YOLO LOCAL AGENCY FORMATION COMMISSION



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CHRISTINE M. CRAWFORD, AICP Executive Officer

TERRI TUCK
Clerk to the Commission

MARK KRUMMENACKER Financial Analyst

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To: Yolo LAFCo

From: Patrick McCormick, Assistant Executive Officer

Re: Amended Supplemental Information for November 14, 2019 LAFCo Meeting

Date: November 14, 2019

Attached please find the new materials for Thursday's agenda packet:

November 13, 2019 Protest Hearing Results for LAFCo #926 (Item 8)

- Draft Conducting Authority Resolution 2019-15
- Certificate of Examination of Landowner Protest
- Certificate of Examination of Voter Protest

YOLO LOCAL AGENCY FORMATION COMMISSION

RESOLUTION № 2019-15

Conducting Authority Resolution Ordering the Reorganization to Establish Reclamation District (RD) 900 as a Subsidiary District of the City of West Sacramento; Detach the City Portion of RD 537 and its Sphere of Influence (SOI); Annex RD 537's Detached Territory, RD 537's SOI, and the Balance of RD 900's SOI within the West Sacramento Basin Levee System into RD 900; Without an Election Subject to Terms and Conditions (LAFCo № 926)

WHEREAS, on August 24, 2018, the City of West Sacramento submitted two proposal applications to: (1) detach the City portion of Reclamation District (RD) 537 and establish it as a subsidiary district (LAFCo #925); and (2) establish RD 900 as a subsidiary district (LAFCo #926); and

WHEREAS, the Yolo Local Agency Formation Commission (LAFCo or Commission) provided notice to the subject districts (RD 537 and RD 900) within 10 days of receiving the proposals in accordance with Government Code Section 56861; and

WHEREAS, on October 1, 2018, RD 537 and RD 900 adopted resolutions of intention to file an alternative proposal and accordingly no action on the original proposal was taken for 70 days; and

WHEREAS, on December 1, 2018, RD 900 submitted an alternative application proposal to reorganize RD 900 to annex all remaining territory within the West Sacramento Basin Levee System into RD 900, including the ring levees and territory inside the basin, transferring all interior drainage services to the City, and RD 900 would solely provide flood protection and levee maintenance for the West Sacramento Basin Levee System; and

WHEREAS, all three proposals were routed to all subject, affected, and interested agencies and no concerns or objections were received other than from the City and RD 900 on its own behalf and on behalf of RD 537; and

WHEREAS, Yolo County determined the proposals are not subject to a negotiated exchange per Revenue and Taxation Code Section 99(b)(1) because the affected districts do not receive property tax revenue, and notified RD 537 and RD 900 of this determination on March 14, 2019. While the regular county assessment roll is not used to raise funds for RD 900, each area has a special assessment roll which will be utilized in calculating and collecting flood control assessments; and

WHEREAS, the affected territory will not be taxed for existing general bonded indebtedness because both RD 537 and RD 900 have stated the districts have no bonded indebtedness; and

WHEREAS, a Certificate of Filing was issued for all three proposals on July 1, 2019; and

WHEREAS, a public notice was published at least 21 days prior to the hearing as a 1/8th page display advertisement in the West Sacramento News-Ledger because the total number of notices required to be mailed exceeded 1,000; and

WHEREAS, the proposals were analyzed in accordance with all applicable sections of the Cortese-Knox-Hertzberg Act, Yolo LAFCo's Standards of Evaluation, and all other matters presented as prescribed by law; and

WHEREAS, the LAFCo Executive Officer reviewed the proposals and prepared and filed a report with recommendations with this Commission at least five (5) days before the July 25, 2019, meeting during which the proposals were set to be considered simultaneously at a single hearing; and

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

WHEREAS, at its July 25, 2019, meeting, the Commission reviewed and considered the public testimony, CEQA exemption, and the Executive Officer's Report including all the information, recommendations, findings, and conditions contained therein; and

WHEREAS, on July 25, 2019, the Commission adopted Resolution 2019-08 approving the reorganization to establish RD 900 as a subsidiary district of the City of West Sacramento; detaching the city portion of RD 537 and its sphere of influence (SOI); annex RD 537's detached territory, RD 537's SOI, and the balance of RD 900's SOI within the West Sacramento Basin Levee System into RD 900 (LAFCo № 926) and directed the Executive Officer to set the conducting authority protest proceeding on this reorganization and delegated this function to the Executive Officer; and

WHEREAS, the reorganization was approved to implement the governance recommendations of the Central Valley Flood Protection Plan 2012 and 2017 Update, better align RD 900 with the West Sacramento Basin Levee System, and streamline governance so that there is a single entity coordinating flood control within the Basin; and

WHEREAS, RD 900 lies entirely within the City of West Sacramento and is established as a subsidiary district to allow for an efficient provision of public services; and

WHEREAS, Government Code § 57000 et seq. designates the Commission as the Conducting Authority for protest proceedings and allows the Executive Officer to perform this function pursuant to a delegation of authority from the Commission; and

WHEREAS, on July 25, 2019 immediately following the Public Hearing, RD 900 submitted a letter requesting LAFCo schedule the protest hearing 90-135 days from the date of notice pursuant to Government Code § 57002(b); and

WHEREAS, a notice of the Conducting Authority Hearing was published in the West Sacramento News-Ledger on August 14, 2019, as a 1/8th page display advertisement because the total number of notices required to be mailed exceeded 1,000; and

WHEREAS, on November 13, 2019, the Assistant Executive Officer opened the Public Hearing, staff summarized LAFCo Resolution 2019-10, and opened a Public Hearing to all interested persons, organizations, and agencies to present oral or written protests, objections, and any other information concerning the proposal and all related matters; and

WHEREAS, following the close of the Public Hearing, staff determined the value of all valid written protests filed and not withdrawn; and

WHEREAS, 22 protests were received by landowners with a total assessed value of \$1,246,350 and 31 protests were filed by registered voters, falling below the protest thresholds set forth in Cortese-Knox-Hertzberg Act.

NOW, THEREFORE, BE IT RESOLVED that the Yolo Local Agency Formation Commission orders the reorganization to establish RD 900 as a subsidiary district of the City of West Sacramento; detach the city portion of RD 537 and its sphere of influence (SOI); annex RD 537's detached territory, RD 537's SOI, and the balance of RD 900's SOI within the West Sacramento Basin Levee System into RD 900 (LAFCo № 926), subject to the following findings and terms and conditions:

Finding

1. <u>Finding</u>: The number of the written protests filed and not withdrawn is less than 25 percent of the number of owners of land who own less than 25 percent of the assessed value of land within the affected territory.

<u>Evidence:</u> Notice was provided to the registered voters and landowners within the affected territory via a 1/8th page display ad published in the West Sacramento News-Ledger on August 14, 2019, because the total number of notices required to be mailed exceeded 1,000. There is \$2,224,696,134 total assessed value of land and 28,023 total registered voters in the affected territory. Objections from 22 landowners who own 0.06 percent of the assessed value of land within the affected territory and from 31 registered voters comprising 0.11 percent within the affected territory was received by the conclusion of the public hearing.

Terms and Conditions

- 1. The City agrees to defend, indemnify, hold harmless and release the Yolo County Local Agency Formation Commission, its agents, officers, attorneys and employees from any claim, action or proceeding brought against any of them, the purpose of which to attack, set aside, void, or annul the approval of the actions or the environmental determination which accompanies it. This indemnification obligation shall include, but not be limited to, damages, costs, expenses, attorney fees, or expert witness fees that may be asserted by any person or entity, including the City, arising out of or in connection with the approval of the actions, whether or not there is concurrent passive negligence of the part of the Yolo County Local Agency Formation Commission its agents, officers, attorney or employees.
- Provided the thresholds for a landowner protest and registered voter protest are not met, the Executive Officer shall immediately, following the protest hearing, record a Certificate of Completion with the County Recorder.
- 3. The reorganization of RD 900 as a subsidiary district of the City of West Sacramento (Action 1) shall be effective upon the recording of the Certificate of Completion. The effective date of Action 2-4 shall be as provided in Condition 8.
- 4. From the date of approval of this Resolution through the effective date of its establishment as a subsidiary district, pursuant to Government Code Section 56885.5(a)(4), RD 900 may not take the following actions:
 - a) Approving any increase in compensation or benefits for members of the governing board, its officers, or the executive officer of the agency.
 - b) Unless it declares that an emergency situation exists as defined in Government Code Section 54956.5, appropriating, encumbering, expending, or otherwise obligating, any revenue of the agency beyond that provided in the current budget.
- 5. Within 90 days of the approval of this Resolution (or such longer time as she shall reasonably deem necessary), the Executive Officer shall present the Commission with a detailed proposal

to further specify the division of the assets, liabilities, revenues and expenses of RD 537 as they exist on the effective date of Actions 2-4 (as provided in Condition 7) between RD 900, as RD 537's successor agency in the area detached from RD 537 by this Resolution, and RD 537 in its capacity as an independent special district serving the unincorporated areas which now constitute the balance of the district ("Financial Plan"). The Executive Officer will invite a joint proposal from RD 537 and RD 900 (as reorganized by this Resolution) to provide that more specific division. Should they fail to agree on a Financial Plan within this timeline, the Executive Officer may retain appropriate consulting support, at RD 900's expense, to review the records and assets of RD 537 to recommend a Financial Plan. If RD 537 and RD 900 (as reorganized by this Resolution) jointly propose a Financial Plan that leaves one or more issues unresolved, the Executive Officer may make a recommendation as to those issues without or without consulting support. The Executive Officer's recommendations shall be provided to RD 537 and RD 900 (as reorganized by this Resolution) with an invitation to comment before those recommendations are presented to the Commission. After a noticed public hearing, the Commission shall adopt the Financial Plan recommended by the Executive Officer in all or part, with or without conditions or amendments, and that action shall establish the rights and obligations of RD 537 and RD 900 (as reorganized by this resolution) as to the assets, liabilities, revenues and expenses of RD 537 as they exist on the date the Certificate of Completion as to Actions 2-4 is filed. Implementation of this condition is intended to divide the assets, liabilities, revenues and expenses of RD 537 as they exist on the date the Certificate of Completion as to Actions 2-4 is filed in fair proportion to the division of service responsibilities effected by this Resolution so those in the City served by RD 537 to date will have the benefit of the assets their assessments and other contributions allowed RD 537 to accumulate and the burden of the liabilities service to them required it to incur and the same will be so as to those outside the City served by RD 537.

- 6. Before LAFCo staff files a Statement of Boundary Change with the State Board of Equalization (SBOE), the City of West Sacramento shall prepare and submit to LAFCo a new map and boundary description for the boundaries of RD 900 approved by this Resolution.
- 7. Before LAFCo staff records the Statement of Boundary Change with the State Board of Equalization for the reorganization boundary changes comprised of the actions (i.e. Actions 2 4), the reorganization will be subject to all applicable LAFCo, State Board of Equalization, and County Clerk-Recorder fees. The City agrees to pay all fees associated with staff and attorney costs arising from the applications.
- 8. Following LAFCo approval of the Financial Plan and other applicable terms and conditions, LAFCo shall file the Statement of Boundary Change with the State Board of Equalization (SBOE) effective the next July 1 following timely filing with SBOE by December 1, which shall serve as the effective date of Actions 2-4. Upon this effective date of Actions 2-4, RD 900 shall succeed and/or be assigned all rights, duties, responsibilities, properties (both real and personal), contracts, equipment, assets, liabilities, obligations, functions, executory provisions, entitlements, permit and approvals for the detached City portion of RD 537 except as provided in the Finance Plan. All assessment revenues attributable to the City portion of RD 537, including delinquent assessments and any and all other collections, shall accrue and be transferred to RD 900 pursuant to Section 56886(i). RD 900 shall be vested with title to all of RD 537's real property, infrastructure, improvements, and facilities located in the detached City portion of RD 537 in "as is" condition (pursuant to Government Code Section 56886(h)) except as otherwise provided in the Financial Plan as approved by LAFCo.
- 9. Upon the effective date of Actions 2–4, all voter-approved special assessment revenues, received or receivable within the detached City portion of RD 537 shall be collected or collectible by RD 900, to be used for the purposes for which said taxes or special assessments were imposed as required by California Constitution, article XIII D, section 4 and as provided by Government Code sections 57529,

57531, 57532 and 57534. Such assessment revenues, received or receivable within the remainder of RD 537, shall continue to accrue to it to be used in this same fashion.

- 10. As of the date of approval of this Resolution through the effective date of the Statement of Boundary Change (i.e. actions 2–4), pursuant to Government Code Section 56885.5(a)(4), RD 537 may not take any of the following actions:
 - a) Approving any increase in compensation or benefits for members of the governing board, its officers, or the executive officer of the agency.
 - b) Unless it declares that an emergency situation exists as defined in Government Code Section 54956.5, appropriating, encumbering, expending, or otherwise obligating, any revenue of the agency beyond that provided in the current budget.
- 11. The Commission encourages RD 900 to continue to negotiate in good faith with the State Department of Water Resources to take over levee maintenance responsibilities for State Maintenance Area #4.

PASSED AND ADOPTED by the Local Agency Formation Commission, County of Yolo, State of California, this 14th day of November 2019, by the following vote.

AYES: NOES: ABSENT:	
Olin Woods, Chair Yolo Local Agency Formation Commission	
ATTEST:	
Patrick McCormick, Assistant Executive Officer Yolo Local Agency Formation Commission	

APPROVED AS TO FORM:

Eric May, Commission Counsel

YOLO LOCAL AGENCY FORMATION COMMISSION



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Certificate of Examination of Landowner Protest to LAFCo No. 926

Reorganization to Establish Reclamation District 900 as a Subsidiary District to the City of West Sacramento

I, Terri Tuck, Clerk to the Yolo Local Agency Formation Commission, hereby certify that:

LAFCo Application No. 926, the Reorganization to Establish Reclamation District 900 as a Subsidiary District to the City of West Sacramento; Detaching the City portion of RD 537 and its SOI; Annexing Rd 537s Detached Territory and SOI, and the Balance of RD 900s SOI within the West Sacramento Basin Levee System in RD 900, Landowner Protest has been filed with this office on November 13, 2019:

Said Petition consists of 22 sections.

withdrawals have been submitted.

The total assessed land value within the proposed reorganization area is \$2,224,696,134

The amount of assessed value protest without verifying signatures is \$1,246,350

If all signatures are subsequently verified, there is no possibility that the protest will exceed 50% of the assessed value in the proposed reorganization area. Therefore, no additional tasks will be conducted to examine the landowner petitions.

IN WITNESS WHEROF, I have hereunto set my hand this 13th day of November, 2019.



Terri Tuck Clerk to the Yolo LAFCo

Witnessed by:

Patrick M. McCormick Assistant Executive Officer Yolo LAFCo

Dated:

1 13/10

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Certificate of Examination of Voter Protest to LAFCo No. 926

Reorganization to Establish Reclamation District 900 as a Subsidiary District to the City of West Sacramento

I, Terri Tuck, Clerk to the Yolo Local Agency Formation Commission, hereby certify that:

LAFCo Application No. 926, the Reorganization to Establish Reclamation District 900 as a Subsidiary District to the City of West Sacramento; Detaching the City portion of RD 537 and its SOI; Annexing Rd 537s Detached Territory and SOI, and the Balance of RD 900s SOI within the West Sacramento Basin Levee System in RD 900, Landowner Protest has been filed with this office on November 13, 2019:

Said Petition consists of 31 sections.

withdrawals have been submitted.

The total number of registered voters within the proposed reorganization area is 28,023

The number of valid voter protests, without verifying signatures is ______

If all signatures are subsequently verified, there is no possibility that the protest will exceed 25% of the total number of voters in the proposed reorganization area. Therefore, no additional tasks will be conducted to examine the voter petitions.

By:

IN WITNESS WHEROF, I have hereunto set my hand this 13th day of November, 2019.



Clerk to the Yolo LAFCo

Witnessed by:

Terri Tuck

Patrick M. McCormick Assistant Executive Officer Yolo LAFCo

Dated: