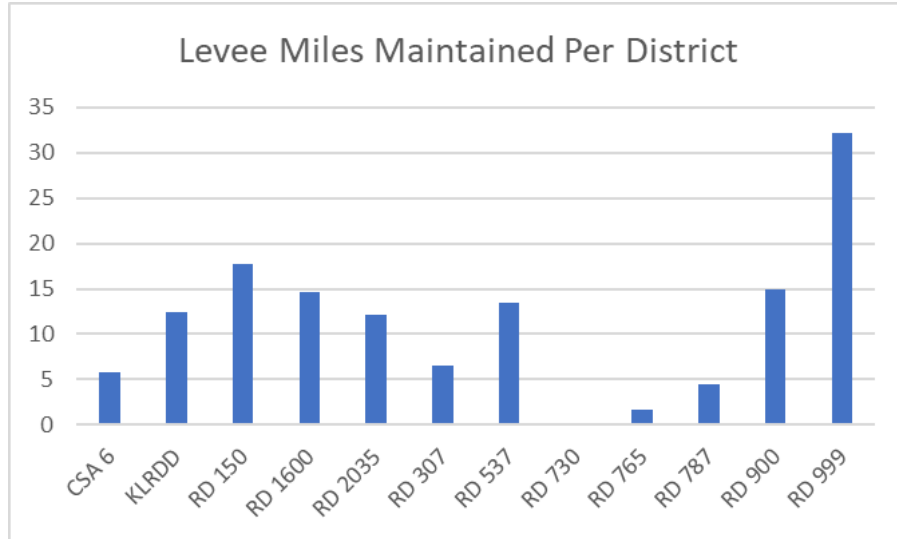
Districts	Agricultural Water/Irrigation	Levee Maintenance	Stormwater Drainage/Pumping
CSA 6		•	
KLRDD		•	
RD 150		•	•
RD 307		•	•
RD 537		•	•
RD 730			•
RD 765		•	•
RD 787		•	•
RD 900		•	•
RD 999		•	•
RD 1600		•	•
RD 2035	•	•	•

Department of Water Resources (DWR) Levee Evaluation Program

DWR annually inspects the State-federal portions of the flood management system within California's Central Valley and develops a summary report documenting the results of these annual levee, channel, and structure inspections, as well as other activities. It also creates detailed inspection reports documenting the deficiencies found in each Local Maintaining Agency (LMA), which are used by the U.S. Army Corps of Engineers (USACE), DWR, the Central Valley Flood Protection Board (CVFPB), and other interested parties⁸.

LMAs are required to report specific information related to the project levees by September 30 of each year. DWR consolidates this information and provides an Annual Report to the Central Valley Flood Protection Board (CVFPB) by December 31 of each year. The Annual Report is a summary of information collected from LMAs responsible for the operation and maintenance of the 1,600 miles of project levees in the State-federal flood protection system.

⁸ <https://water.ca.gov/Programs/Flood-Management/Maintenance/Levee-Inspections>



DWR Levee Inspections & Rating

DWR annually inspects the State-federal portions of the flood management system within California's Central Valley and develop a summary report including detailed inspection reports documenting the deficiencies found in each Local Maintaining Agency (LMA), which are used by the U.S. Army Corps of Engineers (USACE), DWR, the Central Valley Flood Protection Board (CVFPB), and other interested parties.

DWR is responsible for developing and administering a program to facilitate LMA reporting requirements. LMAs are required to report to us specific information related to the project levees by September 30 of each year. This information is consolidated in an Annual Report and provided to the Central Valley Flood Protection Board (CVFPB) by December 31 of each year. The Annual Report is a summary of information collected from LMAs responsible for the operation and maintenance of the 1,600 miles of project levees in the State-federal flood protection system.

The summary ratings for the LMAs in Yolo County are listed below. Please note RD 730 is not included in this chart because it does not maintain levees (drainage only). The unacceptable ratings are highlighted.

Each area received one of three possible ratings based on the state of its levees:

- Acceptable (A) – No immediate work required, other than routine maintenance. The food protection project will function as designed and intended with a high degree of reliability, and necessary cyclical maintenance is being performed adequately.
- Minimally Acceptable (M*) – Overall unit threshold percentage is less than 10%; however, U rated miles are present, so the overall unit rating is M* instead of A.
- Minimally Acceptable (M) – One or more deficient conditions exist in the food protection project that needs to be improved or corrected. However, the project will essentially function as designed with a lesser degree of reliability than what the project could provide.
- Unacceptable (U) – One or more deficient conditions exist that may prevent the project from functioning as designed, intended, or required.

DWR Levee Inspections Overall Rating for each LMA

M	Overall Rating <i>A = Acceptable; M = Minimally Acceptable; and U = Unacceptable</i>					Total Levee Miles
	2019	2020	2021	2022	2023	
CSA 6	U	M	M*	M	M*	5.87
KLRDD	A	A	A	A	A	
RD 150	M*	M*	M*	M*	U	17.74
RD 307	U	U	U	U	M	12.39
RD 537	M*	M*	M*	U	U	5.93
RD 785 ⁹	M	M*	M*	M*	M*	5.57
RD 827	M	A	A	A	U	4.12
RD 765	U	U	U	M	M*	1.72
RD 787	A	A	A	U	A	4.45
RD 900	A	A	A	A	M*	12.96
RD 999	M	U	M*	M	M*	32.17
RD 1600	U	M*	M*	M*	U	14.69
RD 2035	A	A	A	A	A	12.15
RD 108 (Colusa)	A	A	A	A	M*	20.92
Sacramento River Westside Levee District (Colusa)	A	A	M*	M*	A	49.64
RD 2068 (Solano)	A	M	M*	M*	M	8.71

Source: Department of Water Resources 2023 Inspection and LMA Report of the Central Valley State-Federal Flood Protection System

Agency Financing

California State Law (California Water Code section 50000 et seq.) grants a RD and drainage districts the authority to use taxes and fees as financing tools to raise money locally to pay for facilities and services. Districts may also charge for provision of water or for other services, including drainage. According to the Public Policy Institute of California (PPIC), RDs may also issue bonds to finance improvements. In addition, districts located in the Delta are eligible to receive reimbursements for flood control work under the Subventions Program and the Delta Levees Program.

Two RDs receive a portion of the 1% Property Tax increment: RD 307 and a portion of RD 537 (for the previous RD 827 territory). The tool most widely used by these districts are special assessments based on the specific benefit each parcel receives from the improvements. Assessments are a levy against district lands that receive special benefits from operation of the district works. Assessments may be used to pay for the design, construction, operation, and maintenance of reclamation works. Assessments are considered a lien against the benefited property, and the property can be sold to pay delinquent assessments. Since Proposition 218 was put into place in 1997, any new or increased assessments may

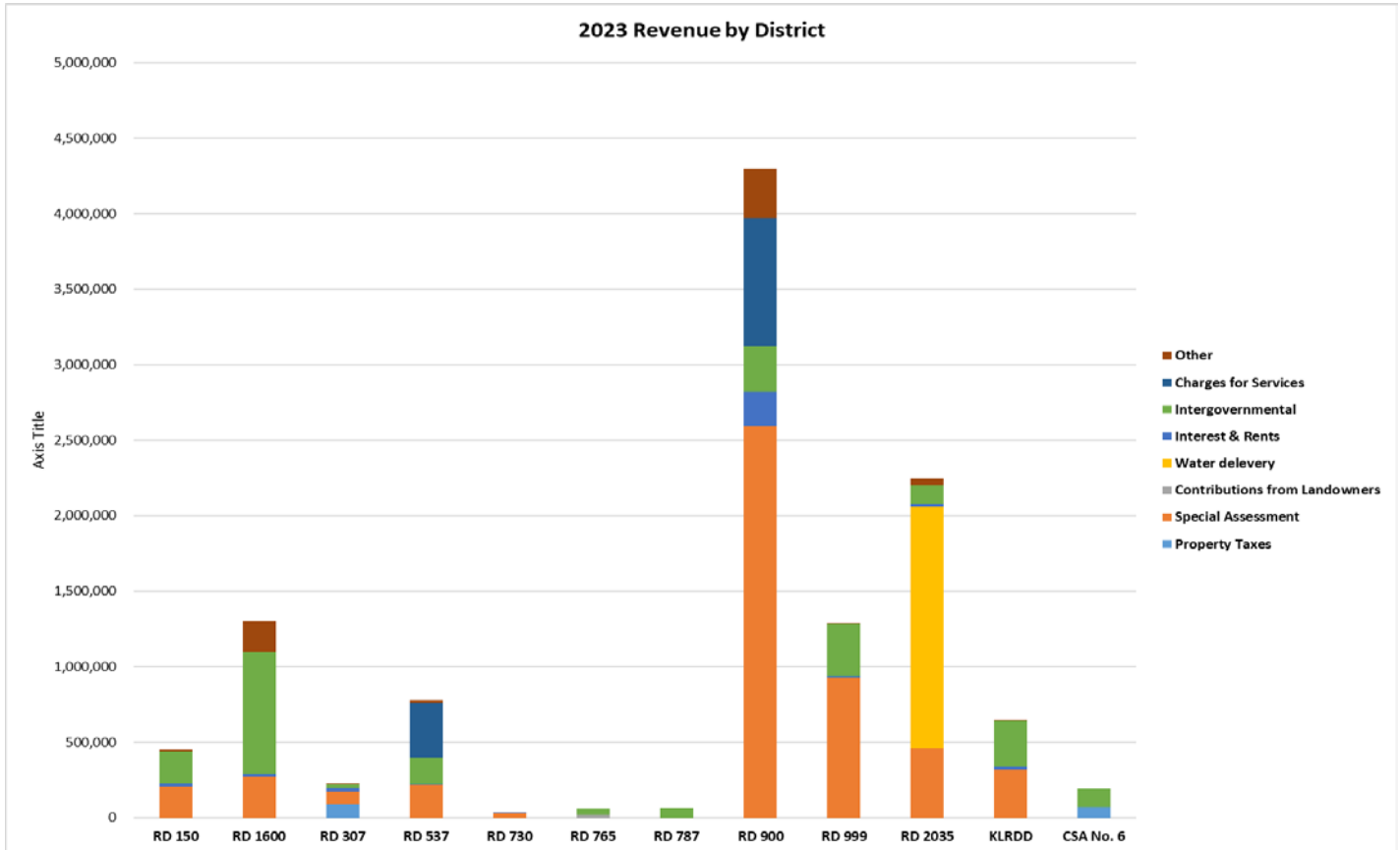
⁹ RD 785 and RD 827 were dissolved by LAFCo and annexed into RD 537, but DWR still maintains separate LMA inspection reports by these old RD territories. However, in Spring 2024 the consolidated RD 537 received an overall M* rating.

be imposed only if proportional to the special benefits provided supported by a detailed engineer’s report, and approved by a majority vote of the affected landowners.

Another financing tool is fees or charges, including minimum and standby charges, for services provided by the RD. The final financing tool is only available to RD 2035 derived from user fees for the irrigation services provided to property owners.

Revenues by District

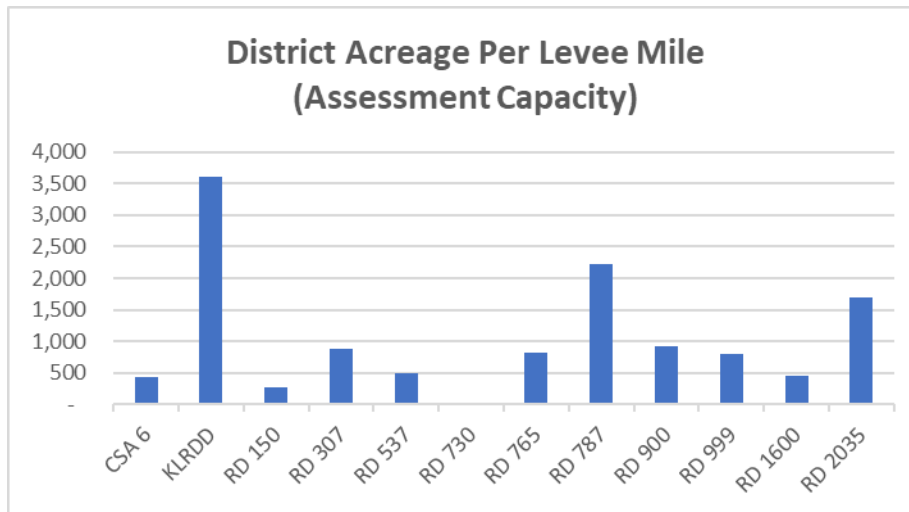
The chart below illustrates the revenues for each of the districts studied in this MSR/SOI. For CSA 6, this does not include the Small Community Flood Risk Reduction Program grant funds to improve the levee system to provide a minimum 100-year level of protection for the Knights Landing Community.



The chart below shows the district expenditures per levee mile according to the 2023 DWR Summary Report:



This chart below compares the size of the district (acres) per levee mile. This is important because it helps illustrate that some districts can spread assessments over a larger area than others. For example, RD 150 is the most limited on the amount of acreage it can assess and has the second highest levee miles to maintain, so its revenue capacity is constrained.



2023/24 MSR Governance Recommendations Overview

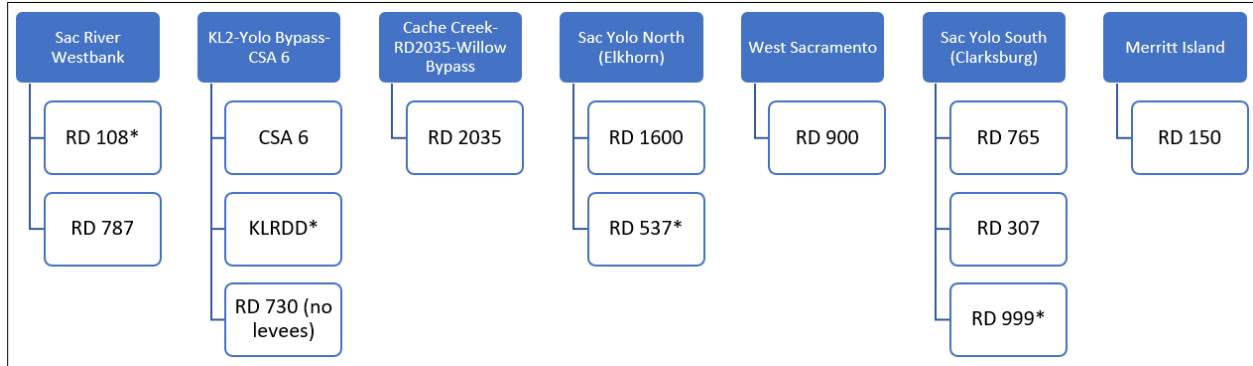
There has been extensive ground laid through the CVFPP, 2014 UC Davis Flood Governance Study, and the 2018 Yolo LAFCo MSR that all indicate the goal of establishing one LMA for each system/basin. Some of this has already been accomplished with the 2020 reorganization of RD 900 in the West Sacramento Basin and the RD 537 reorganization is the Elkhorn Basin.

There are seven USACE levee systems/basins that include special district LMAs under Yolo LAFCo oversight. The key goal for this MSR/SOI is to identify the recommended “single entity” for each system/basin. The DWR Flood System Improvement Branch Chief and staff were consulted and concur

with LAFCo’s governance recommendations¹⁰. DWR operates roughly 300 miles of the 1,600 total levee miles in the State Plan of Flood Control and relies heavily on LMAs, which would benefit from efficiency, shared services, expertise, appropriate size/scale, and borrowing power.

Below is a summary table of the districts in each basin, and the single recommended successor district.

Districts in Each Levee System/Basin



* MSR recommended successor district for each system/basin

Some of these basins are more ready for combining than others. For the Sacramento River West Bank (North County) System, RD 108 is the more robust district in the basin and should eventually absorb RD 787 as the single entity for the basin. However, RD 787 is functioning well and both districts already work closely together, so combining the RDs is not urgent but is the eventual goal.

For the Knights Landing System, KLRDD is the recommended single entity successor agency. However, it is premature to combine CSA 6 and KLRDD at this time due to the Knights Landing Flood Management Project underway to construct new levees and improvements to bring 100-year flood protection to Knights Landing. This recommendation including the timing should be reevaluated in the next MSR/SOI cycle.

For the Sac Yolo North (Elkhorn) System it is premature to combine RD 537 and RD 1600 into a single entity due to the Yolo Bypass Comprehensive Study underway to develop alternatives for the Yolo Bypass east levee that may significantly alter the RD 1600 territory. This issue should be reevaluated in the next MSR/SOI cycle to identify a single entity successor agency.

For the Sac Yolo South (Clarksburg) System, RD 999 is the more robust district in the basin and should absorb RD 307 and RD 765 as the single entity for the basin. The Clarksburg Flood Management Project has not yet received funding; therefore, the timing is appropriate now in 2024. This MSR (and the previous one in 2018) has found RD 307 and RD 765 are not functioning as responsive, accountable, and transparent as government agencies, therefore the timing is relatively more urgent.

ⁱ RD 730 does not maintain levees, only drainage pump stations.

ⁱⁱ RD 785 and RD 827 were dissolved by LAFCo and annexed into RD 537 effective July 2020, but DWR still maintained separate LMA inspection reports per previous RD territories through fall 2023. In spring 2024, DWR consolidated the RD 537 units and gave it an overall M* rating.

¹⁰ Meeting with DWR staff on May 30, 2024.

Sacramento River West Bank (North County Basin) Levee System Overview¹

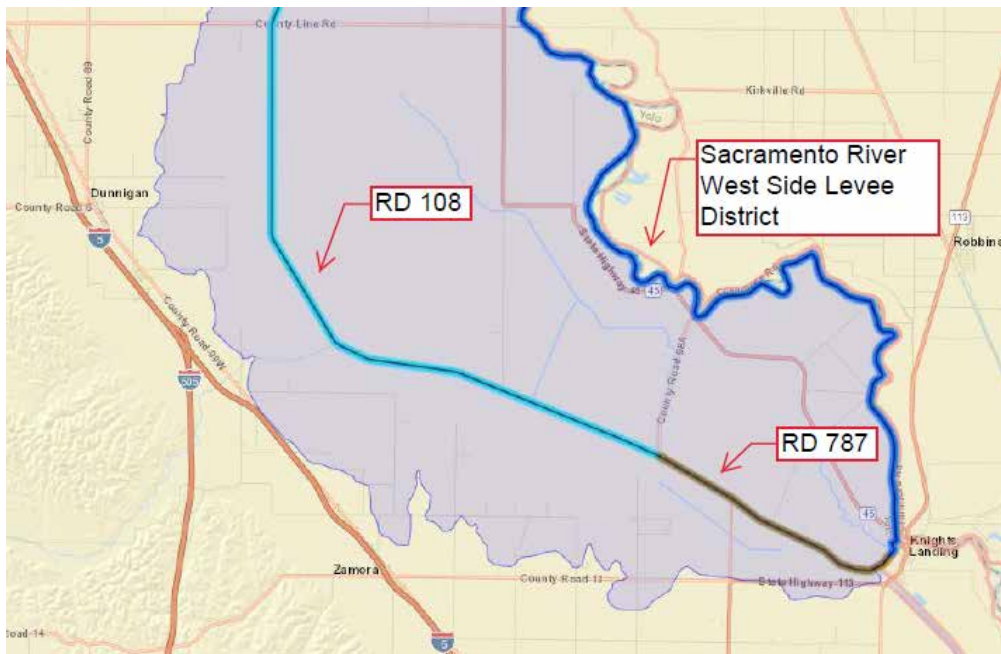
Summary

Sacramento River West Bank is a system of earthen levees spanning multiple counties in the Sacramento River Valley in California. The levee system is 119.72 miles long and contains 8 segments. The eastern portion is made up of five segments along the west bank of the Sacramento River from Ord Bend in Glenn County to Knights Landing in Yolo County. The western portion includes three levee segments along the left bank of Colusa Drain from Colusa to Knight’s Landing. This levee was one of many levees along the Sacramento Valley constructed by local landowners in the late 1800’s to reduce the risk of flooding. The exact date of construction and who specifically built it is not known by the USACE. The levees were completed by 1930s. Flood water rose above the top of the levee and caused the levee to breach, or break open, many times during floods after the 1930s construction. The system was reconstructed by the USACE in the 1940s and 1950s. Since then, additional emergency repairs and improvements have been made to the levee system, including installation of stone protection on the banks and increasing the levee height and width. The City of Colusa is the most populated area behind the levee, compared to the majority of the leveed area which is primarily agricultural.

The Sacramento River West Bank Levee System includes the following Local Maintaining Agencies (LMAs) in Yolo County:

- RD 108 (not part of this MSR because Colusa is its principal county)
- RD 787
- Sacramento River West Side Drainage Levee District (not part of this MSR because Colusa is its principal county)

Sacramento River West Bank Levee System Units and LMAs



The levee system was constructed in 1959 and averages 13 feet in height. Its flooding sources include the Colusa Basin Drainage Canal and Sacramento River.

¹ USACE National Structure Inventory 2023

Performance and Condition

No levee can completely reduce the risk of flooding. This levee is considered moderate risk based on the likelihood of the levee failing and the consequences to the people and property if it were to fail. The levee is in an area that is subject to seasonal flooding. The levee has experienced widespread seepage, or leaking of water through the soils, and erosion, deterioration of the levee soils, because of previous flood events. Water has risen high on the levee during past floods. The foundation soils and soils that were used to build the levee are susceptible to further erosion and can be easily washed away by the fast-moving water expected during flood events. These soils also allow water to seep through them easily. Animal burrows, trees and bushes, discharge pipes, utility poles, and irrigation ditches also provide paths for water to travel through and weaken the levee.

Past flooding events have caused erosion and caving on the levee banks at numerous locations, which make the levee more at risk for failure. It is highly likely that future flood events could result in additional seepage and erosion and increase the potential for a levee breach. If the levee were to break, the northern half of the leveed area (which includes the city of Colusa) would experience shallow flooding, less than 2 feet in depth. South of Colusa, flood water anywhere between 2 and 15 feet deep. The worst of the flooding would occur at the southernmost part of this levee system, near Knight’s Landing, where flooding could be greater than 15 feet deep. The majority of major flooding inside the leveed area would occur in primarily agricultural land.

Historic flooding/levee loading data is shown in the following graphic.

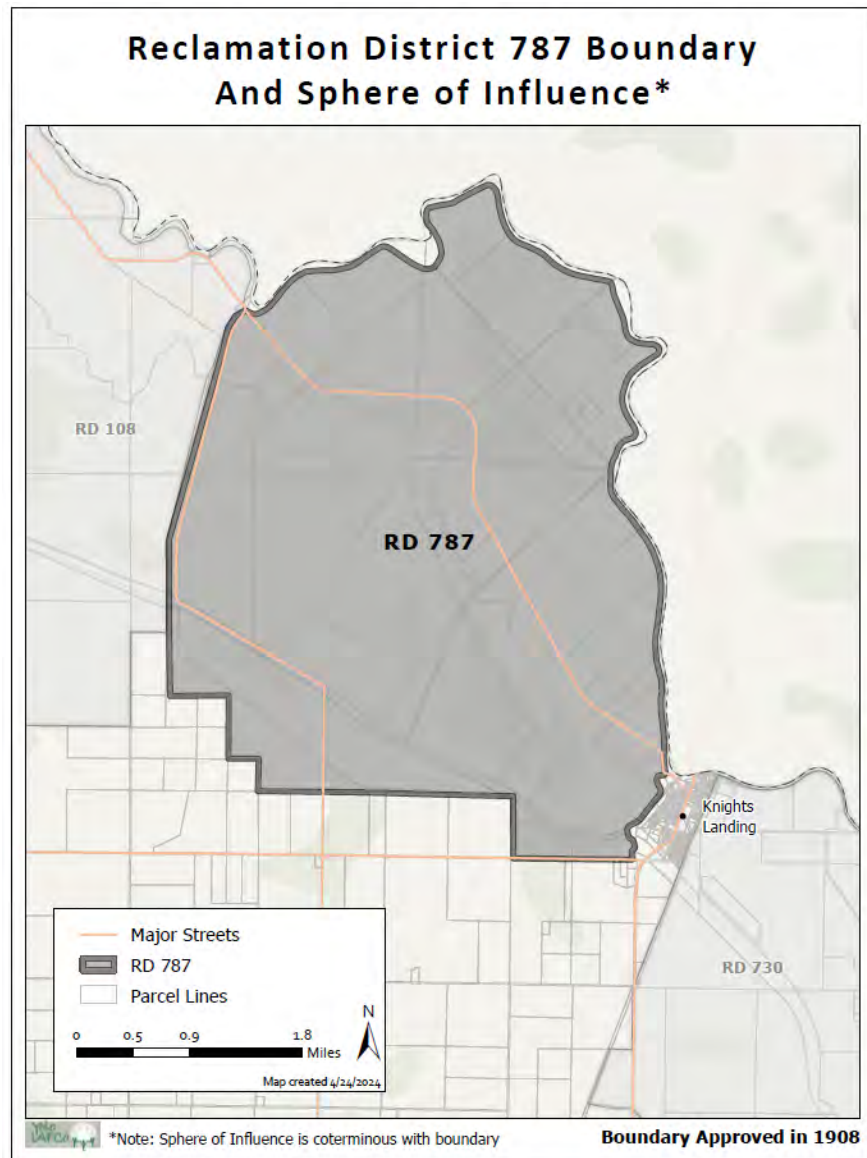


RD 787 AGENCY PROFILE

Formed in 1908, Reclamation District (RD) 787 provides drainage services and levee maintenance for 4.45 levee miles along the Colusa Basin Drain and operates 2 pump stations (with 5 pumps). The District is 9,868 acres in size and is bounded by the Sacramento River to the north and east, the Colusa Basin Drain Canal to the south, and County Road 98A to the west. State Highway 45 and Sycamore Slough bisect the District.

The District has four landowners and costs are apportioned by acreage owned. River Garden Farms Company is the largest landowner (87% of the District) and bears most of the costs. The District has no employees or equipment itself and has an agreement with River Garden Farms for all levee operations and maintenance and equipment needs. The District also contracts for legal and engineering services.

Reclamation District 787 is an independent special district with a three-member board of trustees, which meets annually and calls additional special meetings as needed. Meetings are held at the River Garden Farms office.



MUNICIPAL SERVICE REVIEW

POTENTIALLY SIGNIFICANT MSR DETERMINATIONS

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

- Growth and Population
- Disadvantaged Unincorporated Communities
- Capacity, Adequacy & Infrastructure to Provide Services
- Financial Ability
- Shared Services
- Accountability, Structure, and Efficiencies
- Broadband Access

LAFCO MUNICIPAL SERVICE REVIEW:

- On the basis of this initial evaluation, the required determinations are not significant, and staff recommends that a comprehensive MSR is NOT NECESSARY. The subject agency will be reviewed again in five years per Government Code Section 56425(g).
- The subject agency has significant and/or potentially significant determinations and staff recommends that a comprehensive MSR IS NECESSARY and has been conducted via this checklist.

1. Growth and Population	Significant Issue	Potentially Significant	No Issue
Growth and population projections for the affected area.			
a) <i>Will development and/or population projections over the next 5-10 years impact the subject agency's service needs and demands?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) <i>Do changes in demand suggest a change in the agency's services?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

None.

Growth and Population MSR Determination:

The Sacramento River West Bank levee system that RD 787 is included in has a population of approximately 10,681 permanent residents across a very large levee system spread over 119 miles long. The southern portion including RD 787 is primarily agricultural with only a few residences. Normal fluctuations in rural population will not change current DWR flood protection standards and District levee and drainage services. The more stringent urban level of flood protection standards is not required until the area is developed with 10,000 residents or more, or an urbanizing area that is planned to have 10,000 residents or more within the next 10 years¹. There is no significant growth and population anticipated in the District that will impact the subject agency's service needs and demands.

¹ Code of Federal Regulations Title 44, Section 59.1 and California Government Code Section 65007(l) and (m)

Recommendation(s):

None.

2. Disadvantaged Unincorporated Communities

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

	Significant Issue	Potentially Significant	No Issue
a) <i>If the subject agency provides services related to sewers, municipal and industrial water, or structural fire protection, 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?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) <i>If "yes" to a), it is feasible for the agency to be reorganized such that it can extend service to the disadvantaged unincorporated community? If "no" to a), this question is marked "no" because it is either not needed or not applicable.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

None.

Disadvantaged Unincorporated Communities MSR Determination:

RD 787 does not provide sewers, municipal and industrial water, or structural fire protection. The census tract including RD 787 (that is large due to low population) is designated as a disadvantaged unincorporated community, but the District provides services notwithstanding any communities' economic status².

Recommendation(s):

None.

² CALAFCO Statewide DUCs Refined GIS Layer, RSG, Inc. December 10, 2021

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.

	Significant Issue	Potentially Significant	No Issue
a) <i>Are there any deficiencies in the infrastructure, equipment, and capacity of agency facilities to meet <u>existing</u> service needs for which the agency does not have a plan in place to resolve (including deficiencies created by new state regulations)?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) <i>Are there any issues regarding the agency's capacity and ability to meet the service demand of reasonably foreseeable <u>future</u> needs?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) <i>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?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) <i>Is the agency needing to consider climate adaptation in its assessment of infrastructure/service needs?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

The Department of Water Resources (DWR), under the authority of Water Code Sections 8360, 8370 and 8371, performs a verification inspection of the maintenance of the Sacramento River Flood Control Project (SRFCP) levees performed by the local responsible agencies, and reports to the United States Army Corps of Engineers (USACE) periodically regarding the status of levee maintenance. The State inspects and reports only on the status of maintenance practices and on observable levee conditions.

DWR completes annual spring inspections by May, documenting the location, size, type, and rating of maintenance deficiencies and provides the resulting inspection reports to the LMAs for their use in planning maintenance activities prior to the food season. DWR completes annual fall inspections by November, verifying the status of previously noted deficiencies, as well as any additional deficiencies, that should be corrected to help ensure adequate performance during the food season. LMAs conduct inspections in the winter and summer, completing the requirement to conduct four inspections each year. Project facilities are inspected at least four times each year. DWR compiles this information for use by stakeholders and will report to CVFPB on inspection activities as requested.

DWR gives an overall levee segment rating only during the annual fall inspections. The table below shows the overall rating from 2019-2023. Three possible ratings are given based on the state of its levees:

- Acceptable (A) – No immediate work required, other than routine maintenance. The flood protection project will function as designed and intended with a high degree of reliability, and necessary cyclical maintenance is being performed adequately.
- Minimally Acceptable (M) – One or more deficient conditions exist in the food protection project that needs to be improved or corrected. However, the project will essentially function as designed with a lesser degree of reliability than what the project could provide.
- Unacceptable (U) – One or more deficient conditions exist that may prevent the project from functioning as designed, intended, or required.

RD 787 achieved an acceptable (i.e., the highest) rating, except in 2022. The flood protection project will function as designed and intended with a high degree of reliability, and necessary cyclical maintenance is being performed adequately.

YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

RD Overall Rating 2019-2023

Local Maintaining Agency	Overall Rating <i>A = Acceptable; M = Minimally Acceptable; and U = Unacceptable</i>					Total Levee Miles
	2019	2020	2021	2022	2023	
RD 787	A	A	A	U	A	4.45

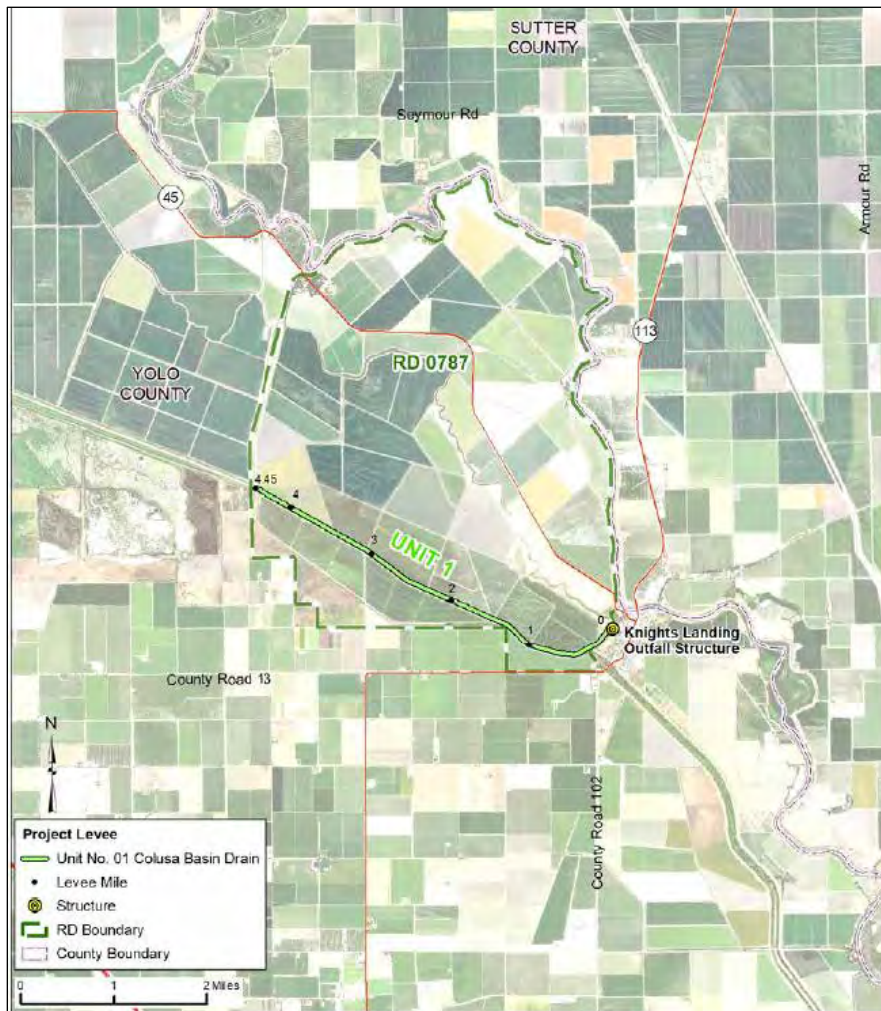
Source: Department of Water Resources 2023 Inspection and LMA Report Table 2-2

* Overall unit threshold percentage is less than 10%; however, U rated miles are present, so the overall unit rating is M instead of A.

RD 787 contains one segment inspected by DWR that also comprises the overall rating. The unit, length, rating is listed in the table and shown in the map below³.

RD Units, Length and DWR Inspection Rating

Unit	Name	Bank	Length (Miles)	DWR Rating
Unit No. 01	Colusa Basin Drain	LB	4.45	A



³ DWR 2023 Sacramento River Individual Agency Summary Reports

DWR Summary of LMA Report

As required by Assembly Bill 156 (Laird, 2007), the California Water Code now requires all Local Levee Maintaining to submit to DWR, by September 30 of each year, specific information relative to the Project Levees they operate and maintain. In turn, DWR is then required to summarize this information in an annual report to the Central Valley Flood Protection Board (CVFPB) by December 31 each year.

The Agency reported accumulation of drift, trash, or debris between LM 0.0 and 4.0, encroachment issues between LM 0.0 and 0.1, sloughing and vegetation issues between LM 0.0 and 4.0. The Agency reported that County Road 112 between district levee and SR 45 is in poor condition and need to be improved in an emergency to aid RD 787. The Agency provided a list of expenses and maintenance activities performed on all levee units. Activities include encroachment control, patrolling, rodent control, surveying and engineering, telemetry maintenance, and vegetation control by spraying and other methods. The reported total maintenance cost for the previous fiscal year was \$65,000. The Agency provided a list of planned expenses and maintenance activities for all levee units. Expenses include the cost of encroachment control, office overhead, patrolling, sediment removal, surveying and engineering, telemetry maintenance and vegetation control by mowing, spraying, tree removal, and other methods. The reported total cost for the current fiscal year is \$100,000 which corresponds to \$22,472 per levee mile.

Spring 2024 DWR Levee Inspection Reports (Maintenance Only, No Rating)⁴

RD 787 was inspected on March 5, 2024. DWR spring inspection reports do not provide an overall rating. The LMA has updated O&M Manuals, adequate flood fighting materials shared with RD 108, and works jointly with RD 108 on flood fight training and flood response.

Summary Table of Spring 2024 Inspection Items

	Items Resolved	Items Not Resolved	Total Items	Notes Regarding Unresolved Items
Unit No. 01	4	0	4	NA
Total %	100%	0%	4	

All the items from the fall 2023 inspection have been corrected and there are no critical issues noted.

USACE Rehabilitation Program Status

RD 787 currently has an “active” status in the USACE PL 84-99 Rehabilitation Program, which means it is eligible for rehabilitation of flood damaged facilities at 100-percent federal cost sharing to pre-disaster condition and level of protection.

Capacity and Adequacy of Public Facilities and Services MSR Determination:

RD 787 has had acceptable ratings from DWR consistently except for 2022. RD 787 transitioned from burning vegetation on the District’s levees to contract grazing in 2022. DWR conducted its 2022 inspection in June, before RD 787’s grazing contractor began providing services. RD 787’s grazing contractor provided grazing services in the early fall, well before the wet season. But the levee maintenance improved significantly in the 2023 inspection and will function as designed and intended with a high degree of reliability. It is remarkable that there are 0% maintenance issues cited by DWR. The reported total cost for the current fiscal year is \$100,000 which corresponds to \$22,472 per levee mile. The 2024 Spring inspection report indicates 100% of the 4 items noted in the Fall 2023 inspection have been corrected.

⁴ https://cdec.water.ca.gov/detailed_reports.html

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Capacity and Adequacy of Public Facilities and Services MSR Recommendations:

- RD 787 should implement any remaining DWR Fall 2023 inspection report recommendations and correct issues itemized in the Spring 2024 inspection report:
 - The LMA should continue to maintain the area at the high level seen during the last inspection.

4. Financial Ability			
Financial ability of agencies to provide services.			
	Significant Issue	Potentially Significant	No Issue
a) <i>Is the subject agency in a stable financial position, i.e. does the 5-year trend analysis indicate any issues?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) <i>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?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) <i>Is the organization's revenue sufficient to fund an adequate level of service, necessary infrastructure maintenance, replacement and/or any needed expansion? Is the fee inconsistent with the schedules of similar local agencies</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) <i>Does the subject agency have a capital improvement plan (CIP)? Has the agency identified and quantified what the possible significant risks and costs of infrastructure or equipment failure? Does the agency have a reserve policy to fund it?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) <i>Does the agency have any debt, and if so, is the organization's debt at an unmanageable level? Does the agency need a clear debt management policy, if applicable?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) <i>Can the subject agency improve its use of generally accepted accounting principles including: summaries of all fund balances, summaries of revenues and expenditures, general status of reserves, and any un-funded obligations (i.e. pension/retiree benefits)? Does the agency have accounting and/or financial policies that guide the agency in how financial transactions are recorded and presented?</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g) <i>Does the agency staff need to review financial data on a regular basis and are discrepancies identified, investigated and corrective action taken in a timely manner? The review may include reconciliations of various accounts, comparing budgets-to-actual, analyzing budget variances, comparing revenue and expense balances to the prior year, etc. If the agency uses Yolo County's financial system and the County Treasury, does the agency review monthly the transactions in the County system to transactions the agency submitted to the County for processing?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
h) <i>Does the agency board need to receive regular financial reports (quarterly or mid-year at a minimum) that provide a clear and complete picture of the agency's assets and liabilities, fully disclosing both positive and negative financial information to the public and financial institutions?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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**RECLAMATION DISTRICT NO. 787
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES**

	2019	2020 ***	2021 ***	2022 ***	2023 ***
Revenue					
Intergovernmental grants	\$ -	\$ 99,395	\$ 51,920	\$ 77,000	\$ 62,808
Total Revenue	-	99,395	51,920	77,000	62,808
Expenditures					
Salaries and benefits	-	40,858	-	2,900	-
Services and supplies	-	82,415	37,388	13,875	-
Total Expenditures	-	123,273	37,388	16,775	-
Net income (loss)	-	(23,878)	14,532	60,225	62,808
Beginning Fund Balance	-	-	(23,878)	(9,346)	50,879
Ending Fund Balances	\$ -	\$ (23,878)	\$ (9,346)	\$ 50,879	\$ 113,687
Fund Balances					
Unassigned	\$ -	\$ (23,878)	\$ (9,346)	\$ 50,879	\$ 113,687
Total Fund Balances	\$ -	\$ (23,878)	\$ (9,346)	\$ 50,879	\$ 113,687
Y-T-Y Change in total Fund Balances					
Amount Increase (Decrease)	\$ -	\$ (23,878)	\$ 14,532	\$ 60,225	\$ 62,808
Percentage Increase (Decrease)			-60.86%	-644.39%	123.45%

*** Data source is from District provided system for fiscal years ended June 30.

Discussion:

The District does not use the County Treasury and has only provided data for fiscal years 2020 through 2023, the last four fiscal years. Fiscal year 2019 data was not provided (River Garden Farms changed ownership which essentially operates the District). The data shows potential instability with the District's finances. There were year-end deficits at the end of 2020 and 2021. Also, expenditures for 2023 have not yet been posted. Fund balance as of June 30, 2023, was \$113,687. RD 787's operations and maintenance expenses have historically been paid by River Garden Farms, which is then reimbursed on an acreage basis by the other landowners within the District. In addition, RD 787 receives funds from intergovernmental sources (DWR Flood Maintenance Assistance Program, or FMAP) which allow the District to undertake additional projects. However, funds must be applied for and as such are not guaranteed. In addition, these revenues often take time to receive after approval temporarily impacting cash flow negatively.

The District has consistently received acceptable levee inspection ratings except for 2022, but it is solely relying on state assistance to maintain the levees. The District does not have a capital improvement plan and indicates it is working on one. The District does not have any debt issues outstanding nor any pension or other postemployment benefits liabilities.

The District can improve its use of generally accepted accounting principles. The District contracts with River Garden Farms for management and administrative services, including accounting. There was a recent change of ownership, and some transition is still taking place. The data provided does include data from fiscal year 2019 and does not include 2023 expenditures which have been delayed being processed. RD 787 should consider adopting a process where unpaid expenditures and revenue due can be accrued so that the District accounting at year end includes all relevant balances conforms to generally accepted accounting principles using the modified accrual basis of accounting. The financials are reviewed at each board of trustees meeting by the trustees and audited as part of River Garden Farms.

Financial Ability MSR Determination:

RD 787 is essentially operated by River Garden Farms which owns 87% of the District. While both entities are sharing services, it also creates some comingling and transparency issues. All accounting and audits

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are part of River Garden Farms. Oddly, the Board of Equalization and State Controller’s Office was unaware that RD 787 existed because Yolo County does not act as the treasurer for the District, so RD 787 didn’t know annual State Controller’s Financial Transaction Reports are required. RD 787 has consistently high DWR inspection ratings, which indicates financial ability to do so. LAFCo’s only concern is that the District’s revenues solely come from the DWR Flood Maintenance Assistance Program (FMAP). While RD 787 does not assess landowners as other districts do, RD 787’s landowners do cooperate and fund the District’s maintenance and operations. River Garden Farms pays for RD 787’s maintenance and operations costs and is reimbursed by the other landowners based on acreage.

Financial Ability Recommendation(s):

- Consider undergoing a proposition 218 preceding to establish a special assessment or bill owners a set amount annually to secure a reliable revenue source and provide a positive cash flow to pay expenditures without relying on the receipt of intergovernmental grants and subventions.
- Adopt a capital improvement plan (CIP) or similar analysis to quantify the possible significant risks, infrastructure costs, or equipment failure to determine what the District fund balance goals should be (and fund accordingly).
- Separate the RD 787 accounts from River Garden Farms so that financial analysis is transparent and accountable.
- Develop procedures for the periodic review of the general ledgers to ensure that all transactions posted to the District’s funds have been authorized and are accurate.
- Begin filing the special district State Controller’s Financial Transaction Reports annually (due 7 months after close of the fiscal year).

5. Shared Services and Facilities

Status of, and opportunities for, shared facilities.

	Significant Issue	Potentially Significant	No Issue
a) <i>Are there any opportunities for the organization to share services or facilities with neighboring, overlapping, or other organizations that are not currently being utilized?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

None.

Shared Services MSR Determination:

RD 787 is hydrologically connected to RD 108 and the Sacramento River West Side Drainage Levee District in the Sacramento River West Side Levee System. The agencies in this levee system already operate under a collective work plan via the SWIF plan. RD 787 participates as members of the California Central Valley Flood Control Association (CCVFCA) and the Westside Committee for the Regional Flood Management Plan. RD 787 already utilizes shared services as it is operated by River Garden Farms, which owns 87% of the District. It overlaps Sacramento River West Side Drainage Levee District, and it is recommended it eventually be subsumed by RD 108.

Recommendation(s):

None.

6. Accountability, Structure, and Efficiencies

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

	Significant Issue	Potentially Significant	No Issue
a) <i>Are there any recommended changes to the organization's governmental structure or operations that will increase accountability and efficiency (i.e. overlapping boundaries that confuse the public, service inefficiencies, and/or higher costs/rates)?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) <i>Does the agency need to secure independent audits of financial reports that meet California State Controller requirements? Are the same auditors used for more than six years? Are audit results <u>not</u> reviewed in an open meeting?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) <i>Is the agency insured or in a risk management pool to manage potential liabilities?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) <i>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?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) <i>Are there any issues with staff capacity and/or turnover? Is there a lack of staff member training regarding the organization's program requirements and financial management?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) <i>Does the agency have adequate policies (as applicable) relating to personnel/payroll, general and administrative, board member and meetings, and segregating financial and accounting duties among staff and/or board to minimize risk of error or misconduct (see suggested policies list)?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) <i>Does the organization need to improve its public transparency via a website (see https://www.yololaftco.org/yolo-local-government-website-transparency-scorecards)?</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Discussion:

The DWR Central Valley Flood Protection Plan and Lower Sacramento River/Delta North Flood Management Plan (2014) included the recommended action step to “Conduct the necessary stakeholder outreach and coordination to develop organizational structure/governance, cost, policy/procedure, training requirements and synchronization to consolidate Local Maintaining Agencies, operations and maintenance, and emergency response activities”. DWR funded the UC Davis Yolo County Flood Governance Study (2014) in collaboration with all the local district stakeholders, which ultimately recommended the “The Hydraulic Basin Approach” that “Yolo County RDs would benefit if each hydraulically connected basin operated as if it were a single entity”.

There are seven USACE levee systems/basins that include special district LMAs under Yolo LAFCo oversight. The key goal for this MSR/SOI is to identify the recommended “single entity” for each system/basin. The DWR Flood System Improvement Branch Chief and staff were consulted and concur with LAFCo’s governance recommendations. DWR operates roughly 300 miles of the 1,600 total levee miles in the State Plan of Flood Control and relies heavily on LMAs, which would benefit from efficiency, shared services, expertise, appropriate size/scale, and borrowing power.

For the Sacramento River West Bank (North County) System, RD 108 is the more robust district in the basin and should eventually absorb RD 787 as the single entity for the basin. RD 787 is currently functioning reasonably well as operated by River Garden Farms. However, with the goal of evolving to one LMA for

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each levee system/hydrologic basin, RD 787 should eventually be absorbed by RD 108 as the much larger district that already operates the Sacramento River West Side ~~Drainage~~ **Levee** District.

All three board member positions are currently filled pursuant to sections 50700 *et seq.* of the California Water Code, and the District is currently transitioning two new members onto the board. The Board of Trustees meets at least once per year at the River Garden Farms office and schedules additional meetings as needed. RD 787 currently obtains services via an agreement with River Garden Farms for staffing needs. RD 787 also contacts with KSN engineers and Downey Brand for legal counsel. There do not appear to be any issues with board or staff turnover.

RD 787 audits are included in the audits for River Garden Farms. It's unknown if RD 787 has written guidelines and procedures for operations and maintenance, and emergencies. RD 787 does not have its own insurance as its employees and offices are covered under River Garden Farms' policies. RD 787 has a website which is an achievement from the 2018 MSR recommendations, but it only received a 23% transparency score in 2023.

Accountability, Structure, and Efficiencies MSR Determination:

RD 787 is currently performing services well as operated by River Garden Farms, which owns 87% of the land within the District. However, the District is essentially run by and comingled with River Garden Farms such that it creates some transparency issues. There do not appear to be any issues with board or staff turnover. RD 787's audits are included in River Garden Farms' audit and its website received a 23% transparency score in 2023. With the goal of evolving to one LMA for each levee system/hydrologic basin, RD 787 should eventually be absorbed by RD 108 as the much larger and resourced district operating in the levee system/basin.

Accountability, Structure, and Efficiencies Recommendation(s):

- For the Sacramento River West Bank (North County) System, RD 108 is the more robust district in the basin and should eventually absorb RD 787 as the single entity for the Yolo County portion of the basin. However, RD 787 is functioning well and both districts already work closely together, so combining the RDs is not urgent but is the eventual goal.
- Secure independent audits of financial reports (separate from River Garden Farms) that meet California State Controller requirements every two years.
- Adopt policies (as applicable) relating to personnel/payroll, general and administrative, board member and meetings, and segregating financial and accounting duties among staff and/or board to minimize risk of error or misconduct.
- Establish a records retention policy to archive important District records.
- Improve the District's 23% website transparency score <https://www.yololafco.org/yolo-local-government-website-transparency-scorecards>.

7. Broadband Access

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

Per Yolo LAFCo Project Policy 6.2 *"it is the intent of Yolo LAFCo to comprehensively review broadband access in MSRs of local agencies that either serve communities and/or provide emergency services where broadband connection is critical (i.e. cities, CSDs, CSAs, FPDs and RDs)."*

	Significant Issue	Potentially Significant	No Issue
a) <i>Is there a lack of high-performance broadband (25/3 Mbps) available in the community?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Discussion:

None.

Broadband Access MSR Determination

RD 787 has varying broadband access depending on location. Near its office, the CPUC California Broadband Availability Map⁵ indicates RD 787 is served with fixed wireless speeds of 50/30 Mbps by AFES (but staff is skeptical). However, there is only mobile service east of SR 45 with speeds up to 43/10 Mbps from T-Mobile or 38/5 Mbps from AT&T. This may meet the minimum broadband speeds, but mobile service is inconsistent across the entire district with many pockets that are unserved. Although the District reports some residents also use Starlink satellite broadband service.

Recommendation(s)

None.

SPHERE OF INFLUENCE STUDY

A Sphere of Influence (SOI) is an area delineated on a map and approved by LAFCo that indicates where potential future agency annexations could be proposed. It is recommended that RD 787 eventually be annexed by RD 108, however, Yolo LAFCo does not have authority to update RD 108's SOI since Colusa is RD 108's principal county. Changes to the RD 787's SOI are not needed.

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.

⁵ <https://www.broadbandmap.ca.gov/>

KL Unit 2–Yolo Bypass–Service Area 6 (Knights Landing Basin) Levee System Overview¹

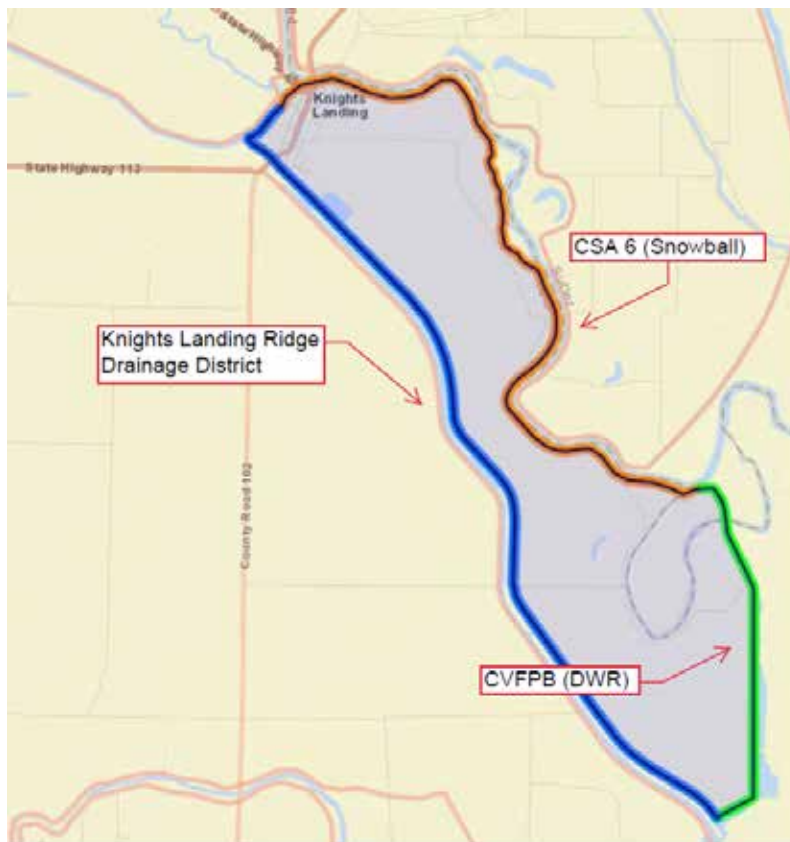
Summary

Knights Landing Unit 2 – Yolo Bypass – Service Area 6 levee system is a portion of the Sacramento River Flood Control Project, a large-scale levee project authorized by Congress. The map of the levee system shows the leveed area, the area which would be prone to flooding in the absence of a levee. Knights Landing Unit 2 – Yolo Bypass – Service Area 6 levee system reduces the risk of flooding for Yolo and Sutter County and adjacent agricultural lands from flood waters in Kings River. A nonurban population and a small number of structures are present within the leveed area. Knights Landing Unit 2 – Yolo Bypass – Service Area 6 levee system is constructed of earthen embankments and requires year-round maintenance. The Central Valley Flood Protection Board is the non-federal sponsor and is the responsible agency for operation and maintenance of the levee system.

The Knights Landing Unit 2 – Yolo Bypass – Service Area 6 Levee System includes the following Local Maintaining Agencies (LMAs):

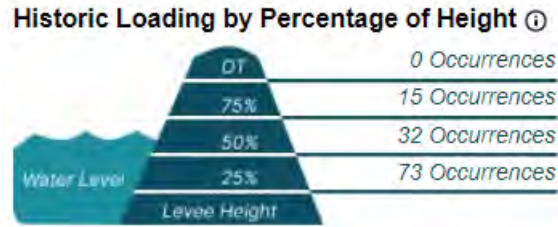
- County Service Area 6
- Knights Landing Ridge Drainage District

Knights Landing Unit 2 – Yolo Bypass – Service Area 6 System Units and LMAs



The levee system was constructed in 1952 and averages 14 feet in height. Its flooding sources include the Colusa Basin Drainage Canal, Knights Landing Ridge Cut, Sacramento River, and the Yolo Bypass. Historic flooding/levee loading data is shown in the following graphic.

¹ USACE National Structure Inventory 2023



Knights Landing Flood Management Project

In 2017, Yolo County received a grant from the California Department of Water Resources (DWR) Small Community Flood Risk Reduction Program (SCFFRP) to complete a feasibility study of structural and non-structural actions that could reduce flood risk to Knights Landing. The County prepared the 2019 Knights Landing Small Community Flood Risk Reduction Feasibility Study. In 2020, the County received additional grant funding from DWR as part of Phase 2 of the SCFFRP to implement the Knights Landing Flood Management Project, which includes four project elements:

1. The design of levee improvements along the Sacramento River adjacent to Knights Landing and the design and permitting of the Knights Landing Ridge Cut levee, and the design and permitting of the Mid-Valley Levee Reconstruction to include the construction of Site 9 & 10.
2. Completion of Phase 1 concepts for Portuguese Bend and Grays Bend Habitat enhancement projects.
3. The design, permitting, and construction of the Drainage Infrastructure Improvements.
4. The design of the New Cross Levee and New Cross Levee Loop Trail.

When the Knights Landing Flood Management Project is completed, it will reduce or prevent flooding to a population of 995, approximately 321 structures, and 3,500 acres of prime agricultural lands.



CSA 6 AGENCY PROFILE

Formed in 1975, Snowball County Service Area 6 (CSA 6) is responsible for providing levee maintenance for 5.87 miles of levee along the right bank (relative to the view downstream) of the Sacramento River, protecting the town of Knights Landing and surrounding agricultural lands within the Knights Landing hydrologic basin. The District does not own any pumps nor provide drainage services. CSA 6 is bounded by the Sacramento River on the east, the Sycamore Slough on the north, the Knights Landing Ridge Cut (“Ridge Cut”) on the west, and the channel of the Old Sacramento River on the south.

Previously, Reclamation District (RD) 730 provided levee maintenance services to this area until 1954, when the State Department of Water Services (DWR) assumed responsibility for the levee system because DWR determined RD 730 was inadequately maintaining it. CSA 6 was formed in August 1975, in response to the rising cost of State services which were annual fees imposed and not subject to a Prop 218 approval process. Reasons for this transition include the State’s concern over its increased maintenance costs; fear from local owners that these costs would result in higher fees, taxes, or assessments; and the County’s belief that it could provide comparable services at a lower price.

CSA 6 is under the direct supervision of the Yolo County Board of Supervisors and County staff administer the District. The Natural Resources Division has administered CSA-6 since 2016.



MUNICIPAL SERVICE REVIEW

POTENTIALLY SIGNIFICANT MSR DETERMINATIONS

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

- Growth and Population
- Disadvantaged Unincorporated Communities
- Capacity, Adequacy & Infrastructure to Provide Services
- Financial Ability
- Shared Services
- Accountability, Structure, and Efficiencies
- Broadband Access

LAFCO MUNICIPAL SERVICE REVIEW:

- On the basis of this initial evaluation, the required determinations are not significant, and staff recommends that a comprehensive MSR is NOT NECESSARY. The subject agency will be reviewed again in five years per Government Code Section 56425(g).
- The subject agency has significant and/or potentially significant determinations and staff recommends that a comprehensive MSR IS NECESSARY and has been conducted via this checklist.

1. Growth and Population	Significant Issue	Potentially Significant	No Issue
Growth and population projections for the affected area.			
a) <i>Will development and/or population projections over the next 5-10 years impact the subject agency’s service needs and demands?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) <i>Do changes in demand suggest a change in the agency’s services?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

None.

Growth and Population MSR Determination:

The Knights Landing Unit 2 – Yolo Bypass – Service Area 6 levee system (Knights Landing Levee System) that CSA 6 is included in has a population of approximately 1,192 permanent residents. Normal fluctuations in rural population will not change current DWR flood protection standards and District levee and drainage services. The more stringent urban level of flood protection standards is not required until the area is developed with 10,000 residents or more, or an urbanizing area that is planned to have 10,000 residents or more within the next 10 years¹. There is no significant growth and population anticipated in the District that will impact the subject agency’s service needs and demands.

¹ Code of Federal Regulations Title 44, Section 59.1 and California Government Code Section 65007(l) and (m)

Growth and Population Recommendation(s):

None.

2. Disadvantaged Unincorporated Communities

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

	Significant Issue	Potentially Significant	No Issue
a) <i>If the subject agency provides services related to sewers, municipal and industrial water, or structural fire protection, 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?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) <i>If "yes" to a), it is feasible for the agency to be reorganized such that it can extend service to the disadvantaged unincorporated community? If "no" to a), this question is marked "no" because it is either not needed or not applicable.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

None.

Disadvantaged Unincorporated Communities MSR Determination:

CSA 6 does not provide sewers, municipal and industrial water, or structural fire protection. Knights Landing is a disadvantaged unincorporated community within CSA 6, but the District provides services notwithstanding any communities' economic status².

Disadvantaged Unincorporated Communities Recommendation(s):

None.

² CALAFCO Statewide DUCs Refined GIS Layer, RSG, Inc. December 10, 2021

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.

	Significant Issue	Potentially Significant	No Issue
a) <i>Are there any deficiencies in the infrastructure, equipment, and capacity of agency facilities to meet <u>existing</u> service needs for which the agency does not have a plan in place to resolve (including deficiencies created by new state regulations)?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) <i>Are there any issues regarding the agency's capacity and ability to meet the service demand of reasonably foreseeable <u>future</u> needs?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) <i>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?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) <i>Is the agency needing to consider climate adaptation in its assessment of infrastructure/service needs?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

The Department of Water Resources (DWR), under the authority of Water Code Sections 8360, 8370 and 8371, performs a verification inspection of the maintenance of the Sacramento River Flood Control Project (SRFCP) levees performed by the local responsible agencies, and reports to the United States Army Corps of Engineers (USACE) periodically regarding the status of levee maintenance. The State inspects and reports only on the status of maintenance practices and on observable levee conditions.

DWR completes annual spring inspections by May, documenting the location, size, type, and rating of maintenance deficiencies and provides the resulting inspection reports to the LMAs for their use in planning maintenance activities prior to the food season. DWR completes annual fall inspections by November, verifying the status of previously noted deficiencies, as well as any additional deficiencies, that should be corrected to help ensure adequate performance during the food season. LMAs conduct inspections in the winter and summer, completing the requirement to conduct four inspections each year. Project facilities are inspected at least four times each year. DWR compiles this information for use by stakeholders and will report to CVFPB on inspection activities as requested.

DWR gives an overall levee segment rating only during the annual fall inspections. The table below shows the overall rating from 2019-2023. Three possible ratings are given based on the state of its levees:

- Acceptable (A) – No immediate work required, other than routine maintenance. The flood protection project will function as designed and intended with a high degree of reliability, and necessary cyclical maintenance is being performed adequately.
- Minimally Acceptable (M) – One or more deficient conditions exist in the food protection project that needs to be improved or corrected. However, the project will essentially function as designed with a lesser degree of reliability than what the project could provide.
- Unacceptable (U) – One or more deficient conditions exist that may prevent the project from functioning as designed, intended, or required.

Ratings for CSA 6 have achieved minimally acceptable ratings the last four years. The flood protection will essentially function as designed with a lesser degree of reliability than what the project could provide.

YOLO LAFCo MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

RD Overall Rating 2019-2023

Local Maintaining Agency	Overall Rating <i>A = Acceptable; M = Minimally Acceptable; and U = Unacceptable</i>					Total Levee Miles
	2019	2020	2021	2022	2023	
CSA 6	U	M	M*	M	M*	5.87

Source: Department of Water Resources 2023 Inspection and LMA Report Table 2-2

* Overall unit threshold percentage is less than 10%; however, U rated miles are present, so the overall unit rating is M instead of A.

CSA 6 contains one segment inspected by DWR. The unit, length, rating is listed in the table and shown in the map below³.

RD Units, Length and DWR Inspection Rating

Unit	Name	Bank	Length (Miles)	DWR Rating
Unit No. 01	Sacramento River	RB	5.87	M*



³ DWR 2023 Sacramento River Individual Agency Summary Reports

DWR Summary of LMA Report

As required by Assembly Bill 156 (Laird, 2007), the California Water Code now requires all Local Levee Maintaining to submit to DWR, by September 30 of each year, specific information relative to the Project Levees they operate and maintain. In turn, DWR is then required to summarize this information in an annual report to the Central Valley Flood Protection Board (CVFPB) by December 31 each year. For 2023, CSA 6 (“The Agency”) reported erosion with a 30-foot vertical face encroaching into the levee prism approximately 800 feet long from levee mile (LM) 5.82 to LM 5.97 (located in Sutter County, whose landowners do not contribute to CSA-6 via ad velorum tax), seepage from LM 2.61 to LM 2.71, LM 3.12 to LM 3.31, seepage and stability concerns from LM 4.3 to LM 5.36, stability concerns during high-water events due to the levee being composed of very sandy soils from LM 0.00 to LM 5.87, and vegetation that do not appear to be compliant with current standards between LM 4.0 and 5.0. The Agency reported levee erosion and burrow holes throughout the entire levee reach between LM 0.00 and LM 5.87, a historic boil located behind the Knights Landing Post Office at LM 0.5, seepage between LM 2.6 and LM 5.4, and seepage during 2023 high water events at the edge of waterside berm. The Agency provided a list of expenses and maintenance activities performed on all levee units. Activities include encroachment control, minor structure repair, patrolling, rodent control, and vegetation control. The reported total maintenance cost for the previous fiscal year was \$140,400). Expenses include the cost of encroachment control, rodent control, and vegetation control. The Agency reported that new construction of a 1,000 and 1,100 linear foot seepage cutoff wall, regrading of the levee crown and slope, and placement of aggregate base on the levee crown completed in July 2023. The reported total cost for the current fiscal year is \$97,500, which corresponds to \$16,610 per levee mile (costs as reported by DWR do not include the separate Small Community Flood Risk Reduction Program funds).

Spring 2024 DWR Levee Inspection Reports (Maintenance Only, No Rating)⁴

CSA 6 was inspected on March 21, 2024. DWR spring inspection reports do not provide an overall rating. The LMA has copies of the O&M Manuals, a stockpile of flood fighting materials, and the crew has had flood fight training.

Summary Table of Spring 2024 Inspection Items

	Items Resolved	Items Not Resolved	Total Items	Notes Regarding Unresolved Items
Unit No. 01	29	1	30	Tree stump (mi 0.29)
Total %	29 (97%)	1 (3%)	30	

There is only one unresolved item, which is merely removal of old tree stump DWR wants removed.

Small Community Flood Risk Reduction Program (SCFRRP)

Created as a result of the adoption of the 2012 Central Valley Flood Protection Plan (CVFPP), the SCFRRP is a local assistance program whose objective is to reduce flood risk for small communities protected by State Plan of Flood Control facilities, as well as for legacy communities. Small communities are defined in the CVFPP as developed areas with between 200 and 10,000 residents. As part of this Program, Yolo County completed the Knights Landing Flood Risk Reduction Program Phase 1 Feasibility Study in 2019 that identified areas of seepage and stability concerns and a plan to improve the levee system to provide a minimum 100-year level of protection for the Knights Landing Community.

Subsequently, Yolo County applied for and received additional funding in the amount of \$15.9 million, plus a \$1.6 million local match, to construct two critical repairs of the Sacramento River levee in CSA 6 (Mid Valley Sites 9 and 10), to complete design of a third reach of levee (Site 11), and complete geotechnical evaluations and preliminary design for improvements to the remainder of the basin. As of June 2024, the

⁴ https://cdec.water.ca.gov/detailed_reports.html

YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

SCFRRP funding has completed construction of Mid Valley Sites 9 and 10, final design and permits for Site 11, and preliminary design, including CEQA, for the remainder of the proposed repairs/improvements within the Knights Landing basin. These efforts have also resulted in a FEMA Hazard Mitigation Grant Program application that has received preliminary approval to provide an additional \$40.5 million of grant funding to complete design and construction of all remaining phases.

USACE Rehabilitation Program Status

CSA 6 currently has an “active” status in the USACE PL 84-99 Rehabilitation Program, which means it is eligible for rehabilitation of flood damaged facilities at 100-percent federal cost sharing to pre-disaster condition and level of protection.

Capacity and Adequacy of Public Facilities and Services MSR Determination:

CSA 6 has significantly improved its maintenance compared to the 2018 MSR with minimally acceptable ratings the last four years. The flood protection will essentially function as designed with a lesser degree of reliability than what the project could provide. Improvements were noted from 2022 to 2023 with some minimal vegetation and encroachment issues. The Agency reported that new construction of a 1,000 and 1,100 linear foot seepage cutoff wall, regrading of the levee crown and slope, and placement of aggregate base on the levee crown completed in July 2023. The reported total cost for the current fiscal year is \$97,500, which corresponds to \$16,610 per levee mile, however, the costs as reported by DWR do not include the separate Small Community Flood Risk Reduction Program (SCFRRP) funds. The 2024 Spring inspection report indicates 97% of the items noted in the Fall 2023 inspection have been corrected.

In addition, as of June 2024 the SCFRRP funding has completed construction of Mid Valley Sites 9 and 10, final design and permits for Site 11, and preliminary design, including CEQA, for the remainder of the proposed repairs/improvements within the Knights Landing basin. These efforts have also resulted in a FEMA Hazard Mitigation Grant Program application that has received preliminary approval to provide an additional \$40.5 million of grant funding to complete design and construction of all remaining phases.

Capacity and Adequacy of Public Facilities and Services MSR Recommendations:

- CSA 6 should implement any remaining DWR Fall 2023 inspection report recommendations and correct issues itemized in the Spring 2024 inspection report:
 - The LMA should focus more on controlling vegetation to maintain visibility and access.
 - The LMA should continue to maintain the area at the high level seen during the last inspection.

4. Financial Ability				
Financial ability of agencies to provide services.				
	Significant Issue	Potentially Significant	No Issue	
a) <i>Is the subject agency in a stable financial position, i.e. does the 5-year trend analysis indicate any issues?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
b) <i>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?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
c) <i>Is the organization’s revenue sufficient to fund an adequate level of service, necessary infrastructure maintenance, replacement and/or any needed expansion? Is the fee inconsistent with the schedules of similar local agencies</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
d) <i>Does the subject agency have a capital improvement plan (CIP)? Has the agency identified and quantified what the possible significant risks and costs of infrastructure or equipment failure? Does the agency have a reserve policy to fund it?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

e) *Does the agency have any debt, and if so, is the organization's debt at an unmanageable level? Does the agency need a clear debt management policy, if applicable?*

f) *Can the subject agency improve its use of generally accepted accounting principles including: summaries of all fund balances, summaries of revenues and expenditures, general status of reserves, and any un-funded obligations (i.e. pension/retiree benefits)? Does the agency have accounting and/or financial policies that guide the agency in how financial transactions are recorded and presented?*

g) *Does the agency staff need to review financial data on a regular basis and are discrepancies identified, investigated and corrective action taken in a timely manner? The review may include reconciliations of various accounts, comparing budgets-to-actual, analyzing budget variances, comparing revenue and expense balances to the prior year, etc. If the agency uses Yolo County's financial system and the County Treasury, does the agency review monthly the transactions in the County system to transactions the agency submitted to the County for processing?*

h) *Does the agency board need to receive regular financial reports (quarterly or mid-year at a minimum) that provide a clear and complete picture of the agency's assets and liabilities, fully disclosing both positive and negative financial information to the public and financial institutions?*

Discussion:

The District appears to be financially stable but is dependent on the receipt of other grants for maintenance and improvements to the levees. The District's revenue consists of special assessments, earnings, intergovernmental revenue, and miscellaneous revenue. Over the past 5 years special assessments were 31% of annual revenues and intergovernmental revenues comprised 68%. Overall total fund balance has increased by \$47,369, from \$221,245 as of July 1, 2019, to \$268,614 as of June 30, 2023. There may be an issue with the adequacy of fund balance and having sufficient cash on hand to manage an unanticipated levee failure. Although CSA 6 qualifies for an 100% cost share from the USACE, it takes time for federal reimbursements to come in and that funding gap needs to be managed.

The special assessments are enrolled on the County's tax roll and are subject to proposition 218. The District's revenue most reliable source is from special assessments, while the intergovernmental revenue may not be. The intergovernmental revenue is not guaranteed and are subject to change based on policy changes of the grantor agencies.

The District received an overall rating of M for as part of the Department of Water Resources Fall 2023 inspection. The M rating was first received for the 2020 inspection which was the first year the CSA started to receive funding from the State. It appears the CSA may be dependent on State funding to maintain the levees to a satisfactory standard.

The District does not have a formal CIP plan as it has no capital assets, but instead uses the System Wide Improvement Framework (SWIF) plan for maintenance of its levees and the SCFRRP for rehabilitation and repair of its levee deficiencies. Many deficiencies have been corrected through implementation of the Phase 1 of the Knights Landing Flood Risk Reduction project, funded by DWR.

YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

**COUNTY SERVICE AREA NO. 6 (Operations & Maintenance)
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES**

	2019	2020	2021	2022	2023
Revenue					
Property taxes and other related revenue	\$ 51,512	\$ 53,324	\$ 57,345	\$ 60,841	\$ 68,505
Interest	6,397	3,687	(1,122)	(6,401)	2,371
Intergovernmental grants	-	309,986	15,433	201,521	120,363
Other revenue	2,787	-	-	1	-
Total Revenue	60,696	366,997	71,656	255,962	191,239
Expenditures					
Services and supplies	51,970	159,652	169,176	72,181	159,225
Capital outlay	-	240,637	-	46,340	-
Total Expenditures	51,970	400,289	169,176	118,521	159,225
Net income (loss)	8,726	(33,292)	(97,520)	137,441	32,014
Beginning Fund Balance	221,245	229,971	196,679	99,159	236,600
Ending Fund Balances	\$ 229,971	\$ 196,679	\$ 99,159	\$ 236,600	\$ 268,614
Fund Balances					
Unassigned	\$ 229,971	\$ 196,679	\$ 99,159	\$ 236,600	\$ 268,614
Total Fund Balances	\$ 229,971	\$ 196,679	\$ 99,159	\$ 236,600	\$ 268,614
Y-T-Y Change in total Fund Balances					
Amount Increase (Decrease)	\$ 8,726	\$ (33,292)	\$ (97,520)	\$ 137,441	\$ 32,014
Percentage Increase (Decrease)	3.94%	-14.48%	-49.58%	138.61%	13.53%

**COUNTY SERVICE AREA NO. 6 (Capital Project Fund)
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES**

	2019	2020	2021	2022	2023
Revenue					
Interest	\$ -	\$ -	\$ (2,253)	\$ 8,449	\$ 58,429
Intergovernmental grants	-	-	354,385	3,043,951	3,218,462
Other revenue	-	-	-	-	50,000
Net transfers in	-	-	1,522,000	-	228,000
Total Revenue	-	-	1,874,132	3,052,400	3,554,891
Expenditures					
Services and supplies	-	-	5,058	-	56,764
Capital outlay	-	-	665,090	3,085,893	7,762,948
Total Expenditures	-	-	670,148	3,085,893	7,819,712
Net income (loss)	-	-	1,203,984	(33,493)	(4,264,821)
Beginning Fund Balance	-	-	-	1,203,984	1,170,491
Ending Fund Balances	\$ -	\$ -	\$ 1,203,984	\$ 1,170,491	\$ (3,094,330)
Fund Balances					
Restricted	\$ -	\$ -	\$ 1,203,984	\$ 1,170,491	\$ -
Unassigned	\$ -	\$ -	\$ -	\$ -	\$ (3,094,330)
Total Fund Balances	\$ -	\$ -	\$ 1,203,984	\$ 1,170,491	\$ (3,094,330)
Y-T-Y Change in total Fund Balances					
Amount Increase (Decrease)	\$ -	\$ -	\$ 1,203,984	\$ (33,493)	\$ (4,264,821)
Percentage Increase (Decrease)	0.00%	0.00%	100.00%	-2.78%	-364.36%

YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

Yolo County applied for and received additional funding in the amount of \$15.9 million, plus a \$1.6 million local match, to construct two critical repairs of the Sacramento River levee in CSA 6 (Mid Valley Sites 9 and 10), to complete design of a third reach of levee (Site 11), and complete geotechnical evaluations and preliminary design for improvements to the remainder of the basin. As of June 2024, the SCFRRP funding has completed construction of Mid Valley Sites 9 and 10, final design and permits for Site 11, and preliminary design, including CEQA, for the remainder of the proposed repairs/improvements within the Knights Landing basin. These efforts have also resulted in a FEMA Hazard Mitigation Grant Program application that has received preliminary approval to provide an additional \$40.5 million of grant funding to complete design and construction of all remaining phases.

The accounting for the \$15.9M SCFRRP grant is maintained in a separate capital project fund (CPF). As of June 30, 2023, the County has transferred the required county match into the CPF, however the fund had a fund deficit of over \$3M and a negative cash balance of \$4M. These deficit balances have occurred for two reasons: 1) District staff did not accrue grant revenue in the amount of \$2.987M as of June 30, 2023 and 2) There was not a discussion with County Treasury staff on how to manage negative cash flows due to the slow grant reimbursement process.

The District does not have any debt nor any pension or other post-employment benefits liabilities. Budget reports of the CSA are provided quarterly to the BOS and annual snapshots are provided twice per year (June/October).

Financial Ability MSR Determination:

CSA 6 is financially stable and able to provide its services. However, outside funding comprises roughly two-thirds of its revenue and appears necessary to achieve “minimally acceptable” ratings from DWR. CSA 6 does not have any debt and is financially accountable. Although CSA 6 qualifies for a 100% cost share from the USACE in the case of a catastrophic levee failure, it takes time for federal reimbursements to come in and that funding gap needs to be managed. Yolo County applied for and received additional funding in the amount of \$15.9 million, plus a \$1.6 million local match, to construct two critical repairs of the Sacramento River levee in CSA 6 (Mid Valley Sites 9 and 10), to complete design of a third reach of levee (Site 11), and complete geotechnical evaluations and preliminary design for improvements to the remainder of the basin. These efforts have also resulted in a FEMA Hazard Mitigation Grant Program application that has received preliminary approval to provide an additional \$40.5 million of grant funding to complete design and construction of all remaining phases. CSA 6 plans to initiate a Prop 218 process to fund maintenance of the newly constructed SCFRRP projects.

Financial Ability Recommendation(s):

- To ensure accurate year-end balances, CSA 6 staff should work with County Department of Financial Services to record all relevant material balances.
- CSA staff should work with County Treasury staff to come up with a plan to manage the capital project fund cash flow.

5. Shared Services and Facilities

Status of, and opportunities for, shared facilities.

	Significant Issue	Potentially Significant	No Issue
a) <i>Are there any opportunities for the organization to share services or facilities with neighboring, overlapping, or other organizations that are not currently being utilized?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

None.

YOLO LAFCo MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

Shared Services MSR Determination:

CSA 6 is hydrologically connected to the Knights Landing Ridge Cut Drainage District (KLRDD) and the State Department of Water Resources in the Knights Landing Levee System. The agencies in this levee system already operate under a collective work plan via the SWIF plan.

Yolo County and its staff participates as members of the Yolo Groundwater Sustainability Agency, California Central Valley Flood Control Association (CCVFCA), the Lower Sacramento River-Delta North Regional Flood Management Program, the Yolo Bypass / Cache Slough Partnership, and quarterly coordinating meetings with all other levee maintaining agencies within the County.

Recommendation(s):

None.

6. Accountability, Structure, and Efficiencies

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

	Significant Issue	Potentially Significant	No Issue
a) <i>Are there any recommended changes to the organization's governmental structure or operations that will increase accountability and efficiency (i.e. overlapping boundaries that confuse the public, service inefficiencies, and/or higher costs/rates)?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) <i>Does the agency need to secure independent audits of financial reports that meet California State Controller requirements? Are the same auditors used for more than six years? Are audit results <u>not</u> reviewed in an open meeting?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) <i>Is the agency insured or in a risk management pool to manage potential liabilities?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) <i>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?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) <i>Are there any issues with staff capacity and/or turnover? Is there a lack of staff member training regarding the organization's program requirements and financial management?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) <i>Does the agency have adequate policies (as applicable) relating to personnel/payroll, general and administrative, board member and meetings, and segregating financial and accounting duties among staff and/or board to minimize risk of error or misconduct (see suggested policies list)?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) <i>Does the organization need to improve its public transparency via a website (see https://www.yololaftco.org/yolo-local-government-website-transparency-scorecards)?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

There are recommended changes to the governmental structure to improve operational efficiencies for the Knights Landing Basin. The DWR Central Valley Flood Protection Plan and Lower Sacramento River/Delta North Flood Management Plan (2014) included the recommended action step to "Conduct the necessary stakeholder outreach and coordination to develop organizational structure/governance, cost, policy/procedure, training requirements and synchronization to consolidate Local Maintaining Agencies,

operations and maintenance, and emergency response activities". DWR funded the UC Davis Yolo County Flood Governance Study (2014) in collaboration with all the local district stakeholders, which ultimately recommended the "The Hydraulic Basin Approach" that "Yolo County RDs would benefit if each hydraulically connected basin operated as if it were a single entity".

There are seven USACE levee systems/basins that include special district LMAs under Yolo LAFCo oversight. The key goal for this MSR/SOI is to identify the recommended "single entity" for each system/basin. The DWR Flood System Improvement Branch Chief and staff were consulted and concur with LAFCo's governance recommendations. DWR operates roughly 300 miles of the 1,600 total levee miles in the State Plan of Flood Control and relies heavily on LMAs, which would benefit from efficiency, shared services, expertise, appropriate size/scale, and borrowing power.

For the Knights Landing System, KLRDD is the recommended single entity successor agency. However, it is premature to combine CSA 6 and KLRDD at this time due to the Knights Landing Flood Management Project underway to construct new levees and improvements to bring 100-year flood protection to Knights Landing. This recommendation including the timing should be reevaluated in the next MSR/SOI cycle. Additionally, there is a portion of levee along the Sacramento River that lies within Sutter County for which CSA 6 is unable to collect any revenues from or perform any maintenance on but is shown as the Levee Maintaining Agency in the State and Federal records. KLRDD can annex this additional territory in Sutter County (while CSA 6 cannot) and collect assessments in both counties.

The Board of Supervisors serves as the Board of Trustees for CSA 6 and Yolo County staff operates the district. Therefore, there are no issues with board or staff turnover.

CSA 6 has written guidelines and procedures for operations and maintenance, and emergencies. It has insurance coverage through YCPARMIA. CSA audits are included in Yolo County's ACFR. The CSA's financial transactions are processed by County staff and are subject to all the County's accounting and financial reporting policies. CSA 6 information is provided as a page on the Yolo County website (that received a 90% transparency score in 2023).

Accountability, Structure, and Efficiencies MSR Determination:

CSA 6 is currently functioning well as operated by Yolo County. With the goal of evolving to one LMA for each levee system/hydrologic basin, KLRDD is preliminarily recommended as the single entity successor agency. However, it is premature to combine CSA 6 and KLRDD at this time due to the Knights Landing Flood Management Project underway to construct new levees and improvements to bring 100-year flood protection to Knights Landing, plus the need for ongoing maintenance funding. This recommendation including the timing should be reevaluated in the next MSR/SOI cycle. The Board of Supervisors serves as the board of CSA 6, and therefore, there are no issues with board or staff turnover. Audits are included in the Yolo County annual audit reports. CSA 6 information is provided as a page on the Yolo County website (that received a 90% transparency score in 2023).

Accountability, Structure, and Efficiencies Recommendation(s):

- For the Knights Landing System, KLRDD is the recommended single entity successor agency. However, it is premature to combine CSA 6 and KLRDD at this time due to the Knights Landing Flood Management Project underway to construct new levees and improvements to bring 100-year flood protection to Knights Landing. This recommendation including the timing should be reevaluated in the next MSR/SOI cycle once CSA 6's levees and assessments are brought up to standard.

7. Broadband Access

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

Per Yolo LAFCo Project Policy 6.2 *“it is the intent of Yolo LAFCo to comprehensively review broadband access in MSRs of local agencies that either serve communities and/or provide emergency services where broadband connection is critical (i.e. cities, CSDs, CSAs, FPDs and RDs).”*

	Significant Issue	Potentially Significant	No Issue
a) <i>Is there a lack of high-performance broadband (25/3 Mbps) available in the community?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Discussion:

None.

Broadband Access MSR Determination

CSA 6 has varying broadband access depending on location. In the town of Knights Landing there is fiber broadband capable of 1 gig speeds from Astound. In the southern portion of the district outside of town, the CPUC California Broadband Availability Map⁵ indicates CSA 6 is served with fixed wireless speeds of 50/30 Mbps by AFES (but staff is skeptical). This may meet the minimum broadband speeds, but mobile service can be inconsistent.

Recommendation(s)

None.

SPHERE OF INFLUENCE STUDY

A Sphere of Influence (SOI) is an area delineated on a map and approved by LAFCo that indicates where potential future agency annexations could be proposed. There are not changes to CSA 6 boundaries recommended in this MSR. Therefore, changes to the District’s SOI are not needed.

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.

⁵ <https://www.broadbandmap.ca.gov/>

Knights Landing Ridge Drainage District Agency Profile

Formed in 1913, the Knights Landing Ridge Drainage District (KLRDD) provides levee maintenance for 12.39 miles of levee constructed as part of the Knights Landing Ridge Cut (“Ridge Cut”). It does not operate any pumping stations or provide ag water. The District is 44,807 acres in size and has approximately 450 landowners (300 in Yolo and 150 in Colusa counties) and was formed primarily to construct the Ridge Cut which was completed in 1916. The Ridge Cut, along with the Colusa Basin Drainage Canal, provides a gravity drainage outlet for the Colusa Basin.

The KLRDD is an independent special district with a five-member Board of Commissioners; three are elected at large from the northern division area and two from the southern division. KLRDD has an MOU with RD 108 to provide full services.



MUNICIPAL SERVICE REVIEW

POTENTIALLY SIGNIFICANT MSR DETERMINATIONS

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

- Growth and Population
- Disadvantaged Unincorporated Communities
- Capacity, Adequacy & Infrastructure to Provide Services
- Financial Ability
- Shared Services
- Accountability, Structure, and Efficiencies
- Broadband Access

LAFCo MUNICIPAL SERVICE REVIEW:

- On the basis of this initial evaluation, the required determinations are not significant, and staff recommends that a comprehensive MSR is NOT NECESSARY. The subject agency will be reviewed again in five years per Government Code Section 56425(g).
- The subject agency has significant and/or potentially significant determinations and staff recommends that a comprehensive MSR IS NECESSARY and has been conducted via this checklist.

1. Growth and Population	Significant Issue	Potentially Significant	No Issue
Growth and population projections for the affected area.			
a) <i>Will development and/or population projections over the next 5-10 years impact the subject agency's service needs and demands?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) <i>Do changes in demand suggest a change in the agency's services?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

None.

Growth and Population MSR Determination:

The Knights Landing Unit 2 – Yolo Bypass – Service Area 6 (Knights Landing) levee system that KLRDD is included in has a population of approximately 1,192 permanent residents. Normal fluctuations in rural population will not change current DWR flood protection standards and District levee and drainage services. The more stringent urban level of flood protection standards is not required until the area is developed with 10,000 residents or more, or an urbanizing area that is planned to have 10,000 residents or more within the next 10 years¹. There is no significant growth and population anticipated in the District that will impact the subject agency's service needs and demands.

¹ Code of Federal Regulations Title 44, Section 59.1 and California Government Code Section 65007(l) and (m)

Recommendation(s):

None.

2. Disadvantaged Unincorporated Communities

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

	Significant Issue	Potentially Significant	No Issue
a) <i>If the subject agency provides services related to sewers, municipal and industrial water, or structural fire protection, 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?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) <i>If "yes" to a), it is feasible for the agency to be reorganized such that it can extend service to the disadvantaged unincorporated community? If "no" to a), this question is marked "no" because it is either not needed or not applicable.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

None.

Disadvantaged Unincorporated Communities MSR Determination:

KLRDD does not provide sewers, municipal and industrial water, or structural fire protection. Knights Landing is a disadvantaged unincorporated community within KLRDD, but the District provides services notwithstanding any communities' economic status².

Recommendation(s):

None.

² CALAFCO Statewide DUCs Refined GIS Layer, RSG, Inc. December 10, 2021

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.

	Significant Issue	Potentially Significant	No Issue
a) <i>Are there any deficiencies in the infrastructure, equipment, and capacity of agency facilities to meet <u>existing</u> service needs for which the agency does not have a plan in place to resolve (including deficiencies created by new state regulations)?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) <i>Are there any issues regarding the agency's capacity and ability to meet the service demand of reasonably foreseeable <u>future</u> needs?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) <i>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?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) <i>Is the agency needing to consider climate adaptation in its assessment of infrastructure/service needs?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

The Department of Water Resources (DWR), under the authority of Water Code Sections 8360, 8370 and 8371, performs a verification inspection of the maintenance of the Sacramento River Flood Control Project (SRFCP) levees performed by the local responsible agencies, and reports to the United States Army Corps of Engineers (USACE) periodically regarding the status of levee maintenance. The State inspects and reports only on the status of maintenance practices and on observable levee conditions.

DWR completes annual spring inspections by May, documenting the location, size, type, and rating of maintenance deficiencies and provides the resulting inspection reports to the LMAs for their use in planning maintenance activities prior to the food season. DWR completes annual fall inspections by November, verifying the status of previously noted deficiencies, as well as any additional deficiencies, that should be corrected to help ensure adequate performance during the food season. LMAs conduct inspections in the winter and summer, completing the requirement to conduct four inspections each year. Project facilities are inspected at least four times each year. DWR compiles this information for use by stakeholders and will report to CVFPB on inspection activities as requested.

DWR gives an overall levee segment rating only during the annual fall inspections. The table below shows the overall rating from 2019-2023. Three possible ratings are given based on the state of its levees:

- Acceptable (A) – No immediate work required, other than routine maintenance. The flood protection project will function as designed and intended with a high degree of reliability, and necessary cyclical maintenance is being performed adequately.
- Minimally Acceptable (M) – One or more deficient conditions exist in the food protection project that needs to be improved or corrected. However, the project will essentially function as designed with a lesser degree of reliability than what the project could provide.
- Unacceptable (U) – One or more deficient conditions exist that may prevent the project from functioning as designed, intended, or required.

Ratings for KLRDD have achieve an acceptable (i.e., the highest) rating all five years. The flood protection project will function as designed and intended with a high degree of reliability, and necessary cyclical maintenance is being performed adequately.

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RD Overall Rating 2019-2023

Local Maintaining Agency	Overall Rating <i>A = Acceptable; M = Minimally Acceptable; and U = Unacceptable</i>					Total Levee Miles
	2019	2020	2021	2022	2023	
KLRDD	A	A	A	A	A	12.39

Source: Department of Water Resources 2023 Inspection and LMA Report Table 2-2

* Overall unit threshold percentage is less than 10%; however, U rated miles are present, so the overall unit rating is M instead of A.

KLRDD contains two segments inspected by DWR that comprise the overall rating. Each unit, length, rating is listed in the table and shown in the map below³.

RD Units, Length and DWR Inspection Rating

Unit	Name	Bank	Length (Miles)	DWR Rating
Unit No. 01	Knights landing Ridge Cut	RB	6.36	A
Unit No. 02	Knights landing Ridge Cut	LB	6.03	A



³ DWR 2023 Sacramento River Individual Agency Summary Reports

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The DWR summary from the fall 2023 inspection reported that the District performed annual Winter/Summer inspections as required. The District concurs with the information contained in the Spring 2023 inspection reports with the exception of pipe ownership/responsibility. The District continues to perform routine maintenance including, but not limited to visual inspections, rodent baiting, vegetation management, and erosion repairs as needed. Encroachment enforcement remains an ongoing process that is leading to varied success. The Agency reported multiple erosion sites on Unit Nos. 1 and 2. The Agency provided a list of expenses and maintenance activities performed on all levee units. Activities include erosion repair, levee crown maintenance, patrolling, rodent control, surveying and engineering, and vegetation control by spraying and other methods. The reported total maintenance cost for the previous fiscal year was \$742,033. The Agency reported a budget of \$767,456, which corresponds to \$61,942 per levee mile.

Spring 2024 DWR Levee Inspection Reports (Maintenance Only, No Rating)⁴

KLRDD was inspected on February 27, 2024. DWR spring inspection reports do not provide an overall rating. The LMA has updated O&M Manuals, a stockpile flood fighting materials, a written response plan, and the crew has regular flood fight training.

Summary Table of Spring 2024 Inspection Items

	Items Resolved	Items Not Resolved	Total Items	Notes Regarding Unresolved Items
Unit No. 01	17	3	20	Erosion/bank caving (mi. 1.66, 3.78), unauthorized gate and culvert (mi 2.58)
Unit No. 02	10	0	10	
Total %	27 (90%)	3 (10%)	30	

The only critical issue noted includes the unauthorized gate and culvert. KLRDD has resolved 90 percent of the items found in the fall 2023 inspection.

USACE Rehabilitation Program Status

KLRDD currently has an “active” status in the USACE PL 84-99 Rehabilitation Program, which means it is eligible for rehabilitation of flood damaged facilities at 100-percent federal cost sharing to pre-disaster condition and level of protection.

Capacity and Adequacy of Public Facilities and Services MSR Determination:

KLRDD has had Acceptable ratings from DWR consistently for the past 5 years. The flood protection project will function as designed and intended with a high degree of reliability. There was some minimal vegetation, animal control and cracking issues worsening in 2023, but KLRDD still maintains the highest rating from DWR. The reported total maintenance cost for the previous fiscal year was \$742,033. The Agency reported a budget of \$767,456, which corresponds to \$61,942 per levee mile. The 2024 Spring inspection report indicates 90% of the items noted in the Fall 2023 inspection have been corrected.

Capacity and Adequacy of Public Facilities and Services MSR Recommendations:

- KLRDD should implement any remaining DWR Fall 2023 inspection report recommendations and correct issues itemized in the Spring 2024 inspection report:
 - The LMA should continue to maintain the area at the high level seen during the last inspection.

⁴ https://cdec.water.ca.gov/detailed_reports.html

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4. Financial Ability

Financial ability of agencies to provide services.

	Significant Issue	Potentially Significant	No Issue
a) <i>Is the subject agency in a stable financial position, i.e. does the 5-year trend analysis indicate any issues?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) <i>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?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) <i>Is the organization's revenue sufficient to fund an adequate level of service, necessary infrastructure maintenance, replacement and/or any needed expansion? Is the fee inconsistent with the schedules of similar local agencies</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) <i>Does the subject agency have a capital improvement plan (CIP)? Has the agency identified and quantified what the possible significant risks and costs of infrastructure or equipment failure? Does the agency have a reserve policy to fund it?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) <i>Does the agency have any debt, and if so, is the organization's debt at an unmanageable level? Does the agency need a clear debt management policy, if applicable?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) <i>Can the subject agency improve its use of generally accepted accounting principles including: summaries of all fund balances, summaries of revenues and expenditures, general status of reserves, and any un-funded obligations (i.e. pension/retiree benefits)? Does the agency have accounting and/or financial policies that guide the agency in how financial transactions are recorded and presented?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) <i>Does the agency staff need to review financial data on a regular basis and are discrepancies identified, investigated and corrective action taken in a timely manner? The review may include reconciliations of various accounts, comparing budgets-to-actual, analyzing budget variances, comparing revenue and expense balances to the prior year, etc. If the agency uses Yolo County's financial system and the County Treasury, does the agency review monthly the transactions in the County system to transactions the agency submitted to the County for processing?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h) <i>Does the agency board need to receive regular financial reports (quarterly or mid-year at a minimum) that provide a clear and complete picture of the agency's assets and liabilities, fully disclosing both positive and negative financial information to the public and financial institutions?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

**KNIGHTS LANDING RIDGE DRAINAGE DISTRICT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES**

	2018	2019	2020	2021	2022
Revenue					
Special assessment	335,901	335,323	351,313	300,435	317,364
Interest	15,798	26,014	16,077	8,634	5,590
Rents and concessions	-	-	5,556	11,407	16,310
Intergovernmental grants	602,409	577,670	96,413	95,874	300,031
Other revenue	14,590	4,250	4,250	4,250	8,293
Total Revenue	968,698	943,257	473,609	420,600	647,588
Expenditures					
Services and supplies	198,112	920,810	141,391	373,668	692,957
Debt service (principal and interest)	565,421	-	-	-	-
Capital outlay	-	-	73,014	-	-
Total Expenditures	763,533	920,810	214,405	373,668	692,957
Net income (loss)	205,165	22,447	259,204	46,932	(45,369)
Beginning Fund Balance	683,703	888,868	911,315	1,170,519	1,217,451
Ending Fund Balances	\$ 888,868	\$ 911,315	\$ 1,170,519	\$ 1,217,451	\$ 1,172,082
Fund Balances					
Unassigned	\$ 888,868	\$ 911,315	\$ 1,170,519	\$ 1,217,451	\$ 1,172,082
Total Fund Balances	\$ 888,868	\$ 911,315	\$ 1,170,519	\$ 1,217,451	\$ 1,172,082
Y-T-Y Change in total Fund Balances					
Amount Increase (Decrease)	\$ 205,165	\$ 22,447	\$ 259,204	\$ 46,932	\$ (45,369)
Percentage Increase (Decrease)	30.01%	2.53%	28.44%	4.01%	-3.73%

Discussion:

The 5-year trend indicates KLRDD appears to be in a stable financial position but had incurred a loss of \$45,369 in 2023 because of increased services and supplies, without a similar increase in revenue. However, there is ample fund balance to cover the loss which increased by \$488,379 from 2018 to 2023. The District's revenues consist of special assessments (Yolo County portion enrolled on tax roll), interest, rents, intergovernmental revenue other miscellaneous other revenue. In fiscal year 2022 the District's expenditures were \$319,289 higher than the previous year, while revenues increased by \$226,988 due to the receipt of FMAP funding from the State. The increased expenditures were due to two maintenance projects.

Over the past 5 years the District has relied on special assessments and intergovernmental revenue for 96% of annual funding. Special assessments are very reliable while intergovernmental revenues are not a guaranteed source of revenue. It must be applied for and in some case is limited to specific purposes and is subject to grantor policy changes.

The District received an overall rating of A as part of the Department of Water Resources Fall 2023 inspection which is a good indication that existing revenues are sufficient to fund an adequate level of service. The District does not have a capital improvement plan.

The District does not have any debt issues outstanding nor any pension or other postemployment benefits liabilities. The District contracts for accounting and administrative services with Reclamation District No. 108 and contracts with and independent CPA for an audit annually. The Board reviews financial updates at each meeting, three times per year.

Financial Ability MSR Determination:

KLRDD appears financially stable and is able to provide required services at a consistently high level. The District is operated by RD 108 via an MOU agreement. About half of District funding comes from DWR's Flood Maintenance Assistance Program and maintenance may be curtailed should this grant funding ever be reduced or the program ended. The District does not have an adopted capital improvement plan but maintains a large fund balance.

Financial Ability Recommendation(s):

None.

5. Shared Services and Facilities

Status of, and opportunities for, shared facilities.

	Significant Issue	Potentially Significant	No Issue
a) <i>Are there any opportunities for the organization to share services or facilities with neighboring, overlapping, or other organizations that are not currently being utilized?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

None.

Shared Services MSR Determination:

KLRDD is hydrologically connected to CSA 6 in the Knights Landing Unit 2 – Yolo Bypass – Service Area 6 Levee System. The agencies in this levee system already operate under a collective work plan via the SWIF plan. KLRDD participates as members of the California Central Valley Flood Control Association (CCVFCA) and the Westside Committee for the Regional Flood Management Plan. KLRDD already utilizes shared services as it is operated by RD 108.

Recommendation(s):

None.

6. Accountability, Structure, and Efficiencies

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

	Significant Issue	Potentially Significant	No Issue
a) <i>Are there any recommended changes to the organization's governmental structure or operations that will increase accountability and efficiency (i.e. overlapping boundaries that confuse the public, service inefficiencies, and/or higher costs/rates)?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) <i>Does the agency need to secure independent audits of financial reports that meet California State Controller requirements? Are the same auditors used for more than six years? Are audit results <u>not</u> reviewed in an open meeting?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) <i>Is the agency insured or in a risk management pool to manage potential liabilities?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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d) <i>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?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) <i>Are there any issues with staff capacity and/or turnover? Is there a lack of staff member training regarding the organization's program requirements and financial management?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) <i>Does the agency have adequate policies (as applicable) relating to personnel/payroll, general and administrative, board member and meetings, and segregating financial and accounting duties among staff and/or board to minimize risk of error or misconduct (see suggested policies list)?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) <i>Does the organization need to improve its public transparency via a website (see https://www.yololaftco.org/yolo-local-government-website-transparency-scorecards)?</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Discussion:

There are recommended changes to the governmental structure to improve operational efficiencies for the Knights Landing Basin. The DWR Central Valley Flood Protection Plan and Lower Sacramento River/Delta North Flood Management Plan (2014) included the recommended action step to “Conduct the necessary stakeholder outreach and coordination to develop organizational structure/governance, cost, policy/procedure, training requirements and synchronization to consolidate Local Maintaining Agencies, operations and maintenance, and emergency response activities”. DWR funded the UC Davis Yolo County Flood Governance Study (2014) in collaboration with all the local district stakeholders, which ultimately recommended the “The Hydraulic Basin Approach” that “Yolo County RDs would benefit if each hydraulically connected basin operated as if it were a single entity”.

There are seven USACE levee systems/basins that include special district LMAs under Yolo LAFCo oversight. The key goal for this MSR/SOI is to identify the recommended “single entity” for each system/basin. The DWR Flood System Improvement Branch Chief and staff were consulted and concur with LAFCo’s governance recommendations⁵. DWR operates roughly 300 miles of the 1,600 total levee miles in the State Plan of Flood Control and relies heavily on LMAs, which would benefit from efficiency, shared services, expertise, appropriate size/scale, and borrowing power.

For the Knights Landing System it is premature to combine CSA 6 and KLRDD due to the Knights Landing Flood Management Project underway to construct new levees and improvements to bring 100-year flood protection to Knights Landing. This issue should be reevaluated in the next MSR/SOI cycle to identify a single entity successor agency.

All five board member positions are currently filled by landowner elections. The Board meets three times per year at the RD 108 office. KLRDD currently obtains services via an MOU with RD 108 for all staffing and equipment needs. KLRDD also contracts with KSN engineers and Downey Brand for legal counsel. There do not appear to be any issues with board or staff turnover.

KLRDD has written guidelines and procedures for operations and maintenance, and emergencies. It has insurance coverage through ACWA, JPIA, and State Fund. KLRDD conducts annual audits, but they are not posted on its webpage. KLRDD information is provided as a page on the RD 108 website (that received a 62% transparency score in 2023).

Accountability, Structure, and Efficiencies MSR Determination:

KLRDD is currently functioning well as operated by RD 108. With the goal of evolving to one LMA for each levee system/hydrologic basin, CSA 6 and KLRDD should eventually combine as a single entity. It may

⁵ Meeting with DWR staff on May 30, 2024.

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make sense for KLRDD to assume CSA 6 responsibilities as the much larger overlapping district that is operated well by RD 108. It may make sense for KLRDD to operate or absorb RD 730 as well, however, RD 730 does not maintain any levees therefore it's a separate issue. There do not appear to be any issues with board or staff turnover. KLRDD conducts annual audits, but they are not posted on its webpage that received a 62% transparency score in 2023.

Accountability, Structure, and Efficiencies Recommendation(s):

- For the Knights Landing System, CSA 6 and KLRDD should eventually combine as a single entity. However, it is premature to combine them due to the Knights Landing Flood Management Project underway to construct new levees and improvements to bring 100-year flood protection to the town of Knights Landing. This issue should be reevaluated in the next MSR/SOI cycle to identify a single entity successor agency.
- Initiate discussions with RD 730 to determine if an agreement to provide services or absorbing it altogether makes sense.
- KLRDD should improve its 62% website transparency score <https://www.yololafco.org/yolo-local-government-website-transparency-scorecards>.

7. Broadband Access

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

Per Yolo LAFCo Project Policy 6.2 "it is the intent of Yolo LAFCo to comprehensively review broadband access in MSRs of local agencies that either serve communities and/or provide emergency services where broadband connection is critical (i.e. cities, CSDs, CSAs, FPDs and RDs)."

	Significant Issue	Potentially Significant	No Issue
a) <i>Is there a lack of high-performance broadband (25/3 Mbps) available in the community?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Discussion:

None.

Broadband Access MSR Determination

KLRDD is a large district with varying broadband access depending on location. Near its levee segments, the CPUC California Broadband Availability Map⁶ indicates KLRDD is served with fixed wireless speeds of 50/30 Mbps by AFES (but staff is skeptical). This may meet the minimum broadband speeds, but mobile service is inconsistent across the entire district with many pockets that are unserved.

Recommendation(s)

None.

SPHERE OF INFLUENCE STUDY

A Sphere of Influence (SOI) is an area delineated on a map and approved by LAFCo that indicates where potential future agency annexations could be proposed. It is recommended that KLRDD eventually absorb CSA 6 that is already within KLRDD boundaries. Therefore, changes to the District's SOI are not needed.

⁶ <https://www.broadbandmap.ca.gov/>

YOLO LAFCo MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

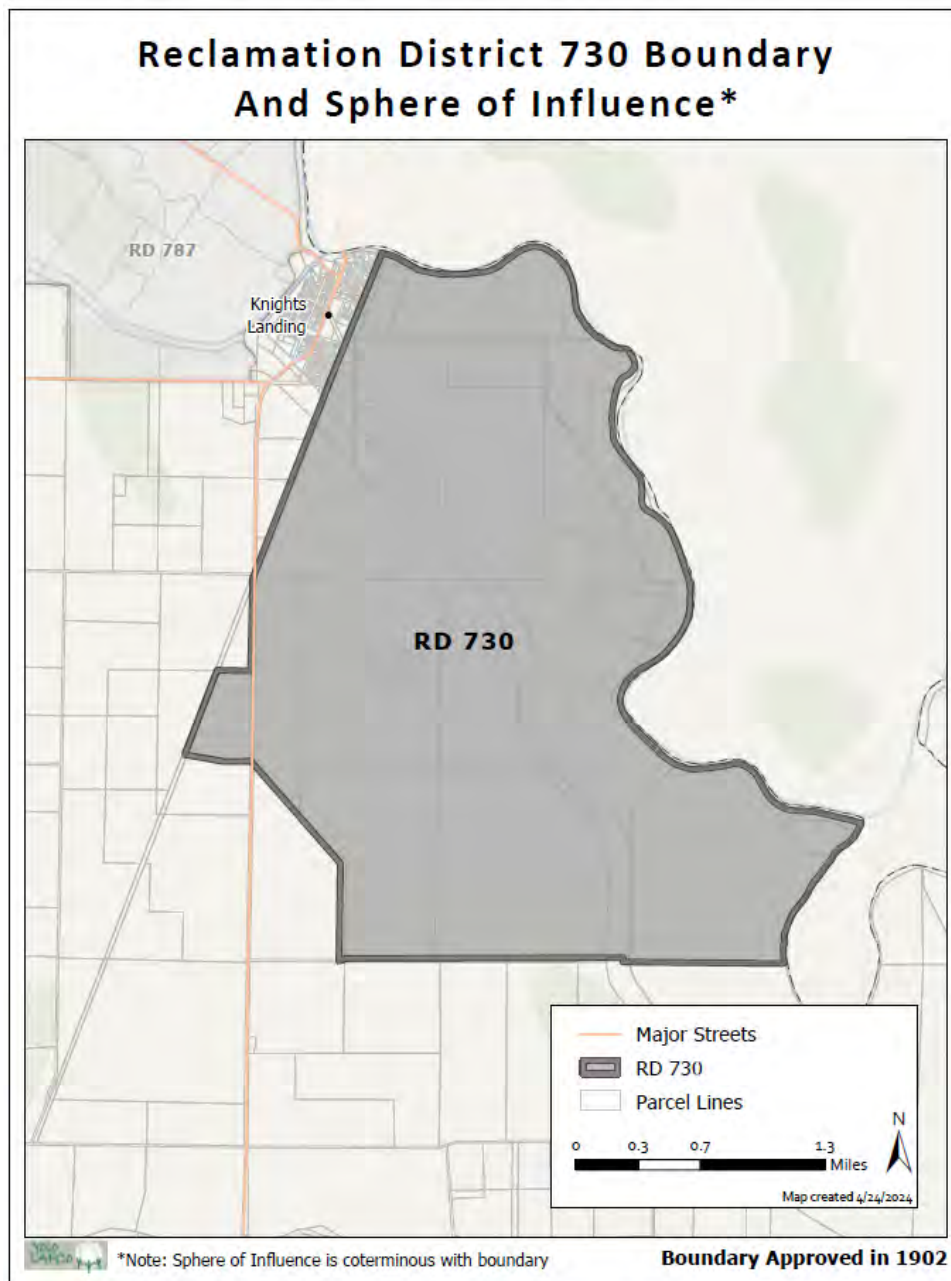
On the basis of the Municipal Service Review:

- 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.

RD 730 AGENCY PROFILE

Formed in 1902, Reclamation District (RD) 730 provides drainage service by pumping annual rainfall and irrigation drainage into the Knights Landing Ridge Cut (“Ridge Cut”), protecting 63 parcels and 4,498 acres of land. The District does not currently conduct any levee maintenance. RD 730 is located southeast of the unincorporated small community of Knights Landing. The District is bounded by the Sacramento River to the north and east, County Road 16 to the south, and County Road 102 generally forms the western boundary. The Ridge Cut, a channel that diverts water from the Colusa Bain to the Yolo Bypass during flood periods, bisects the district.

Reclamation District 730 is an independent special district with a three-member board of trustees.



MUNICIPAL SERVICE REVIEW

POTENTIALLY SIGNIFICANT MSR DETERMINATIONS

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

- Growth and Population Shared Services
- Disadvantaged Unincorporated Communities Accountability, Structure, and Efficiencies
- Capacity, Adequacy & Infrastructure to Provide Services Broadband Access
- Financial Ability

LAFCO MUNICIPAL SERVICE REVIEW:

- On the basis of this initial evaluation, the required determinations are not significant, and staff recommends that a comprehensive MSR is NOT NECESSARY. The subject agency will be reviewed again in five years per Government Code Section 56425(g).
- The subject agency has significant and/or potentially significant determinations and staff recommends that a comprehensive MSR IS NECESSARY and has been conducted via this checklist.

1. Growth and Population	Significant Issue	Potentially Significant	No Issue
Growth and population projections for the affected area.			
a) <i>Will development and/or population projections over the next 5-10 years impact the subject agency's service needs and demands?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) <i>Do changes in demand suggest a change in the agency's services?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

None.

Growth and Population MSR Determination:

RD 730 provides interior drainage services and operates/maintains 3 pump stations. There are an estimated 45 landowners with a population of 78. There is no significant growth and population anticipated in the District that will impact the subject agency's service needs and demands.

Recommendation(s):

None.

2. Disadvantaged Unincorporated Communities

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

	Significant Issue	Potentially Significant	No Issue
a) <i>If the subject agency provides services related to sewers, municipal and industrial water, or structural fire protection, 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?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) <i>If “yes” to a), it is feasible for the agency to be reorganized such that it can extend service to the disadvantaged unincorporated community? If “no” to a), this question is marked “no” because it is either not needed or not applicable.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

None.

Disadvantaged Unincorporated Communities MSR Determination:

RD 730 does not provide sewers, municipal and industrial water, or structural fire protection. Knights Landing is a disadvantaged unincorporated community, but it is just outside RD 730 boundaries and the District provides drainage services notwithstanding any communities’ economic status¹.

Recommendation(s):

None.

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.

	Significant Issue	Potentially Significant	No Issue
a) <i>Are there any deficiencies in the infrastructure, equipment, and capacity of agency facilities to meet <u>existing</u> service needs for which the agency does not have a plan in place to resolve (including deficiencies created by new state regulations)?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) <i>Are there any issues regarding the agency’s capacity and ability to meet the service demand of reasonably foreseeable <u>future</u> needs?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

¹ CALAFCO Statewide DUCs Refined GIS Layer, RSG, Inc. December 10, 2021

YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

c) *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?*

d) *Is the agency needing to consider climate adaptation in its assessment of infrastructure/service needs?*

Discussion:

None.

Capacity and Adequacy of Public Facilities and Services MSR Determination:

RD 730's sole function is to maintain three pump stations which drain the agricultural lands as needed into the Knights Landing Ridge Cut. Drainage ditches are all maintained by landowners. One pump station is brand new as it was recently relocated, and the motors were rebuilt on the two original pumps recently. The landowners maintain the drainage canals.

Capacity and Adequacy of Public Facilities and Services MSR Recommendations:

None.

4. Financial Ability

Financial ability of agencies to provide services.

	Significant Issue	Potentially Significant	No Issue
a) <i>Is the subject agency in a stable financial position, i.e. does the 5-year trend analysis indicate any issues?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) <i>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?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) <i>Is the organization's revenue sufficient to fund an adequate level of service, necessary infrastructure maintenance, replacement and/or any needed expansion? Is the fee inconsistent with the schedules of similar local agencies</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) <i>Does the subject agency have a capital improvement plan (CIP)? Has the agency identified and quantified what the possible significant risks and costs of infrastructure or equipment failure? Does the agency have a reserve policy to fund it?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) <i>Does the agency have any debt, and if so, is the organization's debt at an unmanageable level? Does the agency need a clear debt management policy, if applicable?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) <i>Can the subject agency improve its use of generally accepted accounting principles including: summaries of all fund balances, summaries of revenues and expenditures, general status of reserves, and any un-funded obligations (i.e. pension/retiree benefits)? Does the agency have accounting and/or financial policies that guide the agency in how financial transactions are recorded and presented?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

g) *Does the agency staff need to review financial data on a regular basis and are discrepancies identified, investigated and corrective action taken in a timely manner? The review may include reconciliations of various accounts, comparing budgets-to-actual, analyzing budget variances, comparing revenue and expense balances to the prior year, etc. If the agency uses Yolo County's financial system and the County Treasury, does the agency review monthly the transactions in the County system to transactions the agency submitted to the County for processing?*

h) *Does the agency board need to receive regular financial reports (quarterly or mid-year at a minimum) that provide a clear and complete picture of the agency's assets and liabilities, fully disclosing both positive and negative financial information to the public and financial institutions?*

**RECLAMATION DISTRICT NO. 730
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES**

	2019	2020	2021	2022	2023
Revenue					
Property taxes and other related rever	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessment	30,317	30,317	30,317	30,317	30,317
Interest	4,183	5,166	63	1,206	3,600
Other revenue	1,018	-	-	-	-
Total Revenue	35,518	35,483	30,380	31,523	33,917
Expenditures					
Services and supplies	45,881	28,083	22,412	19,022	36,734
Other expenditures	-	-	-	6,316	-
Capital outlay	16,876	-	-	-	-
Total Expenditures	62,757	28,083	22,412	25,338	36,734
Net income (loss)	(27,239)	7,400	7,968	6,185	(2,817)
Beginning Fund Balance	203,179	175,940	183,340	191,308	197,493
Ending Fund Balances	\$ 175,940	\$ 183,340	\$ 191,308	\$ 197,493	\$ 194,676
Fund Balances					
Unassigned	\$ 175,940	\$ 183,340	\$ 191,308	\$ 197,493	\$ 194,676
Total Fund Balances	\$ 175,940	\$ 183,340	\$ 191,308	\$ 197,493	\$ 194,676
Y-T-Y Change in total Fund Balances					
Amount Increase (Decrease)	\$ (27,239)	\$ 7,400	\$ 7,968	\$ 6,185	\$ (2,817)
Percentage Increase (Decrease)	-13.41%	4.21%	4.35%	3.23%	-1.43%

Discussion:

RD 730's financial position appears to be stable. However, the District has a very slim margin between annual revenues and expenditures. The District's sources of revenue consist of special assessments (billed on tax roll), investment earnings, and other miscellaneous revenue. Over the past 5 years The District received only a little over \$33,000 annually and on average has expended approximately \$35,000 annually. The District's total fund balance as of June 30, 2023, was \$194,676 a decrease of \$8,503 from 2019. The

YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

District's funding is at a very low level, although its infrastructure maintained is only three pump stations with 5 pumps total.

The District's primary source of revenue are special assessments which are very reliable since they are enrolled on the County tax roll. The special assessment accounts for over 90% of the annual revenue. There is the ability to increase the assessment if needed without a new Prop 218.

The annual revenue only averages \$33,000. The District has recently rebuilt all five pumps and has accumulated a reserve of \$194,676, as of June 30, 2023, to mitigate the financial impacts of unexpected repairs. The District has no formal CIP. However, the District engineer has indicated a major repair on a pump would cost about \$30,000, so the Board has determined that a \$200,000 reserve is sufficient. The District does not have any debt issues outstanding nor any pension or other postemployment benefits liabilities.

RD 730 does not have any written accounting or financial policies. The District processes all invoices and deposits through the County's financial system. In addition, the District's special assessments are enrolled on the County's tax bills. The District does not have any accounting staff, nor hires an outside accountant. Therefore, the District relies heavily on the County's accounting staff to record all transactions in accordance to generally accepted accounting principles. RD 730 recently began contracts with Laugenour & Meikle for administration in addition to engineering services, and staff needs to perform a review of the County ledgers. The Board receives does not receive regular financial updates, only the audited financial statements every two years.

Financial Ability MSR Determination:

RD 730 is financially stable although its revenue has been averaging slightly less than expenditures over the last five years. Its revenue is funded by a special assessment and is low because its sole function is to operate and maintain three pump stations with five pumps total. The assessment can be increased if needed without a Prop 218 election process. The District does not have a CIP but maintains a reasonable fund balance. RD 730 recently began contracting with Laugenour & Meikle to administer the District in addition to engineering services and could improve its financial review and reporting practices.

Financial Ability Recommendation(s):

- RD 730 should develop procedures for the periodic review of the general ledgers to ensure that all transactions posted to the District's funds have been authorized and are accurate.
- Provide financial reports for the trustees to review on a regular basis at meetings.

5. Shared Services and Facilities

Status of, and opportunities for, shared facilities.

	Significant Issue	Potentially Significant	No Issue
a) <i>Are there any opportunities for the organization to share services or facilities with neighboring, overlapping, or other organizations that are not currently being utilized?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Discussion:

None.

Shared Services MSR Determination:

RD 730 does not maintain levees and its pumping services standalone but are located along the Ridge Cut. The District contracts for staffing services from Laugenour and Meikle. There have been conversations

YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

about RD 108 operating RD 730 via the KLRDD as it maintains the Ridge Cut levees, but nothing has come of it yet. In addition, RD 730 is a member of the Yolo Groundwater Sustainability Agency.

Shared Services Recommendation(s):

- RD 730 should explore whether a contract for services with RD 108 would be more effective and efficient, or potentially consider annexation into the KLRDD altogether.

6. Accountability, Structure, and Efficiencies

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

	Significant Issue	Potentially Significant	No Issue
a) <i>Are there any recommended changes to the organization's governmental structure or operations that will increase accountability and efficiency (i.e. overlapping boundaries that confuse the public, service inefficiencies, and/or higher costs/rates)?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) <i>Does the agency need to secure independent audits of financial reports that meet California State Controller requirements? Are the same auditors used for more than six years? Are audit results <u>not</u> reviewed in an open meeting?</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) <i>Is the agency insured or in a risk management pool to manage potential liabilities?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) <i>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?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) <i>Are there any issues with staff capacity and/or turnover? Is there a lack of staff member training regarding the organization's program requirements and financial management?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) <i>Does the agency have adequate policies (as applicable) relating to personnel/payroll, general and administrative, board member and meetings, and segregating financial and accounting duties among staff and/or board to minimize risk of error or misconduct (see suggested policies list)?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
g) <i>Does the organization need to improve its public transparency via a website (see https://www.yololafco.org/yolo-local-government-website-transparency-scorecards)?</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Discussion:

RD 730 has recently transitioned to Laugenour and Meikle for staffing services since the recent closing of the Gardner, Hanes, Nakken, Hugo & Nolan law offices. The District Engineer indicated there have been conversations with RD 108 about operating the District via KLRDD. However, since RD 730 is not an LMA, there is not the same urgency.

All three board member positions are currently filled as appointed by the Board of Supervisors. The Board of Trustees meets once per year at the Laugenour and Meikle office. District ditches are maintained by landowners. Other than the recent transition of staffing services, there do not appear to be any issues with board or staff turnover.

RD 730 does not have written guidelines and procedures for operations and maintenance, and emergencies. The District Engineer indicates the landowners inspect their fields during flooding events and

simply turn the pumps on when needed. RD 730 has Special Liability Insurance Program (SLIP) insurance coverage through Alliant Insurance Services, Inc. The last audit provided is for FYs ending 2020 and 2021, and it appears behind on FYs 2022 and 2023 because one was not submitted. RD 730 does not currently have a website, which was a previous recommendation in 2018, and it is in violation of state law requiring one.

Accountability, Structure, and Efficiencies MSR Determination:

RD 730's board member positions are currently filled and meets once per year. RD 730 has recently transitioned to Laugenour and Meikle for staffing services. The District Engineer indicated there have been conversations with RD 108 about operating the District via KLRDD. However, since RD 730 is not an LMA, there is not the same urgency. The district appears behind on its audits and is lacking a website.

Accountability, Structure, and Efficiencies Recommendation(s):

- RD 730 should explore whether a contract for services with RD 108 would be more effective and efficient, or potentially consider annexation into the KLRDD altogether.
- RD 730 should immediately have audits completed for FYs ending 2022 and 2023 if not already done.
- RD 730 should adopt policies for District operations and financial management including such topics as: board compensation, travel and expense reimbursements, purchasing and contracting, employee policies, safe practices and operating procedures, etc. (repeat of 2018 MSR recommendation).
- RD 730 is legally required to maintain a website. Please see the “website resources” section of the website transparency scorecard for website recommendations and scholarship information at <https://www.yololafco.org/yolo-local-government-website-transparency-scorecards> (repeat of 2018 MSR recommendation).

7. Broadband Access

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

Per Yolo LAFCo Project Policy 6.2 “it is the intent of Yolo LAFCo to comprehensively review broadband access in MSRs of local agencies that either serve communities and/or provide emergency services where broadband connection is critical (i.e. cities, CSDs, CSAs, FPDs and RDs).”

	Significant Issue	Potentially Significant	No Issue
a) <i>Is there a lack of high-performance broadband (25/3 Mbps) available in the community?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Discussion:

None.

Broadband Access MSR Determination

RD 730 has varying broadband access depending on location. Near the Ridge Cut, the CPUC California Broadband Availability Map² indicates the district is served with fixed wireless speeds of 50/30 Mbps by AFES (but staff is skeptical). This may technically meet the minimum broadband speeds, but mobile service can be inconsistent, and speeds are often over-reported by internet providers.

Recommendation(s)

None.

² <https://www.broadbandmap.ca.gov/>

SPHERE OF INFLUENCE STUDY

A Sphere of Influence (SOI) is an area delineated on a map and approved by LAFCo that indicates where potential future agency annexations could be proposed. No changes to the District's SOI are not needed.

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.

Cache Creek-RD 2025-Willow Bypass (Woodland/Conaway Basin) Levee System Overview¹

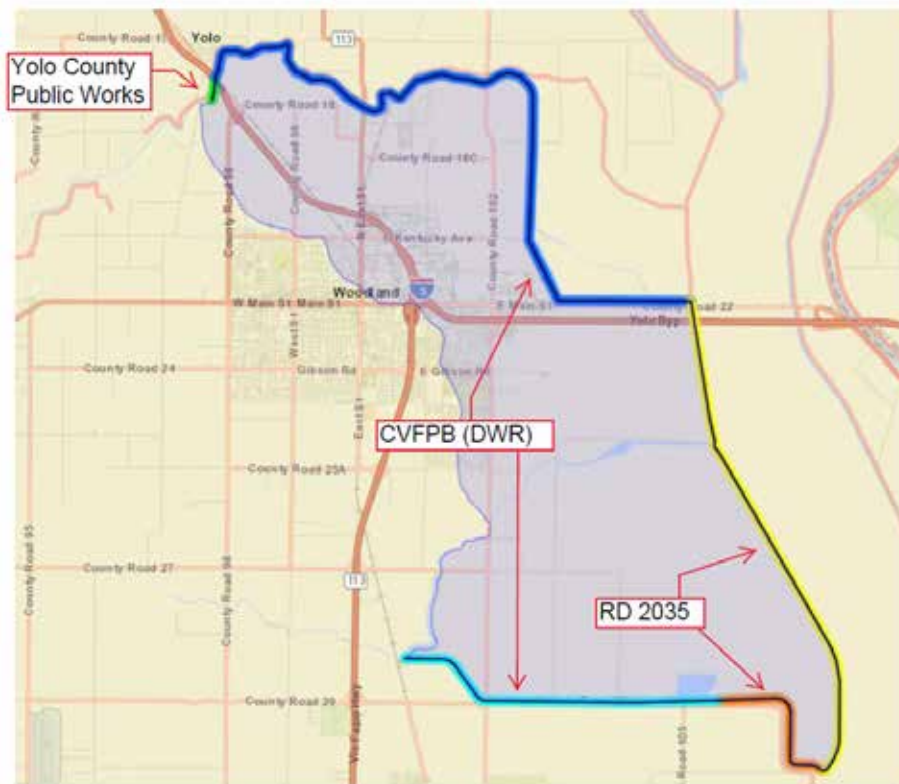
Summary

The Cache Creek – RD 2025 – Willow Bypass levee system is a portion of the Sacramento River Flood Control Project, a large-scale levee project authorized by congress. The map of the levee system shows the leveed area, the area which would be prone to flooding in the absence of a levee. The Cache Creek – RD 2025 – Willow Bypass levee system reduces the risk of flooding for a portion of the City of Woodland and surrounding agricultural lands from flood waters in Cache Creek, the Cache Creek Settling Basin, Yolo Bypass, and Willow Slough Bypass. In addition to the urban population within the leveed area, a significant number of structures, with property values estimated in the millions of dollars, are present within the leveed area. Highway 113 and Interstate 5 cross through the leveed area. The levees of the Cache Creek – RD 2025 – Willow Bypass levee system are constructed of earthen embankments and require year-round maintenance. The Central Valley Flood Protection Board is the non-federal sponsor and is the responsible agency for operation and maintenance of the levee system.

The Cache Creek – RD 2025 – Willow Bypass Levee System includes the following Local Maintaining Agencies (LMAs):

- RD 2025
- Yolo County Public Works (not a part of this MSR)

Cache Creek – RD 2025 – Willow Bypass System Units and LMAs



¹ USACE National Structure Inventory 2023

Performance and Condition

The risk associated with the levee system is high for overtopping and moderate for prior to overtopping. The overtopping annual exceedance probability for the levee system is relatively frequent and is expected to breach during overtopping due to erodible levee embankment materials. The levee is not expected to perform well under significant loading; the levee has a history of poor performance when loaded to 98% and has breached in the past. The levee breached in 1983 and this breach was suspected to be due to rodent activity and structural failure; there continues to be observed large animal burrows in the levee segment. There are additional embankment seepage concerns due to levee embankment composition of silty and sandy soils with the significant amount of large unwanted vegetation, landside irrigation ditches and numerous aged culverts of unknown condition. There is also anticipated poor performance of the levee due to embankment stability and embankment erosion. Embankment stability concerns are due to the unwanted vegetation and encroachments as well as the geologic conditions and past performance. Embankment erosion concerns are due to a lack of sod cover and observed erosion extending into the levee prism. These performance concerns are somewhat offset by the high level of community awareness and flood warning effectiveness, the inundation depths in the populated areas are shallow (<2'), and limited volume of flood inundation due to a levee breach. The deeper flood inundation areas occur in agriculture areas with significant advance warning.

The levee system was constructed in 1960 and averages 10 feet in height. Its flooding sources include Cache Creek, Willow Bypass, Willow Slough, and Yolo Bypass. Historic flooding/levee loading data was not available.

Long-Term Regional Projects Identified²

Woodland Flood Protection Project

A new setback levee would be constructed to replace the Yolo Bypass West Levee and provide protection to the City of Woodland, Interstate 5 (I-5), and other infrastructure west of the Yolo Bypass. The new levee would tie into the existing Yolo Bypass West Levee at the location where I-5 crosses the Yolo Bypass. It would continue southwest to a point where the urban area of Woodland is no longer threatened. This setback levee would become a part of the Sacramento River Flood Control Project (federal project levee), replacing the existing Yolo Bypass West Levee. A local measure for this project failed at the June 2024 election, so timing and implementation is unknown.

Conaway Ranch Transitory Storage Project

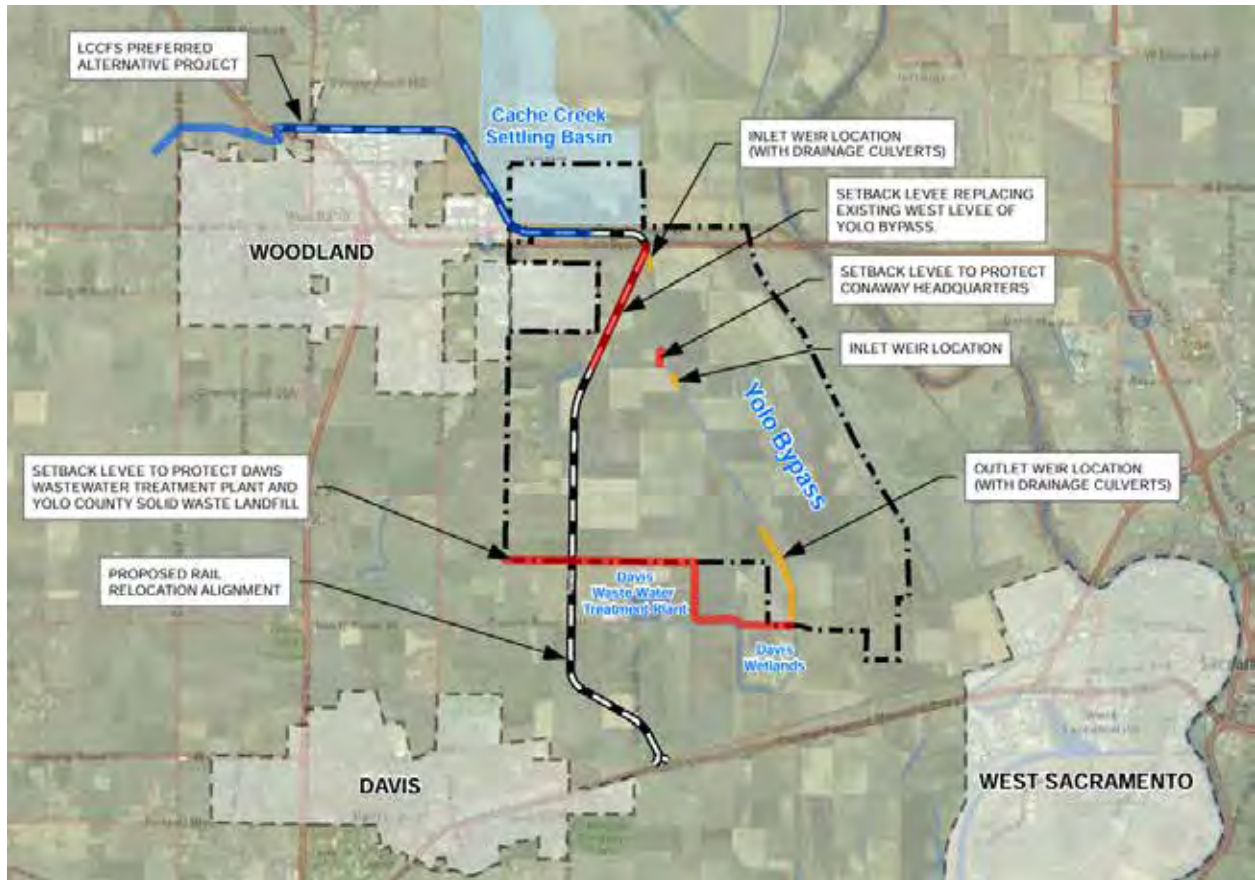
The project would involve the construction of a new setback levee through Conaway Ranch to replace the Yolo Bypass West Levee; the construction of new weirs at the existing Yolo Bypass West Levee for passing water into and out of Conaway Ranch; the construction of new levees just north of the Willow Slough Bypass to protect Yolo County and City of Davis infrastructure; and the construction of new levees and features necessary to protect the Conaway Ranch corporate yard.

West Side Rail Relocation Project

The rail relocation project would remove the Sierra Northern Railroad Trestle across the Yolo Bypass which limits its capacity.

² Conaway Levee Setback and Transitory Storage Project, Wood Rodgers Nov 2016

YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

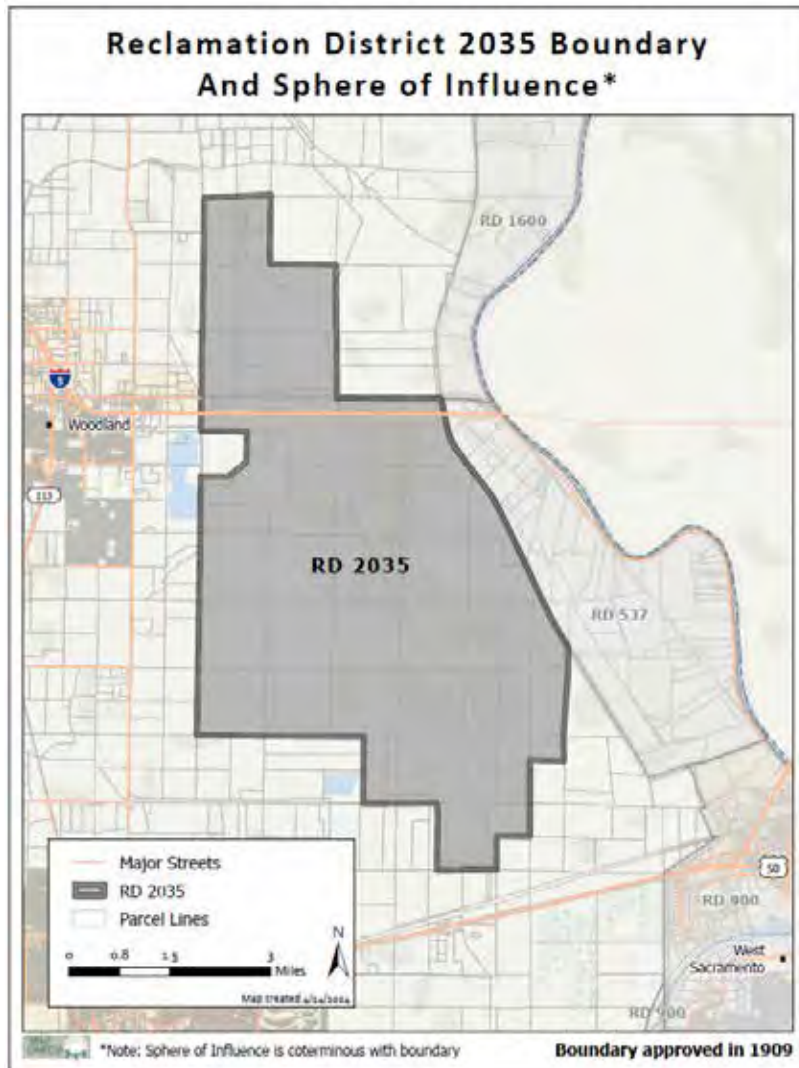


RD 2035 AGENCY PROFILE

Formed in 1919, Reclamation District (RD) 2035 provides levee maintenance for 12.15 miles of levee and operates and maintains agricultural water delivery systems and drainage facilities, protecting 20,617 acres of land. There are 6 landowners in the district, and Conaway Ranch owns the majority of this land (86%). The cities of Davis and Woodland own 430 acres in the Yolo Bypass. The District is bounded by County Road 103 to the west, County Road 22 to the north, County Road 124 to the east, and various county roads to the south. The District lies adjacent to the eastern boundary of the City of Woodland. A portion of the Yolo Bypass is located within the District. I-5 also bisects the northern portion of the District.

RD 2035 diverts water from the western side of the Sacramento River just north of the Vietnam Veterans Bridge on Interstate 5. Water is diverted to serve the cities of Woodland and Davis as part of the Davis Woodland Water Supply Project and agricultural users of Conaway Ranch, under appropriative and riparian water rights held by Conaway Ranch, and a settlement agreement between the U.S. Bureau of Reclamation and Conaway Ranch. Conaway Ranch sold water rights to the cities of Davis and Woodland for the Water Supply Project.

RD 2035 is an independent special district with a three-member board of trustees elected by the landowners within the District.



MUNICIPAL SERVICE REVIEW

POTENTIALLY SIGNIFICANT MSR DETERMINATIONS

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

- Growth and Population
- Disadvantaged Unincorporated Communities
- Capacity, Adequacy & Infrastructure to Provide Services
- Financial Ability
- Shared Services
- Accountability, Structure, and Efficiencies
- Broadband Access

LAFCO MUNICIPAL SERVICE REVIEW:

- On the basis of this initial evaluation, the required determinations are not significant, and staff recommends that a comprehensive MSR is NOT NECESSARY. The subject agency will be reviewed again in five years per Government Code Section 56425(g).
- The subject agency has significant and/or potentially significant determinations and staff recommends that a comprehensive MSR IS NECESSARY and has been conducted via this checklist.

1. Growth and Population	Significant Issue	Potentially Significant	No Issue
Growth and population projections for the affected area.			
a) <i>Will development and/or population projections over the next 5-10 years impact the subject agency's service needs and demands?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) <i>Do changes in demand suggest a change in the agency's services?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

None.

Growth and Population MSR Determination:

The Cache Creek – RD 2035 – Willow Bypass levee system that RD 2035 is included in protects a population of approximately 8,975 permanent residents. Normal fluctuations in rural population will not change current DWR flood protection standards and District levee and drainage services. The more stringent urban level of flood protection standards is not required until the area is developed with 10,000 residents or more, or an urbanizing area that is planned to have 10,000 residents or more within the next

YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

10 years¹. There is no significant growth and population anticipated in the District that will impact the subject agency’s service needs and demands.

Recommendation(s):

None.

2. Disadvantaged Unincorporated Communities

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

	Significant Issue	Potentially Significant	No Issue
a) <i>If the subject agency provides services related to sewers, municipal and industrial water, or structural fire protection, 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?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) <i>If “yes” to a), it is feasible for the agency to be reorganized such that it can extend service to the disadvantaged unincorporated community? If “no” to a), this question is marked “no” because it is either not needed or not applicable.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

None.

Disadvantaged Unincorporated Communities MSR Determination:

RD 2035 does not provide sewers, municipal and industrial water, or structural fire protection. There are no disadvantaged unincorporated communities within RD 2035. The District provides services notwithstanding any communities’ economic status².

Recommendation(s):

None.

¹ Code of Federal Regulations Title 44, Section 59.1 and California Government Code Section 65007(l) and (m)

² CALAFCO Statewide DUCs Refined GIS Layer, RSG, Inc. December 10, 2021

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.

	Significant Issue	Potentially Significant	No Issue
a) <i>Are there any deficiencies in the infrastructure, equipment, and capacity of agency facilities to meet <u>existing</u> service needs for which the agency does not have a plan in place to resolve (including deficiencies created by new state regulations)?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) <i>Are there any issues regarding the agency's capacity and ability to meet the service demand of reasonably foreseeable <u>future</u> needs?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) <i>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?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) <i>Is the agency needing to consider climate adaptation in its assessment of infrastructure/service needs?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

RD 2035 maintains 12.15 mile so levees, 57 miles of canals and ditches, 1 detention basin, and 8 pump stations with 55 individual pumps. The district also provides and sells agricultural water conveyed from the Sacramento River and ground water pumping.

The Department of Water Resources (DWR), under the authority of Water Code Sections 8360, 8370 and 8371, performs a verification inspection of the maintenance of the Sacramento River Flood Control Project (SRFCP) levees performed by the local responsible agencies, and reports to the United States Army Corps of Engineers (USACE) periodically regarding the status of levee maintenance. The State inspects and reports only on the status of maintenance practices and on observable levee conditions.

DWR completes annual spring inspections by May, documenting the location, size, type, and rating of maintenance deficiencies and provides the resulting inspection reports to the LMAs for their use in planning maintenance activities prior to the food season. DWR completes annual fall inspections by November, verifying the status of previously noted deficiencies, as well as any additional deficiencies, that should be corrected to help ensure adequate performance during the food season. LMAs conduct inspections in the winter and summer, completing the requirement to conduct four inspections each year. Project facilities are inspected at least four times each year. DWR compiles this information for use by stakeholders and will report to CVFPB on inspection activities as requested.

DWR gives an overall levee segment rating only during the annual fall inspections. The table below shows the overall rating from 2019-2023. Three possible ratings are given based on the state of its levees:

- Acceptable (A) – No immediate work required, other than routine maintenance. The flood protection project will function as designed and intended with a high degree of reliability, and necessary cyclical maintenance is being performed adequately.
- Minimally Acceptable (M) – One or more deficient conditions exist in the food protection project that needs to be improved or corrected. However, the project will essentially function as designed with a lesser degree of reliability than what the project could provide.
- Unacceptable (U) – One or more deficient conditions exist that may prevent the project from functioning as designed, intended, or required.

RD 2035 has had Acceptable ratings from DWR consistently for the past 5 years. The flood protection project will function as designed and intended with a high degree of reliability.

YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

RD Overall Rating 2019-2023

Local Maintaining Agency	Overall Rating <i>A = Acceptable; M = Minimally Acceptable; and U = Unacceptable</i>					Total Levee Miles
	2019	2020	2021	2022	2023	
RD 2035	A	A	A	A	A	12.15

Source: Department of Water Resources 2023 Inspection and LMA Report Table 2-2

* Overall unit threshold percentage is less than 10%; however, U rated miles are present, so the overall unit rating is M instead of A.

RD 2035 contains three segments inspected by DWR that comprise the overall rating. Each unit, length, rating is listed in the table and shown in the map below³.

RD Units, Length and DWR Inspection Rating

Unit	Name	Bank	Length (Miles)	DWR Rating
Unit No. 01	Cache Creek Settling Basin	Decommissioned		
Unit No. 02	Yolo Bypass	RB	7.63	A
Unit No. 03	Willow Slough Bypass	LB	2.51	A



³ DWR 2023 Sacramento River Individual Agency Summary Reports

DWR Summary of LMA Report

As required by Assembly Bill 156 (Laird, 2007), the California Water Code now requires all Local Levee Maintaining to submit to DWR, by September 30 of each year, specific information relative to the Project Levees they operate and maintain. In turn, DWR is then required to summarize this information in an annual report to the Central Valley Flood Protection Board (CVFPB) by December 31 each year. The Agency reported deficient freeboard along Levee Unit 2, erosion along Levee Unit 2 at LM 2.80, LM 2.91, and LM 3.73, and encroachment issues that will be addressed as part of the System-Wide Improvement Framework (SWIF) process. The Agency reported deficient freeboard at various locations along Levee Unit 2 and that eight-remaining erosion/sloughing sites are anticipated to be completed by the end of October 2022. The Agency provided a list of expenses and maintenance activities performed on all levee units. Activities include crown roadway repair, gate maintenance, levee repairs, minor structure repair/maintenance, mobile equipment costs, patrolling, rodent control, sediment removal, siphon repair, slope dragging, and vegetation control by burning, mowing, spraying, and other. The reported total maintenance cost for the previous fiscal year was \$187,500. The Agency provided a list of planned expenses and maintenance activities for all levee units. Expenses include the cost of erosion repair, mobile equipment costs, rodent control, slope dragging, surveying, and engineering, and vegetation control by burning and mowing. The reported total cost for the current fiscal year is \$85,000, which corresponds to \$6,996 per levee mile.

The Agency reported that it responded to the USACE comments received on the System-Wide Improvement Framework (SWIF) and resubmitted the SWIF back to the USACE and the CVFPB on 09/15/2021. The Agency reported that it plans to address localized erosion along the west levee of the Yolo Bypass and address a couple of unauthorized encroachments. The Agency reported that it plans to purchase a Caterpillar 430 F2HRC Backhoe Loader to use for levee maintenance work. The Agency reported that Conaway Ranch and the Agency tested its soil at several locations to assess if it can be used for repairing and/or construction of levees. The Agency reported that the levee crown road repair project is now complete, and the levee patrol roads are now all-weather roads and will be used to patrol the levees during high-water events. The Agency reported that USACE plans to repair the remaining landside slip in Unit 2 by October 2022. The Agency reported that a request for funding under the DWR's Flood Maintenance Assistance Program has been approved for \$86,500 for Calendar Year 2023 and a funding agreement will be executed soon.

Spring 2024 DWR Levee Inspection Reports (Maintenance Only, No Rating)⁴

RD 2035 was inspected on April 4, 2024. DWR spring inspection reports do not provide an overall rating. The LMA has O&M Manuals at its office, flood fighting materials on hand, and the crew is current with flood fight training.

Summary Table of Spring 2024 Inspection Items

	Items Resolved	Items Not Resolved	Total Items	Notes Regarding Unresolved Items
Unit No. 01	3	0	3	
Unit No. 02	17	1	18	Unauthorized gate/pipe/culvert through levee (mi 0.38)
Unit No. 03	4	0	4	
Total %	24 (96%)	1 (4%)	25	

The one unresolved item is noted as critical, although RD 2035 has resolved most of the inspection items from fall 2023.

⁴ https://cdec.water.ca.gov/detailed_reports.html

USACE Rehabilitation Program Status

RD 2035 currently has an “active” status in the USACE PL 84-99 Rehabilitation Program, which means it is eligible for rehabilitation of flood damaged facilities at 100-percent federal cost sharing to pre-disaster condition and level of protection.

Capacity and Adequacy of Public Facilities and Services MSR Determination:

RD 035 has had Acceptable ratings from DWR consistently for the past 5 years. The flood protection project will function as designed and intended with a high degree of reliability. There are some erosion/bank caving and vegetation issues worsening in 2023, but RD 2035 still maintains the highest rating from DWR. The reported total cost for the current fiscal year is \$85,000, which corresponds to \$6,996 per levee mile. The 2024 Spring inspection report indicates 96% of the items noted in the Fall 2023 inspection have been corrected

Capacity and Adequacy of Public Facilities and Services MSR Recommendations:

- RD 2035 should implement any remaining DWR Fall 2023 inspection report recommendations and correct issues itemized in the Spring 2024 inspection report:
 - The LMA should continue to maintain the area at the high level seen during the last inspection.

4. Financial Ability			
Financial ability of agencies to provide services.			
	Significant Issue	Potentially Significant	No Issue
a) <i>Is the subject agency in a stable financial position, i.e. does the 5-year trend analysis indicate any issues?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) <i>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?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) <i>Is the organization’s revenue sufficient to fund an adequate level of service, necessary infrastructure maintenance, replacement and/or any needed expansion? Is the fee inconsistent with the schedules of similar local agencies</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) <i>Does the subject agency have a capital improvement plan (CIP)? Has the agency identified and quantified what the possible significant risks and costs of infrastructure or equipment failure? Does the agency have a reserve policy to fund it?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) <i>Does the agency have any debt, and if so, is the organization’s debt at an unmanageable level? Does the agency need a clear debt management policy, if applicable?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) <i>Can the subject agency improve its use of generally accepted accounting principles including: summaries of all fund balances, summaries of revenues and expenditures, general status of reserves, and any un-funded obligations (i.e. pension/retiree benefits)? Does the agency have accounting and/or financial policies that guide the agency in how financial transactions are recorded and presented?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

g) *Does the agency staff need to review financial data on a regular basis and are discrepancies identified, investigated and corrective action taken in a timely manner? The review may include reconciliations of various accounts, comparing budgets-to-actual, analyzing budget variances, comparing revenue and expense balances to the prior year, etc. If the agency uses Yolo County's financial system and the County Treasury, does the agency review monthly the transactions in the County system to transactions the agency submitted to the County for processing?*

h) *Does the agency board need to receive regular financial reports (quarterly or mid-year at a minimum) that provide a clear and complete picture of the agency's assets and liabilities, fully disclosing both positive and negative financial information to the public and financial institutions?*

Discussion:

The 5-year trend on the next page indicates RD 2035 appears to be in a stable financial position. The District's fund balance increased by \$701,820 from a \$151,5993 as of July 1, 2018 to \$701,820 as of June 30, 2023. The District's revenues consist of water delivery charges, power reimbursements, special assessments (billed by District), interest, intergovernmental revenue and other miscellaneous other revenue. This District's revenue and expenditures have not significantly fluctuated over the past 5 years. On average it received over 86% of its revenue from irrigation deliveries, power reimbursements for WDCWA and special assessments. These sources of revenue are very reliable. Operating revenues have increased on average 5% per year, while total revenues and total expenditures were flat.

The District received an overall rating of A as part of the Department of Water Resources Fall 2023 levee inspection which is a good indication that existing revenues are sufficient to fund an adequate level of service.

The District does not have a capital improvement plan but has a portion of its fund balance set aside for capital expenditures. The only debt the District has is for a capital lease entered into in 2021 for a backhoe. After fiscal year 2023 annual debt service is \$28,271 through 2025 and \$9,574 in 2026 when it will be paid off.

The District has in-house staff who processes all accounting transactions and budget review. The budget review is conducted quarterly with the Water Master and is shared with the Board. The District does have a policy handbook that addresses the following accounting/financial topics: budget, procurement, capital assets, investment of funds, cash receipts and accounts receivable. All funds are held by the County of Yolo Treasury.

Financial Ability MSR Determination:

RD 2035 is financially stable and has the financial ability to provide its services. The District is unique as compared to other RDs in the County as it has water rights and sells water, both for ag irrigation use and water to the Woodland-Davis Clean Water Agency. RD 2035 staff have strong financial policies, procedures, and provides timely financial information to its Board.

Financial Ability Recommendation(s):

None.

YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

**RECLAMATION DISTRICT NO. 2035
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES**

	2019 *	2020 *	2021 *	2022 *	2023 **
Revenue					
Operating Revenue					
Water delivery	\$ 887,067	\$ 945,237	\$ 1,100,368	\$ 1,016,204	\$ 1,111,473
Other charges	345,297	371,772	366,678	574,838	492,214
	<u>1,232,364</u>	<u>1,317,009</u>	<u>1,467,046</u>	<u>1,591,042</u>	<u>1,603,687</u>
Non-operating Revenue					
Special assessment	449,126	457,154	457,154	452,344	457,154
Interest	7,908	12,252	6,755	5,530	13,037
Intergovernmental grants	533,132	154,266	111,970	86,845	126,907
Other non-operating revenue	26,486	12,000	-	-	19,543
Gain on disposal of capital assets	-	-	38,000	4,400	25,553
Contributions from other agencies	-	53,036	5,206	350	1
New debt	-	-	133,318	-	-
Adjustment to net position	-	49,270	-	-	-
	<u>2,249,016</u>	<u>2,054,987</u>	<u>2,219,449</u>	<u>2,140,511</u>	<u>2,245,882</u>
Expenditures					
Water Delivery					
Salaries and benefits	128,730	146,714	154,604	165,621	194,967
Services and supplies	1,099,115	1,124,686	1,084,224	1,270,712	1,292,271
Capital Outlay	195,446	157,300	189,147	148,491	195,130
Flood Protection					
Salaries and benefits	128,679	146,714	154,605	165,621	191,664
Services and supplies	792,968	208,430	213,158	165,574	336,905
Non-operating expenditures					
Debt service (principal and interest)	482	3,496	2,560	3,436	2,424
Debt service (principal)	27,828	3,996	16,688	25,524	26,297
Contributions to other agencies	15,457	-	292	3,108	-
Other non-operating expense	15,194	3,638	-	-	6,129
	<u>2,403,899</u>	<u>1,794,974</u>	<u>1,815,278</u>	<u>1,948,087</u>	<u>2,245,787</u>
Net income (loss)	<u>(154,883)</u>	<u>260,013</u>	<u>404,171</u>	<u>192,424</u>	<u>95</u>
Beginning Fund Balance	<u>151,599</u>	<u>(3,284)</u>	<u>256,729</u>	<u>660,900</u>	<u>853,324</u>
Ending Fund Balances	<u>\$ (3,284)</u>	<u>\$ 256,729</u>	<u>\$ 660,900</u>	<u>\$ 853,324</u>	<u>\$ 853,419</u>
Fund Balances					
Assigned - Capital expenditure	-	-	131,400	262,800	394,200
Assigned - Contingency reserve	-	-	100,000	200,000	300,000
Unassigned	\$ (3,284)	\$ 256,729	\$ 429,500	\$ 390,524	\$ 159,219
Total Fund Balances	<u>\$ (3,284)</u>	<u>\$ 256,729</u>	<u>\$ 660,900</u>	<u>\$ 853,324</u>	<u>\$ 853,419</u>
Y-T-Y Change in total Fund Balances					
Amount Increase (Decrease)	\$ (154,883)	\$ 260,013	\$ 404,171	\$ 192,424	\$ 95
Percentage Increase (Decrease)	-102.17%	7917.57%	157.43%	29.12%	0.01%

* Data source is audited financial statements, fiscal year ended June, 30.

** Data source is State Controller's Financial Transactions Report for fiscal year end June 30, 2023.

5. Shared Services and Facilities

Status of, and opportunities for, shared facilities.

	Significant Issue	Potentially Significant	No Issue
a) <i>Are there any opportunities for the organization to share services or facilities with neighboring, overlapping, or other organizations that are not currently being utilized?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

None.

Shared Services MSR Determination:

The agencies in this levee system already operate under a collective work plan via the SWIF plan. RD 2035 also shares services with the Conaway Preservation Group (the largest landowner), which employs the General Manager position and contracts out legal, engineering, and maintenance services from the same firms used by other RDs. RD 2035 participates as a member of the Yolo Subbasin Groundwater Agency, Integrated Regional Water Management Plan (IRWMP), and the Westside Committee for the Regional Flood Management Plan. Therefore, there are no additional opportunities for shared services not already utilized.

Shared Services Recommendation(s):

None.

6. Accountability, Structure, and Efficiencies

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

	Significant Issue	Potentially Significant	No Issue
a) <i>Are there any recommended changes to the organization's governmental structure or operations that will increase accountability and efficiency (i.e. overlapping boundaries that confuse the public, service inefficiencies, and/or higher costs/rates)?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) <i>Does the agency need to secure independent audits of financial reports that meet California State Controller requirements? Are the same auditors used for more than six years? Are audit results <u>not</u> reviewed in an open meeting?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) <i>Is the agency insured or in a risk management pool to manage potential liabilities?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) <i>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?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) <i>Are there any issues with staff capacity and/or turnover? Is there a lack of staff member training regarding the organization's program requirements and financial management?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

YOLO LAFCo MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

- | | | | |
|--|-------------------------------------|--------------------------|-------------------------------------|
| f) <i>Does the agency have adequate policies (as applicable) relating to personnel/payroll, general and administrative, board member and meetings, and segregating financial and accounting duties among staff and/or board to minimize risk of error or misconduct (see suggested policies list)?</i> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| g) <i>Does the organization need to improve its public transparency via a website (see https://www.yololafco.org/yolo-local-government-website-transparency-scorecards)?</i> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
-

Discussion:

The DWR Central Valley Flood Protection Plan and Lower Sacramento River/Delta North Flood Management Plan (2014) included the recommended action step to “Conduct the necessary stakeholder outreach and coordination to develop organizational structure/governance, cost, policy/procedure, training requirements and synchronization to consolidate Local Maintaining Agencies, operations and maintenance, and emergency response activities”. DWR funded the UC Davis Yolo County Flood Governance Study (2014) in collaboration with all the local district stakeholders, which ultimately recommended the “The Hydraulic Basin Approach” that “Yolo County RDs would benefit if each hydraulically connected basin operated as if it were a single entity”.

There are seven USACE levee systems/basins that include special district LMAs under Yolo LAFCo oversight. The key goal for this MSR/SOI is to identify the recommended “single entity” for each system/basin. The DWR Flood System Improvement Branch Chief and staff were consulted and concur with LAFCo’s governance recommendations⁵. DWR operates roughly 300 miles of the 1,600 total levee miles in the State Plan of Flood Control and relies heavily on LMAs, which would benefit from efficiency, shared services, expertise, appropriate size/scale, and borrowing power.

RD 2035 is currently functioning well and has ample resources. It is already the sole LMA maintaining segments of the levee system, therefore no governance changes are needed/recommended.

All three board member positions are currently filled by landowner representatives as elected. The Board of Trustees meets quarterly at the Conaway Ranch office.

RD 2035 employs a full time Water Master and a part time Accounting Manager. It shares services with the Conaway Preservation Group (the largest landowner), which employs the General Manager position. It also contracts with Kronick Moskovitz Tiedemann & Gerard for legal counsel and Wood Rodgers for engineering services. The District contracts out for levee and ditch maintenance, legal services, and engineering services. Although the long-serving General Manager passed away tragically and unexpectedly in October 2023, there do not appear to be any chronic issues with board or staff turnover.

The district has insurance coverage through InterWest Insurance Services (i.e., a broker). The district has written guidelines and procedures for operations and maintenance, and emergencies. RD 2035 conducts annual audits, but they are not posted on its website. RD 2035 maintains a website, which is an achievement since the 2018 MSR, however it only received a 20% transparency score in 2023.

Accountability, Structure, and Efficiencies MSR Determination:

RD 2035 is currently functioning well and has ample resources. It is already the sole LMA maintaining segments of the levee system, therefore no governance changes are needed/recommended. There do not appear to be any issues with board or staff turnover. RD 2035 conducts annual audits, but they are not posted on its website. RD 2035 maintains a website, which is an achievement since the 2018 MSR, however it only received a 20% transparency score in 2023.

⁵ Meeting with DWR staff on May 30, 2024.

Accountability, Structure, and Efficiencies Recommendation(s):

- RD 2035 should improve its 20% website transparency score <https://www.yololafco.org/yolo-local-government-website-transparency-scorecards>.

7. Broadband Access

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

Per Yolo LAFCo Project Policy 6.2 *“it is the intent of Yolo LAFCo to comprehensively review broadband access in MSRs of local agencies that either serve communities and/or provide emergency services where broadband connection is critical (i.e. cities, CSDs, CSAs, FPDs and RDs).”*

	Significant Issue	Potentially Significant	No Issue
a) <i>Is there a lack of high-performance broadband (25/3 Mbps) available in the community?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Discussion:

None.

Broadband Access MSR Determination

The CPUC California Broadband Availability Map⁶ indicates RD 2035 is only served via mobile service from T-Mobile at 43/10 Mbps or AT&T Mobility at 38/5 Mbps. These technically meet the minimum of 25/3 Mbps for broadband speeds, but mobile service can be inconsistent.

Broadband Access Recommendation(s)

None.

SPHERE OF INFLUENCE STUDY

A Sphere of Influence (SOI) is an area delineated on a map and approved by LAFCo that indicates where potential future agency annexations could be proposed. No governance or boundary changes are recommended by the MSR, therefore, changes to the District’s SOI are not needed.

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.

⁶ <https://www.broadbandmap.ca.gov/>

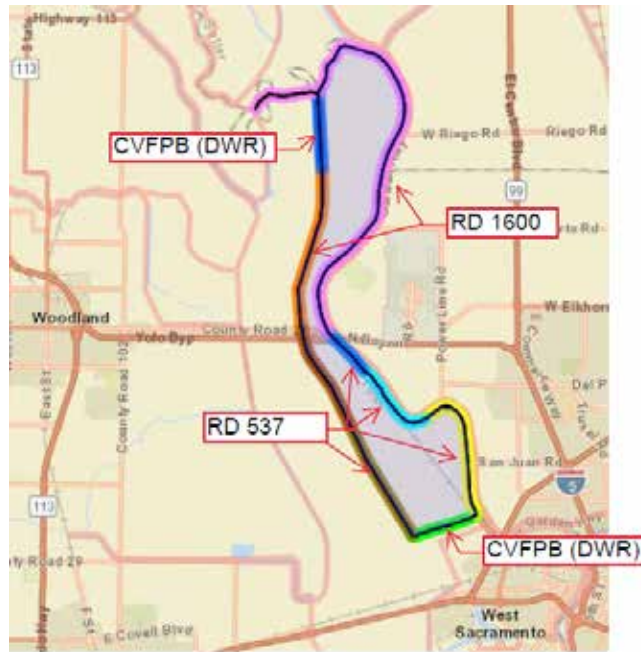
Sac Yolo North (Elkhorn Basin) Levee System Overview¹

Sac Yolo North is a roughly 32-mile-long levee system that runs along the right bank of the Sacramento River and left bank of Yolo Bypass between the Sacramento Bypass and Fremont Weir, in Yolo County, California, northwest of the city of Sacramento, and the intersection of interstates 80 and 5. The levee surrounds mostly agricultural lands, with some residential use. The levee, made of compacted soils, was originally constructed by locals in the 1800s, though the exact construction history is unknown to the USACE. In the early 1900's, reconstruction of the levee by the USACE occurred under the Sacramento River Flood Control Project. Throughout the 1900's, the levee was improved after flood events, including placement of rock on the waterside slope to lower the likelihood of erosion, or washing away of the levee soils, and enlarging segments of the levee and flattening the slopes in the 1960s. The Sponsor for this system is the Central Valley Flood Protection Board.

The Sac Yolo North Levee System includes the following Local Maintaining Agencies (LMAs):

- RD 537 (which annexed RD 785 and RD 827 effective July 1, 2020)
- RD 1600

Sac Yolo North System Units and LMAs



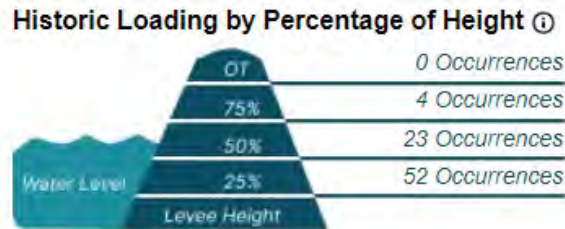
Performance and Condition

This levee is considered a low-risk system. The Oroville Dam regulates flows into the Sacramento River upstream of the levee and lowers the expected damages to the levee during a storm. Flood waters have risen more than 70 percent of the way up the levee at some locations in this system. The levee has shown signs of seepage, or water leaking through the levee soils, unstable slopes, and erosion. Unauthorized encroachments, animal burrows, and vegetation on the levee all increase the likelihood for seepage to occur in the future. If the levee were to fail, flood waters are expected to be between 6 and 15 feet for most of the leveed area, with deepest flooding to depths greater than 15 feet occurring at the south end of the leveed are, near the Sacramento Bypass. Yolo County has an Emergency Operations Plan for the system

¹ USACE National Structure Inventory 2023

with guidance for how to respond in a flood emergency. The population living inside the leveed area is sparse and there should not be traffic during an evacuation.

The levee system was constructed in 1952 and averages 20 feet in height. Its flooding sources include the Sacramento Bypass, Sacramento River, Yolo Bypass, Sacramento River. The following graphic shows historic flooding occurrences.



Regional Projects Underway²

Fremont Weir Enhanced Floodplain and Primary Fish Passage Structure

The Fremont Weir project enlarges the existing fish ladder, making it deeper and wider to allow additional Sacramento River water to flow through the structure and improve the connection to the Sacramento River. This improved connection will give fish more time to reach the northern Yolo Bypass after the Fremont Weir has overtopped. It also will make it easier for fish to locate the much larger fish passage structure and exit the Yolo Bypass to return to the Sacramento River.

Lower Elkhorn Basin Levee Setback Project

The Lower Elkhorn Basin Levee Setback (LEBLS) Project is the first phase of implementation of recommendations from the 2012 Central Valley Flood Protection Plan (CVFPP) and associated studies carried out by the Department of Water Resources. The project will contribute to the CVFPP goals of providing improved public safety for approximately 780,000 people by:

- Reducing river levels (stages) in the Sacramento River
- Increasing the capacity of the Yolo and Sacramento Bypasses near the urban communities of Sacramento and West Sacramento, as well as rural communities, Woodland, and Clarksburg

The improvements will also provide:

- System resiliency
- Opportunities to improve ecosystem functions, such as:
 - Increasing inundated floodplain habitat for fish rearing
 - Improving the connection to the Sacramento Bypass Wildlife Area

The project consists of approximately 7 miles of setback levees in the Lower Elkhorn Basin along the east side of the Yolo Bypass, and the north side of the Sacramento Bypass. The project is:

- Removing all or portions of the existing levees that will be set back
- Removing portions of local reclamation district cross levees
- Improving or relocating related infrastructure

DWR continues to coordinate closely with the U.S. Army Corps of Engineers (USACE), the Central Valley Flood Protection Board (CVFPB), U.S. Fish and Wildlife Service (USFWS), and California Department of Fish and Wildlife (CDFW) to manage the permits needed for this project. DWR is also coordinating with local reclamation district and agencies and utility companies on specific infrastructure relocation and improvements. Some of the infrastructure work will be carried out by other agencies.

² Conaway Levee Setback and Transitory Storage Project, Wood Rodgers Nov 2016

The project started construction during the summer of 2020 during the COVID pandemic. Project staff continue to maintain safe working practices and are achieving major construction milestones. Construction is anticipated to continue for multiple years. Once the DWR-led project is completed and monitored for several years, ongoing operations and maintenance will be turned over to RD 537.

Long-Term Regional Projects Identified³

Upper Elkhorn Levee Setback – This project would widen the Yolo Bypass levee, moving it into RD 1600 impacting ½ to 2/3 of the RD territory.

Fremont Weir Extension - The weir would need to be extended accordingly to accommodate this additional width of the Yolo Bypass.

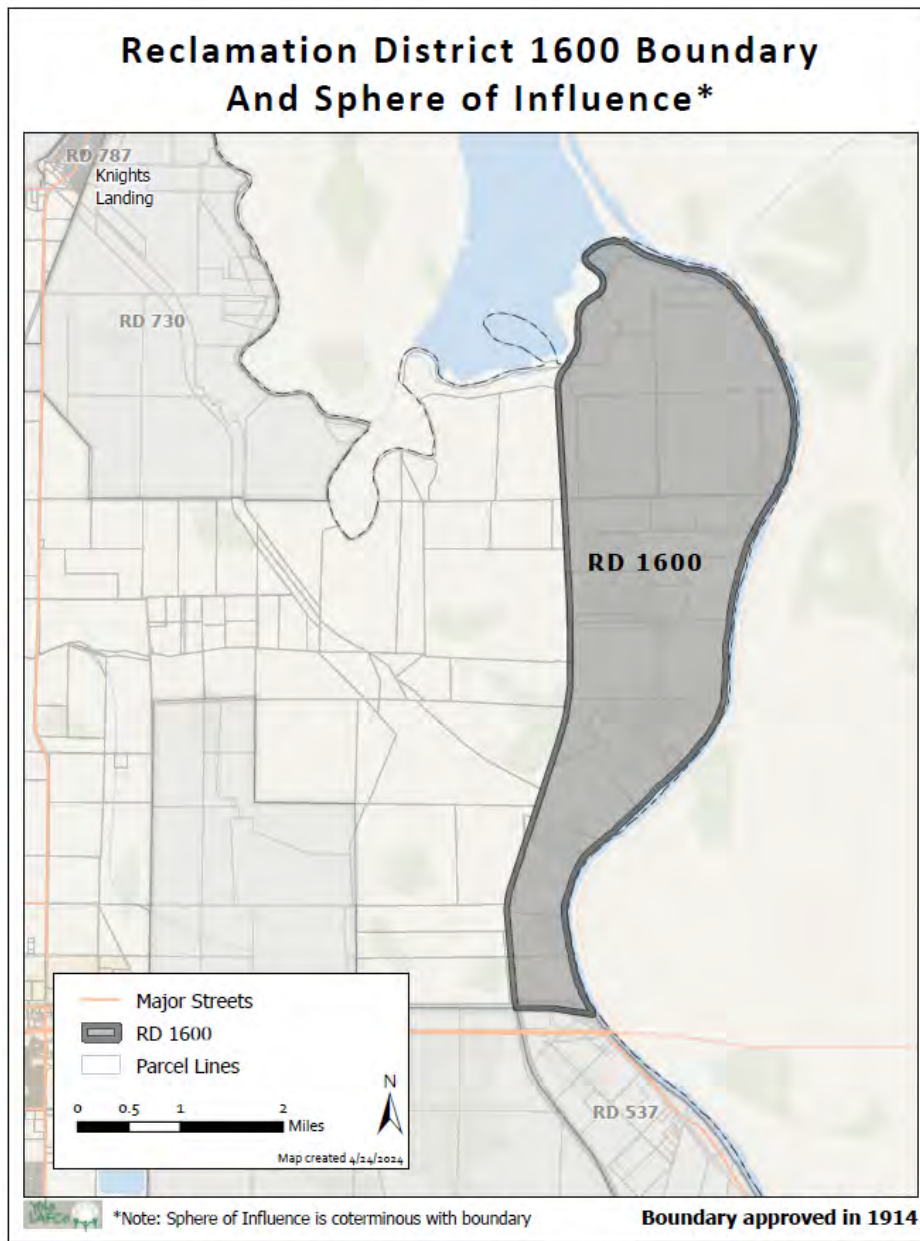
Tule Canal Restoration – This project would modify the existing Tule Canal to function as an enhanced permanent and seasonal riparian wetland feature, while retaining drainage and water supply functions. The Project will benefit fall-run, spring-run, and winter-run Chinook salmon as well as Steelhead trout by improving in-channel and floodplain rearing opportunities along the Tule Canal corridor. The Project will also benefit aquatic, terrestrial, and amphibian species, including threatened and endangered species.

³ Conaway Levee Setback and Transitory Storage Project, Wood Rodgers Nov 2016

RD 1600 AGENCY PROFILE

Formed in 1914, Reclamation District 1600 provides drainage and levee maintenance for 14.7 miles of levee, protecting 6,647 acres of land. RD 1600 lies between the Sacramento River to the east, the Yolo Bypass to the west, the Sacramento River to the east, and RD 537 to the south. There are currently 17 landowners in the district.

Reclamation District 1600 is an independent special district with a three-member board of trustees. The District has no full-time staff or equipment. Maintenance actions are accomplished by contracts arranged by the Board of Directors. RD 1600 has one pump station (with two operational pumps) for the purpose of draining the District during the winter/spring resulting from seepage due to water in the Yolo Bypass and Tule Canal, and during the summer/fall from agricultural operations within the District. The pump station requires occasional maintenance and power for operation. RD 1600 does not provide ag water for irrigation.



MUNICIPAL SERVICE REVIEW

POTENTIALLY SIGNIFICANT MSR DETERMINATIONS

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

- Growth and Population
- Disadvantaged Unincorporated Communities
- Capacity, Adequacy & Infrastructure to Provide Services
- Financial Ability
- Shared Services
- Accountability, Structure, and Efficiencies
- Broadband Access

LAFCO MUNICIPAL SERVICE REVIEW:

- On the basis of this initial evaluation, the required determinations are not significant, and staff recommends that a comprehensive MSR is NOT NECESSARY. The subject agency will be reviewed again in five years per Government Code Section 56425(g).
- The subject agency has significant and/or potentially significant determinations and staff recommends that a comprehensive MSR IS NECESSARY and has been conducted via this checklist.

1. Growth and Population	Significant Issue	Potentially Significant	No Issue
Growth and population projections for the affected area.			
a) <i>Will development and/or population projections over the next 5-10 years impact the subject agency’s service needs and demands?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) <i>Do changes in demand suggest a change in the agency’s services?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

None.

Growth and Population MSR Determination:

The Sac Yolo North levee system that RD 1600 is included in has a population of approximately 102 permanent residents. Normal fluctuations in rural population will not change current DWR flood protection standards and District levee and drainage services. The more stringent urban level of flood protection standards is not required until the area is developed with 10,000 residents or more, or an urbanizing area that is planned to have 10,000 residents or more within the next 10 years¹. There is no significant growth and population anticipated in the District that will impact the subject agency’s service needs and demands.

¹ Code of Federal Regulations Title 44, Section 59.1 and California Government Code Section 65007(l) and (m)

Recommendation(s):

None.

2. Disadvantaged Unincorporated Communities

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

	Significant Issue	Potentially Significant	No Issue
a) <i>If the subject agency provides services related to sewers, municipal and industrial water, or structural fire protection, 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?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) <i>If "yes" to a), it is feasible for the agency to be reorganized such that it can extend service to the disadvantaged unincorporated community? If "no" to a), this question is marked "no" because it is either not needed or not applicable.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

None.

Disadvantaged Unincorporated Communities MSR Determination:

RD 1600 does not provide sewers, municipal and industrial water, or structural fire protection. The District provides services notwithstanding any communities' economic status². There are no disadvantaged unincorporated communities within RD 1600.

Recommendation(s):

None.

² CALAFCO Statewide DUCs Refined GIS Layer, RSG, Inc. December 10, 2021

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.

	Significant Issue	Potentially Significant	No Issue
a) <i>Are there any deficiencies in the infrastructure, equipment, and capacity of agency facilities to meet <u>existing</u> service needs for which the agency does not have a plan in place to resolve (including deficiencies created by new state regulations)?</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) <i>Are there any issues regarding the agency's capacity and ability to meet the service demand of reasonably foreseeable <u>future</u> needs?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) <i>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?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) <i>Is the agency needing to consider climate adaptation in its assessment of infrastructure/service needs?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

The Department of Water Resources (DWR), under the authority of Water Code Sections 8360, 8370 and 8371, performs a verification inspection of the maintenance of the Sacramento River Flood Control Project (SRFCP) levees performed by the local responsible agencies, and reports to the United States Army Corps of Engineers (USACE) periodically regarding the status of levee maintenance. The State inspects and reports only on the status of maintenance practices and on observable levee conditions.

DWR completes annual spring inspections by May, documenting the location, size, type, and rating of maintenance deficiencies and provides the resulting inspection reports to the LMAs for their use in planning maintenance activities prior to the food season. DWR completes annual fall inspections by November, verifying the status of previously noted deficiencies, as well as any additional deficiencies, that should be corrected to help ensure adequate performance during the food season. LMAs conduct inspections in the winter and summer, completing the requirement to conduct four inspections each year. Project facilities are inspected at least four times each year. DWR compiles this information for use by stakeholders and will report to CVFPB on inspection activities as requested.

DWR gives an overall levee segment rating only during the annual fall inspections. The table below shows the overall rating from 2019-2023. Three possible ratings are given based on the state of its levees:

- Acceptable (A) – No immediate work required, other than routine maintenance. The flood protection project will function as designed and intended with a high degree of reliability, and necessary cyclical maintenance is being performed adequately.
- Minimally Acceptable (M) – One or more deficient conditions exist in the flood protection project that needs to be improved or corrected. However, the project will essentially function as designed with a lesser degree of reliability than what the project could provide.
- Unacceptable (U) – One or more deficient conditions exist that may prevent the project from functioning as designed, intended, or required.

Ratings for RD 1600 improved in 2020 but declined last year in 2023.

YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

RD Overall Rating 2019-2023

Local Maintaining Agency	Overall Rating <i>A = Acceptable; M = Minimally Acceptable; and U = Unacceptable</i>					Total Levee Miles
	2019	2020	2021	2022	2023	
RD 1600	U	M*	M*	M*	U	14.69

Source: Department of Water Resources 2023 Inspection and LMA Report Table 2-2

* Overall unit threshold percentage is less than 10%; however, U rated miles are present, so the overall unit rating is M instead of A.

RD 1600 contains two segments inspected by DWR that comprise the overall rating. Each unit, length, rating is listed in the table and shown in the map below³.

RD Units, Length and DWR Inspection Rating

Unit	Name	Bank	Length (Miles)	DWR Rating
Unit No. 01	Sacramento River	RB	10.46	U
Unit No. 02	Yolo Bypass	LB	4.23	U



³ DWR 2023 Sacramento River Individual Agency Summary Reports

YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

The DWR summary of the fall 2023 inspection reported that there is levee erosion and a large crack on landside hinge. Cracking and slumping in the lower slope between levee miles 1.64-1.66 was cracking on the hinge, but has since filled in and is now just noted for monitoring on Unit No. 2. The Agency provided a list of expenses and maintenance activities performed on all levee units. Activities include levee repairs, office overhead, patrolling, rodent control, and surveying and engineering. The reported total maintenance cost for the previous fiscal year was \$125,750. The Agency provided a list of planned expenses and maintenance activities for all levee units. Expenses include the cost of office overhead, patrolling, rodent control, surveying and engineering, and vegetation control by mowing, spraying and other methods. The reported total cost for the current fiscal year is \$206,000 which corresponds to \$14,023 per levee mile.

RD 1600 reports that several of these erosion/bank caving sites, erosion/vehicle traffic and animal control sites have been repaired in early 2024. A large erosion site on the Yolo Bypass is scheduled to be repaired summer 2024 by the United States Army Corps of Engineers. Vegetation maintenance practices have already increased in 2024 as well.

The District also received a grant for approximately \$366,000 from the Flood System Repair Program (FSRP) for roadway repairs, which were completed in 2024. The funds are paid on a reimbursement basis following recording of the Notice of Completion.

Spring 2024 DWR Levee Inspection Reports (Maintenance Only, No Rating)⁴

RD 1600 was inspected on April 3 and May 7, 2024. DWR spring inspection reports do not provide an overall rating. The LMA has copies of the O&M Manuals available, a stockpile of flood response material, a written flood response plan, and flood fight training.

Summary Table of Spring 2024 Inspection Items

	Items Resolved	Items Not Resolved	Total Items	Notes Regarding Unresolved Items
Unit No. 01	61	1	62	Rodent control (mi. 5.78)
Unit No. 02	7	0	7	
Total %	68 (99%)	1 (1%)	69	

A significant number of items have been corrected by RD 1600. All but one item has been resolved, and the remaining item is not critical (merely rodent control).

USACE Rehabilitation Program Status

RD 1600 currently has an “active” status in the USACE PL 84-99 Rehabilitation Program, which means it is eligible for rehabilitation of flood damaged facilities at 100-percent federal cost sharing to pre-disaster condition and level of protection.

Capacity and Adequacy of Public Facilities and Services MSR Determination:

RD 1600 has received minimally acceptable ratings from DWR for its levees in 2020, 2021, and 2022, but in 2023 received an unacceptable rating due to significant need for vegetative removal/thinning and the presence of two erosion sites from 2023 storm damage. Vegetation control in 2024 has already increased. Additionally, the Sacramento River landside erosion sites that were due to storm damages were repaired in 2024. The erosion site that was due to storm damage is scheduled for repair by USACE in summer 2024. The reported total cost for the current fiscal year is \$206,000 which corresponds to \$14,023 per levee mile. The 2024 Spring inspection report indicates 99% of the items noted in the Fall 2023 inspection have been corrected or resolved.

⁴ https://cdec.water.ca.gov/detailed_reports.html

Capacity and Adequacy of Public Facilities and Services MSR Recommendations:

RD 1600 should implement any remaining DWR Fall 2023 inspection report recommendations and correct issues itemized in the Spring 2024 inspection report:

- There is vegetation that significantly impacts access and visibility in this Area.
- The LMA should focus more on controlling vegetation to maintain visibility and access.
- The LMA should focus on repairing erosion sites.

4. Financial Ability

Financial ability of agencies to provide services.

	Significant Issue	Potentially Significant	No Issue
a) <i>Is the subject agency in a stable financial position, i.e. does the 5-year trend analysis indicate any issues?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) <i>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?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) <i>Is the organization's revenue sufficient to fund an adequate level of service, necessary infrastructure maintenance, replacement and/or any needed expansion? Is the fee inconsistent with the schedules of similar local agencies</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) <i>Does the subject agency have a capital improvement plan (CIP)? Has the agency identified and quantified what the possible significant risks and costs of infrastructure or equipment failure? Does the agency have a reserve policy to fund it?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) <i>Does the agency have any debt, and if so, is the organization's debt at an unmanageable level? Does the agency need a clear debt management policy, if applicable?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) <i>Can the subject agency improve its use of generally accepted accounting principles including: summaries of all fund balances, summaries of revenues and expenditures, general status of reserves, and any un-funded obligations (i.e. pension/retiree benefits)? Does the agency have accounting and/or financial policies that guide the agency in how financial transactions are recorded and presented?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) <i>Does the agency staff need to review financial data on a regular basis and are discrepancies identified, investigated and corrective action taken in a timely manner? The review may include reconciliations of various accounts, comparing budgets-to-actual, analyzing budget variances, comparing revenue and expense balances to the prior year, etc. If the agency uses Yolo County's financial system and the County Treasury, does the agency review monthly the transactions in the County system to transactions the agency submitted to the County for processing?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h) <i>Does the agency board need to receive regular financial reports (quarterly or mid-year at a minimum) that provide a clear and complete picture of the agency's assets and liabilities, fully disclosing both positive and negative financial information to the public and financial institutions?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

**RECLAMATION DISTRICT NO. 1600
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES**

	2019 *	2020 *	2021 **	2022 **	2023 **
Revenue					
Special assessment	\$ 133,013	\$ 130,671	\$ 133,002	\$ 260,870	\$ 271,402
Interest	2,247	2,608	625	17	14,510
Intergovernmental grants	143,300	82,509	726,693	299,697	811,620
Other revenue	-	201	5,464	214	204,964
Total Revenue	278,560	215,989	865,784	560,798	1,302,496
Expenditures					
Salaries and benefits	18,095	31,810	37,291	34,746	10,777
Services and supplies	132,540	288,234	650,487	509,408	292,374
Debt service (principal and interest)	96,025	-	-	-	-
Other expenditures	-	837	-	6,381	529
Capital outlay	-	-	-	19,200	-
Total Expenditures	246,660	320,881	687,778	569,735	303,680
Net income (loss)	31,900	(104,892)	178,006	(8,937)	998,816
Beginning Fund Balance	38,254	70,154	(34,738)	143,268	134,331
Ending Fund Balances	\$ 70,154	\$ (34,738)	\$ 143,268	\$ 134,331	\$ 1,133,147
Fund Balances					
Unassigned	\$ 70,154	\$ (34,738)	\$ 143,268	\$ 134,331	\$ 1,133,147
Total Fund Balances	\$ 70,154	\$ (34,738)	\$ 143,268	\$ 134,331	\$ 1,133,147
Y-T-Y Change in total Fund Balances					
Amount Increase (Decrease)	\$ 31,900	\$ (104,892)	\$ 178,006	\$ (8,937)	\$ 998,816
Percentage Increase (Decrease)	83.39%	-149.52%	-512.42%	-6.24%	743.55%

Data Source

* Per Audited Financial Statements.

** Per contracted CPA records.

Discussion:

RD 1600's sources of revenue consist of special assessments (billed by district), investment earnings, intergovernmental revenue and other miscellaneous revenue. The district incurred a deficit fund balance of \$34,738 in 2020. At the end of 2023 the district had a fund balance of \$1,133,147. The fluctuation in fund balance was attributable to delay in FEMA funding for reimbursement of damages due to the 2017 storms, an increase in annual assessments resulting from a Proposition 218 election described below, and significant grants from the CA Department of Water Resources.

The District's primary revenues are special assessments and intergovernmental grants. Over the past 5 years special assessments made up between 15% – 60% of annual revenue while intergovernmental revenue made up 38% - 84%. However, intergovernmental revenues are not guaranteed. They must be applied for and often are restricted to specific projects and not for ongoing operations and maintenance. In addition, the cost of flood repairs each year is highly variable. While the District has historically received both state and federal reimbursements for emergency repairs, it is not unusual for many months (or even years) to pass between the initial expenditure by the District and the final receipt of funds by the state or federal agency.

RD 1600 experienced low and deficit fund balances in fiscal years 2020 and 2021 due to the inability to pay cash for flood damages as the work was progressing. The district had to incur debt to remain solvent during this time. Currently the District has a fund balance of \$1,133,147.

YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

The District does not have a capital improvement plan, nor has it quantified other risks to quantify an adequate reserve amount. The District does not have any debt nor any pension or other postemployment benefits liabilities. The Yolo Bypass Comprehensive Study underway has the potential to substantially change flood conditions and facilities within the District’s purview. These variables make it difficult for the District to commit to detailed capital improvement plans for facilities until these improvements are determined and designed.

Although RD 1600 does not have any written accounting and/or financial policies, it contracts with an independent CPA to maintain the financial records of the District. In addition, the District contracts with a different independent CPA to perform audits every two years. The audited financial statements are presented in accordance with generally accepted accounting principles and as such presents all relevant balances of the District. The CPA’s tasks include the review of financial transactions posted to the County maintained fund and combines these transactions to those processed through the other accounts maintained outside the County Treasury to create reports submitted to the trustees at their quarterly meetings.

At each meeting the board receives a financial report which is prepared and presented by the CPA. The report includes a summary of significant transactions, cash balances, partial general ledger, listing of receivables, listing of unpaid bills, balance sheet and profit and loss statement with budget-actual data.

Financial Ability MSR Determination:

RD 1600 is generally stable, however, it experienced low and deficit fund balances in fiscal years 2020 and 2021 because there were not sufficient funds to pay for flood repairs. In response, the District established a new Levee and Drainage Facilities Improvement Assessment in 2021, replacing the prior assessment methodology. The new formula increased overall revenue and provided for an annual, optional cost-of-living adjustment, capped at 4%. Since February 2021, the District has used the formula described in the Engineer’s Report and has annually approved an increase in the assessment based on the applicable CPI. For fiscal year 2023-2024, the annual increase was 4%; for fiscal year 2024-2025, the annual increase will be 2.6% which reflects the CPI for the previous year. Despite these financial improvements, it’s unreasonable to expect RD 1600 to fund maintenance of its portion of Regional Flood Management Facilities, yet the District must plan for these potential additional maintenance costs accordingly. The District contracts with a CPA to manage financial records and it performs audits regularly. The Board receives regular financial reports.

Financial Ability Recommendation(s):

- RD 1600 should continue to increase its fund balance and create a policy for, and establish, an emergency reserve. Once the Yolo Bypass Comprehensive Study determines improvements and they are designed, a more detailed Capital Improvement Plan should be considered.
- The District should develop written accounting and financial policies and procedures in order to ensure financial transactions are recording consistently and in accordance to generally accepted accounting principles.

5. Shared Services and Facilities

Status of, and opportunities for, shared facilities.

	Significant Issue	Potentially Significant	No Issue
a) <i>Are there any opportunities for the organization to share services or facilities with neighboring, overlapping, or other organizations that are not currently being utilized?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

None.

Shared Services MSR Determination:

RD 1600 is hydrologically connected to RD 537 in the Sac Yolo North Levee System. The agencies in this levee system already operate under a collective work plan via the SWIF plan. RD 1600 participates as a member of the California Central Valley Flood Control Association (CCVFCA). RD 1600 is currently contracting for its staffing services with the same legal (Downey Brand) and engineering firm (MBK Engineers) used by many of the RDs in Yolo County. The trustees work closely with their legal counsel and engineers to operate and maintain the District in accordance with applicable law and standards for reclamation districts in the area.

Shared Services Recommendation(s):

None.

6. Accountability, Structure, and Efficiencies

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

	Significant Issue	Potentially Significant	No Issue
a) <i>Are there any recommended changes to the organization's governmental structure or operations that will increase accountability and efficiency (i.e. overlapping boundaries that confuse the public, service inefficiencies, and/or higher costs/rates)?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) <i>Does the agency need to secure independent audits of financial reports that meet California State Controller requirements? Are the same auditors used for more than six years? Are audit results <u>not</u> reviewed in an open meeting?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) <i>Is the agency insured or in a risk management pool to manage potential liabilities?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) <i>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?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) <i>Are there any issues with staff capacity and/or turnover? Is there a lack of staff member training regarding the organization's program requirements and financial management?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) <i>Does the agency have adequate policies (as applicable) relating to personnel/payroll, general and administrative, board member and meetings, and segregating financial and accounting duties among staff and/or board to minimize risk of error or misconduct (see suggested policies list)?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
g) <i>Does the organization need to improve its public transparency via a website (see https://www.yololaftco.org/yolo-local-government-website-transparency-scorecards)?</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Discussion:

There are long-term recommended changes to the governmental structure to improve operational efficiencies for the SacYolo North (Elkhorn) Basin. The DWR Central Valley Flood Protection Plan and Lower Sacramento River/Delta North Flood Management Plan (2014) included the recommended action step to "Conduct the necessary stakeholder outreach and coordination to develop organizational

structure/governance, cost, policy/procedure, training requirements and synchronization to consolidate Local Maintaining Agencies, operations and maintenance, and emergency response activities”. DWR funded the UC Davis Yolo County Flood Governance Study (2014) in collaboration with all the local district stakeholders, which ultimately recommended the “The Hydraulic Basin Approach” that “Yolo County RDs would benefit if each hydraulically connected basin operated as if it were a single entity”.

There are seven USACE levee systems/basins that include special district LMAs under Yolo LAFCo oversight. The key goal for this MSR/SOI is to identify the recommended “single entity” for each system/basin. The DWR Flood System Improvement Branch Chief and staff were consulted and concur with LAFCo’s governance recommendations⁵. DWR operates roughly 300 miles of the 1,600 total levee miles in the State Plan of Flood Control and relies heavily on LMAs, which would benefit from efficiency, shared services, expertise, appropriate size/scale, and borrowing power.

For the Sac Yolo North (Elkhorn) System it is premature to combine RD 537 and RD 1600 into a single entity due to the Upper Yolo Bypass Regional Planning Process and the Yolo Bypass Comprehensive Study underway to develop alternatives for the Yolo Bypass east levee that may significantly alter the RD 1600 territory. This issue should be reevaluated in the next MSR/SOI cycle to identify a single entity successor agency.

RD 1600 conducts through biennial audits performed by Perry Bunch Johnston Inc. and posts them on the District’s website. Perry Bunch Johnston Inc. is currently completing the audit for FY 2022-2021. The district has insurance coverage through Gladfelter insurance (a broker).

All three board member positions are currently filled by landowner representatives as appointed by the Board of Supervisors. The Board of Trustees meets quarterly at the Bypass Farms office. RD 1600 does not have any employees and contracts with Downey Brand LLP for legal counsel and MBK Engineers for engineering services. There do not appear to be any issues with board or staff turnover. Minutes from each meeting are posted on the District’s website following approval by the Board of Trustees.

The District is working on written guidelines and procedures for operations and maintenance, and emergencies. RD 1600 maintains a website, which is an achievement since the 2018 MSR, however it received a 47% transparency score in 2023.

Accountability, Structure, and Efficiencies MSR Determination:

There are long-term recommended changes to the governmental structure to improve operational efficiencies for the SacYolo North (Elkhorn) Basin. However, it is premature to combine RD 537 and RD 1600 into a single entity due to the Upper Yolo Bypass Regional Planning Process and the Yolo Bypass Comprehensive Study underway to develop alternatives for the Yolo Bypass east levee that may significantly alter the RD 1600 territory. This issue should be reevaluated in the next MSR/SOI cycle to identify a single entity successor agency. RD 1600 is accountable and operationally efficient but should improve its website transparency.

Accountability, Structure, and Efficiencies Recommendation(s):

- For the SacYolo North (Elkhorn) System, RD 537 and RD 1600 should eventually combine as a single entity. However, it is premature to combine them in 2024 due to the Upper Yolo Bypass Regional Planning Process and the Yolo Bypass Comprehensive Study underway to develop alternatives for the Yolo Bypass east levee that may significantly alter the RD 1600 territory. This issue should be reevaluated in the next MSR/SOI cycle to identify a single entity successor agency.
- RD 1600 should improve its 47% website transparency score <https://www.yololafco.org/yolo-local-government-website-transparency-scorecards>.

⁵ Meeting with DWR staff on May 30, 2024.

7. Broadband Access

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

Per Yolo LAFCo Project Policy 6.2 *“it is the intent of Yolo LAFCo to comprehensively review broadband access in MSR of local agencies that either serve communities and/or provide emergency services where broadband connection is critical (i.e. cities, CSDs, CSAs, FPDs and RDs).”*

	Significant Issue	Potentially Significant	No Issue
a) <i>Is there a lack of high-performance broadband (25/3 Mbps) available in the community?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Discussion:

None.

Broadband Access MSR Determination

The CPUC California Broadband Availability Map⁶ indicates RD 1600 is partially served with fixed wireless speeds of 50/30 Mbps by AFES (but staff is skeptical). The northern portion of the district has only mobile service up to 43/10 Mbps by T-Mobile or 38/5 Mbps from AT&T. These speeds may meet the minimum broadband speeds, but mobile service is expensive and inconsistent.

Broadband Access Recommendation(s)

None.

SPHERE OF INFLUENCE STUDY

A Sphere of Influence (SOI) is an area delineated on a map and approved by LAFCo that indicates where potential future agency annexations could be proposed. It is recommended that RD 537 and RD 1600 eventually evolve into a single entity, however, there are no specific recommended changes to the District boundaries in this MSR/SOI cycle. Therefore, no changes to the District’s SOI are currently needed.

On the basis of the Municipal Service Review:

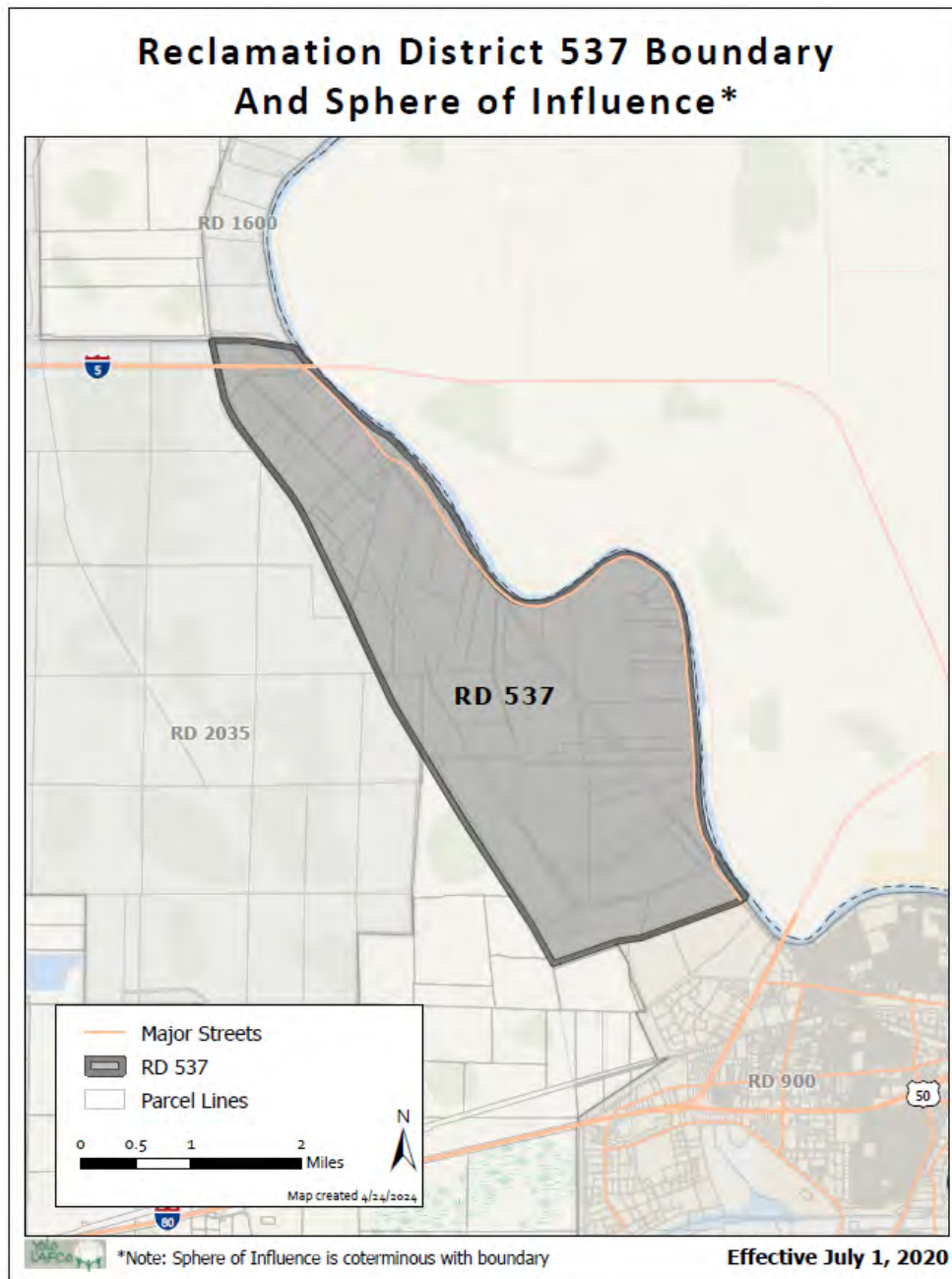
- Staff has reviewed the agency’s Sphere of Influence and recommends that a SOI Update is NOT NECESSARY in accordance with Government Code Section 56425(g). Therefore, NO CHANGE to the agency’s SOI is recommended and SOI determinations HAVE NOT been made.
- Staff has reviewed the agency’s Sphere of Influence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

⁶ <https://www.broadbandmap.ca.gov/>

RD 537 AGENCY PROFILE

As originally formed in 1891, Reclamation District (RD) 537 provided levee maintenance for 6 miles of levee. Effective July 1, 2020, RD 537 annexed RD 785 and RD 827 into its district and detached from West Sacramento, so it now maintains 13.41 miles of levee, 16 miles of canals/ditches, and one new pump station with 5 pumps constructed as part of the bypass setback levee project that drains the agricultural area north of the Sacramento Bypass.

RD 537 is an independent special district which expanded to a five-member Board of Trustees with annexation of the additional territory elected by the estimated 51 landowners within the District. RD 537 remains a member of WSAFCA.



MUNICIPAL SERVICE REVIEW

POTENTIALLY SIGNIFICANT MSR DETERMINATIONS

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

- Growth and Population
- Disadvantaged Unincorporated Communities
- Capacity, Adequacy & Infrastructure to Provide Services
- Financial Ability
- Shared Services
- Accountability, Structure, and Efficiencies
- Broadband Access

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- On the basis of this initial evaluation, the required determinations are not significant, and staff recommends that a comprehensive MSR is NOT NECESSARY. The subject agency will be reviewed again in five years per Government Code Section 56425(g).
- The subject agency has significant and/or potentially significant determinations and staff recommends that a comprehensive MSR IS NECESSARY and has been conducted via this checklist.

1. Growth and Population	Significant Issue	Potentially Significant	No Issue
Growth and population projections for the affected area.			
a) <i>Will development and/or population projections over the next 5-10 years impact the subject agency’s service needs and demands?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) <i>Do changes in demand suggest a change in the agency’s services?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

None.

Growth and Population MSR Determination:

The Sac Yolo North levee system that RD 537 is included in has a population of approximately 102 permanent residents. Normal fluctuations in rural population will not change current DWR flood protection standards and District levee and drainage services. The more stringent urban level of flood protection standards is not required until the area is developed with 10,000 residents or more, or an urbanizing area that is planned to have 10,000 residents or more within the next 10 years¹. There is no significant growth and population anticipated in the District that will impact the subject agency’s service needs and demands.

Growth and Population Recommendation(s):

None.

¹ Code of Federal Regulations Title 44, Section 59.1 and California Government Code Section 65007(l) and (m)

2. Disadvantaged Unincorporated Communities

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

	Significant Issue	Potentially Significant	No Issue
a) <i>If the subject agency provides services related to sewers, municipal and industrial water, or structural fire protection, 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?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) <i>If “yes” to a), it is feasible for the agency to be reorganized such that it can extend service to the disadvantaged unincorporated community? If “no” to a), this question is marked “no” because it is either not needed or not applicable.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

None.

Disadvantaged Unincorporated Communities MSR Determination:

RD 537 does not provide sewers, municipal and industrial water, or structural fire protection. The District provides services notwithstanding any communities’ economic status². There are no disadvantaged unincorporated communities within RD 537.

Disadvantaged Unincorporated Communities Recommendation(s):

None.

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.

	Significant Issue	Potentially Significant	No Issue
a) <i>Are there any deficiencies in the infrastructure, equipment, and capacity of agency facilities to meet <u>existing</u> service needs for which the agency does not have a plan in place to resolve (including deficiencies created by new state regulations)?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) <i>Are there any issues regarding the agency’s capacity and ability to meet the service demand of reasonably foreseeable <u>future</u> needs?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) <i>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?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

² CALAFCO Statewide DUCs Refined GIS Layer, RSG, Inc. December 10, 2021

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d) *Is the agency needing to consider climate adaptation in its assessment of infrastructure/service needs?*

Discussion:

The Department of Water Resources (DWR), under the authority of Water Code Sections 8360, 8370 and 8371, performs a verification inspection of the maintenance of the Sacramento River Flood Control Project (SRFCP) levees performed by the local responsible agencies, and reports to the United States Army Corps of Engineers (USACE) periodically regarding the status of levee maintenance. The State inspects and reports only on the status of maintenance practices and on observable levee conditions.

DWR completes annual spring inspections by May, documenting the location, size, type, and rating of maintenance deficiencies and provides the resulting inspection reports to the LMAs for their use in planning maintenance activities prior to the food season. DWR completes annual fall inspections by November, verifying the status of previously noted deficiencies, as well as any additional deficiencies, that should be corrected to help ensure adequate performance during the food season. LMAs conduct inspections in the winter and summer, completing the requirement to conduct four inspections each year. Project facilities are inspected at least four times each year. DWR compiles this information for use by stakeholders and will report to CVFPB on inspection activities as requested.

DWR gives an overall levee segment rating only during the annual fall inspections. The table below shows the overall rating from 2019-2023. Three possible ratings are given based on the state of its levees:

- Acceptable (A) – No immediate work required, other than routine maintenance. The food protection project will function as designed and intended with a high degree of reliability, and necessary cyclical maintenance is being performed adequately.
- Minimally Acceptable (M) – One or more deficient conditions exist in the food protection project that needs to be improved or corrected. However, the project will essentially function as designed with a lesser degree of reliability than what the project could provide.
- Unacceptable (U) – One or more deficient conditions exist that may prevent the project from functioning as designed, intended, or required.

Acceptable and Minimally Acceptable ratings were found during the first three years, But ratings went down in 2022 and 2023. The Yolo Bypass Setback Levee Project is under construction, and therefore, some areas within the LMA are under construction and as such, the contractor has operation and maintenance obligations in those areas during project construction and completion.

RD Overall Rating 2019-2023

Local Maintaining Agency	Overall Rating					Total Levee Miles
	<i>A = Acceptable; M = Minimally Acceptable; and U = Unacceptable</i>					
	2019	2020	2021	2022	2023	
RD 537	M*	M*	M*	U	U	5.93
RD 785	M	M*	M*	M*	M*	5.57
RD 827	M	A	A	A	U	4.12

Source: Department of Water Resources 2023 Inspection and LMA Report Table 2-2

* Overall unit threshold percentage is less than 10%; however, U rated miles are present, so the overall unit rating is M instead of A.

The Fall 2023 DWR inspection reports are not aligned to RD 537 and RD 900 as reorganized effective July 2020 and still report per the previous boundaries. RD 537 contains two-unit segments inspected by DWR that comprise the overall rating, however, a portion of Unit 1 and all of Unit 2 has been taken over by RD

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900. In addition, RD 537 is also responsible for the units in the previous RD 785 and RD 827 territory. Each unit, length, rating is listed in the table and shown in the map below³.

RD 537 Units, Length and DWR Inspection Rating (Fall 2023)

Unit	Name	Bank	Length (Miles)	DWR Rating
Unit No. 01	Sacramento River	RB	4.74	U
Unit No. 02	Yolo Bypass	RB	Maintained by RD 900	

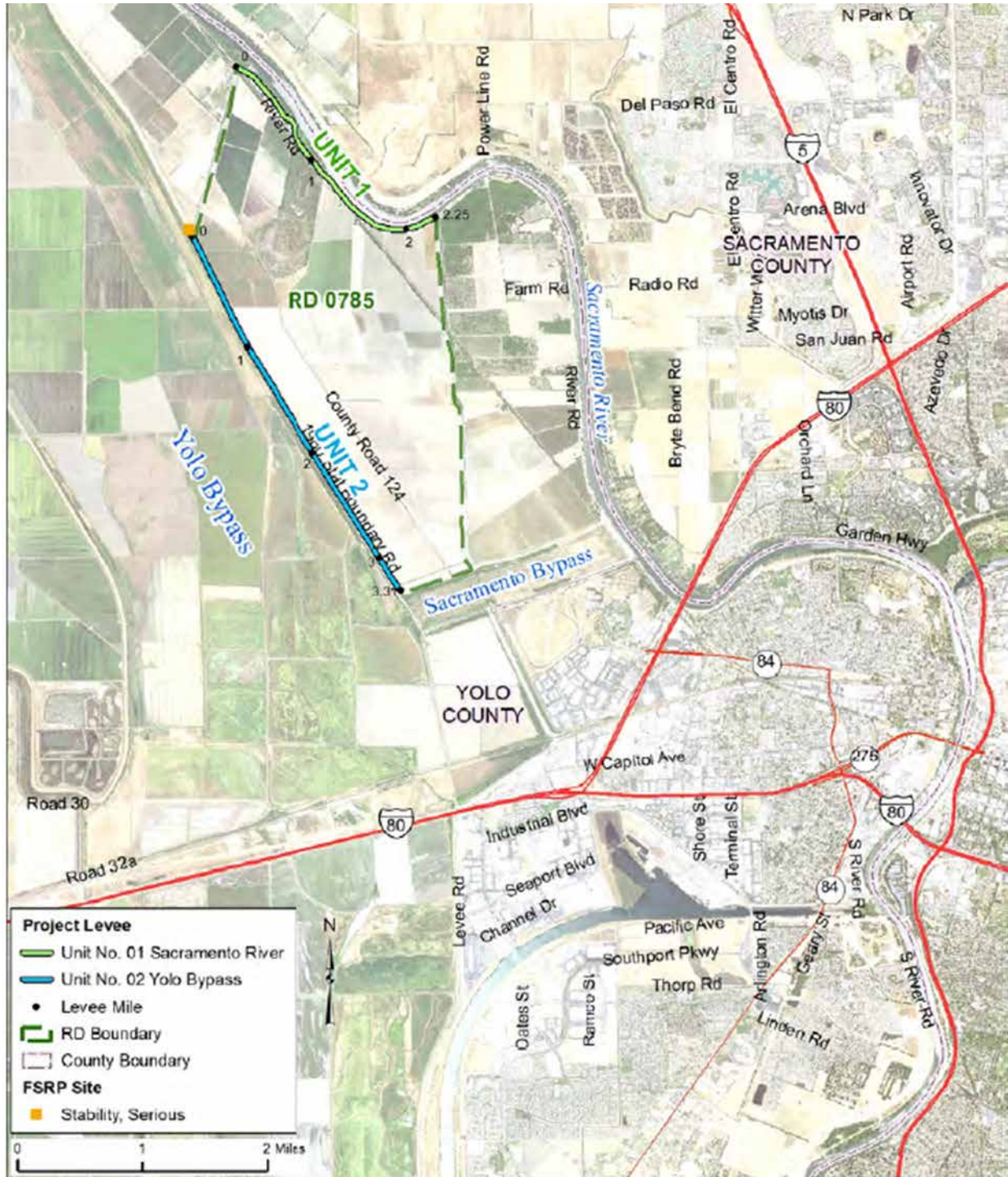


³ DWR 2023 Sacramento River Individual Agency Summary Reports

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RD 785 Units, Length and DWR Inspection Rating Fall 2023 (Annexed and Maintained by RD 537)

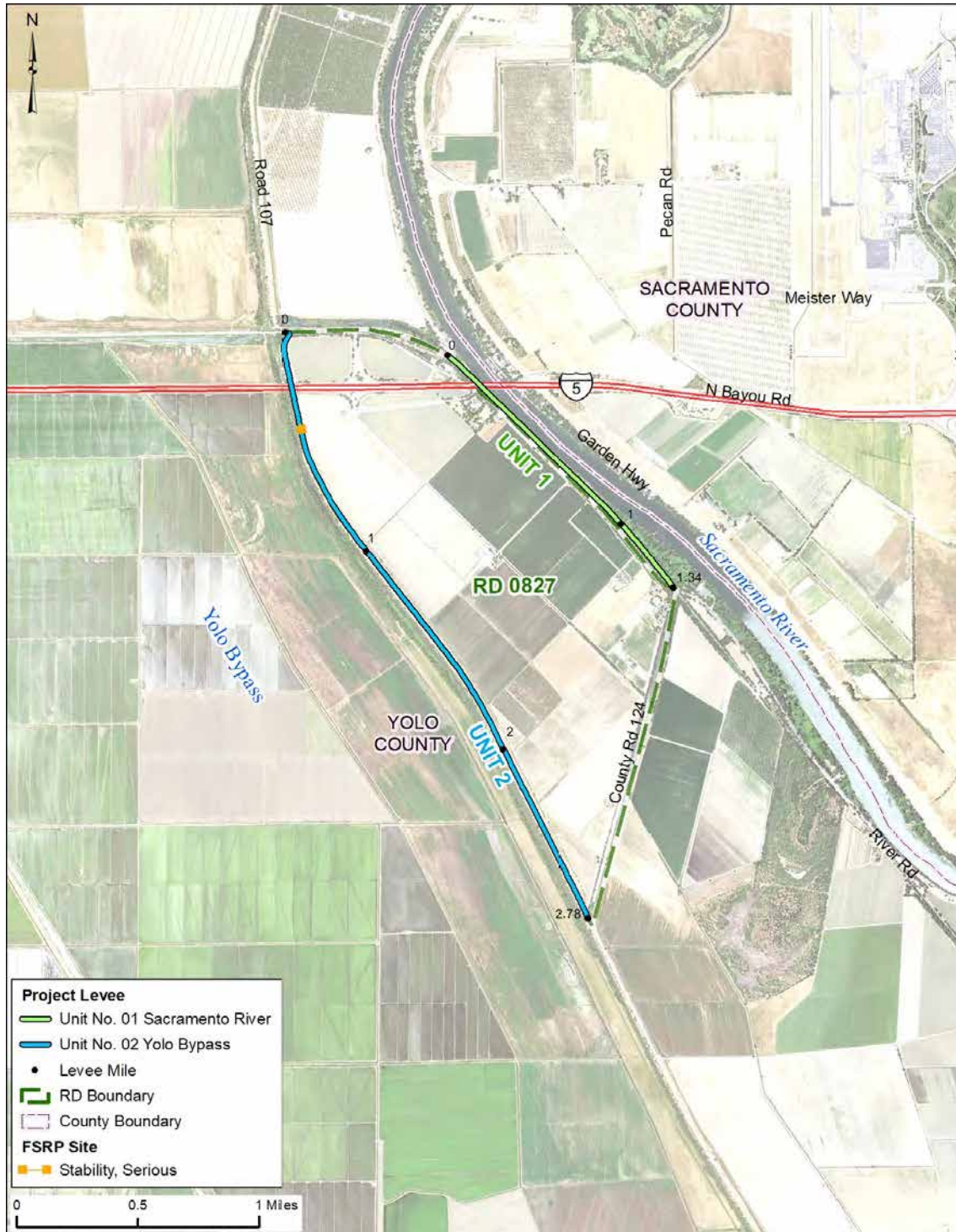
Unit	Name	Bank	Length (Miles)	DWR Rating
Unit No. 01	Sacramento River	RB	2.26	M*
Unit No. 02	Yolo Bypass	LB	3.31	A



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RD 827 Units, Length and DWR Inspection Rating Fall 2023 (Annexed and Maintained by RD 537)

Unit	Name	Bank	Length (Miles)	DWR Rating
Unit No. 01	Sacramento River	RB	1.34	M
Unit No. 02	Yolo Bypass	LB	2.78	U



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The DWR summary of the fall 2023 inspection report indicated RD 537 provided DWR a list of expenses and maintenance activities performed on all levee units. Activities include levee repairs, office overhead, surveying and engineering, and vegetation control by spraying. The reported total maintenance cost for the previous fiscal year was \$184,000. The Agency provided a list of planned expenses and maintenance activities for all levee units. Expenses include the cost of levee repairs, minor structure repairs, rodent control, surveying and engineering, and vegetation control by mowing, spraying, trimming and tree removal. The reported total cost for the current fiscal year is \$352,000 which corresponds to \$26,249 per levee mile⁴.

Spring 2024 DWR Levee Inspection Reports (Maintenance Only, No Rating)⁵

The DWR Spring 2024 inspections report that many of these repairs noted in fall 2023 have been completed. RD 537 was inspected on April 25, 2024, updating all the levee segments into the five units below from the previous RD 785 and RD 827 to match the boundaries as reorganized in 2020.

Summary Table of Spring 2024 Inspection Items

	Items Resolved	Items Not Resolved	Total Items	Notes Regarding Unresolved Items
Unit No. 01	15	4	19	Tree stump (mi 0.42), animal control (mi 2.10), erosion/rills (mi 2.32, 2.81)
Unit No. 02	21	1	22	Tree stump (mi 1.68)
Unit No. 03	8	2	10	Animal control (mi 0.28), thin/trim trees (mi 1.03)
Unit No. 04	0	1	1	Vegetation (0.03-0.23)
Unit No. 05	0	0	0	
Total %	44 (85%)	8 (15%)	52	

The LMA has updated O&M Manuals, adequate flood fighting materials, and the crew is current with flood fight training. There were no critical issues noted. The erosion/rills sites need to be scheduled for repair prior to the fall inspection.

DWR spring inspection reports do not typically provide an overall rating, however DWR did for RD 537 due to all the levee unit reassignments correlating to the 2020 reorganization boundaries. And because of the unique circumstances of RD 537 inspections being broken up into multiple outdated LMAs and the Yolo Bypass Setback Project, DWR staff agreed to prepare an updated Spring 2024 overall rating for the consolidated RD 537 below.

This table combines 785 and 827 into RD 537 and removed RD 900's sections from the reports. Since DWR inspectors do not have new line work to reflect the new set back levee, Units 4 and 5 are still included, even though they are in the process of being degraded but have been removed all the maintenance issues.

⁴ Edited DWR's calculation to reflect 13.41 levee miles with reorganization, not previous 5.93 levee miles.

⁵ https://cdec.water.ca.gov/detailed_reports.html

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Spring 2024 DWR Inspection Overall Rating

RD0537	Overall LMA Rating	Total LMA Miles	* Overall LMA Threshold Percent is less than 10.00%; however, U Rated Miles are present, so the Overall LMA Rating is M instead of A.					
Reclamation District No. 0537 Lovdal	M *	13.41						
Rated Item	Maintenance Deficiency				Enforcement		Design & System Obsolescence	
	M Miles	U Miles	M + 4U Miles	Threshold %	M Miles	U Miles	M Miles	U Miles
<i>Earthen Levee</i>								
Vegetation	0.01		0.01	0.08%	0.04			
Trim / Thin Trees	0.08	0.01	0.12	0.89%				
Encroachments					0.41	0.18		
Animal Control	0.06	0.02	0.14	1.04%				
Erosion / Rills	0.03	0.10	0.43	3.21%				
Crown Surface / Depressions / Rutting	0.01		0.01	0.08%				
<i>Supplemental</i>								
DWR UCIP Field Study					0.03			
<i>LMA Totals:</i>	0.19	0.13	0.71	5.29% *	0.48	0.18	0.00	0.00

USACE Rehabilitation Program Status

RD 537 currently has an “active” status in the USACE PL 84-99 Rehabilitation Program, which means it is eligible for rehabilitation of flood damaged facilities at 100-percent federal cost sharing to pre-disaster condition and level of protection.

Capacity and Adequacy of Public Facilities and Services MSR Determination:

The Spring 2024 DWR inspection report indicates RD 537 has addressed many of the previous issues and has achieved a “minimally acceptable” overall rating (the rating would be “acceptable” if there were not 0.13 miles of “unacceptable” miles out of 13.41 miles total). Some areas within RD 537 are under construction with the Yolo Bypass Setback Project and as such, the contractor has operation and maintenance obligations in those areas. The reported total cost for the current fiscal year is \$352,000 which corresponds to \$26,249 per levee mile. The 2024 Spring inspection report indicates 85% of the items noted in the Fall 2023 inspection have been corrected.

Capacity and Adequacy of Public Facilities and Services MSR Recommendations:

- RD 537 should implement any remaining DWR Fall 2023 inspection report recommendations and correct issues itemized in the Spring 2024 inspection report:
 - The LMA should focus more on controlling woody vegetation.
 - The LMA should enhance its rodent control program.
 - The LMA should focus on repairing erosion sites.

4. Financial Ability			
Financial ability of agencies to provide services.			
	Significant Issue	Potentially Significant	No Issue
a) <i>Is the subject agency in a stable financial position, i.e. does the 5-year trend analysis indicate any issues?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) <i>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?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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c) <i>Is the organization's revenue sufficient to fund an adequate level of service, necessary infrastructure maintenance, replacement and/or any needed expansion? Is the fee inconsistent with the schedules of similar local agencies</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) <i>Does the subject agency have a capital improvement plan (CIP)? Has the agency identified and quantified what the possible significant risks and costs of infrastructure or equipment failure? Does the agency have a reserve policy to fund it?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) <i>Does the agency have any debt, and if so, is the organization's debt at an unmanageable level? Does the agency need a clear debt management policy, if applicable?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) <i>Can the subject agency improve its use of generally accepted accounting principles including: summaries of all fund balances, summaries of revenues and expenditures, general status of reserves, and any un-funded obligations (i.e. pension/retiree benefits)? Does the agency have accounting and/or financial policies that guide the agency in how financial transactions are recorded and presented?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) <i>Does the agency staff need to review financial data on a regular basis and are discrepancies identified, investigated and corrective action taken in a timely manner? The review may include reconciliations of various accounts, comparing budgets-to-actual, analyzing budget variances, comparing revenue and expense balances to the prior year, etc. If the agency uses Yolo County's financial system and the County Treasury, does the agency review monthly the transactions in the County system to transactions the agency submitted to the County for processing?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h) <i>Does the agency board need to receive regular financial reports (quarterly or mid-year at a minimum) that provide a clear and complete picture of the agency's assets and liabilities, fully disclosing both positive and negative financial information to the public and financial institutions?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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**RECLAMATION DISTRICT NO. 537
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES**

	2019 *	2020 *	2021 **	2022 **	2023 **
Revenue					
Special assessment	\$ 212,650	\$ 212,731	\$ 187,228	\$ 232,846	\$ 218,556
Interest	18,511	21,437	6,462	(671)	3,032
Intergovernmental grants	-	118,695	346,600	173,700	179,100
Charges for services	55,481	83,786	566,278	207,526	511,438
Total Revenue	286,642	436,649	1,106,568	613,401	912,126
Expenditures					
Salaries and benefits	51,593	61,112	62,218	54,961	70,512
Services and supplies	225,142	170,779	784,028	400,666	802,206
Other expenditures	-	-	8,951	-	-
Capital outlay	-	77,564	201,181	129,587	35,000
Net reorganization adjustment	-	-	833,032	-	-
Total Expenditures	276,735	309,455	1,889,410	585,214	907,718
Net income (loss)	9,907	127,194	(782,842)	28,187	4,408
Beginning Fund Balance	833,586	843,493	970,687	187,845	216,032
Ending Fund Balances	\$ 843,493	\$ 970,687	\$ 187,845	\$ 216,032	\$ 220,440
Fund Balances					
Nonspendable	\$ 6,083	\$ 4,870	\$ 5,542	\$ 5,989	\$ 5,696
Unassigned	\$ 837,410	\$ 965,817	\$ 182,303	\$ 210,043	\$ 214,744
Total Fund Balances	\$ 843,493	\$ 970,687	\$ 187,845	\$ 216,032	\$ 220,440
Y-T-Y Change in total Fund Balances					
Amount Increase (Decrease)	\$ 9,907	\$ 127,194	\$ (782,842)	\$ 28,187	\$ 4,408
Percentage Increase (Decrease)	1.19%	15.08%	-80.65%	-15.01%	2.04%

Data Source

* Per Audited Financial Statements.

** Per contracted CPA records.

Discussion:

The District's sources of revenue consist of special assessments (billed on tax roll), investment earnings, intergovernmental revenue, charges for services and other miscellaneous revenue. The area that was RD 827 also collected property tax revenue, although the district is not reporting this income separately. The 5-year trend at this point reflects the significant changes has undergone, both with the reorganization effective July 2020 and the levee setback project. In fiscal year 2021 there was a negative adjustment to fund balance that went to RD 900 due to the reorganization, and as a consequence the District's total fund balance reduced considerably.

The charges for services line item includes revenue from a Sacramento Area Flood Control Agency (SAFCA) JPA maintenance contract. SAFCA is contributing funding to support levee O&M because the Yolo Bypass Setback Levee project helps Sacramento by increasing the capacity of the "release valve" off the Sacramento River. This funding is intended to be ongoing and will be guaranteed by a forthcoming contract (term unknown).

Over the past 2 years, after passage of a proposition 218 increase, special assessments accounted for approximately 30% of annual revenue, intergovernmental 23% and charges for services 47%. The risk is that intergovernmental revenues are not guaranteed. These funds must be applied for, often are restricted to specific projects and not for ongoing operations and maintenance and are subject to policy changes by the grantor agency. And the charges for services revenue is dependent on a contract with the Sacramento Area Flood Control Agency.

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The general manager indicates RD 537 is in the process of creating a capital improvement plan (CIP) to quantify the possible significant risks and costs of infrastructure or equipment failure, and consequently what the fund balance targets should be.

The District does not have any written accounting and/or financial policies. However, the District contracts with an independent CPA to maintain the financial records of the District. In addition, the District contracts with a different independent CPA to perform audits every two years. The audited financial statements are presented in accordance to generally accepted accounting principles and as such presents all relevant balances of the district. The District does not have any debt issues outstanding nor any pension or other postemployment benefits liabilities.

The District has contracted with an independent CPA, different than that of the auditor, to maintain the financial records of the District. The CPA's tasks include the review of financial transactions posted to the County maintained fund and combines these transactions to those processed through the other accounts maintained outside the County Treasury to create reports submitted to the trustees. However, the District is lacking financial policies.

Financial Ability MSR Determination:

RD 537 has been through significant financial volatility in the past five years due to reorganization annexing RD 785 and RD 827, and detaching assessed industrial area in West Sacramento. In 2020, RD 537 instituted a new Prop 218 assessment for the updated district boundaries. In FY 2021, over \$900,000 of fund balance transferred to RD 900 because assessment funds need to remain in the area they were collected. In addition, DWR has been constructing the levee setback project which included a new pump station. The District appears to be riding out these changes and should maintain its focus on creating financial stability.

Financial Ability Recommendation(s):

- Adopt a capital improvement plan (CIP) or similar analysis to quantify the possible significant risks, infrastructure costs, or equipment failure to determine what the District fund balance goals should be (and fund accordingly).
- The District should develop written accounting and financial policies and procedures in order to ensure financial transactions are recording consistently and in accordance to generally accepted accounting principles.

5. Shared Services and Facilities

Status of, and opportunities for, shared facilities.

	Significant Issue	Potentially Significant	No Issue
a) <i>Are there any opportunities for the organization to share services or facilities with neighboring, overlapping, or other organizations that are not currently being utilized?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

None.

Shared Services MSR Determination:

RD 537 was reorganized effective July 2020 annexing the territory of RD 785 and RD 827 into it. The District is hydrologically connected to RD 1600 in the SacYolo North Levee System, which already operate under a collective work plan via the SWIF plan. RD 537 is a member of the West Sacramento Area Flood Control

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Agency JPA. RD 537 is currently contracting for its staffing services with the same legal and engineering firms used by many of the RDs in Yolo County.

Shared Services Recommendation(s):

None.

6. Accountability, Structure, and Efficiencies			
Accountability for community service needs, including governmental structure and operational efficiencies.			
	Significant Issue	Potentially Significant	No Issue
a) <i>Are there any recommended changes to the organization's governmental structure or operations that will increase accountability and efficiency (i.e. overlapping boundaries that confuse the public, service inefficiencies, and/or higher costs/rates)?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) <i>Does the agency need to secure independent audits of financial reports that meet California State Controller requirements? Are the same auditors used for more than six years? Are audit results <u>not</u> reviewed in an open meeting?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) <i>Is the agency insured or in a risk management pool to manage potential liabilities?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) <i>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?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) <i>Are there any issues with staff capacity and/or turnover? Is there a lack of staff member training regarding the organization's program requirements and financial management?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) <i>Does the agency have adequate policies (as applicable) relating to personnel/payroll, general and administrative, board member and meetings, and segregating financial and accounting duties among staff and/or board to minimize risk of error or misconduct (see suggested policies list)?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) <i>Does the organization need to improve its public transparency via a website (see https://www.yololafco.org/yolo-local-government-website-transparency-scorecards)?</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Discussion:

There are recommended changes to the governmental structure to improve operational efficiencies for the SacYolo North (Elkhorn) Basin.

The DWR Central Valley Flood Protection Plan and Lower Sacramento River/Delta North Flood Management Plan (2014) included the recommended action step to "Conduct the necessary stakeholder outreach and coordination to develop organizational structure/governance, cost, policy/procedure, training requirements and synchronization to consolidate Local Maintaining Agencies, operations and maintenance, and emergency response activities". DWR funded the UC Davis Yolo County Flood Governance Study (2014) in collaboration with all the local district stakeholders, which ultimately recommended the "The Hydraulic Basin Approach" that "Yolo County RDs would benefit if each hydraulically connected basin operated as if it were a single entity".

There are seven USACE levee systems/basins that include special district LMAs under Yolo LAFCo oversight. The key goal for this MSR/SOI is to identify the recommended “single entity” for each system/basin. The DWR Flood System Improvement Branch Chief and staff were consulted and concur with LAFCo’s governance recommendations. DWR operates roughly 300 miles of the 1,600 total levee miles in the State Plan of Flood Control and relies heavily on LMAs, which would benefit from efficiency, shared services, expertise, appropriate size/scale, and borrowing power.

For the Sac Yolo North (Elkhorn) System it is premature to combine RD 537 and RD 1600 into a single entity due to the Upper Yolo Bypass Regional Planning Process and the Yolo Bypass Comprehensive Study underway to develop alternatives for the Yolo Bypass east levee that may significantly alter the RD 1600 territory. This issue should be reevaluated in the next MSR/SOI cycle to identify a single entity successor agency.

When RD 537 annexed RDs 785 and 827, it expanded its board from three to five members. The Board meets every other month in-person and offers virtual option for the public. Meeting information and agendas are posted on the website. All board member positions are filled with experienced landowners, and it appears to be stable. RD 537 employs one half time general manager and contracts with Downey Brand LLP for legal counsel and MBK Engineers for engineering services. The District has experienced general manager turnover outside of its control, and the new part-time manager has been in place for approximately one year.

The RD secures independent audits on a regular basis and is insured by Inszone Insurance Services. The district has written guidelines and procedures for operations and maintenance, and emergencies, and reports it has adopted financial and administrative policies. RD 537 maintains a website that received a 24% transparency score in 2023.

Accountability, Structure, and Efficiencies MSR Determination:

There are long-term recommended changes to the governmental structure to improve operational efficiencies for the SacYolo North (Elkhorn) Basin. However, it is premature to combine RD 537 and RD 1600 into a single entity due to the Upper Yolo Bypass Regional Planning Process and the Yolo Bypass Comprehensive Study underway to develop alternatives for the Yolo Bypass east levee that may significantly alter the RD 1600 territory. This issue should be reevaluated in the next MSR/SOI cycle to identify a single entity successor agency. RD 537 has been responsive to LAFCo during this MSR process and has had issues with general manager turnover. The District is accountable and operationally efficient but could improve its website transparency.

Accountability, Structure, and Efficiencies Recommendation(s):

- For the SacYolo North (Elkhorn) System, RD 537 and RD 1600 should eventually combine as a single entity. However, it is premature to combine them due to the Upper Yolo Bypass Regional Planning Process and the Yolo Bypass Comprehensive Study underway to develop alternatives for the Yolo Bypass east levee that may significantly alter the RD 1600 territory. This issue should be reevaluated in the next MSR/SOI cycle to identify a single LMA successor agency.
- RD 537 should improve its 24% website transparency score <https://www.yololafco.org/yolo-local-government-website-transparency-scorecards>.

7. Broadband Access

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

Per Yolo LAFCo Project Policy 6.2 *“it is the intent of Yolo LAFCo to comprehensively review broadband access in MSRs of local agencies that either serve communities and/or provide emergency services where broadband connection is critical (i.e. cities, CSDs, CSAs, FPDs and RDs).”*

	Significant Issue	Potentially Significant	No Issue
a) <i>Is there a lack of high-performance broadband (25/3 Mbps) available in the community?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Discussion:

None.

Broadband Access MSR Determination

The CPUC California Broadband Availability Map⁶ indicates RD 537 is partially served with fixed wireless speeds of 100/20 Mbps by Succeed.net (but staff is skeptical). Most of the inhabited portion of the district has only mobile service up to 43/10 Mbps by T-Mobile or 38/5 Mbps from AT&T. These speeds may meet the minimum broadband speeds, but mobile service is expensive and inconsistent.

Broadband Access Recommendation(s)

None.

SPHERE OF INFLUENCE STUDY

A Sphere of Influence (SOI) is an area delineated on a map and approved by LAFCo that indicates where potential future agency annexations could be proposed. It is recommended that RD 537 and RD 1600 eventually evolve into a single entity, however, there are no specific recommended changes to the District boundaries in this MSR/SOI cycle. Therefore, no changes to the District’s SOI are currently needed.

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.

⁶ <https://www.broadbandmap.ca.gov/>

West Sacramento Levee System Overview¹

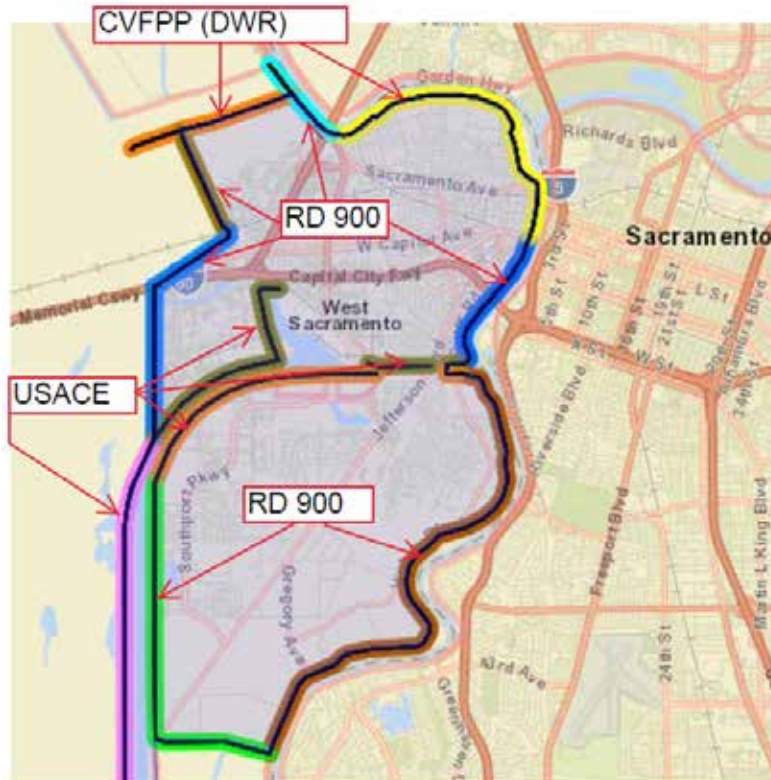
The West Sacramento levee system is a 46.98-mile portion of the Sacramento River Flood Control Project, a large-scale levee project. The West Sacramento levee system is comprised of levees authorized by congress and a non-federal levee, levee which was locally constructed and is locally operated and maintained. The West Sacramento levee system reduces the risk of flooding for a northern portion of the City of West Sacramento and adjacent agricultural lands from flood waters in the Sacramento River, Deep Water Ship Channel, and the Yolo Bypass. In addition to the urban population of 49,927 within the leveed area, a significant number of structures, with property values estimated around \$4 billion dollars, are present within the leveed area. Highway 50 and Interstate 80 cross through the leveed area. The West Sacramento levee system is constructed of a combination of earthen embankments, floodwalls, and four closure structures and which they all require year-round maintenance. The closure structures are closable openings in the levee, which when closed prevent flood flows from entering the leveed area. The Central Valley Flood Protection Board is the non-federal sponsor of the congressionally authorized portion and RD 900 sponsors the non-federal portion and both are the responsible agencies for operation and maintenance of the levee system.

The West Sacramento Levee System includes the following Local Maintaining Agencies (LMAs):

- RD 900

RD 537 was reorganized in 2019 detaching it from this system basin and it is now the LMA for the Lower Elkhorn area.

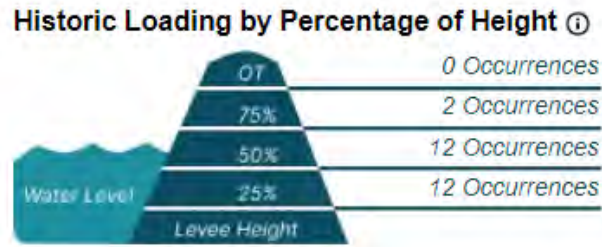
West Sacramento System Units and LMAs



¹ USACE National Structure Inventory 2023

YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

The levee system was constructed in 1964 and averages 16 feet in height. Its flooding sources include Deep Water Ship Channel, Sacramento Bypass, Sacramento Deep Water Channel, Sacramento River, Yolo Bypass. The following graphic shows historic flooding occurrences.



Systemwide Mid and Long-Term Projects Identified

West Sacramento Rail Relocation

The Sierra Northern Railway line that runs eastward from Woodland across the Yolo Bypass and through the Elkhorn Basin into the City of West Sacramento, and the jointly owned Port of West Sacramento and UPRR line that connects the Westgate Yard to the Port of West Sacramento and the surrounding industrial districts with two new alignments. The removal/realignment of the rail line also presents significant opportunity to advance regional flood control projects through the removal of the Fremont Trestle and a portion of the rail embankment directly north of the Sacramento Weir. Removing these features would facilitate improvements in the flow of floodwater in the Yolo Bypass and, in the case of the Sacramento Weir, would present an alternative to plans for a new Sacramento Trestle to support a planned weir extension accompanying a widened bypass.

Deep Water Ship Channel Improvements (DWSC)²

For the east bank, this effort extends approx. 17,000ft along the DWSC left bank levee from the end of Port South levee south to South Cross levee including 14,600ft of Slurry Wall ranging from 50ft to 130ft in depth, with other alternatives possible. For the west bank, this project extends approx. 21.4 miles along the DWSC right bank levee from the bend in the DWSC at the intersection of Port North levee and Yolo Bypass levee south to Miners Slough, including installation of approximately 25,000ft of Slurry Wall ranging from 50ft to 85ft in depth and 99,000ft of Erosion/Bank Protection the Yolo Bypass side of the levee.

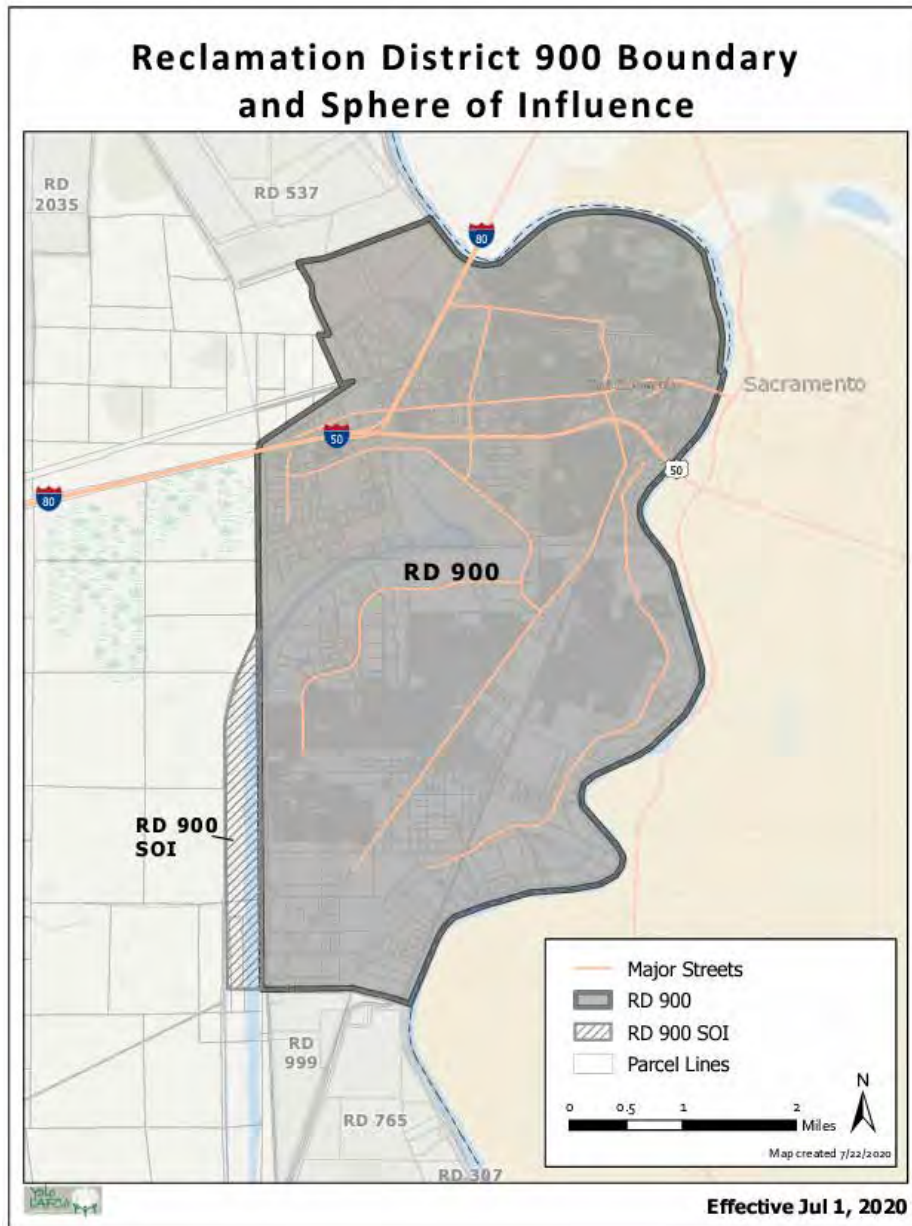
² USACE Sacramento District Website, West Sacramento Levee Improvement Project Background May 2024

RD 900 AGENCY PROFILE

Formed in 1911, Reclamation District (RD) 900 is responsible for operating and maintaining 14.77 miles of levees, 40 miles of drainage canals and ditches, 6 detention basins, and 11 pump stations containing 40 pumps within the 13,828 acres of land located in its jurisdiction.

RD 900 was reorganized effective July 2020 to acquire RD 537's and DWR Maintenance Area #4's territory in the City of West Sacramento. The reorganization also included RD 900 becoming a subsidiary district to the City, so the City Council acts as its Board of Trustees. The District has nine (9) full time employees.

RD 900 is a member agency in the West Sacramento Area Flood Control Agency (WSAFCA) Joint Powers Authority (JPA), formed to upgrade levees to meet urban 200-year level of flood protection required by SB 5 (2007). Once levee improvements are completed in 10-15 years, RD 900 will assume ongoing O&M.



MUNICIPAL SERVICE REVIEW

POTENTIALLY SIGNIFICANT MSR DETERMINATIONS

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

- Growth and Population
- Disadvantaged Unincorporated Communities
- Capacity, Adequacy & Infrastructure to Provide Services
- Financial Ability
- Shared Services
- Accountability, Structure, and Efficiencies
- Broadband Access

LAFCO MUNICIPAL SERVICE REVIEW:

- On the basis of this initial evaluation, the required determinations are not significant, and staff recommends that a comprehensive MSR is NOT NECESSARY. The subject agency will be reviewed again in five years per Government Code Section 56425(g).
- The subject agency has significant and/or potentially significant determinations and staff recommends that a comprehensive MSR IS NECESSARY and has been conducted via this checklist.

1. Growth and Population	Significant Issue	Potentially Significant	No Issue
Growth and population projections for the affected area.			
a) <i>Will development and/or population projections over the next 5-10 years impact the subject agency's service needs and demands?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) <i>Do changes in demand suggest a change in the agency's services?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

None.

Growth and Population MSR Determination:

The West Sacramento levee system that RD 900 is included in has a population of approximately 55,860 permanent residents. The 200-year urban level of flood protection standards are already required as the area is developed with 10,000 residents or more¹. Therefore, significant growth and population anticipated in the District that will not impact the subject agency's service needs and demands.

¹ Code of Federal Regulations Title 44, Section 59.1 and California Government Code Section 65007(l) and (m)

Growth and Population Recommendation(s):

None.

2. Disadvantaged Unincorporated Communities

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

	Significant Issue	Potentially Significant	No Issue
a) <i>If the subject agency provides services related to sewers, municipal and industrial water, or structural fire protection, 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?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) <i>If "yes" to a), it is feasible for the agency to be reorganized such that it can extend service to the disadvantaged unincorporated community? If "no" to a), this question is marked "no" because it is either not needed or not applicable.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

None.

Disadvantaged Unincorporated Communities MSR Determination:

RD 900 does not provide sewers, municipal and industrial water, or structural fire protection. The District provides services notwithstanding any communities' economic status².

Disadvantaged Unincorporated Communities Recommendation(s):

None.

² CALAFCO Statewide DUCs Refined GIS Layer, RSG, Inc. December 10, 2021

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.

	Significant Issue	Potentially Significant	No Issue
a) <i>Are there any deficiencies in the infrastructure, equipment, and capacity of agency facilities to meet <u>existing</u> service needs for which the agency does not have a plan in place to resolve (including deficiencies created by new state regulations)?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) <i>Are there any issues regarding the agency's capacity and ability to meet the service demand of reasonably foreseeable <u>future</u> needs?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) <i>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?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) <i>Is the agency needing to consider climate adaptation in its assessment of infrastructure/service needs?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

The Department of Water Resources (DWR), under the authority of Water Code Sections 8360, 8370 and 8371, performs a verification inspection of the maintenance of the Sacramento River Flood Control Project (SRFCP) levees performed by the local responsible agencies, and reports to the United States Army Corps of Engineers (USACE) periodically regarding the status of levee maintenance. The State inspects and reports only on the status of maintenance practices and on observable levee conditions.

DWR completes annual spring inspections by May, documenting the location, size, type, and rating of maintenance deficiencies and provides the resulting inspection reports to the LMAs for their use in planning maintenance activities prior to the food season. DWR completes annual fall inspections by November, verifying the status of previously noted deficiencies, as well as any additional deficiencies, that should be corrected to help ensure adequate performance during the food season. LMAs conduct inspections in the winter and summer, completing the requirement to conduct four inspections each year. Project facilities are inspected at least four times each year. DWR compiles this information for use by stakeholders and will report to CVFPB on inspection activities as requested.

DWR gives an overall levee segment rating only during the annual fall inspections. The table below shows the overall rating from 2019-2023. Three possible ratings are given based on the state of its levees:

- Acceptable (A) – No immediate work required, other than routine maintenance. The food protection project will function as designed and intended with a high degree of reliability, and necessary cyclical maintenance is being performed adequately.
- Minimally Acceptable (M) – One or more deficient conditions exist in the food protection project that needs to be improved or corrected. However, the project will essentially function as designed with a lesser degree of reliability than what the project could provide.
- Unacceptable (U) – One or more deficient conditions exist that may prevent the project from functioning as designed, intended, or required.

Except for 2023, RD 900 has had Acceptable ratings from DWR. Last year the inspection reports noted 0.02 miles of unacceptable slope stability issues. However, the levee will still function as designed.

YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

RD Overall Rating 2019-2023

Local Maintaining Agency	Overall Rating <i>A = Acceptable; M = Minimally Acceptable; and U = Unacceptable</i>					Total Levee Miles
	2019	2020	2021	2022	2023	
RD 900	A	A	A	A	M*	12.96
<i>Source: Department of Water Resources 2023 Inspection and LMA Report Table 2-2</i> * Overall unit threshold percentage is less than 10%; however, U rated miles are present, so the overall unit rating is M instead of A						

The U rated miles in 2023 that resulted in the M* overall rating was caused by the storms in January 2023. Sloughing occurred at two locations along the Deep Water Shipping Channel (land side). These two locations are scheduled to be repaired during the summer of 2024 by the USACE (under PL84-99).

In the fall 2023 inspection reports, RD 900 contains two-unit segments inspected by DWR that comprise the overall rating. Each unit, length, rating is listed in the table and shown in the map below³.

RD Units, Length and DWR Inspection Rating

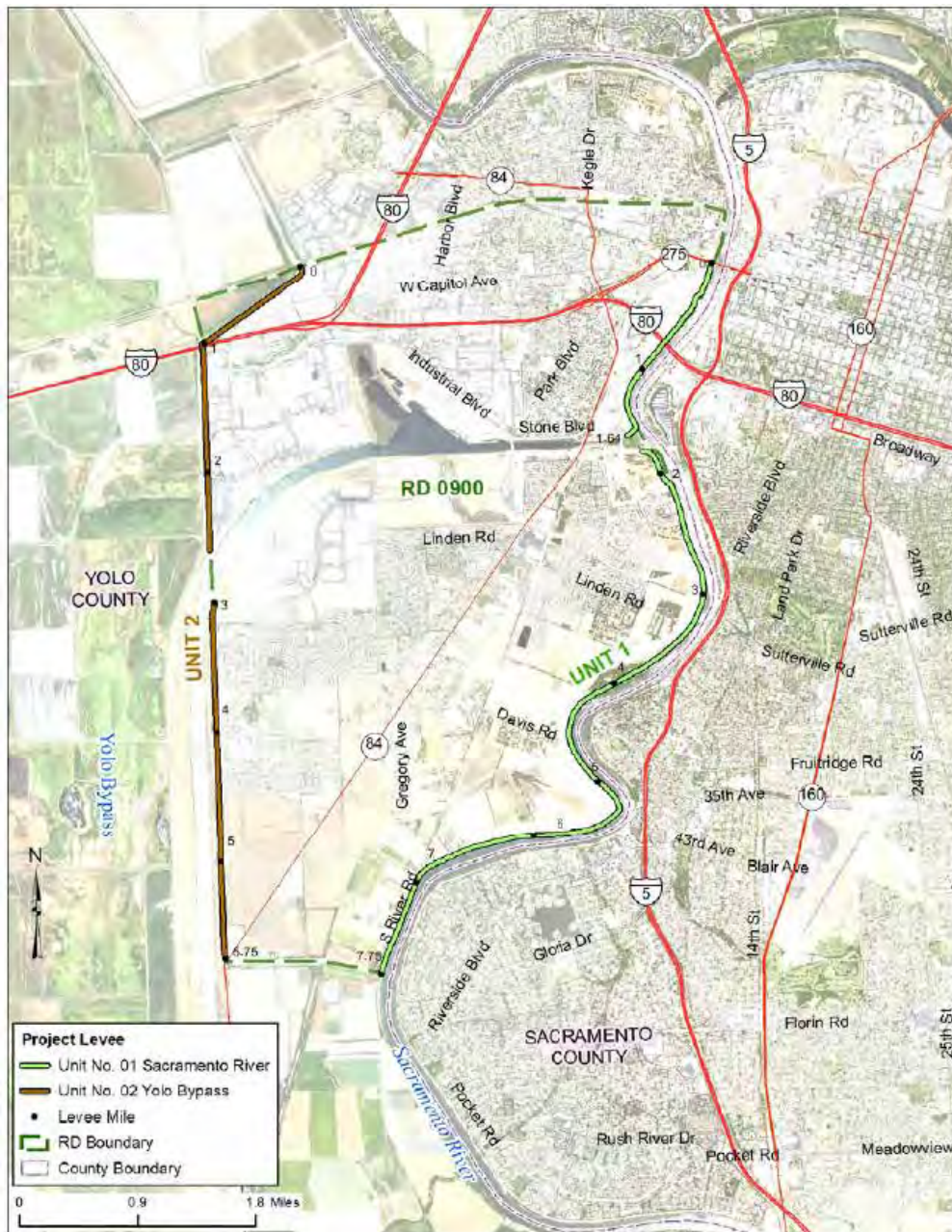
Unit	Name	Bank	Length (Miles)	DWR Rating
Unit No. 01	Sacramento River	RB	7.70	A
Unit No. 02	Yolo Bypass	LB	5.26	M*

However, RD 900 has also taken over RD 537 units in the West Sacramento system basin with the 2020 reorganization, but DWR was still including them on RD 537 fall 2023 inspection reports. RD 900 is the LMA responsible for an 0.62-mile portion of RD 0537 Unit 1 (the portion south of the Sacramento Bypass) and all of Unit 2. DWR resolves these levee segment reassignments in the spring 2024 inspection reports below.

Unit	Name	Bank	Length (Miles)	DWR Rating
Unit No. 02	Yolo Bypass	LB	1.19	A

The DWR summary of the 2023 LMA report for RD 900 noted the Southport levee cracking reported from the storm in October 2021 was repaired in Oct/Nov 2022 on Unit No. 1. The Agency reported levee erosion from 2023 storms on Unit No. 1 along waterside of the Sacramento River levee in three locations (within 100 feet of each other). Northern site is approximately 10-foot wide, middle location is approximately 8-foot wide, southern site approximately 5-foot wide. The Agency reported for PL84-99 support. The Agency also reported levee erosion at Unit No. 2, 100-foot-long landside levee slip along Deep Water Shipping Channel. Agency reported that levee is currently tarped and reported for PL84-99 assistance. The Agency provided a list of expenses and maintenance activities performed on all levee units. Activities include levee repairs, office overhead, patrolling, permitting, and vegetation control by mowing, spraying, and trimming. The reported total maintenance cost for the previous fiscal year was \$375,000. The Agency provided a list of planned expenses and maintenance activities for all levee units. Expenses include the cost of encroachment control, levee repairs, office overhead, patrolling, permitting, and vegetation control by mowing, spraying, and trimming. The reported total cost for the current fiscal year is \$425,000 which corresponds to \$32,793 per levee mile. The Agency reported that per LAFCo action as of July 1st, 2020, RD 900 is the LMA responsible for RD 0537 Unit 1 (the portion south of the Sacramento Bypass) and Unit 2.

³ DWR 2023 Sacramento River Individual Agency Summary Reports



Spring 2024 DWR Levee Inspection Reports (Maintenance Only, No Rating)⁴

RD 900 was inspected on April 25, 2024, and the report includes its updated segment responsibility per the 2020 reorganization. DWR spring inspection reports do not provide an overall rating. The LMA has updated O&M Manuals, adequate flood fighting materials on hand, and the crew attended the November 2023 Flood Fighting Methods Training.

⁴ https://cdec.water.ca.gov/detailed_reports.html

YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

Summary Table of Spring 2024 Inspection Items

	Items Resolved	Items Not Resolved	Total Items	Notes Regarding Unresolved Items
Unit No. 01	4	0	4	
Unit No. 02	4	2*	6	Slope stability* (mi 5.09, 5.24)
Unit No. 03	1	0	1	
Unit No. 04	5	1	6	Animal control (4.69)
Total %	14 (82%)	3 (18%)	17	

* These two locations are scheduled to be repaired during the summer of 2024 by the USACE (under PL84-99). If these items are counted as "resolved", percentage of items resolved would be 94%.

During the storms in January 2023, sloughing occurred at two locations along the Deep Water Shipping Channel. These two locations are scheduled to be repaired during the summer of 2024 by the USACE (under PL84-99).

USACE Rehabilitation Program Status

RD 900 currently has an "active" status in the USACE PL 84-99 Rehabilitation Program, which means it is eligible for rehabilitation of flood damaged facilities at 100-percent federal cost sharing to pre-disaster condition and level of protection.

Capacity and Adequacy of Public Facilities and Services MSR Determination:

RD 900 has consistently received acceptable ratings except for last year's minimally acceptable rating due to slope stability issues during the 2023 storms, which have already been inspected by USACE and are scheduled for repair this summer under the PL84-99 rehabilitation program. The reported total cost for levee maintenance in the current fiscal year is \$425,000 which corresponds to \$32,793 per levee mile. The 2024 Spring inspection report indicates 14 of the 17 items noted last time have already been repaired, and 2 more are already scheduled for USACE repair summer 2024. The only item not corrected were some rodent burrows. DWR's inspection noted RD 900's high level of maintenance.

Capacity and Adequacy of Public Facilities and Services MSR Recommendations:

- RD 900 should implement the Fall 2023 DWR Inspection Report Recommendations as follows:
 - The LMA should focus on repairing erosion sites.
 - The LMA should continue to maintain the area at the high level seen during the last inspection.

4. Financial Ability

Financial ability of agencies to provide services.

	Significant Issue	Potentially Significant	No Issue
a) <i>Is the subject agency in a stable financial position, i.e. does the 5-year trend analysis indicate any issues?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) <i>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?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) <i>Is the organization's revenue sufficient to fund an adequate level of service, necessary infrastructure maintenance, replacement and/or any needed expansion? Is the fee inconsistent with the schedules of similar local agencies</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

d) <i>Does the subject agency have a capital improvement plan (CIP)? Has the agency identified and quantified what the possible significant risks and costs of infrastructure or equipment failure? Does the agency have a reserve policy to fund it?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) <i>Does the agency have any debt, and if so, is the organization's debt at an unmanageable level? Does the agency need a clear debt management policy, if applicable?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) <i>Can the subject agency improve its use of generally accepted accounting principles including: summaries of all fund balances, summaries of revenues and expenditures, general status of reserves, and any un-funded obligations (i.e. pension/retiree benefits)? Does the agency have accounting and/or financial policies that guide the agency in how financial transactions are recorded and presented?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) <i>Does the agency staff need to review financial data on a regular basis and are discrepancies identified, investigated and corrective action taken in a timely manner? The review may include reconciliations of various accounts, comparing budgets-to-actual, analyzing budget variances, comparing revenue and expense balances to the prior year, etc. If the agency uses Yolo County's financial system and the County Treasury, does the agency review monthly the transactions in the County system to transactions the agency submitted to the County for processing?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h) <i>Does the agency board need to receive regular financial reports (quarterly or mid-year at a minimum) that provide a clear and complete picture of the agency's assets and liabilities, fully disclosing both positive and negative financial information to the public and financial institutions?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

RD 900's financial position appears stable. The District's sources of revenue consist of special assessments (billed on the tax roll), investment earnings, intergovernmental revenue, charges for services and other miscellaneous revenue. The District was reorganized effective July 2020. The revenues and expenditures have not fluctuated significantly from 2019 to 2023 and during this time District's fund balance increased by \$7.0M and as of June 30, 2023, totaled \$12.1M.

Revenues are mostly reliable. Over the past 5 years special assessments accounted for approximately 62% of annual revenue, intergovernmental 12% and charges for services 21%. The risk is that intergovernmental revenues are not guaranteed. These funds must be applied for and often are restricted to specific projects and not for ongoing operations and maintenance. And the charges for services revenue is dependent on a contract with the West Sacramento Area Flood Control Agency.

The District received an overall rating of minimally acceptable as part of the Department of Water Resources Fall 2023 inspection which is a good indication that existing revenues are sufficient to fund an adequate level of service, necessary infrastructure maintenance and to accumulate reserves for capital asset/infrastructure replacement. RD 900 also has a robust fund balance.

Over the last several years, the District has created a yearly Capital Improvement Program. The District intends to create a 10-year plan.

RD 900 does not have any debt issues outstanding but has a net OPEB liability of \$28,405 as of June 30, 2023. The District has a formal trust agreement with CalPERS to fund the net OPEB liability and funded \$220,127 during the fiscal year ended June 30, 2021. Currently the District pays the retiree healthcare out of pocket, rather than drawing down from the CERBT trust. The District also has set aside funds in the County Treasury in the amount of \$148,799, as of June 30, 2023, to pay OPEB benefits.

YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

**RECLAMATION DISTRICT NO. 900
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES**

	2019 *	2020 **	2021 **	2022 **	2023 **
Revenue					
Special assessment	\$ 2,303,864	\$ 2,358,215	\$ 2,475,557	\$ 2,529,108	\$ 2,594,830
Interest	116,139	136,180	35,114	(220,574)	224,666
Intergovernmental grants	359,504	1,413,614	66,576	216,171	303,430
Charges for services (WSAFCA)	690,851	761,640	1,025,919	817,295	847,802
Other revenue	72,367	24,729	9,667	183,091	326,967
Total Revenue	3,542,725	4,694,378	3,612,833	3,525,091	4,297,695
Expenditures					
General government	681,577	248,192	330,241	418,179	415,478
Public works	699,902	1,271,751	1,310,695	1,114,536	1,091,900
Capital outlay	1,088,223	2,995,243	315,264	780,155	801,697
Total Expenditures	2,469,702	4,515,186	1,956,200	2,312,870	2,309,075
Net income (loss)	1,073,023	179,192	1,656,633	1,212,221	1,988,620
Beginning Fund Balance	5,116,801	6,189,824	6,410,001	8,909,247	10,121,468
Net reorganization adjustment	-	40,985	842,613	-	-
Beginning Fund Balance, restated	5,116,801	6,230,809	7,252,614	8,909,247	10,121,468
Ending Fund Balances	\$ 6,189,824	\$ 6,410,001	\$ 8,909,247	\$ 10,121,468	\$ 12,110,088
Fund Balances					
Unassigned	\$ 6,189,824	\$ 6,410,001	\$ 8,909,247	\$ 10,121,468	\$ 12,110,088
Total Fund Balances	\$ 6,189,824	\$ 6,410,001	\$ 8,909,247	\$ 10,121,468	\$ 12,110,088
Y-T-Y Change in total Fund Balances					
Amount Increase (Decrease)	\$ 1,073,023	\$ 179,192	\$ 1,656,633	\$ 1,212,221	\$ 1,988,620
Percentage Increase (Decrease)	20.97%	2.89%	25.84%	13.61%	19.65%

Data Source

* Per Audited Financial Statements, stand alone.

** Per City of West Sacramento audited financial statements, blended component unit.

The District does not have any written accounting and/or financial policies. However, the District contracts with an independent CPA to maintain the financial records of the District. The CPA's tasks includes the review of financial transactions posted to the County maintained fund and combines these transactions to those processed through other accounts maintained outside the County Treasury to create reports submitted to the trustees. The District is working with the City on policies but generally follow accepted accounting principles. In addition, the District contracts with a different independent CPA to perform audits every year. The district provides the necessary audit information to the City of West Sacramento for their reporting needs. The audited financial statements are presented in accordance to generally accepted accounting principles and as such presents all relevant balances of the district.

At each meeting the board receives a financial report which is generated by the contracted certified public account. The reports provided to the trustees include a profit and loss statement and a line-item budget-to-actual report.

Financial Ability MSR Determination:

RD 900 is financial stable, and its very healthy fund balance has increased each of the last five years. These funds will be incorporated into the district's capital improvement plan, as the district is "pay-as-you-go", not wanting to carry debt if possible. RD 900 provides a pension with CALPERS and has pension and

YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

OPEB liability but has a plan to fund it and reserves set aside. The District contracts with a CPA firm to maintain the district financial records. Audits are also performed regularly every two years. RD 900 has the financial ability to provide its services.

Financial Ability Recommendation(s):

- Adopt a capital improvement plan (CIP) or similar analysis to quantify the possible significant risks, infrastructure costs, or equipment failure to determine what the District fund balance goals should be (and fund accordingly).

5. Shared Services and Facilities			
Status of, and opportunities for, shared facilities.			
	Significant Issue	Potentially Significant	No Issue
a) <i>Are there any opportunities for the organization to share services or facilities with neighboring, overlapping, or other organizations that are not currently being utilized?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

None.

Shared Services MSR Determination:

RD 900 was reorganized effective July 2020 as a subsidiary district to the City of West Sacramento. It also is a member of the West Sacramento Area Flood Control Agency JPA. There are no opportunities for shared services that are not already being utilized.

Shared Services Recommendation(s):

None.

6. Accountability, Structure, and Efficiencies			
Accountability for community service needs, including governmental structure and operational efficiencies.			
	Significant Issue	Potentially Significant	No Issue
a) <i>Are there any recommended changes to the organization's governmental structure or operations that will increase accountability and efficiency (i.e. overlapping boundaries that confuse the public, service inefficiencies, and/or higher costs/rates)?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) <i>Does the agency need to secure independent audits of financial reports that meet California State Controller requirements? Are the same auditors used for more than six years? Are audit results <u>not</u> reviewed in an open meeting?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) <i>Is the agency insured or in a risk management pool to manage potential liabilities?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) <i>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?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

YOLO LAFCo MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

- | | | | |
|--|-------------------------------------|-------------------------------------|-------------------------------------|
| e) <i>Are there any issues with staff capacity and/or turnover? Is there a lack of staff member training regarding the organization’s program requirements and financial management?</i> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| f) <i>Does the agency have adequate policies (as applicable) relating to personnel/payroll, general and administrative, board member and meetings, and segregating financial and accounting duties among staff and/or board to minimize risk of error or misconduct (see suggested policies list)?</i> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| g) <i>Does the organization need to improve its public transparency via a website (see https://www.yololafco.org/yolo-local-government-website-transparency-scorecards)?</i> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Discussion:

There are no recommended changes to RD 900s governance structure as it was recently reorganized effective July 2020. The RD secures independent audits and posts them on its website. The District contracts with an independent CPA to conduct bi-annual audits. The District is also included in the City of West Sacramento audited financial statements as a blended component unit. RD 900 is insured by Wesco Insurance Company.

Because RD 900 is a subsidiary of the of the City of West Sacramento, the City Council acts as its Board of Trustees. The City has explored potential legislation to allow the City Council to appoint some other board members with additional technical or subject matter expertise.

RD 900 has nine full-time employees and contracts with Day Carter Murphy LLP for legal counsel and MHM, Incorporated for engineering services. There do not appear to be any issues with board or staff turnover. As a subsidiary district, RD 900 is consistent with City policies for personnel, administrative, and financial duties.

The district has written guidelines and procedures for operations and maintenance, and emergencies. RD 900 maintains a website that received a 61% transparency score in 2023.

Accountability, Structure, and Efficiencies MSR Determination:

RD 900 was reorganized effective July 2020 to become the lead district LMA for the West Sacramento system. The district is accountable, functioning well and operationally efficient. It’s currently working on developing financial policies with the City’s assistance. However, its website transparency score is low and needs improvement.

Accountability, Structure, and Efficiencies Recommendation(s):

- Adopt policies (as applicable) relating to personnel/payroll, general and administrative, board member and meetings, and segregating financial and accounting duties among staff and/or board to minimize risk of error or misconduct.
- RD 900 should improve its website transparency score of 61% <https://www.yololafco.org/yolo-local-government-website-transparency-scorecards>.

7. Broadband Access

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

Per Yolo LAFCo Project Policy 6.2 *“it is the intent of Yolo LAFCo to comprehensively review broadband access in MSRs of local agencies that either serve communities and/or provide emergency services where broadband connection is critical (i.e. cities, CSDs, CSAs, FPDs and RDs).”*

	Significant Issue	Potentially Significant	No Issue
a) <i>Is there a lack of high-performance broadband (25/3 Mbps) available in the community?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

None.

Broadband Access MSR Determination

The CPUC California Broadband Availability Map⁵ indicates RD 900 is mostly served via fixed broadband provided by Astound Broadband Services (previously Wave Broadband) with speeds up to 1,000/30 Mbps.

Broadband Access Recommendation(s)

None.

SPHERE OF INFLUENCE STUDY

A Sphere of Influence (SOI) is an area delineated on a map and approved by LAFCo that indicates where potential future agency annexations could be proposed. RD 900 was successfully reorganized effective July 2020. Therefore, changes to the District’s SOI are needed.

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.

⁵ <https://www.broadbandmap.ca.gov/>

AGENCY PROFILE¹

The West Sacramento Area Flood Control Agency Joint Powers Authority (WSAFCA) was created in July 1994, under the provisions of Chapter 5 of Division 7 of the Title 1 of the California Government Code (commencing with section 6500) for the purpose of controlling and conserving waters for the protection of life and property that would or could be damaged by being inundated by still or flowing water. WSAFCA's Governing Board is comprised of one representative from each member agency. The member agencies are the City of West Sacramento, Reclamation District No. 900, and Reclamation District No. 537. WSAFCA is working toward achieving 200-year level flood protection for the West Sacramento community by 2040.

The JPA was initially formed to better coordinate flood system management between the RDs and the City including flood fighting, geotechnical work, and other issues. But after Hurricane Katrina, the United States Corps of Engineers (USACE) increased the standards for levees. The City passed an assessment to fund flood protection and WSAFCA responded by implementing the West Sacramento Levee Improvement Program (WSLIP). The JPA became tasked with the improvement of West Sacramento's levee system to bring it up to 200-year flood protection standards.

WSAFCA is partnering with the California State Department of Water Resources, the Central Valley Flood Protection Board, and the Army Corps of Engineers to improve levees around the City of West Sacramento to meet 200-year state, exceeding 100-year federal flood protection standards by 2040. WSAFCA uses a special assessment on property owners and funding from other local agencies to complete its flood protection projects.

Under this program, the California Department Water of Resources (DWR) and WSAFCA completed three Early Implementation Projects (EIP): I Street Bridge (2008), CHP Academy (2011) and Rivers Project (2011). During the Southport EIP, the West Sacramento Project was authorized by Congress in the Water Infrastructure Improvements for the Nation Act (2016). The Southport Setback Levee Project became the first component of the federally authorized Project.

For the next increment, WSAFCA and DWR led design efforts for the Yolo Bypass East Levee due to insufficient Preconstruction Engineering and Design federal funding. The Project is the first increment to receive federal funding under the Project Participation Agreement. Construction of the YBEL-South reach was completed in 2023. The YBEL-North reach began construction in 2024.

WSAFCA is also lead agency in developing the Regional Flood Management Plan (RFMP), which is a state grant funded flood risk reduction planning effort for the Lower Sacramento-Delta North Region of the larger Central Valley Flood Protection Plan. WSAFCA is funding grant administration costs, and the state reimburses WSAFCA for expenditures under the grant, which are reported as intergovernmental revenues in the General Fund. The accounting records of WSAFCA are maintained by the City of West Sacramento.

WSAFCA has no employees. Through an agreement of the partner agencies, all staff services are performed by City of West Sacramento personnel. Costs incurred by the City of West Sacramento to provide such services are reimbursed by WSAFCA. WSAFCA is a separate legal entity and is not a component of the above members.

¹ WSAFCA Annual Comprehensive Financial Reports for Year Ended 2022 and 2023

JPA SERVICE REVIEW

POTENTIALLY SIGNIFICANT DETERMINATIONS

The MSR determinations checked below are potentially significant, as indicated by 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"/> Capacity, Adequacy & Infrastructure to Provide Services | <input checked="" type="checkbox"/> Accountability, Structure, and Efficiencies |
| <input type="checkbox"/> Financial Ability | <input type="checkbox"/> Status of Previous MSR Recommendations |

LAFCO JPA SERVICE REVIEW:

- On the basis of this initial evaluation, the required determinations are not significant, and staff recommends that a JPA Service Review is NOT NECESSARY. The subject agency will be reviewed again in five years per Government Code Section 56425(g).
- 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	Significant Issue	Potentially Significant	No Issue
Growth and population projections for the affected area.			
a) <i>Will development and/or population projections over the next 5-10 years impact the subject agency's service needs and demands?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) <i>Do changes in demand suggest a change in WSAFCA's services?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

None.

Growth and Population Determination:

Growth and population projections will not impact WSAFCA's program to achieve 200-year flood protection for its residents. The City of West Sacramento is already designated as an urban area for flood protection purposes and fluctuations in population will not change the capital projects required to achieve this standard.

Growth and Population Recommendation(s):

None.

2. 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.

	Significant Issue	Potentially Significant	No Issue
a) <i>Are there any deficiencies in the infrastructure, equipment, and capacity of agency facilities to meet <u>existing</u> service needs for which WSAFCA does not have a plan in place to resolve (including deficiencies created by new state regulations)?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) <i>Are there any issues regarding WSAFCA's capacity and ability to meet the service demand of reasonably foreseeable <u>future</u> needs?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) <i>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 WSAFCA's sphere of influence?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) <i>Is WSAFCA needing to consider climate adaptation in its assessment of infrastructure/service needs?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

WSAFCA provides services related to the financing, design, construction, and maintenance of West Sacramento's levee system. Services include the capital rehabilitation and improvement of the levee facilities, fulfilling legal requirements associated with federal and state programs that relate to the JPA's mission, and activities that relate to and provide for the public's health and safety regarding flood risk reduction. WSAFCA studied the needed projects and determined which might qualify for federal and state funding. It submitted for federal funding, and it took 13 years for the Army Corps of Engineers (USACE) to commit to the project, fund it and go to construction. WSAFCA focused on completing state funded projects in the meantime.

The federal West Sacramento Project (fWSP) has been authorized as a federal project with its inclusion in the 2016 Water Infrastructure Improvements for the Nation Act of 2016 (P.L. 144-322, § 1401(2)). WSAFCA and the Central Valley Flood Protection Board entered into a Project Participation Agreement with the US Department of Army, acting through the USACE on 9/7/2022. The Project Participation Agreement is the milestone by which the USACE may construct the improvements identified in the fWSP. WSAFCA and DWR are currently preparing to close out remaining project work under the EIP/UFRR programs.

Currently WSAFCA is focused on an ambitious capital improvement of the levee system as outlined in the West Sacramento Levee Improvement Program (WSLIP). Staff develops budget proposals for Board consideration based on project priority, developed through the Problem Identification and the Alternatives Analysis Reports, and the design, environmental, and construction stage of the project. WSAFCA focuses its resources on correcting the highest risk system deficiencies first.

WSAFCA's planning and project development are informed and greatly facilitated by state and federal funding. To date, WSAFCA has constructed improvements identified in the Major Initiatives section, below, in partnership with the State of California through its Early Implementation and Urban Flood Risk Reduction Programs.

Major Initiatives²

The south portion of the Yolo Bypass East Levee Project (YBEL) was completed in 2023 with the north portion in construction in 2024. YBEL is the first increment to receive federal funding under the PPA.

Southport Levee Improvement Project

The Southport Levee Improvement Project is the largest project undertaken by WSAFCA to date. Phase I constructed Village Parkway, which replaced South River Road (previously located on the levee crown) as the primary roadway for the east Southport area. Relocating the roadway from the levee to the new alignment disentangled levee maintenance operations and flood fighting from the public right of way and emergency evacuation route functions. Phase II, construction of the levee improvements, was completed in 2018. Additional drainage improvements at the project's west boundary and restoration of the borrow sites were completed in 2020.

Phase III, restoration of the floodplain, consists of habitat improvements and planting of the offset area flood plain created by Phase II of the project. The project is in the establishment phase. A Record of Survey has been drafted for the SLIP and once all title work has been completed, the Agency will be able to transfer flood protection and flowage rights to the State.

North Area Project Close Out

The North Area projects were WSAFCA's initial levee improvement projects constructed to advance the WSLIP. Remaining work consists of transfer of real estate rights for the I Street South Project to the Sacramento San Joaquin Drainage District. Staff anticipates close out in 2024.

The Federal Project

The Yolo Bypass East Levee Project (YBEL) is the first increment to receive federal funding under the PPA. Construction of the YBEL-South reach was completed in 2023. The YBEL-North reach is under construction in 2024.

In addition to The YBEL Project, the Agency completed "no regrets" work for the Sacramento River North Levee (SRNL) consisting of geotechnical investigations, survey and mapping, and environmental corridor reviews. The SRNL reach is almost 6 miles in length and the USACE has delineated several distinct segments along this reach to facilitate several "manageable" construction contracts. The first contract for Segment 3 is a design contract. The 2nd contract for Segments 1 and 2 is expected to initiate design late in 2024. Due to numerous encroachments, bridges, rail lines, etc., construction of these segments is not expected to start for several years.

In cooperation with the USACE, and in part due to the long lead time to construct the SRNL segments, the Agency was successful in accelerating the design and construction of the Stone Lock Reach. Design is scheduled to kick off mid-2024, with construction in 2025 or 2026.

Regional Flood Management Program

WSAFCA received and administrated two rounds of grant funding for the State Regional Flood Management Plan for the Lower Sacramento Delta North Plan Region. The work informs initiatives found in the Central Valley Flood Protection Plan and includes capacity development and potential projects. WSAFCA received a third round of funding in 2023 to continue the regional planning effort.

Capacity and Adequacy Determination:

WSAFCA's program goal is to address deficiencies in the West Sacramento levee due to climate adaptation and improve flood protection to a 200-year standard per state and federal standards and implements an ambitious capital improvement of the levee system as outlined in the West Sacramento Levee Improvement Program (WSLIP). To date, WSAFCA has constructed improvements identified in the Major Initiatives

² Meeting with WSAFCA General Manager Greg Fabun on December 8, 2022 and WSAFCA JPA Annual Comprehensive Financial Report for the year ended June 30, 2023

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section, below, in partnership with the State of California through its Early Implementation and Urban Flood Risk Reduction Programs. The federal West Sacramento Project (fWSP) has been authorized as a federal project, which is the milestone by which the USACE may construct the improvements identified in the fWSP. WSAFCA and DWR are currently preparing to close out remaining project work under the EIP/UFRR programs.

WSAFCA has no employees and all staff services are performed by City of West Sacramento personnel. As reaches are completed, WSAFCA transfers operations and maintenance activities to RD 900 for the work. There are no capacity issues regarding WSAFCA's capacity and ability to meet the service demand of reasonably foreseeable future needs. These improvements will protect all West Sacramento residents regardless of economic status.

Capacity and Adequacy Recommendation(s):

None.

4. Financial Ability			
Financial ability of agencies to provide services.			
	Significant Issue	Potentially Significant	No Issue
a) <i>Is the subject agency in a stable financial position, i.e. does the 5-year trend analysis indicate any issues?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) <i>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?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) <i>Is the organization's revenue sufficient to fund an adequate level of service, necessary infrastructure maintenance, replacement and/or any needed expansion? Is the fee inconsistent with the schedules of similar local agencies</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) <i>Does the subject agency have a capital improvement plan (CIP)? Has WSAFCA identified and quantified what the possible significant risks and costs of infrastructure or equipment failure? Does WSAFCA have a reserve policy to fund it?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) <i>Does WSAFCA have any debt, and if so, is the organization's debt at an unmanageable level? Does WSAFCA need a clear debt management policy, if applicable?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) <i>Can the subject agency improve its use of generally accepted accounting principles including: summaries of all fund balances, summaries of revenues and expenditures, general status of reserves, and any un-funded obligations (i.e. pension/retiree benefits)? Does WSAFCA have accounting and/or financial policies that guide WSAFCA in how financial transactions are recorded and presented?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) <i>Does WSAFCA staff need to review financial data on a regular basis and are discrepancies identified, investigated and corrective action taken in a timely manner? The review may include reconciliations of various accounts, comparing budgets-to-actual, analyzing budget variances, comparing revenue and expense balances to the prior year, etc. If WSAFCA uses Yolo County's financial system and the County Treasury, does WSAFCA review</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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monthly the transactions in the County system to transactions WSAFCA submitted to the County for processing?

- h) *Does WSAFCA board need to receive regular financial reports (quarterly or mid-year at a minimum) that provide a clear and complete picture of WSAFCA's assets and liabilities, fully disclosing both positive and negative financial information to the public and financial institutions?*
-

Discussion:

WSAFCA has created partnerships to leverage local funds with State and federal flood risk reduction funding. Most of the cost for the levee improvement projects are funded by cost sharing agreements with the partnering agencies. The USACE has taken over construction of the federal project and JPA continues to share cost. As reaches are completed, WSAFCA transfers operations and maintenance activities to RD 900 for the work.

The City's assessment is indefinite and well-funded with a maximum 2% annual increase. The General Manager indicates WSAFCA may not need to issue bonds to pay for the remaining local share of the project.

WSAFCA is funding grant administration costs and other levee improvement costs, and the state reimburses WSAFCA for expenditures, which are reported as intergovernmental revenues in the General Fund. WSAFCA's monies are held by the City of West Sacramento in multiple separate major and non-major funds as of June 30, 2023³:

Costs incurred by the City of West Sacramento to provide such services are reimbursed by WSAFCA. WSAFCA is a separate legal entity and is not a component unit of the above members.

Major Funds

- General Fund (870) is used to pay all administrative, operating, and other expenditures incurred, and to account for the special benefit assessment and development impact fee revenues.
- 2015 WSAFCA Bond Debt Service Funds (883) accumulate revenues and payments of bond principal and interest of the Assessment Revenue Bonds Series 2015 issued to finance construction of authorized capital improvements related to flood protection.
- JPA Construction Capital Projects Fund (871) is used for revenues and expenditures that are restricted, committed or assigned to capital outlays for approved capital improvement projects associated with grant funds received from the State of California Department of Water Resources for levee improvements.

Non-Major Funds

- DWR Flood Protection Grant Special Revenue Fund (257) is used for revenues and non-capital expenditures associated with the grant funds received from the State of California Department of Water Resources that are set aside prior to reconciliation.
- 2011 Flood Bond Debt Service Fund (882) was used to account for the accumulation of resources and payments of bond principal and interest of the Assessment Revenue Bonds Series 2011 issued to finance the construction of certain public capital improvements related to flood projection. Was refunded by the 2020 Bond.
- 2020 WSAFCA Bond Debt Service Fund (884) is used to account for the accumulation of resources and payments of bond principal and interest of the Assessment Revenue Bonds, Series 2020 issued to finance the construction of specific public capital improvements related to levee improvements and flood control and to refund the remaining portion of the Assessment Revenue Bonds, Series 2011.

Union Bank of California Trust Services serves as WSAFCA's fiscal agent for the special assessment debt that funds capital projects.

³ WSAFCA JPA Annual Comprehensive Financial Report for the year ended June 30, 2023

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The 5-year financial trend for the total of all these funds is shown below⁴. The JPA adopts by resolution a biennial budget by June 30 every other year, with mid-term budget updates approved by the Board if/as needed. The budget serves as the foundation for the JPA's financial planning and control. Its budget is organized by fund and activities or appropriation level within each category shown in the trend below. The JPA may transfer appropriations and amend the budget as needed and resources allow.

**WEST SACRAMENTO AREA FLOOD CONTROL AGENCY
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES**

	2019	2020	2021	2022	2023
Revenue					
Benefit assessment operations	\$ 5,236,891	\$ 5,437,993	\$ 5,568,846	\$ 5,791,045	\$ 5,743,226
Reimbursements	6,747	29	60,311	116,797	45,616
Intergovernmental	28,708,516	13,833,634	13,933,152	4,137,221	13,103,245
Contributions from developers	6,500,000	125,000	220,119	109,279	-
Use of money and property	799,510	556,217	(125,260)	(245,802)	136,740
Other	491	-	-	-	308,621
New debt	-	11,655,000	-	-	-
Total Revenue	41,252,155	31,607,873	19,657,168	9,908,540	19,337,448
Expenditures					
Flood control O&M	2,452,206	2,312,193	2,484,561	3,338,389	5,905,069
Capital outlay	33,712,812	13,338,380	10,014,504	2,185,944	2,518,014
Debt service principal	710,000	735,000	1,065,000	900,000	930,000
Debt service interest and other costs	1,843,722	2,087,515	1,560,542	1,497,789	1,464,989
Payments to refunding escrow	-	12,287,663	-	-	-
Other	-	-	-	-	-
Total Expenditures	38,718,740	30,760,751	15,124,607	7,922,122	10,818,072
Net income (loss)	2,533,415	847,122	4,532,561	1,986,418	8,519,376
Beginning Fund Balance	6,958,267	9,491,682	10,338,804	14,871,365	16,857,783
Restatements	-	-	-	-	-
Beginning Fund Balance, restated	6,958,267	9,491,682	10,338,804	14,871,365	16,857,783
Ending Fund Balances	\$ 9,491,682	\$ 10,338,804	\$ 14,871,365	\$ 16,857,783	\$ 25,377,159
Fund Balances					
Nonspendable-prepaid items	\$ -	\$ -	\$ 7,161	\$ 7,161	\$ 7,161
Restricted for debt service	2,616,682	1,706,470	1,708,960	1,710,601	2,898,093
Restricted for plan performance	1,101,055	850,577	850,577	850,577	850,577
Committed for capital projects	749,310	2,619,684	5,190,628	7,268,681	13,414,789
Committed for debt service	70,114	1,090,181	1,722,402	4,033,700	879,312
Unassigned	4,954,521	4,071,892	5,391,637	2,987,063	7,327,227
Total Fund Balances	\$ 9,491,682	\$ 10,338,804	\$ 14,871,365	\$ 16,857,783	\$ 25,377,159
Y-T-Y Change in total Fund Balances					
Amount Increase (Decrease)	\$ 2,533,415	\$ 847,122	\$ 4,532,561	\$ 1,986,418	\$ 8,519,376
Percentage Increase (Decrease)	36.41%	8.92%	43.84%	13.36%	50.54%

The 5-year trend indicates the WSAFCA (the JPA) is in stable position. The JPA's revenue consists of benefit assessment (billed on County tax roll), intergovernmental revenue, contributions from developers, interest earnings and other miscellaneous revenue. Its revenue sources are stable primarily from a special

⁴ WSAFCA JPA Annual Comprehensive Financial Reports for the years ended 2019-2023

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assessment in perpetuity and state and federal funding. Over the past five years fund balance has increased \$18.4M, from \$7.0 in 2019 to \$25.4 in 2023, of which \$7.3M is unassigned. The special assessment is in perpetuity and can increase up to 2% each year. The intergovernmental revenues represent project cost sharing reimbursements primarily from the State government. The agency is well funded to achieve its goal of a 200-year flood projection.

WSAFCA’s revenue is sufficient to fund its goal of achieving 200-year flood projection. Once the fWSP is completed estimated in 2037, WSAFCA will transition to a long-term capital replacement program for the levee system and managing debt service until 2041. Project operations and maintenance will be turned over to RD 900.

The agency has two bond issues outstanding: 2015 Assessment revenue bond and 2020 Assessment revenue bond. The total principal outstanding as of 6/30/2023 is \$37.1M, including bond premium. The 2015 Series bond will be paid off in 2045 while the 2020 Series will be paid off in 2041. Total annual debt service is approximately \$2.4M. The bonds are payable solely from annual assessments for capital facilities levied on all parcels in the City of West Sacramento. In fiscal year 2023 debt service accounted for 22% of expenditures and was 42% of special assessments. The JPA does not have any employees and thus, no pension or other postemployment benefits liabilities.

Staff reviews financial data on a regular basis and reviews transactions in the City’s financial system for processing. WSAFCA is audited on an annual basis which is posted on the JPA’s webpage hosted on the City’s website. At each monthly board meeting the board receives a report of cash flows and various expenditure and revenue reports, showing both the current month data and year-to-date. The reports do not include budget to actual data, which is presented to the Board annually at the conclusion of the fiscal year.

Financial Ability Determination:

WSAFCA is in a stable financial position with its unassigned fund balance increasing 48% over the last five years. WSAFCA carries a significant amount of debt (\$285 million), however, this debt is only 5.5% of total assessed valuation and debt payments are 30% of total expenditures. Its current debt service payments extend until 2041. Its revenue sources are stable primarily from a special assessment in perpetuity and state and federal funding.

WSAFCA’s revenues are significantly funded by state and deferral funding and are sufficient to fund its goal of achieving 200-year flood projection. Once the federal West Sacramento Project is completed estimated in 2037, WSAFCA will transition to a long-term capital replacement program for the levee system, and managing debt service. The ongoing special assessment is sufficient to fund ongoing operations and maintenance. The City of West Sacramento is the treasury and provides financial assistance to WSAFCA.

Financial Ability Recommendation(s):

None.

5. Shared Services and Facilities

Status of, and opportunities for, shared facilities.

	Significant Issue	Potentially Significant	No Issue
a) <i>Are there any opportunities for the organization to share services or facilities with neighboring, overlapping, or other organizations that are not currently being utilized?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

None.

Shared Services Determination:

WSAFCA exists as a shared agency operation including RD 537, RD 900, and the City of West Sacramento. WSAFCA also coordinates with multiple regional, state, and federal agencies to efficiently implement coordinated projects to achieve the urban standard of 200-year flood protection for West Sacramento.

Shared Services Recommendation(s):

None.

6. Accountability, Structure, and Efficiencies

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

	Significant Issue	Potentially Significant	No Issue
a) <i>Are there any recommended changes to the organization's governmental structure or operations that will increase accountability and efficiency (i.e. overlapping boundaries that confuse the public, service inefficiencies, and/or higher costs/rates)?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) <i>Does WSAFCA need to secure independent audits of financial reports that meet California State Controller requirements? Are the same auditors used for more than six years? Are audit results <u>not</u> reviewed in an open meeting?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) <i>Is WSAFCA lacking insurance or a risk management pool to manage potential liabilities?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) <i>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?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) <i>Are there any issues with staff capacity and/or turnover? Is there a lack of staff member training regarding the organization's program requirements and financial management?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) <i>Does WSAFCA need adequate policies (as applicable) relating to personnel/payroll, general and administrative, board member and meetings, and segregating financial and accounting duties among staff and/or board to minimize risk of error or misconduct (see suggested policies list)?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) <i>Does the organization need to improve its public transparency via a website (see https://www.yololafco.org/yolo-local-government-website-transparency-scorecards)?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Discussion:

None.

Accountability, Structure, and Efficiencies Determination:

There are no recommended changes to the WSAFCA board. Although considering the 2019 boundary reorganizations of RD 537 and RD 900, WSAFCA may wish to study modifying its board/member composition in any future strategic planning sessions. WSAFCA is audited annually, which is managed by the Treasury of the City of West Sacramento. The Agency has general and public officials/management liability insurance policy that provides coverage for the Agency's work and actions by the Board in their capacity as public officials in support of the West Sacramento Levee Improvement Program. The policies

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exclude the typical business risks associated with a levee improvement project. There are no issues with board member turnover/training. WSAFCA has no employees, and all staff services are performed by City of West Sacramento personnel. The City of West Sacramento serves as the treasury and provides financial assistance to WSAFCA. As such, it follows generally accepted accounting principles including board member and meetings and segregating financial and accounting duties. WSAFCA's Yolo Local Government Website Transparency Scorecard score has hovered at roughly the same percentage in the last three years and is 74% for 2023.

Accountability, Structure, and Efficiencies Recommendation(s):

- WSAFCA received a 74% score in the 2023 Yolo Local Government Website Transparency Scorecard. Please review the report appendix to see what improvements can be made: <https://www.yololafco.org/yolo-local-government-website-transparency-scorecards>.

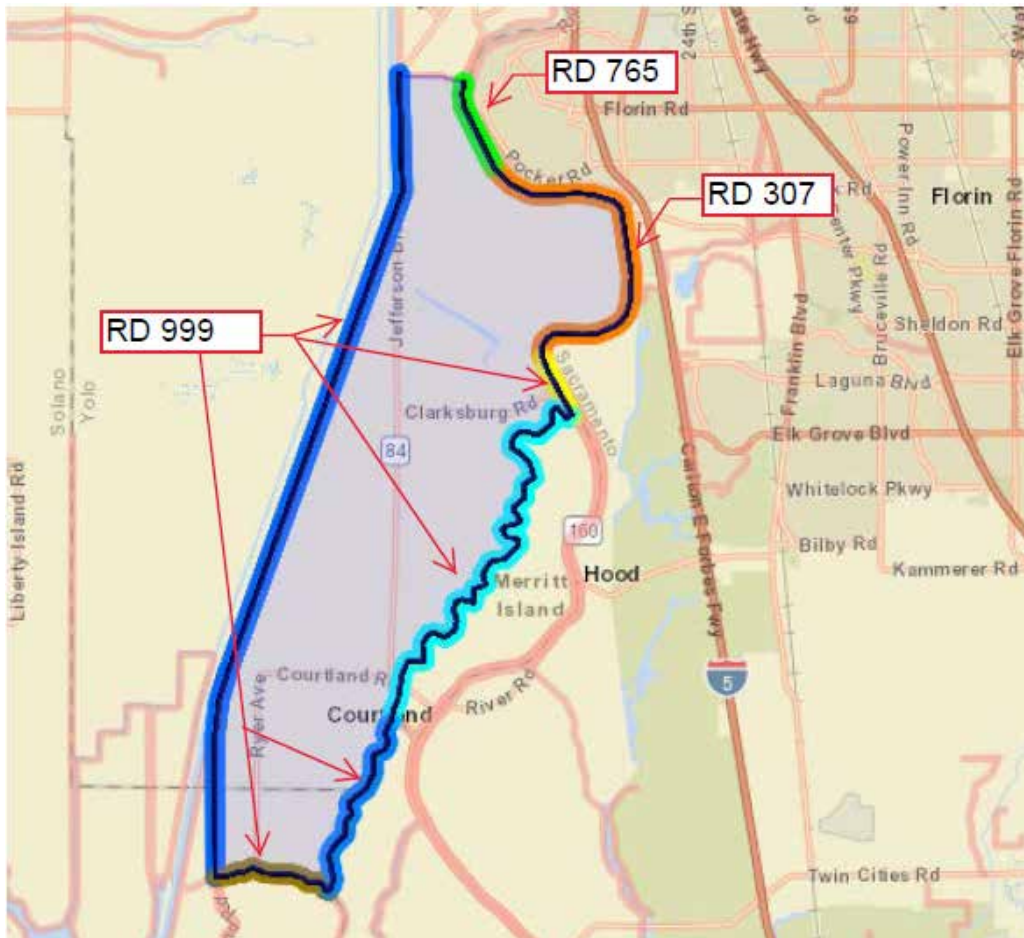
Sac Yolo South Levee System (Clarksburg Basin) Overview¹

The Sac Yolo South levee system is a portion of the Sacramento River Flood Control Project, a large-scale levee project. The map of the 40.47-mile levee system shows the leveed area, the area which would be prone to flooding in the absence of a levee. The Sac Yolo South levee system reduces the risk of flooding for a portion of a rural area and agricultural lands in Yolo County from flood waters in the Sacramento River, Elk Slough, Sutter Slough, Minor Slough and the Yolo Bypass. In addition to the rural population of 1,113 people within the leveed area, 569 structures including 6 critical structures (1 airport, 1 EMS, 1 fire station and 3 schools), with property values estimated at \$200 million, are present within the leveed area. The Sac Yolo South levee system is constructed of earthen embankments and requires year-round maintenance. The Central Valley Flood Protection Board is the non-federal sponsor and is the responsible agency for operation and maintenance of the levee system.

Sac Yolo South includes the following Local Maintaining Agencies (LMAs):

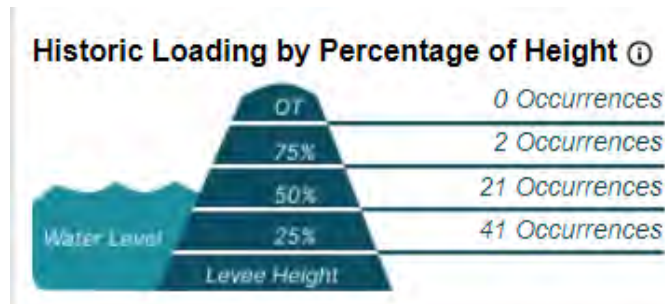
- RD 307
- RD 765
- RD 999

Sac Yolo South System Units and LMAs



¹ USACE National Structure Inventory 2023 and USDA Cropland Data Layer 2022

The levee system was constructed in 1955 and averages 17 feet in height. Its flooding sources include Elk Slough, Miner Slough, Sacramento River, and Sutter Slough. The following graphic shows historic flooding occurrences.



Regional Long-Term Projects Identified

Clarksburg Small-Communities Study²

A feasibility study identified risk reduction by remediating known problems of levees along Elk Slough and the Sacramento River from town to the West Sacramento cross levee. In addition, a combination of seepage berms and cutoff walls need to be constructed. The preliminary cost is estimated from \$44 million to \$52 million. Phasing to be determined.



Recommended Levee Improvements

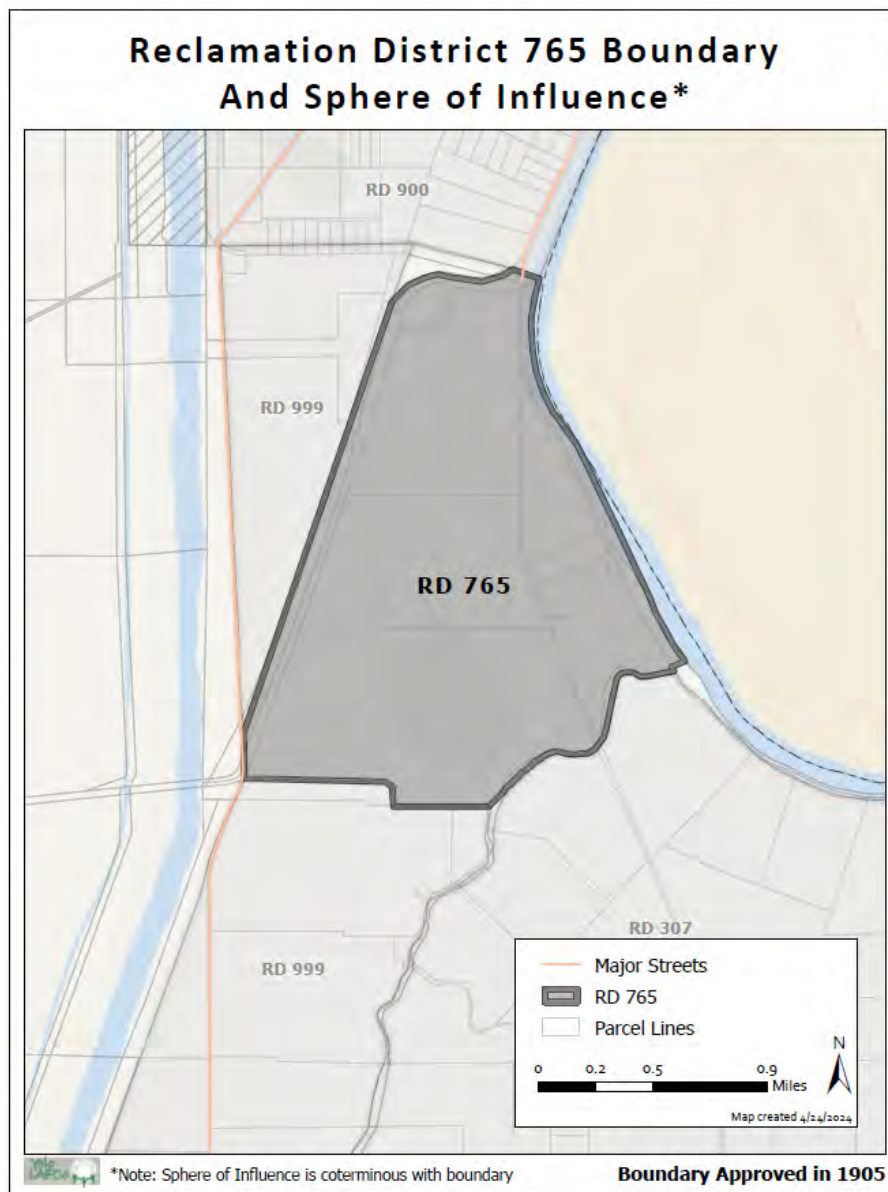
- Description – Remediate known problems of levees along Elk Slough and the Sacramento River from town to the West Sacramento cross levee
- Combination of seepage berms and cutoff walls
- Preliminary costs \$44 million to \$52 million
- Benefits much of the basin
- Phasing to be determined
 - Prioritize levees adjacent to town and biggest deficiencies

² Clarksburg Small Community Flood Risk Reduction Feasibility Study presentation, MBK and HDR Engineers, Sep 2019.

RD 765 AGENCY PROFILE

Formed in 1905, Reclamation District (RD) 765 provides drainage and levee maintenance for 1.7 miles of levee and is 1,410 acres in size. Referred to as the Glide Tract, is located at Garcia Bend on the Sacramento River. The railroad tracks of the Sacramento Northern Railroad have been removed, but the berm on which they were situated acts as the western and northern boundaries of the district. Babel Slough is the southern boundary of the district. The District is located immediately south of the City of West Sacramento. It is bounded by West Sacramento to the north, RD 999 to the west and south, RD 307 to the south, and the Sacramento River to the east. The area that this RD encompasses is exclusively used for agriculture. Most of RD 765's land has been conserved through conservation easements.

Reclamation District 765 is an independent special district with a three-member board of trustees elected by the three (3) landowners in the District. The level of owner contribution is based on expenses for the year. The District contracts out for all operations and maintenance as well as legal and engineering services.



MUNICIPAL SERVICE REVIEW

POTENTIALLY SIGNIFICANT MSR DETERMINATIONS

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

- Growth and Population
- Disadvantaged Unincorporated Communities
- Capacity, Adequacy & Infrastructure to Provide Services
- Financial Ability
- Shared Services
- Accountability, Structure, and Efficiencies
- Broadband Access

LAFCO MUNICIPAL SERVICE REVIEW:

- On the basis of this initial evaluation, the required determinations are not significant, and staff recommends that a comprehensive MSR is NOT NECESSARY. The subject agency will be reviewed again in five years per Government Code Section 56425(g).
- The subject agency has significant and/or potentially significant determinations and staff recommends that a comprehensive MSR IS NECESSARY and has been conducted via this checklist.

1. Growth and Population	Significant Issue	Potentially Significant	No Issue
Growth and population projections for the affected area.			
a) <i>Will development and/or population projections over the next 5-10 years impact the subject agency's service needs and demands?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) <i>Do changes in demand suggest a change in the agency's services?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

None.

Growth and Population MSR Determination:

The overall levee system that RD 765 is included in has a population of approximately 1,113 permanent residents. Normal fluctuations in rural population will not change current DWR flood protection standards and District levee and drainage services. The more stringent urban level of flood protection standards is not required until the area is developed with 10,000 residents or more, or an urbanizing area that is planned to have 10,000 residents or more within the next 10 years¹. There is no significant growth and population anticipated in the District that will impact the subject agency's service needs and demands.

¹ Code of Federal Regulations Title 44, Section 59.1 and California Government Code Section 65007(l) and (m)

Growth and Population Recommendation(s):

None.

2. Disadvantaged Unincorporated Communities

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

	Significant Issue	Potentially Significant	No Issue
a) <i>If the subject agency provides services related to sewers, municipal and industrial water, or structural fire protection, 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?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) <i>If "yes" to a), it is feasible for the agency to be reorganized such that it can extend service to the disadvantaged unincorporated community? If "no" to a), this question is marked "no" because it is either not needed or not applicable.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

None.

Disadvantaged Unincorporated Communities MSR Determination:

RD 765 does not provide sewers, municipal and industrial water, or structural fire protection. The District provides services notwithstanding any communities' economic status².

Disadvantaged Unincorporated Communities Recommendation(s):

None.

² CALAFCO Statewide DUCs Refined GIS Layer, RSG, Inc. December 10, 2021

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.

	Significant Issue	Potentially Significant	No Issue
a) <i>Are there any deficiencies in the infrastructure, equipment, and capacity of agency facilities to meet <u>existing</u> service needs for which the agency does not have a plan in place to resolve (including deficiencies created by new state regulations)?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) <i>Are there any issues regarding the agency's capacity and ability to meet the service demand of reasonably foreseeable <u>future</u> needs?</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) <i>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?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) <i>Is the agency needing to consider climate adaptation in its assessment of infrastructure/service needs?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

The Department of Water Resources (DWR), under the authority of Water Code Sections 8360, 8370 and 8371, performs a verification inspection of the maintenance of the Sacramento River Flood Control Project (SRFCP) levees performed by the local responsible agencies, and reports to the United States Army Corps of Engineers (USACE) periodically regarding the status of levee maintenance. The State inspects and reports only on the status of maintenance practices and on observable levee conditions.

DWR completes annual spring inspections by May, documenting the location, size, type, and rating of maintenance deficiencies and provides the resulting inspection reports to the LMAs for their use in planning maintenance activities prior to the food season. DWR completes annual fall inspections by November, verifying the status of previously noted deficiencies, as well as any additional deficiencies, that should be corrected to help ensure adequate performance during the food season. LMAs conduct inspections in the winter and summer, completing the requirement to conduct four inspections each year. Project facilities are inspected at least four times each year. DWR compiles this information for use by stakeholders and will report to CVFPB on inspection activities as requested.

DWR gives an overall levee segment rating only during the annual fall inspections. The table below shows the overall rating from 2019-2023. Three possible ratings are given based on the state of its levees:

- Acceptable (A) – No immediate work required, other than routine maintenance. The food protection project will function as designed and intended with a high degree of reliability, and necessary cyclical maintenance is being performed adequately.
- Minimally Acceptable (M) – One or more deficient conditions exist in the food protection project that needs to be improved or corrected. However, the project will essentially function as designed with a lesser degree of reliability than what the project could provide.
- Unacceptable (U) – One or more deficient conditions exist that may prevent the project from functioning as designed, intended, or required.

After three years of “Unacceptable” ratings, the fall 2022 and 2023 DWR inspection report gave the LMA an overall rating of “Minimally Acceptable.” Overall, the unacceptable miles are less than 10%.

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RD Overall Rating 2019-2023

Local Maintaining Agency	Overall Rating <i>A = Acceptable; M = Minimally Acceptable; and U = Unacceptable</i>					Total Levee Miles
	2019	2020	2021	2022	2023	
RD 765	U	U	U	M	M	1.72

Source: Department of Water Resources 2023 Inspection and LMA Report Table 2-2

RD 765 contains one unit segment that is inspected by DWR that comprise the overall rating. Each unit, length, rating is listed in the table and shown in the map below³.

RD Units, Length and DWR Inspection Rating (Fall 2023)

Unit	Name	Bank	Length (Miles)	DWR Rating
Unit No. 01	Sacramento River	RB	1.72	M



³ DWR 2023 Sacramento River Individual Agency Summary Reports

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As shown on the above map, no system repairs were needed for the unit from the DWR 2022 Flood System Repair Project Summary.

The DWR summary indicates RD 765 provided a list of expenses and maintenance activities performed on all levee units. Activities engineering and vegetation control by mowing. The reported total maintenance cost for the previous fiscal year was \$30,000. The Agency provided a list of planned expenses and maintenance activities for all levee units. Expenses include engineering, levee repairs and vegetation control by mowing. The reported total cost for the current fiscal year is \$65,000 which corresponds to \$37,791 per levee mile.

Spring 2024 DWR Levee Inspection Reports (Maintenance Only, No Rating)⁴

RD 765 was inspected on March 19, 2024. DWR spring inspection reports do not provide an overall rating. The report noted the LMA has a copy of O&M Manuals on hand, however it does not have an adequate supply of flood fighting materials and has not attended available flood fight training recently.

Summary Table of Spring 2024 Inspection Items

	Items Resolved	Items Not Resolved	Total Items	Notes Regarding Unresolved Items
Unit No. 01	8	5	13	Erosion (mi 0.02, 0.94, 0.95), Remove tree/limbs (mi. 1.04), tree stump (mi 1.61)
Total %	62%	38%	13	

There are no critical issues noted on the inspection report. The erosion sites are from foot traffic, likely fisherman accessing the river.

USACE Rehabilitation Program Status

RD 765 currently has an “active” status in the USACE PL 84-99 Rehabilitation Program, which means it is eligible for rehabilitation of flood damaged facilities at 100-percent federal cost sharing to pre-disaster condition and level of protection.

Capacity and Adequacy of Public Facilities and Services MSR Determination:

After receiving Unacceptable ratings from 2019-2021, RD 765 received Minimally Acceptable ratings in 2022-2023. The reported total cost for the current fiscal year is \$65,000 which corresponds to \$37,791 per levee mile. The Spring 2024 inspection indicates 62% of the inspection items have been addressed, with erosion and removing trees/stumps being the primary issues. DWR indicates RD 765 does not have an adequate supply of flood fighting materials and has not had flood fight training recently.

Capacity and Adequacy of Public Facilities and Services MSR Recommendations:

- Prior to the next flood season, obtain an adequate amount of flood fighting materials and store them in a centralized location.
- Prior to the next flood season, identify a crew and attend flood fight training from DWR. If necessary, “just in time” training is available online at <https://musrflood.squarespace.com/> to train new crew members and emergency volunteers.
- RD 765 should implement any remaining DWR Fall 2023 inspection report recommendations as itemized in the Spring 2024 inspection report:
 - The LMA should focus more on controlling woody vegetation.
 - The LMA should focus more on controlling vegetation to maintain visibility and access.

⁴ https://cdec.water.ca.gov/detailed_reports.html

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- o The LMA should focus on repairing erosion sites.

4. Financial Ability

Financial ability of agencies to provide services.

	Significant Issue	Potentially Significant	No Issue
a) <i>Is the subject agency in a stable financial position, i.e. does the 5-year trend analysis indicate any issues?</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) <i>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?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) <i>Is the organization's revenue sufficient to fund an adequate level of service, necessary infrastructure maintenance, replacement and/or any needed expansion? Is the fee inconsistent with the schedules of similar local agencies</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) <i>Does the subject agency have a capital improvement plan (CIP)? Has the agency identified and quantified what the possible significant risks and costs of infrastructure or equipment failure? Does the agency have a reserve policy to fund it?</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) <i>Does the agency have any debt, and if so, is the organization's debt at an unmanageable level? Does the agency need a clear debt management policy, if applicable?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) <i>Can the subject agency improve its use of generally accepted accounting principles including: summaries of all fund balances, summaries of revenues and expenditures, general status of reserves, and any un-funded obligations (i.e. pension/retiree benefits)? Does the agency have accounting and/or financial policies that guide the agency in how financial transactions are recorded and presented?</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g) <i>Does the agency staff need to review financial data on a regular basis and are discrepancies identified, investigated and corrective action taken in a timely manner? The review may include reconciliations of various accounts, comparing budgets-to-actual, analyzing budget variances, comparing revenue and expense balances to the prior year, etc. If the agency uses Yolo County's financial system and the County Treasury, does the agency review monthly the transactions in the County system to transactions the agency submitted to the County for processing?</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h) <i>Does the agency board need to receive regular financial reports (quarterly or mid-year at a minimum) that provide a clear and complete picture of the agency's assets and liabilities, fully disclosing both positive and negative financial information to the public and financial institutions?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

**RECLAMATION DISTRICT NO. 765
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES**

	2018 *	2019 *	2020 *	2021 *	2022 *
Revenue					
Special assessment	\$ 25,000	\$ -	\$ -	\$ -	\$ -
Rents and concessions	-	3	8	7	1
Intergovernmental grants	-	-	40,000	-	37,767
Contributions from property owners	-	64,024	-	42,992	20,000
Total Revenue	25,000	64,027	40,008	42,999	57,768
Expenditures					
Salaries and benefits	2,785	-	-	-	-
Services and supplies	15,061	53,694	38,803	22,780	67,710
Adjustment to fund balance	-	-	-	40,000	-
Other expenditures	-	1	2	2	-
Total Expenditures	17,846	53,695	38,805	62,782	67,710
Net income (loss)	7,154	10,332	1,203	(19,783)	(9,942)
Beginning Fund Balance	19,514	26,668	37,000	38,203	18,420
Adjustments	-	-	-	-	-
Beginning Fund Balance, restated	19,514	26,668	37,000	38,203	18,420
Ending Fund Balances	\$ 26,668	\$ 37,000	\$ 38,203	\$ 18,420	\$ 8,478
Fund Balances					
Unassigned	\$ 26,668	\$ 37,000	\$ 38,203	\$ 18,420	\$ 8,478
Total Fund Balances	\$ 26,668	\$ 37,000	\$ 38,203	\$ 18,420	\$ 8,478
Y-T-Y Change in total Fund Balances					
Amount Increase (Decrease)	\$ 7,154	\$ 10,332	\$ 1,203	\$ (19,783)	\$ (9,942)
Percentage Increase (Decrease)	36.66%	38.74%	3.25%	-51.78%	-53.97%

** Data source is State Controller's Financial Transactions Report for fiscal years ended December 31.

Discussion:

RD 765 is operated by three landowners and does not maintain funds the County Treasury. The information provided is from State Controller's Office reports that appear inconsistent and only go through 2022. The District revenues mainly consist of property owner contributions (billed by district) and intergovernmental revenues. This revenue was 81% of total revenues from 2019 through 2022.

The 5-year trend indicates that either the district may be unstable, or the underlying data may be incorrect. There was an adjustment, reported in the 2021 State Controller's Financial Transaction, which decreased the overall fund balance reported by \$40,000. As of December 31, 2022, the fund balance reported was only \$8,478.

Although the District received a rating of M during the Department of Water Resources Fall 2023 inspection, the annual revenue the District receives averages only about \$50,000 with a little fund balance available at the end of 2022. It's unknown but doubtful RD 765 has a CIP.

As of June 30, 2022, the District does not have any debt issues outstanding nor any pension or other postemployment benefits liabilities. Fiscal year 2023 data has not been provided by the District. It is unknown if the district uses generally accepted accounting principles or reviews financial data on a regular basis.

Financial Ability MSR Determination:

RD 765 does not maintain funds the County Treasury and is operated by three landowners that self-assess to fund the District. It only partially responded to LAFCo information requests and financial information was obtained from the State Controller’s Office, so the financial picture is hazy. The 5-year trend indicates that either the district may be unstable, and/or the underlying data may be incorrect. As of December 31, 2022, the fund balance reported was only \$8,478, insufficient to weather a catastrophic levee issue.

Financial Ability Recommendation(s):

- RD 765 should use the County Treasury to maintain its funds for improved accounting controls and accuracy.
- Institute regular annual landowner assessments rather than on an as-needed basis with an automatic inflator to provide for a secure ongoing revenue source and to accumulate reserves.
- Adopt annual budgets (if not already doing so). Budgets and other financial records/information should be provided to the public and LAFCo consistent with state law, including Section 56386 of the Cortese-Knox-Hertzberg Act Local Government Reorganization Act of 2000 (repeat from 2018 MSR)
- Adopt a capital improvement plan (CIP) or similar analysis to quantify the possible significant risks, infrastructure costs, or equipment failure to determine what the District fund balance goals should be (and fund accordingly).
- Provide financial reports for the trustees to review on a regular basis at meetings.

5. Shared Services and Facilities

Status of, and opportunities for, shared facilities.

	Significant Issue	Potentially Significant	No Issue
a) <i>Are there any opportunities for the organization to share services or facilities with neighboring, overlapping, or other organizations that are not currently being utilized?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

None.

Shared Services MSR Determination:

RD 765 is hydrologically connected to RD 307 and RD 999 in the SacYolo South Levee System. The agencies in this levee system already operate under a collective work plan via the SWIF plan. The agencies in this levee system already operate under a collective work plan via the SWIF plan. RD 765 is not a member of the California Central Valley Flood Control Association (CCVFCA).

Shared Services Recommendation(s):

None.

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6. Accountability, Structure, and Efficiencies

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

	Significant Issue	Potentially Significant	No Issue
a) <i>Are there any recommended changes to the organization's governmental structure or operations that will increase accountability and efficiency (i.e. overlapping boundaries that confuse the public, service inefficiencies, and/or higher costs/rates)?</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) <i>Does the agency need to secure independent audits of financial reports that meet California State Controller requirements? Are the same auditors used for more than six years? Are audit results <u>not</u> reviewed in an open meeting?</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) <i>Is the agency insured or in a risk management pool to manage potential liabilities?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) <i>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?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) <i>Are there any issues with staff capacity and/or turnover? Is there a lack of staff member training regarding the organization's program requirements and financial management?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) <i>Does the agency have adequate policies (as applicable) relating to personnel/payroll, general and administrative, board member and meetings, and segregating financial and accounting duties among staff and/or board to minimize risk of error or misconduct (see suggested policies list)?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
g) <i>Does the organization need to improve its public transparency via a website (see https://www.yololaftco.org/yolo-local-government-website-transparency-scorecards)?</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Discussion:

The DWR Central Valley Flood Protection Plan and Mid & Upper Sacramento River Regional Flood Management Plan (2013) included governance as an implementation strategy to address whether consolidation or amalgamation of LMAs could provide an enhanced approach to system maintenance and operations. There are recommended changes to the governmental structure to improve operational efficiencies for the Sac Yolo South (Clarksburg) System basin.

The DWR Central Valley Flood Protection Plan and Lower Sacramento River/Delta North Flood Management Plan (2014) included the recommended action step to “Conduct the necessary stakeholder outreach and coordination to develop organizational structure/governance, cost, policy/procedure, training requirements and synchronization to consolidate Local Maintaining Agencies, operations and maintenance, and emergency response activities”. DWR funded the UC Davis Yolo County Flood Governance Study (2014) in collaboration with all the local district stakeholders, which ultimately recommended the “The Hydraulic Basin Approach” that “Yolo County RDs would benefit if each hydraulically connected basin operated as if it were a single entity”.

There are seven USACE levee systems/basins that include special district LMAs under Yolo LAFCo oversight. The key goal for this MSR/SOI is to identify the recommended “single entity” for each system/basin. The DWR Flood System Improvement Branch Chief and staff were consulted and concur

with LAFCo's governance recommendations⁵. DWR operates roughly 300 miles of the 1,600 total levee miles in the State Plan of Flood Control and relies heavily on LMAs, which would benefit from efficiency, shared services, expertise, appropriate size/scale, and borrowing power.

For the Sac Yolo South (Clarksburg) System, RD 999 is the more robust district in the basin and should absorb RD 307 and RD 765 as the single entity for the basin. The Clarksburg Flood Management Project has not yet received funding. This MSR (and the previous one in 2018) has found RD 307 and RD 765 are not functioning as responsive, accountable, and transparent government agencies, therefore, these RDs should be consolidated.

RD 765 is an independent special district governed by a three-member Board of Trustees. The District has only three landowners in total. The District did not fully respond to LAFCo's information request, but it is last understood RD 765 meets on an as-needed basis and the location of meetings varies. It is unknown if the District complies with all Brown Act requirements in publicly noticing its meetings through posting and individual notification.

All three Board member positions are currently filled. There are only three landowners in the District. RD 765 contracts for all its maintenance needs. Downey Brand LLP is its legal counsel.

RD 765 does not conduct independent audits as required but does submit annual State Controller's Office special district reports. It is unknown if RD 765 adopts a budget, has insurance coverage, or administrative policies. RD 765 does not maintain a website (probably because it only contains three landowners) and is in violation of state law.

Accountability, Structure, and Efficiencies MSR Determination:

There are only three landowners in RD 765 and its three Board member seats are filled and appear stable. The District has not responded to repeated requests for information. The District does not obtain independent audits (and didn't in the last 2018 MSR either), nor has adopted administrative policies. It does not have a website in accordance with the Government Code. RD 765 maintains only 1.78 miles of levee and should be succeeded by RD 999 altogether for better capacity, efficiency, accountability, and transparency.

Accountability, Structure, and Efficiencies Recommendation(s):

- The 2014 UC Davis Flood Governance Study funded by DWR determined that one agency should become the single Local Maintaining Agency (LMA) for each hydrologic basin. For the Sac Yolo South (Clarksburg) System, RD 999 is the most robust district in the basin. Therefore, RDs 307, 765, and 999 should be reorganized (either via dissolution/annexation or consolidation) into RD 999 as the single LMA successor entity for the basin. The Clarksburg Flood Management Project has not yet been finalized nor received funding, therefore there is no known reason to delay this reorganization process. This MSR (and the previous one in 2018) found RD 307 and RD 765 not functioning as responsive, accountable, and transparent government agencies. RDs 307 and 765 have not obtained flood fight materials and stored them in a nearby location (although RD 307 has access to the Delta Emergency Plan supplies), nor has either district received flood fight training recently (i.e., at least the past 5+ years). RD 999 has five full-time employees with the training and resources to respond to an emergency.
- **RD 765 shall immediately** secure independent audits of financial reports that meet California State Controller requirements every two years (repeat from 2018 MSR). **Per Government Code Section 26909, for every special district which does not submit an audit to the county auditor within 12 months of fiscal year end, the county auditor shall either make or contract an annual audit with all costs borne by the special district.**

⁵ Meeting with DWR staff on May 30, 2024.

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- **Per Water Code 50940 and 50941, RD 765 shall keep an office for the business of the district. All district books, maps, papers, records, contracts, and other documents shall be kept in the office and be open to inspection during all business hours by any person interested.**
- Adopt policies (as applicable) relating to personnel/payroll, general and administrative, board member and meetings, and segregating financial and accounting duties among staff and/or board to minimize risk of error or misconduct (repeat from 2018 MSR).
- Create a website or adopt a hardship resolution annually in accordance with Government Code sections 6270.6 and 53087.8 to provide the public easily accessible and accurate information about the district (repeat from 2018 MSR).

7. Broadband Access

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

Per Yolo LAFCo Project Policy 6.2 *“it is the intent of Yolo LAFCo to comprehensively review broadband access in MSRs of local agencies that either serve communities and/or provide emergency services where broadband connection is critical (i.e. cities, CSDs, CSAs, FPDs and RDs).”*

	Significant Issue	Potentially Significant	No Issue
a) <i>Is there a lack of high-performance broadband (25/3 Mbps) available in the community?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Discussion:

None.

Broadband Access MSR Determination

The CPUC California Broadband Availability Map⁶ indicates RD 765 is unserved and notes two residential serviceable locations. AT&T provides mobile coverage on a 5G network with speeds up to 38/5 Mbps.

Recommendation(s)

None.

SPHERE OF INFLUENCE STUDY

A Sphere of Influence (SOI) is an area delineated on a map and approved by LAFCo that indicates where potential future agency annexations could be proposed. It is recommended that the District be absorbed by RD 999. Therefore, changes to the District’s SOI are needed.

On the basis of the Municipal Service Review:

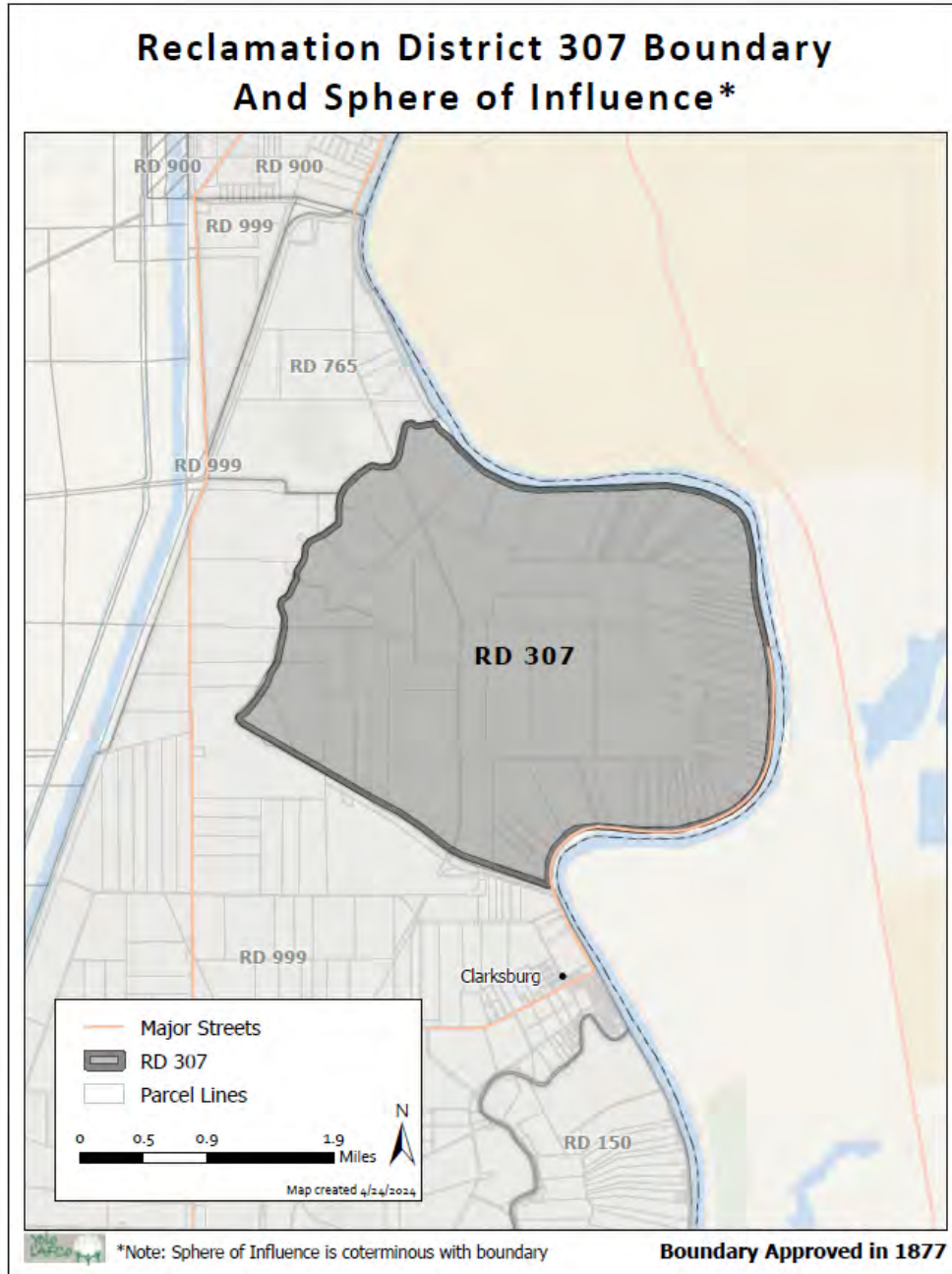
- Staff has reviewed the agency’s Sphere of Influence and recommends that a SOI Update is NOT NECESSARY in accordance with Government Code Section 56425(g). Therefore, NO CHANGE to the agency’s SOI is recommended and SOI determinations HAVE NOT been made.
- Staff has reviewed the agency’s Sphere of Influence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

⁶ <https://www.broadbandmap.ca.gov/>

RD 307 AGENCY PROFILE

Formed in 1877, Reclamation District (RD) 307 provides levee maintenance to 6.56 miles of levee. The District is surrounded by waterways, the Sacramento River on the north and east, Babel Slough on the north and west, and Winchester Lake on the south. RD 307 does not provide irrigation water services.

RD 307 is an independent special district with a five-member board of trustees. The District did not respond to repeated requests for information, but is understood to contract out for levee maintenance, legal services, bookkeeping services, and engineering services. Maintenance actions are accomplished by contracts based on decisions made by the Board.



MUNICIPAL SERVICE REVIEW

POTENTIALLY SIGNIFICANT MSR DETERMINATIONS

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

- Growth and Population
- Disadvantaged Unincorporated Communities
- Capacity, Adequacy & Infrastructure to Provide Services
- Financial Ability
- Shared Services
- Accountability, Structure, and Efficiencies
- Broadband Access

LAFCO MUNICIPAL SERVICE REVIEW:

- On the basis of this initial evaluation, the required determinations are not significant, and staff recommends that a comprehensive MSR is NOT NECESSARY. The subject agency will be reviewed again in five years per Government Code Section 56425(g).
- The subject agency has significant and/or potentially significant determinations and staff recommends that a comprehensive MSR IS NECESSARY and has been conducted via this checklist.

1. Growth and Population	Significant Issue	Potentially Significant	No Issue
Growth and population projections for the affected area.			
a) <i>Will development and/or population projections over the next 5-10 years impact the subject agency's service needs and demands?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) <i>Do changes in demand suggest a change in the agency's services?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

None.

Growth and Population MSR Determination:

The overall levee system that RD 307 is included in has a population of approximately 1,113 permanent residents. Normal fluctuations in rural population will not change current DWR flood protection standards and District levee and drainage services. The more stringent urban level of flood protection standards are not required until the area is developed with 10,000 residents or more, or an urbanizing area that is planned to have 10,000 residents or more within the next 10 years¹. There is no significant growth and population anticipated in the District that will impact the subject agency's service needs and demands.

¹ Code of Federal Regulations Title 44, Section 59.1 and California Government Code Section 65007(l) and (m)

Growth and Population Recommendation(s):

None.

2. Disadvantaged Unincorporated Communities

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

	Significant Issue	Potentially Significant	No Issue
a) <i>If the subject agency provides services related to sewers, municipal and industrial water, or structural fire protection, 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?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) <i>If "yes" to a), it is feasible for the agency to be reorganized such that it can extend service to the disadvantaged unincorporated community? If "no" to a), this question is marked "no" because it is either not needed or not applicable.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

None.

Disadvantaged Unincorporated Communities MSR Determination:

RD 307 does not provide sewers, municipal and industrial water, or structural fire protection. The District provides services notwithstanding any communities' economic status².

Disadvantaged Unincorporated Communities Recommendation(s):

None.

² CALAFCO Statewide DUCs Refined GIS Layer, RSG, Inc. December 10, 2021

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.

	Significant Issue	Potentially Significant	No Issue
a) <i>Are there any deficiencies in the infrastructure, equipment, and capacity of agency facilities to meet <u>existing</u> service needs for which the agency does not have a plan in place to resolve (including deficiencies created by new state regulations)?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) <i>Are there any issues regarding the agency's capacity and ability to meet the service demand of reasonably foreseeable <u>future</u> needs?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) <i>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?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) <i>Is the agency needing to consider climate adaptation in its assessment of infrastructure/service needs?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

District Infrastructure

RD 307 has two 150hp electric pumps, one diesel engine gear driven pump, and a 300KW generator to run one of the electric pumps in the event of a power outage. The District also owns and maintains 6.56 miles of levee.

DWR Inspections

The Department of Water Resources (DWR), under the authority of Water Code Sections 8360, 8370 and 8371, performs a verification inspection of the maintenance of the Sacramento River Flood Control Project (SRFCP) levees performed by the local responsible agencies, and reports to the United States Army Corps of Engineers (USACE) periodically regarding the status of levee maintenance. The State inspects and reports only on the status of maintenance practices and on observable levee conditions.

DWR completes annual spring inspections by May, documenting the location, size, type, and rating of maintenance deficiencies and provides the resulting inspection reports to the LMAs for their use in planning maintenance activities prior to the food season. DWR completes annual fall inspections by November, verifying the status of previously noted deficiencies, as well as any additional deficiencies, that should be corrected to help ensure adequate performance during the food season. LMAs conduct inspections in the winter and summer, completing the requirement to conduct four inspections each year. Project facilities are inspected at least four times each year. DWR compiles this information for use by stakeholders and will report to CVFPB on inspection activities as requested.

DWR rates overall levee segments during the annual fall inspections. The table below shows the overall rating from 2019-2023. Three possible ratings are given based on the state of its levees:

- Acceptable (A) – No immediate work required, other than routine maintenance. The food protection project will function as designed and intended with a high degree of reliability, and necessary cyclical maintenance is being performed adequately.
- Minimally Acceptable (M) – One or more deficient conditions exist in the food protection project that needs to be improved or corrected. However, the project will essentially function as designed with a lesser degree of reliability than what the project could provide.
- Unacceptable (U) – One or more deficient conditions exist that may prevent the project from functioning as designed, intended, or required.

YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

After multiple years of “Unacceptable” ratings, the Fall 2023 DWR Inspection Report gave the LMA an overall rating of “Minimally Acceptable.” Overall, the unacceptable miles are less than 10%. The SWIF resulted in improvements to RD maintenance, and the results show.

RD Overall Rating 2019-2023

Local Maintaining Agency	Overall Rating <i>A = Acceptable; M = Minimally Acceptable; and U = Unacceptable</i>					Total Levee Miles
	2019	2020	2021	2022	2023	
RD 307	U	U	U	U	M	6.56

Source: Department of Water Resources 2023 Inspection and LMA Report Table 2-2

RD 307 contains one unit segment that is inspected by DWR that comprise the overall rating. Each unit, length, rating is listed in the table and shown in the map below³.

RD Units, Length and DWR Inspection Rating (Fall 2023)

Unit	Name	Bank	Length (Miles)	DWR Rating
Unit No. 01	Sacramento River	RB	6.56	M



³ DWR 2023 Sacramento River Individual Agency Summary Reports

YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

The DWR summary report from 2023 reported that RD 307 performed the annual Summer Levee Inspection as required. The District concurs with the information contained in the Summer 2023 inspection reports, unless otherwise reported or updated, and has no additional issues at this time. The District continues to perform routine maintenance including, but not limited to, visual inspections, rodent hole grouting, rodent baiting, vegetation management and erosion repairs as needed to address the inspection infractions. Encroachment enforcement remains an ongoing process that is leading to varied success. The Agency provided a list of planned expenses and maintenance activities for all levee units. Expenses include the cost of administration, surveying and engineering, and vegetation control. The reported total cost for the current fiscal year is \$40,199 which corresponds to \$6,128 per levee mile.

Spring 2024 DWR Levee Inspection Reports (Maintenance Only, No Rating)⁴

RD 307 was inspected on March 19, 2024. DWR spring inspection reports do not provide an overall rating. The LMA has O&M Manuals and access to adequate flood fighting materials. However, RD 307 hasn't been to any recent training classes. For Unit No. 01, there are numerous locations where there are erosion issues and trees need to be thinned. There are numerous report items regarding tree stumps that appear to have gone unresolved for some time.

	Items Resolved	Items Not Resolved	Total Items	Notes Regarding Unresolved Items (w/ levee mile marker noted)
Unit No. 01	18	16	34	Thin trees (mi 0.16, 0.25, 0.62, 1.39, 3.97, 5.99, 6.36), erosion (mi 0.20, 1.09-1.24, 3.98-4.01)
Total %	53%	47%	34	

There are no critical issues noted. Most of the "trim/thin trees" issues are fallen trees and old tree stumps DWR wants removed.

USACE Rehabilitation Program Status

RD 307 currently has an "active" status in the USACE PL 84-99 Rehabilitation Program, which means it is eligible for rehabilitation of flood damaged facilities at 100-percent federal cost sharing to pre-disaster condition and level of protection.

Capacity and Adequacy of Public Facilities and Services MSR Determination:

After receiving Unacceptable ratings from 2019-2022, RD 307 received a Minimally Acceptable rating in 2023, likely due to the recent SWIF correction plan instituted. The District improved its vegetation and animal control issues, while tree thinning/trimming and erosion/bank caving are the more significant issues. The reported total maintenance cost for the current fiscal year is \$40,199 which corresponds to \$6,128 per levee mile. The 2024 Spring inspection reports indicates 53% of the items noted in the Fall 2023 inspection have been corrected. RD 307 hasn't been to any recent flood fight training, and relative to other district reports "recent" appears to mean at least 5+ years.

Capacity and Adequacy of Public Facilities and Services MSR Recommendations:

- Prior to the next flood season, identify a crew and attend flood fight training from DWR. If necessary, "just in time" training is available online at <https://musrflood.squarespace.com/> to train new crew members and emergency volunteers.
- RD 307 should implement any remaining DWR Fall 2023 inspection report recommendations as itemized in the Spring 2024 inspection report:
 - There is woody vegetation that significantly impacts access and visibility in this Area.
 - There is vegetation that significantly impacts access and visibility in this Area.
 - The LMA should focus more on controlling woody vegetation.

⁴ https://cdec.water.ca.gov/detailed_reports.html

YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

- The LMA should focus more on controlling vegetation to maintain visibility and access.
- The LMA should focus on repairing erosion sites.

4. Financial Ability

Financial ability of agencies to provide services.

	Significant Issue	Potentially Significant	No Issue
a) <i>Is the subject agency in a stable financial position, i.e. does the 5-year trend analysis indicate any issues?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) <i>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?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) <i>Is the organization's revenue sufficient to fund an adequate level of service, necessary infrastructure maintenance, replacement and/or any needed expansion? Is the fee inconsistent with the schedules of similar local agencies?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) <i>Does the subject agency have a capital improvement plan (CIP)? Has the agency identified and quantified what the possible significant risks and costs of infrastructure or equipment failure? Does the agency have a reserve policy to fund it?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) <i>Does the agency have any debt, and if so, is the organization's debt at an unmanageable level? Does the agency need a clear debt management policy, if applicable?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) <i>Can the subject agency improve its use of generally accepted accounting principles including: summaries of all fund balances, summaries of revenues and expenditures, general status of reserves, and any un-funded obligations (i.e. pension/retiree benefits)? Does the agency have accounting and/or financial policies that guide the agency in how financial transactions are recorded and presented?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
g) <i>Does the agency staff need to review financial data on a regular basis and are discrepancies identified, investigated and corrective action taken in a timely manner? The review may include reconciliations of various accounts, comparing budgets-to-actual, analyzing budget variances, comparing revenue and expense balances to the prior year, etc. If the agency uses Yolo County's financial system and the County Treasury, does the agency review monthly the transactions in the County system to transactions the agency submitted to the County for processing?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
h) <i>Does the agency board need to receive regular financial reports (quarterly or mid-year at a minimum) that provide a clear and complete picture of the agency's assets and liabilities, fully disclosing both positive and negative financial information to the public and financial institutions?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

YOLO LAFCo MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

**RECLAMATION DISTRICT NO. 307
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES**

	2019	2020	2021	2022	2023
Revenue					
Property taxes and other related rever	\$ 79,746	\$ 86,382	\$ 81,106	\$ 88,233	\$ 90,410
Special assessment	80,949	80,949	80,949	80,949	80,949
Interest	17,907	25,238	932	(26,490)	22,666
Intergovernmental grants	78,939	124,094	47,483	87,120	26,007
Other revenue	-	-	297	-	145
Total Revenue	257,541	316,663	210,767	229,812	220,177
Expenditures					
Services and supplies	110,649	113,878	125,358	195,338	189,960
Other expenditures	-	8,230	-	-	-
Capital outlay	-	-	-	-	180,825
Total Expenditures	110,649	122,108	125,358	195,338	370,785
Net income (loss)	146,892	194,555	85,409	34,474	(150,608)
Beginning Fund Balance	556,580	703,472	898,027	983,436	1,017,910
Adjustments	-	-	-	-	-
Beginning Fund Balance, restated	556,580	703,472	898,027	983,436	1,017,910
Ending Fund Balances	\$ 703,472	\$ 898,027	\$ 983,436	\$ 1,017,910	\$ 867,302
Fund Balances					
Unassigned	\$ 703,472	\$ 898,027	\$ 983,436	\$ 1,017,910	\$ 867,302
Total Fund Balances	\$ 703,472	\$ 898,027	\$ 983,436	\$ 1,017,910	\$ 867,302

Discussion:

RD 307's financial position appears to be stable. The District's sources of revenue consist of an allocation of the 1% property tax general levy known as AB8, special assessments (billed on tax roll), investment earnings, intergovernmental revenue and other miscellaneous revenue. The District's revenue and expenses have not fluctuated significantly over the past 5 years except for the purchase of a replacement generator in 2023 at a cost of \$180,825. Total fund balance has increased by \$310,722 over the last five years.

On average, almost 70% of the District's annual revenue come from property taxes and special assessments, which are both reliable sources of revenue. However, the special assessment has not increased since 1997 and property tax increase, at most, 2% per year. In fact, the total of property taxes and special assessments have only increased 6% from 2019 to 2023. This risk is that without undergoing a proposition 218 preceding the increase in special assessments and property taxes may not keep up with inflation and that intergovernmental revenues are not guaranteed and are subject to policy changes by the grantor agencies.

RD 307 nearly doubled its expenditures in 2023 (exceeding its revenue) to achieve a "minimally acceptable" rating from DWR. Previous year's expenditures resulted in "unacceptable" ratings. Therefore, it doesn't appear that revenues are adequate to consistently fund adequate levee maintenance.

RD 307 did not respond to LAFCo requests for information; therefore, it is unknown if the District has a Capital Improvement Plan (CIP), if financial data is reviewed on a regular basis, or if the Board receives financial reports. The District does not have any debt nor any pension or other postemployment benefits liabilities.

Financial Ability MSR Determination:

RD 307 has the financial means to provide services, is financially stable, and has a healthy fund balance. In 2023, the District exceeded its revenues because it purchased a generator to operate drainage pumps

YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

during an emergency. The District indicates it has a CIP, reviews financial data, and provides financial reports to its Board, however samples were not provided to LAFCo for verification. The District has indicated that the County Department of Financial Services (DFS) provides financial oversight and can conduct annual audits, which is not actually provided for independent districts. DFS inputs transactions but does not review them for oversight, mistakes are made, and accuracy needs to be verified.

Financial Ability Recommendation(s):

- RD 307 may wish to consider increasing revenues via a Proposition 218 preceding to increase the special assessment including an automatic inflationary factor because revenues may not keep up with inflation.
- RD 307 should review financial data on a regular basis to ensure County Treasury discrepancies are identified, investigated and corrective action taken in a timely manner.

5. Shared Services and Facilities			
Status of, and opportunities for, shared facilities.			
	Significant Issue	Potentially Significant	No Issue
a) <i>Are there any opportunities for the organization to share services or facilities with neighboring, overlapping, or other organizations that are not currently being utilized?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

None.

Shared Services MSR Determination:

RD 307 is hydrologically connected to RD 765 and RD 999 in the SacYolo South Levee System. The agencies in this levee system already operate under a collective work plan via the SWIF plan. RD 307 is not a member of the California Central Valley Flood Control Association (CCVFCA).

Shared Services Recommendation(s):

None.

6. Accountability, Structure, and Efficiencies			
Accountability for community service needs, including governmental structure and operational efficiencies.			
	Significant Issue	Potentially Significant	No Issue
a) <i>Are there any recommended changes to the organization's governmental structure or operations that will increase accountability and efficiency (i.e. overlapping boundaries that confuse the public, service inefficiencies, and/or higher costs/rates)?</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) <i>Does the agency need to secure independent audits of financial reports that meet California State Controller requirements? Are the same auditors used for more than six years? Are audit results <u>not</u> reviewed in an open meeting?</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

YOLO LAFCo MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

c) <i>Is the agency insured or in a risk management pool to manage potential liabilities?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) <i>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?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) <i>Are there any issues with staff capacity and/or turnover? Is there a lack of staff member training regarding the organization's program requirements and financial management?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) <i>Does the agency have adequate policies (as applicable) relating to personnel/payroll, general and administrative, board member and meetings, and segregating financial and accounting duties among staff and/or board to minimize risk of error or misconduct (see suggested policies list)?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
g) <i>Does the organization need to improve its public transparency via a website (see https://www.yololaftco.org/yolo-local-government-website-transparency-scorecards)?</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Discussion:

There are recommended changes to the governmental structure to improve operational efficiencies for the SacYolo South (Clarksburg) Basin.

The DWR Central Valley Flood Protection Plan and Lower Sacramento River/Delta North Flood Management Plan (2014) included the recommended action step to “Conduct the necessary stakeholder outreach and coordination to develop organizational structure/governance, cost, policy/procedure, training requirements and synchronization to consolidate Local Maintaining Agencies, operations and maintenance, and emergency response activities”. DWR funded the UC Davis Yolo County Flood Governance Study (2014) in collaboration with all the local district stakeholders, which ultimately recommended the “The Hydraulic Basin Approach” that “Yolo County RDs would benefit if each hydraulically connected basin operated as if it were a single entity”.

There are seven USACE levee systems/basins that include special district LMAs under Yolo LAFCo oversight. The key goal for this MSR/SOI is to identify the recommended “single entity” for each system/basin. The DWR Flood System Improvement Branch Chief and staff were consulted and concur with LAFCo’s governance recommendations⁵. DWR operates roughly 300 miles of the 1,600 total levee miles in the State Plan of Flood Control and relies heavily on LMAs, which would benefit from efficiency, shared services, expertise, appropriate size/scale, and borrowing power.

For the Sac Yolo South (Clarksburg) System, RD 999 is the more robust district in the basin and should absorb RD 307 and RD 765 as the single entity for the basin. The Clarksburg Flood Management Project has not yet received funding. This MSR (and the previous one in 2018) has found RD 307 and RD 765 are not functioning as responsive, accountable, and transparent government agencies, therefore, the timing is appropriate to combine these districts.

RD 307 is an independent special district governed by a five-member Board of Trustees. The District did not respond to repeated LAFCo’s information requests, but it is last understood RD 307 meets quarterly. It is unknown if the District complies with all Brown Act requirements in publicly noticing its meetings through posting and individual notification.

⁵ Meeting with DWR staff on May 30, 2024.

All five Board member positions are currently filled. When there is a vacancy on the Board of Commissioners, candidates may file for the office of Commissioner, provided that each candidate is either a landowner or a legal representative of a landowner. Elections are conducted by an all-mail in ballot in accordance with Division 15 of the California Water Code and applicable provisions of the California Elections Code. Appointment by the Board of Supervisors are made in the event there are no nominees or an insufficient number of nominees for the office to hold an election. RD 307 contracts for all of its staffing needs.

The District does not receive annual independent audits but does submit annual State Controller's Office special district reports as required. RD 307 indicates it is insured with ACWA/JPIA. It is unknown if RD 307 adopts a budget or has administrative policies. RD 307 does not maintain a website and is in violation of state law. The District indicated a website is planned.

Accountability, Structure, and Efficiencies MSR Determination:

There are recommended changes to the governmental structure to improve operational efficiencies for the SacYolo South (Clarksburg) Basin. RD 999 is the more robust district in the basin and should absorb RD 307 and RD 765 as the single entity LMA for the basin. RD 307 board members appear stable; however, the District has not fully responded to requests for information, has not obtained annual independent audits since at last the 2018 MSR, has not adopted policies, and does not have a website in accordance with the Government Code. RD 307 should be absorbed by RD 999 for better efficiency, accountability, and transparency.

Accountability, Structure, and Efficiencies Recommendation(s):

- The 2014 UC Davis Flood Governance Study funded by DWR determined that one agency should become the single Local Maintaining Agency (LMA) for each hydrologic basin. For the Sac Yolo South (Clarksburg) System, RD 999 is the most robust district in the basin. Therefore, RDs 307, 765, and 999 should be reorganized (either via dissolution/annexation or consolidation) into RD 999 as the single LMA successor entity for the basin. The Clarksburg Flood Management Project has not yet been finalized nor received funding, therefore there is no known reason to delay this reorganization process. This MSR (and the previous one in 2018) found RD 307 and RD 765 not functioning as responsive, accountable, and transparent government agencies. RDs 307 and 765 have not obtained flood fight materials and stored them in a nearby location (although RD 307 has access to the Delta Emergency Plan supplies), nor has either district received flood fight training recently (i.e., at least the past 5+ years). RD 999 has five full-time employees with the training and resources to respond to an emergency.
- **RD 307 shall immediately** secure independent audits of financial reports that meet California State Controller requirements every two years (repeat of 2018 MSR recommendation). **Per Government Code Section 26909, for every special district which does not submit an audit to the county auditor within 12 months of fiscal year end, the county auditor shall either make or contract an annual audit with all costs borne by the special district.**
- **Per Water Code 50940 and 50941, RD 307 shall keep an office for the business of the district. All district books, maps, papers, records, contracts, and other documents shall be kept in the office and be open to inspection during all business hours by any person interested.**
- RD 307 should adopt policies (as applicable) relating to personnel/payroll, general and administrative, board member and meetings, purchasing/contracting, and segregating financial and accounting duties among staff and/or board to minimize risk of error or misconduct (repeat of 2018 MSR recommendation).
- RD 307 is required to create a website or adopt a hardship resolution annually in accordance with Government Code sections 6270.6 and 53087.8 to provide the public easily accessible and accurate information about the district (repeat of 2018 MSR recommendation).

7. Broadband Access

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

Per Yolo LAFCo Project Policy 6.2 *“it is the intent of Yolo LAFCo to comprehensively review broadband access in MSRs of local agencies that either serve communities and/or provide emergency services where broadband connection is critical (i.e. cities, CSDs, CSAs, FPDs and RDs).”*

	Significant Issue	Potentially Significant	No Issue
a) <i>Is there a lack of high-performance broadband (25/3 Mbps) available in the community?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

None.

Broadband Access MSR Determination

The CPUC California Broadband Availability Map⁶ indicates California Broadband Services provides fixed wireless services to the RD 307 area with 100/25 Mbps (upload/download) speeds.

Yolo County is currently working with an internet service provider that will proposing two solutions for the Clarksburg area, a phased in wireless approach and a fiber project. However, State budget cuts will impact broadband project funding.

Broadband Access Recommendation(s)

None.

SPHERE OF INFLUENCE STUDY

A Sphere of Influence (SOI) is an area delineated on a map and approved by LAFCo that indicates where potential future agency annexations could be proposed. It is recommended that the District be absorbed by RD 999. Therefore, changes to the District’s SOI are needed.

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.

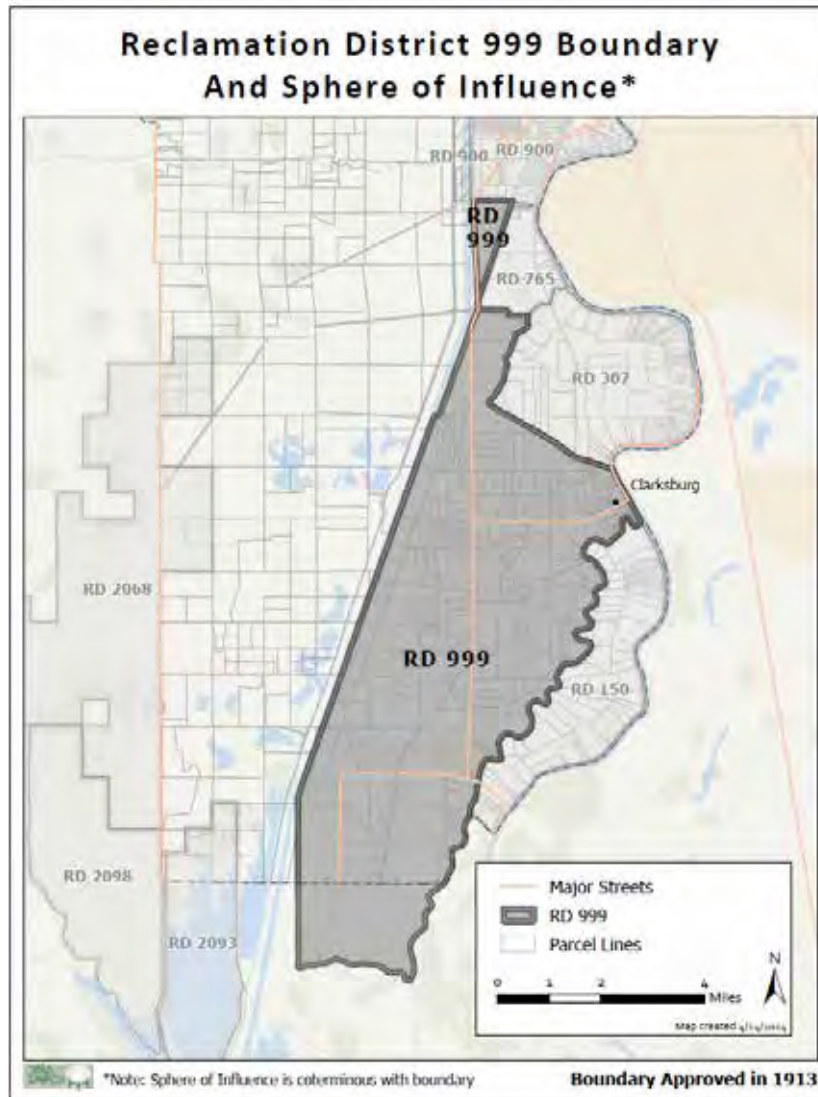
⁶ <https://www.broadbandmap.ca.gov/>

RD 999 AGENCY PROFILE

Formed in 1913, Reclamation District (RD) 999 provides levee maintenance, drainage, and irrigation for 32.17 miles of levee, some of which extends into Solano County to the south. All of the District levees are part of the Sacramento River Flood Control Project (SRFC).

The District is hydrologically linked to Reclamation Districts 307 and 765, and dependent on the success of their levee system. RD 999 is bounded by RD 900 to the north, and the Deep Water Ship Channel to the west. The northerly portion of RD 999 is bounded on the east by RD 765 and RD 307. The southerly eleven (11) miles of RD 999 is bounded on the east by the Sacramento River, Sutter Slough, and Elk Slough and on the south by Miner Slough. The District is completely protected from overflow by a system of substantial levees constructed well above floodplain. It is drained by a system of natural and artificial drainage channels and pumping plants. It is also both surface and sub-irrigated by the interconnected 275-mile network of irrigation and drainage canals/ditches, 8 pumping stations with 16 pumps. RD 999 does not sell ag irrigation water.

Reclamation District 999 is an independent special district with a five-member board of trustees elected by the landowners within the District.



MUNICIPAL SERVICE REVIEW

POTENTIALLY SIGNIFICANT MSR DETERMINATIONS

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

- Growth and Population Shared Services
- Disadvantaged Unincorporated Communities Accountability, Structure, and Efficiencies
- Capacity, Adequacy & Infrastructure to Provide Services Broadband Access
- Financial Ability

LAFCO MUNICIPAL SERVICE REVIEW:

- On the basis of this initial evaluation, the required determinations are not significant, and staff recommends that a comprehensive MSR is NOT NECESSARY. The subject agency will be reviewed again in five years per Government Code Section 56425(g).
- The subject agency has significant and/or potentially significant determinations and staff recommends that a comprehensive MSR IS NECESSARY and has been conducted via this checklist.

1. Growth and Population	Significant Issue	Potentially Significant	No Issue
Growth and population projections for the affected area.			
a) <i>Will development and/or population projections over the next 5-10 years impact the subject agency's service needs and demands?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) <i>Do changes in demand suggest a change in the agency's services?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

None.

Growth and Population MSR Determination:

The Sac Yolo South levee system that RD 999 is included in has a population of approximately 1,113 permanent residents. Normal fluctuations in rural population will not change current DWR flood protection standards and District levee and drainage services. The more stringent urban level of flood protection standards is not required until the area is developed with 10,000 residents or more, or an urbanizing area that is planned to have 10,000 residents or more within the next 10 years¹. There is no significant growth and population anticipated in the District that will impact the subject agency's service needs and demands.

¹ Code of Federal Regulations Title 44, Section 59.1 and California Government Code Section 65007(l) and (m)

Growth and Population Recommendation(s):

None.

2. Disadvantaged Unincorporated Communities

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

	Significant Issue	Potentially Significant	No Issue
a) <i>If the subject agency provides services related to sewers, municipal and industrial water, or structural fire protection, 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?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) <i>If "yes" to a), it is feasible for the agency to be reorganized such that it can extend service to the disadvantaged unincorporated community? If "no" to a), this question is marked "no" because it is either not needed or not applicable.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

None.

Disadvantaged Unincorporated Communities MSR Determination:

RD 999 does not provide sewers, municipal and industrial water, or structural fire protection. The District provides services notwithstanding any communities' economic status².

Disadvantaged Unincorporated Communities Recommendation(s):

None.

² CALAFCO Statewide DUCs Refined GIS Layer, RSG, Inc. December 10, 2021

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.

	Significant Issue	Potentially Significant	No Issue
a) <i>Are there any deficiencies in the infrastructure, equipment, and capacity of agency facilities to meet <u>existing</u> service needs for which the agency does not have a plan in place to resolve (including deficiencies created by new state regulations)?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) <i>Are there any issues regarding the agency's capacity and ability to meet the service demand of reasonably foreseeable <u>future</u> needs?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) <i>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?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) <i>Is the agency needing to consider climate adaptation in its assessment of infrastructure/service needs?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

The Department of Water Resources (DWR), under the authority of Water Code Sections 8360, 8370 and 8371, performs a verification inspection of the maintenance of the Sacramento River Flood Control Project (SRFCP) levees performed by the local responsible agencies, and reports to the United States Army Corps of Engineers (USACE) periodically regarding the status of levee maintenance. The State inspects and reports only on the status of maintenance practices and on observable levee conditions.

DWR completes annual spring inspections by May, documenting the location, size, type, and rating of maintenance deficiencies and provides the resulting inspection reports to the LMAs for their use in planning maintenance activities prior to the food season. DWR completes annual fall inspections by November, verifying the status of previously noted deficiencies, as well as any additional deficiencies, that should be corrected to help ensure adequate performance during the food season. LMAs conduct inspections in the winter and summer, completing the requirement to conduct four inspections each year. Project facilities are inspected at least four times each year. DWR compiles this information for use by stakeholders and will report to CVFPB on inspection activities as requested.

DWR gives an overall levee segment rating only during the annual fall inspections. The table below shows the overall rating from 2019-2023. Three possible ratings are given based on the state of its levees:

- Acceptable (A) – No immediate work required, other than routine maintenance. The food protection project will function as designed and intended with a high degree of reliability, and necessary cyclical maintenance is being performed adequately.
- Minimally Acceptable (M) – One or more deficient conditions exist in the food protection project that needs to be improved or corrected. However, the project will essentially function as designed with a lesser degree of reliability than what the project could provide.
- Unacceptable (U) – One or more deficient conditions exist that may prevent the project from functioning as designed, intended, or required.

Except for 2020, RD 999 has had Minimally Acceptable ratings from DWR. Overall, the unacceptable miles are less than 10%.

YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

RD Overall Rating 2019-2023

Local Maintaining Agency	Overall Rating					Total Levee Miles
	<i>A = Acceptable; M = Minimally Acceptable; and U = Unacceptable</i>					
	2019	2020	2021	2022	2023	
RD 999	M	U	M*	M	M*	32.17

Source: Department of Water Resources 2023 Inspection and LMA Report Table 2-2

* Overall unit threshold percentage is less than 10%; however, U rated miles are present, so the overall unit rating is M instead of A.

RD 999 contains 5 unit segments inspected by DWR that comprise the overall rating. Each unit, length, rating is listed in the table and shown in the map below³.

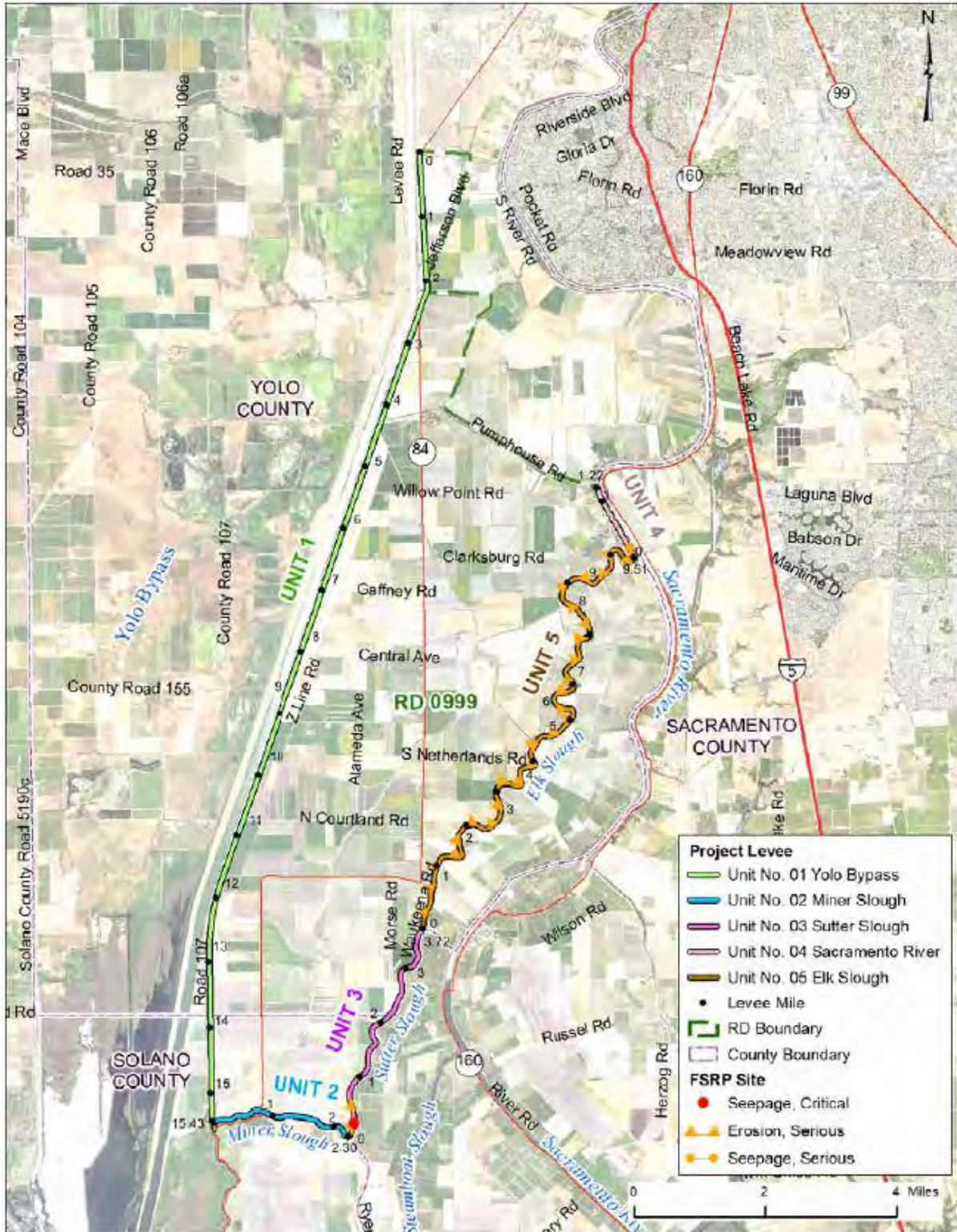
RD Units, Length and DWR Inspection Rating

Unit	Name	Bank	Length (Miles)	DWR Rating
Unit No. 01	Yolo Bypass	LB	15.41	A
Unit No. 02	Miner Slough	RB	2.31	A
Unit No. 03	Sutter Slough	RB	3.74	U
Unit No. 04	Sacramento River	RB	1.22	M*
Unit No. 05	Elk Slough	RB	9.48	M*

The DWR summary of the LMA report indicates RD 999 provided a list of expenses and maintenance activities performed on all levee units. Activities include rodent control, surveying and engineering, and vegetation control by mowing, spraying, and trimming. The reported total maintenance cost for the previous fiscal year was \$143,000. The Agency provided a list of planned expenses and maintenance activities for all levee units. Expenses include the cost of levee crown maintenance, patrolling, rodent control, surveying and engineering, and vegetation control by mowing, spraying, trimming and other methods. The reported total cost for the current fiscal year is \$177,000 which corresponds to \$5,504 per levee mile.

³ DWR 2023 Sacramento River Individual Agency Summary Reports

YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY



Spring 2024 DWR Levee Inspection Reports (Maintenance Only, No Rating)⁴

RD 999 was inspected on April 18, 2024. DWR spring inspection reports do not provide an overall rating. The LMA has the O&M Manuals on hand, adequate flood fighting materials, and the crew had flood fight training in 2020.

Summary Table of Spring 2024 Inspection Items

	Items Resolved	Items Not Resolved	Total Items	Notes Regarding Unresolved Items
Unit No. 01	10	1	11	Rodent control (mi 8.79)
Unit No. 02	5	1	6	Vegetation (mi 0.10-0.84)
Unit No. 03	6	2	8	Vegetation (mi 0.66), erosion (0.24-0.65)
Unit No. 04	3	1	4	Trim/thin trees (mi 0.57)
Unit No. 05	25	18	43	Crown surface/rutting (mi 1.10-1.14), trim/thin trees (mi 0.32, 1.59, 1.98, 2.01, 2.04, 2.98, 3.11, 5.14, 5.61, 5.67, 7.54, 8.74) vegetation (mi 3.65), unauthorized access gates (mi 8.54, 8.59, 8.63, 8.82)
Total (%)	49 (68%)	23 (32%)	72	

The only critical issue noted includes an erosion site along the Sutter Slough (Unit 03), which RD 999 has have repaired in the worst sections over the years. No site changes have been observed in the last two years, but the issue remains critical status. Most of the “trim/thin trees” issues are old tree stumps DWR wants removed.

USACE Rehabilitation Program Status

RD 999 currently has an “active” status in the USACE PL 84-99 Rehabilitation Program, which means it is eligible for rehabilitation of flood damaged facilities at 100-percent federal cost sharing to pre-disaster condition and level of protection.

Capacity and Adequacy of Public Facilities and Services MSR Determination:

RD 999 has by far the most levee miles to maintain (32.17 mi) of all the districts overseen by LAFCo and received minimally acceptable ratings overall, except in 2020. The reported total cost for the current fiscal year is \$177,000 which corresponds to \$5,504 per levee mile. DWR indicated RD 999 was maintaining its levees and structures at a high level. The LMA has the O&M Manuals on hand, adequate flood fighting materials, and the crew had flood fight training in 2020. The 2024 Spring inspection report indicates 68% of the items noted in the Fall 2023 inspection have been corrected.

Capacity and Adequacy of Public Facilities and Services MSR Recommendations:

- RD 999 should implement any remaining DWR Fall 2023 inspection report recommendations as itemized in the Spring 2024 inspection report:
 - The LMA should ensure that the levee crown and access roads are able to be driven in all weather conditions.
 - The LMA should focus more on controlling woody vegetation.
 - The LMA should focus more on controlling vegetation to maintain visibility and access.
 - The LMA should continue to maintain the area at the high level seen during the last inspection.

⁴ https://cdec.water.ca.gov/detailed_reports.html

YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

- o The LMA should continue to maintain the area at the high level seen during the last Structure inspection.

4. Financial Ability

Financial ability of agencies to provide services.

	Significant Issue	Potentially Significant	No Issue
a) <i>Is the subject agency in a stable financial position, i.e. does the 5-year trend analysis indicate any issues?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) <i>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?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) <i>Is the organization's revenue sufficient to fund an adequate level of service, necessary infrastructure maintenance, replacement and/or any needed expansion? Is the fee inconsistent with the schedules of similar local agencies</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) <i>Does the subject agency have a capital improvement plan (CIP)? Has the agency identified and quantified what the possible significant risks and costs of infrastructure or equipment failure? Does the agency have a reserve policy to fund it?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) <i>Does the agency have any debt, and if so, is the organization's debt at an unmanageable level? Does the agency need a clear debt management policy, if applicable?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) <i>Can the subject agency improve its use of generally accepted accounting principles including: summaries of all fund balances, summaries of revenues and expenditures, general status of reserves, and any un-funded obligations (i.e. pension/retiree benefits)? Does the agency have accounting and/or financial policies that guide the agency in how financial transactions are recorded and presented?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) <i>Does the agency staff need to review financial data on a regular basis and are discrepancies identified, investigated and corrective action taken in a timely manner? The review may include reconciliations of various accounts, comparing budgets-to-actual, analyzing budget variances, comparing revenue and expense balances to the prior year, etc. If the agency uses Yolo County's financial system and the County Treasury, does the agency review monthly the transactions in the County system to transactions the agency submitted to the County for processing?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h) <i>Does the agency board need to receive regular financial reports (quarterly or mid-year at a minimum) that provide a clear and complete picture of the agency's assets and liabilities, fully disclosing both positive and negative financial information to the public and financial institutions?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

**RECLAMATION DISTRICT NO. 999
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES**

	2018 *	2019 *	2020 *	2021 *	2022 *
Revenue					
Property taxes and other related rever	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessment	913,952	911,358	867,817	910,073	926,268
Interest	251	110	1,690	3,317	8,491
Intergovernmental grants	73,688	242,120	147,983	335,656	348,413
Charges for services	2,701	2,537	-	-	-
Other revenue	132,467	3,258	29,568	18,541	7,543
New debt	-	221,882	-	183,487	-
Total Revenue	1,123,059	1,381,265	1,047,058	1,451,074	1,290,715
Expenditures					
Salaries and benefits	388,240	414,673	483,188	357,778	382,250
Services and supplies	465,279	667,318	545,267	758,430	1,055,791
Debt service (principal and interest)	-	4,198	21,889	75,197	89,123
Capital outlay	-	221,882	-	215,431	-
Total Expenditures	853,519	1,308,071	1,050,344	1,406,836	1,527,164
Net income (loss)	269,540	73,194	(3,286)	44,238	(236,449)
Beginning Fund Balance	595,563	865,103	938,297	935,011	979,249
Ending Fund Balances	\$ 865,103	\$ 938,297	\$ 935,011	\$ 979,249	\$ 742,800
Fund Balances					
Unassigned	\$ 865,103	\$ 938,297	\$ 935,011	\$ 979,249	\$ 742,800
Total Fund Balances	\$ 865,103	\$ 938,297	\$ 935,011	\$ 979,249	\$ 742,800

* All years data based on audited financial statements. Fiscal year end December 31.

Y-T-Y Change in total Fund Balances

Amount Increase (Decrease)	\$ 269,540	\$ 73,194	\$ (3,286)	\$ 44,238	\$ (236,449)
Percentage Increase (Decrease)	45.26%	8.46%	-0.35%	4.73%	-24.15%

Discussion:

RD 999's 5-year trend indicates the District appears to be in a stable financial position but had incurred a loss of \$236,449 in 2023 because of increasing services and supplies. The District's revenue sources are comprised of special assessments (billed by District), interest, intergovernmental revenue, and other miscellaneous revenue. Service and supplies expenditures have increased by 39% in 2022 and by another 39% in 2023 as revenues have remained flat. Total fund balance at the end of 2023 was \$742,800, a decrease of \$147,237 from the end of 2017.

The District revenue source is reliable. Over the past 5 years, excluding proceeds from new debt, special assessments accounted for 76% of annual revenues and intergovernmental revenues accounted for almost 20%. Although billed by the District, delinquent special assessments are enrolled on the County tax roll.

The District received an overall rating of M as part of the Department of Water Resources Fall 2023 inspection which is a good indication that existing revenues are sufficient to fund an adequate level of service. The District does not have a capital improvement plan. The District owns four pick-up trucks, an excavator, fire truck, dump truck, and water truck.

The District has notes payable outstanding and a pension liability that is currently manageable. The notes payable total original amount was \$405,369 of which \$233,690 was still outstanding. Annual debt service

YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

ranges from \$32,006 to \$90,221 until both are paid off in 2026. The District also participates in CalPERS and has a net pension balance of \$464,747.

The District contracts with an independent CPA for an audit annually. At each meeting the board receives a balance sheet, a profit and loss statement, check listing by bank account and a payroll summary.

Financial Ability MSR Determination:

RD 999's 5-year trend indicates the District appears to be in a stable financial position. The District's revenue sources are comprised of special assessments (billed by District), interest, intergovernmental revenue, and other miscellaneous revenue. The District received an overall rating of M as part of the Department of Water Resources Fall 2023 inspection which is a good indication that existing revenues are sufficient to fund an adequate level of service. The District does not have a capital improvement plan but maintains a large fund balance. RD 999 contracts with a CPA for annual audits and the Board of Trustees receives regular financial reports.

Financial Ability Recommendation(s):

None.

5. Shared Services and Facilities

Status of, and opportunities for, shared facilities.

	Significant Issue	Potentially Significant	No Issue
a) <i>Are there any opportunities for the organization to share services or facilities with neighboring, overlapping, or other organizations that are not currently being utilized?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

None.

Shared Services MSR Determination:

RD 999 is hydrologically connected to RD 307 and RD 999 in the Sac Yolo South Levee System. RD 999 participates as members of the California Central Valley Flood Control Association (CCVFCA) and the Westside Committee for the Regional Flood Management Plan. RD 999 is the largest and most resourced district in the Sac Yolo South Levee System., The agencies in this levee system already operate under a collective work plan via the SWIF plan.

Shared Services Recommendation(s):

None.

6. Accountability, Structure, and Efficiencies

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

	Significant Issue	Potentially Significant	No Issue
a) <i>Are there any recommended changes to the organization's governmental structure or operations that will increase accountability and efficiency (i.e. overlapping boundaries that confuse the public, service inefficiencies, and/or higher costs/rates)?</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) <i>Does the agency need to secure independent audits of financial reports that meet California State Controller requirements? Are the same auditors used for more than six years? Are audit results <u>not</u> reviewed in an open meeting?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) <i>Is the agency insured or in a risk management pool to manage potential liabilities?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) <i>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?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) <i>Are there any issues with staff capacity and/or turnover? Is there a lack of staff member training regarding the organization's program requirements and financial management?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) <i>Does the agency have adequate policies (as applicable) relating to personnel/payroll, general and administrative, board member and meetings, and segregating financial and accounting duties among staff and/or board to minimize risk of error or misconduct (see suggested policies list)?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) <i>Does the organization need to improve its public transparency via a website (see https://www.yololaftco.org/yolo-local-government-website-transparency-scorecards)?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

The DWR Central Valley Flood Protection Plan and Mid & Upper Sacramento River Regional Flood Management Plan (2013) included governance as an implementation strategy to address whether consolidation or amalgamation of LMAs could provide an enhanced approach to system maintenance and operations. There are recommended changes to the governmental structure to improve operational efficiencies for the Sac Yolo South (Clarksburg) System basin.

The DWR Central Valley Flood Protection Plan and Lower Sacramento River/Delta North Flood Management Plan (2014) included the recommended action step to “Conduct the necessary stakeholder outreach and coordination to develop organizational structure/governance, cost, policy/procedure, training requirements and synchronization to consolidate Local Maintaining Agencies, operations and maintenance, and emergency response activities”. DWR funded the UC Davis Yolo County Flood Governance Study (2014) in collaboration with all the local district stakeholders, which ultimately recommended the “The Hydraulic Basin Approach” that “Yolo County RDs would benefit if each hydraulically connected basin operated as if it were a single entity”.

There are seven USACE levee systems/basins that include special district LMAs under Yolo LAFCo oversight. The key goal for this MSR/SOI is to identify the recommended “single entity” for each system/basin. The DWR Flood System Improvement Branch Chief and staff were consulted and concur

with LAFCo's governance recommendations⁵. DWR operates roughly 300 miles of the 1,600 total levee miles in the State Plan of Flood Control and relies heavily on LMAs, which would benefit from efficiency, shared services, expertise, appropriate size/scale, and borrowing power.

For the Sac Yolo South (Clarksburg) System, RD 999 is the more robust district in the basin and should absorb RD 307 and RD 765 as the single entity for the basin. The Clarksburg Flood Management Project has not yet received funding. This MSR (and the previous one in 2018) has found RD 307 and RD 765 are not functioning as responsive, accountable, and transparent government agencies, therefore, the timing is appropriate now in 2024.

RD 999 provides annual audits and posts them on its website, which is a significant improvement as compared to the 2018 MSR. The district has insurance coverage through the Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA).

The RD 999 Board meets monthly at the District's office. Meeting notices are posted on the District website and at the District office and mailed to all board members. All five Board member positions are currently filled. RD 999 has five full-time employees and contracts with Downey Brand LLP for legal counsel and MBK Engineers for engineering services. There do not appear to be any issues with board or staff turnover.

The agency has adequate policies (as applicable) relating to personnel/payroll, general and administrative, board member and meetings, and segregating financial and accounting duties. The district has written guidelines and procedures for operations and maintenance, and emergencies. RD 999 maintains a website that received a 97% transparency score in 2023.

Accountability, Structure, and Efficiencies MSR Determination:

RD 999 is accountable, transparent, functioning well and operationally efficient. It is the largest and most resourced district in the Sac Yolo South System. With the governance goal of identifying one district for each hydrologic system, RD 999 is the logical choice. All five Board member positions are currently filled, and the district is accountable.

Accountability, Structure, and Efficiencies Recommendation(s):

- The 2014 UC Davis Flood Governance Study funded by DWR determined that one agency should become the single Local Maintaining Agency (LMA) for each hydrologic basin. For the Sac Yolo South (Clarksburg) System, RD 999 is the most robust district in the basin. Therefore, RDs 307, 765, and 999 should be reorganized (either via dissolution/annexation or consolidation) into RD 999 as the single LMA successor entity for the basin. The Clarksburg Flood Management Project has not yet been finalized nor received funding, therefore there is no known reason to delay this reorganization process. This MSR (and the previous one in 2018) found RD 307 and RD 765 not functioning as responsive, accountable, and transparent government agencies. RDs 307 and 765 have not obtained flood fight materials and stored them in a nearby location (although RD 307 has access to the Delta Emergency Plan supplies), nor has either district received flood fight training recently (i.e., at least the past 5+ years). RD 999 has five full-time employees with the training and resources to respond to an emergency.

⁵ Meeting with DWR staff on May 30, 2024.

7. Broadband Access

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

Per Yolo LAFCo Project Policy 6.2 *“it is the intent of Yolo LAFCo to comprehensively review broadband access in MSRs of local agencies that either serve communities and/or provide emergency services where broadband connection is critical (i.e. cities, CSDs, CSAs, FPDs and RDs).”*

	Significant Issue	Potentially Significant	No Issue
a) <i>Is there a lack of high-performance broadband (25/3 Mbps) available in the community?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

None.

Broadband Access MSR Determination

The CPUC California Broadband Availability Map⁶ indicates California Broadband Services provides fixed wireless services to the RD 150 area with 100/25 Mbps (upload/download) speeds.

Yolo County is currently working with an internet service provider that will proposing two solutions in the Clarksburg area, a phased in wireless approach and a fiber project. However, State budget cuts will impact broadband project funding.

Broadband Access Recommendation(s)

None.

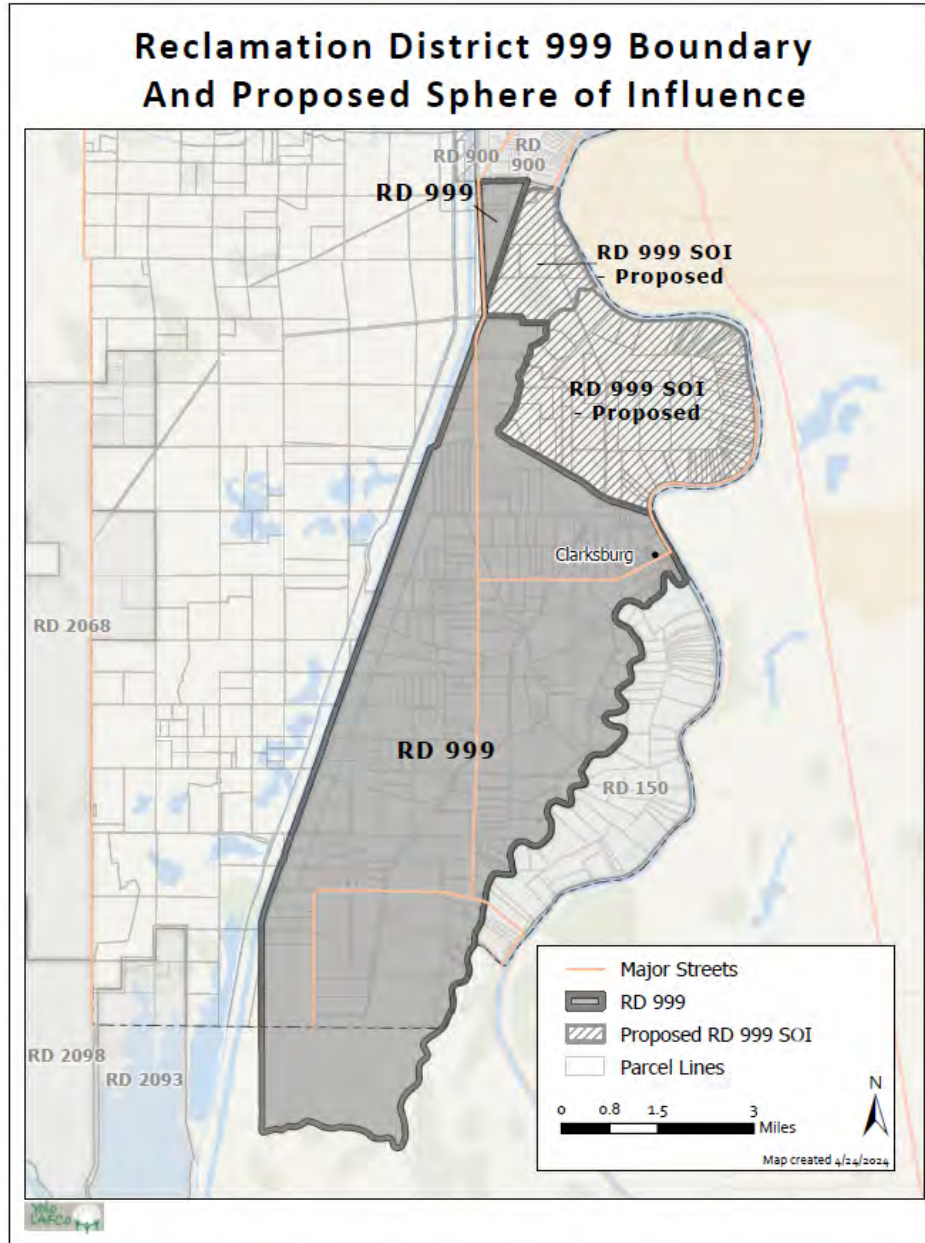
SPHERE OF INFLUENCE STUDY

A Sphere of Influence (SOI) is an area delineated on a map and approved by LAFCo that indicates where potential future agency annexations could be proposed. It is recommended that the District be absorbed by RD 999. Therefore, changes to the District’s SOI are needed.

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.

⁶ <https://www.broadbandmap.ca.gov/>



POTENTIALLY SIGNIFICANT SOI DETERMINATIONS

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

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

YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

1. Present and Planned Land Uses

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

	Significant Issue	Potentially Significant	No Issue
a) <i>Would the SOI conflict with planned, orderly, and efficient patterns of urban development? Would the SOI impact the identity of any existing communities (e.g. community boundaries, postal zones, school, or other service boundaries)?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) <i>Would the SOI result in the loss of prime agricultural land or open space?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) <i>Would the SOI conflict with any natural or made-made boundaries that would impact where services can reasonably be extended?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) <i>Is there a conflict with the adopted SACOG Metropolitan Transportation Plan/Sustainable Communities Strategy?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

None.

Present and Planned Land Uses SOI Determination:

Combining RD 765, RD 307, and RD 999 would not affect the present land uses, which are primarily agricultural.

2. Need for Public Facilities and Services

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

	Significant Issue	Potentially Significant	No Issue
a) <i>Would the SOI conflict with the Commission's goal to increase efficiency and conservation of resources by providing essential services within a framework of controlled growth?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) <i>Would the SOI expand services that could be better provided by a city or another agency?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) <i>Does the SOI represent premature inducement of growth or facilitate conversion of agriculture or open space lands?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) <i>Are there any areas that should be removed from the SOI because existing circumstances make development unlikely, there is not sufficient demand to support it?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) <i>Have any agency commitments been predicated on expanding the agency's SOI such as roadway projects, shopping centers, educational facilities, economic development or acquisition of parks and open space?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

None.

Need for Public Facilities and Services SOI Determination

The proposed SOI would promote agency efficiency by establishing one RD/LMA for the Sac Yolo South Levee System.

3. Capacity and Adequacy of Provided Services

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

	Significant Issue	Potentially Significant	No Issue
a) <i>Are there any issues regarding the agency's capacity to provide adequate services in the proposed SOI territory and ability to extend services?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Discussion:

None.

Capacity and Adequacy of Provided Services SOI Determination

RD 999 has minimally acceptable ratings from DWR overall and is generally functioning well. Combining these three RDs into one would provide greater efficiencies and resources to pay for levee maintenance.

4. Social or Economic Communities of Interest

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

	Significant Issue	Potentially Significant	No Issue
a) <i>Are there any social or economic communities of interest in the area if the commission determines that they are relevant to the agency (see also MSR checklist question 2b)?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

None.

Social or Economic Communities of Interest SOI Determination

There are agriculture-related social and economic communities of interest that are protected by the RD flood protection services. Potential annexation of RD 765 and RD 307 would promote agency efficiency by establishing one RD for the Sac Yolo South Levee System.

5. Disadvantaged Unincorporated Communities

For an update of an SOI of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

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

Discussion:

None.

Disadvantaged Unincorporated Communities SOI Determination

The District provides flood protection services notwithstanding any communities' economic status⁷.

⁷ CALAFCO Statewide DUCs Refined GIS Layer, RSG, Inc. December 10, 2021

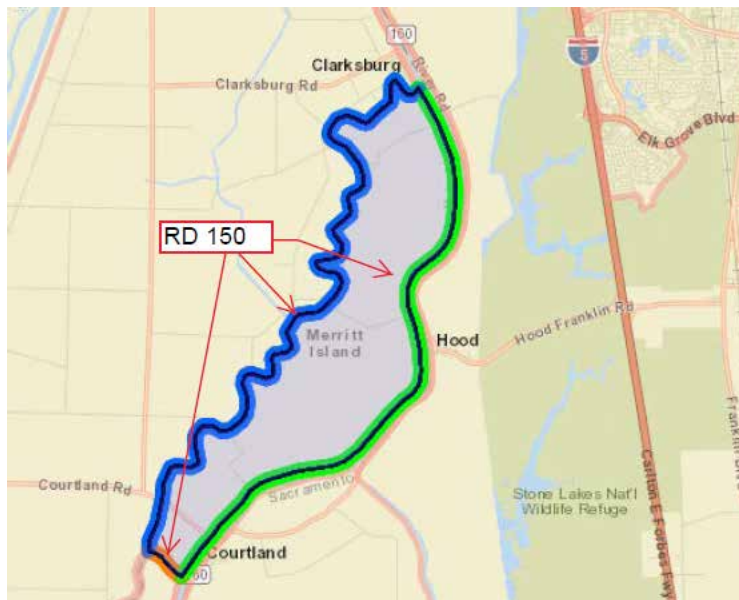
RD 150 – Merritt Island Levee System (Merritt Island Basin) Overview¹

The RD 0150 - Merritt Island levee system is a portion of the Sacramento River Flood Control Project, a large-scale levee project. The map of the 17.74-mile levee system shows the leveed area, the area which would be prone to flooding in the absence of a levee. The RD 0150 - Merritt Island levee system reduces the risk of flooding for agricultural lands located on Merritt Island from flood waters in Elk Slough, Sutter Slough, and the Sacramento River. In addition to the rural population of 199 people within the leveed area, 93 structures, with property values estimated at \$30 million, are present within the leveed area. The RD 0150 - Merritt Island levee system is constructed of earthen embankments and requires year-round maintenance. The Central Valley Flood Protection Board is the non-federal sponsor and is the responsible agency for operation and maintenance of the levee system.

This levee system includes the following Local Maintaining Agencies (LMAs):

- RD 150

RD 150 – Merritt Island System Units and LMAs



Performance and Condition

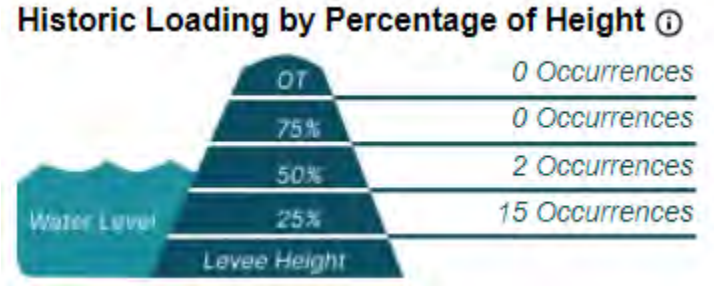
The following Risk Characterization is a description of risk associated with this levee system. It is currently undergoing review and may be updated in the future. The LSOG considers the risk associated with RD 0150 Merritt Island Unit 2 – Sacramento River (LST ID 5079), for breach prior to overtopping as moderate (LSAC 3) and low for overtopping (LSAC 4). Boils have been noted with limited loading. There are significant concerns with embankment seepage and embankment erosion. Records show the levee has never been loaded above 59%. The levee toe is loaded annually. Hydraulic conditions in the event of a failure result in significant depths throughout the leveed area. Flooding would go to the center of the area and slowly inundate out giving ample time to evacuate. The population at risk is likely very aware of risk with moderate evacuation planning and good flood warning effectiveness. Egress routes are short with no expected transportation congestion. Threatened population is anticipated to be low in the event of a failure.

¹ USACE National Structure Inventory 2023 and USDA Cropland Data Layer 2022

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Overtopping is expected to be a 500-year event. The river is slow rising with advanced warning time for an overtopping event further reducing the anticipated threatened population.

There is no official USACE data on when the levee system was constructed and averages 17 feet in height. Its flooding sources include Elk Slough, Sacramento River, and Sutter Slough. The following graphic shows historic flooding occurrences.

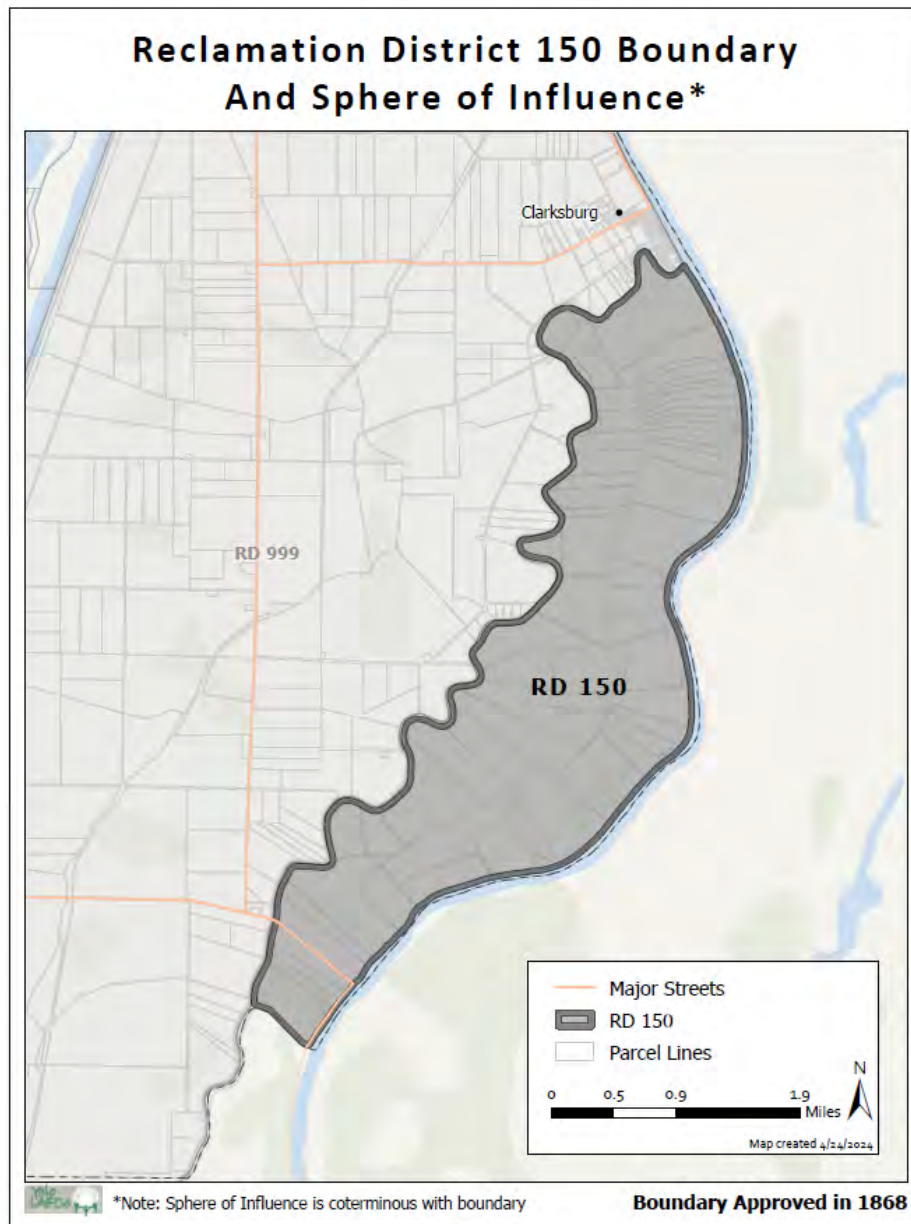


RD 150 AGENCY PROFILE

Formed in 1868, Reclamation District (RD) 150 (or “District”) provides levee maintenance for 17.74 miles of levee, The District, known as the Merritt Island district, also provides drainage services with 3 pumping stations. RD 150 does not provide irrigation water services.

Although RD 150 is located in the community of Clarksburg, Merritt Island is not hydrologically connected to the other Clarksburg RDs and it is considered its own, separate hydrologic basin since it maintains a complete levee ring. RD 150 is bounded by the Sacramento River to the east, Elk Slough to the west, and Sutter Slough to the south.

RD 150 is an independent special district with a five-member board of trustees. The Board meets monthly at the Bogle Winery.



MUNICIPAL SERVICE REVIEW

POTENTIALLY SIGNIFICANT MSR DETERMINATIONS

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

- Growth and Population
- Disadvantaged Unincorporated Communities
- Capacity, Adequacy & Infrastructure to Provide Services
- Financial Ability
- Shared Services
- Accountability, Structure, and Efficiencies
- Broadband Access

LAFCO MUNICIPAL SERVICE REVIEW:

- On the basis of this initial evaluation, the required determinations are not significant, and staff recommends that a comprehensive MSR is NOT NECESSARY. The subject agency will be reviewed again in five years per Government Code Section 56425(g).
- The subject agency has significant and/or potentially significant determinations and staff recommends that a comprehensive MSR IS NECESSARY and has been conducted via this checklist.

1. Growth and Population	Significant Issue	Potentially Significant	No Issue
Growth and population projections for the affected area.			
a) <i>Will development and/or population projections over the next 5-10 years impact the subject agency's service needs and demands?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) <i>Do changes in demand suggest a change in the agency's services?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

None.

Growth and Population MSR Determination:

The levee system has a population of approximately 199 permanent residents and 800 seasonal visitors. Normal fluctuations in rural population will not change current DWR flood protection standards and District levee and drainage services. The more stringent urban level of flood protection standards is not required until the area is developed with 10,000 residents or more, or an urbanizing area that is planned to have 10,000 residents or more within the next 10 years¹. There is no significant growth and population anticipated in the District that will impact the subject agency's service needs and demands.

¹ Code of Federal Regulations Title 44, Section 59.1, and California Government Code Section 65007(l) and (m)

Growth and Population Recommendation(s):

None.

2. Disadvantaged Unincorporated Communities

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

	Significant Issue	Potentially Significant	No Issue
a) <i>If the subject agency provides services related to sewers, municipal and industrial water, or structural fire protection, 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?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) <i>If "yes" to a), it is feasible for the agency to be reorganized such that it can extend service to the disadvantaged unincorporated community? If "no" to a), this question is marked "no" because it is either not needed or not applicable.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

None.

Disadvantaged Unincorporated Communities MSR Determination:

RD 150 does not provide sewers, municipal and industrial water, or structural fire protection. The District provides services notwithstanding any communities' economic status².

Disadvantaged Unincorporated Communities Recommendation(s):

None.

² CALAFCO Statewide DUCs Refined GIS Layer, RSG, Inc. December 10, 2021

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.

	Significant Issue	Potentially Significant	No Issue
a) <i>Are there any deficiencies in the infrastructure, equipment, and capacity of agency facilities to meet <u>existing</u> service needs for which the agency does not have a plan in place to resolve (including deficiencies created by new state regulations)?</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) <i>Are there any issues regarding the agency's capacity and ability to meet the service demand of reasonably foreseeable <u>future</u> needs?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) <i>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?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) <i>Is the agency needing to consider climate adaptation in its assessment of infrastructure/service needs?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

The Department of Water Resources (DWR), under the authority of Water Code Sections 8360, 8370 and 8371, performs a verification inspection of the maintenance of the Sacramento River Flood Control Project (SRFCP) levees performed by the local responsible agencies, and reports to the United States Army Corps of Engineers (USACE) periodically regarding the status of levee maintenance. The State inspects and reports only on the status of maintenance practices and on observable levee conditions.

DWR completes annual spring inspections by May, documenting the location, size, type, and rating of maintenance deficiencies and provides the resulting inspection reports to the LMAs for their use in planning maintenance activities prior to the food season. DWR completes annual fall inspections by November, verifying the status of previously noted deficiencies, as well as any additional deficiencies, that should be corrected to help ensure adequate performance during the food season. LMAs conduct inspections in the winter and summer, completing the requirement to conduct four inspections each year. Project facilities are inspected at least four times each year. DWR compiles this information for use by stakeholders and will report to CVFPB on inspection activities as requested.

DWR gives an overall levee segment rating only during the annual fall inspections. The table below shows the overall rating from 2019-2023. Three possible ratings are given based on the state of its levees:

- Acceptable (A) – No immediate work required, other than routine maintenance. The food protection project will function as designed and intended with a high degree of reliability, and necessary cyclical maintenance is being performed adequately.
- Minimally Acceptable (M) – One or more deficient conditions exist in the food protection project that needs to be improved or corrected. However, the project will essentially function as designed with a lesser degree of reliability than what the project could provide.
- Unacceptable (U) – One or more deficient conditions exist that may prevent the project from functioning as designed, intended, or required.

The Fall 2023 DWR Inspection Report gave the LMA an overall rating of “Unacceptable.” Overall, the unacceptable miles are greater than 10%. This determination concludes that the one or more deficient conditions exist that may prevent the levee from functioning as designed, intended, or required. In 2023 Northern California experienced a series of atmospheric rivers in January and again in March characterized from moderate to exceptional. The resulting the impact to the flood control features, including levees, is evident in the inspection reports.

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RD Overall Rating 2019-2023

Local Maintaining Agency	Overall Rating <i>A = Acceptable; M = Minimally Acceptable; and U = Unacceptable</i>					Total Levee Miles
	2019	2020	2021	2022	2023	
	2019	2020	2021	2022	2023	17.74
RD 150	M	M	M	M	U	

Source: Department of Water Resources 2023 Inspection and LMA Report Table 2-2

RD 150 contains three units that are inspected by DWR that comprise the overall rating. Each unit, length, rating is listed in the table and shown in the map below³.

RD Units, Length and DWR Inspection Rating (Fall 2023)

Unit	Name	Bank	Length (Miles)	DWR Rating
Unit No. 01	Sutter Slough	LB	0.52	U
Unit No. 02	Sacramento River	RB	7.81	M
Unit No. 03	Elk Slough	LB	9.41	U



³ DWR 2023 Sacramento River Individual Agency Summary Reports

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The DWR summary of the 2023 LMA report indicated RD 150 provided a list of expenses and maintenance activities performed on all levee units. Activities include erosion repair, surveying and engineering, and vegetation control by mowing, spraying, and other methods. The reported total maintenance cost for the previous fiscal year was \$212,500. The Agency provided a list of planned expenses and maintenance activities for all levee units. Expenses include the cost of patrolling, surveying, and engineering and vegetation control by mowing, spraying, trimming and other methods. The reported total cost for the current fiscal year is \$200,000 which corresponds to \$11,274 per levee mile.

Spring 2024 DWR Levee Inspection Reports (Maintenance Only, No Rating)⁴

RD 150 was inspected on March 13, 2024. DWR spring inspection reports do not provide an overall rating. The LMA has updated O&M Manuals, adequate flood fighting materials, and the crew had flood fight training in October 2019. For Unit No. 01, all the grasses/weeds and rodent burrows are noted as corrected. For Unit No. 02, grass/weeds, vegetation, tree thinning, and an erosion site was rated as corrected or minimally acceptable. The only remaining unacceptable item were tree limbs and debris on the levee slope in one location (Unit No. 02 at mile 7.81).

	Items Resolved	Items Not Resolved	Total Items	Notes Regarding Unresolved Items
Unit No. 01	6	0	6	
Unit No. 02	11	2	13	Tree stump (mi 0.52), Limb debris (mi 4.68)
Unit No. 03	31	10	41	Thin trees (mi 1.61, 8.47), erosion (mi 3.39, 4.39-4.43, 7.99-8.02, 8.26-8.35), slope stability (8.18-8.20)
Total (%)	48 (80%)	12 (20%)	60	

There are no critical issues noted. Most of the “trim/thin trees” issues are fallen trees and old tree stumps DWR wants removed.

USACE Rehabilitation Program Status

RD 150 currently has an “active” status in the USACE PL 84-99 Rehabilitation Program, which means it is eligible for rehabilitation of flood damaged facilities at 100-percent federal cost sharing to pre-disaster condition and level of protection.

Capacity and Adequacy of Public Facilities and Services MSR Determination:

After receiving Minimally Acceptable ratings from 2019-2022, RD 150 received an Unacceptable rating in 2023. DWR data indicates vegetation and erosion/bank caving were the more significant issues. RD 150 indicates the fall 2023 inspection came early, before their annual vegetation maintenance service (via goats) could make it to the levees, which is why RD 150 went from minimally acceptable to unacceptable. In addition, in 2023 Northern California experienced a series of atmospheric rivers in January and again in March characterized from moderate to exceptional. The resulting the impact to the flood control features and vegetation is evident in the inspection reports. The reported total maintenance cost for the current fiscal year is \$200,000 which corresponds to \$11,274 per levee mile. The 2024 Spring inspection report indicates 80% of the items noted in the Fall 2023 inspection have been corrected.

Capacity and Adequacy of Public Facilities and Services MSR Recommendations:

- RD 150 should implement any remaining DWR Fall 2023 inspection report recommendations as itemized in the Spring 2024 inspection report:
 - There is vegetation that significantly impacts access and visibility in this Area.
 - The LMA should focus more on controlling vegetation to maintain visibility and access.

⁴ https://cdec.water.ca.gov/detailed_reports.html

YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

- o The LMA should focus on repairing erosion sites.

4. Financial Ability

Financial ability of agencies to provide services.

	Significant Issue	Potentially Significant	No Issue
a) <i>Is the subject agency in a stable financial position, i.e. does the 5-year trend analysis indicate any issues?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) <i>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?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) <i>Is the organization's revenue sufficient to fund an adequate level of service, necessary infrastructure maintenance, replacement and/or any needed expansion? Is the fee inconsistent with the schedules of similar local agencies</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) <i>Does the subject agency have a capital improvement plan (CIP)? Has the agency identified and quantified what the possible significant risks and costs of infrastructure or equipment failure? Does the agency have a reserve policy to fund it?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) <i>Does the agency have any debt, and if so, is the organization's debt at an unmanageable level? Does the agency need a clear debt management policy, if applicable?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) <i>Can the subject agency improve its use of generally accepted accounting principles including: summaries of all fund balances, summaries of revenues and expenditures, general status of reserves, and any un-funded obligations (i.e. pension/retiree benefits)? Does the agency have accounting and/or financial policies that guide the agency in how financial transactions are recorded and presented?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) <i>Does the agency staff need to review financial data on a regular basis and are discrepancies identified, investigated and corrective action taken in a timely manner? The review may include reconciliations of various accounts, comparing budgets-to-actual, analyzing budget variances, comparing revenue and expense balances to the prior year, etc. If the agency uses Yolo County's financial system and the County Treasury, does the agency review monthly the transactions in the County system to transactions the agency submitted to the County for processing?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h) <i>Does the agency board need to receive regular financial reports (quarterly or mid-year at a minimum) that provide a clear and complete picture of the agency's assets and liabilities, fully disclosing both positive and negative financial information to the public and financial institutions?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

**RECLAMATION DISTRICT NO. 150
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES**

	2019	2020	2021	2022	2023
Revenue					
Special assessment	\$ 203,521	\$ 203,521	\$ 203,521	\$ 203,521	\$ 208,485
Interest	1,526	2,906	2,296	(8,399)	3,931
Rents and concessions	9,600	9,525	10,800	11,400	12,000
Intergovernmental grants	-	299,997	265,184	176,053	213,257
Other revenue	-	151	38	10,738	9,488
Total Revenue	214,647	516,100	481,839	393,313	447,161
Expenditures					
Salaries and benefits	15,261	19,558	19,947	21,914	20,990
Services and supplies	222,822	351,107	207,784	373,922	368,350
Capital outlay	-	-	-	87,750	177,250
GAAP adjustment	-	-	12,281	-	-
Total Expenditures	238,083	370,665	240,012	483,586	566,590
Net income (loss)	(23,436)	145,435	241,827	(90,273)	(119,429)
Beginning Fund Balance	124,989	101,553	246,988	488,815	398,542
Ending Fund Balances	\$ 101,553	\$ 246,988	\$ 488,815	\$ 398,542	\$ 279,113
Fund Balances					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 13,470
Restricted	-	9,016	265,789	177,434	-
Unassigned	\$ 101,553	\$ 237,972	\$ 223,026	\$ 221,108	\$ 265,643
Total Fund Balances	\$ 101,553	\$ 246,988	\$ 488,815	\$ 398,542	\$ 279,113
Y-T-Y Change in total Fund Balances					
Amount Increase (Decrease)	\$ (23,436)	\$ 145,435	\$ 241,827	\$ (90,273)	\$ (119,429)
Percentage Increase (Decrease)	-18.75%	143.21%	97.91%	-18.47%	-29.97%

Discussion:

RD 150 appears to be in financially stable. The District's revenue consists of special assessments, earnings on surplus funds, rental income, intergovernmental revenue and miscellaneous revenue. Over the past 5 years special assessments were 50% of annual revenues and intergovernmental revenues were 46%. District's revenue and expenditures have not fluctuated much except for the purchase of two generators in fiscal years 2022 and 2023. Overall total fund balance has increased by \$154,124, from \$124,989 as of July 1, 2019 to \$279,113 as of June 30, 2023. The only issue is with the adequacy of fund balance to mitigate financial effects of upcoming known significant capital asset replacement and from unanticipated infrastructure failure.

The District's revenue appears to be mostly reliable with special assessments accounting for 50% of annual revenues, while intergovernmental revenue account for 46% of annual revenue. The special assessments are enrolled on the County's tax roll and are subject to proposition 218. The intergovernmental revenue are not guaranteed and are subject to change based on policy changes of the grantor agencies.

The District reports that it's difficult to fund necessary levee improvements because of the high number of levee miles to maintain (17.74 mi.) as compared to the acreage in the district that can be assessed (4,921 ac.). RD 150 received an overall rating of U as part of the Fall 2023 Flood Control Project Maintenance levee inspections. In 2023 Northern California experienced a series of atmospheric rivers in January and again in March characterized from moderate to exceptional. The resulting the impact to the flood control features, including levees, is evident in the inspection reports. The reported total cost for the current fiscal year is \$200,000 which corresponds to \$11,274 per levee mile.

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The District does not have any debt nor any pension or other postemployment benefits liabilities. The District processes all of its accounting transactions through the County Treasury, using the County’s system chart of accounts and is part of the Department of Financial Services annual closing process. In addition, the District contracts for an annual audit.

Does the district staff review financial data regularly and reports it to the Board quarterly and during budget reviews. RD 150 also conducts an annual audit.

Financial Ability MSR Determination:

RD 150 is financially stable. The District reports that it's difficult to fund necessary levee improvements because of the high number of levee miles to maintain (17.74 mi.) as compared to the acreage in the district that can be assessed (4,921 ac.). RD 150 received an overall rating of U as part of the Fall 2023 Flood Control Project Maintenance levee inspections. In 2023, Northern California experienced a series of atmospheric rivers in January and again in March characterized from moderate to exceptional. The reported total cost for the current fiscal year is \$200,000 which corresponds to \$11,274 per levee mile. RD 150 adopts budgets, reviews financial information quarterly, and prepares regular audits.

Financial Ability Recommendation(s):

- Adopt a capital improvement plan (CIP) or similar analysis to quantify the possible significant risks, infrastructure costs, or equipment failure to determine what the District fund balance goals should be (and fund accordingly).

5. Shared Services and Facilities			
Status of, and opportunities for, shared facilities.			
	Significant Issue	Potentially Significant	No Issue
a) <i>Are there any opportunities for the organization to share services or facilities with neighboring, overlapping, or other organizations that are not currently being utilized?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

None.

Shared Services MSR Determination:

RD 150 is not hydrologically connected to the other Clarksburg RDs and it is considered its own, separate hydrologic basin since it maintains a complete levee ring. RD 150 participates as members of the California Central Valley Flood Control Association (CCVFCA) and the Westside Committee for the Regional Flood Management Plan.

Shared Services Recommendation(s):

None.

6. Accountability, Structure, and Efficiencies

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

	Significant Issue	Potentially Significant	No Issue
a) <i>Are there any recommended changes to the organization's governmental structure or operations that will increase accountability and efficiency (i.e. overlapping boundaries that confuse the public, service inefficiencies, and/or higher costs/rates)?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) <i>Does the agency need to secure independent audits of financial reports that meet California State Controller requirements? Are the same auditors used for more than six years? Are audit results <u>not</u> reviewed in an open meeting?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) <i>Is the agency insured or in a risk management pool to manage potential liabilities?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) <i>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?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) <i>Are there any issues with staff capacity and/or turnover? Is there a lack of staff member training regarding the organization's program requirements and financial management?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) <i>Are any agency officials and designated staff current in making their Statement of Economic Interests (Form 700) disclosures?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) <i>Does the agency have adequate policies (as applicable) relating to personnel/payroll, general and administrative, board member and meetings, and segregating financial and accounting duties among staff and/or board to minimize risk of error or misconduct (see suggested policies list)?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
h) <i>Does the organization need to improve its public transparency via a website (see https://www.yololafco.org/yolo-local-government-website-transparency-scorecards)?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

RD 150 is an independent special district governed by a five-member Board of Trustees. It meets monthly at the Bogle Tasting Room. The District complies with all Brown Act requirements in publicly noticing its meetings through posting and individual notification.

All five Board member positions are currently filled. When there is a vacancy on the Board of Commissioners, candidates may file for the office of Commissioner, provided that each candidate is either a landowner or a legal representative of a landowner. Elections are conducted by an all-mail in ballot in accordance with Division 15 of the California Water Code and applicable provisions of the California Elections Code. Appointment by the Board of Supervisors will be made in the event there are no nominees or an insufficient number of nominees for the office to hold an election.

The District has two (2) part time staff (a 0.25 FTE drainage pump superintendent and a 0.25 FTE secretary) but is primarily landowner operated. RD 150 contracts out for District Engineering services with MBK

YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

Engineers and District Counsel is Downey Brand Attorneys.⁵RD 150 appears to have stable staffing with its employees and contractors. LAFCo is not aware of any issues regarding staff capacity and turnover.

The District works to maintain transparency by receiving annual independent audits and producing annual adopted budgets. RD 150 has insurance coverage from Brown, Meyer & Cook (a broker). RD 150's 2023 Yolo Local Government Website Transparency Scorecard score improved to 90% this year, which is a significant achievement considering they did not have a website during the 2018 MSR.

Accountability, Structure, and Efficiencies MSR Determination:

There are no recommended changes to RD 150's governance structure. Board members and staff are stable and capable. The District obtains annual independent audits and received a 90% score in the 2023 Yolo Local Government Website Transparency Scorecard, which is a significant achievement considering they did not have a website during the 2018 MSR. One recommended improvement is consider adopting administrative policies.

Accountability, Structure, and Efficiencies Recommendation(s):

- Adopt policies (as applicable) relating to personnel/payroll, general and administrative, board member and meetings, and segregating financial and accounting duties among staff and/or board to minimize risk of error or misconduct. (repeat from 2018 MSR)

7. Broadband Access

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

Per Yolo LAFCo Project Policy 6.2 *"it is the intent of Yolo LAFCo to comprehensively review broadband access in MSRs of local agencies that either serve communities and/or provide emergency services where broadband connection is critical (i.e. cities, CSDs, CSAs, FPDs and RDs)."*

	Significant Issue	Potentially Significant	No Issue
a) <i>Is there a lack of high-performance broadband (25/3 Mbps) available in the community?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

None.

Broadband Access MSR Determination

The CPUC California Broadband Availability Map⁶ indicates California Broadband Services provides fixed wireless services to the RD 150 area with 100/25 Mbps (upload/download) speeds.

Yolo County is currently working with an internet service provider that will proposing two solutions for the Clarksburg area, a phased in wireless approach and a fiber project. However, State budget cuts will impact broadband project funding.

Broadband Access Recommendation(s)

None.

⁵ RD response to LAFCo information request

⁶ <https://www.broadbandmap.ca.gov/>

SPHERE OF INFLUENCE STUDY

A Sphere of Influence (SOI) is an area delineated on a map and approved by LAFCo that indicates where potential future agency annexations could be proposed. RD 150's territory already aligns with the hydrologic basin and ring levee that it is responsible for. Therefore, future expansion of the district's territory does not make sense. Therefore, no SOI Update is needed.

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.