

YOLO LOCAL AGENCY FORMATION COMMISSION

Regular Meeting AGENDA

February 22, 2018 - 9:00 a.m.

BOARD OF SUPERVISORS CHAMBERS

625 COURT STREET, ROOM 206
WOODLAND, CALIFORNIA 95695

COMMISSIONERS

OLIN WOODS, CHAIR (PUBLIC MEMBER)
MATT REXROAD, VICE CHAIR (COUNTY MEMBER)
WADE COWAN (CITY MEMBER)
DON SAYLOR (COUNTY MEMBER)
WILL ARNOLD (CITY MEMBER)

ALTERNATE COMMISSIONERS

RICHARD DELIBERTY (PUBLIC MEMBER)
JIM PROVENZA (COUNTY MEMBER)
ANGEL BARAJAS (CITY MEMBER)

CHRISTINE CRAWFORD
EXECUTIVE OFFICER

ERIC MAY
COMMISSION COUNSEL

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

All persons are invited to testify and submit written comments to the Commission. If you challenge a LAFCo action in court, you may be limited to issues raised at the public hearing or submitted as written comments prior to the close of the public hearing. All written materials received by staff 72 hours before the hearing will be distributed to the Commission. If you wish to submit written material at the hearing, please supply 10 copies.

All participants on a matter to be heard by the Commission that have made campaign contributions totaling \$250 or more to any Commissioner in the past 12 months must disclose this fact, either orally or in writing, for the official record as required by Government Code Section 84308.

Any person, or combination of persons, who make expenditures for political purposes of \$1,000 or more in support of, or in opposition to, a matter heard by the Commission must disclose this fact in accordance with the Political Reform Act.

CALL TO ORDER

1. Pledge of Allegiance
2. Roll Call
3. Public Comment: Opportunity for members of the public to address the Yolo Local Agency Formation Commission (LAFCo) on subjects not otherwise on the agenda relating to LAFCo business. The Commission reserves the right to impose a reasonable limit on time afforded to any topic or to any individual speaker.

CONSENT AGENDA

4. Approve the LAFCo Meeting Minutes of December 7, 2017
5. Review and file the Yolo LAFCo Financial Statement for Fiscal Year 2016/17 prepared by the Yolo County Department of Financial Services
6. Review and file Fiscal Year 2017/18 Second Quarter Financial Update
7. Correspondence

PUBLIC HEARINGS

8. Consider approval of Resolution 2018-01 adopting the Municipal Service Review (MSR) for the Yolo County Reclamation Districts/Local Maintaining Agencies and approving the Sphere of Influence Update for Reclamation District 537 (LAFCo No. S-046)

EXECUTIVE OFFICER'S REPORT

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

- EO Activity Report - December 4, 2017 through February 16, 2018

COMMISSIONER REPORTS

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

ADJOURNMENT

11. Adjourn to the next Regular LAFCo Meeting on March 22, 2018.

I declare under penalty of perjury that the foregoing agenda was posted by 5:00 p.m. on Friday, February 16, 2018, at the following places:

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

Terri Tuck, Clerk
Yolo County LAFCo

NOTICE

If requested, this agenda can be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 and the Federal Rules and Regulations adopted in implementation thereof. Persons seeking an alternative format should contact the Commission Clerk for further information. In addition, a person with a disability who requires a modification or accommodation, including auxiliary aids or services, in order to participate in a public meeting should telephone or otherwise contact the Commission Clerk as soon as possible and at least 24 hours prior to the meeting. The Commission Clerk may be reached at (530) 666-8048 or at the following address:

Yolo County LAFCo
625 Court Street, Room 203
Woodland, CA 95695

Note: Audio for LAFCo meetings will be available the next day following conclusion of the meeting at www.yololafco.org.

Consent 4.

LAFCO

Meeting Date: 02/22/2018

Information

SUBJECT

Approve the LAFCo Meeting Minutes of December 7, 2017

RECOMMENDED ACTION

Approve the LAFCo Meeting Minutes of December 7, 2017.

Attachments

LAFCo Minutes-December 7, 2017

Form Review

Form Started By: Terri Tuck
Final Approval Date: 02/09/2018

Started On: 02/09/2018 10:51 AM

YOLO LOCAL AGENCY FORMATION COMMISSION

MEETING MINUTES

December 7, 2017

The Yolo Local Agency Formation Commission met on the 7th day of December 2017, at 9:00 a.m. in the Yolo County Board of Supervisors Chambers, 625 Court Street, Room 206, Woodland CA. Voting members present were Chair and Public Member Olin Woods, County Members Matt Rexroad and Don Saylor, and City Members Wade Cowan and Will Arnold. Others present were Executive Officer Christine Crawford, Analyst Sarah Kirchgessner, Clerk Terri Tuck, and Counsel Eric May.

CALL TO ORDER

Chair Woods called the Meeting to order at 9:03 a.m.

Item № 1 Pledge

Christine Crawford, LAFCo Executive Officer, led the Pledge of Allegiance.

Item № 2 Roll Call

PRESENT: Arnold, Cowan, Rexroad, Saylor, Woods ABSENT: None

Item № 3 Public Comments

None

CONSENT

Item № 5 Review and file Fiscal Year 2017/18 First Quarter Financial Update

Item № 6 Correspondence

Minute Order 2017-32: Approved recommended action Items 5 and 6. Item 4 was pulled from Consent.

Approved by the following vote:

MOTION: Arnold SECOND: Saylor

AYES: Arnold, Cowan, Rexroad, Saylor, Woods

NOES: None

ABSTAIN: None

ABSENT: None

Item № 4 Approve the LAFCo Meeting Minutes of September 28, 2017

Minute Order 2017-33: The Commission pulled this item from Consent then approved it with the following changes made to the LAFCo Meeting Minutes of September 28, 2017, Item 13, Closed Session:

Change “There was nothing to report” to “There was no report out of Closed Session”.

Approved by the following vote:

MOTION: Arnold SECOND: Saylor

AYES: Arnold, Cowan, Rexroad, Saylor, Woods

NOES: None

ABSTAIN: None

ABSENT: None

REGULAR

Item № 7 Commission Discussion and Direction Regarding Levee Maintaining Agency Draft Governance Recommendations for LAFCo's Municipal Service Review

After an overview report by staff, comments were made by Ric Reinhardt, MBK Engineers; President Dan Ramos, Reclamation District (RD) 827; Trustee Bryan Turner and Manager Kenric Jameson, RD 900; Trustee Tom Ramos, RD 537; and, Mayor Cabaldon, City of West Sacramento.

Minute Order 2017-34: No action was taken on this item. However, after discussion, the Commission provided the following direction to staff regarding draft governance recommendations for LAFCo's upcoming municipal service review for the following levee maintaining agencies by hydrologic basin:

North County/Knights Landing Basin (RDs 108, 787, KLRDD, SRWLD) (CSA #6, 730): The Commission generally accepted staff's draft recommendations for this Basin.

Elkhorn Basin (RDs 537, 785, 827, 1600): The Commission generally accepted staff's draft recommendations for this Basin. Additionally, the Commission asked staff to incorporate the potential for a new cross levy (associated with the rail relocation project) that would create a standalone basin for RD 1600.

Woodland/Conaway Ranch Basin (RD 2035): The Commission generally accepted staff's draft recommendations for this Basin.

West Sacramento Basin (RDs 537, 900, MA #4, W. Sac): The Commission generally accepted staff's draft recommendations for this Basin. Staff was directed to keep both options in the Draft MSR for now and requested additional analysis regarding the cost if the City were to assume the RDs responsibilities. Staff was asked to bring back additional information to inform a potential choice, or not, at the next meeting.

Clarksburg Basin (RDs 150, 307, 765, 999): The Commission generally accepted staff's draft recommendations for this Basin.

Item № 8 Provide direction to staff on whether LAFCo should convene a Shared Services Workshop in February 2018 with the elected officials and executive staff from the four cities and Yolo County

Minute Order 2017-35: The Commission agreed with staff recommendation to not convene a Shared Services Workshop in February 2018.

Approved by the following vote:

MOTION: Arnold SECOND: Rexroad
AYES: Arnold, Cowan, Rexroad, Saylor, Woods
NOES: None
ABSTAIN: None
ABSENT: None

Item № 9 Consider and adopt the Yolo LAFCo 2018 Meeting Calendar

Minute Order 2017-36: The recommended action was approved.

Approved by the following vote:

MOTION: Saylor SECOND: Arnold
AYES: Arnold, Cowan, Rexroad, Saylor, Woods
NOES: None
ABSTAIN: None
ABSENT: None

Item № 10 Executive Officer's Report

The Commission was given written reports of the Executive Officer's activities for the period of September 25 through December 1, 2017, and was verbally updated on recent events relevant to the Commission.

Staff stated that during the CALAFCO Conference in San Diego the CALAFCO Board took formal action to appoint Executive Officer Christine Crawford as Deputy Executive Officer of CALAFCO. The Executive Officer will be attending the CALAFCO Board meeting tomorrow in Sacramento.

Item № 11 Commissioner Reports

Commissioner Saylor commended staff on September's Yolo Leaders YEDTalk session entitled *Cannabis Regulation: What Yolo Leaders Need to Know*. Commissioner Rexroad agreed, stating that the speakers were outstanding.

Commissioner Woods stated the CALFCO Conference had good sessions and a lot of legislative information. Additionally, Chair Woods informed the Commission that the next CALAFCO Conference would be held in Yosemite, October 3-5, 2018.

Item № 12 Adjournment

Minute Order 2017-37: By order of the Chair, the meeting was adjourned at 11:01 a.m. to the next Regular LAFCo Meeting on January 25, 2018.

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

ATTEST:

Terri Tuck
Clerk to the Commission

Consent 5.

LAFCO

Meeting Date: 02/22/2018

Information

SUBJECT

Review and file the Yolo LAFCo Financial Statement for Fiscal Year 2016/17 prepared by the Yolo County Department of Financial Services

RECOMMENDED ACTION

Review and file the Yolo LAFCo Financial Statement for Fiscal Year 2016/17 prepared by the Yolo County Department of Financial Services.

FISCAL IMPACT

The Yolo County Department of Financial Services will charge LAFCo an hourly rate for preparation of the Financial Statement and this minor cost can be absorbed by the budget.

REASONS FOR RECOMMENDED ACTION

Yolo LAFCo Administrative Policies and Procedures section 5.18 states "LAFCo shall have financial audits performed on a three year cycle (i.e. the auditor reviews the prior three fiscal years at one time). For those interim years when a formal audit has not yet been performed, staff from the County Department of Financial Services shall prepare a financial statement for Commission review following the close of the fiscal year". LAFCo's last audit cycle included fiscal years 2012/13, 2013/14, and 2014/15. Staff will be preparing a request for proposals to hire an auditor for the next three year cycle.

BACKGROUND

Staff from the Department of Financial Services prepared the attached financial statement for Commission review. It includes the following reports for fiscal year 2016/17:

1. Statement of Net Position
2. Statement of Activities
3. Balance Sheet
4. Changes in Fund Balance

5. Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

There are a few items staff would like to highlight:

- Pension Liability – The Statement of Net Position shows an increased pension liability from \$299,432 in 2016 to \$577,272 in 2017. According to DFS, this is due to multiple years of actual earnings being below estimates, changes in actuarial assumptions, and a reduction of the discount rate. This increased unfunded liability is not unique to LAFCo.
- Change in Fund Balance – The financial statements reflect that the fund balance of LAFCo declined from 2016 to 2017. This is due to LAFCo intentionally appropriating "extra" fund balance to offset agency costs in its budget that year. Therefore, there was a decline in our fund balance as planned in our adopted budget. Ample contingency funds remain in LAFCo's fund balance per our administrative policies.

There are no other irregularities or issues to report. Staff is available to answer any questions about these reports if desired.

Attachments

ATT-Combined Cover Letter and Financial Statement

Form Review

Inbox	Reviewed By	Date
Christine Crawford	Christine Crawford	02/13/2018 01:21 PM
Form Started By: Terri Tuck		Started On: 02/09/2018 10:41 AM
Final Approval Date: 02/13/2018		



County of Yolo

www.yolocounty.org

HOWARD H. NEWENS, CIA, CPA
Chief Financial Officer

CHAD RINDE, CPA
Assistant Chief Financial Officer

DEPARTMENT OF FINANCIAL SERVICES

625 Court Street, Room 102

PO BOX 1268

WOODLAND, CA 95776

PHONE: (530) 666-8190

FAX: (530) 666-8215

DFS @ yolocounty.org

- Financial Strategy Leadership
- Budget & Financial Planning
- Treasury & Finance
- Tax & Fee Collection

- Financial Systems Oversight
- Accounting & Financial Reporting
- Internal Audit
- Procurement

February 6, 2018

Christine Crawford
Yolo Local Agency Formation Commission
625 Court Street, Suite 203
Woodland, CA 95695

Dear Ms. Crawford,

Enclosed is Yolo Local Agency Formation Commission's financial review for Fiscal Year 2016-17.

Your financial documents were compiled and reviewed by the following Department of Financial Service personnel:

Document compiled by: William Whitehead

Document reviewed by: Sou Xiong

Document reviewed by: Josh Iverson

Please let me know if you have any comments or questions.

Respectively,

Josh Iverson
Accounting Manager
Yolo County Department of Financial Services

YOLO COUNTY LOCAL AGENCY FORMATION COMMISSION

STATEMENT OF NET POSITION

JUNE 30, 2017 (UNAUDITED) AND JUNE 30, 2016 (SHOWN FOR COMPARATIVE PURPOSES)

	2017	2016
ASSETS		
Cash	<u>\$ 111,041</u>	<u>\$ 173,177</u>
TOTAL ASSETS	<u>111,041</u>	<u>173,177</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pensions	<u>51,962</u>	<u>48,648</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>51,962</u>	<u>48,648</u>
LIABILITIES		
Accounts payable	241	3,165
Accrued payroll	7,491	18,790
Due to other governments	77	216
Compensated absences - current	3,504	4,362
Noncurrent liabilities:		
Compensated absences - noncurrent	3,504	4,362
Net pension liability	577,272	299,432
OPEB liability	58,485	58,485
TOTAL LIABILITIES	<u>650,574</u>	<u>388,812</u>
DEFERRED INFLOWS OF RESOURCES		
Pensions	<u>53,196</u>	<u>60,742</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>53,196</u>	<u>60,742</u>
NET POSITION		
Unrestricted (deficit)	<u>(540,767)</u>	<u>(227,729)</u>
TOTAL NET POSITION	<u><u>\$ (540,767)</u></u>	<u><u>\$ (227,729)</u></u>

YOLO COUNTY LOCAL AGENCY FORMATION COMMISSION

STATEMENT OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2017 (UNAUDITED) AND JUNE 30, 2016 (SHOWN FOR COMPARATIVE PURPOSES)

	2017	2016
EXPENSES		
Salaries and benefits	\$ 647,861	\$ 325,129
Professional and specialized services	4,245	85,602
General and administrative	21,786	27,755
Legal	3,308	4,733
Training	3,040	5,385
Transportation and travel	5,119	5,444
Office Expenses	1,478	2,477
TOTAL EXPENSES	<u>686,837</u>	<u>456,525</u>
PROGRAM REVENUES		
Intergovernmental revenues		
County of Yolo	181,725	184,944
City of West Sacramento	58,905	62,245
City of Woodland	56,128	63,610
City of Winters	5,557	53,232
City of Davis	61,135	5,857
TOTAL PROGRAM REVENUES	<u>363,450</u>	<u>369,888</u>
NET PROGRAM REVENUES (EXPENSES)	(323,387)	(86,637)
GENERAL REVENUES		
Charges for services	8,522	3,932
Other revenues	-	1,319
Interest income	1,827	3,457
TOTAL GENERAL REVENUES	<u>10,349</u>	<u>8,708</u>
CHANGE IN NET POSITION	(313,038)	(77,929)
NET POSITION AT BEGINNING OF YEAR	<u>(227,729)</u>	<u>(149,800)</u>
NET POSITION AT END OF YEAR	<u>\$ (540,767)</u>	<u>\$ (227,729)</u>

YOLO COUNTY LOCAL AGENCY FORMATION COMMISSION

BALANCE SHEET - GOVERNMENTAL FUND

JUNE 30, 2017 (UNAUDITED) AND JUNE 30, 2016 (SHOWN FOR COMPARATIVE PURPOSES)

	2017	2016
ASSETS		
Cash and investments	\$ 111,041	\$ 173,177
TOTAL ASSETS	<u>\$ 111,041</u>	<u>\$ 173,177</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable	\$ 241	\$ 3,165
Accrued payroll	7,491	18,790
Due to other governments	77	216
TOTAL LIABILITIES	<u>7,809</u>	<u>22,171</u>
FUND BALANCE		
Committed - OPEB	-	50,673
Assigned - Capital asset replacement	144	3,625
Unassigned	103,088	96,708
TOTAL FUND BALANCE	<u>103,232</u>	<u>151,006</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 111,041</u>	<u>\$ 173,177</u>

YOLO COUNTY LOCAL AGENCY FORMATION COMMISSION

RECONCILIATION OF THE BALANCE SHEET TO THE GOVERNMENT-WIDE
STATEMENT OF NET ASSETS

JUNE 30, 2017 (UNAUDITED) AND JUNE 30, 2016 (SHOWN FOR COMPARATIVE PURPOSES)

	2017	2016
Fund balance - governmental funds	\$ 103,232	\$ 151,006
Amounts reported for governmental activities in the statement of net assets are different because:		
Pension contributions subsequent to the valuation measurement date will reduce the pension liability in the future and are reported as as deferred outflows of resources on the statement of net position.	51,962	48,648
Certain liabilities are not due and payable in the current period and, therefore, are not reported in governmental funds:		
Net pension liability	(577,272)	(299,432)
OPEB liability	(58,485)	(58,485)
Compensated absences	(7,008)	(8,724)
Employee pension differences to be recognized in the future as pension expense are reported as deferred inflows of resources on the statement of net position.	<u>(53,196)</u>	<u>(60,742)</u>
Net position - governmental activities	<u>\$ (540,767)</u>	<u>\$ (227,729)</u>

YOLO COUNTY LOCAL AGENCY FORMATION COMMISSION

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE -
GOVERNMENTAL FUND

FOR THE YEARS ENDED JUNE 30, 2017 (UNAUDITED) AND JUNE 30, 2016 (SHOWN FOR
COMPARATIVE PURPOSES)

	2017	2016
REVENUES		
Intergovernmental revenues:		
County of Yolo	\$ 181,725	\$ 184,944
City of Davis	61,135	62,245
City of West Sacramento	58,905	63,610
City of Woodland	56,128	53,232
City of Winters	5,557	5,857
Charges for services	8,522	3,932
Other revenues	-	1,319
Use of money	1,827	3,457
TOTAL REVENUES	<u>373,799</u>	<u>378,596</u>
EXPENDITURES		
Salaries and benefits	382,597	356,737
Professional and specialized services	4,245	85,602
General and administrative	21,786	27,755
Training	3,040	5,385
Legal fees	3,308	4,733
Office expenses	1,478	2,477
Transportation and travel	5,119	5,444
TOTAL EXPENDITURES	<u>421,573</u>	<u>488,133</u>
NET CHANGE IN FUND BALANCE	(47,774)	(109,537)
FUND BALANCE AT BEGINNING OF YEAR	<u>151,006</u>	<u>260,543</u>
FUND BALANCE AT END OF YEAR	<u>\$ 103,232</u>	<u>\$ 151,006</u>

YOLO COUNTY LOCAL AGENCY FORMATION COMMISSION

RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2017 (UNAUDITED) AND JUNE 30, 2016 (SHOWN FOR
COMPARATIVE PURPOSES)

	2017	2016
Net change in fund balance - governmental funds	\$ (47,774)	\$ (109,537)
Amounts reported for governmental funds in the statement of activities are different because:		
Changes in certain expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:		
Pension expense	(266,980)	31,414
OPEB expense	-	-
Compensated absences	<u>1,716</u>	<u>194</u>
Change in net assets - governmental activities	<u><u>\$ (313,038)</u></u>	<u><u>\$ (77,929)</u></u>

Consent 6.

LAFCO

Meeting Date: 02/22/2018

Information

SUBJECT

Review and file Fiscal Year 2017/18 Second Quarter Financial Update

RECOMMENDED ACTION

Review and file Fiscal Year 2017/18 Second Quarter Financial Update.

FISCAL IMPACT

None.

REASONS FOR RECOMMENDED ACTION

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

BACKGROUND

The LAFCo FY 2017/18 budget was adopted on May 25, 2017. During the first half of the year LAFCo remained on track with regards to both revenue and expenditures.

Revenues

At the end of the second quarter LAFCo had received 99.93% (\$423,471.57) of its expected revenue. During the second quarter LAFCo received \$1,192.57 (79.50%) in investment earnings. LAFCo's most significant revenue source comes from local government agency payments. LAFCo received funds from all of its agencies during the first quarter of this fiscal year.

Expenditures

During the first half of FY 2017/18 LAFCo has spent 41.37% (\$206,223) of its annual budgeted costs of \$498,535. LAFCo expended 46.49% (\$189,017.93) of its Salary and Benefits appropriation and 25.61% (\$17,205.18) of its Services and Supplies appropriation. In the second half of FY 2017/18 staff expects that LAFCos spending will remain on (or under) budget, and staff is not recommending any adjustments to the adopted budget at this time.

Attached Budget Reports

Staff has added a new Budget Status Summary (Attachment A) included with the staff report. The Income Statement Report (Attachment B) shows the amount expended for the quarter, the year to date amount and budget and the percentage of budget used. The General Ledger Report (Attachment C) shows a running balance of all transactions, including both revenue and expenditure amounts.

Attachments

[ATT A-2nd QTR Budget Status Summary](#)

[ATT B-2nd QTR Income Statement](#)

[ATT C-2nd QTR General Ledger](#)

Form Review

Inbox

Christine Crawford

Form Started By: Terri Tuck

Final Approval Date: 02/13/2018

Reviewed By

Christine Crawford

Date

02/13/2018 01:01 PM

Started On: 02/08/2018 11:07 AM

LAFCO BUDGET - 2nd QUARTER BUDGET STATUS REPORT

FISCAL YEAR 2017/18

Account #	Account Name	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year to Date	FY 17/18 Budget	% Budget
SALARIES AND BENEFITS								
500100	REGULAR EMPLOYEES	\$49,395.99	\$65,333.72			\$114,729.71	\$ 245,111	20.15%
500310	RETIREMENT (CALPERS)	\$11,441.29	\$15,134.41			\$26,575.70	\$ 56,932	20.10%
500320	OASDI	\$3,030.20	\$4,040.63			\$7,070.83	\$ 17,425	17.39%
500330	FICA/MEDICARE TAX	\$708.67	\$944.98			\$1,653.65	\$ 4,456	15.90%
500360	OPEB - RETIREE HEALTH INSURANCE	\$3,940.65	\$5,212.64			\$9,153.29	\$ 19,609	20.10%
500380	UNEMPLOYMENT INSURANCE	\$0.00	\$0.00			\$0.00	\$ 400	0.00%
500390	WORKERS' COMPENSATION INSURANCE	\$442.15	\$0.00			\$442.15	\$ 500	88.43%
500400	OTHER EMPLOYEE BENEFITS	\$14,057.34	\$15,335.26			\$29,392.60	\$ 62,178	22.61%
	TOTAL SALARY & BENEFITS	\$83,016.29	\$106,001.64	\$0.00	\$0.00	\$189,017.93	\$ 406,611	46.49%
SERVICES AND SUPPLIES								
501020	COMMUNICATIONS	\$268.04	\$453.40			\$721.44	\$ 2,500	28.86%
501030	FOOD	\$94.12	\$54.95			\$149.07	\$ 350	42.59%
501051	INSURANCE-PUBLIC LIABILITY	\$500.00	\$0.00			\$500.00	\$ 500	100.00%
501070	MAINTENANCE-EQUIPMENT	\$0.00	\$105.03			\$105.03	\$ 750	14.00%
501090	MEMBERSHIPS	\$2,726.00	\$0.00			\$2,726.00	\$ 3,500	77.89%
501100	MISCELLANEOUS EXPENSE	\$0.00	\$0.00			\$0.00	\$ 250	0.00%
501110	OFFICE EXPENSE	\$9.30	\$391.92			\$401.22	\$ 1,250	32.10%
501111	OFFICE EXP-POSTAGE	\$93.60	\$7.20			\$100.80	\$ 500	20.16%
501112	OFFICE EXP-PRINTING	\$250.93	\$0.00			\$250.93	\$ 1,000	25.09%
501125	IT SERVICES-DPT SYS MAINT (Dept System Maint.)	\$0.00	\$262.50			\$262.50	\$0.00	0.00%
501126	IT SERVICES-ERP (Enterprise/Resource/Planning)	\$0.00	\$1,850.26			\$1,850.26	\$ 3,701	49.99%
501127	IT SERVICES-CONNECTIVITY	\$0.00	\$1,406.70			\$1,406.70	\$ 2,813	50.01%
501151	PROF & SPEC SVC-AUDITG & ACCTG	\$0.00	\$0.00			\$0.00	\$ 5,000	0.00%
501152	PROF & SPEC SVC-INFO TECH SVC	\$0.00	\$467.95			\$467.95	\$ 800	58.49%
501156	PROF & SPEC SVC-LEGAL SVC	\$0.00	\$935.02			\$935.02	\$ 7,000	13.36%
501165	PROF & SPEC SVC-OTHER	\$0.00	\$75.00			\$75.00	\$ 10,000	0.38%
501165	PROF & SPEC SVC-OTHER (Shared Services)	\$0.00	\$0.00			\$0.00	\$ 10,000	0.00%
501180	PUBLICATIONS AND LEGAL NOTICES	\$341.71	\$0.00			\$341.71	\$ 2,000	17.09%
501190	RENTS AND LEASES - EQUIPMENT	\$34.06	\$15.00			\$49.06	\$ 1,500	3.27%
501192	RENTS & LEASES-RECRDS STRGE (Archives)	\$0.00	\$0.00			\$0.00	\$ 860	0.00%
501205	TRAINING	\$3,083.19	\$80.00			\$3,163.19	\$ 4,200	75.31%
501210	MINOR EQUIPMENT (COMPUTERS)	\$0.00	\$0.00			\$0.00	\$ 1,200	0.00%
501250	TRANSPORTATION AND TRAVEL	\$1,237.76	\$2,461.54			\$3,699.30	\$ 7,500	49.32%
	TOTAL SERVICES & SUPPLIES	\$8,638.71	\$8,566.47	\$0.00	\$0.00	\$17,205.18	\$ 67,174	25.61%
OTHER CHARGES								
502201	PAYMENTS TO OTHER GOV INSTITUTIONS	\$0.00	\$0.00			\$0.00	\$ 1,000	0.00%
	TOTAL OTHER CHARGES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$ 1,000	0.00%
OTHER FINANCING USES								
503300	APPROP FOR CONTINGENCY	\$0.00	\$0.00			\$0.00	\$ 23,750	\$0.00
	TOTAL APPROPRIATIONS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$ 23,750	0.00%
	TOTAL EXPENDITURES	\$ 91,655	\$ 114,568	\$ -	\$ -	\$ 206,223	\$ 498,535	41.37%

LAFCO BUDGET - 2nd QUARTER BUDGET STATUS REPORT

FISCAL YEAR 2017/18

Account #	Account Name	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year to Date	FY 17/18 Budget	% Budget
REVENUES								
400700	INVESTMENT EARNINGS-POOL	\$0.00	\$1,192.57			\$1,192.57	\$ 1,500	79.50%
402010	OTHER GOVT AGENCY-COUNTY	\$211,139.00	\$0.00			\$211,139.00	\$ 211,139	100%
402030	OTHER GOVT AGENCY-WEST SACRAMENTO	\$68,448.00	\$0.00			\$68,448.00	\$ 68,448	100%
402040	OTHER GOVT AGENCY-WOODLAND	\$61,120.00	\$0.00			\$61,120.00	\$ 61,120	100%
402050	OTHER GOVT AGENCY-WINTERS	\$6,702.00	\$0.00			\$6,702.00	\$ 6,702	100%
402060	OTHER GOVT AGENCY-DAVIS	\$74,870.00	\$0.00			\$74,870.00	\$ 74,870	100%
403460	OTH CHRG FR SVC-LAFCO FEES	\$0.00	\$0.00			\$0.00	\$0.00	0.00%
404190	OTHER SALES - TAXABLE	\$0.00	\$0.00			\$0.00		
	UNUSED FUND BALANCE FROM PREVIOUS FY						\$ 74,756	
	TOTAL AGENCY COST						\$ 422,279	
	TOTAL OTHER LISTED SOURCES						\$ 76,256	
	TOTAL FINANCING SOURCES	\$422,279.00	1,192.57	\$ -	\$ -	\$423,471.57	\$ 498,535	99.93%

Income Statement

GL293 Date 02/07/18 Company 1000 - YOLO COUNTY USD Page 1
 Time 13:00 Income Statement
 For Period 4 Through 6 Ending December 31, 2017 Fiscal Year 2018 Budget 1

Account Nbr	Description	Period Amount	Period Budget	Pct Of Budget	Year To Date Amount	Year To Date Budget	Pct Of Budget
6940	6940 LOCAL AGENCY FORMATION COMM						
NETFUND/POST	NET FUND BALANCE						
REVENUES	REVENUES						
REVUSEMONEY	REVENUE FROM USE OF MONEY AND						
400700-0000	INVESTMENT EARNINGS-POOL	1,192.57-	0.00	0.00	1,192.57-	1,500.00-	79.50
	Total REVENUE FROM USE OF MONE	1,192.57-	0.00	0.00	1,192.57-	1,500.00-	79.50
INTGOVREVENU	INTERGOVERNMENTAL REVENUES						
OTHRGOVAGNCY	OTHER GOVERNMENTAL AGENCIES						
402010-0001	OTHR GOVT AGENCY-OTH CO-CITYS	0.00	0.00	0.00	211,139.00-	211,139.00-	100.00
402030-0001	OTHR GOVT AGENCY-WEST SAC	0.00	0.00	0.00	68,448.00-	68,448.00-	100.00
402040-0001	OTHR GOVT AGCY-WOODLAND	0.00	0.00	0.00	61,120.00-	61,120.00-	100.00
402050-0001	OTHR GOVT AGCY-WINTERS	0.00	0.00	0.00	6,702.00-	6,702.00-	100.00
402060-0001	OTHR GOVT AGCY-DAVIS	0.00	0.00	0.00	74,870.00-	74,870.00-	100.00
	Total OTHER GOVERNMENTAL AGENC	0.00	0.00	0.00	422,279.00-	422,279.00-	100.00
	Total INTERGOVERNMENTAL REVENU	0.00	0.00	0.00	422,279.00-	422,279.00-	100.00
	Total REVENUES	1,192.57-	0.00	0.00	423,471.57-	423,779.00-	99.93
EXPENDITURES	EXPENDITURES						
SALARY&BEN	SALARIES AND EMPLOYEE BENEFITS						
SALARY&WAGES	SALARY AND WAGES						
500100-0000	REGULAR EMPLOYEES	65,333.72	0.00	0.00	114,729.71	245,111.00	46.81
	Total SALARY AND WAGES	65,333.72	0.00	0.00	114,729.71	245,111.00	46.81
EMPBENEFITS	EMPLOYEE BENEFITS						
500310-0000	RETIREMENT	15,134.41	0.00	0.00	26,575.70	56,932.00	46.68
500320-0000	OASDI	4,040.63	0.00	0.00	7,070.83	17,425.00	40.58
500330-0000	FICA/MEDICARE	944.98	0.00	0.00	1,653.65	4,456.00	37.11
500360-0000	OPEB - RETIREE HEALTH INSURANC	5,212.64	0.00	0.00	9,153.29	19,609.00	46.68
500380-0000	UNEMPLOYMENT INSURANCE	0.00	0.00	0.00	0.00	400.00	0.00
500390-0000	WORKERS' COMP INSURANCE	0.00	0.00	0.00	442.15	500.00	88.43
500400-0000	OTHER EMPLOYEE BENEFITS	15,335.26	0.00	0.00	29,392.60	62,178.00	47.27
	Total EMPLOYEE BENEFITS	40,667.92	0.00	0.00	74,288.22	161,500.00	46.00
	Total SALARIES AND EMPLOYEE BE	106,001.64	0.00	0.00	189,017.93	406,611.00	46.49
SERVSUPPLIES	SERVICES AND SUPPLIES						
501020-0000	COMMUNICATIONS	453.40	0.00	0.00	721.44	2,500.00	28.86
501030-0000	FOOD	54.95	0.00	0.00	149.07	350.00	42.59
501051-0000	INSURANCE-PUBLIC LIABILITY	0.00	0.00	0.00	500.00	500.00	100.00
501070-0000	MAINTENANCE-EQUIPMENT	105.03	0.00	0.00	105.03	750.00	14.00
501090-0000	MEMBERSHIPS	0.00	0.00	0.00	2,726.00	3,500.00	77.89
501100-0000	MISCELLANEOUS EXPENSE	0.00	0.00	0.00	0.00	250.00	0.00
501110-0000	OFFICE EXPENSE	391.92	0.00	0.00	401.22	1,250.00	32.10
501111-0000	OFFICE EXP-POSTAGE	7.20	0.00	0.00	100.80	500.00	20.16
501112-0000	OFFICE EXP-PRINTING	0.00	0.00	0.00	250.93	1,000.00	25.09
501125-0000	IT SERVICE-DPT SYS MAINT	262.50	0.00	0.00	262.50	0.00	0.00
501126-0000	IT SERVICE-ERP	1,850.26	0.00	0.00	1,850.26	3,701.00	49.99
501127-0000	IT SERVICE-CONNECTIVITY	1,406.70	0.00	0.00	1,406.70	2,813.00	50.01
501151-0000	PROF & SPEC SVC-AUDITG & ACCTG	0.00	0.00	0.00	0.00	5,000.00	0.00
501152-0000	PROF & SPEC SVC-INFO TECH SVC	467.95	0.00	0.00	467.95	800.00	58.49
501156-0000	PROF & SPEC SVC-LEGAL SVC	935.02	0.00	0.00	935.02	7,000.00	13.36
501165-0000	PROF & SPEC SVC-OTHER	75.00	0.00	0.00	75.00	20,000.00	.38
501180-0000	PUBLICATIONS AND LEGAL NOTICES	0.00	0.00	0.00	341.71	2,000.00	17.09

Income Statement

GL293 Date 02/07/18
Time 13:00

Company 1000 - YOLO COUNTY
Income Statement
For Period 4 Through 6 Ending December 31, 2017

USD

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Fiscal Year 2018 Budget

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6940 6940 LOCAL AGENCY FORMATION COMM

Account Nbr	Description	Period Amount	Period Budget	Pct Of Budget	Year To Date Amount	Year To Date Budget	Pct Of Budget
SERVSUPPLIES	SERVICES AND SUPPLIES						
501190-0000	RENTS AND LEASES - EQUIPMENT	15.00	0.00	0.00	49.06	1,500.00	3.27
501192-0000	RENTS & LEASES-RECRDS STORAGE	0.00	0.00	0.00	0.00	860.00	0.00
501205-0000	TRAINING	80.00	0.00	0.00	3,163.19	4,200.00	75.31
501210-0000	MINOR EQUIPMENT	0.00	0.00	0.00	0.00	1,200.00	0.00
501250-0000	TRANSPORTATION AND TRAVEL	2,461.54	0.00	0.00	3,699.30	7,500.00	49.32
	Total SERVICES AND SUPPLIES	8,566.47	0.00	0.00	17,205.18	67,174.00	25.61
OTHERCHARGES	OTHER CHARGES						
502201-0000	PAYMENTS TO OTH GOV INSTITUTIO	0.00	0.00	0.00	0.00	1,000.00	0.00
	Total OTHER CHARGES	0.00	0.00	0.00	0.00	1,000.00	0.00
CONTINGENCY	APPROPRIATION FOR CONTINGENCIE						
503300-0000	APPROPRIATION FOR CONTINGENCY	0.00	0.00	0.00	0.00	23,750.00	0.00
	Total APPROPRIATION FOR CONTIN	0.00	0.00	0.00	0.00	23,750.00	0.00
	Total EXPENDITURES	114,568.11	0.00	0.00	206,223.11	498,535.00	41.37
	Total NET FUND BALANCE	113,375.54	0.00	0.00	217,248.46-	74,756.00	290.61-

General Ledger Report

GL290	Date 02/07/18	Company 1000 - YOLO COUNTY	USD	Page 1
	Time 12:53	RUNNING BAL TRANS - RUNNING BALANCE TRANS REPORT		Level, Account
		For Period 04 - 06 Ending December 31, 2017		Variable Beg Bal and Activity
			Sort Type Activity	

Accounting Unit 69405229816991 LOCAL AGENCY FORMATION COMM Resp Level 6940-0052-02981-6991

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

			Account 400700-0000		INVESTMENT EARNINGS-POOL				Begin Balance	0.00
11/01/17	GL	05	N 623-00	1000	TREAS INV FEES Q1 EN			135.68		135.68
11/01/17	GL	05	N 623-00	1000	TREAS INV FEES Q1 EN			.05		135.73
11/01/17	GL	05	N 624-00	1000	09-30-17 INTEREST AP				1,327.79	1,192.06-
11/01/17	GL	05	N 624-00	1000	09-30-17 INTEREST AP				.51	1,192.57-
			Total Activity		Account			135.73	1,328.30	
			400700-0000		INVESTMENT EARNINGS-POOL				End Balance	1,192.57-

			Account 402010-0001		OTHR GOVT AGENCY-OTH CO-CITYS				Begin Balance	211,139.00-
			402010-0001		OTHR GOVT AGENCY-OTH CO-CITYS				End Balance	211,139.00-

			Account 402030-0001		OTHR GOVT AGENCY-WEST SAC				Begin Balance	68,448.00-
			402030-0001		OTHR GOVT AGENCY-WEST SAC				End Balance	68,448.00-

			Account 402040-0001		OTHR GOVT AGCY-WOODLAND				Begin Balance	61,120.00-
			402040-0001		OTHR GOVT AGCY-WOODLAND				End Balance	61,120.00-

			Account 402050-0001		OTHR GOVT AGCY-WINTERS				Begin Balance	6,702.00-
			402050-0001		OTHR GOVT AGCY-WINTERS				End Balance	6,702.00-

			Account 402060-0001		OTHR GOVT AGCY-DAVIS				Begin Balance	74,870.00-
			402060-0001		OTHR GOVT AGCY-DAVIS				End Balance	74,870.00-

			Account 500100-0000		REGULAR EMPLOYEES				Begin Balance	49,395.99
10/06/17	PR	04	N 1-00	1000	Expense accrual			2,013.66		51,409.65
10/06/17	PR	04	N 1-00	1000	Expense accrual			1,393.15		52,802.80
10/06/17	PR	04	N 1-00	1000	Expense accrual			20.76		52,823.56
10/06/17	PR	04	N 1-00	1000	Expense accrual			179.92		53,003.48
10/06/17	PR	04	N 1-00	1000	Expense accrual			302.10		53,305.58
10/06/17	PR	04	N 1-00	1000	Expense accrual			110.72		53,416.30
10/06/17	PR	04	N 1-00	1000	Expense accrual			4,595.14		58,011.44
10/06/17	PR	04	N 1-00	1000	Expense accrual			2,014.28		60,025.72
10/06/17	PR	04	N 1-00	1000	Expense accrual			190.80		60,216.52
10/06/17	PR	04	N 1-00	1000	Expense accrual			25.00		60,241.52
10/06/17	PR	04	N 1-00	1000	Expense accrual				318.00	59,923.52
10/20/17	PR	04	N 4-00	1000	Expense accrual			110.72		60,034.24
10/20/17	PR	04	N 4-00	1000	Expense accrual			1,771.47		61,805.71
10/20/17	PR	04	N 4-00	1000	Expense accrual			4,563.34		66,369.05
10/20/17	PR	04	N 4-00	1000	Expense accrual			1,859.33		68,228.38
10/20/17	PR	04	N 4-00	1000	Expense accrual			442.86		68,671.24
10/20/17	PR	04	N 4-00	1000	Expense accrual			154.94		68,826.18
10/20/17	PR	04	N 4-00	1000	Expense accrual			190.80		69,016.98
10/20/17	PR	04	N 4-00	1000	Expense accrual			111.30		69,128.28
10/20/17	PR	04	N 4-00	1000	Expense accrual			222.60		69,350.88
10/20/17	PR	04	N 4-00	1000	Expense accrual			25.00		69,375.88
10/20/17	PR	04	N 4-00	1000	Expense accrual				318.00	69,057.88
11/03/17	PR	05	N 1-00	1000	Expense accrual			206.70		69,264.58
11/03/17	PR	05	N 1-00	1000	Expense accrual			318.00		69,582.58
11/03/17	PR	05	N 1-00	1000	Expense accrual			27.68		69,610.26
11/03/17	PR	05	N 1-00	1000	Expense accrual			110.72		69,720.98

General Ledger Report

GL290 Date 02/07/18
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Company 1000 - YOLO COUNTY
RUNNING BAL TRANS - RUNNING BALANCE TRANS REPORT
For Period 04 - 06 Ending December 31, 2017

USD

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Sort Variable Level, Account
Type Amounts
Activity Beg Bal and Activity

Accounting Unit 69405229816991 LOCAL AGENCY FORMATION COMM Resp Level 6940-0052-02981-6991

Posting	Sy	Pd	Journal/Seq	Inco	Transaction Desc	Activity	Catg	Debit	Credit	Balance
			Account	500100-0000	REGULAR EMPLOYEES					
									Balance Fwd	69,720.98
11/03/17	PR	05	N	1-00	1000	Expense accrual		2,186.66		71,907.64
11/03/17	PR	05	N	1-00	1000	Expense accrual		4,563.34		76,470.98
11/03/17	PR	05	N	1-00	1000	Expense accrual		2,014.28		78,485.26
11/03/17	PR	05	N	1-00	1000	Expense accrual		25.00		78,510.26
11/03/17	PR	05	N	1-00	1000	Expense accrual			318.00	78,192.26
11/17/17	PR	05	N	7-00	1000	Expense accrual		13.84		78,206.10
11/17/17	PR	05	N	7-00	1000	Expense accrual		159.00		78,365.10
11/17/17	PR	05	N	7-00	1000	Expense accrual		110.72		78,475.82
11/17/17	PR	05	N	7-00	1000	Expense accrual		1,979.06		80,454.88
11/17/17	PR	05	N	7-00	1000	Expense accrual		4,165.83		84,620.71
11/17/17	PR	05	N	7-00	1000	Expense accrual		1,812.85		86,433.56
11/17/17	PR	05	N	7-00	1000	Expense accrual		254.40		86,687.96
11/17/17	PR	05	N	7-00	1000	Expense accrual		221.43		86,909.39
11/17/17	PR	05	N	7-00	1000	Expense accrual		508.80		87,418.19
11/17/17	PR	05	N	7-00	1000	Expense accrual		201.43		87,619.62
11/17/17	PR	05	N	7-00	1000	Expense accrual		25.00		87,644.62
11/17/17	PR	05	N	7-00	1000	Expense accrual			318.00	87,326.62
12/01/17	PR	06	N	1-00	1000	Expense accrual		31.80		87,358.42
12/01/17	PR	06	N	1-00	1000	Expense accrual		110.72		87,469.14
12/01/17	PR	06	N	1-00	1000	Expense accrual		1,107.17		88,576.31
12/01/17	PR	06	N	1-00	1000	Expense accrual		2,353.22		90,929.53
12/01/17	PR	06	N	1-00	1000	Expense accrual		1,007.14		91,936.67
12/01/17	PR	06	N	1-00	1000	Expense accrual		664.29		92,600.96
12/01/17	PR	06	N	1-00	1000	Expense accrual		1,685.40		94,286.36
12/01/17	PR	06	N	1-00	1000	Expense accrual		604.28		94,890.64
12/01/17	PR	06	N	1-00	1000	Expense accrual		442.87		95,333.51
12/01/17	PR	06	N	1-00	1000	Expense accrual		1,017.61		96,351.12
12/01/17	PR	06	N	1-00	1000	Expense accrual		402.85		96,753.97
12/01/17	PR	06	N	1-00	1000	Expense accrual		25.00		96,778.97
12/01/17	PR	06	N	1-00	1000	Expense accrual			318.00	96,460.97
12/15/17	PR	06	N	2-00	1000	Expense accrual		110.72		96,571.69
12/15/17	PR	06	N	2-00	1000	Expense accrual		2,186.66		98,758.35
12/15/17	PR	06	N	2-00	1000	Expense accrual		4,992.64		103,750.99
12/15/17	PR	06	N	2-00	1000	Expense accrual		2,014.28		105,765.27
12/15/17	PR	06	N	2-00	1000	Expense accrual		31.80		105,797.07
12/15/17	PR	06	N	2-00	1000	Expense accrual		27.68		105,824.75
12/15/17	PR	06	N	2-00	1000	Expense accrual		63.60		105,888.35
12/15/17	PR	06	N	2-00	1000	Expense accrual		25.00		105,913.35
12/15/17	PR	06	N	2-00	1000	Expense accrual			318.00	105,595.35
12/29/17	PR	06	N	6-00	1000	Expense accrual		290.63		105,885.98
12/29/17	PR	06	N	6-00	1000	Expense accrual		110.72		105,996.70
12/29/17	PR	06	N	6-00	1000	Expense accrual		1,923.70		107,920.40
12/29/17	PR	06	N	6-00	1000	Expense accrual		3,975.03		111,895.43
12/29/17	PR	06	N	6-00	1000	Expense accrual		2,014.28		113,909.71
12/29/17	PR	06	N	6-00	1000	Expense accrual		508.80		114,418.51
12/29/17	PR	06	N	6-00	1000	Expense accrual		604.20		115,022.71
12/29/17	PR	06	N	6-00	1000	Expense accrual		25.00		115,047.71
12/29/17	PR	06	N	6-00	1000	Expense accrual			318.00	114,729.71

General Ledger Report

GL290 Date 02/07/18
Time 12:53

Company 1000 - YOLO COUNTY
RUNNING BAL TRANS - RUNNING BALANCE TRANS REPORT
For Period 04 - 06 Ending December 31, 2017

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

Accounting Unit 69405229816991 LOCAL AGENCY FORMATION COMM Resp Level 6940-0052-02981-6991

Posting	Sy	Pd	Journal/Seq	Inco	Transaction Desc	Activity	Catg	Debit	Credit	Balance
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			Account	500100-0000	REGULAR EMPLOYEES				Balance Fwd	114,729.71
					Total Activity	Account	67,559.72	2,226.00		
				500100-0000	REGULAR EMPLOYEES				End Balance	114,729.71

			Account	500310-0000	RETIREMENT				Begin Balance	11,441.29
10/06/17	PR	04	N	1-00	1000	Summarized transacti		2,439.42		13,880.71
10/20/17	PR	04	N	4-00	1000	Summarized transacti		2,115.83		15,996.54
11/03/17	PR	05	N	1-00	1000	Summarized transacti		2,115.84		18,112.38
11/17/17	PR	05	N	7-00	1000	Summarized transacti		2,115.83		20,228.21
12/01/17	PR	06	N	1-00	1000	Summarized transacti		2,115.82		22,344.03
12/15/17	PR	06	N	2-00	1000	Summarized transacti		2,115.84		24,459.87
12/29/17	PR	06	N	6-00	1000	Summarized transacti		2,115.83		26,575.70
					Total Activity	Account	15,134.41			
				500310-0000	RETIREMENT				End Balance	26,575.70

			Account	500320-0000	OASDI				Begin Balance	3,030.20
10/06/17	PR	04	N	1-00	1000	Summarized transacti		652.71		3,682.91
10/20/17	PR	04	N	4-00	1000	Summarized transacti		565.51		4,248.42
11/03/17	PR	05	N	1-00	1000	Summarized transacti		565.50		4,813.92
11/17/17	PR	05	N	7-00	1000	Summarized transacti		565.51		5,379.43
12/01/17	PR	06	N	1-00	1000	Summarized transacti		565.51		5,944.94
12/15/17	PR	06	N	2-00	1000	Summarized transacti		562.94		6,507.88
12/29/17	PR	06	N	6-00	1000	Summarized transacti		562.95		7,070.83
					Total Activity	Account	4,040.63			
				500320-0000	OASDI				End Balance	7,070.83

			Account	500330-0000	FICA/MEDICARE				Begin Balance	708.67
10/06/17	PR	04	N	1-00	1000	Summarized transacti		152.64		861.31
10/20/17	PR	04	N	4-00	1000	Summarized transacti		132.27		993.58
11/03/17	PR	05	N	1-00	1000	Summarized transacti		132.25		1,125.83
11/17/17	PR	05	N	7-00	1000	Summarized transacti		132.26		1,258.09
12/01/17	PR	06	N	1-00	1000	Summarized transacti		132.25		1,390.34
12/15/17	PR	06	N	2-00	1000	Summarized transacti		131.66		1,522.00
12/29/17	PR	06	N	6-00	1000	Summarized transacti		131.65		1,653.65
					Total Activity	Account	944.98			
				500330-0000	FICA/MEDICARE				End Balance	1,653.65

			Account	500360-0000	OPEB - RETIREE HEALTH INSURANCE				Begin Balance	3,940.65
10/06/17	PR	04	N	1-00	1000	Summarized transacti		840.20		4,780.85
10/20/17	PR	04	N	4-00	1000	Summarized transacti		728.74		5,509.59
11/03/17	PR	05	N	1-00	1000	Summarized transacti		728.74		6,238.33
11/17/17	PR	05	N	7-00	1000	Summarized transacti		728.74		6,967.07
12/01/17	PR	06	N	1-00	1000	Summarized transacti		728.74		7,695.81
12/15/17	PR	06	N	2-00	1000	Summarized transacti		728.74		8,424.55
12/29/17	PR	06	N	6-00	1000	Summarized transacti		728.74		9,153.29

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Account	500360-0000		OPEB - RETIREE HEALTH INSURANCE		Total Activity		Account	5,212.64	Balance Fwd	9,153.29

500360-0000		OPEB - RETIREE HEALTH INSURANCE						End Balance		9,153.29

Account	500390-0000		WORKERS' COMP INSURANCE						Begin Balance	442.15
	500390-0000		WORKERS' COMP INSURANCE						End Balance	442.15

Account	500400-0000		OTHER EMPLOYEE BENEFITS						Begin Balance	14,057.34
10/20/17	PR	04	N	4-00	1000	Expense accrual		851.96		14,909.30
10/20/17	PR	04	N	4-00	1000	Expense accrual		851.96		15,761.26
10/20/17	PR	04	N	4-00	1000	Expense accrual		851.96		16,613.22
11/03/17	PR	05	N	1-00	1000	Expense accrual		851.96		17,465.18
11/03/17	PR	05	N	1-00	1000	Expense accrual		851.96		18,317.14
11/03/17	PR	05	N	1-00	1000	Expense accrual		851.96		19,169.10
11/17/17	PR	05	N	7-00	1000	Expense accrual		851.96		20,021.06
11/17/17	PR	05	N	7-00	1000	Expense accrual		851.96		20,873.02
11/17/17	PR	05	N	7-00	1000	Expense accrual		851.96		21,724.98
12/01/17	PR	06	N	1-00	1000	Expense accrual		851.96		22,576.94
12/01/17	PR	06	N	1-00	1000	Expense accrual		851.96		23,428.90
12/01/17	PR	06	N	1-00	1000	Expense accrual		851.96		24,280.86
12/15/17	PR	06	N	2-00	1000	Expense accrual		439.34		24,720.20
12/15/17	PR	06	N	2-00	1000	Expense accrual		412.61		25,132.81
12/15/17	PR	06	N	2-00	1000	Expense accrual		851.96		25,984.77
12/15/17	PR	06	N	2-00	1000	Expense accrual		851.96		26,836.73
12/29/17	PR	06	N	6-00	1000	Expense accrual		439.34		27,276.07
12/29/17	PR	06	N	6-00	1000	Expense accrual		412.61		27,688.68
12/29/17	PR	06	N	6-00	1000	Expense accrual		851.96		28,540.64
12/29/17	PR	06	N	6-00	1000	Expense accrual		851.96		29,392.60

500400-0000		OTHER EMPLOYEE BENEFITS						15,335.26	Total Activity	Account

500400-0000		OTHER EMPLOYEE BENEFITS						End Balance		29,392.60

Account	501020-0000		COMMUNICATIONS						Begin Balance	268.04
10/04/17	GL	04	N	37-00	1000	185-1 08/17 INTERNAL		8.50		276.54
10/10/17	GL	04	N	138-00	1000	185-1 09/17 INTERNAL		126.64		403.18
11/02/17	GL	05	N	29-00	1000	185-1 09/17 INTERNAL		8.50		411.68
11/07/17	GL	05	N	115-00	1000	185-1 10/17 INTERNAL		124.86		536.54
11/30/17	GL	05	N	560-00	1000	185-1 10/17 INTERNAL		8.50		545.04
12/08/17	GL	06	N	121-00	1000	185-1 11/17 INTERNAL		131.05		676.09
12/31/17	GL	06	N	239-00	1000	LAFCO-66L FY17/18 CO		45.35		721.44

501020-0000		COMMUNICATIONS						453.40	Total Activity	Account

501020-0000		COMMUNICATIONS						End Balance		721.44

Account	501030-0000		FOOD						Begin Balance	94.12
11/30/17	GL	05	N	19-00	1000	Nugget-YoloLeaders-S		54.95		149.07

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

Account			501030-0000		FOOD				Balance Fwd	149.07
					Total Activity	Account		54.95		
			501030-0000		FOOD				End Balance	149.07

Account			501051-0000		INSURANCE-PUBLIC LIABILITY				Begin Balance	500.00
			501051-0000		INSURANCE-PUBLIC LIABILITY				End Balance	500.00

Account			501070-0000		MAINTENANCE-EQUIPMENT				Begin Balance	0.00
10/10/17	AP	04	N	33-00	1000	13078INLAND BUSI		105.03		105.03
					Total Activity	Account		105.03		
			501070-0000		MAINTENANCE-EQUIPMENT				End Balance	105.03

Account			501090-0000		MEMBERSHIPS				Begin Balance	2,726.00
			501090-0000		MEMBERSHIPS				End Balance	2,726.00

Account			501110-0000		OFFICE EXPENSE				Begin Balance	9.30
10/05/17	AP	04	N	14-00	1000	10246DSW HOLDING		6.20		15.50
10/31/17	GL	04	N	15-00	1000	Enterprise-Annual Su		145.08		160.58
11/08/17	AP	05	N	29-00	1000	10246DSW HOLDING		6.20		166.78
11/30/17	GL	05	N	26-00	1000	Amazon-LaserPresenta		43.15		209.93
12/04/17	AP	06	N	4-00	1000	10246DSW HOLDING		3.10		213.03
12/11/17	AP	06	N	54-00	1000	INV#8047627683		188.19		401.22
					Total Activity	Account		391.92		
			501110-0000		OFFICE EXPENSE				End Balance	401.22

Account			501111-0000		OFFICE EXP-POSTAGE				Begin Balance	93.60
11/30/17	GL	05	N	26-00	1000	USPS-Postage		7.20		100.80
					Total Activity	Account		7.20		
			501111-0000		OFFICE EXP-POSTAGE				End Balance	100.80

Account			501112-0000		OFFICE EXP-PRINTING				Begin Balance	250.93
			501112-0000		OFFICE EXP-PRINTING				End Balance	250.93

Account			501125-0000		IT SERVICE-DPT SYS MAINT				Begin Balance	0.00
12/01/17	GL	06	N	324-01	1000	GISSupport-INV#LAFCo		262.50		262.50
					Total Activity	Account		262.50		
			501125-0000		IT SERVICE-DPT SYS MAINT				End Balance	262.50

Account			501126-0000		IT SERVICE-ERP				Begin Balance	0.00
12/31/17	GL	06	N	245-00	1000	LAFCO-1ST QTR ERP		925.13		925.13
12/31/17	GL	06	N	277-00	1000	LAFCO-2ND QTR ERP		925.13		1,850.26
					Total Activity	Account		1,850.26		
			501126-0000		IT SERVICE-ERP				End Balance	1,850.26

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Posting	Sy	Pd	Journal/Seq	Inco	Transaction Desc	Activity	Catg	Debit	Credit	Balance
			Account	501127-0000	IT SERVICE-CONNECTIVITY				Begin Balance	0.00
12/31/17	GL	06 N	245-00	1000	LAFCO-1ST QTR CONNEC			703.35		703.35
12/31/17	GL	06 N	277-00	1000	LAFCO-2ND QTR CONNEC			703.35		1,406.70
			Total Activity		Account			1,406.70		
			501127-0000	IT SERVICE-CONNECTIVITY					End Balance	1,406.70
			Account	501152-0000	PROF & SPEC SVC-INFO TECH SVC				Begin Balance	0.00
10/31/17	GL	04 N	50-00	1000	ESRI ArcGIS Maint FY			467.95		467.95
			Total Activity		Account			467.95		
			501152-0000	PROF & SPEC SVC-INFO TECH SVC					End Balance	467.95
			Account	501156-0000	PROF & SPEC SVC-LEGAL SVC				Begin Balance	0.00
10/31/17	GL	04 N	583-00	1000	LEGAL SERVICES 1st Q			935.02		935.02
			Total Activity		Account			935.02		
			501156-0000	PROF & SPEC SVC-LEGAL SVC					End Balance	935.02
			Account	501165-0000	PROF & SPEC SVC-OTHER				Begin Balance	0.00
12/18/17	AP	06 N	74-00	1000	16780DIGITAL DEP			75.00		75.00
			Total Activity		Account			75.00		
			501165-0000	PROF & SPEC SVC-OTHER					End Balance	75.00
			Account	501180-0000	PUBLICATIONS AND LEGAL NOTICES				Begin Balance	341.71
			501180-0000	PUBLICATIONS AND LEGAL NOTICES					End Balance	341.71
			Account	501190-0000	RENTS AND LEASES - EQUIPMENT				Begin Balance	34.06
10/05/17	AP	04 N	14-00	1000	10246DSW HOLDING			5.00		39.06
11/08/17	AP	05 N	29-00	1000	10246DSW HOLDING			5.00		44.06
12/04/17	AP	06 N	4-00	1000	10246DSW HOLDING			5.00		49.06
			Total Activity		Account			15.00		
			501190-0000	RENTS AND LEASES - EQUIPMENT					End Balance	49.06
			Account	501205-0000	TRAINING				Begin Balance	3,083.19
11/28/17	AP	05 N	129-00	1000	CALAFCO U-RDeLiberty			80.00		3,163.19
			Total Activity		Account			80.00		
			501205-0000	TRAINING					End Balance	3,163.19
			Account	501250-0000	TRANSPORTATION AND TRAVEL				Begin Balance	1,237.76
10/03/17	AP	04 N	6-00	1000	FY17/18 1stQTRMileag			77.04		1,314.80
10/31/17	GL	04 N	16-00	1000	SactoPark-AssemblyCo			9.00		1,323.80
11/01/17	AP	05 N	18-00	1000	TravelClaimConf-TT			74.98		1,398.78
11/01/17	AP	05 N	18-00	1000	Travel Claim Conf-CC			106.35		1,505.13
11/01/17	AP	05 N	18-00	1000	Travel Claim Conf-EM			71.74		1,576.87
11/01/17	AP	05 N	18-00	1000	Travel Claim Conf-SK			124.37		1,701.24
11/07/17	AP	05 N	22-00	1000	RDeLibertyCALAFCOCon			102.49		1,803.73
11/28/17	AP	05 N	129-00	1000	CALAFCOConf-Travel O			106.42		1,910.15

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Accounting Unit 69405229816991 LOCAL AGENCY FORMATION COMM Resp Level 6940-0052-02981-6991

Posting	Sy	Pd	Journal/Seq	Inco	Transaction Desc	Activity	Catg	Debit	Credit	Balance
			Account	501250-0000	TRANSPORTATION AND TRAVEL				Balance Fwd	1,910.15
11/30/17	GL	05 N	19-00	1000	9thSt.Parking-Meet w			10.00		1,920.15
11/30/17	GL	05 N	26-00	1000	Bahia Hotel-CALAFCO			1,720.75		3,640.90
11/30/17	GL	05 N	26-00	1000	Southwest-FlightChngC			20.00		3,660.90
12/31/17	GL	06 N	59-00	1000	SunnyCalTransSanDieg			38.40		3,699.30
Total Activity Account								2,461.54		
			501250-0000	TRANSPORTATION AND TRAVEL					End Balance	3,699.30
			69405229816991	LOCAL AGENCY FORMATION COMM					End Balance	217,248.46-

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

Posting	Sy	Pd	Journal/Seq	Inco	Transaction Desc	Activity	Catg	Debit	Credit	Balance
			Account	100000-0000	CASH IN TREASURY				Begin Balance	433,711.05
10/03/17	AP	04 N	6-00	1000	Auto Offset From Zon				77.04	433,634.01
10/04/17	GL	04 N	37-00	1000	Auto Offset From Zon				8.50	433,625.51
10/05/17	AP	04 N	14-00	1000	Auto Offset From Zon				11.20	433,614.31
10/06/17	PR	04 N	1-00	1000	Auto Offset From Zon				14,612.50	419,001.81
10/10/17	AP	04 N	33-00	1000	Auto Offset From Zon				105.03	418,896.78
10/10/17	GL	04 N	138-00	1000	Auto Offset From Zon				126.64	418,770.14
10/20/17	PR	04 N	4-00	1000	Auto Offset From Zon				15,232.59	403,537.55
10/31/17	GL	04 N	15-00	1000	Auto Offset From Zon				145.08	403,392.47
10/31/17	GL	04 N	16-00	1000	Auto Offset From Zon				9.00	403,383.47
10/31/17	GL	04 N	50-00	1000	Auto Offset From Zon				467.95	402,915.52
10/31/17	GL	04 N	583-00	1000	Auto Offset From Zon				935.02	401,980.50
11/01/17	AP	05 N	18-00	1000	Auto Offset From Zon				377.44	401,603.06
11/01/17	GL	05 N	623-00	1000	Auto Offset From Zon				135.73	401,467.33
11/01/17	GL	05 N	624-00	1000	Auto Offset From Zon			1,328.30		402,795.63
11/02/17	GL	05 N	29-00	1000	Auto Offset From Zon				8.50	402,787.13
11/03/17	PR	05 N	1-00	1000	Auto Offset From Zon				15,232.59	387,554.54
11/07/17	AP	05 N	22-00	1000	Auto Offset From Zon				102.49	387,452.05
11/07/17	GL	05 N	115-00	1000	Auto Offset From Zon				124.86	387,327.19
11/08/17	AP	05 N	29-00	1000	Auto Offset From Zon				11.20	387,315.99
11/17/17	PR	05 N	7-00	1000	Auto Offset From Zon				15,232.58	372,083.41
11/28/17	AP	05 N	129-00	1000	Auto Offset From Zon				186.42	371,896.99
11/30/17	GL	05 N	19-00	1000	Auto Offset From Zon				64.95	371,832.04
11/30/17	GL	05 N	26-00	1000	Auto Offset From Zon				1,791.10	370,040.94
11/30/17	GL	05 N	560-00	1000	Auto Offset From Zon				8.50	370,032.44
12/01/17	PR	06 N	1-00	1000	Auto Offset From Zon				15,232.55	354,799.89
12/01/17	GL	06 N	324-01	1000	Auto Offset From Zon				262.50	354,537.39
12/04/17	AP	06 N	4-00	1000	Auto Offset From Zon				8.10	354,529.29
12/08/17	GL	06 N	121-00	1000	Auto Offset From Zon				131.05	354,398.24
12/11/17	AP	06 N	54-00	1000	Auto Offset From Zon				188.19	354,210.05
12/15/17	PR	06 N	2-00	1000	Auto Offset From Zon				15,229.43	338,980.62
12/18/17	AP	06 N	74-00	1000	Auto Offset From Zon				75.00	338,905.62
12/29/17	PR	06 N	6-00	1000	Auto Offset From Zon				15,229.40	323,676.22
12/31/17	GL	06 N	59-00	1000	Auto Offset From Zon				38.40	323,637.82
12/31/17	GL	06 N	239-00	1000	Auto Offset From Zon				45.35	323,592.47
12/31/17	GL	06 N	245-00	1000	Auto Offset From Zon				1,628.48	321,963.99
12/31/17	GL	06 N	277-00	1000	Auto Offset From Zon				1,628.48	320,335.51
Total Activity Account								1,328.30	114,703.84	
			Account	100000-0000	CASH IN TREASURY				End Balance	320,335.51
			Account	101000-0144	RC-LAFCO PC REPL				Begin Balance	143.85
				101000-0144	RC-LAFCO PC REPL				End Balance	143.85
			Account	190200-0000	FUTURE LONG TERM DEBT REQUIRE				Begin Balance	655,990.00
				190200-0000	FUTURE LONG TERM DEBT REQUIRE				End Balance	655,990.00

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

Posting	Sy	Pd	Journal/Seq	Inco	Transaction Desc	Activity	Catg	Debit	Credit	Balance
Account			195010-0000		DEFERRED OUTFLOWS-PENSIONS			Begin Balance		123,779.00-
			195010-0000		DEFERRED OUTFLOWS-PENSIONS			End Balance		123,779.00-
Account			210900-0000		COMPENSATED ABSENSES (S/T)			Begin Balance		3,503.50-
			210900-0000		COMPENSATED ABSENSES (S/T)			End Balance		3,503.50-
Account			220501-0000		DEFERRED INFLOWS PENSION			Begin Balance		72,443.00-
			220501-0000		DEFERRED INFLOWS PENSION			End Balance		72,443.00-
Account			230000-0000		COMPENSATED ABSENSES (L/T)			Begin Balance		3,503.50-
			230000-0000		COMPENSATED ABSENSES (L/T)			End Balance		3,503.50-
Account			230600-0000		OTHER POST EMPLOYMENT BENEFITS			Begin Balance		58,485.00-
			230600-0000		OTHER POST EMPLOYMENT BENEFITS			End Balance		58,485.00-
Account			230650-0000		NET PENSION LIABILITY			Begin Balance		394,276.00-
			230650-0000		NET PENSION LIABILITY			End Balance		394,276.00-
Account			300600-0000		FD BAL-ASSIGNED			Begin Balance		67,357.50-
			300600-0000		FD BAL-ASSIGNED			End Balance		67,357.50-
Account			300600-0001		FD BAL-ASSIGNED-CAP ASSET REPL			Begin Balance		143.85-
			300600-0001		FD BAL-ASSIGNED-CAP ASSET REPL			End Balance		143.85-
Account			300999-0000		UNASSIGNED			Begin Balance		35,729.55-
			300999-0000		UNASSIGNED			End Balance		35,729.55-
			69409900010001		LOC AGENCY FORM BSU ONLY			End Balance		217,248.46

Company 1000 Totals:
Debit Transactions 118,258.14
Credit Transactions 118,258.14
Debit Balances 1,182,692.47
Credit Balances 1,182,692.47
P/L Debit Transactions 116,929.84
P/L Credit Transactions 3,554.30
Net Loss 113,375.54

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JOB SUBMISSION PARAMETERS

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

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

Year Code: or Posting Dates: -
or Year: 2018
Periods: 4 - 6

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



Consent 7.

LAFCO

Meeting Date: 02/22/2018

Information

SUBJECT

Correspondence

RECOMMENDED ACTION

Receive and file the following correspondence:

1. CHW Bulletin - December 2017
 2. CHW Newsletter - Winter 2018
 3. CALAFCO 2018 Events Calendar
-

Attachments

[ATT 1-CHW Bulletin-Dec2017](#)

[ATT 2-CHW Newsletter-Winter 2018](#)

[ATT 3-CALAFCO 2018 Events Calendar](#)

Form Review

Form Started By: Terri Tuck

Started On: 02/09/2018 10:32 AM

Final Approval Date: 02/09/2018

Prop. 26 May Require Less of Rate-Makers Than Previously Thought

By Michael G. Colantuono

On December 4, 2017, the California Supreme Court decided its first major case under Proposition 26 and its most consequential case on water rates since 2006.

The Trial Court Litigation. The City of Ventura sued the United Water Conservation District to challenge its groundwater augmentation fees or “pump tax.” The District charges municipal and industrial (M&I) groundwater users three times what farmers pay, not because it established that M&I groundwater users are more expensive to serve, but because a 1966 statute requires it to do so. We argued for Ventura that the 3:1 ratio violated Propositions 13, 218 and 26 and the common law of rate-making that applied before voters approved Proposition 13 in 1978. The City had statutory arguments, too.

Proposition 13 limits property taxes to 1% of sales price and requires two-thirds voter approval of “special taxes.” The Legislature provided by statute that a fee which exceeds the cost of service is a special tax. Proposition 218 was adopted in 1996 to regulate assessments and “property related fees” — those on property owners or for a property related service. Proposition 26 came in 2010 to make **all** local government revenues taxes requiring voter approval unless one of seven stated or two implied exceptions applies. Three exceptions are relevant here — (i) revenues subject to Proposition 218 (assessments and property related fees) are not subject to the later

measure, nor are (ii) fees for government services and (iii) fees for benefits or privileges provided service or benefit fees are limited to the cost of service and no one is served or provided the benefit at the expense of rate-payers (“no free-riders”).

The trial court concluded the District could not show its fees were proportional to its cost to serve the City, as Proposition 218 required. It followed, as it was required to do, earlier rulings of the San Jose Court of Appeal concluding groundwater fees are subject to Proposition 218. Because Proposition 218 applied, Proposition 26 did not. The trial court ruled against the City on its Proposition 13, common law and statutory claims and the City pursued only the Proposition 26 and 218 issues on appeal.

The Court of Appeal Decision. The Ventura Court of Appeal concluded Proposition 218 did not apply because groundwater fees are not imposed on the City as a landowner, but as a groundwater pumper. It also concluded the rates did not recover more than the total cost of service — as to all pumpers — and that was sufficient to satisfy Proposition 26.

The Supreme Court Decision. The Supreme Court agreed with the appellate court that Proposition 218 does not apply because the City is not charged as a landowner, but as a groundwater user. It did not discuss the City’s property rights in groundwater. However, the Court observed that Proposition 26 requires more than that

fees not exceed total service cost — each fee payor must also be charged in a “fair or reasonable relationship” to his or her “benefits from, or burdens on” the service. As the Court of Appeal failed to apply that test, the Supreme Court remanded the case for lower courts to do so.

The Court did not:

- give much guidance as to what Proposition 26 requires;
- decide whether the statute requiring a 3:1 ratio of fees on M&I groundwater users to fees on farmers violates Proposition 26, or
- whether the District can introduce evidence on remand in addition to the record on which it made its rates.

What About Proposition 218? Because we argued both Propositions 218 and 26 for the City, many expected the case to shed light on Proposition 218’s requirements for water, sewer and solid waste fees. It does not. It merely holds that Proposition 218 applies only to fees on property owners as such, and not to fees imposed on conduct in addition to owning property.

So What Does it Mean? The case tells us a bit about groundwater charges and suggests where the law may be going.

Groundwater charges are now subject to Proposition 26, not Proposition 218, so there will be no 45-day noticed public hearing, submission of protests, or possible majority protest. Rate-making procedures will be governed by the statute which authorizes a particular fee. The *Griffith* and *Pajaro* decisions of the San Jose Court of Appeal are overruled to the extent they hold otherwise. Much of those decisions will still be good authority in Proposition 218 cases, though.

Groundwater charges pursuant to the Sustainable Groundwater Management Act (SGMA) are still subject to Proposition 218

because the statute says so. There may be efforts to amend it. The Court read SGMA’s requirement of Proposition 218 compliance for water supply services (as opposed to regulatory activity by SGMA agencies) as a legislative addition to the requirements those agencies bear under the Constitution rather than a legislative interpretation of the Constitution.

Proposition 26’s Allocation Requirement.

The Court tell us little about Proposition 26’s requirement that fees allocate cost among payers in a “fair or reasonable relationship” to a payor’s “benefit from or burden on” a government service, leaving that to the lower courts to develop on remand. It did give a few hints, however.

Citing *Jacks v. City of Santa Barbara*, a case we won earlier this year involving a charter city fee on an investor owner utility for use of City streets, the Court notes Proposition 26 codifies the *Sinclair Paint* decision allowing mitigation fees on businesses, with some changes as to regulatory fees. However, the Court expressly refrains from explaining what those changes are. Future litigation will develop that issue.

The Court also cites *Brydon v. EBMUD* — a Proposition 13 case upholding inclining block water rates that impose progressively higher rates for greater use of water to encourage conservation — to suggest Proposition 26’s “fair and reasonable relation” test gives a fair amount of flexibility to rate-makers:

“To be sure, pre-Proposition 26 case law made clear that, ‘[i]n pursuing a constitutionally and statutorily mandated conservation program, cost allocations for services provided are to be judged by a standard of reasonableness with some

flexibility permitted to account for system-wide complexity.”

This suggests that Proposition 26 test may be less demanding than previously thought. As noted above, the Court remanded for lower courts to apply the “fair or reasonable relationship test” and to determine if the statute requiring the 3:1 ratio of M&I to agriculture rates is constitutional. Thus, the case will return to lower courts and might well come back to the Supreme Court again. The case may take a few more years to resolve and may produce further published appellate authority. Justice Liu filed a brief

concurring opinion stating the Court should have found the statute requiring a 3:1 ratio of fees for M&I and agricultural customers unconstitutional under Proposition 26.

The Bigger Picture. Perhaps most interestingly, the case suggests the Supreme Court has a narrow view of Propositions 13, 218 and 26 — narrower than the 2006 Supreme Court which found Proposition 218 applicable to metered water rates and the San Jose Court of Appeal which extended it to groundwater charges.

The Court says, surprisingly, that special taxes under Proposition 218 are not the same as special taxes under Proposition 13 because Proposition 13 is limited to taxes on property. The parties did not brief or argue this issue. Taken in light of the Court’s recent and controversial decision in *California Cannabis Coalition v. City of Upland*, it suggests this newly constituted Court (Governor Brown has filled three of seven

seats in recent years and there is a vacancy that will soon give him a fourth) has a different view of initiative restrictions on government’s power to fund services. *Upland* ruled an initiative general tax can be placed on a special election ballot because Proposition 218’s rule restricting such taxes to general election ballots (when Council and Board seats are contested) applies only to government officials — not to initiative proponents.

If Proposition 13’s two-thirds voter approval requirement applies only to special taxes on property, one can foresee a conclusion that initiative special taxes not on property might be approved by

majority vote. The San Francisco City Attorney has published an opinion concluding just that. Republican Assemblymembers proposed ACA 19 to prevent such an outcome and an initiative constitutional amendment along those lines may not be far off.

Thus, the *Ventura* decision:

- Says little about retail water, sewer and trash rates or Proposition 218;
- Exempts groundwater charges for Proposition 218, applying the less demanding Proposition 26;
- Suggests Proposition 26 is less demanding than previously thought; and
- Opens the door to further case law restoring local government revenue authority thought lost to Propositions 13, 62, 218 and 26.

“COST ALLOCATIONS FOR SERVICES PROVIDED ARE TO BE JUDGED BY A STANDARD OF REASONABLENESS WITH SOME FLEXIBILITY PERMITTED TO ACCOUNT FOR SYSTEM-WIDE COMPLEXITY.”

This, of course, will produce a reaction and the complex dance of California's democracy will continue. The law is in flux and change is coming. Stay tuned because, as always, we will keep you posted!

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

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

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

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Newsletter | Winter 2018

Update on Public Law Water Rate Case Good News for Rate-Makers

By Michael G. Colantuono

The ongoing battle between the San Diego County Water Authority and the Metropolitan Water District has generated a published Court of Appeal decision that will help local rate-makers.

San Diego County Water Authority v. Metropolitan Water District of Southern California reverses part of SDCWA's trial win but gives it some wins, too. First, the Court rejected Met's claim SDCWA's challenges to its rates to transport water from the Imperial Valley to San Diego were not time-barred by the validation statute of limitations running from when Met last sold revenue bonds because those bonds were backed by Met net revenues, not these water rates in particular.

The Court concluded Met could recover State Water Project costs in a rate to transport across the Colorado River Aqueduct. The conclusion overturns a trial court ruling we found more persuasive but, importantly, the Court writes: "courts do not weigh competing methodologies to determine the best water rates. We determine only whether substantial evidence supports the fair compensation determination made by the rate-setting agency." This is a construction of a wheeling statute, not Prop. 218 (which is not in issue in this case) or Prop. 26, but it will be helpful nevertheless and reinforces that rate-making is legislation.

Met was not entitled to recover the cost of water conservation programs from a transportation rate because this is a water supply function. This reinforces that supply rates can cover conservation.

The Court found no Prop. 26 violation in Met's rates, either: "Metropolitan provides a specific service (use of the conveyance system) directly to the payor (a member agency) that is not provided to those not charged and which does not exceed the reasonable costs to Metropolitan of providing the service (Cal. Const., art. XIII C, [section] 1, subd. (e)(2).)" The Court distinguishes the *Newhall* case, concluding it involved a charge for a

(continued on page 2)

Colantuono Elected President of State Bar

Michael G. Colantuono was elected President of the California State Bar in July, taking office in September. The Bar is the state agency which regulates the practice of law; it has a budget of some \$175 million and more than 500 employees. Michael serves on the Board of Trustees as an appointee of former Assembly Speakers John Perez and Toni Atkins. His fellow Trustees elected him President and his term will end by September 2018. Service in the role is demanding, but is an uncompensated, part-time position. Like local governments, the Bar is managed by a full-time CEO and has a part-time policy-making Board. Michael maintains a full-time law practice, arguing two cases in the California Supreme Court this year and looking forward to another argument early in 2018. Congratulations, Michael!

New Ballot Language for Local Agency Measures

By Holly O. Whatley

Starting in 2018, tax measures local legislative bodies place on the ballot are subject to a new ballot-language requirement. AB 195 (Oberholte, R-Big Bear Lake) amends Elections Code § 13119 to require all local measures imposing or increasing a tax, including those proposed by a local agency, to be accompanied by a ballot statement specifying the annual revenue to be raised and the rate and duration of the tax. A similar, earlier requirement applied only to initiatives.

The amendment was spurred by suit on a tax measure the Los Angeles Metropolitan Transportation Authority (“MTA”) put on the November 2016 ballot. Measure M proposed a half-cent sales tax to support MTA services. Seven cities filed a pre-election challenge citing Elections Code § 13119 alleging ballot materials did not state the amount to be raised annually nor accurately state its rate and duration. The MTA argued § 13119 applied only to initiatives—not measures a legislative body places on the ballot. The trial court agreed.

The Howard Jarvis Taxpayers Association sponsored AB 195 to extend § 13119 to tax measures placed on the ballot by local governments. Its requirements also apply to measures to approve bonds or other debt. AB 195 also mandates a ballot statement be an “impartial synopsis of the purpose of the proposed measure, and shall be in language that is neither argumentative nor likely to create prejudice for or against the measure.”

The new requirements apply to measures proposed by general law and charter cities, general law and charter counties, and special districts, including school districts. While there might be an argument charter cities are beyond the Legislature’s reach, most charter cities adopt the Elections Code by reference and others must confront the Legislature’s declaration that § 13119 serves a statewide purpose.

Local governments placing revenue measures on the ballot should be careful to include in ballot books

statements specifying the annual revenue expected from proposals and to state the rate and duration of taxes. The more difficult task may be to ensure the ballot statement is impartial, arguing neither for nor against the measure.

No doubt those opposed to local tax measures will continue to look to the courts to edit ballot language to which they object and such suits may become more common. Careful drafting and legal review are therefore essential.

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

SDCWA v. Met (cont.)

service the defendant district did not provide (groundwater management). The Court did not decide whether Met “imposes” its rates on San Diego so as to trigger Prop. 26 at all, finding the rates satisfy Prop. 26.

The Court also found SDCWA could challenge a plainly unconstitutional condition Met imposed on its receipt of water transport service because:

- (i) the rule that federal courts will not entertain claims between a subordinate government and its state is not applicable because Met and SDCWA are peers — neither is the State;
- (ii) local governments have First Amendment rights;
- (iii) the rule that local governments cannot seek due process in court does not bar them from petitioning for redress of unlawful acts.

So the partial win for San Diego is a helpful case for rate-makers. Further developments are coming soon, so stayed tuned!

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

Inclusionary Rental Housing Ordinances are Back

By Aleks R. Giragosian

On September 29, 2017, Governor Jerry Brown signed Assembly Bill 1505 (Bloom, D-Sta. Monica) — part of the Legislature’s 15-bill affordable housing package. AB 1505 authorizes inclusionary housing ordinances that require rental housing. An inclusionary housing ordinance requires developers of market-rate housing to include a percentage of affordable units in their projects to mitigate the affordable housing demand their developments stimulate. The statute overturns a 2009 decision limiting inclusionary ordinances to ownership housing.

Palmer/Sixth Street Properties, L.P. v. City of Los Angeles (2009) held inclusionary housing ordinances for rental housing to be preempted by the Costa-Hawkins Rental Housing Act, California’s vacancy-decontrol rent control law. The Court concluded forcing a developer “to provide affordable housing units at regulated rents in order to obtain project approval is clearly hostile to the right afforded under the Costa-Hawkins Act to establish the initial rental rate for a dwelling or unit.” Since *Palmer*, many cities have repealed inclusionary rental housing ordinances or declined to enforce them.

AB 1505 overrules *Palmer*. Effective January 1, 2018, cities and counties may adopt inclusionary rental housing ordinances and specify the required percentage of new, affordable rental units. There is no statutory limit on the percentage of affordable units a jurisdiction may require, but ordinances must provide an alternative method of compliance, such as in-lieu fees, land dedication, offsite construction, and/or acquisition and rehabilitation of existing housing. The federal Constitution sets an upper limit on inclusionary requirements, too.

To prevent inclusionary rental housing ordinances from stifling development, AB 1505 authorizes the Department of Housing and Community Development (“HCD”) to review ordinances (1) adopted or amended after September 15, 2017, (2) requiring more than 15% low-income units, and (3) in a city or county that met less than

75% of its regional housing need, measured over at least a five-year period, or has failed to submit its annual housing element report to HCD for two consecutive years. HCD may require a city or county to prove its ordinance does not unduly constrain housing production. If it cannot, HCD may limit application of the ordinance or cap the required percentage of affordable units.

An inclusionary housing ordinance is an important tool to attract workers, diversify neighborhoods, and satisfy regional housing needs. It remains to be seen how AB 1505 and the 14 other new housing laws will affect cities’ and counties’ ability to promote affordable housing.

For more information on this subject, contact Aleks at AGiragosian@chwlaw.us or (213) 542-5734.

CHW Welcomes Four!

CHW welcomes four lawyers to our Pasadena office.

John L. Jones, II is a 14-year attorney with his law degree from Yale who also graduated *summa cum laude* from Creighton University with a math degree. He will be a welcome addition to our rate-making and municipal litigation practices and will establish our bankruptcy and creditors’ rights practice.

Andrew C. Rawcliffe is a graduate of Boston University and Southwestern University School of Law who brings us nine years’ municipal litigation experience. He comes to us from the Glendale City Attorney’s office and is already knee-deep in an inverse condemnation trial; rate-making; Political Reform Act litigation; and marijuana enforcement.

Lindsey F. Zwicker has seven year’s municipal advisory experience, advising cities, counties and special districts in a wide range of legal areas. She will have a mix of litigation and advisory assignments. She has her degrees from UC Santa Barbara and UCLA Law School.

Nikhil S. Damle is a fourth-year litigator and joins us from an Orange County firm that represents local governments. He previously litigated misdemeanors for the Los Angeles City Attorney’s Office and has more trial experience than typical for lawyers of his tenure. He has his degrees from UC Irvine and the University of Arizona College of Law.



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

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2018 Events Calendar

JANUARY

- 17-19 League New Mayor & Council Academy (Sacramento)
- 19 **CALAFCO Legislative Committee** (San Diego)
- 22 **CALAFCO U (Sacramento) Legislation Implementation & Transparency**
- 24-26 CA Assn. of Sanitation Agencies Conference (Palm Springs)

FEBRUARY

- 16 **CALAFCO Legislative Committee** (Sacramento)
- 23 **CALAFCO Board of Directors Meeting** (San Diego)

MARCH

- 14 Assn. of CA Water Agencies Legislative Symposium (Sacramento)
- 15-18 Local Government Commission Ahwahnee Conference (Yosemite)
- 16 **CALAFCO Legislative Committee** (Irvine)

APRIL

- 11-13 **CALAFCO Staff Workshop (San Rafael)**
- 11-13 Fire District Assn. Annual Meeting (Monterey)
- 18 League of Cities Legislative Day (Sacramento)

MAY

- 4 **CALAFCO Legislative Committee** (Sacramento)
- 11 **CALAFCO Board of Directors Meeting** (Sacramento)
- 8-11 Assn. of CA Water Agencies Conference (Sacramento)
- 16-17 CA State Assn. of Counties Legislative Days (Sacramento)
- 22-23 CA Special Districts Assn. Legislative Days (Sacramento)

JUNE

- 8 **CALAFCO Legislative Committee** (Conference call)
- 27-28 League Mayor & Council Executive Forum (Monterey)

JULY

- 20 **CALAFCO Board of Directors Meeting** (Ontario)
- 27 **CALAFCO Legislative Committee** (Conference call)

AUGUST

- 8-10 CA Assn. of Sanitation Agencies Annual Conference (Monterey)
- 17 **CALAFCO Legislative Committee** (Conference call)

SEPTEMBER

- 12-14 League Annual Conference (Long Beach)
- 19-21 Regional Council of Rural Counties Annual Conference (Napa)
- 24-27 CA Special Districts Assn. Annual Conference (Indian Wells)

OCTOBER

- 3-5 **CALAFCO Annual Conference** (Yosemite)
- 4 **CALAFCO Annual Business Meeting** (Yosemite)
- 5 **CALAFCO Board of Directors Meeting** (Yosemite)
- 26 **CALAFCO Legislative Committee (2019)** (Conference call)

NOVEMBER

- 9 **CALAFCO Legislative Committee (2019)** (Sacramento)
- 27-30 CA State Assn. of Counties Annual Conference (San Diego)
- 27-30 Assn. of CA Water Agencies Conference (San Diego)

DECEMBER

- 7 **CALAFCO Board of Directors Meeting** (Sacramento)

Sharing Information and Resources

CALIFORNIA ASSOCIATION OF
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COMMISSIONS

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916-442-6536

Public Hearings 8.

LAFCO

Meeting Date: 02/22/2018

Information

SUBJECT

Consider approval of Resolution 2018-01 adopting the Municipal Service Review (MSR) for the Yolo County Reclamation Districts/Local Maintaining Agencies and approving the Sphere of Influence Update for Reclamation District 537 (LAFCo No. S-046)

RECOMMENDED ACTION

Please see the attached staff report and materials.

Attachments

[ATT 1-Feb 22, 2018 LAFCo Staff Report](#)

[ATT 2-Draft Resolution 2018-01](#)

[ATT 3-Correspondence](#)

[ATT 4-Feb 7, 2018 Site Visit Pictures](#)

[ATT 5-Feb 1, 2018 DWR Meeting Summary](#)

[ATT 6-Dec 7, 2017 LAFCo Staff Report](#)

[ATT 7-Errata Draft MSR/SOI Update *Includes City's Cost Analysis](#)

Form Review

Inbox

Christine Crawford (Originator)

Form Started By: Christine Crawford

Final Approval Date: 02/14/2018

Reviewed By

Christine Crawford

Date

02/14/2018 03:10 PM

Started On: 02/14/2018 03:05 PM

SUBJECT

Consider approval of Resolution 2018-01 adopting the Municipal Service Review (MSR) for the Yolo County Reclamation Districts/Local Maintaining Agencies and approving the Sphere of Influence Update for Reclamation District 537 (LAFCo No. S-049)

RECOMMENDED ACTION

1. Open the Public Hearing to receive staff presentation and public comment on the Reclamation Districts/Local Maintaining Agencies Municipal Service Review/Sphere of Influence Update.
2. Close the Public Hearing.
3. Consider the information presented in the staff report and during the Public Hearing. Discuss and direct staff to make any necessary changes.
4. Approve Resolution 2018-01 adopting the Municipal Service Review (MSR) for the Yolo County Reclamation Districts/Local Maintaining Agencies and approving the Sphere of Influence Update for Reclamation District 537.

FISCAL IMPACT

No fiscal impact. The LAFCo budget included staff costs to complete the MSR in-house.

REASONS FOR RECOMMENDED ACTION

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) is LAFCo's governing law and outlines the requirements for preparing periodic Municipal Service Reviews (MSRs) and Sphere of Influence (SOI) updates. MSRs and SOIs are tools created to empower LAFCo to satisfy its legislative charge of "discouraging urban sprawl, preserving open space and prime agricultural lands, efficiently providing government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances."

An MSR is conducted prior to, or in conjunction with, the update of an SOI. LAFCos are required to review an agency's SOI every five years. An MSR evaluates the structure and operations of agency services and includes a discussion of the capability and capacity of the agency to ensure the provision of municipal services to the existing service area and any future growth of the agency's boundaries. The SOI indicates the probable future physical boundaries and service area of an agency and lays the groundwork for potential future annexations. Yolo LAFCo staff utilizes a checklist format for MSRs that allows staff to streamline the assessment of each agency's municipal services. Based on the findings of the MSR checklist staff can recommend whether a SOI update is warranted. Staff conducted an MSR for the 16 Reclamation Districts/Local Maintaining Agencies in Yolo County, and recommends an update to the Sphere of Influence for Reclamation District 537.

BACKGROUND

December 7, 2017 Meeting

LAFCo staff have been working on this MSR for several years. One of the state-mandated determinations for MSRs is "accountability for community service needs, including governmental structure and operational efficiencies" (Government Code Section 56430). Therefore, LAFCo is required to make a determination regarding district governance and making recommendations to that end.

As staff engaged with the districts regarding governance, it became readily apparent that any recommended changes could have potentially significant ramifications and would, understandably, be controversial. Therefore, staff scheduled a discussion item on the December

7, 2017 LAFCo agenda to provide an opportunity for the Commission to discuss and provide direction on governance issues in advance of the public hearing. The December 7, 2017 staff report is attached for reference (Attachment 6) and summarized below.

In response to Hurricane Katrina in 2005, the Department of Water Resources and the Central Valley Flood Board began working on the Central Valley Flood Protection Plan (CVFPP), which was adopted in 2012 and updated in 2017. The overarching goal of the CVFPP is to improve flood management. This idea of regional governance provides context to LAFCo's governance recommendations for the draft Municipal Service Review and Sphere of Influence Update (Attachment 7).

In 2014, the UC Davis Collaboration Center completed a Flood Governance Study to analyze and make recommendations on governance for the agencies in Yolo County with funding received from DWR. According to the Study, local 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.

Staff provided recommendations on governance for each of the five hydrologic basins in Yolo County based on the idea that some flood management activities would be better accomplished at the regional level, as discussed in the CVFPP and the UC Davis Flood Governance Study. The overall strategy/approach for LAFCo's recommendations is:

LAFCo recommends that 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.

Staff did not recommend any substantive changes in governance for the Clarksburg, North County/Knights Landing, Woodland/Conaway, and Elkhorn hydrologic basins. Staff recommended that the Clarksburg Basin and the North County/Knights Landing Basin actively participate in the Small Communities Feasibility Studies for their basins. For the Elkhorn Basin, staff recommended that the districts continue on the path to consolidation as currently being discussed.

For the West Sacramento Basin, staff recommended two governance options in the Draft MSR: 1) Reclamation District (RD) 900 and RD 537 could merge (either legally or functionally); or 2) the City of West Sacramento could consolidate services with RD 900 and RD 537 (southern portion), either as a merger or as a subsidiary district.

While no formal action was taken at the December 7, 2017 LAFCo meeting, the Commission did provide direction to staff regarding draft governance recommendations. The Commission generally concurred with staff's draft recommendations for the North County/Knights Landing Basin (RDs 108, 787, Knights Landing Ridge Drainage District, Sacramento River Westside Levee District, County Service Area #6, RD 730), the Woodland Conaway Basin (RD 2035), and the Clarksburg Basin (RDs 150, 307, 765, 999). For the Elkhorn Basin (RDs 537, 785, 827, 1600), while the Commission generally accepted staff's draft recommendations for this Basin, the

Commission asked staff to incorporate the potential for a new cross levy (associated with the rail relocation project) that would create a standalone basin for RD 1600.

The majority of the discussion at the December 7, 2017 meeting focused on the West Sacramento Basin. For the West Sacramento Basin (RDs 537, 900, DWR Maintenance Area #4, City of West Sacramento), the Commission directed staff to keep both options in the Draft MSR for now, and requested additional analysis regarding the cost if the City were to assume the RDs' responsibilities. Staff was asked to bring back additional information to inform a potential choice at the public hearing.

Draft Municipal Service Review/Sphere of Influence

Since the December 7th meeting, staff has incorporated Commission direction on governance as well as District comments on the administrative draft to the document. At the December meeting, the Commission generally concurred with the draft Municipal Service Review recommendations for each hydrologic basin so that is what is still reflected in the draft Municipal Service Review. The revised draft Municipal Service Review and Sphere of Influence Update was posted for public review on January 31, 2018.

Overarching/Common Issues

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

The MSR includes recommendations for each district related to necessary improvements detailed in the 2016 Department of Water Resources Inspection Report. Most of the districts have erosion sites that need to be repaired as well as vegetation that needs to be controlled to maintain visibility and access. Many of the districts also have rodent control issues.

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. The majority of these improvements do not have local funding sources identified. The MSR includes recommendations for the Districts to work with State and Federal Resources to identify funding for these projects.

In terms of transparency, most of the LMAs do not have a website. The California Special District Association has partnered with StreamlineWeb, which provides a fully hosted and supported website template designed especially for special districts for a monthly service fee that varies according to its annual revenue, ranging from \$600-\$1,200 per year. Staff included an MSR recommendation recommending the Districts consider websites.

Agency Specific Issues

The Municipal Service Review recommends that LAFCO initiate dissolution of the two inactive Reclamation Districts in Yolo County, RD 2076 and RD 2120, pursuant to Section 56879 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

Reclamation District 1600 does not appear to have sufficient reserves to cover unexpected events. Additionally, the assessment does not appear sufficient to maintain an acceptable level of service. The MSR includes 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.

Reclamation District 785 meets quarterly at their legal counsel's office in the City of Woodland at varied times. The varied date and time of the meetings may lead to uncertainty from the public about when meetings are held. The MSR recommends that the District consider adopting a regular meeting schedule for consistency and transparency purposes.

A few Districts, including RD 765 and RD 307, do not have formal audits prepared. 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. Additionally, audits and other financial documents should be provided to the public, if requested, consistent with state law, including Section 56386 of the Cortese-Knox-Hertzberg Act Local Government Reorganization Act of 2000.

Additional Information

The City of West Sacramento submitted a cost analysis performed by Economic & Planning Systems, Inc. (EPS) for potential consolidation as requested by the Commission, which was transmitted to RD 900 and RD 537 for review and included as an attachment to the Public Review Draft MSR/SOI. The analysis included a comparison between existing RD costs, projected costs if the City merged with the Districts, and projected costs if the RDs became subsidiary districts of the City. The analysis generally found that the City could likely provide the services at equal or lesser cost (additional discussion on cost is provided under the governance factors below).

LAFCo staff met with representatives from the California State Department of Water Resources on February 1, 2018 to discuss evolving State policy regarding LMA operations and maintenance responsibilities and regional governance for the State Plan of Flood Control, which includes most of Yolo county's levees. A meeting summary is included as Attachment 5. Key discussion points includes:

- Importance of checks and balances;
- Dedicated and sufficient funding source;
- Flood system maintenance as a priority;
- Consolidation of LMAs providing like services to efficiently pool and leverage funding and resources;
- Value of complementary services; and,
- Exposure to Liability.

On February 7, 2018, LAFCo staff conducted a site visit of RD 537, RD 900, and City of West Sacramento (old RD 811) drainage facilities and levees with Kenric Jameson, RD 900's General Manager. Staff also invited Jon O'Brian from the Yolo County Flood Control & Water Conservation District on the tour to provide an independent evaluation of maintenance of the facilities. Based on observations during the tour, it appears that RD 900, RD 537, and the City of West Sacramento are managing the drainage ditches adequately. All of the systems seemed to be sufficiently draining the water. Pictures from the site visit are included as Attachment 4.

West Sacramento Basin Governance

A map of the drainage infrastructure and existing governance of the West Sacramento Basin is illustrated below:



RD 537

City/Old RD 811

RD 900

Storm Drain overlay RD900 West Sacramento, Ca

● Deep Water Ship Channel	RD537	■ Storm Pump Station
● Sacramento River	RD811	----- Drainage basins
● Yolo Bypass	RD900	— Geospatial - Main line
	RD900 - Drain	— Schematic - Main line
	RD900 - Ditch	— Schematic - Flow Arrow

DATE: 11/15/2011 10:58:30 AM PROJECT: STORM DRAIN OVERLAY RD900 WEST SACRAMENTO, CA

Evaluating the MSR Recommendation Options

At the December 7, 2017 meeting, the Commission requested a matrix to evaluate the alternatives. Staff developed the list of factors below based on the Cortese-Knox-Hertzberg (CKH) Act, our MSR Checklist, and conversations with representatives from the RDs, the City, and DWR. There is a significant amount of subjective evaluation in this matrix and no two people would fill out the matrix the same. In addition, these factors should not be valued equally and simply scored in order to facilitate a decision. The intent is to help provide a framework for Commission discussion.

Governance Factors	MSR Options		
	1. RD-Led	2a. City-Led (RDs Dissolved & Merged into City)	2b. City-Led (RDs Remain as Subsidiary Districts)
Checks and Balances (built into governance structure)	■	□	☒
Cost (equal or lesser)	■	☒	☒
DWR Assurance Agreement (i.e. agreement with new maintaining agency would <u>not</u> be required)	■	□	■
Flood Maintenance as Agency Priority (and less competing priorities)	■	□	☒
Funding Is Dedicated (i.e. ability to transfer, borrow between accounts)	■	☒	■
Governance Efficiency (less layers of government & public confusion)	□	■	☒
Influence (less potential for influence on project decisions that may negatively affect flood infrastructure)	☒	□	☒
Level of Service	■	■	■
Liability Exposure Minimized	■	□	■
Multi Use of Flood Infrastructure (i.e. detention basins, levees, etc. as public amenity)	☒	■	■
Oversight (ease of ongoing oversight: financial, level of service, etc.)	■	□	■
Potential Effect on the WSAFCA JPA (and JPA governance)	■	☒	■
Public Accountability (i.e. transparency with audits, budgets, etc.)	■	■	■
Public Access and Representation (i.e. landowner versus public on board)	□	■	■
Quick Decision Making Ability in an Emergency	■	☒	☒
Staff Knowledge and Experience (and agency ability to build staff capacity)	■	☒	■

* Matrix Legend: ■ = fully meets criteria; ☒ = partially meets criteria; □ = does not meet criteria

The following is a discussion of the factors included in the matrix:

Checks and Balances: An RD-led governance model would retain the RDs' current independent board status, and therefore, would retain a "check and balance" separation from decisions made at the City Council. A merger would result in no separation as flood maintenance would presumably become a division under the City's public works department. With subsidiary districts, the City Council would act as the RD board but there would be some separation from other City

functions. The City Council would convene as the RD board separately from City Council items. Staff also notes there is a perception in the broader flood engineering community that land use decisions should be separated from flood improvement decisions, i.e. any land use driven levee design changes should be reviewed by a separate local maintaining agency before state approval.

Cost: The EPS study provided by the City indicates that, generally, all governance options would be at an equal or lesser cost than the existing governance. LAFCo staff has some residual questions regarding the study (i.e. cost of City liability insurance and assumptions that the City would only inherit 20% of the costs of RD 537), but the study would generally support a finding that public service costs would likely be less than or substantially similar under City governance. However, a response to the City's cost analysis has been provided by RD 900 (also on behalf of RD 537) that instead shows that costs would increase anywhere from 7% – 25% depending on how the City charges overhead and staff time. LAFCo does not make this finding until an actual reorganization is approved (i.e. at a later milestone in the process), so there would be additional time to study these costs more closely.

DWR Assurance Agreement: Regarding levee maintenance (as opposed to interior surface drainage services), the Sacramento Valley System is a state facility that the local agencies maintain for DWR. Therefore, an agreement is required to memorialize each party's responsibilities (RD 900's agreement is included in Attachment 3 for reference). The City would be required to obtain approval from the Central Valley Flood Protection Board (CVFPB) as a Local Maintaining Agency to maintain the levees. The City is certainly capable of obtaining this approval; this factor merely notes that this would be an additional process step.

Flood Maintenance as Agency Priority: The RDs are single purpose districts focused on flood protection. The City has adopted flood protection as a top priority, yet competing priorities are inherent in city government. It is unknown how the City would structure a subsidiary district (this information would be included in a LAFCo application "Plan for Services"). The matrix assumes that the subsidiary district would have staff solely dedicated to flood protection, yet with the City Council acting as its board, and the matrix reflects it partially meets this criterion.

Funding is Dedicated: The existing assessments and funding streams would continue under a new regional governance structure. Successor agencies do not require a new Proposition 218 process assuming the fee will be continued for the same service by the successor agency. The only reason the merger option received partial credit is to reflect concerns that monies can be borrowed between accounts within the City, while Option 1 or 2b keep the RDs intact so there would be more of an accounting barrier to isolate flood funding.

Governance Efficiency: This is simply intended to focus on less overlapping agencies in West Sacramento. This is not meant to address efficiencies within an agency.

Influence: This is similar to "checks and balances" and reflects the concern that, for example, a developer may be able to avoid the need for flood improvements more successfully at a City Council meeting (e.g. City of Houston recent floods) than with an RD board with a singular focus. In theory, this concern may be somewhat resolved by having the City Council convene as the RD board with that same singular focus. On the other hand, the RD-led governance does not fully comply with this factor either. As opposed to a rural setting, where the landowner board members tend to be farmers protecting their own land for agriculture, in an urban setting the landowner board members often have developer interests also.

Level of Service: Both RD 537, RD 900 and the City are all capable of providing an adequate level of service, although this would be an expanded service area for the City so it is somewhat of an unknown factor. Staff conducted a field visit of the interior surface drainage system for RD 537, RD 900, and the City (inherited from old RD 811) and while the City's drainage channel appeared to not have been maintained as recently, the drainage system would still function adequately during a storm event.

Liability Exposure Minimized: The RDs, as special districts, would shelter liability in the event of a catastrophic levee failure. The City currently obtains insurance coverage from the Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA), a risk pool for local agencies. YCPARMIA has indicated that it does not and will not cover inverse condemnation that would occur from a levee failure. The City has indicated that the insurance provided by the WSAFCA JPA covers member agencies from this risk. However, WSAFCA responded that the insured limit is \$1 million and only covers design and construction. In addition, the RDs have submitted a legal opinion (see Attachment 3) from Scott Shapiro, General Counsel for the California Central Valley Flood Control Association that indicates if the RDs are merged with the City, the City's general fund or other non-dedicated funds could be at risk. The matrix reflects the benefit the RDs can provide as a liability shelter. This is a key factor in the recommendation below.

Multi-Use of Flood Infrastructure: The DWR reports note that recreation is a legitimate use of flood infrastructure. The matrix reflects the City's concern that the RDs have not been cooperative enough regarding recreational uses of flood protection facilities (i.e. levees and detention basins).

Oversight: This factor reflects the potential benefit of keeping the RDs intact from a legal and accounting perspective. If the RDs remained (either as an independent special district #1 or a subsidiary district #2b), it would still provide reporting to the State Controller's Office and there would be a district in existence for LAFCo to review every five years. Obviously, the City is required to do audits and has high accounting standards, but the flood-related accounts are "rolled up" into larger public works account categories and the accounting detail needs to be requested.

Potential Effect on WSAFCA JPA: There are differing legal opinions on the effect of a merger or subsidiary district on the existing JPA, which member agencies include RD 537, RD 900 and the City of West Sacramento. The JPA is responsible for debt associated with levee improvements and it cannot be dissolved. RD 900 legal counsel indicates that the changes in organization being considered here would violate the terms of the JPA Agreement and the agreement would be terminated. However, the legal counsel for both the City of West Sacramento and LAFCo disagree with this opinion. Under Option 2b (subsidiary), the RDs would still exist so there would be no risk to the legal framework of the JPA, although the composition of the board would obviously change. Option 2a (merger) gets into more uncharted legal territory, but the JPA would likely remain under this scenario also. However, consolidation would certainly change the balance of decision making, which is a concern to the RDs. If the RDs became subsidiary districts to the City, the City Council would have all the board votes on the JPA and WSAFCA would effectively morph into a JPA similar to the many finance authorities currently in existence countywide, which is not necessarily a problem.

Public Accountability: Both the RDs and the City are accountable, however the City is more visible and obvious for the public to go to, which lends itself to accountability. Although as noted above, it's more difficult to see the budget details in larger organizations. As another factor, the affected public may have more access to members of the City Council, both because all voters are represented (as opposed to just landowners on an RD board), and because the public is more aware of the identity of their elected representatives on the City Council.

Public Access and Representation: This issue was raised by the City at the December 7, 2017 meeting. RDs are “landowner districts” per state law, meaning decisions are made by landowners and not voters. This made sense when RDs were created in the early 1900s to reclaim swampland for farming, and may still make sense in rural areas. However, in an urban setting, renters are excluded from the Board member selection process. In addition, the RDs have generally had their board members appointed by the Yolo County Board of Supervisors and not held elections (which is allowed per state law when a seat is not contested).

Quick Decision-Making Ability in an Emergency: Levees can fail without notice and can require shoring up within 12-48 hours. It is unknown what mechanisms the City would put into place to address this need, such as an emergency advisory body, but certainly it can. The matrix simply reflects that, in theory, smaller organizations can be nimbler than larger ones.

Staff Knowledge and Experience: The RD 900 and RD 537 staff exhibit a strong commitment to flood protection. The RDs have the staff knowledge of the system and some field personnel have over 25 years of service with the RD. It is unknown if the staff would find other employment or the City would hire RD staff in the event of a governance change. The matrix assumes that under a merger dissolved into the City that existing RD staff would not become City employees, and the City would need to build this capacity back up over time. The matrix assumes that under a subsidiary district, the existing staff could remain as RD employees and the only change would be replacing the RD board with the City Council. But this factor is largely unpredictable.

EXECUTIVE OFFICER RECOMMENDATION

Even though the Sacramento River System is a state facility, LAFCo is charged with making local decisions regarding governance. Legislative priorities and guidance is provided by Government Code Section 56001 (emphasis added) which states:

*“The Legislature recognizes that urban population densities and intensive residential, commercial, and industrial development necessitate a broad spectrum and high level of community services and controls. The Legislature also recognizes that when areas become urbanized to the extent that they need the full range of community services, priorities are required to be established regarding the type and levels of services that the residents of an urban community need and desire; that community service priorities be established by weighing the total community service needs against the total financial resources available for securing community services; and that those community service priorities are required to reflect local circumstances, conditions and limited financial resources. **The Legislature finds and declares that a single multipurpose governmental agency is accountable for community service needs and financial resources and, therefore, may be the best mechanism for establishing community service priorities especially in urban areas. Nonetheless, the Legislature recognizes the critical role of many limited purpose agencies, especially in rural communities. The Legislature also finds that, whether governmental services are proposed to be provided by a single-purpose agency, several agencies, or a multipurpose agency, responsibility should be given to the agency or agencies that can best provide government services.**”*

RD 537 and RD 900 provide an outstanding level of service to the community and express significant concern that the City of West Sacramento would not perform an equal or higher level

of service. There is also a concern that the City would have conflicting priorities and/or may not use the flood protection funds as originally intended.

Cities have been entrusted by the state constitution to provide a broad array of municipal services. A key question raised by this MSR is whether flood protection is so vital, and potential risks so catastrophic, that this service is better provided by a single purpose agency? The City of West Sacramento already provides some very technical and important services for its residents, that are of vital significance, such as: water and sewer treatment, fire prevention and police protection services. There does not appear to be a validated reason to question that the City could perform flood protection services as well, with time to build this capacity if needed. And there is inspection oversight by DWR to ensure that it does.

The reclamation district framework was established in the late 1800's to protect landowner farmer interests, and in staff's opinion, does not adequately represent the public in today's city setting. According to the 2010 US Census, approximately 59 percent (10,234) of West Sacramento homes were owner-occupied and 41 percent (7,187) were renter-occupied. And not surprisingly, the renters tend to be lower income overall than landowners. Therefore, it makes good governance sense to have the City Council -- elected by all residents -- act as the decision making body.

Regarding a full merger with the City (Option 2a) versus the RDs remaining as subsidiary districts (Option 2b), staff suggests maintaining the agencies as subsidiary districts addresses several potential issues as noted in the matrix above:

- No need to obtain new DWR assurance agreement;
- Assurance of dedicated funding;
- Liability shelter;
- Integrated multi-use benefits of flood infrastructure;
- Ongoing LAFCo MSR oversight;
- Assure no effects to the WSAFCA JPA; and
- Focused City Council decision making on flood issues (i.e. will need to meet separately acting as the RD 537 and RD 900 board).

Therefore, staff suggests that the MSR recommend the City portion of RD 537 and RD 900 become subsidiary districts to the City of West Sacramento. The draft MSR/SOI (Attachment 7) and resolution (Attachment 2) has been edited to reflect this recommendation, so if the Commission makes a different decision these documents will need to be revised.

AGENCY/PUBLIC INVOLVEMENT

LAFCo staff met with the staff and/or board of most of the reclamation districts/local maintaining agencies, sometimes on multiple occasions. A few districts provided information to LAFCo via email or phone call. LAFCo did not receive any response from Reclamation District 785. Each district was provided an opportunity to review and comment on the administrative draft report before it was made public.

A notice of availability of the Draft MSR/SOI was published in the West Sacramento News Ledger and Woodland Democrat and sent to all the affected agencies, which includes most in the county. LAFCo has received the following correspondence which is provided in Attachment 3:

1. Bill Kristoff, former West Sacramento City Council and LAFCo member , submitted a letter stating his concern that city government can lose focus when tasked with a wide array of priorities and responsibilities; and single purpose agencies, in this case the reclamation districts, are the most cost-effective and appropriate form of governance for the reduction of flood risk within the City of West Sacramento. His letter states that consolidation is a “solution without a problem” and finds the City’s assertion that it can provide an equal level of service for an equal or lesser cost “highly dubious”.
2. Kenric Jameson, Manager of RD 900 submitted an extensive comment letter (also on behalf of RD 537) noting that both districts are committed to implementing LAFCo’s basin-wide governance goal via a functional consolidation of the RDs and “stringently oppose” any consolidation or assumption of governance by the City. The letter notes that the overwhelming approval of Proposition 218 assessments in 2007 (passed with 70% of weighted ballots) and 2016 (passed by 57% of weighted ballots) indicates the strong public support of district services and the RDs track record of fiscal and operational accountability. As noted previously, the comment letter includes a rebuttal to the City’s cost analysis that asserts costs would actually increase anywhere between 7%-25% under City control. Regarding multi-use, the correspondence notes that all four WSAFCA levee improvement projects since 2006 include recreational features including the Riverwalk Promenade, pedestrian and cycling trails, interpretive signage and an ADA compliant river overlook. And due to the fact that the Sacramento River System is a state facility, the CVFPB needs to approve these design features and the RDs are not necessarily the limiting factor.

Any additional correspondence subsequent to this report will be provided to the Commission in a supplemental packet.

There have been edits to the MSR which have been formatted in added text and ~~deleted text~~ so it is clear what has changed as compared to the public review draft.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

The proposed Municipal Service Review and Sphere of Influence Update is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15061 (b)(3) of the California Code of Regulations, Title 14, Division 6, Chapter 3 (State CEQA Guidelines). 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) describes the General 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.”

Approval of the Municipal Service Review and Sphere of Influence Update does not approve any development project. No physical construction or activity is contemplated as a result of this action. 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 Municipal Service Review and Sphere of Influence Update would have a significant effect on the environment. Therefore, the project is exempt from CEQA under the General Rule and no further environmental review is necessary.

YOLO LOCAL AGENCY FORMATION COMMISSION

Resolution № 2018-01

Adopting the Municipal Service Review (MSR) for the Yolo Reclamation Districts/Local Maintaining Agencies and the Sphere of Influence Update for Reclamation District 537 (LAFCo No. S-049)

WHEREAS, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 governs the organization and reorganization of cities and special districts by local agency formation commissions established in each county, 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 local agency formation commission in each county shall develop and determine the sphere of influence of each local governmental agency within the county, and enact policies designed to promote the logical and orderly development of areas within the spheres of influence, as more fully specified in Sections 56425 et seq.; and,

WHEREAS, Section 56430 requires that local agency formation commissions conduct a municipal service review prior to, or in conjunction with, consideration of actions to establish or update a sphere of influence in accordance with Sections 56076 and 56425; and,

WHEREAS, beginning in 2015, the Yolo Local Agency Formation Commission (LAFCo) has been conducting a review of the municipal services and Spheres of Influence for the Yolo County Reclamation Districts/Local Maintaining Agencies; and,

WHEREAS, based on the results of the Municipal Service Review, staff has determined that a Sphere of Influence Update is needed for Reclamation District 537 only, which would increase the Sphere of Influence boundary to include the State Maintenance Area #4 (old RD 811 boundaries) area; and,

WHEREAS, at the December 7, 2017 LAFCo meeting, LAFCo reviewed and provided direction on the draft governance recommendations included in the administrative draft Municipal Service Review; and,

WHEREAS, staff has reviewed the Municipal Service Review pursuant to the California Environmental Quality Act (CEQA) and determined that the proposed Municipal Service Review and Sphere of Influence is exempt from CEQA pursuant to Section 15061 (b)(3) 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. 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 February 22, 2018 for consideration of the draft Municipal Service Review and caused notice thereof to be posted, published and mailed at the times and in the manner required by law at least twenty-one (21) days in advance of the date; and,

WHEREAS, on February 22, 2018, the draft Municipal Service Review was heard before LAFCo, at the time and place specified in the Notice of Public Hearing; and,

WHEREAS, at said hearing, LAFCo reviewed and considered the draft Municipal Service Review and Sphere of Influence Update, and the Executive Officer's Report and Recommendations; each of the policies, priorities and factors set forth in Government Code Sections 56430 et seq.; LAFCo's Guidelines and Methodology for the Preparation and Determination of Municipal Service Reviews and Spheres of Influences; and all other matters presented as prescribed by law; and,

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

WHEREAS, LAFCo received, heard, discussed, and considered all oral and written testimony related to the sphere update, including but not limited to protests and objections, the Executive Officer's report and recommendations, the environmental determinations, and the Municipal Service Review.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED that the Yolo Local Agency Formation Commission hereby:

1. Finds the proposed Municipal Service Review and Sphere of Influence Update exempt from the California Environmental Quality Act (CEQA) pursuant to the California Code of Regulations, Title 14, Division 6, Chapter 3 (State CEQA Guidelines) Section 15061 (b)(3); and,
2. Adopts Resolution 2018-01 approving the Municipal Service Review for the Yolo County Reclamation Districts/Local Maintaining Agencies and approving a Sphere of Influence Update for Reclamation District 537 as set forth in Exhibit A, attached hereto and incorporated herein by this reference, subject to the following finding and recommendations for each district:

FINDINGS

1. Finding: Approval of the Municipal Service Review and Sphere of Influence 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 a Municipal Service Review and Sphere of Influence Update and all applicable Yolo LAFCo policies and adopted Standards for Evaluation. The Municipal Service Review includes written determinations for each district as required by Section 56430 of the Cortese Knox Hertzberg Local Government Act. The new Sphere of Influence area is incorporated and part of the territory of the City of West Sacramento. The new area does not include any prime agricultural land. There are no social or economic communities of interest in this area. Therefore, the proposed Sphere of Influence will not induce any growth and will help promote more efficient services.

2. Finding: The proposed Municipal Service Review and Sphere of Influence Update is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15061 (b)(3) of the California Code of Regulations, Title 14, Division 6, Chapter 3 (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 General 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.”

Approval of the Municipal Service Review and Sphere of Influence Update does not approve any development project. No physical construction or activity is contemplated as a result of this action. 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 Municipal Service Review and Sphere of Influence Update would have a significant effect on the environment. Therefore, the project is exempt from CEQA under the General Rule and no further environmental review is necessary.

RECOMMENDATIONS

Reclamation District 150

- The District should work to improve the items detailed in the 2016 Department of Water Resources Inspection Report, including repairing erosion sites and working with landowners and the Central Valley Flood Plan Board to control unauthorized encroachments.
- The District should work to identify funding and complete the improvements detailed in the 2014 Regional Flood Management Plan and any future updates including estimated cost, design, permitting, and funding readiness, as well as benefits from the improvements.
- The District board should consider adopting 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.
- The District board should consider creating a website for the District for public transparency purposes. For a special district with an annual operating budget between \$50,000 - \$250,000 per year, the California Special Districts Association offers a website template through getstreamline.com for \$50 per month (if CSDA member, \$75 per month if not). This fee includes unlimited technical support and hosting services.

Reclamation District 307

- The District should work to improve the items detailed in the 2016 Department of Water Resources Inspection Report, including controlling vegetation to maintain visibility and access.

- The District should work to identify funding and complete the improvements detailed in the 2014 Regional Flood Management Plan and any future updates including estimated cost, design, permitting, and funding readiness, as well as benefits from the improvements.
- The District board should consider adopting 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.
- The District board should consider creating a website for the District for public transparency purposes. For a special district with an annual operating budget between \$15 - \$50,000 per year, the California Special Districts Association offers a website template through getstreamline.com for \$25 per month (if CSDA member, \$50 per month if not). This fee includes unlimited technical support and hosting services.
- Audits should be completed and provided to the State Controller's Office and the Yolo County Department of Financial Services as required by law. Additionally, audits and other financial documents should be provided to the public and LAFCo if requested consistent with state law, including Section 56386 of the Cortese-Knox-Hertzberg Act Local Government Reorganization Act of 2000.
- The District should consider the best methods to create a backup of computer files and determine a safe place to secure District records. It is common practice with small districts to keep its records in private homes, which makes the District records potentially vulnerable to damage, loss, or lack of access with board changes.
- Reclamation Districts 999, 307 and 765 should actively participate in the Small Communities Feasibility Study process for the Clarksburg Basin and implement any future recommendations from the Study. The Study should address and make a recommendation on governance to achieve the goal of providing a consistent level of maintenance and flood response across the Clarksburg Basin and have the districts function as one entity.

Reclamation District 537

- The District should work to enhance its rodent control program, as detailed in the 2016 Department of Water Resources Inspection Report.
- The District should work to complete the improvements detailed in the 2014 Regional Flood Management Plan and any future updates including estimated cost, design, permitting, and funding readiness, as well as benefits from the improvements.
- The District board should consider adopting 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.
- The District board should consider creating a website for the District for public transparency purposes. For a special district with an annual budget less between \$250,000 - \$500,000 per year, the California Special Districts Association offers a website

template through getstreamline.com for \$75 per month (if CSDA member, \$100 per month if not). This fee includes unlimited technical support and hosting services.

- Northern portion (Elkhorn Hydrologic Basin): Once the Lower Elkhorn Basin Levee Setback is approved by DWR and a commitment for ongoing funding received from SAFCA, Reclamation Districts, 827, 785, and 537 should consider adopting Resolutions of Application for consolidation and submit a proposal application to LAFCo as detailed in the Draft Project Management Plan for the Bryte Landfill Relocation and SAFCA Associated Actions in Support of the Lower Elkhorn Setback. This consolidation may not include RD 1600. There is an effort underway to possibly relocate the Sierra Northern rail line, which currently runs parallel to Interstate 5 through the Yolo Bypass. This relocation could potentially allow for the removal of the Fremont Trestle and the construction of a cross levee which could separate the Elkhorn basin into two hydrologic basins. Therefore, it may make sense for RD 1600 to remain as a standalone district.
- Southern portion (West Sacramento Basin): The City of West Sacramento has expressed a willingness to absorb RD 900 and RD 537 (the portion south of the weir) and consolidate services with the City either as a merger or a subsidiary district. LAFCo recommends RD 900 and RD 537 become subsidiary districts to the City. To approve such a consolidation, LAFCo would need to make a finding that the public service costs would likely be less than or substantially similar under City governance and that consolidation promotes public access and accountability for services. The Districts have expressed their opposition to being absorbed in any manner by the City and provided reasons for such opposition. The City should also take over responsibility for DWR Maintenance Area #4 levee maintenance and conduct an annual inspection of the Navigation Levee to confirm that the USACE maintenance is being conducted to the same standard as the rest of the basin and advocate (either on its own or through the JPA) for any needed improvements to achieve the goals of basin-wide governance. The City of West Sacramento has provided a Financial Analysis that compares existing costs to projected costs of City consolidation of services (merger and subsidiary district).

Reclamation District 730

- The District should create a capital improvement plan (CIP) to fund and replace pumps on an ongoing basis as needed and continue to work to build up the fund balance to pay for future equipment replacement.
- The District board should consider adopting additional policies for District operations and financial management including such topics as: travel and reimbursable expenses, operating procedures, safety, etc.
- The District board should consider creating a website for the District for public transparency purposes. The California Special Districts Association offers a website template through getstreamline.com for a reasonable monthly fee. This fee includes unlimited technical support and hosting services.
- The Knights Landing Basin districts and local maintaining agencies should actively participate in the Small Communities Feasibility Study process for the Knights Landing Basin and implement any future recommendations from the Study. The Study should address and make a recommendation on governance to achieve the goal of providing a

consistent level of maintenance and flood response across the Knights Landing Basin and have the districts function as one entity.

Reclamation District 765

- The District should work to improve the items detailed in the 2016 Department of Water Resources Inspection Report, including controlling vegetation to maintain visibility and access.
- The District should focus on vegetation and rodent control, seepage control, bank protection/erosion control, access road maintenance, and encroachment repairs and modifications as detailed in the 2014 Regional Flood Management Plan and any future updates.
- The District should 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.
- The District board should consider adopting 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.
- The District should fund the improvements detailed in the 2014 Regional Flood Management Plan.
- The District board should consider creating a website for the District for public transparency purposes. The California Special Districts Association offers a website template through getstreamline.com for a reasonable monthly fee. This fee includes unlimited technical support and hosting services.
- The District should ensure that audits are performed of the District's accounts and records as required by law, and provide any necessary documentation to the auditor. Yolo County should arrange for financial reviews of the District in accordance with Government Code Section 26909. An audit should occur annually, unless the District Board and Board of Supervisors authorize alternative financial reviews, with audits occurring no less frequently than every five years. The County Auditor should either conduct the audit, or contract with a public accountant to do so. If the Yolo County Department of Financial Services (DFS) determines that it does not have the resources to provide an audit, the County should solicit proposals from qualified CPAs or accounting firms to provide the audit and charge the District for the cost.
- Reclamation Districts 999, 307, and 765 should actively participate in the Small Communities Feasibility Study process for the Clarksburg Basin and implement any future recommendations from the Study. The Study should address and make a recommendation on governance to achieve the goal of providing a consistent level of maintenance and flood response across the Clarksburg Basin and have the districts function as one entity.

Reclamation District 785

- The District should work to improve the items detailed in the 2016 Department of Water Resources Inspection Report, including controlling vegetation to maintain visibility and access.
- The District should work to identify funding and complete the improvements detailed in the 2014 Regional Flood Management Plan and any future updates including estimated cost, design, permitting, and funding readiness, as well as benefits from the improvements.
- The District board should consider adopting 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.
- While there is support for consolidation of the three districts in Lower Elkhorn into one new large district, including RD 785, which would address long term funding issues, the District may need to consider approving a new assessment to maintain an adequate level of service and build up reserves for needed improvements if the proposed consolidation does not occur.
- The District should consider adopting a regular meeting schedule for consistency and transparency purposes.
- The District board should consider creating a website for the District for public transparency purposes. For a special district with an annual budget less between \$50,000 - \$250,000 per year, the California Special Districts Association offers a website template through getstreamline.com for \$50 per month (if CSDA member, \$75 per month if not). This fee includes unlimited technical support and hosting services.
- Once the Lower Elkhorn Basin Levee Setback is approved by DWR and a commitment for ongoing funding received from SAFCA, Reclamation Districts, 827, 785, and 537 should consider adopting Resolutions of Application for consolidation and submit a proposal application to LAFCo as detailed in the Draft Project Management Plan for the Bryte Landfill Relocation and SAFCA Associated Actions in Support of the Lower Elkhorn Setback. This consolidation may not include RD 1600. There is an effort underway to possibly relocate the Sierra Northern rail line, which currently runs parallel to Interstate 5 through the Yolo Bypass. This relocation could potentially allow for the removal of the Fremont Trestle and the construction of a cross levee which could separate the Elkhorn basin into two hydrologic basins. Therefore, it may make sense for RD 1600 to remain as a standalone district.

Reclamation District 787

- The District should work to improve the items detailed in the 2016 Department of Water Resources Inspection Report, including repairing erosion sites and controlling vegetation.
- The District board should consider creating a website for the District for public transparency purposes. For a special district with an annual operating budget between \$15 - \$50,000 per year, the California Special Districts Association offers a website

template through getstreamline.com for \$25 per month (if CSDA member, \$50 per month if not). This fee includes unlimited technical support and hosting services. Or, alternatively provide District information on the River Garden Farms website.

- The Knights Landing Basin districts and local maintaining agencies should actively participate in the Small Communities Feasibility Study process for the Knights Landing Basin and implement any future recommendations from the Study. The Study should address and make a recommendation on governance to achieve the goal of providing a consistent level of maintenance and flood response across the Knights Landing Basin and have the districts function as one entity.

Reclamation District 827

- The District should work to improve the items detailed in the 2016 Department of Water Resources Inspection Report, including controlling vegetation to maintain visibility and access.
- The District should work to identify funding and complete the improvements detailed in the 2014 Regional Flood Management Plan and any future updates including estimated cost, design, permitting, and funding readiness, as well as benefits from the improvements.
- The District board should consider adopting 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.
- The District board should consider creating a website for the District for public transparency purposes. For a special district with an annual budget less between \$50,000 - \$250,000 per year, the California Special Districts Association offers a website template through getstreamline.com for \$50 per month (if CSDA member, \$75 per month if not). This fee includes unlimited technical support and hosting services.
- Once the Lower Elkhorn Basin Levee Setback is approved by DWR and a commitment for ongoing funding received from SAFCA, Reclamation Districts 1600, 827, 785, and 537 should consider adopting Resolutions of Application for consolidation and submit a proposal application to LAFCo as detailed in the Draft Project Management Plan for the Bryte Landfill Relocation and SAFCA Associated Actions in Support of the Lower Elkhorn Setback. As discussed in the Elkhorn Basin Draft Governance Study, there is also an alternative being considered to consolidate only RDs 827, 785, and 537. There is an effort underway to possibly relocate the Sierra Northern rail line, which currently runs parallel to Interstate 5 through the Yolo Bypass. This relocation could potentially allow for the removal of the Fremont Trestle and the construction of a cross levee which could separate the Elkhorn basin into two hydrologic basins. If this occurs, it may make sense for RD 1600 to remain as a standalone district.

Reclamation District 900

- The District should work with WSAFCA to complete the improvements detailed in the 2014 Regional Flood Management Plan and any future updates including estimated cost, design, permitting, and funding readiness, as well as benefits from the improvements.
- The District board should consider adopting policies for District operations and financial management including such topics as: purchasing and contracting, etc.
- The District should adopt a plan to make sure it funds OPEB obligation in the future.
- The City of West Sacramento has expressed a willingness to absorb RD 900 and RD 537 (the portion south of the weir) and consolidate services with the City either as a merger or a subsidiary district. LAFCo recommends RD 900 and RD 537 become subsidiary districts to the City. To approve such a consolidation, LAFCo would need to make a finding that the public service costs would likely be less than or substantially similar under City governance and that consolidation promotes public access and accountability for services. The Districts have expressed their opposition to being absorbed in any manner by the City and provided reasons for such opposition. The City should also take over responsibility for DWR Maintenance Area #4 levee maintenance and conduct an annual inspection of the Navigation Levee to confirm that the USACE maintenance is being conducted to the same standard as the rest of the basin and advocate (either on its own or through the JPA) for any needed improvements to achieve the goals of basin-wide governance. The City of West Sacramento has provided a Financial Analysis that compares existing costs to projected costs of City consolidation of services (merger and subsidiary district).

Reclamation District 999

- The District should work to improve the items detailed in the 2016 Department of Water Resources Inspection Report, including repairing erosion sites and working with landowners and the Central Valley Flood Plan Board to control unauthorized encroachments.
- The District should work to identify funding and complete the improvements detailed in the 2014 Regional Flood Management Plan and any future updates including estimated cost, design, permitting, and funding readiness, as well as benefits from the improvements.
- The District should 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.
- The District board should consider adopting 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.
- The District should work to identify funding for the improvements detailed in the 2014 Regional Flood Management Plan.

- Audits should be completed and provided to the State Controller's Office and the Yolo County Director of Financial Services as required by law. Additionally, audits and other financial documents should be provided to the public and LAFCo if requested consistent with state law, including Section 56386 of the Cortese-Knox-Hertzberg Act Local Government Reorganization Act of 2000.
- While the District does maintain a website, the District should consider providing additional financial information to the public on the website including audits and adopted budgets.
- Reclamation Districts 999, 307 and 765 should actively participate in the Small Communities Feasibility Study process for the Clarksburg Basin and implement any future recommendations from the Study. The Study should address and make a recommendation on governance to achieve the goal of providing a consistent level of maintenance and flood response across the Clarksburg Basin and have the districts function as one entity.

Reclamation District 1600

- The District should work to improve the items detailed in the 2016 Department of Water Resources Inspection Report, including repairing erosion sites and controlling vegetation to maintain visibility and access.
- The District should work to identify funding and complete the improvements detailed in the 2014 Regional Flood Management Plan and any future updates including estimated cost, design, permitting, and funding readiness, as well as benefits from the improvements.
- The District should consider approving a new assessment to maintain an adequate level of service and build up reserves for needed improvements.
- The District board should consider adopting 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.
- The District board should consider creating a website for the District for public transparency purposes. For a special district with an annual budget less between \$50,000 - \$250,000 per year, the California Special Districts Association offers a website template through getstreamline.com for \$50 per month (if CSDA member, \$75 per month if not). This fee includes unlimited technical support and hosting services.
- Once the Lower Elkhorn Basin Levee Setback is approved by DWR and a commitment for ongoing funding received from SAFCA, Reclamation Districts, 827, 785, and 537 should consider adopting Resolutions of Application for consolidation and submit a proposal application to LAFCo as detailed in the Draft Project Management Plan for the Bryte Landfill Relocation and SAFCA Associated Actions in Support of the Lower Elkhorn Setback. This consolidation may not include RD 1600. There is an effort underway to possibly relocate the Sierra Northern rail line, which currently runs parallel to Interstate 5 through the Yolo Bypass. This relocation could potentially allow for the removal of the Fremont Trestle and the construction of a cross levee which could separate the Elkhorn

basin into two hydrologic basins. Therefore, it may make sense for RD 1600 to remain as a standalone district.

Reclamation District 2035

- The District should work to repair erosion sites, as detailed in the 2016 Department of Water Resources Inspection Report.
- The District should work to identify funding and complete the improvements detailed in the 2014 Regional Flood Management Plan and any future updates including the Willow Slough Bypass Stability Project.
- The District board should consider creating a website for the District for public transparency purposes. For a special district with an annual budget less between \$1,000,000 - \$5,000,000 per year, the California Special Districts Association offers a website template through getstreamline.com for \$200 per month (if CSDA member, \$300 per month if not). This fee includes unlimited technical support and hosting services.
- RD 2035 is central to the discussions around expansion and improvement of the Yolo Bypass and the District should continue to be involved with the regional dialogue.

County Service Area #6

- The CSA should work to improve the items detailed in the 2016 Department of Water Resources Inspection Report, including repairing erosion sites and controlling vegetation to maintain visibility and access.

The CSA should work to find funding and complete the improvements detailed in the 2014 Regional Flood Management Plan and any future updates including estimated cost, design, permitting, and funding readiness, as well as benefits from the improvements.

- The District should work to identify funding for the improvements detailed in the 2014 Regional Flood Management Plan, fund ongoing operations and maintenance and build up a reserve.
- The Knights Landing Basin districts and local maintaining agencies should actively participate in the Small Communities Feasibility Study process for the Knights Landing Basin and implement any future recommendations from the Study. The Study should address and make a recommendation on governance to achieve the goal of providing a consistent level of maintenance and flood response across the Knights Landing Basin and have the districts function as one entity.

Knights Landing Ridge Drainage District

- The District should work to improve the items detailed in the 2016 Department of Water Resources Inspection Report, including repairing erosion sites and controlling vegetation to maintain visibility and access.

- The District should work to complete the improvements detailed in the 2014 Regional Flood Management Plan and any future updates including estimated cost, design, permitting, and funding readiness, as well as benefits from the improvements.
- The District board should consider adopting additional policies for District operations and financial management including such topics as: travel and reimbursable expenses, operating procedures, safety, etc.
- While the District does maintain a website, the District should consider providing additional financial information to the public on the website including audits and adopted budgets.
- The Knights Landing Basin districts and local maintaining agencies should actively participate in the Small Communities Feasibility Study process for the Knights Landing Basin and implement any future recommendations from the Study. The Study should address and make a recommendation on governance to achieve the goal of providing a consistent level of maintenance and flood response across the Knights Landing Basin and have the districts function as one entity.

Reclamation District 2076

- LAFCo should initiate dissolution of the inactive District 2076 pursuant to Section 56879 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

Reclamation District 2120

- LAFCo should initiate dissolution of the inactive District 2120 pursuant to Section 56879 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

PASSED AND ADOPTED by the Local Agency Formation Commission, County of Yolo, State of California, this 22nd day of February, 2018, by the following vote:

Ayes:
 Noes:
 Abstentions:
 Absent:

Olin Woods, Chair
 Yolo Local Agency Formation Commission

Attest:

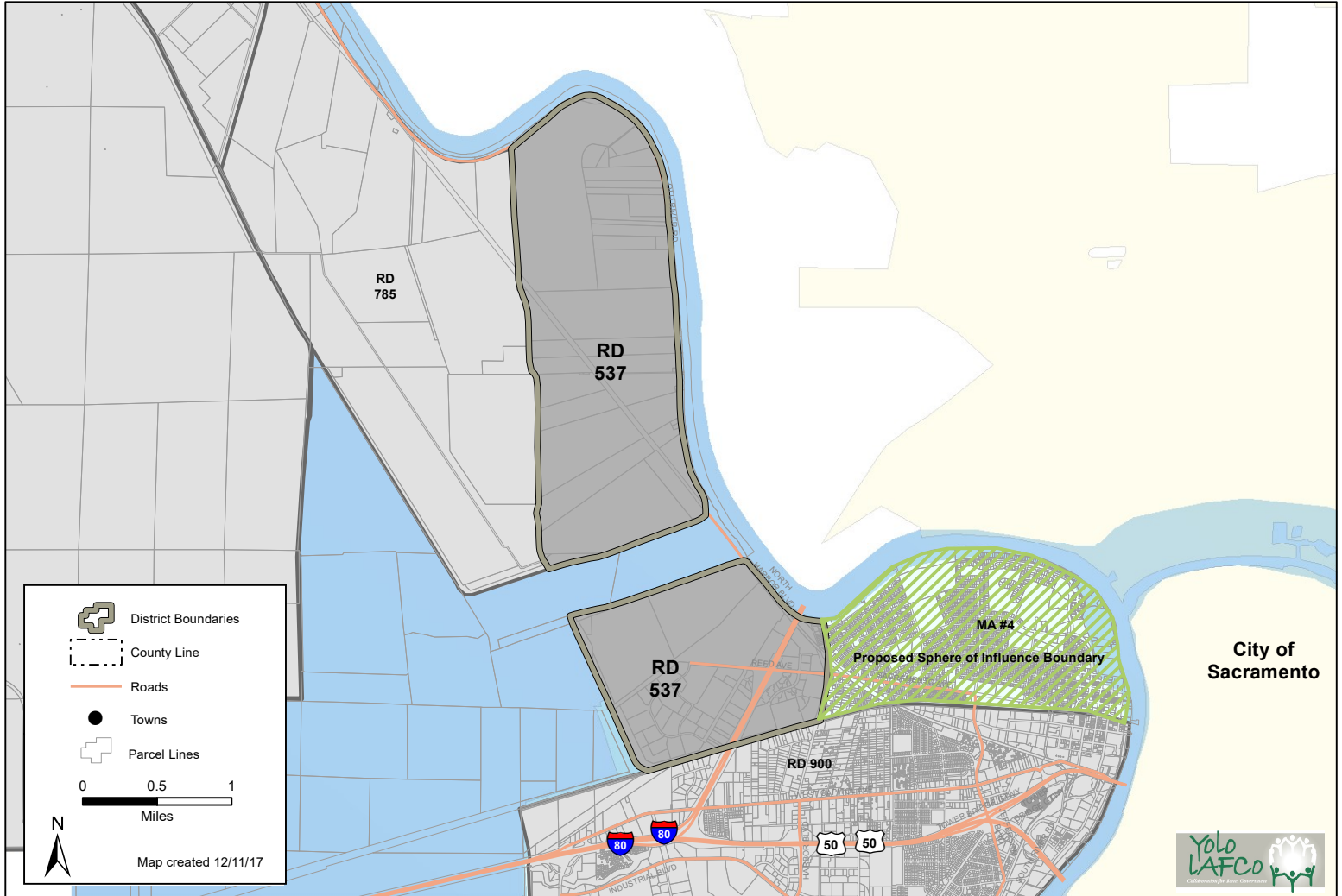
Christine Crawford, Executive Officer
 Yolo Local Agency Formation Commission

Approved as to form:

Eric May, Commission Counsel

Exhibit A

Reclamation District 537 Boundary and Sphere of Influence



Adopted by Yolo LAFCO on February 22, 2018

William G. Kristoff
West Sacramento City Council Member
1987-2016

February 5, 2018

Yolo County Local Agency Formation Commission
Attn: Christine Crawford, Executive Officer
625 Court Street, Suite 203
Woodland, CA 95695

Re: *Yolo LAFCo MSR Governance Recommendations for the West Sacramento Basin*

Dear LAFCo Commissioners,

I served on the West Sacramento City Council for 30 years until my retirement in November of 2016. I also served as the City representative on the West Sacramento Area Flood Control Agency (WSAFCA) from its creation in 1994 until my retirement from the City Council. During that time I worked closely with Reclamation Districts 900 and 537 and am intimately familiar with the operations of all four organizations. It is important to note that the formation of WSAFCA was due to the tireless work of Ken Ruzich, then manager of RD 900. He successfully pushed the United States Army Corps of Engineers to make significant repairs to the West Sacramento levee system following the near overtopping of the Yolo Bypass east levee during 1987's high water event. It is a credit to the reclamation districts and their specialized staff that the City of West Sacramento has never had a catastrophic levee failure.

The current approach to managing levee operations and maintenance and reducing flood risk within the City boundaries has and continues to work well. As such, I am disheartened to learn that the City is attempting to take over the critical functions, including financial management, of the reclamation districts. While the City of West Sacramento has consistently ranked flood control as one of its top priorities, it has never had the burden of prioritizing funding for that purpose in the face of competing interests such as roads, recreation and economic development. City government can lose focus when tasked with such a wide array of priorities and responsibilities. This is a greater risk during periods of drought when flooding is the furthest thing from the public's mind, and when funds dedicated to levee operation and maintenance and drainage are most vulnerable to diversion for other purposes.

Single purpose agencies – in this case reclamation districts -- are the most cost-effective and appropriate form of governance for the reduction of flood risk within the City of West Sacramento. Reasons include, but are not limited, to the following:

- In terms of public accountability, a single purpose agency is most transparent, as its funds can only be directed to the agency's sole mission and purpose. This is critical because property owners are paying significant assessments for services and must trust those

- funds are being spent as promised. It's important to note that the districts are fully funded and debt free; however, this makes them a more vulnerable target for acquisition.
- The standards and regulations for levee operations and maintenance have increased tenfold in the past decade alone. Compliance with those regulations requires levee operation and maintenance specialists, not public works generalists who will have competing priorities in their typical work day.
 - Since 2006, the State has made a concerted effort to shift liability for flood system failures to local maintaining agencies. In that sense, reclamation districts provide a shield of liability for the City in terms of operations and maintenance of the flood control facilities. It is hard to understand why the City would want to assume this increased liability and put its general fund at risk.
 - Single purpose agencies are best positioned to be nimble and responsive during emergencies, as was demonstrated by RDs 900 and 537 during this past year's storm events.
 - The reclamation districts provide the safest checks and balances for permitting of encroachments. This function relies on a separation of powers between the land use agency and the permitting agency. Otherwise, boundaries may be crossed in the face of competing interests, such as development.

Most concerning is that the City's bid to take over the reclamation districts appears to be a solution without a problem. Absorption of the agencies should not be done just for the sake of doing something different. Levee operations and maintenance is not like the acquisition of parks or library services, as has been suggested. The risks of poorly maintained and underfunded flood control systems carry potentially catastrophic consequences to lives, property and the City's coffers. Lastly, I find highly dubious the City's assertion that it can provide an equal level of service for an equal or lesser cost.

I encourage the LAFCo Board to recommend that the districts investigate cost and operational efficiencies through consolidation of services and assumption of Maintenance Area 4. Having a single purpose and skilled team of professionals that focus solely on the proper maintenance and inspection of the levees that surround our City is vital. It is the primary reason I can sleep at night when our levees are being tested, as they were in 2017.

Thank you for the work you do on behalf of Yolo County residents and for your consideration of my comments.

Sincerely,

A handwritten signature in blue ink that reads "Bill Kristoff". The signature is written in a cursive, flowing style.

Bill Kristoff



RECLAMATION DISTRICT 900

Post Office Box 673

West Sacramento, CA 95691

PH: (916) 371-1483 • email: wsrd@pacbell.net

February 13, 2018

Yolo County Local Agency Formation Commission
Attn: Christine Crawford, Executive Officer
625 Court Street, Suite 203
Woodland, CA 95695

LAFCo Commissioners:

Reclamation Districts 900 and 537 (the RDs) appreciate the opportunity to provide formal input on Yolo County LAFCo's "*Combined Municipal Service Review (MSR) And Sphere Of Influence Study (SOI) of the 16 Reclamation Districts / Local Maintaining Agencies in Yolo County.*" We respectfully request the LAFCo Board considers this letter and the enclosed documents as it weighs recommendations that have significant implications for flood risk management policy, governance and public safety in West Sacramento.

We are committed to honoring LAFCo's stated study goal to "*provide for a uniform level of operation and maintenance so that the protected area is not a risk due to inconsistent maintenance or flood fight response capabilities.*" Toward that end, we fully support a functional consolidation of the RDs, evaluating the assumption of DWR MA 4, and formalizing an agreement with the US Army Corps of Engineers (USACE) for the routine inspection of the Navigation Levee. It's worth noting that despite known deficiencies in the levees surrounding the City, the RDs through their vigilance have never allowed a levee failure. As specialized districts, the RDs have the expertise and experience necessary to best ensure the proper operations and maintenance of flood management facilities.

As such, we are stringently opposed to any form of consolidation with or assumption of governance by the City of West Sacramento. In relation to LAFCo's standards for evaluating consolidations, the City cannot provide the same or better level of service than the RDs for equal or lesser cost. In addition, assumption of governance by the City will not increase public access and/or accountability to any practical or beneficial extent. Of special concern is the fact that a takeover of the RDs' operations – even if only by Council governance – would expose the City to liability for any flood damages in the event of a levee failure.

On the first point, the RDs' budget analysis estimates that the cost to perform the current duties for the RDs would increase by 7 percent year (\$236,000) at best, and as much as 25 percent per year (\$796,000). The finding was based on a study of actual administrative charges by the City to the Port of West Sacramento and the West Sacramento Area Flood Control Agency (WSAFCA) and is based on publicly available documents. The analysis is conservative and doesn't factor in rising, unsustainable CalPERS costs, or standby charges Public Works employees are entitled to as part of their Union MOU to which the City is subject. These unnecessary cost increases would overshadow

any avoided costs and inevitably divert revenues from planned capital projects, adding to deferred maintenance and pushing out project implementation. In addition, such increases would be contrary to commitments made to property owners about how assessment revenues will be used to improve and maintain facilities and operations.

On the second point, an assumption of the RDs' business in any form by the City will not increase public access or accountability. The RDs' boards represent property owners – both residential and business – within their respective boundaries. Board members are elected by property owners and must own property within the district, or be designated representatives of a property owner, to be eligible for election. Meetings are publicly noticed and open to all parties. Board members and staff participate in community civic and business activities and are readily accessible to property owners.

In terms of liability, the RDs act as extensions of the Central Valley Flood Protection Board (CVFPB) by operating and maintaining the levees in accordance with standards established by the United States Army Corp of Engineers (USACE). Following settlement of the Paterno lawsuit, the State has assigned liability for flood damages to RDs and levee maintaining agencies through assurance and project funding agreements. In these cases, RDs shield cities and counties from liability stemming from levee failures. The RDs also provide a necessary system of checks and balances for land use agencies when reviewing encroachment permit applications. These are critical points to consider when determining governance models for the operations and maintenance of levee systems.

In terms of regional governance, it is largely due to RD 900's leadership that the WSAFCA was formed in 1994 to finance and construct desperately needed levee improvements. These ongoing and planned improvements extend outside the RDs' boundaries and provide flood risk reduction to all properties within the City. As the third member of WSAFCA, the City provides representation for all property owners who live outside the RDs' boundaries. In other words, all City residents are represented on the WSAFCA Board.

In summary, the RDs have a proven track record of fiscal and operational accountability, both with property owners who pay assessments for services, and state and federal agencies that regulate operations and maintenance of flood management facilities. In both cases, the RDs take very seriously their commitment to property owners to spend assessment revenues as promised, and only in support of their sole mission to reduce flood risk in the most cost effective and efficient manner possible. Our pledge to identify and implement functional/operational improvements to facilitate consistent maintenance practices and takeover of DWR MA 4 and inspection of the Navigation Levee is consistent with that mission. We look forward to reporting back to LAFCo on the success of these efforts.

Thank you for your time and attention to details on this critical matter.

Sincerely,



Kentic Jameson PG
Manager RD 900

DATE: February 13, 2018

TO: Reclamation District 900, Board of Trustees
Reclamation District 537, Board of Trustees

FROM: Kenric Jameson, PG, General Manager, Reclamation District 900

SUBJECT: Yolo Local Agency Formation Commission, Municipal Service Review of Local
Maintaining Agencies in Yolo County – Information for Consideration in Final Report.

1. PURPOSE & OVERVIEW

The Yolo Local Agency Formation Commission (Yolo LAFCo) is currently conducting a Municipal Service Review (MSR) of fourteen agencies that conduct levee maintenance in Yolo County. This MSR has been under development for several months and a public workshop on the topic was conducted during a regular meeting of the commission on December 7, 2017. Yolo LAFCo staff currently expect to present the Draft MSR with recommendations at a public hearing during a regular meeting of the commission scheduled for February 22, 2018.

As stated in Yolo LAFCo's Project Policies adopted on January 28, 2016, "The purpose of a Municipal Services Review (MSR) in general is to provide a comprehensive inventory and analysis of the services provided by local municipalities, service areas, and special districts. A MSR evaluates the structure and operation of the local municipalities, service areas, and special districts and discusses possible areas for improvement and coordination." One of the state-mandated determinations for MSRs is "accountability for community service needs, including governmental structure and operational efficiencies." Therefore, Yolo LAFCo is required to determine whether recommendations regarding improved governance are warranted.

The purpose of this memorandum is to present a summary of key issues for consideration by Yolo LAFCo in preparation of the Final MSR. Some of these issues were individually coordinated with Yolo LAFCo staff; however, this memorandum is intended to serve as a single source of information for the administrative record. A summary of key conclusions from this memorandum follows:

- Reclamation District (RD) 900 and RD 537 are specialized agencies with a mission to reduce flood risk and protect lives and livelihoods in the City of West Sacramento. This mission is established through a delegation of responsibility for levee operation and maintenance by the Central Valley Flood Protection Board (CVFPB). The CVFPB is party to a similar arrangement with the U.S. Army Corps of Engineers (USACE).
- RD 900 and RD 537 have a single and uncontested priority of levee inspection, operation, and maintenance in times of flood and drought. This focus is necessary to manage the level of risk associated with the complicated state-federal flood management system in the Central Valley.

Existing revenues are solely dedicated to this single priority without potential for distraction by competing interests and priorities.

- A review of public financial data prepared by the City of West Sacramento (City) for both the Port of West Sacramento and the West Sacramento Area Flood Control Agency (WSAFCA) indicates that the cost for the City to maintain the levees currently operated and maintained by RD 900 and RD 537 would increase by 7 to 25 percent depending on how the City charges for general support services and staff time. This corresponds to an annual cost increase of 236,000 to \$796,000 per year. Based on the current RD 900 capital improvement plan, an annual decrease of \$236,000 would result in the 30-year capital improvement plan taking 47 years to complete.
- RD 900 and RD 537 are subject to liability associated with inverse condemnation from a levee failure if efforts to operate, maintain, or flood fight are unreasonable or unsatisfactory. This liability would transfer to the City if it assumes governance of the RDs.
- RD 900 and RD 537 commit to investigating opportunities for consolidated operation to facilitate consistent maintenance practice. This includes an evaluation of the potential for incorporation of Maintenance Area (MA) 4 and more formalized coordination between the districts and the USACE for maintenance of the navigation levee.

2. ROLES & RESPONSIBILITIES

- 2.1. **STATE OF CALIFORNIA** - The CVFPB serves as the non-Federal sponsor to the USACE for many of the levees operated and maintained by the Local Maintaining Agencies (LMAs) in Yolo County. Levees for which the CVFPB serves as a non-Federal sponsor are often referred to as State Plan of Flood Control (SPFC) levees. Section 9110(f) of the California Water Code (CWC) defines the SPFC as follows:

“State Plan of Flood Control” means the state and federal flood control works, lands, programs, plans, policies, conditions, and mode of maintenance and operations of the Sacramento River Flood Control Project described in Section 8350, and of flood control projects in the Sacramento River and San Joaquin River watersheds authorized pursuant to Article 2 (commencing with Section 12648) of Chapter 2 of Part 6 of Division 6 for which the board or the department has provided the assurances of nonfederal cooperation to the United States, and those facilities identified in Section 8361.”

The CVFPB’s obligations as a non-Federal sponsor are outlined in a series of project cooperation agreements with USACE. One of the principal obligations included in these agreements is a commitment to operate and maintain the levees in accordance with standards established by USACE at no cost to the Federal government. Another key obligation is indemnification of the Federal government from damages associated with performance of the project. In many cases, the CVFPB has delegated these responsibilities for operation and maintenance as well as the liability associated with project performance to the LMAs through local cooperation agreements [Enclosure 1].

The CVFPB's obligations for operation and maintenance of these SPFC facilities are promulgated through both Federal and State regulations. Section 208.10 in Title 33 of the Code of Federal Regulations (CFR) outlines the requirements associated with the operation and maintenance of local flood protection works. Division 1 in Title 23 of the California Code of Regulations outlines the authority and responsibilities of the CVFPB based on both California Water Code and assurances provided to the Federal government.

- 2.2. **LOCAL MAINTAINING AGENCY** – Under CWC 8370, the State delegated the maintenance and operation of Project levees to LMAs. As such, each LMA acts as an extension of the CVFPB by fulfilling the State's commitment to operate and maintain the levees in accordance with standards established by USACE. This responsibility requires strict adherence to the operations and maintenance standards established by USACE and the CVFPB. It is important to note that LMAs have no authority to permit alterations of or encroachments to the SPFC levees. This authority resides with the CVFPB and, in many cases, USACE. LMAs must be consulted on encroachment permit applications, and they can endorse and request special conditions be added to a permit. However, there is nothing preventing an applicant from submitting a permit application directly to the CVFPB if an LMA delays or declines the permit application. This provides for effective "checks and balances" between applicants, the land use agencies, LMAs and the CVFPB. Both RD 537 and RD 900 have executed agreements with the State defining their responsibilities as levee operators and maintainers.
- 2.3. **WEST SACRAMENTO AREA FLOOD CONTROL AGENCY** - WSAFCA is a Joint Powers Authority (JPA) created in 1994 through a Joint Exercise of Powers Agreement by the City, RD 900, and RD 537. WSAFCA was established to coordinate the planning and construction of flood protection facility improvements within the boundaries of the JPA and to help finance the local share of flood control projects. The agency was formed primarily in response to a federal authorization to improve levees in West Sacramento as recommended in USACE's Sacramento Metropolitan Area Report. WSAFCA formed an assessment district in 1995 to fund the local cost share of these levee improvements. WSAFCA was not created to conduct operations and maintenance activities nor does it function as an LMA.

This arrangement has evolved to include WSAFCA in an implementation role in the design and construction of levee improvement projects across the entire West Sacramento levee system, including levees operated and maintained by the State. In the current context, WSAFCA serves as the local sponsor to the CVFPB for design and construction of the West Sacramento Project, authorized by Congress for construction in the Water Infrastructure Improvements for the Nation Act of 2016 (P.L. 114-322, § 1401(2)). They also serve as the design and construction agent of levee improvement projects in partnership with the State that will ultimately be credited against completion of the authorized federal project.

3. POINTS OF EMPHASIS & CLARIFICATION

- 3.1. **SINGLE PRIORITY** – A system of nearly 50-miles of levees protect approximately 53,000 people and \$5 billion of damageable property in the City. A failure at any location in the levee system during a 50-year or greater flood event results in inundation of over 90 percent of the entire

City with floodwater up to 20-feet deep. Levee failures in the project area are most likely to occur during the rainy season (December through February) when average river water temperatures range between 53° and 60° F. Standing in water which is cooler than 75° F often results in hypothermia. City residents and businesses have only seven evacuation routes, most of which would be compromised in as little as two hours after a levee failure. Freeway on and off-ramps would be inundated, further impacting the ability to get to higher ground. A levee failure in the levee system protecting the City would be catastrophic. LMAs with a single and uncontested priority of levee inspection, operation, and maintenance in times of flood and drought are necessary to manage the level of risk associated with the complicated state-federal flood management system in the Central Valley. Serving as an extension of USACE and the CVFPB in the operation and maintenance of the SPFC requires a focused and well-funded effort not distracted by competing interests and priorities.

- 3.2. **LEVEL OF SERVICE** – Having a single priority allows the staff and trustees of an LMA to focus on providing a high level of service to the community. District employees are specialists, not generalists, in the operation and maintenance of the levee and internal drainage systems. They have no other competing jobs or priorities. A single priority also allows for the agility and responsiveness necessary to successfully address distressed levees during high water. An example of this focus and responsiveness occurred early in 2017 when RD 900, under the authority of its board, quickly initiated a flood fight while coordinating the response with USACE, the California Department of Water Resources (DWR), CVFPB, Yolo County Office of Emergency Services, US Fish & Wildlife Service (USFWS), and the State Water Quality Control Board (SWQCB). The decision to conduct the flood fight, coordinate with the required State and Federal agencies, and place nearly 400 tons of riprap on the waterside levee slope was completed in less than 48 hours of the slip being discovered.
- 3.3. **COST** – A review of public financial data prepared by the City for both the Port of West Sacramento and WSAFCA was used to conduct a comparison of levee operations and maintenance costs for the governance options evaluated as part of this MSR [Enclosure 2]. This review was further refined for organizational consistency with the January 18, 2018 memorandum by Economic & Planning Systems, Inc. (EPS) developed under contract to the City. Based on an analysis of actual costs reported by the City within publicly available financial reporting documents, the RDs can provide their services at a lower cost than could the City.

The analysis shows that either option led by the City would increase costs by approximately 7 to 25 percent depending on how the City charges for general support services and staff time. The analysis shows an annual cost increase from \$236,000 to \$796,000 per year. The current RD 900 assessment included a build-up of a capital improvement reserves to complete \$19.5 million of facility improvements over the next 30 years (2017 dollars). Based on an annual decrease of \$236,000 in capital reserve funds, the 30-year capital improvement plan would take an additional 17 years (or 28% longer) to complete.

Increased costs in either City-led option are primarily due to the higher cost of labor and administrative services provided by the City than comparable costs being supplied by the RDs. A 7 percent increase assumes that the City charges the RDs for General Support Services at a similar historic rate as charged to the Port of West Sacramento and WSAFCA. The 25 percent

increase assumes that the City charges the RDs an Indirect Cost Allocation Plan (ICAP) rate for staff assigned to the RDs. The City Council has executed a Memorandum of Understanding with the Union that may require conversion of all RD staff directed by the City Council to become City employees. City employees are covered under pension plans executed between the City and CalPERS. If RDs were staffed by City employees, an estimate of the CalPERS pension unfunded liability would need to be included in the cost evaluation.

- 3.4. **LIABILITY** – As noted above, a non-Federal interest must agree to hold harmless and indemnify the Federal government as well as to operate, maintain, repair, replace, and rehabilitate (OMRR&R) the flood facilities when Federal funds are used to improve levees through a flood risk management project. In the Central Valley, this agreement is typically between the CVFPB and USACE. Under state law, the CVFPB must first ensure an LMA will both perform the OMRR&R as well as indemnify and hold harmless both the State and the Federal government. Both RD 900 and RD 537 are LMAs that have previously agreed to these responsibilities. These responsibilities would transfer to the City if it became an LMA.

These agreements contain language that creates potential liability on the part of the LMA. Key provisions include:

- The LMA not only commits to perform all necessary OMRR&R, it also agrees to both indemnify the State and Federal governments. This obligation includes any claims based upon inverse condemnation, arising from the operation, maintenance, repair, replacement, or rehabilitation of the Project.
- The LMA commits to be responsible for any liability arising out of hazardous materials that may be found on the site, whether placed there by the LMA or not.
- If the State does not accept work done by the LMA, the State has the right to notify the LMA, correct the work and bill the LMA for the cost of the work done, which the LMA must pay or be in breach of contract.

Over the course of one-half dozen flood cases in California, the rules associated with liability for levee failures have come into sharper focus. Where lands are flooded as a result of the design, construction, operation, maintenance, or flood fight of a flood control structure, liability under inverse condemnation is established if the public agency acted pursuant to an unreasonable plan. Unreasonable operations and maintenance plans, including improper flood fighting, have been alleged in a number of these inverse condemnation cases against LMAs. A more complete legal assessment of the liability associated with levee operation and maintenance and associated case law was prepared by Downey-Brand and is attached as Enclosure 3.

- 3.5. **PUBLIC SUPPORT** – Under Proposition 218, property owners benefiting from levees are required to vote on proposals to increase parcel assessments associated with either levee operation and maintenance or levee improvement projects. Property owners in the City overwhelmingly approved increased annual parcel assessments in 2007 and 2016. The 2007 election conducted by WSAFCA passed with 70 percent of the weighted ballots approving an increase to finance the local share of approximately \$400 million in levee improvements. The 2016 election conducted by RD 900 passed with 57 percent of the weighted ballots approving a 300 percent increase in the assessment to finance operations and maintenance activities and capital improvements for internal drainage. These two elections show strong support by both

the residents and property owners in the City for the local agencies currently responsible for flood risk management.

- 3.6. **PUBLIC ACCOUNTABILITY** - LMAs are primarily accountable to the public to efficiently reduce flood risk by ensuring the reliable performance of flood system infrastructure and using public finance solely for that purpose. Both RD 537 and RD 900 have a proven track record of cost-effective and efficient maintenance for the levees and internal drainage systems protecting the City. Both Districts are fully funded and debt-free. Because the districts are single-purpose, there is no chance that funds will be co-mingled and/or appropriated or loaned for other uses. This provides for the ultimate public accountability. Board meetings are publicly noticed and interested parties are encouraged to attend.

From a system perspective, the identification, selection, and prioritization of levee improvement projects is based on many criteria; however, the most heavily weighted in both federal and state guidance governing project selection is reducing the impacts of floods on human safety, health, and welfare to the community. Prioritization of levee improvements are based on documented performance issues, engineering evaluations and mandatory State and federal policies. DWR required WSAFCA to demonstrate how they prioritized planned levee improvements to address deficiencies in the most vulnerable areas as a condition to receive State funding. The USACE applies a similar risk-based decision-making approach when federal funds are invested in levee improvements.

- 3.7. **REGIONAL GOVERNANCE** – WSAFCA has served as the contract administrator for the Lower Sacramento – Delta North Regional Flood Management Planning (RFMP) Team since 2013. In this capacity, WSAFCA manages a team responsible to coordinate with and represent over 50 local agencies with an interest in flood protection in the region. This coordination resulted in the publication of the *Lower Sacramento River / Delta North Regional Flood Management Plan* in July 2014 for consideration by DWR in preparation of the 2017 Update to the Central Valley Flood Protection Plan (CVFPP). The region has since published the *Lower Sacramento / Delta North Region: Corridor Management Framework* (CMF) in February 2015. The CMF was endorsed by numerous local agencies including Yolo County and WSAFCA as guidance for advancing multi-objective water resource project delivery in the Yolo Bypass / Cache Slough Complex. The CMF has resulted in this region being viewed as a leader in water and flood management issues by DWR and the CVFPB.

The 2017 Central Valley Flood Protection Plan Update (2017 CVFPP Update), adopted by the CVFPB in August of this year, highlights both *Operations and Maintenance of the Flood System* and *Effective Governance and Institutional Support* as two of eight key policy areas hindering efficient implementation of the overall 2017 CVFPP Update. While the 2017 CVFPP Update identifies these eight key policy areas, it stops short of recommending how each should be addressed. Instead, the 2017 CVFPP Update outlines an approach to reconciling these issues through continued public engagement over the next five years. Recommendations will be incorporated into the next update of the CVFPP in 2022. Specifically concerning *Effective Governance and Institutional Support*, the 2017 CVFPP Update states, "...the State will facilitate a governance study to examine existing flood governance, identify overlapping authorities, and

propose meaningful reconciliation between and among local, State, and federal levels of government.”

- 3.8. **LMA COORDINATION** – Over the last 10 years, WSAFCA – in partnership with the CVFPB, DWR, and the USACE – advanced four levee improvement projects comprising nearly 10 miles to further reduce flood risk to the City of West Sacramento. Three of these projects are located within levees operated and maintained by DWR. The planning, design, and construction of these levee improvements required extensive coordination between WSAFCA and DWR. The delivery of all three projects also required coordination with the adjacent LMAs (RD 537 and RD 900) to ensure the uninterrupted continuity of operations and maintenance during project construction. In this context, it is particularly important to note that the General Manager of RD 900 has served in a dual capacity as the General Manager of WSAFCA since its formation in 1994 ensuring tight alignment between RD 900 and WSAFCA.

WSAFCA also submitted a System-Wide Improvement Framework (SWIF) Letter of Intent (LOI) for reinstatement of the West Sacramento Levee System to an active status in the Public Law (PL) 84-99 Rehabilitation Program (RP) [Enclosure 4]. WSAFCA submitted this LOI on behalf and with letters of support from DWR, RD 537 and RD 900. This LOI represents a firm and financial commitment of the LMAs to partner in the reduction of levee system deficiencies identified by USACE in their 2014 Periodic Inspection (PI) of the West Sacramento – Sac Yolo South Levee System. Successful participation in this program will require regular collaboration between the LMAs. Nearly all LMAs in the Central Valley were identified as ineligible for the PL 84-99 RP based on PIs conducted by the USACE between 2010 and 2015. These determinations were based on a stricter interpretation of maintenance standards established in the aftermath of Hurricane Katrina.

- 3.9. **RECREATION** – The four levee improvement projects advanced by WSAFCA since 2006 all include the incorporation of recreation features compatible with the land use and flood system infrastructure at the project site. Two of these projects are notable in terms of their extensive incorporation of recreation features. First, the levee improvement project located immediately south of the I Street Bridge was designed to accommodate a complete extension of the Riverwalk Promenade. Second, the levee improvement project located immediately adjacent to the Rivers development incorporated pedestrian and cycling trails as well as interpretive signage and an Americans with Disabilities Act (ADA) compliant river overlook. The features included in both projects were designed to meet the operations and maintenance requirements of DWR who serves as the LMA at both locations.

Both RD 537 and RD 900 support recreation facilities on or adjacent to its flood management facilities as long as they do not interfere with the operations and maintenance of those facilities or increase the cost of the operation and maintenance of those facilities.

4. COMMITMENT TO IDENTIFY COST AND OPERATIONAL EFFICIENCIES

With authorization of the West Sacramento Project in the Water Infrastructure Improvements for the Nation Act of 2016, WSAFCA and its member agencies are in a partnership with the USACE and CVFPB to

make a \$1 billion investment in the levee protecting the City. This partnership is being accelerated by nearly \$210 million of advanced construction by WSAFCA and the State. To continuously improve local operations and maintenance practices to meet the requirements of a recapitalized levee system, RD 900 and RD 537 commit to explore the following changes:

- 4.1. **FUNCTIONAL MERGER** – RD 537 and RD 900 commit to conducting an operations study with the primary goal of identifying ways to ensure a common-level of service in the basin, reduce administrative overhead costs, and more efficiently utilize LMA resources across the districts.
- 4.2. **MAINTENANCE AREA #4** - RD 537 and RD 900 commit to exploring the assumption of levee operations and maintenance responsibilities from the State in MA 4. Any change of responsibility would consider implementation of the levee improvements necessary to avoid the transfer of significant liability from the State to the RD.
- 4.3. **USACE Navigation Levee Coordination** – RD 900 has historically informally partnered with USACE on inspection of the navigation levee. During the 2017 flood event, the General Manager and Superintendent of RD 900 inspected the navigation levee and reported their damage findings to USACE to arrange for their repair. RD 900 commits to formalizing this coordination with USACE regarding operations and maintenance of the navigation levee. Coordination between RD 900 and USACE will target development of a Memorandum of Understanding (MOU) between the parties regarding the inspection, operations, and patrol of the levee.

5. PRIOR CORRESPONDENCE

Reclamation District (RD) 900 sent two letters to Yolo LAFCo regarding this subject dated September 18 and December 4, 2017 [Enclosures 5 and 6]. RD 537 also sent a letter regarding this subject dated September 21, 2017 [Enclosure 7].

Respectfully,



Kenric Jameson, PG
General Manager
Reclamation District 900

Enclosure 1

RD 900 Agreement with The Reclamation Board

D U P L I C A T E

O R I G I N A L

A G R E E M E N T

THIS AGREEMENT is made and entered into by and between THE RECLAMATION BOARD of the State of California, hereinafter referred to as the "Board," and RECLAMATION DISTRICT NO. 900 hereinafter referred to as the "District," on the 19th day of September, 1963, in view of the following circumstances:

WHEREAS, the Congress, by Public Law 86-645, 86th Congress, approved July 14, 1960, authorized a project of bank protection for the Sacramento River and its tributaries, subject to securing assurances that one-third of the total project cost would be assumed by some agency other than the United States, that the United States would be held free and harmless from damages due to the construction works performed under that project, and that project works would be maintained and operated in accordance with the regulations of the Secretary of the Army, upon completion of the work; and

WHEREAS, the Legislature of the State of California authorized Board to give these assurances under the provisions of Sections 12649.1 and 12657 of the Water Code; and

WHEREAS, necessary funds will be appropriated to enable the State to meet the one-third local interest construction contribution in connection with the project, subject to the Board having first received written assurances from a public agency other than the Board agreeing to assume the obligations of maintaining and operating the project and of holding the United States and the State harmless from damages; and

WHEREAS, Board proposes, with the cooperation of the United States, to construct pursuant to the said project certain work to be performed on levees or berms within the jurisdiction or boundaries of District; and

WHEREAS, the proposed project work will be beneficial to lands and properties located within the District and District is willing to undertake the obligation of holding and saving the State and the United States free and harmless from damages arising out of such work and to undertake the maintenance and operation of such work when completed;

NOW, THEREFORE, IT IS HEREBY AGREED THAT:

1. Prior to the commencement of any work to be performed pursuant to said project within the jurisdiction or boundaries of District, Board will submit to District for review and comment the initial set of preliminary plans received by the Corps of Engineers for such work. Such plans or such modified plans as are available to the Board will be submitted as soon as available and not less than thirty (30) days prior to advertising such work for bid, and shall be in substantial conformity with Senate Document #103, 86th Congress, Second Session. Final plans and specifications for such work shall be submitted to District for review and comment at least ten (10) days prior to the opening of bids for such work. Comments of the district to the Board shall be advisory in nature.

2. Board, if funds are available to it, will proceed with the construction of the said work in cooperation with the United States in substantial conformity to the final plans and specifications above referred to.

3. Provided Board has submitted plans and specifications pursuant to paragraph 1 above and the work has been constructed pursuant to paragraph 2, District shall:

(a) Hold and save the United States free from damages due to the above described construction work;

(b) Maintain and operate, in accordance with the regulations prescribed by the Secretary of the Army, said works and improvements above described lying within the jurisdiction or boundaries of District, said maintenance and operation to commence upon turnover by the Corps of Engineers, United States Army, of any unit of completed work of the project to Board; and

(c) Hold and save the State of California, the Sacramento and San Joaquin Drainage District and Board, their successors and assigns, free and harmless from any and all claims arising out of or in connection with the aforesaid obligations assumed by District.

4. It is expressly understood between the parties hereto that the obligations of District to hold and save harmless and to maintain and operate hereunder are limited to the State of California and its agencies described above and the United States and shall not give rise to any cause of action against District by other persons.

5. To the extent that the obligations assumed hereby are validly assumed by another agency, then and to that extent the obligations of District hereunder shall terminate.

IN WITNESS WHEREOF, the parties hereto have executed this agreement on the day and year first above written.

RECLAMATION DISTRICT NO. 900

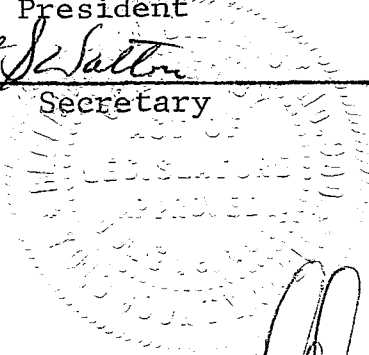
By Arthur J. Jordan
President

By Albert J. Sutton
Secretary

THE RECLAMATION BOARD of the State of California

By Stanley W. Kovich

By Wallace McConach



-3-

APPROVED BY

Arthur J. Jordan
For Department of Finance

FORM	POLICY	BUDGET
Department of General Services		
APPROVED		
NOV 1 1963		
BY <u>Arthur J. Jordan</u> Asst. Chief Counsel		

D U P L I C A T E

O R I G I N A L

A G R E E M E N T

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WHEREAS, the proposed project work will be beneficial to lands and properties located within the District and District is willing to undertake the obligation of holding and saving the State and the United States free and harmless from damages arising out of such work and to undertake the maintenance and operation of such work when completed;

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RECLAMATION DISTRICT NO. 900

By

Arthur J. Downer

President

By

Albert J. Salton

Secretary

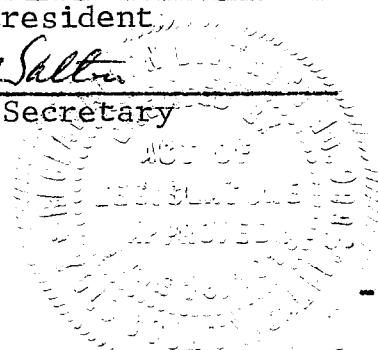
THE RECLAMATION BOARD of the State of California

By

Stanley W. Kromich

By

Wallace M. Cavanaugh



-3-

APPROVED BY

W. D. Ammer
For Department of Finance

FORM	POLICY	BUDGET
		✓
Department of General Services		
APPROVED		
NOV 1 1963		
BY	<u>[Signature]</u> Asst. Chief Counsel	

EXCERPT FROM MINUTES OF TRUSTEES MEETING RECLAMATION

DISTRICT NO. 900 HELD SEPTEMBER 6, 1963

The Secretary presented several copies of the Assurance Agreement prepared by the State of California relative to proposed Bank Protection Project. The Secretary noted that he had consulted the attorney for the District and was advised that this agreement was in order. It was regularly moved, seconded and passed that the President and Secretary of the District execute the agreement and return it to the State Reclamation Board, together with a certified copy of the minutes authorizing the execution.

Certified to be a true copy of a portion of the minutes

RECLAMATION DISTRICT NO. 900

By *Albert S. Salter* Secty.

EXTRACT FROM MINUTES OF MEETING OF
THE RECLAMATION BOARD
SEPTEMBER 19, 1963

ASSURANCES

SACRAMENTO RIVER BANK PROTECTION - (7200.60.001)

ASSURANCE AGREEMENT between The Reclamation Board and Reclamation District No. 900 relative to bank protection, Sacramento River, within said district.


Upon motion by Mr. McCormack, seconded by Mr. Vann, and carried unanimously, the Assurance Agreement was accepted and approved and the President and Secretary authorized to execute the same on behalf of the Board.

- - - - -

STATE OF CALIFORNIA)
COUNTY OF SACRAMENTO) ss.
Office of The Reclamation Board)

I, HOWARD J. SULLIVAN, Assistant Secretary of The Reclamation Board, do hereby certify that the above is a true and correct extract from minutes of meeting of said Board held on September 19, 1963.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of The Reclamation Board this 23rd day of October, 1963.


HOWARD J. SULLIVAN
Assistant Secretary
The Reclamation Board

(SEAL)

EXCERPT FROM MINUTES OF TRUSTEES MEETING RECLAMATION

DISTRICT NO. 900 HELD SEPTEMBER 6, 1963

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Certified to be a true copy of a portion of the minutes

RECLAMATION DISTRICT NO. 900

By

Secy.

Albert DeSalvo

EXTRACT FROM MINUTES OF MEETING OF
THE RECLAMATION BOARD
SEPTEMBER 19, 1963

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- - - - -

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COUNTY OF SACRAMENTO
Office of The Reclamation Board } ss.

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IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of The Reclamation Board this 23rd day of October, 1963.

(SEAL)

NOV 19 1963
HOWARD J. SULLIVAN
Assistant Secretary
The Reclamation Board

Louis J. Heinzer, Chief Counsel
General Services Agency
State Capitol, Room 5100

October 24, 1963

7200.60.001

Attention: C. O. Thrasher, Jr.,
Associate Counsel

Assurance Agreement

Attached are original and two copies of Assurance Agreement executed by Reclamation District No. 900 and this agency. Attached to each Assurance Agreement are excerpt from minutes of Reclamation District No. 900 meeting and extract from minutes of The Reclamation Board meeting.

Kindly designate your approval of this Assurance Agreement thereon and return it to this agency. Thank you for your attention to this matter.

A. E. McCOLLAM
General Manager

By
THOMAS T. JORDAN
Administrative Adviser

TTJ:dmn
Encls.

Manager		
Asst. Engineer		
Counsel		
R/W Agent		
Accounting		
R/W Engineer		
Des'n Engineer		
Applications		
Negotiation		
Appraisal		
Spec. Pool		

TRUSTEES

A. F. TURNER, PRESIDENT
EARL WITHYCOMBE
GEORGE A. INNES

ALBERT S. WALTON, SECRETARY
830 JEFFERSON BLVD.
PHONE FRONTIER 1-6915

RECLAMATION DISTRICT No. 900
WEST SACRAMENTO, CALIFORNIA

September 11, 1963

State Reclamation Board
1215 O Street
Sacramento, California

Gentlemen:

Re 7200.60.000

Enclosed are two duplicate originals and 1 copy of Assurance Agreement which have been duly signed as requested by the President and Secretary of this district.

Also enclosed are certified copies of excerpt from minutes authorizing execution of the Agreement.

Yours very truly,

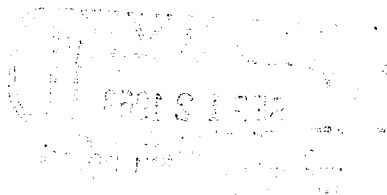
RECLAMATION DISTRICT NO. 900

By



Secretary

Enc.



August 13, 1963

7200.60.000

Mr. Arthur F. Turner, President
Reclamation District No. 900
830 Jefferson
West Sacramento, California

Dear Sir:

Enclosed are two duplicate originals and two copies of a self-explanatory Assurance Agreement relating to the Sacramento River Bank Protection Project.

Before work can proceed on this project in your area, the enclosed Agreement must be executed by the governing Board of your District. This should be done as soon as possible so that preliminary work and right of way acquisition can proceed. Preliminary plans will be sent to you when they are available.

Please leave the date of execution blank, that is, do not enter the date of execution in the documents. Will you, however, attach to the two duplicate originals and one copy, certified copies of the district's governing Board's minutes or resolution authorizing execution of the Assurance Agreement, and return the two duplicate originals and one copy to us. An executed duplicate original will be returned to you when it is fully processed.

It would be very helpful if you could return these documents to us by August 30th, so that the State Reclamation Board could execute the Agreement at its September 5, 1963, meeting.

Thank you for your cooperation in this matter.

Sincerely yours,

A. E. McCOLLAM
General Manager

By
CHARLES H. BOBBY
Administrative Advisor

Manager		
Asst. Engineer		
Counsel	CHB	8-13-63
R/W Agent		
Accounting		
R/W Engineer		
Des'n Engineer		
Applications		
Negotiation		
Appraisal		
Steno. Pool		
Adm. Asst.		

CHB:gg
Enclosures

Enclosure 2

RD 900 and RD 537 Budget Analysis

RD 900 AND RD 537 BUDGET ANALYSIS

February 13, 2018

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1.0 BACKGROUND

In a memo dated August 10, 2017, the Executive Director of the Yolo County Local Agency Formation Commission (LAFCo) requested agency input from the City of West Sacramento (“City”), Reclamation District 900 (“RD 900”) and Reclamation District 537 (“RD 537”), referred to herein as the “RDs,” concerning the consolidation of flood control responsibility within the City into a single purpose flood control agency.

The City has expressed a willingness to consolidate services within the City either as a merger (where districts would cease to exist) or as creation of a subsidiary district (i.e. districts would remain with City Council members serving as trustees on the RD boards).

RD 900 and RD 537 are opposed to any form of reorganization which would result in a merger of the RDs into the City, or any form of reorganization which would create subsidiary district(s). The RDs believe that they are best-suited to provide responsive and efficient operation and maintenance of flood control facilities at the least possible cost.

The following options were recommended by the Yolo County LAFCo:

- **Option 1–Functional Consolidation:** RD 537 and its board remain intact but contract all day-to-day operations to RD 900 or vice versa.
- **Option 2A-Merger:** The City absorbs the operations of the RDs and the districts would cease to exist.
- **Option 2B-Subsidiary:** the RDs consolidate with one another and become a subsidiary district to the City. The single district would remain with the City Council acting as the RDs’ Boards.

To initiate and approve the consolidation of flood control responsibility, LAFCo would need to make a finding that the cost to provide the same or a higher level of **public service would be less than or substantially similar under City governance** and that it **promotes public access and accountability for services**.

This evaluation is focused solely on financial analysis of the three options.

2.0 SUMMARY OF RESULTS

The analysis prepared by the RDs estimates that the cost to perform the current duties for RD 900 and RD 537 would increase by 7% to 25% (\$236,000 to \$795,000/year) depending on how the City charges for staff time and administrative overhead services. The lower percentage assumes that the City charges the RDs for General Support Services at a similar historic rate as charged to the Port and the West Sacramento Area Flood Control Agency (WSAFCA). The higher percentage assumes that the City charges the RDs an Indirect Cost Allocation Plan (ICAP) rate for staff assigned to the RDs.

3.0 APPROACH

The RDs reviewed actual financial data prepared by the City of West Sacramento for both the Port of West Sacramento and the West Sacramento Flood Control Agency to develop assumptions based on publicly available accounting and budget information. Supporting documentation substantiating the assumptions made in this evaluation is included by reference. All reference documents were provided electronically to LAFCo and can be located online. Upon review of the Memorandum dated January 18, 2018 prepared by Economic & Planning Systems, Inc. (EPS), the RDs updated their evaluation to have a similar format and setup as that prepared by EPS. This was done to allow LAFCo staff and Board members to focus their attention on those areas where the RDs have different cost assumptions, or modified cost assumptions based on documented cost information from approved agency budgets, audited financial documents, City prepared staff reports, and City salary schedules.

Both options identified by LAFCo suggest that either one of the RDs or the City take over maintenance responsibility for the State's MA 4. State maintenance areas are formed under Water Code Section 12878.1. State maintenance areas are not required to perform a Proposition 218 compliant ballot proceeding to assess property owner beneficiaries. Instead, State maintenance areas submit an annual budget to the Central Valley Flood Protection Board for approval. The actual costs to complete identified Operations, Maintenance, Repair, Replacement and Rehabilitation (OMRR&R) actions are charged to the beneficiaries on property tax bills. Excess revenues are rolled into the following year's budget and reduce the beneficiaries' future tax bills. Deficiencies in revenue are charged to beneficiaries in the following year's tax bills. In order for the State to transfer MA 4 responsibilities, the receiving entity must demonstrate that they have sufficient funding to provide OMRR&R for the levees. A successful Proposition 218 compliant ballot proceeding, where the beneficiaries vote to assess themselves to have the maintenance responsibilities performed at the local level, would be a likely condition for consolidating MA 4 OMRR&R responsibilities. Furthermore, the Central Valley Flood Protection Board would need to approve the transfer of the responsibilities from the State to a local district. While the RDs plan to explore taking over MA 4's responsibilities, it does not make sense at this time to include the cost of OMRR&R of MA 4 in a financial evaluation. It can be inferred that the entity that can provide the least cost OMRR&R of the RDs would also be able to provide the least cost OMRR&R of MA 4.

4.0 ASSUMPTIONS

The assumptions used in the evaluation are organized by each option being considered by the LAFCo.

1. Option 1–Functional Consolidation:

RD 537 and its board remain intact but contract all day-to-day operations to RD 900 or vice versa.

Assumptions:

- Budget numbers are based on RD 900 and RD 537 FY 2017-18 budgets.
- A scaling factor was applied to estimate the cost to complete RD 537 services within the City Boundary. The scaling factor only affects the magnitude of the financial impact and does not affect the underlying evaluation of the increase or decrease in cost to provide identified services. As such, this evaluation assumes the same 20% factor used in the EPS analysis.
- Evaluation of the cost of MA 4 is excluded, as the consolidation of the OMRR&R of State facilities would require a dedicated local funding mechanism and approval by the Central Valley Flood Protection Board. None of the agencies can guarantee consolidation of the MA 4 responsibilities.

2. Option 2A-Merger:

The City absorbs the operations of RD 900 and RD 537 and the Districts would cease to exist. The notes below restate some areas of common agreement but focus primarily on areas where the RDs believe that the assumptions in the EPS report require refinement. The RDs have worked to revise the assumptions based on documentation and actual costs reported by the City within publicly available financial reporting documents.

Assumptions:

- Table A1 summarizes the costs in tables A2, A3 and A4.
- Level of Service is defined as maintaining the same level of current staffing required for the RDs to perform their duties. No reduction in staff is assumed as this would constitute a reduction in the level of service.
- Capital Expenditures, routine OMRR&R and special project expenses are not modified within this evaluation. These represent costs to execute work scoped in FY 2017-18.
- Current RD 900 and 537 staff would be converted to City employees to comply with the Memorandum of Understanding between the City of West Sacramento and the Stationary Engineers Local 39 (“the Union”) (*City Union MOU, Reference R-1*). This is similar to how the City staffs the Port of West Sacramento and WSAFCA.
- This evaluation does not take into consideration increased costs for overtime and standby pay that would be incurred for employees covered by the City Union MOU. The majority of overtime duties required for the RDs are performed by salaried employees. The RDs pay overtime for hourly employees but they do not pay for standby.
- RD 900 is establishing a trust to fund the lifetime medical benefit for qualifying employees (minimum 20 years of service and retire after age 62). The trust fund is intended to fully fund the lifetime medical benefit. The RDs have no other unfunded liabilities. The California Public Employees Retirement System (CalPERS) handles pensions for virtually all City of West Sacramento employees. Each year CalPERS estimates unfunded liabilities for the City of West Sacramento pension plans. The actual costs paid by the City versus employees varies depending on the terms of each pension plan. The City has unfunded liabilities for the following pension plans: 1) Miscellaneous employees, 2) PEPRA Safety Police, 3) Safety Police, 4) Safety Police Second Tier, 5) Safety Fire, and 6) Safety Fire Second Tier. This evaluation does not attempt to quantify the cost of any unfunded liabilities associated with the City’s share of unfunded pension liabilities if the RDs were required to be staffed with City employees.
- **Table A2, ID# 4:** The City’s Union MOU requires some approval by the Union for City employment decisions. This option assumes that all RD employees would be converted to City staff. Staff costs are based on City of West Sacramento Salary Classifications (*City Salary Schedule, Reference*

[R-2](#)). The RDs identified positions within the City Salary Schedule where current staff would likely be placed based on job function and experience. Average salaries were used to estimate salary expense for the analysis.

- **Table A2, ID# 5:** Staff costs are based on City of West Sacramento Salary Classifications. (*City Salary Schedule, [Reference R-2](#)*)
- **Table A2, ID# 7:** Trustee Fees would be avoided costs.
- **Table A2, ID# 8:** Payroll Taxes are based on 8.105% of total salaries for all options.
- **Table A2, ID# 9-13:** These costs are now calculated in line 14.
- **Table A2, ID# 14:** Fringe Benefits set at 43.48% based on an auditor's letter from Richard & Company, LLP included as an attachment to the City of West Sacramento Comprehensive Annual Financial Report (CAFR) for Fiscal Year Ended June 30, 2016 located on the California Policy Center (*CAFR Ending June 30, 2016, Auditor Letter, [Reference R-3, Pg. 232 of 232](#)*).
- **Table A2, ID# 18:** Insurance would be required to cover the regular operations and maintenance activities of RD 900. The portion of the insurance premium associated with liability insurance that covers the trustees "or the City Council" from flood related issues and covers legal costs was removed - the estimate is based on RD 900's current annual insurance premium of \$2,154. Both the Port of West Sacramento and WSAFCA carry similar insurance policies that are not included in the cost of the City General Services. Additional due diligence would be required to provide an accurate estimate of any cost savings that might exist in this category.
- **Table A2, ID# 19:** Office Costs are assumed to be avoided and covered under the general support services fee in line 42.
- **Table A2, ID# 20:** Professional Services include permitting costs for aquatic application of herbicides, engineering services for design of pump stations and Supervisory Control and Data Acquisition (SCADA) services. All of these services would still be provided by consultants. Administration and overhead services provided by the City would only cover costs associated with financial services, legal services to support Board meetings, and auditing support services. The costs were reduced by \$24,000 per year to reflect costs associated with auditing services (\$5,000 to \$8,000 per year) and legal services to attend RD board meetings (\$14,000 to \$20,000 per year). This is based on an average year.
- **Table A2, ID# 23:** Office Rent is assumed to be avoided and covered under the general support services fee in line 42.
- **Table A2, ID# 25:** Assessment Expense is associated with an annual bill from Yolo County for property owned by RD 900. This bill must be paid under all options.
- **Table A2, ID# 30:** Equipment Repair is associated with expenses for repair of equipment such as mowers and back hoes; the RD repairs the equipment in house. The City would incur these costs if they took over responsibility of RD equipment. There would be no cost savings in this category.
- **Table A2, ID# 31:** Equipment Supply is associated with supplies needed for equipment. The City would be required to pay for these costs if they took over responsibility for RD equipment. This is not an area where cost savings would be achieved.
- **Table A2, ID# 33:** RD 900 agrees that there could be some cost savings under Option 2A for Shop Repair. However, the City could also recover these costs and charge for these services. For this evaluation the cost was removed from Option 2A.
- **Table A2, ID# 42:** City of West Sacramento General Administration Services evaluation of costs charged to WSAFCA and Port of West Sacramento range from \$36,600 to \$41,200 per Full Time Employee (FTE) or about 24% to 31% of all personnel expenses. This evaluation assumed the City would charge \$38,000 per FTE. This assumption was based on the FTEs reported in the City Biennial Budget and staff reports prepared by the City and signed by the treasurer for WSAFCA and the Port. (*City Biennial Budget, [Reference R4](#), Port Budget Staff Report, [Reference R5](#) and WSAFCA Budget Staff Report, [Reference R6](#)*)
- **Table A2, ID# 49-50:** Based on the assumption in this evaluation, costs would increase by 9% if the City were to take over RD 900's responsibilities. This would increase costs by approximately \$267,600 more per year to provide the same level of service.
- **Table A2, ID# 52-54:** The City has also charged an ICAP rate to recover administrative and overhead costs for projects that receive State and Federal grant funds. For this evaluation it is assumed that the City would either charge the administrative services fees or charge an ICAP rate. The ICAP rate was assumed to be 108.57% (*CAFR Ending June 30, 2016, Auditor Letter, [Reference R-3, Pg. 232 of 232](#)*) based on City of West Sacramento Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2016. Lines 52 to 54 were included to show how charging an ICAP rate could further increase the cost of the City to provide the services for RD 900. This approach would further increase costs by 24% or approximately \$757,100 per year.

- **Table A3, ID#4** The City's Union MOU requires some approval by the Union for City employment decisions. This option assumes that all RD employees would be converted to City Staff. Staff Costs Based on City of West Sacramento Salary Classifications (**City Salary Schedule, Reference R-2**). The RDs identified positions within the City Salary Schedule where current staff would likely be placed based on job function and experience. Average salaries were used to estimate salary expense for the analysis.
- **Table A3, ID# 6:** Payroll Taxes based on 8.105% of total salaries for all options.
- **Table A3, ID# 7:** Insurance would be required to cover the regular operations and maintenance activities of RD 537. The portion of the insurance premium associated with liability insurance that covers the trustees "or the City Council" from flood related issues was removed and the estimate is based on RD 537's current annual insurance premium of \$1,250. Both the Port of West Sacramento and WSAFCA carry similar insurance policies that are not included in the cost of the City General Services. Additional due diligence would be required to provide an accurate estimate of any cost savings that might exist in this category.
- **Table A3, ID# 8:** Director Fees would be avoided costs.
- **Table A3, ID# 9:** Fringe Benefits set at 43.48% based on an auditor's letter from Richard & Company, LLP included as an attachment to the City of West Sacramento Comprehensive Annual Financial Report (CAFR) for Fiscal Year Ended June 30, 2016 located on the California Policy Center. (**CAFR Ending June 30, 2016, Auditor Letter, Reference R-3, Pg. 232 of 232**)
- **Table A3, ID# 13:** Banking fees are assumed to be avoided costs covered under the City General support services.
- **Table A3, ID# 14:** Legal costs were reduced by \$2,400/year assuming four board meetings per year with attorney costs at \$600/meeting. The remaining legal support services are budgeted to address issues that arise and are performed on an as-needed basis. If the City took over the RD these costs would be passed through and performed by outside legal consultants that specialize in the areas where support was required.
- **Table A3, ID# 21:** Professional Fees for the annual audit would be avoided. The professional service fees for the annual audit are about \$7,000 per year. The professional services budget was reduced from \$20,000 to \$13,000 per year.
- **Table A3, ID# 22:** Office expenses are assumed to be avoided costs covered under the City General support services.
- **Table A3, ID# 23:** Administrative services are assumed to be avoided costs covered under the City General support services.
- **Table A3, ID# 24:** Utilities costs are for the operation of pumping plants and other necessary equipment and would not be reduced.
- **Table A3, ID# 26:** Yolo Handling Charges are banking fees that would be avoided costs covered under the City General support services.
- **Table A3, ID# 30:** City of West Sacramento General Administration Services evaluation of costs charged to WSAFCA and Port of West Sacramento range from \$36,600 to \$41,200 per Full Time Employee (FTE) or about 24% to 31% of all personnel expenses. This evaluation assumed the City would charge \$38,000 per FTE. This assumption was based on The FTEs reported in the City Biennial Budget and Staff Reports prepared by the City and signed by the treasurer for WSAFCA and the Port. (**City Biennial Budget, Reference R4, Port Budget Staff Report, Reference R5 and WSAFCA Budget Staff Report, Reference R6**)
- **Table A3, ID# 33-34:** Based on the assumption in this evaluation, costs would increase by 23% if the City were to take over RD 537's responsibilities. This would increase costs by approximately \$89,300 per year. Table A4 scales all of the cost assumptions in Table A3 by 20% to show how the overall cost of services within the City might be impacted. Taking into consideration the 20% scaling factor, this increases costs by approximately \$17,900 more per year to provide the same level of service. A more comprehensive analysis would be required to accurately capture the RD 537 costs for OMR&R within the City boundaries.
- **Table A3, ID# 36-38:** The City has also charged an ICAP rate to recover administrative and overhead costs for projects that receive State and Federal grant funds. For this evaluation it is assumed that the City would either charge the administrative services fees or charge an ICAP rate. The ICAP rate was set at 108.57% based on City of West Sacramento Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2016 (**CAFR Ending June 30, 2016, Auditor Letter, Reference R-3, Pg. 232 of 232**). Lines 36 to 38 were included to show how charging an ICAP rate could further increase the cost of the City to provide the services for RD 537. This approach would further increase costs by 61% or approximately \$232,600 per year. Table A4 scales all of the cost assumptions in Table A3 by 20% to show how the overall cost of services

within the City might be impacted. Taking into consideration the 20% scaling factor, this increases costs by approximately \$46,500 more per year to provide the same level of service. A more comprehensive analysis would be required to accurately capture the RD 537 costs for OMRR&R within the City boundaries.

3. Option 2B-Subsidiary:

The RDs consolidate with one another and become a subsidiary district to the City. The Districts would remain with the City Council acting as the districts' Board.

Assumptions:

- Table A1 summarizes the costs in tables A2, A3 and A4.
- Level of Service is defined as maintaining the same level of current staffing required for the RDs to perform their duties. No reduction in staff is assumed as this would constitute a reduction in the level of service.
- Capital Expenditures, routine OMRR&R and special project expenses are not modified within this evaluation. These represent costs to execute work scoped in FY 2017-18.
- Current RD 900 and 537 staff would **NOT** be converted to City employees. It is not clear if this would comply with the City's Union MOU. For this analysis it is assumed that the City could approve RD budgets and direct RD staff without converting them to City employees. Further due diligence is required to confirm if this is a valid assumption. The Port of West Sacramento is a separate legal entity staffed with City employees.
- **Table A2, ID# 7:** Trustee Fees would be avoided costs.
- **Table A2, ID# 18:** Insurance would be required to cover the regular operations and maintenance activities of RD 900. The portion of the insurance premium associated with liability insurance that covers the trustees "or the City Council" from flood related issues and covers legal costs was removed and the estimate is based on RD 900's current annual insurance premium of \$2,154. Both the Port of West Sacramento and WSAFCA carry similar insurance policies that are not included in the cost of the City General Services. Additional due diligence would be required to provide an accurate estimate of any cost savings that might exist in this category.
- **Table A2, ID# 19:** Office costs are assumed to be avoided and covered under the general support services fee in line 42.
- **Table A2, ID# 20:** Professional services include permitting costs for aquatic application of herbicides, engineering services for design for pump stations and Supervisory Control and Data Acquisition (SCADA) services. All of these services would still be provided by consultants. Administration and overhead services provided by the City would only cover costs associated with financial services, legal services to support Board meetings, and auditing support services. The costs were reduced by \$17,000 per year to reflect costs associated legal services to support RD Board meetings (\$14,000 to \$20,000 per year).
- **Table A2, ID# 23:** Office Rent is assumed to be avoided and covered under the general support services fee in line 42.
- **Table A2, ID# 25:** Assessment Expense is associated with an annual bill from Yolo County for property owned by RD 900. This bill must be paid under all options.
- **Table A2, ID# 30:** Equipment Repair is associated with expenses for repair of equipment such as mowers and back hoes; the RD repairs the equipment in house. These costs would be incurred by the City if they took over responsibility of RD equipment. There would be no cost savings in this category.
- **Table A2, ID# 31:** Equipment Supply is associated with supplies needed for equipment. The City would be required to pay for these costs if they took over responsibility for RD equipment. This is not an area where cost savings would be achieved.
- **Table A2, ID# 42:** City of West Sacramento General Administration Services evaluation of costs charged to WSAFCA and Port of West Sacramento range from \$36,600 to \$41,200 per Full Time Employee (FTE) or about 24% to 31% of all personnel expenses. This evaluation assumed the City would charge \$38,000 per FTE. This assumption was based on The FTEs reported in the City Biennial Budget and Staff Reports prepared by the City and signed by the treasurer for WSAFCA and the Port. (*City Biennial Budget, [Reference R4](#), Port Budget Staff Report, [Reference R5](#) and WSAFCA Budget Staff Report, [Reference R6](#)*)

- **Table A2, ID# 49-50:** Based on the assumption in this evaluation, costs would increase by 7% if the City were to take over RD 900's responsibilities. This would increase costs by approximately \$229,400 more per year to provide the same level of service.
- **Table A2, ID# 52-54:** The City has also charged an ICAP rate to recover administrative and overhead costs for projects that receive State and Federal grant funds. For this evaluation it is assumed that the City would either charge the administrative services fees or charge an ICAP rate. The ICAP rate was assumed to be 108.57% (*CAFR Ending June 30, 2016, Auditor Letter, Reference R-3, Pg. 232 of 232*) based on City of West Sacramento Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2016. Lines 52 to 54 were included to show how charging an ICAP rate could further increase the cost of the City to provide the services for RD 900. This approach would further increase costs by 21% or approximately \$659,900 per year.
- **Table A3, ID# 7:** Insurance would be required to cover the regular operations and maintenance activities of RD 537. The portion of the insurance premium associated with liability insurance that covers the trustees "or the City Council" from flood related issues was removed and the estimate is based on RD 537's current annual insurance premium of \$1,250. Both the Port of West Sacramento and WSAFCA carry similar insurance policies that are not included in the cost of the City General Services. Additional due diligence would be required to provide an accurate estimate of any cost savings that might exist in this category.
- **Table A3, ID# 8:** Director Fees would be avoided costs.
- **Table A3, ID# 14:** Legal costs were reduced by \$2,400/year assuming four board meetings per year with attorney costs at \$600/meeting. The remaining legal support services are budgeted to address issues that arise and are performed on an as-needed basis. If the City took over the RD these costs would be passed through and performed by outside legal consultants that specialize in the areas where support was required.
- **Table A3, ID# 24:** Utilities costs are for the operation of pumping plants and other necessary equipment and would not be reduced.
- **Table A3, ID# 30:** City of West Sacramento General Administration Services evaluation of costs charged to WSAFCA and Port of West Sacramento range from \$36,600 to \$41,200 per Full Time Employee (FTE) or about 24% to 31% of all personnel expenses. This evaluation assumed the City would charge \$38,000 per FTE. This assumption was based on the FTEs reported in the City Biennial Budget and Staff Reports prepared by the City and signed by the treasurer for WSAFCA and the Port (*City Biennial Budget, Reference R4, Port Budget Staff Report, Reference R5 and WSAFCA Budget Staff Report, Reference R6*).
- **Table A3, ID# 33-34:** Based on the assumption in this evaluation costs would increase by 8% if the City were to take over RD 537's responsibilities. This would increase costs by approximately \$30,400 per year. Table A4 scales all cost assumptions in Table A3 by 20% to show how the overall cost of services within the City might be impacted. Taking into consideration the 20% scaling factor, this increases costs by approximately \$6,100 more per year to provide the same level of service. A more comprehensive analysis would be required to accurately capture the RD 537 costs for OMRR&R within the City boundaries.
- **Table A3, ID# 36-38:** The City has also charged an ICAP rate to recover administrative and overhead costs for projects that receive State and Federal grant funds. For this evaluation it is assumed that the City would either charge the administrative services fees or charge an ICAP rate. The ICAP rate was set at 108.57% based on City of West Sacramento Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2016 (*CAFR Ending June 30, 2016, Auditor Letter, Reference R-3, Pg. 232 of 232*). Lines 36 to 38 were included to show how charging an ICAP rate could further increase the cost of the City to provide the services for RD 537. This approach would further increase costs by 21% or approximately \$79,700 per year. Table A4 scales all cost assumptions in Table A3 by 20% to show how the overall cost of services within the City might be impacted. Taking into consideration the 20% scaling factor, this increases costs by approximately \$16,000 more per year to provide the same level of service. A more comprehensive analysis would be required to accurately capture the RD 537 costs for OMRR&R within the City boundaries.

5.0 ANALYSIS

The analysis in the series of tables included in Attachment A was prepared to compare the cost of the three options cited by LAFCo to provide flood OMRR&R and drainage O&M services within the City of West Sacramento. Table A1 compares the cost estimates for the RDs to continue providing services to two variations of the City Council taking over the responsibilities of the RDs within the City. Table A2 shows the estimated cost for RD 900 or the City to complete O&M of the internal drainage and OMRR&R of the flood control facilities. Table A3 compares the estimated cost for RD 537 or the City to complete O&M of the internal drainage and OMRR&R of the flood control facilities. Table A4 is intended to adjust the total cost to complete O&M of the internal drainage and OMRR&R flood control facilities within the City based on a simple 20% scaling factor. Table A5 shows the City of West Sacramento Salary schedules assumed by employee type in the cost estimates. Table A6 shows actual administrative support costs paid by WSAFCA and the Port to the City and forms the basis for estimating the cost of City administrative support services. The publicly available documents listed in the reference section were used to prepare the cost estimate assumptions.

6.0 CONCLUSIONS

The RDs can provide their services at a lower cost than could the City. The evaluations show that either option that was led by the City would increase costs by approximately 7 to 25 percent depending on how the City charges for general support services and staff time (see Table A1, Lines 71 and 75). The analysis shows an annual cost increase from \$236,000 to \$796,000 per year. Increased costs are primarily due to the fact that the cost of labor and administrative services provided by the City would be higher than the costs for the RDs. Some modest savings could be achieved by the reduction in cost of trustee fees, rent and insurance savings. If it were determined that the MOU between the City and the Union would require conversion of the RD employees to City staff, then no appreciable difference in cost would be achieved between options 2A and 2B. Furthermore, if RDs were staffed by City employees an estimate of the CalPERS pension unfunded liability should be included in the cost evaluation. Any further financial analysis should be prepared based on actual historic costs incurred by the RDs and the City. Future analysis should rely on historic auditable data sources. A more comprehensive estimate of the cost to provide services by RD 537 within the City limits should be performed.

7.0 REFERENCE DOCUMENTS

- R-1: [MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF WEST SACRAMENTO AND STATIONARY ENGINEERS, LOCAL 39, Effective July 1, 2016 through June 30, 2019.](#)
- R-2: [City of West Sacramento Fiscal Year 2017-18 Salary Schedule.](#)
- R-3: [City of West Sacramento, Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2016.](#)
- R-4: [City of West Sacramento, Biennial Budget Fiscal Years 2017-2018 and 2018-2019.](#)
- R-5: [Port of West Sacramento, May 10, 2017 Agenda Report Item #4 Consideration of Port Budget for Fiscal Year 2017-18.](#)
- R-6: [West Sacramento Flood Control Agency, May 25, 2017 Agenda Report Item #3, Workshop on WSAFCA Biennial Administration and Operations Budget and Capital Improvement Budget for Fiscal Years 2017/18 and 2018/19.](#)

ATTACHMENT A

**RD 900 and RD 537
Financial Analysis**

Table A-1

RD 900 AND RD 537 Levee and Drainage OMRR&R Budget Analysis

Budget Unit [NEW]: Reclamation District Maintenance Formatted Fiscal Year 2017-18 Budget

ID Number	Item	Existing Situation: No Change	Option 2A: Merger	Option2B: Subsidiary Districts
1	Budget Unit [NEW]: Reclamation District Maintenance			
2				
3	Personnel Services			
4	5012 RD900 Admin Salary	\$167,000	\$173,000	\$167,000
5	5013 RD900 Field Salary	\$300,000	\$304,000	\$300,000
6	5014 RD900 O. T. Emergency	\$8,000	\$8,000	\$8,000
7	5015 RD900 Trustee Fees	\$8,400	\$0	\$0
8	5021 RD900 Payroll Tax	\$38,500	\$39,311	\$38,500
9	5022 RD900 Retirement	\$60,000	\$0	\$60,000
10	5023 RD900 Hospital Withholdings	\$40,000	\$0	\$40,000
11	5023.02 RD900 Retiree Medical	\$13,500	\$0	\$13,500
12	5025 RD900 Worker's Compensation Insurance	\$50,000	\$0	\$50,000
13	5027 RD900 Dental Insurance	\$3,014	\$0	\$3,014
14	6010 RD537 Management Payroll	\$7,800	\$18,400	\$7,800
15	6010 RD537 Salary	\$1,300	\$0	\$1,300
16	6020 RD537 Payroll Tax	\$1,000	\$1,491	\$1,000
17	6150 RD537 Insurance (Inc. Comp.)	\$4,000	\$3,750	\$3,750
18	6200 RD537 Director Fees	\$800	\$0	\$0
19	X COWS City Benefits Allocation [1]	\$0	\$218,878	\$0
20	Total Personnel Services	\$703,314	\$766,830	\$693,864
21				
22	Operations and Maintenance			
23	5110 RD900 Insurance	\$44,500	\$42,346	\$42,346
24	5130 RD900 Office	\$15,000	\$0	\$0
25	5140 RD900 Professional Services	\$150,000	\$126,000	\$133,000
26	5140.02 RD900 Permits and Fees	\$12,000	\$12,000	\$12,000
27	5145 RD900 Assessment Preparation	\$15,000	\$15,000	\$15,000
28	5150 RD900 Office Rent	\$15,000	\$0	\$0
29	5170 RD900 Assessment Collection	\$12,000	\$12,000	\$12,000
30	5180 RD900 Assessment Expense	\$10,000	\$10,000	\$10,000
31	5220 RD900 Uniforms	\$5,000	\$5,000	\$5,000
32	5242 RD900 Tools	\$10,000	\$10,000	\$10,000
33	5260 RD900 Fuel	\$35,000	\$35,000	\$35,000
34	5270 RD900 Power	\$85,000	\$85,000	\$85,000
35	5410 RD900 Equipment Repair	\$25,000	\$25,000	\$25,000
36	5415 RD900 Equipment Supply	\$40,000	\$40,000	\$40,000
37	5417 RD900 Major Equipment	\$500,000	\$500,000	\$500,000
38	5420 RD900 Shop Repair	\$10,000	\$0	\$10,000
39	5425 RD900 Shop Supply	\$8,000	\$8,000	\$8,000
40	5427 RD900 Trash Removal	\$10,000	\$10,000	\$10,000
41	5435 RD900 Spray Equipment and Supply	\$45,000	\$45,000	\$45,000
42	6000 RD900 Levee OMRR&R	\$200,000	\$200,000	\$200,000
43	7000 RD900 Internal Drainage OMRR&R	\$1,189,066	\$1,189,066	\$1,189,066
44	3025 RD537 Bank Fees	\$25	\$0	\$25

**RD 900 and RD 537
Financial Analysis**

ID Number	Item	Existing Situation: No Change	Option 2A: Merger	Option2B: Subsidiary Districts
45	6050 RD537 Legal	\$1,600	\$1,120	\$1,120
46	6100 RD537 Equipment Maintenance	\$17,600	\$17,600	\$17,600
47	6120 RD537 Flood Supplies	\$400	\$400	\$400
48	6121 RD537 Flood Fight Training	\$1,000	\$1,000	\$1,000
49	6125 RD537 Levee Maintenance	\$14,000	\$14,000	\$14,000
50	6130 RD537 Ditch Maintenance	\$12,000	\$12,000	\$12,000
51	6250 RD537 Dues and Public Notices	\$760	\$760	\$760
52	6300 RD537 Professional Fees	\$4,000	\$2,600	\$4,000
53	6350 RD537 Office Expense	\$100	\$0	\$100
54	6400 RD537 Admin Services	\$4,200	\$0	\$4,200
55	6450 RD537 Utilities	\$5,000	\$5,000	\$5,000
56	6455 RD537 Fuel	\$400	\$400	\$400
57	6500 RD537 Yolo Handling Charge	\$280	\$0	\$280
58	Total Operations and Maintenance	\$2,496,931	\$2,424,292	\$2,447,297
59				
60	Non-Operating			
61	X General Support Services [1] [2]	\$0	\$273,600	\$273,600
62	Total Non-Operating	\$0	\$273,600	\$273,600
63				
64	Less Reimbursements for RD 537 Administration			
65	X Reimbursements for Administrative Costs	-\$21,000	\$0	\$0
66	Total Reimbursements for RD 537 Administration	-\$21,000	\$0	\$0
67				
68	Total Budget Unit [NEW]: RD Maintenance	\$3,179,245	\$3,464,722	\$3,414,761
69				
70	Increase in Total Budget Unit [NEW]: RD Main.	\$0	\$285,477	\$235,516
71	Percent Increase in Budget	0%	9%	7%
72				
73	X COWS ICAP [108.57%*Sum(Items 4:6,9:15,19)]		\$784,178	\$706,372
74	Increase in Total Budget with ICAP Costs: RD Main.	\$0	\$796,055	\$668,288
75	Percent Increase in Budget with ICAP Rate	0%	25%	21%

Sources: Reclamation District 900 Draft Fiscal Year Budget Report 2017-2018; Reclamation District 537 Draft Fiscal Year Budget Report 2017-2018; City of West Sacramento CAFR, Biannual Budgets and annual reporting: RD 900 Manager and Board, RD 537 Board, Port Budget, WSAFCA Budget.

[1] Under Option 2A: Merger, General Fund Support Services is estimated as an annual expenditure of \$38,000 per FTE based on Port and WSAFCA actual charges.

[2] Under Option 2B: Subsidiary Districts, General Fund Support Services Is estimated as a monthly expenditure of \$38,000 per FTE based on Port and WSAFCA actual charges.

**RD 900 and RD 537
Financial Analysis**

**Table A-2
RD 900 AND RD 537 Levee and Drainage OMRR&R Budget Analysis
RD 900 Formatted Fiscal Year 2017-18 Budget**

ID Number	Item	Existing Situation: No Change	Option 2A: Merger	Option2B: Subsidiary Districts
1	Budget Unit [NEW]: Reclamation District Maintenance			
2				
3	Personnel Services			
4	5012 RD900 Admin Salary	\$167,000	\$173,000	\$167,000
5	5013 RD900 Field Salary	\$300,000	\$304,000	\$300,000
6	5014 RD900 O.T. Emergency	\$8,000	\$8,000	\$8,000
7	5015 RD900 Trustee Fees	\$8,400		
8	5021 RD900 Payroll Tax	\$38,500	\$39,311	\$38,500
9	5022 RD900 Retirement	\$60,000		\$60,000
10	5023 RD900 Hospital Withholdings	\$40,000		\$40,000
11	5023.02 RD900 Retiree Medical	\$13,500		\$13,500
12	5025 RD900 Worker's Compensation Insurance	\$50,000		\$50,000
13	5027 RD900 Dental Insurance	\$3,014		\$3,014
14	X COWS City Benefits Allocation [1]		\$210,878	
15	Total Personnel Services	\$688,414	\$735,189	\$680,014
16				
17	Operations and Maintenance			
18	5110 RD900 Insurance	\$44,500	\$42,346	\$42,346
19	5130 RD900 Office	\$15,000		
20	5140 RD900 Professional Services	\$150,000	\$126,000	\$133,000
21	5140.02 RD900 Permits and Fees	\$12,000	\$12,000	\$12,000
22	5145 RD900 Assessment Preparation	\$15,000	\$15,000	\$15,000
23	5150 RD900 Office Rent	\$15,000		
24	5170 RD900 Assessment Collection	\$12,000	\$12,000	\$12,000
25	5180 RD900 Assessment Expense	\$10,000	\$10,000	\$10,000
26	5220 RD900 Uniforms	\$5,000	\$5,000	\$5,000
27	5242 RD900 Tools	\$10,000	\$10,000	\$10,000
28	5260 RD900 Fuel	\$35,000	\$35,000	\$35,000
29	5270 RD900 Power	\$85,000	\$85,000	\$85,000
30	5410 RD900 Equipment Repair	\$25,000	\$25,000	\$25,000
31	5415 RD900 Equipment Supply	\$40,000	\$40,000	\$40,000
32	5417 RD900 Major Equipment	\$500,000	\$500,000	\$500,000
33	5420 RD900 Shop Repair	\$10,000		\$10,000
34	5425 RD900 Shop Supply	\$8,000	\$8,000	\$8,000
35	5427 RD900 Trash Removal	\$10,000	\$10,000	\$10,000
36	5435 RD900 Spray Equipment and Supply	\$45,000	\$45,000	\$45,000
37	6000 RD900 Levee OMRR&R	\$200,000	\$200,000	\$200,000

**RD 900 and RD 537
Financial Analysis**

ID Number	Item	Existing Situation: No Change	Option 2A: Merger	Option2B: Subsidiary Districts
38	7000 RD900 Internal Drainage OMRR&R	\$1,189,066	\$1,189,066	\$1,189,066
39	Total Operations and Maintenance	\$2,435,566	\$2,369,412	\$2,386,412
40				
41	Non-Operating			
42	X General Support Services [1] [2]		\$266,000	\$266,000
43	Total Non-Operating		\$266,000	\$266,000
44				
45	Less Reimbursements for RD 537 Administration			
46	X Reimbursements for Administrative Costs	-\$21,000		
47	Total Reimbursements for RD 537 Administration	-\$21,000	\$0	\$0
48				
49	Total Budget Unit [NEW]: RD Main.	\$3,102,980	\$3,370,601	\$3,332,426
50	Percent Increase in Budget	0%	9%	7%
51				
52	X COWS ICAP [108.57% * Sum(Lines4:6;9:14)]		\$755,515	\$696,492
53	Total Budget Unit [NEW] with ICAP Costs: RD Maint.	\$3,102,980	\$3,860,115	\$3,762,918
54	Percent Increase in Budget with ICAP Rate	0%	24%	21%

Source: Reclamation District 900 Draft Fiscal Year Budget Report 2017-2018; City of West Sacramento; EPS.

[1] The City identifies benefits allocation for employees at 43.48 percent of salaries.

[2] Under Option 2A: Merger, General Fund Support Services is estimated as an annual expenditure of \$38,000 per FTE. It is assumed that RD 900 employees equate to a total of 7 FTEs.

[3] Under Option 2B: Subsidiary Districts, General Fund Support Services is estimated as a monthly expenditure of \$38,000 per FTE. It is assumed that RD 900 employees equate to a total of 7 FTEs.

The Districts modified assumption in the City evaluation based on additional supporting documentation.

**RD 900 and RD 537
Financial Analysis**

**Table A-3
RD 900 AND RD 537 Levee and Drainage OMRR&R Budget Analysis
RD 537 Formatted Fiscal Year 2017-18 Budget**

ID Number	Item	Existing Situation: No Change	Option 2A: Merger	Option2B: Subsidiary Districts
1	Budget Unit [NEW]:Reclamation District Maintenance			
2				
3	Personnel Service			
4	6010 RD537 Management Payroll (Kyle Lang GM)	\$39,000	\$92,000	\$39,000
5	6010.1 RD537 Salary (Pay Part Time People)	\$6,500		\$6,500
6	6020 RD537 Payroll Tax	\$5,000	\$7,457	\$5,000
7	6150 RD537 Insurance (\$3,786 Gen liability, \$1,250 Public	\$20,000	\$18,750	\$18,750
8	6200 RD537 Director Fees	\$4,000		
9	X COWS City Benefits Allocation [1]		\$40,002	
10	Total Personnel Services	\$74,500	\$158,208	\$69,250
11				
12	Operations and Maintenance			
13	3025 RD537 Bank Fees	\$125		\$125
14	6050 RD537 Legal	\$8,000	\$5,600	\$5,600
15	6100 RD537 Equipment Maintenance [1]	\$88,000	\$88,000	\$88,000
16	6120 RD537 Flood Supplies [1]	\$2,000	\$2,000	\$2,000
17	6121 RD537 Flood Fight Training [1]	\$5,000	\$5,000	\$5,000
18	6125 RD537 Levee Maintenance [1]	\$70,000	\$70,000	\$70,000
19	6130 RD537 Ditch Maintenance [1]	\$60,000	\$60,000	\$60,000
20	6250 RD537 Dues and Public Notices	\$3,800	\$3,800	\$3,800
21	6300 RD537 Professional Fees (Audit needed if they are	\$20,000	\$13,000	\$20,000
22	6350 RD537 Office Expense	\$500		\$500
23	6400 RD537 Admin Services	\$21,000		\$21,000
24	6450 RD537 Utilities [1]	\$25,000	\$25,000	\$25,000
25	6455 RD537 Fuel [1]	\$2,000	\$2,000	\$2,000
26	6500 RD537 Yolo Handling Charge [1] (Banking Fees)	\$1,400		\$1,400
27	Total Operations and Maintenance	\$306,825	\$274,400	\$304,425
28				
29	Non-Operating			
30	X General Support Services [1] [2]		\$38,000	\$38,000
31	Total Non-Operating		\$38,000	\$38,000
32				
33	Total Budget Unit [NEW]: RD Main.	\$381,325	\$470,608	\$411,675
34	Percent Increase in Budget	0.0%	23%	8%
35				
36	X COWS ICAP [108.57% * Sum(Lines 4:5;9)]		\$143,314	\$49,399
37	Total Budget Unit [NEW] with ICAP Costs: RD Main.	\$381,325	\$613,923	\$461,074
38	Percent Increase in Budget with ICAP	0.0%	61%	21%

Source: Reclamation District 537 Fiscal Year Budget Report 2017-2018; City of West Sacramento; EPS.

[1] Based on estimates of acreage and area maintained, approximately 20 percent of the RD 537 area is within the City boundary.

[2] Under Option 2A: Merger, General Fund Support Services is estimated as an annual expenditure of \$38,000 per FTE. It is assumed that RD 537 for 0.5 FTE's for a total cost of \$19,000.

[3] Under Option 2B: Subsidiary Districts, General Fund Support Services is estimated as a monthly expenditure of \$38,000. It is assumed that RD 537 for 0.5 FTE's for a total cost of \$19,000.

The Districts modified assumption in the City evaluation based on additional supporting documentation.

**RD 900 and RD 537
Financial Analysis**

**Table A-4
RD 900 AND RD 537 Levee and Drainage OMRR&R Budget Analysis
RD 537 Formatted Fiscal Year 2017-18 Budget Scaled by 20%**

ID Number	Item	Existing Situation: No Change	Option 2A: Merger	Option2B: Subsidiary Districts
1	Budget Unit [NEW]:Reclamation District Maintenance			
2				
3	Personnel Service			
4	6010 RD537 Management Payroll (Kyle Lang GM)	\$7,800	\$18,400	\$7,800
5	6010.1 RD537 Salary (Pay Part Time People)	\$1,300	\$0	\$1,300
6	6020 RD537 Payroll Tax	\$1,000	\$1,491	\$1,000
7	6150 RD537 Insurance (\$3,786 Gen liability, \$1,250 Public	\$4,000	\$3,750	\$3,750
8	6200 RD537 Director Fees	\$800	\$0	\$0
9	X COWS City Benefits Allocation [1]	\$0	\$8,000	\$0
10	Total Personnel Services	\$14,900	\$31,642	\$13,850
11				
12	Operations and Maintenance			
13	3025 RD537 Bank Fees	\$25	\$0	\$25
14	6050 RD537 Legal	\$1,600	\$1,120	\$1,120
15	6100 RD537 Equipment Maintenance [1]	\$17,600	\$17,600	\$17,600
16	6120 RD537 Flood Supplies [1]	\$400	\$400	\$400
17	6121 RD537 Flood Fight Training [1]	\$1,000	\$1,000	\$1,000
18	6125 RD537 Levee Maintenance [1]	\$14,000	\$14,000	\$14,000
19	6130 RD537 Ditch Maintenance [1]	\$12,000	\$12,000	\$12,000
20	6250 RD537 Dues and Public Notices	\$760	\$760	\$760
21	6300 RD537 Professional Fees (Audit needed if they are	\$4,000	\$2,600	\$4,000
22	6350 RD537 Office Expense	\$100	\$0	\$100
23	6400 RD537 Admin Services	\$4,200	\$0	\$4,200
24	6450 RD537 Utilities [1]	\$5,000	\$5,000	\$5,000
25	6455 RD537 Fuel [1]	\$400	\$400	\$400
26	6500 RD537 Yolo Handling Charge [1] (Banking Fees)	\$280	\$0	\$280
27	Total Operations and Maintenance	\$61,365	\$54,880	\$60,885
28				
29	Non-Operating			
30	X General Support Services [1] [2]	\$0	\$7,600	\$7,600
31	Total Non-Operating		\$7,600	\$7,600
32				
33	Total Budget Unit [NEW]: RD Main.	\$76,265	\$94,122	\$82,335
34	Percent Increase in Budget	0%	23%	8%
35				
36	X COWS ICAP [108.57% * Sum(Lines 4:5;9)]		\$28,663	\$9,880
37	Total Budget Unit [NEW] with ICAP Costs: RD Main.	\$76,265	\$122,785	\$92,215
38	Percent Increase in Budget with ICAP	0%	61%	21%

Source: Reclamation District 537 Fiscal Year Budget Report 2017-2018; City of West Sacramento; EPS.

[1] Based on estimates of acreage and area maintained, approximately 20 percent of the RD 537 area is within the City boundary.

[2] Under Option 2A: Merger, General Fund Support Services is estimated as an annual expenditure of \$38,000 per FTE. It is assumed that RD 537 for 0.5 FTE's for a total cost of \$19,000.

[3] Under Option 2B: Subsidiary Districts, General Fund Support Services is estimated as a monthly expenditure of \$38,000. It is assumed that RD 537 for 0.5 FTE's for a total cost of \$19,000.

The Districts modified assumption in the City evaluation based on additional supporting documentation.

RD 900 and RD 537

Financial Analysis

Table A-5

RD 900 AND RD 537 Levee and Drainage OMRR&R Budget Analysis

Equivalent City Positions for RD 900 and RD 537 Staff

City Position [1]	A	Salary [2]			Fringe Benefits [3]				
		Low B	High C	Average D=(B+C)/2	Total E=A*D	Low F	High G	Average H=(F+G)/2	Total I=A*H
RD 900 Administrative Staff									
Public Works Operations Mgr. (RD Mgr.)	1.00	\$106,260	\$129,144	\$118,000	\$118,000	\$46,202	\$56,152	\$51,000	\$51,000
Administrative Assistant	1.00	\$49,548	\$60,228	\$55,000	\$55,000	\$21,543	\$26,187	\$24,000	\$24,000
Total RD 900 Administrative Costs	2.00	\$155,808	\$189,372	\$173,000	\$173,000	\$67,745	\$82,339	\$75,000	\$75,000
RD 900 Field Staff									
Facilities Maintenance Worker	2.00	\$48,096	\$58,452	\$53,000	\$106,000	\$20,912	\$25,415	\$23,000	\$46,000
Facilities Maintenance Worker, Senior	1.00	\$52,920	\$64,332	\$59,000	\$59,000	\$23,010	\$27,972	\$25,000	\$25,000
Mechanic I	1.00	\$42,120	\$51,204	\$47,000	\$47,000	\$18,314	\$22,263	\$20,000	\$20,000
Equipment and Facilities Superintendent	1.00	\$82,848	\$100,680	\$92,000	\$92,000	\$36,022	\$43,776	\$40,000	\$40,000
Total RD 900 Field Staff	5.00	\$225,984	\$274,668	\$251,000	\$304,000	\$98,258	\$119,426	\$108,000	\$131,000
RD 537 Field Staff									
Equipment and Facilities Superintendent	1.00	\$82,848	\$100,680	\$92,000	\$92,000	\$36,022	\$43,776	\$40,000	\$40,000
Total RD 537 Field Staff	1.00	\$82,848	\$100,680	\$92,000	\$92,000	\$36,022	\$43,776	\$40,000	\$40,000
Total	7.00	\$381,792	\$464,040	\$424,000	\$477,000	\$166,003	\$201,765	\$183,000	\$206,000

Notes:

[1] Positions based on existing staffing at RD 900 and RD 537 and estimate of equivalent positions within the City of West Sacramento Salary Schedule effective July 1, 2016.

[2] Salary information based on City of West Sacramento salary schedule.

[3] Fringe Benefits at 43.48% of salary based on City of West Sacramento June 30, 2016 Comprehensive Annual Financial Report.

[4] Indirect cost allocation at 108.57% of the sum of the salary and Fringe Benefits based on City of West Sacramento June 30, 2016 Indirect Cost Allocation Plan (ICAP).

RD 900 and RD 537

Financial Analysis

Table A-6

RD 900 AND RD 537 Levee and Drainage OMRR&R Budget Analysis

General Administrative Support Services

Fiscal Year	Port (516-9700)					WSAFCA (615-9040)				
	A	B	C	D=C/A	E=C/B	F	G	H	I=H/F	J=H/G
	Port FTE's [1]	Personnel Expenses [2]	Admin Expenses [2]	Admin per FTE (\$/FTE)	Admin % of Personnel (%)	WSAFCA FTE's [1]	Personnel Expenses [3]	Admin Expenses [3]	Admin per FTE (\$/FTE)	Admin % of Personnel (%)
2016-17	2.500	\$325,000	\$100,000	\$40,000	30.8%	6.875	\$930,212	\$249,600	\$36,305	26.8%
2017-18	2.500	\$334,750	\$103,000	\$41,200	30.8%	6.875	\$1,042,158	\$251,712	\$36,613	24.2%
2018-19	2.500	\$344,793	\$106,090	\$42,436	30.8%	6.875	\$1,070,101	\$254,114	\$36,962	23.7%

Notes:

[1] Full Time Employee data based on City of West Sacramento Biennial Budget Reports.

[2] Based on personnel and administrative support expenses reported at May 10, 2017 Port meeting in Agenda Report #4. All expenses coded to account 5950 included as Admin.

[3] WSAFCA expenses based on Agenda Report prepared and signed by the City Treasurer for the May 25, 2017 WSAFCA special meeting.

[*] Average cost for FY 17-18 per FTE is \$38,906. This analysis assumed a cost of \$38,000 per FTE for Fiscal Year 17-18.

ATTACHMENT B

Table B-1:
RD 900 AND RD 537 Levee and Drainage OMRR&R Budget Analysis
Projected Contributions for the City of West Sacramento Pension Plan - CalPERS Unfunded Accrued Liabilities

CalPERS Plan	Projected Future Employer Contributions (Assumes 7.375% Return for Fiscal Year 2016-17)						
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Miscellaneous	\$2,320,636	\$2,767,000	\$3,080,000	\$3,495,000	\$3,821,000	\$4,085,000	\$4,311,000
PEPRA Safety Fire	\$1,406	\$3,000	\$5,500	\$8,100	\$11,000	\$13,000	\$14,000
Safety Fire	\$1,305,652	\$1,620,000	\$1,851,000	\$2,139,000	\$2,386,000	\$2,556,000	\$2,700,000
Safety Fire Second Tier	\$396	\$760	\$1,300	\$1,900	\$2,400	\$2,800	\$3,100
Safety Police	\$910,653	\$1,145,000	\$1,327,000	\$1,551,000	\$1,743,000	\$1,873,000	\$1,982,000
Safety Police Second Tier	\$784	\$2,600	\$5,700	\$9,000	\$12,000	\$15,000	\$17,000
Total	\$4,539,527	\$5,538,360	\$6,270,500	\$7,204,000	\$7,975,400	\$8,544,800	\$9,027,100

Source:
[CalPERS Public Agency Actuarial Valuation Reports](#)


Notes:
The table shows the required and projected West Sacramento employer contributions (before cost sharing) for the next six fiscal years.

Enclosure 3

Downey Brand LMA Liability Memo

MEMORANDUM**VIA E-MAIL**

To: BOARD OF TRUSTEES, RECLAMATION DISTRICT NO 537

From: SCOTT L. SHAPIRO 

Date: FEBRUARY 12, 2018

Re: **OVERVIEW OF POTENTIAL AREAS OF LIABILITY FOR LOCAL MAINTAINING AGENCIES**

You have asked that we provide an overview of potential areas of liability that may be relevant to a local maintaining agency (LMA) operating and maintaining portions of the State Plan of Flood Control. You have told us that this analysis will be shared with the Yolo County LAFCo as it considers potential consolidation or elimination of LMAs. Our understanding is that you wish me to utilize my background as not only counsel for several dozen local agencies, but also as General Counsel for the California Central Valley Flood Control Association, a non-profit association consisting of all manner of LMAs including Reclamation Districts, Levee Districts, Cities, Counties, Joint Powers Agencies, and agencies created by the Legislature under special acts.

Overview of the State Plan of Flood Control

Roughly 1600 miles of levees in the Sacramento and San Joaquin Valleys are known as the State Plan of Flood Control facilities. These facilities, defined under Water Code section 9611, include levees that were constructed or improved in a partnership with the U.S. Army Corps of Engineers (USACE), including the levees protecting the City of West Sacramento. Under its Federal authorities, the USACE may receive funding from Congress to construct or modify levees. As a condition precedent to such construction, a non-Federal interest must first agree to hold harmless and indemnify the Federal government and to operate, maintain, repair, replace, and rehabilitate (OMRR&R) the levees (all as discussed below); the Federal role is limited to construction and improvement. In our Valley, the Central Valley Flood Protection Board (CVFPB) has signed up to OMRR&R these State Plan of Flood Control facilities. However, under state law, in order for the CVFPB to take on this role, it must first ensure a local maintaining agency (LMA) will both perform the OMRR&R as well as indemnify and hold harmless both the State and the Federal government. Both Reclamation District No. 900 (RD900) and Reclamation District No. 537 (RD537) are LMAs that have previously agreed to these responsibilities. Thus, a consideration of whether the City of West Sacramento should replace the two RDs first requires an understanding not only of the RDs duties and authorities,

but also the potential liabilities of the RDs under existing and future agreements, the California constitution, statutes, and case law.

Sources of Obligations and Potential Liability

There are a number of sources of potential obligations and liability that affect the RDs, all of which would transfer to the City if it became the LMA. This memorandum assumes that the LAFCo process would result in all obligations automatically transferring, although it is possible that certain agreements with the State would need to go through a permissive process and that LAFCo could not unilaterally reassign a contract.¹

A. Agreements for Operation and Maintenance of the System

In the 1950s all LMA signed relatively simple operation and maintenance agreements with the State, to support its obligations under statute and contract with the United States. Since that time, as standards have changed, the form of agreement has continued to be updated, and a new OMRR&R agreement now exists. LMAs must sign the new OMRR&R agreement in order to receive funding from the State for levee improvement projects. As you know, the West Sacramento Area Flood Control Agency has been the recipient of over \$100 million of State funding thus far, and thus the OMRR&R agreement is now the relevant form of agreement. Execution of the new OMRR&R agreement with the CVFPB is now in process and will need to be executed by the LMAs, whether that be the RDs or the City.

The OMRR&R Agreement has significant language in it that creates potential liability on the part of the LMA, whoever that be. Key provisions of the agreement are attached as Attachment A. However, it is worth noting that:

- The LMA not only commits to perform all necessary OMRR&R, it also agrees to both indemnify the State of California as well as the Government, which is defined as the Federal government. This obligation includes any claims based upon inverse condemnation, arising from the operation, maintenance, repair, replacement, or rehabilitation of the Project. Further, it includes protecting the State from any responsibility for claims or damages arising out of work performed by the State on the Project for which the State may be held liable and any claims based upon inverse condemnation.

¹ While LAFCo law suggests that obligations could be reassigned, the obligations of the RDs are pursuant to an agreement with the State, which is itself subsidiary to an agreement with the Federal government, at least raising questions. We have not researched the issue of whether the Federal law here would pre-empt LAFCo law, requiring the State to affirmatively agree to replace an RD with the city as a new LMA, but the Federal role, the statutory nature of the OMRR&R obligation, and the statutory hierarchy of Federal, State, and local certainly suggests that the State may need to agree to an assignment.

- The LMA commits to be responsible for any liability arising out of hazardous materials that may be found on the site, whether placed there by the LMA or not. By way of example, in 2016 the Three Rivers Levee Improvement Authority discovered buried materials under the Yuba River levee and shouldered 100% of the cost of cleaning up those hazardous materials.
- If the State is not happy with the work done by the LMA, the State may do the work and then bill the LMA for the cost of the work done, which the LMA must pay or be in breach of contract.
- The LMA also has certain administrative duties beyond that of simple OMRR&R, such as updating the O&M manual annually, providing notices to protected residents if instructed to by the State, and providing reports to the State.

B. Agreements for Special Projects

In addition to significant capital improvement projects such as the one WSAFCA is leading, the Federal government occasionally comes to the table with projects to address erosion or storm damage under the authority of the Sacramento River Bank Protection Project or the Public Law (PL) 84-99 Rehabilitation Program. In each of these cases, the Federal government signs agreements with the State, which the State then signs with the LMA. Key provisions of the agreement used for this work are attached as Attachment B. Similar to the OMRR&R agreement, the LMA commits to the following:

- The LMA not only commits to perform all necessary O&M, it also agrees to both indemnify the State of California as well as the Government, which is defined as the Federal government.
- The LMA commits to be responsible for any liability arising out of hazardous materials that may be found on the site, whether placed there by the LMA or not.
- If the State or Federal Government is not happy with the work done by the LMA, the State may do the work and then bill the LMA for the cost of the work done, which the LMA must pay or be in breach of contract.
- The LMA is also responsible for funding all environmental mitigation with arises from its O&M of the project.

C. Obligations arising under the California Constitution and Case Law

Over the course of half a dozen flood cases in California, the rules associated with liability for levee failure have come into sharper focus. As explained in *Belair v. Riverside County Flood Control District* (1988) 47 Cal.3d 550, where lands have historically been subject to flooding, and where lands are flooded as a result of the design, construction, operation or maintenance of a

flood control structure, liability under inverse condemnation is established if the public agency acted pursuant to an unreasonable plan. To determine reasonableness, the courts have looked at a series of 15 different factors across the many different cases. In this case of West Sacramento's levee system, because construction and design of the modern system² has been handled by the U.S. Army Corps of Engineers, by the State of California, and by WSAFCA, the only relevant "plan" that must be evaluated from an LMA perspective is that of operation and maintenance. It is worthy to note that several of the 15 factors speak to the financial resources of the public agency and whether those resources were applied properly. Where the public agency is a Reclamation District with a single source of funding, this factor is easy to apply. Where, however, the public agency is a city with a general fund and multiple sources of funding, some of the factors seem to suggest that the court will look to those funds as well to determine whether the public was properly protected. See discussions of the various factors in *Bunch v. Coachella Valley* (1997) 15 Cal.4th 432, *Belair* (discussed supra), *Locklin v. City of Lafayette* (1994) 7 Cal.4th 327, *Paterno v. State of California* (2003) 113 Cal. App. 4th 998, and *Akins* (discussed infra).

Unreasonable maintenance plans have been alleged in a number of different inverse condemnation cases, although in those cases the court ultimately found that the failure resulted instead from design (see e.g., *Paterno*). The *Akins* case however, presented a more relevant discussion, even if the case ultimately settled during a remand following an appellate holding which established the relevant test. *Akins v. California* (1998) 61 Cal.App.4th 1. *Akins* dealt with two areas of flooding, but relevant for this discussion was the failure to properly sandbag, and re-sandbag, a gap in the Arcade Creek levee at the Rio Linda bridge, during the high water of 1986. As a result of this operational failure, plaintiffs sued the LMA (American River Flood Control District),³ the State of California, and the City and County of Sacramento. The City and County offered nuisance settlement amounts of \$45,000 each early in the case which were snatched up by the plaintiffs to fund the prosecution of the case. A decade later, the remaining parties ultimately settled for \$22 million in damages arising from the operational failure at the bridge. While the State picked up the lion's share of the settlement, American River Flood Control District ultimately paid \$2.2 million for its claimed role of unreasonable operation of the system, which approximated the balance remaining on its insurance policy after millions had already been used from that policy to provide defense to the inverse condemnation claim for more than 10 years. Our current understanding is that insurance companies are no longer writing new policies to cover inverse condemnation claims.

² It is our understanding that the original RD900 levee system was constructed by local landowners and RD900. Therefore, if an unimproved section of levee were to fail from unreasonable design or construction, RD900 could be a proper defendant.

³ Reclamation District 1000 was also sued, but apparently for operational issues associated with the other area of flooding.

D. Other Obligations.

This section is merely to note that various statutory duties exist as well for whatever entity is the LMA (*see e.g., Water Code sections 8370 and 12642*), and that under the Government Claims Act, statutory duties do allow government entities to be sued for negligence, nuisance, and trespass as well.

Distinctions between the City and RDs in the payment of damages

Another issue for consideration is the extent to which (and the sources from which) an RD or the City could pay a judgment if it/they were found liable under any of the authorities discussed above. Reclamation Districts have limited authority to raise funds: except for some very rare older districts in certain counties, they have no general property tax revenues and instead are limited to the use of any insurance policies and then the imposition of assessments under Water Code section 50000 et seq. This authority is of course further limited by the constraints of Proposition 218. In the event that a Reclamation District was found liable, and the plaintiff sought to collect on a judgment for which adequate resources didn't exist, the district's only option would be to put a proposed assessment to pay the judgment before the voters for support. While it might seem that a judgment would negate the need for Proposition 218 compliance, the courts have found otherwise:

[E]ven if the payment of the district's debt would confer special benefits on the properties within the district, the property owners would still have the right to vote on the question whether they wished to obtain the special benefits by paying the debt. Proposition 218 was quite clear about the fact that its provisions were to be "liberally construed to effectuate its purposes of limiting local government revenue and enhancing taxpayer consent." (Ballot Pamp., Gen. Elec. (Nov. 5, 1996) text of Prop. 218, § 5, p. 109, italics added, and reprinted in *1108 Historical Notes, 2A West's Ann. Cal. Const. (2001 supp.) foll. art. XIII C, p. 33.)

Ventura Group Ventures, Inc. v. Ventura Port Dist. (2001) 24 Cal.4th 1089, 1107-08. Thus, to the extent that a Reclamation District's liabilities exceed its means to pay that debt, the debt is only paid if the voters approve assessing themselves.

In contrast, we are unaware of any restriction that would protect a city's general fund or other non-dedicated funds in such a circumstance. While a city could propose a special assessment to pay off a debt, in the event that the voters declined to approve such an assessment, once relevant insurance policies are exhausted it would appear that the judgment holder could force payment of the debt from any general funds held by the City that were not otherwise protected by law. From the perspective of a plaintiff, having the city as an LMA is a superior options because it increases the likelihood that a judgment could be paid. But from the perspective of a resident within an RD or a City, having a city as an LMA is an inferior option as the resident's general tax dollars

for services such as fire and police could be used to instead pay a judgment, decreasing the services otherwise offered by the city.⁴

⁴ We acknowledge that the City of West Sacramento is currently within the WSAFCA JPA, but do not see that as relevant to this analysis. While it is possible a claim could be made against the JPA, the RDs, and the City right now, if it was a claim arising out of the duties of the LMA (operation and maintenance), then it would only potentially lie as to the RDs as LMAs. Currently neither the City or WSAFCA have a role in operation and maintenance of the levees, and as noted by the *Paterno* court, liability will not spread to all defendants with roles in the project if the claim is specific for design, or construction, or operation and maintenance, and they do not all have roles in that regard. Thus, any claim made now for damages arising out of an unreasonable operation or maintenance plan can only result in liability for the RDs, even though the City is in a joint powers agency with the RDs.

ATTACHMENT A – KEY PROVISIONS OF OPERATION, MAINTENANCE, REPAIR, REPLACEMENT, AND REHABILITATION AGREEMENT

NOW, THEREFORE, IT IS HEREBY AGREED:

For purposes of this OMRR&R Agreement, the terms below are defined as indicated:

“**Board:**” The State of California Central Valley Flood Protection Board or any successor thereto.

“**Department:**” The State of California Department of Water Resources.

“**Funding Recipient:**” A public agency in the State of California, duly organized, existing, and acting pursuant to the laws thereof, which is the signatory to ... this OMRR&R Agreement.

“**OMRR&R:**” Operation, maintenance, repair, replacement, and rehabilitation of the Project.

“**State Plan of Flood Control:**” The state and federal flood control works, lands, programs, plans, conditions, and mode of maintenance and operations described in Public Resources Code section 5096.805(j).

SECTION I: Obligations of the Funding Recipient

A. General Obligations. The Funding Recipient agrees to the following:

1. To perform OMRR&R for the Project, including all mitigation features of the Project, without limitation, in accordance with the Project design specifications, environmental permits, environmental impact reports, regulations, and directions prescribed by the State, all without any cost to the State. The duties of the Funding Recipient to perform OMRR&R for all Project features shall be performed in a manner that does not diminish the flood protection afforded by or jeopardize the structural integrity of the Project and the flood control system of which the Project is part. The duties of the Funding Recipient pursuant to this paragraph are described further in Section I-B below.
2. To hold and save the federal government and the State, their representatives, officers, directors, employees, including their attorneys and other persons, as well as their successors and assigns, free and harmless from any and all claims and damages, including claims based upon inverse condemnation, arising from the operation, maintenance, repair, replacement, or rehabilitation of the Project.
3. To hold and save the federal government and the State, their representatives, officers, directors, employees, including their attorneys and other persons, as well as their successors and assigns free and harmless from any and all claims or damages arising out of or in connection with the obligations herein assumed by the Funding Recipient, including any responsibility for claims or damages arising out of work performed by the State on the Project for which the State may be held liable and any claims based upon inverse condemnation.

B. Specific Obligations to Operate, Maintain, Repair, Replace, and Rehabilitate

1. The Funding Recipient hereby accepts responsibility for the completed Project or functional portion thereof. The Funding Recipient will develop an Interim Standard Operation and Maintenance Manual for the Project as required by the Funding

Agreement. The Funding Recipient agrees that it will be responsible for OMRR&R of the completed Project or functional portion thereof as further explained in: (1) the Interim Standard Operation and Maintenance Manual for the Project and (2) any applicable Supplement to the Interim Standard Operation and Maintenance Manual for the Project. The Funding Recipient acknowledges that changes to the Interim Standard Operation and Maintenance Manual may be made by the State and the USACE before the document becomes final and that the Funding Recipient shall be responsible for OMRR&R in accordance with any revised version of the Operation and Maintenance Manual for the Project or any Supplement to the Operation and Maintenance Manual.

2. The Funding Recipient hereby gives State the right to enter, at reasonable times and in a reasonable manner, upon the Project Site and land which it owns or controls for access to the Project Site for the purpose of: (i) conducting subsequent inspections to verify that the Funding Recipient is complying with its obligations under this OMRR&R Agreement; and (ii) operating, maintaining, repairing, replacing, or rehabilitating any part of the Project located at or accessible by the Project Site in conjunction with any present or future flood control plan if in the reasonable judgment of State the Funding Recipient fails to comply with its obligations under this OMRR&R Agreement. In the event the State assumes title to any of the land to which the Funding Recipient and Local Maintaining Agency needs access to fulfill the obligations set forth in the paragraph, the State grants an irrevocable license to the Funding Recipient and Local Maintaining Agency to enter the land to fulfill its obligations under this OMRR&R Agreement.
3. If the Funding Recipient has failed or refused to perform the obligations set forth in this OMRR&R Agreement or the requirements of the manuals mentioned above, the State may take appropriate actions including proceedings to establish a maintenance area under Water Code section 12878 et seq.

If the Funding Recipient has failed or refused to perform the obligations set forth in this OMRR&R Agreement or the requirements of the manuals mentioned above, and for any reason the State is not able to take appropriate actions under these provisions of law, then the State may take appropriate actions under this OMRR&R Agreement as follows: If the failure or refusal constitutes, in the sole discretion of the State, a threat to the continued ability of that functional portion of the Project to perform in a manner necessary to provide its designed level of flood protection, then the State may itself perform the necessary work or do so by contract. The State may in its sole discretion develop a work plan and present it to the Funding Recipient with instructions that if the Funding Recipient does not agree to carry out the work plan within the time specified in the work plan, the State will perform the necessary work or do so by contract. The Funding Recipient will reimburse the State for the costs of performing such work in accordance with the procedures set forth in this OMRR&R Agreement. No completion, operation, maintenance, repair, replacement, or rehabilitation by the State shall operate to relieve the Funding Recipient of responsibility to meet the Funding Recipient's obligations as set forth in this OMRR&R Agreement, or to preclude the State from pursuing any other remedy at law or equity to ensure faithful performance pursuant to this OMRR&R Agreement.

C. Additional Obligations:

1. The Funding Recipient shall annually update the Interim Operation and Maintenance Manual for the Project prepared pursuant to the Funding Agreement.
2. The Funding Recipient shall annually update the safety plan for the Project prepared pursuant to the Funding Agreement. The Funding Recipient agrees to use best efforts to ensure that the updated safety plan is integrated into any other Funding Recipient emergency plan and is coordinated with the state emergency plan.

3. The Funding Recipient shall provide reports to the Board as follows: (1) The Funding Recipient shall provide copies to the Board of the Project Completion Report and Project Construction Performance Reports prepared pursuant to the Funding Agreement; and (2) If requested to do so by the Board, the Funding Recipient shall provide copies to the Board of the operation and maintenance reports required pursuant to Water Code section 9140(a) that pertain to the Project. The Board may modify these reporting requirements as needed to ensure that it has adequate information with which to perform its responsibilities under this OMRR&R Agreement.

SECTION II: Hazardous Substances

The Funding Recipient acknowledges State may incur obligations with respect to hazardous substances regulated under the federal Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), (42 U.S.C. §§ 9601-9675); California Hazardous Substances Account Act, (Health & Saf. Code, § 25310 et seq.) or other statutes or regulations (collectively referred to as "state and federal Hazardous Substances Laws") on lands necessary for Project construction and OMRR&R to the extent the Funding Recipient fails to comply with its obligations under this OMRR&R Agreement. The Funding Recipient agrees:

- A. That in the event that the Funding Recipient discovers through an environmental investigation or other means that any lands, easements, or rights of way that have been acquired or provided for the Project contain hazardous substances regulated under state and federal Hazardous Substances Laws, the Funding Recipient shall promptly notify the State of that discovery.
- B. That in the event hazardous substances regulated under state and federal Hazardous Substances Laws have been found, the Funding Recipient shall initiate and complete any and all necessary response and cleanup activity required under state and federal Hazardous Substances Laws, which shall include any studies and investigations necessary to determine the appropriate response to the contamination. Payment for the costs of such necessary response and cleanup activity as required under state and federal Hazardous Substances Laws shall be made by the Funding Recipient. In the event that the Funding Recipient fails to provide the funds necessary for response and cleanup activity required under state and federal Hazardous Substances Laws or to otherwise discharge the Funding Recipient's responsibilities under this Paragraph B, then the State may perform the necessary response and cleanup activity, and the Funding Recipient shall reimburse the State in accordance with the procedures set out in this OMRR&R Agreement. If the State performs the necessary response and cleanup activity required under state and federal Hazardous Substances Laws, the State shall consult with the Funding Recipient concerning the selection of the person(s) to perform the work, the amount of money to be spent on the work, the scope of the work, and any other aspect of response and cleanup activity.
- C. That the Funding Recipient shall consult with the State in order to ensure that responsible persons under state and federal Hazardous Substances Laws ultimately bear all necessary response and cleanup costs as defined in state and federal Hazardous Substances Laws.
- D. That the Funding Recipient shall operate, maintain, repair, replace, and rehabilitate the Project in a manner that will control and minimize the release or threatened release of hazardous substances regulated under state and federal Hazardous Substances Laws on lands necessary for Project construction, operation, maintenance, repair, replacement, or rehabilitation.
- E. That in the event that the State, their representatives, officers, directors, employees, including their attorneys and other persons, as well as their successors and assigns, are found to be liable under state and federal Hazardous Substances Laws for the release or threatened release of hazardous substances arising out of the operation, maintenance, repair, replacement, or rehabilitation of the Project, then the Funding Recipient shall indemnify and hold the State, their representatives, officers, directors, employees, including their attorneys and other persons, as well as their successors and assigns, harmless from any response or cleanup costs for which the

State, their representatives, officers, directors, employees, including their attorneys and other persons, as well as their successors and assigns, may be found to be liable under state and federal Hazardous Substances Laws.

- F. No decision made or action taken pursuant to any provision of this Section of the Project OMRR&R Agreement shall relieve any responsible person from any liability that may arise under state and federal Hazardous Substances Laws, nor shall such decision or action be considered a waiver by the State or the Funding Recipient of any right to seek from any responsible person as defined by state and federal Hazardous Substances Laws the recovery, contribution of, or indemnification from costs incurred by the State or the Funding Recipient for response or cleanup activity required under state and federal Hazardous Substances Laws, nor shall such decision or action be considered a waiver by the State of any other right or remedy provided by law.

... ..

SECTION IV: Procedures for Reimbursing the State

If the Funding Recipient fails to fulfill its obligations under this Agreement and if the failure or refusal constitutes, in the sole discretion of the State, a threat to the continued ability of the flood project to perform in a manner necessary to provide its designed level of flood protection, then the State, after notifying the Funding Recipient and providing a sixty (60) day opportunity to cure period, may in its sole discretion develop a work plan and present it to the Funding Recipient with instructions that if the Funding Recipient does not agree to carry out, or is unable to carry out, the work plan within the time specified in the work plan, the State will perform the necessary work or do so by contract. The Funding Recipient will reimburse the State for the costs of performing such work in accordance with the procedures set forth in this Agreement. No completion, operation and maintenance, by the State shall operate to relieve the Funding Recipient of responsibility to meet the Funding Recipient's obligations as set forth in this Agreement, or to preclude the State from pursuing any other remedy at law or equity to ensure faithful performance pursuant to this Agreement.

SECTION IX: Standard Conditions

... ..

- 4. **SUCCESSORS AND ASSIGNS:** This OMRR&R Agreement and all of its provisions shall apply to and bind the successors and assigns of the parties. No assignment or transfer of this OMRR&R Agreement or any part thereof, rights hereunder, or interest herein by the Funding Recipient shall be valid unless and until it is approved by State and made subject to such reasonable terms and conditions as State may impose.
- 5. **INSPECTION OF BOOKS, RECORDS, AND REPORTS:** During regular office hours, each of the parties hereto and their duly authorized representatives shall have the right to inspect and to make copies of any books, records, or reports of either party pertaining to this OMRR&R Agreement or matters related hereto. Each of the parties hereto shall maintain and shall make available at all times for such inspection accurate records of all its costs, disbursements, and receipts with respect to its activities under this OMRR&R Agreement. Failure or refusal by Funding Recipient to comply with this provision shall be considered a breach of this OMRR&R Agreement, and State may take any other action it deems necessary to protect its interests, after complying with paragraph V of the OMRR&R Agreement.

... ..

- 26. **FUNDING RECIPIENT NAME CHANGE:** Approval of the State's Project Manager is required to change the Funding Recipient's name as listed on this OMRR&R Agreement. Upon receipt of legal documentation of the name change the State will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.

ATTACHMENT B – KEY PROVISIONS OF
LOCAL COOPERATION AGREEMENT
FOR PL 84-99 OR SACRAMENTO BANK PROTECTION PROJECTS

SECTION I: Obligations of the Board and DISTRICT

... ..

C. DISTRICT agrees to the following:

1. To operate and maintain the Project, including, without limitation, slope protection features, berms, plantings, embedded woody material, and related features constructed as part of the Project in accordance with the Project design specifications, environmental permits, environmental impact reports, regulations, and directions prescribed by the state and federal government, the Government, and the Board, all without any cost to the Board. The duties of DISTRICT to operate and maintain all Project features shall be performed in a manner that does not diminish the flood protection afforded by or jeopardize the structural integrity of the Project or the SRFCP. The specific duties of the DISTRICT pursuant to this paragraph are described in Section II below.

2. To hold and save the Board, its representatives, officers, directors, employees, and other persons acting in their capacity on behalf of the Board, as well as its successors and assigns, to the extent permitted by State law, free and harmless from any and all claims and damages arising from the construction, operation, or maintenance of the Project;

To hold and save the Government, its representatives, officers, directors, employees, and other persons acting in their capacity on behalf of the Government, as well as its successors and assigns, free and harmless from any and all claims and damages due to the construction, operation, and maintenance of the Project, except for claims or damages due to the fault or negligence of the Government or its contractors.

3. To hold and save the State and the Board, its representatives, officers, directors, employees, including its attorneys and other persons, as well as its successors and assigns, to the extent permitted by State law, free and harmless from any and all claims or damages arising out of or in connection with the obligations herein assumed by DISTRICT, including any responsibility for claims or damages arising out of work performed by the Government or Board for which the Government or the Board may be held liable.

D. DISTRICT shall inform landowners and other affected interests of the extent of protection afforded by the Project, using data provided by the Board, not less than once each year, if so requested in writing by the Board.

- E. DISTRICT agrees to mitigate, as otherwise required by law, for any environmental impacts of work performed by DISTRICT pursuant to Section I.C.1 of this Agreement without any costs to the State or the Board.

SECTION II: Obligations to Operate and Maintain

- A. Upon completion of the Project or any functional portion thereof as determined by the Government, the Board shall turn the completed Project or functional portion thereof, including all required lands and rights acquired by or on behalf of the Board, over to DISTRICT. DISTRICT accepts responsibility for operation and maintenance of the completed Project or functional portion thereof in accordance with the then-applicable Operation and Maintenance Manual, to be provided to DISTRICT under this Section II.A., as required by Water Code sections 8370, 12642, and 12828 and Section I.C. of this Agreement.

The Government has agreed that when it turns over this Project to the Board, it will be accompanied by (1) the Standard Operation and Maintenance Manual for the SRFCP and (2) the applicable Supplement to the Standard Operation and Maintenance Manual, SRFCP. The Board shall provide the manual and supplement to DISTRICT.

- B. DISTRICT hereby gives the Government and the Board the right to enter, at reasonable times and in a reasonable manner, upon land which it owns or controls for access to the Project for the purpose of: (i) constructing the repairs under the Project; (ii) performing any of their other obligations under this Agreement; (iii) conducting subsequent inspections to verify that the DISTRICT is complying with its obligations under this Agreement; and (iv) operating, maintaining, repairing, replacing, or rehabilitating any part of the Project for a maximum of 10 years
- C. Upon notification by the Board prior to or during construction of the Project, DISTRICT shall remove, alter, relocate, or reconstruct at no cost to the Board: any and all improvements owned or controlled by DISTRICT that are located on or affecting the Project site as may be determined necessary by the Government or the Board in order to operate, maintain, repair, replace, or rehabilitate any part of the Project located at or accessible by the Project site in conjunction with operation, maintenance, repair, replacement, or rehabilitation of the Project, or to meet any other obligations under this Agreement; or if such improvements are damaged by any cause other than by the Government or it's contractor.
- D. If DISTRICT has failed or refused to perform the obligations set forth in this Agreement and that failure or refusal constitutes, in the opinion of the Government or the Board, a threat to the continued ability of that functional portion of the Project to perform in a manner necessary to provide its designed level of flood protection or if DISTRICT fails or refuses to meet its obligations pursuant to this Agreement or the requirements of the manuals mentioned above, then the Board or Government may perform the necessary work either with their own forces or by contract. DISTRICT will reimburse the Board or Government for the costs of performing that work.

... ..

F. Mitigation for Vegetation Removal to Meet Operation and Maintenance Requirements

In the event that vegetation is partially or completely damaged or removed by DISTRICT in the course of carrying out its obligations to operate and maintain the Project under this Agreement, then only if otherwise required by law DISTRICT shall mitigate for the affected vegetation in accordance with State and federal laws and without cost to the State or the Board.

... ..

SECTION VI: Hazardous Substances

DISTRICT acknowledges that the Board may incur obligations with respect to hazardous substances regulated under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), 42 USC Sections 9601-9675; California Hazardous Substances Account Act, Calif. Health & Safety Code sections 25310 et seq. or other statutes or regulations (collectively referred to as "state and federal Hazardous Substances Laws") on lands necessary for Project construction, operation, and maintenance. DISTRICT agrees:

- A. That in the event that Government, Board, or DISTRICT discovers through an environmental investigation or other means that any lands, easements, or rights of way that have been acquired or provided for the Project contain hazardous substances regulated under CERCLA and/or other state and federal Hazardous Substances Laws at levels requiring a response under those laws, Board and DISTRICT shall promptly notify each other of that discovery.

- B. That in the event hazardous substances regulated under CERCLA and/or other state and federal Hazardous Substances Laws have been found at levels which would require a response under those laws if the Project was initiated upon lands, easements, or rights of way acquired or provided for the Project by the State or the Board, then in conjunction with the Board's obligations under the Cooperation Agreement that it has executed with the Government, the Government, the Board and DISTRICT shall determine whether to initiate construction of the Project, or if already in construction, whether to continue with the construction of the Project, or to terminate construction of the Project for the convenience of the Government, the Board, and DISTRICT. Should the Government, the Board, and DISTRICT determine to proceed or continue with the construction after considering any liability that may arise under CERCLA, DISTRICT shall be responsible, as between the Board and DISTRICT, for any and all necessary clean up and response costs, to include the costs of any studies and investigations necessary to determine an appropriate response to the contamination. Such costs shall not be considered a part of the Project as defined in this Agreement. In the event that the Government, the Board, an DISTRICT elect to proceed with the construction but that DISTRICT fails to provide any funds it has agreed to pay and which are necessary to pay for clean up and response costs or to otherwise discharge its obligations under this paragraph, the Government and the State may terminate or suspend work on the Project.

- C. In the event that the Government, the Board, and DISTRICT elect to continue with construction of the Project, DISTRICT shall consult with the Board in order to ensure that responsible persons under CERCLA and/or other state and federal Hazardous Substances Laws ultimately bear all necessary response and cleanup costs as defined in CERCLA and/or other state and federal Hazardous Substances Laws.
- D. That DISTRICT shall operate and maintain the Project in a manner that will control the intentional or negligent release or threatened release of hazardous substances regulated under CERCLA and/or other state and federal Hazardous Substances Laws on lands necessary for Project construction, operation, or maintenance.
- E. That in the event that the Government or Board, or their representatives, officers, directors, employees, and other persons acting in their capacity on behalf of the Government or Board, as well as their successors and assigns, are found to be liable under CERCLA and/or other state and federal Hazardous Substances Laws for the release or threatened release of hazardous substances arising out of the operation and maintenance of the Project, then DISTRICT shall indemnify the Government and Board, their representatives, officers, directors, employees, and other persons acting in their capacity on behalf of the Government or Board, as well as their successors and assigns, for any response or cleanup costs for which the Government or Board, their representatives, officers, directors, employees, and other persons acting in their capacity on behalf of the Government or Board, as well as their successors and assigns, are found to be liable under CERCLA and/or other state and federal Hazardous Substances Laws, except DISTRICT shall not indemnify the Government for such response or cleanup costs which result from negligence of the Government or its contractors during construction.
- F. No decision made or action taken pursuant to any provision of this Section of the Agreement shall relieve any responsible person from any liability that may arise under CERCLA and/or other state and federal Hazardous Substances Laws, nor shall such decision or action be considered a waiver by the Board or DISTRICT of any right to seek from any responsible person as defined by CERCLA and/or other state and federal Hazardous Substances Laws the recovery, contribution of, or indemnification from costs incurred by the Board or DISTRICT for response or cleanup activity required under CERCLA and/or other state and federal Hazardous Substances Laws, nor shall such decision or action be considered a waiver by the Board of any other right or remedy provided by law.
- G. As between DISTRICT and the Board, DISTRICT shall be considered the operator of the Project for purposes of liability under CERCLA and/or other state and federal Hazardous Substances Laws. This provision is not intended to alter the legal designation of operator, except as between the Board and DISTRICT.

Enclosure 4

System-Wide Improvement Framework Letter of Intent

October 6, 2017

Ms. Leslie Gallagher
Executive Officer
Central Valley Flood Protection Board
3310 El Camino Avenue, Suite 151
Sacramento, CA 95821

Subject: System-Wide Improvement Framework Letter of Intent for the West Sacramento Levee System from the West Sacramento Area Flood Control Agency

Dear Ms. Gallagher:

The West Sacramento Area Flood Control Agency (WSAFCA) is submitting this revised System-Wide Improvement Framework (SWIF) Letter of Intent (LOI) for reinstatement of the West Sacramento Levee System (National Levee Database System ID: 5205000903) to an active status in the Public Law (PL) 84-99 Rehabilitation Program (RP). WSAFCA is submitting this LOI on behalf of the State of California Department of Water Resources (DWR), Reclamation District (RD) 537 and RD 900.

Signed Letters of Support from each of these three Local Maintaining Agencies (LMAs) are attached. Also attached is a Supplemental Information Package intended to meet the requirements contained in Paragraph 7.a of the U.S. Army Corps of Engineers (USACE) Memorandum, Policy for Development and Implementation of System-Wide Improvement Frameworks (SWIFs) dated November 29, 2011.

The USACE conducted a Periodic Inspection (PI) of the West Sacramento – Sac Yolo South Levee System in 2014. This levee system protects both the urban basin associated with the City of West Sacramento (City) as well as the rural basin to the south protecting the town of Clarksburg and extending to Miner Slough. USACE transmitted the results of this PI in a letter dated July 24, 2015. This letter indicated that the PI resulted in an Unacceptable rating for this levee system. Since issuing the PI, USACE agreed with WSAFCA's request to bifurcate the West Sacramento - Sac Yolo South Levee System at the South Cross Levee. This decision was documented in a letter from USACE to WSAFCA dated April 22, 2016.

A Draft LOI and Supplemental Information Package were submitted to CVFPB on January 12, 2016, with comments received from the CVFPB on March 8, 2016 and from the USACE on April 28, 2016. These comments were addressed in a revised package that was submitted to CVFPB on January 18, 2017. Additional comments were received on the revised package from the USACE on January 25, 2017 and on February 24, 2017. These comments were addressed in a revised LOI submitted on March 3, 2017. Finally, USACE provided comments based on a revised review checklist on May 5, 2017, which have been addressed in this revised LOI. Documentation of these comments and the corresponding responses by WSAFCA are included in this resubmittal.

WSAFCA, its member agencies, and DWR are committed to systematically resolving levee deficiencies that steadily reduce flood hazards and consequences in a risk-prioritized manner over time. WSAFCA is committed to facilitating the development of a SWIF over the next two years with the intent of addressing the unacceptable deficiencies identified in the PI using a "worst-first" strategy to achieve this reduction in flood hazards and consequences. The LMAs are aware of the Interim Policy for Determining Eligibility Status of Flood Risk Management Projects for the Rehabilitation Program Pursuant to PL 84-99 dated 21 March 2014

We respectfully request that you support this LOI and endorse it forward to the USACE for review and approval on our behalf. We appreciate your assistance with this matter and look forward to further coordination with you and your staff. If you have any questions regarding this letter, please feel free to contact me at (916) 371-1483.

Respectfully,



Kenric Jameson
General Manager
West Sacramento Area Flood Control Agency

cc: William Denton/RD-900
Kris Pigman/RD-537
Mark List/ DWR (MA-4)
Eric Nagy/Larsen Wurzel & Associates
Paige Caldwell/US Army Corps of Engineers

DEPARTMENT OF WATER RESOURCES

DIVISION OF FLOOD MANAGEMENT

P.O. BOX 219000

SACRAMENTO, CA 95821-9000



November 19, 2015

Mr. William Edgar, President
Central Valley Flood Protection Board
3310 El Camino Avenue, Suite 151
Sacramento, California 95821

Dear Mr. Edgar,

The West Sacramento Area Flood Control Agency (WSAFCA) is preparing a Letter of Intent (LOI) to develop a System-Wide Improvement Framework (SWIF) for the West Sacramento Levee System. WSAFCA will be leading the SWIF effort for the basin. The Department of Water Resources (DWR), Reclamation District (RD) 900 and RD 537 maintain portions of this levee system. DWR operates and maintains two sections of this system including levee reaches along the left bank of the Sacramento Bypass and along the right bank of the Sacramento River (Maintenance Area 4). RD 900 and RD 537 both operate and maintain the remaining portions of the levee system along the Sacramento River and the Yolo Bypass. RD 900 operates and maintains the South Cross Levee. As a partner maintaining agency in the basin, DWR intends to cooperate with WSAFCA, RD 900 and RD 537, as needed, through the SWIF development effort within the parameters of our maintenance responsibilities and practices, in a manner consistent with the principles and strategies embodied in the Central Valley Flood Protection Plan (CVFPP).

It is important to note that some of the unacceptable issues highlighted by United States Army Corps of Engineers (USACE) periodic inspections are beyond the reasonable scope of responsibility of the local maintaining agency. In order to make steady progress in reducing flood risk for the people and property receiving protection from federal project levees, public entities at the local, State, and federal levels can best serve the public by collaborating on remediation of levee defects that transcend the technical and financial resource capabilities associated with annual maintenance programs. DWR is developing a number of programs to cost share with Local Maintaining Agencies (LMA's) on certain types of repairs which exceed their resource capabilities, as well as a new program to address larger-scale levee repairs and improvements. Regarding the difficult situation with encroachments, we applaud Central Valley Flood Protection Board (CVFPB) for its commitment to reinforce its role in resolving encroachment related issues such as abandoned pipelines and structures within the easements, including efforts to supplement the CVFPB's authority to carry out encroachment enforcement actions.

The overall goal of resolving levee deficiencies on a systemic level in order to steadily reduce flood hazard and consequence in a risk-prioritized manner over time, is a common theme articulated in three key documents: (1) WSAFCA's LOI; (2) the Central Valley Flood

Protection Plan (CVFPP), adopted by CVFPB on June 29, 2012; and (3) USACE's "Policy for Development and Implementation of SWIF's" dated November 29, 2011.

Accordingly, in order for DWR to participate as a levee maintainer and support LOI's (and associated SWIF's) for levee systems that include State-maintained levees, all proposed actions regarding such levees must be consistent with the CVFPP and its implementation under the State Systemwide Investment Approach. For the levees it maintains, DWR will:

- develop a plan for remediation of deficiencies reasonably ascribed to annual maintenance;
- collaborate with local and federal partners in pursuing remediation of deficiencies beyond the reasonable scope of annual maintenance;
- remove and modify unauthorized encroachments consistent with CVFPB enforcement actions and DWR's responsibilities;
- continue to implement animal control measures consistent with the USACE Operations and Maintenance Manual for Unit No. 116 and DWR's Rodent Abatement/Damage Reduction and Rehabilitation Program; and
- manage levee vegetation according to the Levee Vegetation Management Strategy embodied in the CVFPP and associated Conservation Framework, which includes removal of vegetation found to present an unacceptable threat.

In performing these activities, it must be recognized that State levee maintenance (whether performed within state maintenance areas funded by local beneficiaries pursuant to California Water Code (CWC) section 12878, or performed pursuant to CWC section 8361 and funded through the State's highly constrained and volatile General Fund), is subject to funding challenges similar to those faced by LMA's.

We look forward to working with the CVFPB, WSAFCA, RD 900, RD 537, and USACE in this important effort to improve the long-term functioning of the Central Valley flood protection system.

Sincerely,



Mark List, Acting Chief
Flood Maintenance Office

cc: Kenric Jameson, Manager



RECLAMATION DISTRICT 900

Post Office Box 673

West Sacramento, CA 95691

PH: (916) 371-1483 • FAX: (916) 371-1494

January 13, 2016

Ms. Leslie Gallagher, Executive Officer
Central Valley Flood Protection Board
3310 El Camino Avenue, Suite 151
Sacramento, CA 95821

Subject: West Sacramento Levee System, System-Wide Improvement Framework (SWIF) Letter of Intent (LOI) – Reclamation District 900 Letter of Support


Dear Ms. Gallagher:

The U.S. Army Corps of Engineers (USACE) presented the results of a Periodic Inspection (PI) conducted on the West Sacramento – Sac Yolo South Levee System in a letter dated July 24, 2015. This letter indicated that the PI resulted in an Unacceptable rating for this levee system. Based on the USACE Memorandum titled *Interim Policy for Determining Eligibility Status of Flood Risk Management Projects for the Rehabilitation Program Pursuant to Public Law (PL) 84-99*, dated March 21, 2014, an Unacceptable rating results in an Inactive status in the PL 84-99 Rehabilitation Program.

The West Sacramento Area Flood Control Agency (WSAFCA) is leading an effort to develop and submit a System-Wide Improvement Framework (SWIF) Letter of Intent (LOI) on behalf of the agencies responsible to operate and maintain the levees protecting the City of West Sacramento. These agencies include the California Department of Water Resources Maintenance Area No. 4, Reclamation District (RD) 900, and RD 537.

RD 900 strongly supports its neighboring levee maintaining agencies and WSAFCA's effort to develop and implement a SWIF. RD 900 supports the SWIF LOI under development and requests immediate transmittal of this LOI by the Central Valley Flood Protection Board (CVFPB) to USACE. We appreciate your assistance with this matter and look forward to further coordination with you and your staff. If you have any questions regarding this letter, please feel free to contact Mr. Kenric Jameson at (916) 371-1483.

Respectfully,


William E. Denton, President
Reclamation District 900

RECLAMATION DISTRICT No. 537
Post Office Box 822, West Sacramento, CA 95691w

January 12, 2016

Ms. Leslie Gallagher, Executive Officer
Central Valley Flood Protection Board
3310 El Camino Avenue, Suite 151
Sacramento, CA 95821

Subject: West Sacramento Levee System, System-Wide Improvement Framework (SWIF) Letter of Intent (LOI) – Reclamation District 537 Letter of Support

Dear Ms. Gallagher:

The U.S. Army Corps of Engineers (USACE) presented the results of a Periodic Inspection (PI) conducted on the West Sacramento – Sac Yolo South Levee System in a letter dated July 24, 2015. This letter indicated that the PI resulted in an Unacceptable rating for this levee system. Based on the USACE Memorandum titled *Interim Policy for Determining Eligibility Status of Flood Risk Management Projects for the Rehabilitation Program Pursuant to Public Law (PL) 84-99*, dated March 21, 2014, an Unacceptable rating results in an Inactive status in the PL 84-99 Rehabilitation Program.

The West Sacramento Area Flood Control Agency (WSAFCA) is leading an effort to develop and submit a System-Wide Improvement Framework (SWIF) Letter of Intent (LOI) on behalf of the agencies responsible to operate and maintain the levees protecting the City of West Sacramento. These agencies include the California Department of Water Resources Maintenance Area No. 4, Reclamation District (RD) 900, and RD 537.

RD 537 strongly supports its neighboring levee maintaining agencies and WSAFCA's effort to develop and implement a SWIF. RD 537 supports the SWIF LOI under development and requests immediate transmittal of this LOI by the Central Valley Flood Protection Board (CVFPB) to USACE. We appreciate your assistance with this matter and look forward to further coordination with you and your staff. If you have any questions regarding this letter, please feel free to contact Kenric Jameson at (916) 371-1483.

Respectfully,



Kristen Pigman, President
Reclamation District 537

Courtesy Copy: WSAFCA, RD-900, MA-4, MBK

WSAFCA SWIF LOI

Supplemental Information Package

1.0 INTRODUCTION

The West Sacramento Area Flood Control Agency (WSAFCA) is submitting this System-Wide Improvement Framework (SWIF) Letter of Intent (LOI) for reinstatement of the West Sacramento Levee System, National Levee Database (NLD) System ID: 5205000903, to an active status in the Public Law (PL) 84-99 Rehabilitation Program (RP). WSAFCA is submitting this LOI on behalf of the three Local Maintaining Agencies (LMAs) responsible for operation and maintenance of the subject levee system; the State of California Department of Water Resources (DWR), Reclamation District (RD) 537 and RD 900. This Supplemental Information Package is intended to meet the requirements contained in Paragraph 7.a of the U.S. Army Corps of Engineers (USACE) Memorandum, *Policy for Development and Implementation of System-Wide Improvement Frameworks (SWIFs)* dated November 29, 2011.

A Draft LOI and Supplemental Information Package were submitted to CVFPB on January 12, 2016, with comments received from the CVFPB on March 8, 2016 and from the USACE on April 28, 2016. These comments were addressed in a revised package that was submitted to CVFPB on January 18, 2017, which had a comment response table included as an attachment. Additional comments were received from the USACE on January 25, 2017 and from USACE Headquarters on February 24, 2017. This Supplemental Information Package has been revised to address the additional comments, which have been included in the attached comment response table.

2.0 BACKGROUND

The USACE conducted a Periodic Inspection (PI) of the West Sacramento – Sac Yolo South Levee System (NLD System ID: 5205000902) levee system between July 28th and September 4th, 2014. This levee system protected both the urban basin associated with the City of West Sacramento (City) as well as the rural basin to the south protecting the town of Clarksburg and extending to Miner Slough. The USACE transmitted the results of this PI to the LMAs in a letter dated July 24, 2015, which indicated that the PI resulted in an Unacceptable rating for the levee system and the system was deemed inactive in the PL 84-99 RP consistent with the USACE Memorandum titled *Interim Policy for Determining Eligibility Status of Flood Risk Management Projects for the Rehabilitation Program Pursuant to Public Law (PL) 84-99*, dated March 21, 2014.

The South Cross Levee (SCL) is located at the southern limit of the City near River Mile 51.6 of the Sacramento River, bisecting the West Sacramento – Sac Yolo South Levee System, but was not included as part of the system. RD 900 initiated coordination with the USACE in 2011 regarding the potential for the SCL to serve as a point of hydraulic separation for the system as well as to achieve eligibility under the PL 84-99 RP for the SCL as a non-Federal Flood Control Work. A formal request for a final determination regarding both these issues was made in a letter to the USACE from RD 900 dated November 3, 2015. On April 22, 2016, the USACE transmitted an Initial Eligibility Inspection (IEI) Letter for the SCL that summarized inspection of the SCL in November 2013 that supported bringing the SCL into the flood control system. The results of the IEI were used to bifurcate the West Sacramento – Sac

Yolo South Levee System into the West Sacramento Levee System (NLD System ID: 5205000903) and the SacYolo South Levee System (NLD System ID: 5205000902). This LOI and Supplemental Information Package has been prepared for the West Sacramento Levee System, which is shown on Figure 1.

3.0 LEVEL SYSTEM & SEGMENT IDENTIFICATION

The following sections describe the West Sacramento Levee System as shown in the IEI Letter report, as well as providing information pertaining to the construction of the existing levees and the population and infrastructure that is protected.

3.1 Levee System and Segment Identification

The West Sacramento Levee System (NLD System ID: 5205000903) is comprised of 12 levee segments that are maintained through the combined efforts of RD 900 (4), RD 537 (2), Maintenance Area 4 (2), and the USACE (3). The Central Valley Flood Protection Board (CVFPB) is the non-Federal sponsor for this system, with the exception of the SCL which is owned and operated by RD 900. USACE, DWR, RD 537, and RD 900 together have maintenance responsibilities for these 12 levee segments, which are identified and rated in the most recent inspections as described in **Table 3.1**.

NLD Segment Name	NLD Segment ID Number	Latest Inspection Type	Rating ¹
Maintenance Area 04 (MA04)	5204000581	Periodic	U
Sacramento Bypass – Unit 2, South Levee (SAC2)	5204001032	Periodic	U
RD 0537 – Lovdal – Unit 1, Sacramento River south of Sac Bypass (LOVS)	5204000762	Periodic	U
RD 0537 – Lovdal – Unit 2, Yolo Bypass (LOV2)	5204000763	Periodic	M
RD 0900 – West Sacramento – Unit 1, Sacramento River north of Deep Water Channel (WS1N)	5204000891	Periodic	U
RD 0900 – West Sacramento – Unit 1, Sacramento River south of Deep Water Channel (WS1S)	5204000894	Periodic	U
RD 0900 – West Sacramento – Unit 2, Yolo Bypass north of Deep Water Channel (WS2N)	5204000893	Periodic	U
RD 0900 – West Sacramento – Unit 2, Yolo Bypass south of Deep Water Channel (WS2S)	5204000892	Periodic	M
Sacramento River DWSC – Navigation Levee (DWSC) ²	5204000895	Periodic	U
Sacramento River DWSC – Port Levee North (DWSC) ^{2,3}	5204000896	NA	NA
Sacramento River DWSC – Port Levee South (DWSC) ^{2,3}	5204000897	NA	NA
RD 0900 – West Sacramento – South Cross Levee (WSCL)	5204000890	Initial Eligibility	M

1) U – Unacceptable; MA – Minimally Acceptable; NA – No Rating Available

2) Levee maintained by the USACE.

3) Levee not inspected as part of previous PI, no ratings available.

3.2 Levee Segment Description

The West Sacramento Levee System levees are located along the Sacramento River, Sacramento Bypass, Yolo Bypass and the Sacramento River Deep Water Ship Channel (DWSC). The levee system is located

predominantly within Yolo County and surrounds the City. A physical description of the levee segments is included in **Table 3.2**. A map showing the location of each segment is included in **Figure 1**. This LOI is only applicable to the segments not maintained by the USACE (DWSC, DWS1, and DWS2), as these three segments do not affect eligibility in the PL 84-99 RP.

Table 3.2 Levee Segment Descriptions				
Segment	River / Channel	LMA	Description	Levee Length (Miles)
MA04	Sacramento River	DWR	Extends east and south from the Interstate 80 bridge to the Tower Bridge on the right bank of the Sacramento River	3.47
SAC2	Sacramento Bypass	DWR	Extends west from the Sacramento River to the Yolo Bypass on the left bank of the Sacramento Bypass	1.79
LOVS	Sacramento River	RD 537	Extends southeast from the Sacramento Bypass to the Interstate 80 bridge on the right bank of the Sacramento River	0.60
LOV2	Yolo Bypass	RD 537	Extends southeast from the Sacramento Bypass to the Union Pacific Railroad (UPRR) line on the left bank of the Yolo Bypass	1.17
WS1N	Sacramento River	RD 900	Extends southwest from the Tower Bridge to the north of the DWSC on the right bank of the Sacramento River	1.59
WS1S	Sacramento River	RD 900	Extends south and southwest from the south of the DWSC to the east side of the West Sacramento South Cross Levee on the right bank of the Sacramento River	6.67
WS2N	Yolo Bypass	RD 900	Extends southwest and south from the UPRR line to the north of the DWSC on the left bank of the Yolo Bypass	2.51
WS2S	Yolo Bypass	RD 900	Extends south from the south of the DWSC to the west side of the West Sacramento South Cross Levee on the left bank of the Yolo Bypass	2.74
DWSC	Deep Water Ship Channel	USACE	Extends south and southwest from the DWSC to the Sacramento River on the left bank of the Yolo Bypass	18.97
DWS1	Deep Water Ship Channel	USACE	Extends east from the Yolo Bypass to the Sacramento River along the north bank of the DWSC	3.22
DWS2	Deep Water Ship Channel	USACE	Extends west from the Sacramento River to the Yolo Bypass along the south bank of the DWSC	3.50
WSCL	N/A	RD 900	Extends west from the Sacramento River to the DWSC connecting the southern ends of WS1S and WS2S.	1.22

3.3 Construction History

Levee construction in one form or fashion has been on-going in the vicinity of the City since its settlement in the middle of the 19th century by landowners seeking to protect individual property. These landowners eventually formed flood control and reclamation districts to construct a more

substantial and organized system of levees. RD 900 was formed in 1911 through an act of the California State legislature and immediately embarked upon a campaign of levee construction coincident with its legal boundary. This included levee construction along the Sacramento River and what is now the Yolo Bypass in 1911 and ultimately included construction of the SCL in 1915. All levees constructed by RD 900 used construction techniques standard for the time.

The primary construction technique involved use of a clamshell to excavate material from the waterside of the proposed levee alignment and placement of the material in a pile to form the levee. This construction method often resulted in a levee comprised of river sediments or surface borrow materials available immediately adjacent to the proposed levee alignment. In the case of the Yolo Bypass levee east of the DWSC and the SCL, this linear excavation at the waterside levee toe also resulted in the creation of a permanent water feature.

The levees constructed by RD 900 along the Sacramento River and the Yolo Bypass were adopted into the Sacramento River Flood Control Project (SRFCP) through Congressional authorization of the Flood Control Act of 1917. While the SCL was not adopted into the Federal levee system, it was designed and constructed in the same period of time using the same standards.

Following authorization of the Flood Control Act of 1944, Congress and the State of California approved improvement of the existing levees and the construction of additional bypasses to provide increased flood risk reduction. Construction of the West Sacramento – Sac Yolo South Levee System was completed in the 1950s and 1960s with the completion of various maintenance and improvement projects since then.

3.4 Population and Industry at Risk

The West Sacramento Levee System encompasses approximately 13,000 acres of industrial, commercial, and residential development with an estimated value of \$4.53 billion as damageable property. The City of West Sacramento has a population of approximately 49,000 residents as well as 13 essential services facilities and ten at risk population facilities. Critical transportation facilities pass through the system including a Union Pacific Railroad (UPRR) main line as well as Interstate 80 and US Highway 50.

4.0 LEVEE SYSTEM DEFICIENCY DESCRIPTIONS

The following sections summarize identified levee deficiencies from the PI Report and IEI Report for the West Sacramento Levee System, as well as a preliminary cost estimate to address those deficiencies. WSAFCA has not been provided with the results of the Levee Screening process and associated risk assessment performed by the USACE using the results of the PI. The levee system was accredited by the Federal Emergency Management Agency (FEMA) and they were notified of the results of the PI. Note that accreditation by FEMA is not an objective of the SWIF.

4.1 Description of Deficiencies

The PI identified several unacceptable individual observations using the USACE *Flood Damage Reduction Segment/System Inspection Report*. These observations were separated into two groups; (1) those deemed critical in that individual observations “likely prevents performance in the next flood event” and resulted in overall category ratings of unacceptable, and (2) individual observations rated unacceptable

but deemed “not likely to prevent performance in next flood event” that resulted in overall category ratings of minimally acceptable.

4.1.1 Categories with Overall Ratings of Unacceptable

The PI Report and IEI Report identified four unacceptable deficiency categories, including Encroachments, Closure Structures, Erosion and Bank Caving, and Animal Control.

- **Encroachments** – The guidance document defines Unacceptable as “Unauthorized encroachments or inappropriate activities noted are likely to inhibit operations and maintenance, emergency operations, or negatively impact the integrity of the levee.” Three (3) levee segments in the West Sacramento Levee System received an Unacceptable rating in this category (MA04, WS1N, and WS1S).
- **Closure Structures** – The guidance document defines Unacceptable as “Closure structure in poor condition. Parts missing or corroded. Placing equipment may not be available within the anticipated warning time. The storage vaults cannot be opened during the time of inspection. Components of closure are not clearly marked and installation instructions/procedures are not readily available. Trial erections have not been accomplished in accordance with the O&M Manual.” One (1) levee segment in the West Sacramento Levee System received an Unacceptable rating in this category (WS2N).
- **Erosion and Bank Caving** – The guidance document defines Unacceptable as “Erosion or caving is occurring or has occurred that threatens the stability and integrity of the levee. The erosion or caving has progressed into the levee section or into the extended footprint of the levee foundation and has compromised the levee foundation stability.” One (1) levee segment in the West Sacramento Levee System received an Unacceptable rating in this category (WS1S).
- **Animal Control** – The guidance document defines Unacceptable as “Animal borrow control program is not effective or nonexistent. Significant maintenance is required to fill existing burrows, and the levee will not provide reliable flood protection until this maintenance is complete.” Four (4) levee segments in the West Sacramento Levee System received an Unacceptable rating in this category (LOVS, MA04, SAC2, AND WS1N).

4.1.2 Categories with Individual Ratings of Unacceptable

The PI Report and IEI Report identified seven minimally acceptable (M) deficiency categories with individual observations rated unacceptable, including Slope Stability, Vegetation Growth, Sod Cover, Settlement, Depressions/Rutting, Cracking and Riprap Revetments & Bank Protection. Though the system was given an overall rating of M for these categories, the individual deficiencies will need to be addressed within two years of the date of the IEI Report for Segment WSCL and within two years of the date of the USACE summary letter for the remaining segments in order to avoid an unacceptable rating for the next PI and subsequent classification as inactive in the PL 84-99 RP.

- **Slope Stability** – The guidance document defines Unacceptable as “Major slope stability problems (ex. deep seated sliding) identified that must be repaired to reestablish the integrity of the levee embankment.” One (1) levee segment in the West Sacramento Levee System received an Unacceptable rating in this category (WS2S).
- **Vegetation Growth** – The guidance document defines Unacceptable as “Significant vegetation growth (brush, weeds, or any trees greater than 2 inches in diameter) is present within the

zones described above and must to be removed to reestablish or ascertain levee integrity." All levee segments inspected for the PI and IEI in the West Sacramento Levee System received an Unacceptable rating in this category.

- **Sod Cover** – The guidance document defines Unacceptable as "Over 50% of the sod cover is missing or damaged over a significant portion or portions of the levee embankment." Three (3) levee segments in the West Sacramento Levee System received an Unacceptable rating in this category (LOVS, MA04 and SAC2).
- **Settlement** – The guidance document defines Unacceptable as "Obvious variations in elevation over significant reaches. No records exist or records indicate that design elevation is compromised." One (1) levee segment in the West Sacramento Levee System received an Unacceptable rating in this category (SAC2).
- **Depressions/Rutting** – The guidance document defines Unacceptable as "There are depressions greater than 6 inches deep that will pond water." Six (6) levee segments in the West Sacramento Levee System received an Unacceptable rating in this category (LOVS, MA04, SAC2, WS1N, WS1S and WS2S).
- **Cracking** – The guidance document defines Unacceptable as "Cracks exceed 6 inches in depth. Longitudinal cracks are longer than the height of the levee and/or exhibit vertical movement along the crack. Transverse cracks extend through the entire levee width." One (1) levee segment in the urban portion of West Sacramento Levee System received an Unacceptable rating in this category (LOV2).
- **Riprap Revetments & Bank Protection** – The guidance document defines Unacceptable as "Significant riprap displacement, exposure of bedding, or stone degradation observed. Scour activity is undercutting banks, eroding embankments, or impairing channel flows by causing turbulence or shoaling. Rock protection is hidden by dense brush, trees, or grasses." One (1) levee segment in the West Sacramento Levee System received an Unacceptable rating in this category (WS1S).

4.1.3 Summary of Category Ratings

A summary of identified deficiencies by category from the PI Report and the IEI Report is included in **Table 4.1**. Those categories highlighted in red are rated unacceptable in the inspection reports, with immediate corrective action needed. Those categories highlighted in yellow are categories that have individual observations rated unacceptable that need to be addressed within two years of the IEI for Segment WSCL and within two years of the USACE letter summarizing PI Results. Though this latter collection of observations did not affect eligibility in the PL 84-99 program, the LMAs will need to address the deficiencies in order to prevent an inactive status in the future.

Table 4.1 Periodic Inspection Segment Ratings by Levee Embankment Item												
Levee Embankment Deficiency	West Sacramento – Sac Yolo South Levee System											
	MA04	SAC2	LOV1	LOV2	WS1N	WS1S	WS2N	WS2S	WSCL	DWSC	DWS1	DWS2
Encroachments	U	M	M	M	U	U	M	M	M	M	NA	NA
Closure Structures	NA	NA	NA	NA	NA	NA	U	NA	NA	NA	NA	NA
Slope Stability	M	A	M	A	M	M	A	M	A	M	NA	NA
Erosion & Bank Caving	M	M	A	A	M	U	M	M	A	U	NA	NA
Animal Control	U	U	U	M	U	M	M	M	A	U	NA	NA
Vegetation Growth	M	M	M	M	M	M	M	M	M	M	NA	NA
Sod Cover	M	M	M	M	A	M	M	M	NA	M	NA	NA
Settlement	A	M	A	A	A	M	A	M	A	M	NA	NA
Depressions/Rutting	M	M	M	A	M	M	M	M	A	U	NA	NA
Cracking	A	A	A	M	A	A	M	M	A	M	NA	NA
Riprap Revetments & Bank Protection	M	A	M	A	M	M	A	NA	NA	NA	NA	NA

1) A = Acceptable; M – Minimally Acceptable; U = Unacceptable; NA = Not Applicable

2) Segments DWSC, DWS1 and DWS2 are maintained by the USACE, ratings are provided for information only.

4.1.4 Summary of Individual Observations Rated Unacceptable

A summary of the number of unacceptable observations in each segment not maintained by the USACE is included in **Table 4.2**. As shown, Encroachments and Vegetation Growth were the most frequently observed deficiencies and were found in all segments.

Table 4.2 Summary of Unacceptable Rated Items per Segment										
Levee Embankment Deficiency	West Sacramento – Sac Yolo South Levee System									
	MA04	SAC2	LOVS	LOV2	WS1N	WS1S	WS2N	WS2S	WSCL	Total
Encroachments	57	6	19	2	23	52	10	17	3	189
Closure Structures	0	0	0	0	1	0	2	0	0	3
Slope Stability	0	0	0	0	0	0	0	1	0	1
Erosion & Bank Caving	1	1	0	0	0	4	0	2	0	8
Animal Control	3	2	3	1	1	0	0	1	0	11
Vegetation Growth	11	7	5	4	5	15	2	5	8	62
Sod Cover	3	1	1	0	0	0	0	0	0	5
Settlement	0	1	0	0	0	0	0	0	0	1
Depressions/Rutting	2	1	1	0	3	18	0	2	0	27
Cracking	0	0	0	1	0	0	0	0	0	1
Riprap Revetments & Bank Protection	0	0	0	0	0	5	0	0	0	5

4.2 Overview for SWIF Approach

The LMAs associated with the West Sacramento Levee System are committed to implementing a “worst-first” approach to correcting outstanding deficiencies identified through the recent PI and IEI on a system-wide basis to restore the levee system to USACE operation and maintenance standards with priority given to eligibility criteria identified in the Interim Policy cited above. However, a significant number of the unacceptable deficiencies in the Encroachment and Closure Structure categories are expected to require an extended amount of time to successfully resolve. The resolution of these deficiencies is expected to take more than two years based on the three following reasons:

- Environmental Permitting – The removal and/or rehabilitation of some encroachments will require environmental permitting including Federal and State consultation regarding potential effects to threatened and endangered species.
- Real Estate Acquisition – The removal, rehabilitation, and/or formal recognition of some encroachments will require the acquisition of permanent easements over parts of the flood risk reduction system where no real property interests are currently held.
- Coordination with Other Agencies – The development, exercise, and implementation of the Emergency Action Plans necessary to activate closure structures at the Union Pacific Railroad and Interstate 80 will require extensive coordination with other Federal, State, and local agencies, including USACE.

The adoption of the SWIF approach will optimize overall flood risk reduction by providing a detailed plan with associated milestones that can be used to ensure that the identified deficiencies are corrected in the appropriate order (i.e. most significant findings will be prioritized) and to the USACE operation and maintenance standards while still allowing the West Sacramento Levee System to remain in the PL 84-99 RP. With the support and input of the USACE, the LMAs will be able to address the concerns raised in the PI and IEL reports systematically and efficiently.

4.3 Preliminary Cost Estimate

A preliminary cost estimate was prepared based on the findings included in the PI Report to provide an initial estimate of the work necessary to address the individual items rated “unacceptable” during the inspections. The following bullets describe the assumptions utilized in the preparation of these estimates.

- **Encroachments** – The most significant number of observations was for encroachments into the levee. These included power poles, retaining walls, access ramps, structures, pipes, concrete debris, and other items observed in the field. The relocation of utility poles was the largest cost contribution to the encroachment line item, with 234 poles identified for relocation. Other high cost items include (1) the inspection, permitting or removal of pipes crossing through the levee, (2) the removal of concrete debris used as slope protection throughout the system, and, (3) infilling of various ditches. A 20% soft cost was added to the assumed costs for encroachment removal to account for coordination and design.
- **Closure Structures** – This rated item includes the inoperable William G. Stone Lock on the DWSC and two closure structure within Segment WS2N; one at a railroad crossing and one for a bike path near the railroad crossing. The William G Stone Lock has been inoperable for several years and modifications will be determined based on its projected usage, but it is assumed the lock will remain inoperable and only minor modifications are required. Portions of the bike path closure structure were missing potentially due to vandalism. New hardware will need to be provided and the operation of the closure should be added to the O&M Manual. The crossing at the railroad was in good condition but was not included in the O&M Manual and no trial closures had been performed, so anticipated costs were minimal.
- **Slope Stability** – One instance of slope stability was observed in the slope of the landside toe ditch in Segment WS2S. WSAFCA is currently identifying mitigation for this observation including a planning level cost for this effort. Costs were taken from this planning level estimate for the specific deficiency identified in the PI Report.
- **Erosion and Bank Caving** – Several instances of erosion were found on the waterside slope and toe throughout the system. A preliminary estimate of materials needed to protect eroded areas was prepared with assumptions related to the extent of rock that would be needed. Material cost was combined with a 20% soft cost for design and construction and a 10% soft cost for environmental permitting.
- **Animal Control** – Animal control deficiencies will be addressed as part of ongoing maintenance activities, but costs were included for the preparation of a formal Animal Control Plan.
- **Vegetation Growth** – Costs have been included for tree and stump removal along the levee crown, landside slope, and landside toe. Riverside slope vegetation growth was not included in the preliminary estimate based on WSAFCA’s intent to apply for a vegetation variance. The

mowing of tall grasses and removal of small shrubs were included in this cost estimate as they are part of normal O&M practices.

- **Sod Cover** – The PI Report identified locations where sod cover was not sufficient on the levee slopes. The assumption was made that repairs would consist of minor slope treatment to repair rutting or rills, followed by the application of seed to the slopes and establishment per normal maintenance processes.
- **Settlement** – A comparison was made between recent survey data and the design grade for the levees. One stretch of Segment SAC2 was found to be deficient in this area. The preliminary estimate provides for the raising of approximately 0.5 miles of Segment SAC2 up to one foot. The estimate assumes a crown raise is sufficient (i.e. no additional footprint will be required). The estimate also includes a confirmatory survey to determine the extents of the freeboard deficiency, as well a soft cost of 30% for design, construction, and permitting.
- **Depressions/Rutting** – Depressions and rutting would be repaired and the slope of the levee reseeded. These areas are generally small in extent along the levee slope or crown.
- **Cracking** – One area was found to have excessive cracking on the landside slope in Segment LOV2. Costs were included to excavate and regrade this portion of levee.
- **Riprap Revetments & Bank Protection** – Riprap and revetment that was found to be deficient was generally due to excessive vegetation preventing inspection or minor displaced rock. The preliminary cost estimate includes provisions to remove vegetation and the addition of rock as needed, to be completed by the LMAs.

The following table provides a summary of the preliminary cost estimate that was prepared for the LOI. These costs include soft costs (permitting, design, agency coordination, etc.) as described above and a 20% contingency to reflect the preliminary nature of the estimates.

Table 4.3 Preliminary Cost Estimate	
Encroachments	\$3,836,100
Closure Structures	\$50,000
Slope Stability	\$14,500
Erosion & Bank Caving	\$622,300
Animal Control	\$20,000
Vegetation Growth	\$283,300
Sod Cover	\$27,800
Settlement	\$329,000
Depressions/Rutting	\$67,500
Cracking	\$10,000
Riprap Revetments & Bank Protection	\$85,200
Total	\$5,345,700

4.4 Preliminary Screening of Deficiencies

A screening process will be adopted during preparation of the SWIF that will define the order with which these deficiencies will be addressed, consistent with the “worst-first” approach and the guidance included in the Interim Policy document cited above. As noted in the transmittal of the final PI results, WSAFCA will prioritize those deficiencies that have “resulted in an Unacceptable System Rating and seriously impair the functioning of the flood damage reduction system and pose an unacceptable risk to public safety.” Deficiencies that meet this criterion would include areas with extensive erosion/bank caving, encroachments that were deemed to have potentially significant impacts on the performance of the levee system, as well as the deficiencies identified on the closure structures within the system. Encroachment that would be addressed during the first phase of work would include penetrations through the levee that had significant deficiencies, such as absent positive closure devices, poor physical condition, or improper abandonment, as well as other types of encroachments that impair operation and maintenance of the levee system, such as locked gates blocking access points, broken concrete debris with exposed rebar on the levee slope, or concrete walls cut into the levee slope.

Analyses would be performed on the remaining deficiencies to determine the extent of the needed mitigation and the most cost-effective approach to be used, including encroachments and eroded areas that did not pose an immediate threat to the system.

As noted in the GRR, a variance is being sought for vegetation along the levees to allow for vegetation on the lower portion of the waterside slope and along the waterside toe (the current levee vegetation guidance document does not allow vegetation on the waterside and landside slopes as well as 15-foot wide zones at both the waterside and landside toe). Vegetation that does not comply with the variance would be removed in accordance with USACE criteria.

5.0 COMMITMENT OF RESOURCES

5.1 Levee Improvements within Basin

Since 2007, WSAFCA, in partnership with DWR, has spent over \$72 million toward the planning, design, and construction of levee improvements for the West Sacramento Levee System. This includes the completion of approximately \$36 million for three Early Implementation Projects clearly demonstrating a history of commitment to funding critical flood risk reduction actions. This funding was provided by DWR through Proposition 1E Bond funds and locally matched with funds from WSAFCA.

WSAFCA awarded the Southport Project construction contract in November 2016 for levee improvements along Segment WS1S consisting of a setback levee combined with in place repairs. The project is scheduled for completion by December 2018. The Southport Project will address the deficiencies identified in the PI for Segment WS1S as well as some deficiencies noted in the IEI Report for Segment WSCL.

Work was completed subsequent to issuance of the Draft Final PI Report to remove a trench from the levee within Segment WS2S. Photos of the repairs were provided to the USACE and the ratings were revised for the Final PI Report. Plans are underway to replace an existing toe ditch with a pipe on Segment WS2S that will address encroachment and slope stability deficiencies. Construction is anticipated to be completed in the Summer of 2017.

5.2 Local Revenue Sources

WSAFCA formed an assessment district to fund flood risk reduction activities in 2007. There is no sunset provision on the assessment district and it is available to secure bonds, lines of credit, or other financing sources to capitalize improvements. The assessment district includes a maximum 2% annual escalation rate that the WSAFCA Board has adopted every year since the passage of the assessment. The assessment is a combined capital and operation and maintenance (O&M) assessment and 15.2% of the annual collections are used to supplement O&M activities for the City, RD 900 and RD 537. The assessment district allows for an adjustment of the O&M funds based on the actual needs of the maintaining agencies. Any additional maintenance costs in RD 900 and RD 537 maintenance areas can be funded by the existing assessment district. The WSAFCA assessment district in State Fiscal Year 2016-2017 is projected to produce \$4.9 million in annual proceeds of which \$745,000 is allocated for O&M. WSAFCA has appropriated assessment funding to address emergency response and can appropriate sufficient funding to address the issues identified within the SWIF.

In addition to WSAFCA, all three local maintaining agencies (LMA's) have similar annual sources of revenue to fund O&M activities. RD 900 and RD 537 also have assessment districts formed without sunset provisions to fund O&M. The State of California Maintenance Area 4, through California Water Code Section 12878, collects funds for O&M through fees collected directly from the beneficiaries of the levee.

WSAFCA also uses its assessment as well as revenue generated through sales taxes and an in-lieu development fee to directly pay for improvements. The local property assessments have supported the issuance of bonds for \$9.9 million in 2008, \$12.0 million in 2011 and \$30.7 million in 2015. A portion of the 2015 bond proceeds were used to retire the 2008 bonds netting WSAFCA approximately an additional \$21.4 million in bond proceeds. In total WSAFCA has secured bond proceeds for \$43.3 million and analysis performed by WSAFCA estimates their total bonding capacity of its assessment district at greater than \$50 million depending on financing terms and time of issuance.

5.3 Comparison of Costs to Revenue Sources

The preliminary cost estimate described above includes deficiencies that will be addressed through the Southport Project scheduled for completion in 2018. This includes the relocation of over half of the identified utility poles, tree removal, the removal of large quantities of concrete debris, the repair of erosion deficiencies, and the removal of other types of encroachments (gates, pipes, etc.). The net remaining costs to address deficiencies identified in the PI Report after the construction of the Southport Project would be \$2,938,200.

Up to 50% of the annual proceeds of \$745,000 generated from the WSAFCA Assessment District can be applied to the correction of deficiencies identified in the PI Report. Financial contributions from the State of California, RD 900, and RD 537 will be in addition to this commitment. The remaining repairs will be accomplished on a worst-first basis through a combination of (1) O&M activities funded by WSAFCA and/or the LMAs, (2) capital improvements funded by WSAFCA in partnership with DWR under the Urban Flood Risk Reduction Program, or, (3) capital improvements funded by WSAFCA in partnership with DWR and USACE through the recently reauthorized West Sacramento Project. These corrections are expected to occur over a 4 to 7-year timeline.

6.0 INTERIM RISK REDUCTION MEASURES

In accordance with *Engineering and Construction Bulletin 2016-8, Interim Risk Reduction Measures (IRRM)s for Levee Safety* prepared by the USACE in 2016, an Interim Risk Reduction Measure Plan will be prepared by WSAFCA to provide, at a minimum:

- An overview of operation and maintenance and/or performance concerns
- The identification of potential failure modes and associated consequences for each of the four scenarios identified in the bulletin
- The identification of alternatives to reduce the probability of inundation, both structural and nonstructural
- An overview of other considerations for environmental and economic impacts
- Preliminary schedules and costs associated with the implementation of the IRRMs
- An overview of internal and external communication protocol

An IRRM is an interim action meant to reduce inundation risks for areas protected by a levee system with identified levee safety issues while comprehensive solutions are being analyzed. The two inundation scenarios of most interest to the subject levee system are a breach prior to overtopping and a malfunction of levee system components.

The IRRMs identified in the construction bulletin that WSAFCA has implemented to date include the following:

- Preparation of a specific response plans with “trigger conditions” to implement identified actions
- Conducting appropriate emergency exercises that plan for a range of failure scenarios
- Working with local communities to promote flood mitigation and emergency response
- Implementation of a communication plan that actively advises the population about the condition of the levee system and the associated potential inundation risk.

Upon acceptance of this LOI, WSAFCA would implement the following IRRMs:

- Put in place emergency supply contracts and actively stockpile floodfighting materials (rock, sand, sand bags, etc.)
- Improve and increase inspection and monitoring before anticipated flood events as well as during and after such events to detect worsening conditions.
- Conduct engineering investigations and analyses to determine potential failure modes.

Examples of the community’s on-going effort towards the implementation of the IRRMs identified above are described in more detail in the following section.

6.1 Examples of WSAFCA’s Implementation of IRRMs

WSAFCA, through a close partnership with the City, already has an extensive program for flood risk communication and education in place. This communication program includes annual meetings with various community groups, including the West Sacramento Chamber of Commerce, as well as annual flood risk notifications mailed to all residents, businesses and property owners. WSAFCA received the national award for *Flood Outreach and Awareness* from the Association of State Floodplain Managers (ASFPM) in 2014.

The flood risk education program includes a longstanding partnership with the Washington Unified School District. This partnership seeks to reach students at all grade levels through: research projects and journalism articles for high school students; informational flyers for middle school; and take home information and poster contest regarding flood preparedness for the elementary students with the theme, “Plan, Pack, Protect”. This year the program introduced a brand new educational video game developed by WSAFCA for Grades 1 through 4 that teaches students how to be prepared for a possible flood emergency by developing a plan, packing an emergency kit, and protecting their homes with flood insurance.

In addition to the flood risk communication and education, WSAFCA also has a comprehensive emergency preparedness program involving modern emergency planning and response tools. Annual pre-flood season coordination meetings are held that include representatives from the City, LMAs, DWR, Yolo County Office of Emergency Services, USACE, and the Federal Emergency Management Agency (FEMA). WSAFCA and the City also sponsor annual emergency response exercises which range from desktop to full scale field exercises.

In 2014, WSAFCA received a grant from DWR to revise the City’s Flood Emergency Response Plan. The grant included the development of a web-based Dynamic Flood Mapping Tool which can be accessed by any computer or smart phone. The Dynamic Flood Mapping Tool:

- Can be used in the Emergency Operations Center or in the field by incident command staff.
- Simulates levee breach scenarios at virtually any location in the West Sacramento levee system
- 1- and 2-D hydraulic models illustrate depth of inundation over time
- Used in support of flood preparedness exercises
- Used for real-time flood emergency response and evacuation

The tool allows the user to select a levee failure location; then it describes where flood water will flow, how quickly it will travel, and how deep it will get so emergency response personnel can determine evacuation priorities, evacuation routes, and where evacuees should shelter. Embedded in the tool are a number of data layers including: evacuation routes, critical infrastructure, sensitive populations, and shelters. This communication program will be updated as part of the SWIF development.

The City of West Sacramento prepared a Flood Specific Hazard Annex Emergency Operation Plan in March of 2016 to provide specific procedures to guide the City public safety response and the coordination of operations with other jurisdictions. The plan included the roles and responsibilities of the City in response to threats from a range of scenarios. The existing Emergency Operation Plan will be updated to include new IRRM’s implemented as a result of SWIF LOI acceptance and as part of the SWIF development.

7.0 INTERAGENCY COLLABORATION

There are a number of current collaborative efforts relative to the West Sacramento Levee System that will contribute positively to SWIF development. These efforts are described as follows:

- West Sacramento General Reevaluation Report – USACE, CVFPB, and WSAFCA are currently partners in the development of the GRR for the levee system under consideration for development of the SWIF. This provides the Federal, State, and local governments an

opportunity to integrate flood risk reduction strategies across multiple programs and funding streams.

- Lower Sacramento – Delta North Regional Flood Management Team – WSAFCA currently coordinates with other local agencies in the region regarding land use, flood risk reduction, environmental sustainability, and regional economic development issues in the region. This forum provides an opportunity to learn lessons from other LMAs in the region facing similar flood risk challenges.
- Urban Flood Risk Reduction Project Implementation – WSAFCA currently partners with DWR to plan, design, and construct Early Implementation Projects at high risk sites consistent with recommendations included in the West Sacramento GRR. This collaboration provides an opportunity to coordinate levee improvement projects with maintenance investments in order to maximize the use of limited available funding by reducing stranded investment.

The development of the SWIF and resolution of the remaining unacceptable deficiencies will require extensive coordination between WSAFCA, USACE, CVFPB, DWR, and the LMA's among other local, State, and Federal agencies. This collaborative planning is expected to occur as follows:

- WSAFCA – Oversight and facilitation, financing, real estate acquisition, capital improvements, and levee certification
- USACE – Encroachment remediation, updates to operations and maintenance manuals, emergency action plans and emergency response, levee standards, and Section 404/408 permits, monitoring of milestones of the SWIF
- CVFPB – Real Estate issues and encroachment permitting and compliance
- FEMA – Levee certification and emergency action plans and emergency response
- Federal & State Resource Agencies (USFWS, National Marine Fisheries Service, California Department of Fish and Wildlife [CDFW], State Historic Preservation Office) – Environmental and historical resources management
- DWR – Operations and maintenance, emergency response, financing, levee standards, capital improvements, and coordination with State Plan of Flood Control
- City of West Sacramento & Yolo County – Land use planning and regulations, emergency response, flood risk communication and education
- LMAs – Encroachment remediation, operations and maintenance, and emergency response

WSAFCA will also seek partnerships with local community groups, local and state government and non-governmental agencies as needed in order to facilitate the SWIF.

8.0 ANTICIPATED PERMIT & CONSULTATION REQUIREMENTS

The development and implementation of the SWIF will require consultation with a number of resource, regulatory, and permitting agencies. Many endangered and threatened species are found in the region. Listed species found in the Sacramento River and/or Yolo Bypass include but are not limited to the following:

- Valley Elderberry Longhorn Beetle
- Delta Smelt
- Green Sturgeon

- Central Valley Steelhead
- Central Valley Chinook Salmon
- California Red-Legged Frog
- California Tiger Salamander
- Giant Garter Snake
- Western Pond Turtle
- Swainson's Hawk

The removal of riparian vegetation and/or the removal or modification of encroachments may impact one or more of the above listed species as well as other non-listed species. Consultation with the United States Fish and Wildlife Service, NMFS and CDFW would be required in any instance where the action could impact these listed species. Vegetation removal and encroachment removal or modification may also involve actions such as alterations in the streambed or disturbance to waters of the United States and as such could require consultation and permits with CDFW and USACE.

In addition to consultation under fish and wildlife protection authorities and other environmental regulations, encroachment remediation and/or modifications to the levee system will require consultation between WSAFCA, USACE, CVFPB, and the LMA as well as individual encroachment owners and landowners. The CVFPB is responsible for enforcing encroachment permit terms and conditions and has a process in place for such enforcement. It includes research of permit and as-built records, informal coordination with easement- and land-owners, noticing, and potentially public hearings. This process can take a significant amount of time and can become litigious.

The permits and approvals reasonably expected as required to implement the corrective actions to be outlined in the SWIF include the following:

- National Environmental Policy Act (NEPA)
- California Environmental Quality Act (CEQA)
- USFWS & NMFS – Endangered Species Consultations
- CDFW – Streambed Alternation Agreement
- CVFPB – Encroachment Permit
- USACE – Section 408 Approval
- California Regional Water Quality Control Board - Clean Water Act, Section 401 Permit
- USACE – Clean Water Act, Section 404 Permit

9.0 Conclusion

Given the anticipated scope of necessary work, WSAFCA respectfully requests that the levee system listed in Table 3.1 above retains "active" status in the PL 84-99 RP while the SWIF plan is developed. WSAFCA asks that this initial request be granted for 2 years, to allow adequate time to develop a successful SWIF plan.

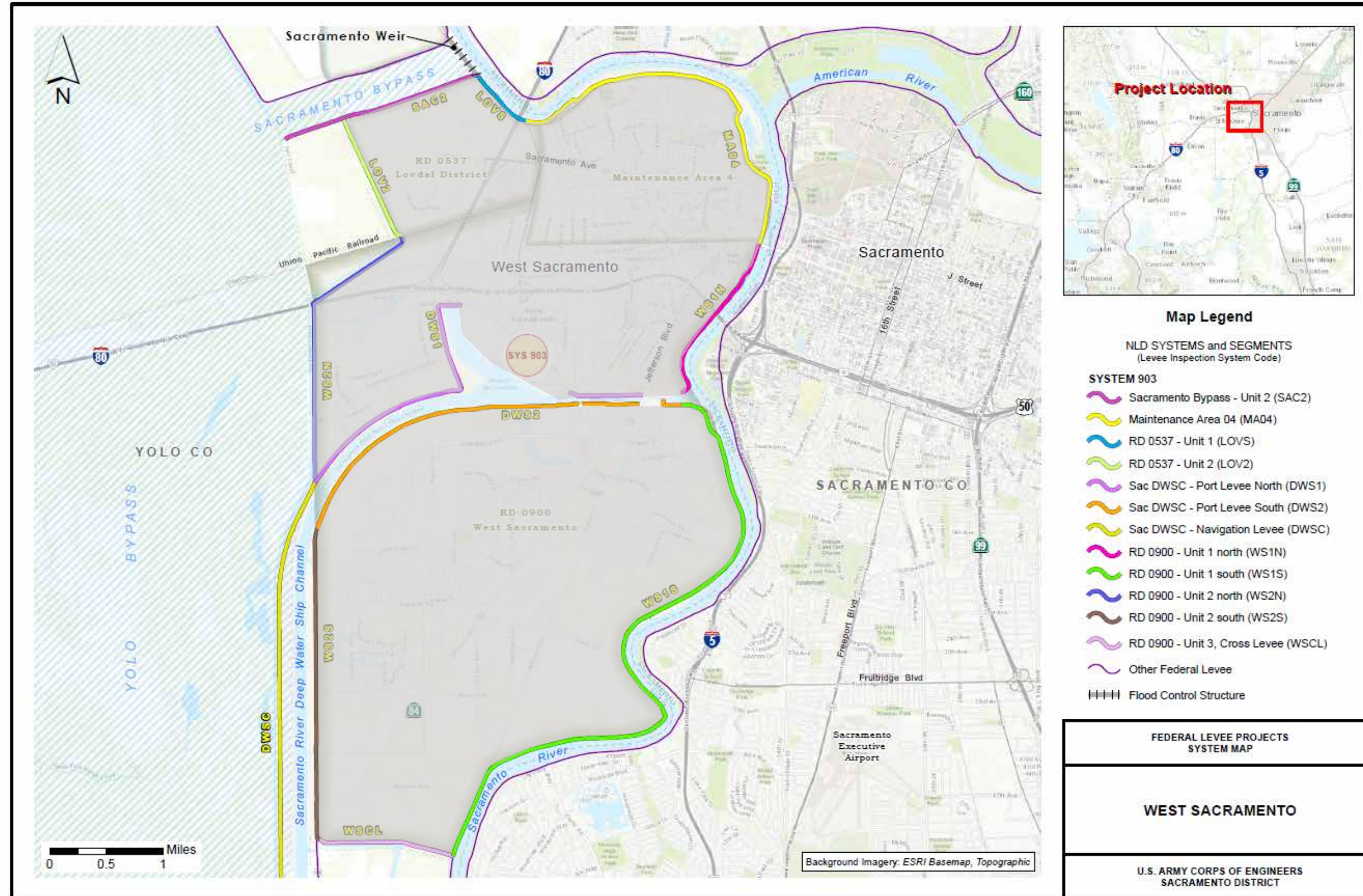


Figure 1. West Sacramento Levee System

West Sacramento Levee System - System-Wide Improvement Framework
Response to Comments - Draft Letter of Intent and Supplemental Information Packet

Reviewer	Date	Location/Criteria	Comment	Response
M. Janolo CVFPB	3/8/2016	Cover Letter	1) Please add the following statement in the cover letter: "[Levee Sponsor] is aware of the Interim Policy for Determining Eligibility Status of Flood Risk Management Projects for the Rehabilitation Program Pursuant to Public Law (P.L.) 84-99 dated 21 March 2014."	Statement added to cover letter.
M. Janolo CVFPB	3/8/2016	1) Identification of levee system or systems.	System Name is West Sacramento – SacYolo South Levee System. NLD Identification number is 205000902. Section 1.0 of the LOI states the reinstatement request only applies to the urban portion of the system (537, 900, and DWR). Table 3.1 shows nine levee segments including the South Cross Levee. Requirement not satisfied. USACE has not made a determination on the hydraulic separability of the levee system. As it is, the LOI is incomplete because it does not cover the entire levee system as is currently defined in the NLD.	The LOI and SIP have been revised to reflect the modifications from the USACE Initial Eligibility Inspection that split the system into two. The LOI is now solely pertaining to the West Sacramento Levee System, NLD ID 5205000903. The NID has been updated and the information revised in the LOI.
M. Janolo CVFPB	3/8/2016	2) Brief description of deficiencies or issues that will be included in the SWIF and discussion of how a system-wide approach will improve and optimize overall flood risk reduction	LOI does not include a table quantifying all unacceptable deficiencies. It does discuss how a worst-first prioritized approach will improve and optimize overall flood risk reduction. Requirement not satisfied. Please include a table showing the number of unacceptable deficiencies and provide a "preliminary" ranking based on risk perception, e.g., critical deficiencies should be highest ranked.	Table 4.2 added to Section 4.1 summarizing the number of unacceptable observations in each category. A brief discussion was added to Section 4.2 to provide a preliminary ranking of the deficiencies to be addressed, with more detailed analyses to be performed as part of the SWIF.
M. Janolo CVFPB	3/8/2016	3) Demonstration that significant non-federal resources have been, or will be, committed for developing and/or implementing the SWIF.	LOI indicates that \$72M funded through CA's Prop 1E Bond have been spent towards planning, designing, and construction of levee improvements, with \$36M going towards completion of EIPs. Additionally, West Sac. residents approved annual parcel assessment dedicated for levee improvement projects back in 2007. And in 2008, Measure V was approved by residents, requiring new development in the city to meet 200-year level of protection, or pay an in-lieu fee. Requirement satisfied.	Comment noted
M. Janolo CVFPB	3/8/2016	4) Anticipated Interim Risk Reduction Measures that will be implemented throughout the SWIF process, including overall risk communication approach that addresses the risk to life increased by system wide deficiencies.	LOI states that ongoing annual meeting with West Sac. Chamber of Commerce is in place. There is also an annual flood risk notification that goes out to residents. In addition, Section 6.0 discusses flood risk education program that teaches students about flood risks, flood preparedness drills, and an educational video game that teaches students flood preparedness skills. WSAFCA also developed the Dynamic Flood Mapping Tool, a web-based application that can be accessed via PC or smart phone. Requirement satisfied.	Comment noted
M. Janolo CVFPB	3/8/2016	5) Brief description of existing or planned interagency collaborative efforts that will contribute positively to SWIF development, implementation and oversight	LOI provides a good overview of the collaborating agencies and their role in SWIF development. Requirement satisfied.	Comment noted
M. Janolo CVFPB	3/8/2016	6) List of anticipated state and federal permits and consultation requirements needed to implement SWIF.	A listing of possible endangered and threatened species is also included. Good listing of permits that will be required. Requirement satisfied.	Comment noted
USACE	4/28/2016	1) Identification of levee system or systems.	a. Indicate the number of systems and segments Update system and segment descriptions to reflect the updated levee system definition that separates West Sacramento levee system. Use the RD 900 Initial Eligibility Inspection results as a reference. NLD ID will be 5205000903, West Sacramento levee system. b. Indicate who is the non-Federal sponsor Are all of the agencies involved considered sponsors or are some LMAs? Clearly denote. c. Indicate each segment rating. Indicate if the systems are inactive, or when they will become inactive. In addition, note which segments are maintained by USACE, as they would be outside of other LMAs' scope of O&M work. d. Indicate if/when the systems will be placed in inactive status e. Include a description of the levee system, including its construction history. f. Indicate if an approved vegetation variance is in place or if one will be applied for. Add a statement noting whether the levee system has a vegetation variance or may apply for one in the future. g. Include the population at risk and the amount of industrial infrastructure at risk. h. Include a general map showing the levee and protected area. Update map to only include northern, West Sacramento levee system. Can use the map included in the RD 900 IEI results document.	a. Description of system and segments revised per IEI report and NLD. b. Sponsors are shown in Table 3.2. c. Segment ratings are shown in Table 3.1. d. Section 2.0, last sentence shows the system to be inactive following PI report results. e. Description included in 3.1, construction history included in Section 3.3. f. There is no current variance but the LMA is intending to pursue a variance to allow vegetation on the lower portion of the waterside slope and along the waterside toe as discussed in the GRR. Language added to the last paragraph of section 4.2. g. Section 3.4 includes a description of the population at risk and other infrastructure. h. Map from IEI report imported into SIP as figure 1.
USACE	4/28/2016	2) Brief description of deficiencies or issues that will be included in the SWIF and discussion of how a system-wide approach will improve and optimize overall flood risk reduction.	a. Indicate how SWIF will improve and optimize over all flood risk reduction. b. The intent of SWIF is to provide time for levee system sponsors to repair deficiencies in accordance with USACE Operation and Maintenance (O&M) standards. The LOI shall clearly state the non-Federal sponsor intention to repair deficiencies to comply with USACE O&M standards.	a. Discussion added to end of Section 4.2. b. Sentence added to first paragraph of Section 4.2.
USACE	4/28/2016	3) Demonstration that significant non-federal resources have been, or will be, committed for developing and/or implementing the SWIF.	a. Discuss sponsor actions taken so far to address the unacceptable deficiencies (may have to discuss work since the previous year's routine inspection). b. Discuss the overall rough cost for rectification work, identify the approximate shortfall, and indicate what funding avenues will be pursued to obtain the necessary funding. Include a rough (order-of-magnitude) cost estimate and identify shortfall, if any.	a. A description of the Southport project was added to Section 5.0 to reflect ongoing progress. The IEI does describe some progress between the PI report and the IEI. b. Costs for the work to be completed are not known at this time. This information will be included in the SWIF once more data is obtained. Funding sources are discussed at depth in Section 5.2.
USACE	4/28/2016	4) Anticipated Interim Risk Reduction Measures that will be implemented throughout the SWIF process, including overall risk communication approach that addresses the risk to life increased by system wide deficiencies.	No comments	Comment noted.
USACE	4/28/2016	5) Brief description of existing or planned interagency collaborative efforts that will contribute positively to SWIF development, implementation and oversight	a. Indicate if there are any known endangered and/or threatened species under the Endangered Species Act and what interagency collaborative efforts are planned.	Section 8.0 includes a discussion of listed species commonly found in the region as well as a discussion regarding potential coordination and consultation with several federal and state agencies.
USACE	4/28/2016	6) List of anticipated state and federal permits and consultation requirements needed to implement SWIF.	a. If a major modification to the federal flood control work will be needed or permitting for encroachments is needed then make sure Section 408 is included in the list of permitting actions.	Section 8.0 includes the USACE 408 Permit as one of the potential requirements as part of the SWIF.
B. Briskin USACE	1/25/2017	1) Identification of levee system or systems.	i. In Table 3.1, add Segment ID for the WSCL segment, which is 5204000890	Segment ID added.
B. Briskin USACE	1/25/2017	3) Demonstration that significant non-federal resources have been, or will be, committed for developing and/or implementing the SWIF.	b. Include rough cost and brief discussion of whether available funding will cover the required work	Cost information added to Section 4.3. Section 5.3 added discussing how preliminary costs compare to available funding.
B. Briskin USACE	1/25/2017	4) Anticipated Interim Risk Reduction Measures that will be implemented throughout the SWIF process, including overall risk communication approach that addresses the risk to life increased by system wide deficiencies.	a. State that the IRRM Plan will be prepared in accordance with USACE ECB 2016-8.	Statement added to Section 6.0.
M. Jordan USACE	2/24/2017	1) Identification of levee system or systems.	This objective is not met. Please verify/clarify which segments are included in the WSLS. If Table 3.1 is correct regarding which levees are covered by the LOI then please remove discussion on the SCL as a separate system which would otherwise reduce the number to 11 or show it as a separate system. I see there was a previous comment regarding same issue of which segments are actually in the WSLS. Add a column or asterisk showing which three levees are Corps maintained. Add a map that shows the leveed area.	All 12 levee segments are included in the WSLS. The SCL is not discussed as a separate system but rather as a new levee that was recently incorporated into the WSLS as part of the bifurcation of the previous levee system. Discussion of bifurcation limited to the needed information to explain why some segments do not have ratings from the PI. Note 2 added to Table 3.1 for levee segments maintained by the USACE. Figure 1 at the end of the document shows the leveed area (taken from USACE IEI report for Segment WSCL).

M. Jordan USACE	2/24/2017	2) Brief description of deficiencies or issues that will be included in the SWIF and discussion of how a system-wide approach will improve and optimize overall flood risk reduction.	This objective is not met. Please make reference to the interim policy when determining the priorities and a first guess of which deficiencies are considered risk drivers. Refer to the preliminary screening conducted by the Corps. Table 4.1 reflects only nine levee systems vs. 12 shown in Table 3.1. To keep things consistent include the 3 levees that are Corps maintained in this table and just show them as Corps maintained. This way the tables match and one does not have to read the long explanation to get the picture.	Section 4.4 added to provide additional details regarding preliminary order with which deficiencies will be addressed based on letter accompanying the Final PI Report and the policy guidance. USACE maintained segments added to Table 4.1 and notes added.
M. Jordan USACE	2/24/2017	3) Demonstration that significant non-federal resources have been, or will be, committed for developing and/or implementing the SWIF.	This objective is not met. Please indicate amount of funds made available each year to make corrections and how much dedicated to O&M. Indicate what corrective work has been performed since the inspections and the approximate cost.	Section 5.0 revised to more clearly outline available funding from the various maintaining agencies and WSAFCA, with a discussion of O&M budget and available funding for repairs. See first paragraphs of 5.2 and 5.3 for added details. Corrective work completed since the issuance of the PI Report includes design for the Southport Project, which is anticipated to be completed by December 2018 and discussed in Section 5.1. Work was completed within Segment WS2S to remove a trench through the levee by the LMA but no costs are available - text added to Paragraph 5.1. Also added to Paragraph 5.1 was a discussion on plans to replace an existing toe trench with a pipe in Segment WS2S in the Summer of 2017.
M. Jordan USACE	2/24/2017	6) List of anticipated state and federal permits and consultation requirements needed to implement SWIF.	This objective is not met. Please add a concluding statement per the template.	Concluding statement added to Section 9.0.
USACE	5/5/2017	Identification of Levee System 8. Maps showing the leveed area provided.	Show the leveed area (e.g. shade the area protected by the levee)	Light gray shading added to Figure 1.
USACE	5/5/2017	Identification of Levee System 10. Risk characterization (risk screening such as LSAC) is provided if available along with key recommendations or LOI states risk assessment is not yet completed.	Summarize levee screening if it has been completed. Otherwise, state that risk assessment is not yet completed.	WSAFCA has not been provided with results of the levee screening risk assessment. Sentence added to end of first paragraph of Section 4.1.
USACE	5/5/2017	Brief description of deficiencies or issues that will be included in the SWIF and discussion of how a system-wide approach will improve and optimize overall flood risk reduction. 2. The LOI states intent is to restore levee to USACE O&M standards with priority given to eligibility criteria identified in the Interim Policy.	Use this language.	Language added to the first sentence of Paragraph 4.2.
USACE	5/5/2017	Brief description of deficiencies or issues that will be included in the SWIF and discussion of how a system-wide approach will improve and optimize overall flood risk reduction. 8. If NFIP accredited has FEMA been notified, if not accredited no FEMA notification required.	Add info on FEMA notification, whether it was done or if it is not required.	The levee system was accredited by FEMA and they were notified of the results of the PI. Sentence added to end of first paragraph of Section 4.1.
USACE	5/5/2017	Brief description of deficiencies or issues that will be included in the SWIF and discussion of how a system-wide approach will improve and optimize overall flood risk reduction. 9. State if NFIP accreditation an objective of the SWIF.	Item not checked, no comment provided.	NFIP accreditation is not an objective of the SWIF. Sentence added to end of first paragraph of Section 4.1.
USACE	5/5/2017	Anticipated Interim Risk Reduction Measures that will be implemented throughout the SWIF process, including overall risk communication approach that addresses the risk to life increased by system wide deficiencies. 4. Additional IRRMs are identified that will be implemented immediately upon acceptance of this LOI until permanent solutions completed. (Screening risk assessment is a good source of IRRM's to implement right away.)	Item not checked, no comment provided.	Section 6 revised to outline what IRRMs WSAFCA has implemented to date and those that would be implemented upon acceptance of the LOI.
USACE	5/5/2017	Anticipated Interim Risk Reduction Measures that will be implemented throughout the SWIF process, including overall risk communication approach that addresses the risk to life increased by system wide deficiencies. 5. States that there will be an Emergency Action Plan and risk communication plan as part of the SWIF IRRMP	Item not checked, no comment provided.	Communication program and Emergency Operation Plan are described in Section 6.1 as examples of WSAFCA's implementation of IRRMs.
USACE	5/5/2017	Brief description of existing or planned interagency collaborative efforts that will contribute positively to SWIF development, implementation and oversight. 2. Milestones will be monitored by USACE 3. Seeking partnerships with local community groups, local and state government and non-governmental agencies and provides description	For both items 2, 3 - add these statements to this section of the LOI.	2. Language added to USACE collaborative bullet in Section 7. 3. Sentence added to end of Section 7 for collaboration with other groups and agencies.

Enclosure 5

RD 900 Letter dated September 18th, 2017



RECLAMATION DISTRICT 900

Post Office Box 673

West Sacramento, CA 95691

PH: (916) 371-1483 • email: wsrcd@pacbell.net

September 18, 2017

Yolo County Local Agency Formation Commission
Attn: Christine Crawford, Executive Officer
625 Court Street, Suite 203
Woodland, CA 95695

Re: *Response of Reclamation District No. 900 to August 10, 2017 Letter Concerning Yolo LAFCo 2017 MSR Governance Recommendations for the West Sacramento Reach*

Dear Ms. Crawford and Members of the Yolo LAFCo Governing Board:

Reclamation District Number 900 ("RD 900"), which was formed by special act of the California Legislature in 1911 and is governed by the Reclamation District Act, is opposed to any form of reorganization which would result in a merger of RD 900 or Reclamation District No. 537 ("RD 537") into the City of West Sacramento, or any form of reorganization which would create a new independence special district with reclamation and flood control responsibilities or altering the governance of RD 900 or RD 537.

RD 900's boundaries are co-extensive with the boundaries of the City of West Sacramento with the exception of the northerly end of the City of West Sacramento which lies within the boundaries of RD 537. RD 900, RD 537 and the City of West Sacramento are the three members of the West Sacramento Area Flood Control Agency ("WSAFCA"), a joint exercise of powers agency created in 1994 under the Joint Exercise of Powers Act (California Government Code Sections 6500 et seq.) for the purpose of financing and providing facilities and works necessary to achieve a 1 in 200 year storm event level of flood protection for the area within its boundaries, which are co-extensive with the boundaries of the City of West Sacramento. WSAFCA is governed by a three member board with each of the reclamation district members appointing one member from their governing boards of trustees and the City of West Sacramento appointing one member from its city council.

RD 900 operates and maintains 14 miles of levees along the west bank of the Sacramento River, across the district at its southern boundary which is co-extensive with the southern boundary of the City of West Sacramento, thence along the deep water ship channel to the north, and operates and maintains a system of drainage ditches and canals, pumping plants, and several storm water detention basins which protect the lands within its boundaries from flooding from the river system or from storm water runoff. RD 537 performs the same function for levees, ditches, canals and pumping plants protecting the northern portion of the City of West Sacramento. A

portion of the levee protecting the northern portion of the City of West Sacramento is maintained by State Maintenance Area 4.

RD 900 believes there should not be any change of organization of the types described above for a number of reasons:

1. Reclamation districts are very well suited to perform the flood protection functions described above efficiently and well, and RD 900 and RD 537 have done so without major incident since their formation;
2. Merging both RDs into the City of West Sacramento or consolidating them into a new independent district would:
 - a. Violate the terms of the Joint Powers Agreement;
 - b. Terminate an existing WSAFCA flood assessment made under the 1982 Improvement Act and approved by the landowners within the City of West Sacramento in a Proposition 218 election, and violate covenants made in support of issued and sold revenue bonds totaling approximately \$40,000,000.00 utilized for early implementation levee improvement projects and to be utilized to provide a portion of the local share required for a federally authorized flood control project to complete levee modifications around the City of West Sacramento by the United States Army Corps of Engineers (the "Corps"); and
 - c. Would create an atmosphere of administrative political upheaval for WSAFCA after WSAFCA and the reclamation districts developed a solid reputation with the Federal Emergency Management Agency ("FEMA"), the Corps, Members of Congress and the State of California at a sensitive time when WSAFCA must demonstrate its financial capability to support its local share of the cost of the federally authorized flood control project.
1. Reclamation districts are very well suited to perform the flood protection functions described above efficiently and well, and RD 900 and RD 537 have done so without major incident since their formation.

The reclamation districts are best suited to provide responsive and efficient operation and maintenance of the flood control facilities protecting the City of West Sacramento. Reclamation districts are single purpose special districts, having as their sole purpose the provision of flood control for lands within their boundaries. They are governed by efficient boards of trustees, whose members tend to have no reason for political grandstanding or aspirations for higher office. The sole requirement for use of reclamation district funds is the provision of flood control, and there are no competing financial interests creating temptation for the use of flood control funds, as would be the case if a city were to be the provider of flood protection. Both RD 900 and RD 537 have earned the respect of the California Department of Water Resources, the Central Valley Flood Protection Board, the Corps and FEMA and have provided operation and maintenance of the existing flood control facilities since their formation with no major

incidents. Their staffs are lean, focused and dedicated to providing flood control and protection for lands within their boundaries.

A merger of the reclamation districts into the City ignores the value to the citizens of West Sacramento of the institutional relationships that WSAFCA, RD 900 and RD 537 have built with state and federal regulators over the past decades. Over the past twenty years, ever since the floods of 1997, the three agencies have been at the forefront of flood protection in the Central Valley.

- 2.a. Reorganization which merges two of the three members of WSAFCA into the City of West Sacramento member or creates a new independent district would violate the terms of the Joint Powers Agreement.

There are limitations within the WSAFCA Joint Powers Agreement which would preclude any reorganization which dissolves a party or two of the three current parties.

The WSAFCA Joint Powers Agreement (the "JPA") is written in such a manner as to provide checks and balances by virtue of having three independent members represented by individual members of their governing boards. For example, Section 16 of the JPA provides a right to each party to veto an assessment or construction or acquisition of works or facilities. The JPA may be rescinded and the agency terminated only by unanimous written consent of the parties (Section 32 of the JPA), and no party may withdraw without the unanimous consent of the parties (Section 34 of the JPA). The dissolution of a reclamation district party to the JPA would be the equivalent of a withdrawal by operation of law which would not be consented to by either RD 900 or RD 537. Also, the dissolution of both reclamation districts through reorganization would effect a termination of WSAFCA without the consent of RD 900 or RD 537.

Additionally, new Section 39 added by Amendment to the JPA which was required by policy resolution of the Central Valley Flood Protection Board in conjunction with construction funding agreements entered into between the California Department of Water Resources and WSAFCA to finance the early implementation projects provides that the JPA may not be rescinded or terminated or the agency dissolved so long as it has outstanding project commitments (which it will have into infinity under Operation, Maintenance, Repair, Rehabilitation and Replacement Agreements entered into with the Central Valley Flood Protection Board) unless the relevant member or members of the agency first provide such reasonable written assurances regarding the project commitments as the Central Valley Flood Protection Board may request, and, similarly, this section provides that no party may withdraw so long as the agency has such commitments unless the withdrawing party first provides such reasonable written assurances regarding the project commitments as the Central Valley Flood Protection Board may request.

- 2.b. Reorganization which merges two of the three members of WSAFCA into the third member or creates a new independent district would have the effect of terminating WSAFCA and its flood assessment and would violate covenants made in support of issuance of approximately \$40,000,000.00 in bonds.

A joint powers agency requires at least two public agencies in order to transact business. As Government Code section 6502 expressly states: "If authorized by their legislative or other governing bodies, *two or more public agencies* by agreement may jointly exercise any power common to the contracting parties...." (Gov. Code § 6502.) As one California court recently noted, "a JPA needs ... two public agency members to conduct business." (See *San Diegans for Open Government v. City of San Diego* (2015) 242 Cal.App.4th 416, 448, n. 14 [even if third agency was not properly included in JPA, JPA could still conduct business because at least two public agencies were members]; see also *McKee v. Los Angeles Interagency Metropolitan Police Apprehension Crime Task Force* (2005) 134 Cal.App.4th 354, 362 [once at least two public agencies agreed to create a separate entity, a JPA/local public agency was created for purposes of the Brown Act].)

Should WSAFCA be terminated, its flood assessment passed by the landowners within the City of West Sacramento would, by operation of law, be terminated which would be violative of covenants made in support of the issued and sold bonds totaling approximately \$40,000,000.00 and cause a default in bond payments.

- 2.c. A reorganization of either or both of RD 900 or RD 537 would create an atmosphere of administrative political upheaval for WSAFCA after WSAFCA and the reclamation districts developed a solid reputation with FEMA, the Corps, Members of Congress and the State of California at a sensitive time when WSAFCA must demonstrate its financial capability to support its local share of the cost of the federally authorized flood control project.

Completion of levee improvements necessary to achieve a 1 in 200 year level of flood protection for the City of West Sacramento will require that remaining work, beyond the early implementation projects already completed by WSAFCA and the Southport Levee Improvement Project currently under construction, be accomplished by the Corps under the Federally authorized flood protection project.

As we approach possible Congressional appropriation to permit the authorized Federal flood protection prospect to move forward, WSAFCA will need to demonstrate its ability to provide its share of the necessary local funding. This will require landowner approval of an additional flood assessment by WSAFCA to create the ability to issue and sell further bonds. The stability of WSAFCA must be preserved for the confidence of the landowner/voters and for the Corps and Congress. This is no time to create local political upheaval by altering the structure of WSAFCA or causing its termination by operation of law.

Sincerely,

Reclamation District No. 900

By: 

Kenric Jameson, General Manager/Secretary


Bryan Turner, Trustee


William E Denton, Trustee


Peter Palamidessi, Trustee


Daniel F. Ramos, Trustee


Philip Hinkel, Trustee

cc: Reclamation District No. 537
James M. Day, Jr.
David Aladjem

Enclosure 6

RD 900 Letter dated December 4th, 2017



RECLAMATION DISTRICT 900

Post Office Box 673

West Sacramento, CA 95691

PH: (916) 371-1483 • email: wsrd@pacbell.net

December 4, 2017

Yolo County Local Agency Formation Commission
Attn: Christine Crawford, Executive Officer
625 Court Street, Suite 203
Woodland, CA 95695

Re: *Reclamation District No. 900 & 537 Comments Concerning Yolo LAFCo 2017 MSR
Governance Recommendations for the West Sacramento Reach*

Dear Ms. Crawford and Members of the Yolo LAFCo Governing Board:

Background

Formed in 1911, Reclamation District (RD) 900 is responsible for operating and maintaining 13.6 miles of levees, 38 miles of drainage canals and ditches, 6 detention basins that collect and remove storm water within the 11,000 acres of land located in its jurisdiction including 90% of the City of West Sacramento, and for repairing and replacing 9 pump stations containing 33 pumps and district equipment.

Formed in 1889, Reclamation District (RD) 537 is responsible for operating and maintaining facilities similar to those of RD 900, but at a reduced number within the City Limits. RD 537's boundaries currently extend north of the City of West Sacramento and include both levee and internal drainage facilities.

RD 900 and RD 537 are also member agencies 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, RD 900 and RD 537 will assume ongoing O&M. In addition, RD 900 provides administrative support for RDs 537 and 827.

The 2014 Yolo County Flood Governance Study, which was prepared for the Lower Sacramento/Delta North Region and funded by the Department of Water Resources, found that reclamation districts are best suited to conduct routine O&M and on-site emergency response. The 2016 Department of Water Resources rating concludes that the levee segment/system would perform as intended in a future flood event. The District has the resources to fund planned levee and drainage improvements. The Districts, along with WSAFCA, are working to meet urban 200-year flood protection by 2025 as required by the state.

Both RD 900 and RD 537 are managing their finances well and operate within their financial means and do not have any debt. The Districts have adequate reserves to provide for unexpected maintenance if necessary. In 2016 the residents of West Sacramento passed a new assessment for RD 900. This new assessment increased RD 900's budget from \$1,100,000

annually to approximately \$3,300,000. RD 900 can increase its assessment by 2.25% yearly as needed to keep up with inflation. RD 537 is currently not charging the property owners within its boundaries the maximum amount allowed under their current assessment.

LAFCO Recommendations discussion

RD 900 and RD 537 are opposed to any form of reorganization which would result in a merger of RD 900 or RD 537 into the City of West Sacramento, or any form of reorganization which would create a new independent special district with reclamation and flood control responsibilities or altering the governance of RD 900 or RD 537 by making them subsidiary districts to the City of West Sacramento.

RD 900 Manager Kenric Jameson has met with the Board of Trustees for both RD 900 and RD 537 and has been authorized to inform LAFCo that both districts are in agreement that having RD 900 and RD 537 functionally merge would provide a more uniform level of maintenance and flood fighting capabilities. The Districts look forward to working with Yolo County LAFCO, the California Department of Water Resources (DWR), the United State Army Corps of Engineers, and the West Sacramento Area Flood Control Agency, in an effort to further enhance coordination amongst agencies that provide flood protection services within the City of West Sacramento as detailed in LAFCO's recommended action.

Sincerely,

Reclamation District No. 900 & 537

By:


Kenric Jameson, Manager RD 900


Bryan Turner, President RD 900


Thomas Ramos, Trustee RD 537

Enclosure 7

RD 537 Letter dated September 21st, 2017

RECLAMATION DISTRICT No. 537

Post Office Box 822, West Sacramento, CA 95691

September 21, 2017

Christine Crawford
Executive Officer
Yolo County Local Agency Formation Commission
625 Court Street, Suite 203
Woodland, California 95695

Re: Response of Reclamation District No. 537 to August 10, 2017 Letter Concerning Yolo
LAFCo 2017 MSR Governance Recommendations for the West Sacramento Reach

Dear Ms. Crawford:

The Board of Trustees of Reclamation District No. 537 ("RD 537") held a special meeting on September 20, 2017 to discuss the August 10, 2017 letter from the Yolo County Local Agency Formation Commission ("LAFCo") regarding the municipal services review for the West Sacramento Reach. We also reviewed the letter to you dated September 18, 2017 from Reclamation District No. 900 ("RD 900").

The Board of Trustees strongly endorses the position taken by RD 900 in its September 18 letter to LAFCo. As described in that letter, we believe that reorganizing RD 537 and RD 900 into the City of West Sacramento would have profound and dire consequences for the residents of West Sacramento. We do not believe that such a reorganization would save our ratepayers any money; indeed, we believe that moving our flood protection function from a single-purpose district to a general law city is almost guaranteed to increase the costs of providing the service. Moreover, we believe that the political turmoil that such a proposal is likely to create undermines the ability of the West Sacramento Flood Control Agency (WSAFCA) to obtain the necessary financial resources to provide the residents of West Sacramento the 200-year flood protection mandated by California law. Consequently, we urge LAFCo to abandon any effort to reorganize RD 537 or RD 900 with the City of West Sacramento and, instead, to find in the municipal services review that the two reclamation districts are providing necessary public services at the least possible cost.

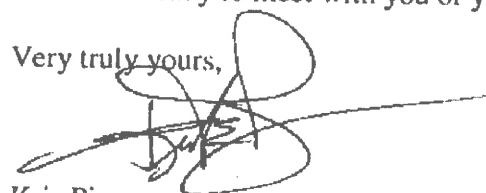
LAFCo is also in the process of considering the potential consolidation of several reclamation districts in the Elkhorn area north of the City of West Sacramento. RD 537 is actively involved in those discussions and is working with the other potentially affected agencies to develop a proposal that would provide flood protection services more effectively in the area north of the Sacramento Bypass. That potential consolidation, however, would have no effect on the southern portion of RD 537 and, consequently, should not be used by LAFCo as an excuse to reorganize the southern portion of RD 537 and RD 900 into the City of West Sacramento. Even if the proposed consolidation of the Elkhorn districts were to occur, the southern portion of RD 537 still has independent utility, a firm source of funding and extensive experience in providing flood protection to our constituents. Thus, consolidation into the City of West Sacramento would serve no beneficial purpose.

For all of these reasons, we urge LAFCo to reach the following conclusions in the municipal services review:

- (1) The existing flood control districts in the Elkhorn area and within the City of West Sacramento are providing flood protection services effectively and efficiently.
- (2) It is possible that the consolidation of the flood control districts in the Elkhorn area could provide an enhanced level of flood protection more efficiently; those districts are working together to determine whether or not such enhanced and more efficient services are possible. However, it is premature for LAFCo or any other party to evaluate such a proposal until the districts involved in the potential consolidation develop a plan.
- (3) The consolidation of RD 537 and RD 900 into the City of West Sacramento would impair the provision of public services to the residents of West Sacramento for the reasons stated above and in the RD 900 letter to LAFCo dated September 18, 2017. Accordingly, no such proposal should be pursued by LAFCo or others.

RD 537 is ready to meet with you or your staff, if you so desire, to discuss this matter further.

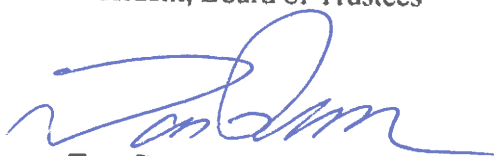
Very truly yours,



Kris Pigman
President, Board of Trustees



Kent Lang
Trustee



Tom Ramos
Trustee

Site Photos February 7, 2018

RD 537 Ditches



City of West Sacramento (Old RD 811) Ditches



City of West Sacramento (Old RD 811) Ditches (cont.)



RD 900 Ditches



RD 900 Ditches (cont.)



MEETING SUMMARY

Yolo LAFCo & State Flood Agency Coordination Meeting

Date: Thursday, February 1, 2018
Time: 1:00 PM to 2:30 PM
Location: DWR JOC Annex (3464 El Camino Avenue) – Room 150

1. ATTENDEES

- 1.1. Yolo Local Agency Formation Commission: Christine Crawford, Sarah Kirchgessner
- 1.2. Central Valley Flood Protection Board: Mary Jimenez
- 1.3. California Department of Water Resources: Michael Mierzwa
- 1.4. Lower Sacramento / Delta North RFMP: Eric Nagy

2. **MEETING PURPOSE** – *Facilitate coordination between CVFPB, DWR, and Yolo LAFCo to ensure LMA MSR considers evolving State policy regarding operations and maintenance responsibilities and improved regional governance for the State Plan of Flood Control.*

3. MEETING CONTEXT

3.1. LEGISLATIVE REQUIREMENT FOR LAFCO – *The Legislature finds and declares that a single multipurpose governmental agency is accountable for community service needs and financial resources and, therefore, may be the best mechanism for establishing community service priorities especially in urban areas. Nonetheless, the Legislature recognizes the critical role of many limited purpose agencies, especially in rural communities. The Legislature also finds that, whether governmental services are proposed to be provided by a single-purpose agency, several agencies, or a multipurpose agency, responsibility should be given to the agency or agencies that can best provide government services.*

3.2. YOLO LAFCO LMA MSR GOAL STATEMENT – *LAFCo recommends that 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 a risk due to inconsistent maintenance or flood fight 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.*

4. TOPICS FOR FOCUSED DISCUSSION

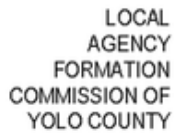
- 4.1. Overview of Draft LMA MSR findings and next steps
- 4.2. Description of “regional governance” as intended in the CVFPP Update
- 4.3. What constitutes an ideal LMA?
- 4.4. What is the primary problem(s) with the existing LMA model?
- 4.5. What are the barriers to consolidation?

5. SUMMARY OF KEY DISCUSSION POINTS

- 5.1. **IMPORTANCE OF CHECKS AND BALANCES.** The existing processes for permitting encroachments and modifications to the flood system relies on checks and balances at the local level to manage flood risk by wise land use planning considering ability to achieve and maintain the desired level of flood protection. For instance, this may occur in the interaction between the LMA (e.g., Reclamation District) and land use agency (e.g., City or County) unless the LMA and land use agency are the same entity (e.g., the LMA is a City or County). In an urban or urbanizing area, the land use agency typically focuses on providing high quality amenities for the community resulting in economic prosperity and a high quality of life for the residents. The LMA focuses on ensuring that encroachments and modifications to the flood system do not degrade the ability to conduct effective and cost-efficient operations and maintenance of the levee system. Together, the land use agency and LMA can identify needed modifications to the levee system that strike a balance between connecting a community to its surrounding waterways and maintaining levees that can be relied on to protect the community during floods. The Central Valley Flood Protection Board (CVFPB) and US Army Corps of Engineers (USACE) ultimately approve proposed encroachments and modifications to the flood system in the Central Valley.
- 5.2. **DEDICATED & SUFFICIENT FUNDING SOURCE.** Federal and state flood system operation and maintenance standards have become increasingly stringent over the last decade, resulting in much higher costs to achieve. LMAs increasingly require a robust source of dedicated revenue to meet the increasing demands of flood system operations and maintenance. Comprehensive federal and state inspections of the flood system against current operations and maintenance standards have shown that a significant majority of the State Plan of Flood Control (SPFC) levees are deficient and require a significant investment in deferred maintenance activities along with higher investments needed in routine maintenance. The availability of dedicated revenue sources allow for focused investment of these funds in deferred maintenance activities during periods of drought.
- 5.3. **FLOOD SYSTEM MAINTENANCE AS A PRIORITY.** Levee maintenance is a recurring annual cycle of federal and state inspections, regular maintenance activities, planning and implementation of minor levee repairs and deferred maintenance projects, and flood season operations. The ideal LMA can focus on these activities as a sole or primary priority throughout the year on an annual basis.
- 5.4. **CONSOLIDATION OF LMAs PROVIDING LIKE SERVICES.** The 2017 Update to the Central Valley Flood Protection Plan identifies effective governance and institutional support as critical to better facilitating SPFC levee maintenance and improvements. In this context, consolidation is focused on the combination of existing LMAs to more efficiently pool and leverage their funding and resources. In contrast, enhanced regional governance looks beyond the maintenance activities themselves toward improved collaboration and coordination across a broad array of local agencies, including existing LMAs, to create a shared ownership of the flood system.

5.5. **VALUE OF COMPLEMENTARY SERVICES.** The integration of overlapping water management responsibilities within a single LMA can also result in the efficient pooling and leveraging of funding and resources. Examples of integrated water management in this context include combining responsibility for agricultural water delivery or interior drainage with flood system maintenance. These are optimal services for integration because of the commonality in equipment, procedures, and labor skill required for successful execution.

5.6. **EXPOSURE TO LIABILITY.** The CVFPB's obligations as a non-Federal sponsor of the flood system in the Central Valley are outlined in a series of agreements with USACE (e.g, project cooperation agreements and project partnership agreements). One of the principal obligations included in these agreements is a commitment to operate and maintain the levees in accordance with standards established by USACE at no cost to the federal government. Another key obligation is indemnification of the federal government from damages associated with performance of the project. In many cases, the CVFPB has delegated these responsibilities for operation and maintenance as well as the liability associated with project performance to the LMAs through the agreements. Legal precedent regarding select aspects of the liability associated with levee failure were established in the 2003 State appeals court decision, *Paterno v. State*, 113 Cal.App.4th 998.



Regular 7.

LAFCO

Meeting Date: 12/07/2017

Information

SUBJECT

Commission Discussion and Direction Regarding Levee Maintaining Agency Draft Governance Recommendations for LAFCo's Municipal Service Review

RECOMMENDED ACTION

Following a staff overview, discuss and provide direction regarding Levee Maintaining Agency governance recommendations for LAFCo's Municipal Service Review (MSR). Staff will incorporate the Commission's direction into the draft MSR, tentatively scheduled for a public hearing on January 25, 2018.

FISCAL IMPACT

None.

REASONS FOR RECOMMENDED ACTION

LAFCo staff have been working on this MSR for the fourteen (14) agencies that provide levee maintenance, flood protection, and in some cases, irrigation and/or drainage for several years. One of the state-mandated determinations for MSRs is "accountability for community service needs, including governmental structure and operational efficiencies" (Government Code Section 56430). Therefore, LAFCo is required to make a determination regarding district governance and making recommendations to that end.

As staff engaged with the districts regarding governance, it became readily apparent that any recommended changes could have potentially significant ramifications and would, understandably, be controversial (see attachment B for agency correspondence). Staff thought that an iterative approach would be useful in this case, providing a two-step process with the Commission: (1) discussing and providing direction on governance issues at the December 7, 2017 meeting; and (2) holding the public hearing for consideration and potential adoption of the MSR at the January 25, 2018 meeting.

BACKGROUND

Please see attachment A. The report contains maps and tables that do not import into the agenda software well.

Attachments

[ATT A-LMA Governance Draft Staff Report](#)

[ATT B-Agency Correspondence](#)

[ATT B Supplemental-Agency Correspondence](#)

Form Review

Inbox

Christine Crawford (Originator)

Form Started By: Christine Crawford

Final Approval Date: 11/30/2017

Reviewed By

Christine Crawford

Date

11/30/2017 02:22 PM

Started On: 11/27/2017 02:34 PM

BACKGROUND

Levee maintenance along the Sacramento River System in Yolo County is currently carried out mostly by reclamation districts, but also by a drainage district, levee district, and county service area. These may be different types of districts, but they have flood protection functions in common and are collectively referred to by the Department of Water Resources (DWR) as Local Maintaining Agencies (LMAs) and have been grouped accordingly for the purposes of this municipal service review (MSR).

The name “reclamation district” is not immediately understood in modern times and it’s helpful to understand that basically they were created to “reclaim” swamp land for agriculture or other purposes. Reclamation districts are typically responsible for protecting development in floodplain lands through levee operations, maintenance, design, and construction. Reclamation districts may also perform other duties, and in some cases enterprise activities, including irrigation, drainage, and recharge needs. The origin of reclamation districts began in 1850 when the U.S. Congress passed the Reclamation Act authorizing lands to be purchased and placed into reclamation holdings for preservation and use. A series of new laws in California followed, including allowing counties to sell “swamp land” for \$1 per acre for reclamation purposes (1855) and authorizing the local County Board of Supervisors to apply assessments on property for improvement and maintenance (1861). From 1866 to 1911, the authority for oversight of reclamation districts changed from the Swamp Land Commission to each of the County Board of Supervisors and then to the State Board of Reclamation. When the Legislature created LAFCos, reclamation districts came under the oversight of LAFCos to establish service boundaries and spheres of influence (SOI).

Over one hundred years passed without substantial change in flood protection planning. The old plan consisted of a levee and bypass system, which successfully reduced the frequency of flooding to primarily agricultural lands. These levees, however, did not have a sophisticated design or seepage controls, resulting in failures from time to time. Over the years, rural homes, urban subdivisions, and high-value permanent crops were developed on these lands. A new flood protection plan for California’s Central Valley was long overdue. After Hurricane Katrina in 2005, the U.S. Army Corps of Engineers evaluated much of California’s Central Valley flood control system and determined that it was substandard. In 2007, the State Legislature directed the Department of Water Resources and the Central Valley Flood Protection Board to prepare a new flood protection plan.

Central Valley Flood Protection Plan (2012/2017 Update)

The Central Valley Flood Protection Plan (CVFPP) was adopted by the Central Valley Flood Protection Board in 2012 and updated in 2017. The goal of the CVFPP is to improve flood risk management with the following supporting goals:

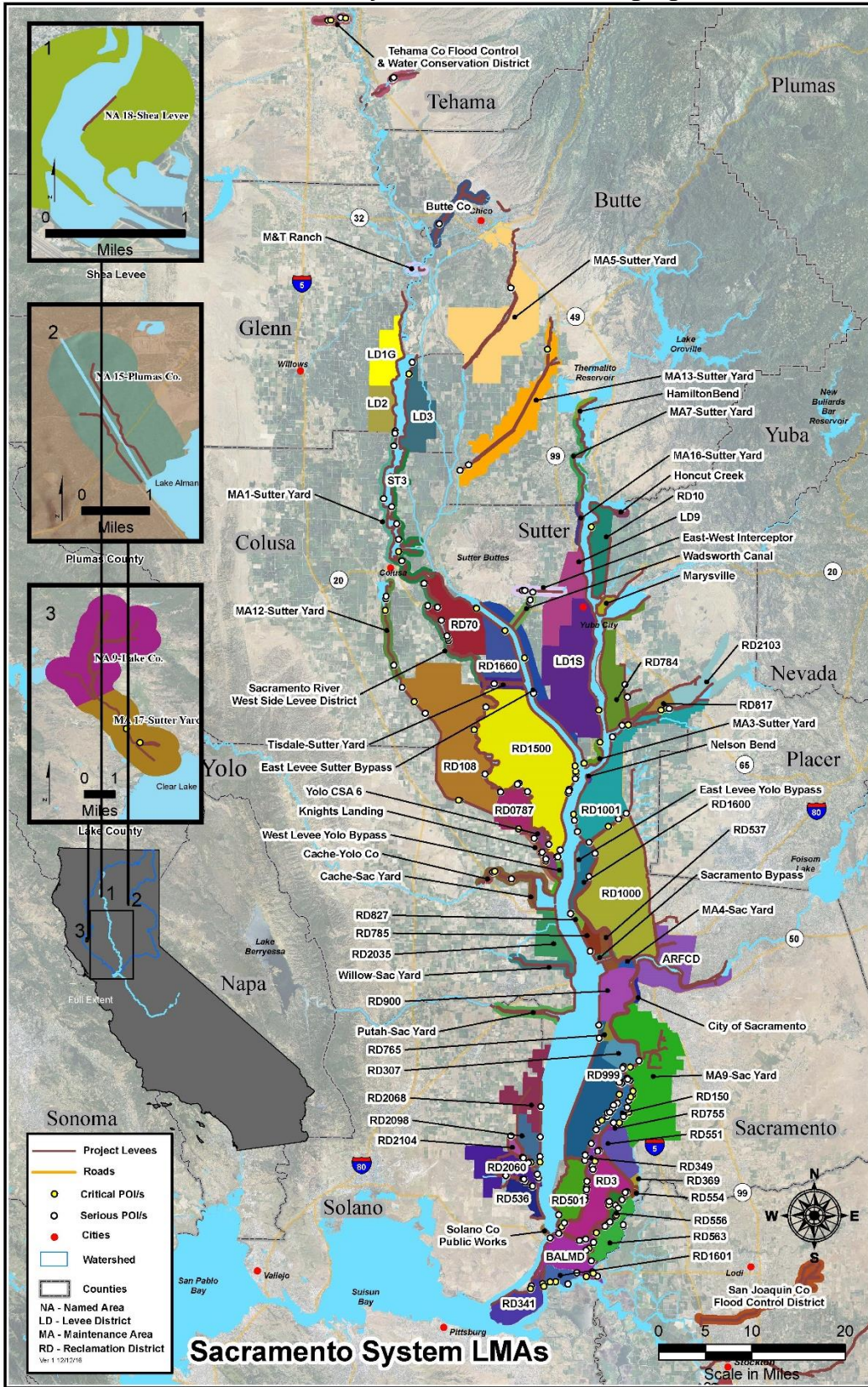
- Improve operations and maintenance
- Promote ecosystem functions
- Improve institutional support
- Promote multi-benefit projects

Below is an excerpt from the 2017 CVFPP Update which provides context to LAFCo’s governance recommendations for this MSR:

3.2.6 Effective Governance and Institutional Support

Overlapping authorities and conflicting mandates that sometimes occur can complicate flood system improvements and maintenance, and is partially a consequence of existing governance structures that are inadequate to support the broad range of actions included in the CVFPP at federal, State, and local levels. (con’t)

CVFPP Sacramento System Local Maintaining Agencies



Central Valley flood management is affected by a complex framework of public agencies (over 300 in the Sacramento Basin and over 200 in the San Joaquin Basin). At the local level, governance is complicated by multiple small levee maintaining agencies (LMAs) with limited resources, including staff, revenues, and authorities. Enhanced regional governance can empower groups of local agencies to more effectively pool and leverage funding and resources, enhance collaboration and coordination, coordinate political advocacy, and create shared ownership of the flood system. Regional planning and project implementation is greatly improved through enhanced regional governance. Regional governance not only improves collaboration among local agencies within a region, but also facilitates more effective partnering with State and federal governments, greatly helping to define and achieve a shared regional vision.

Strong regional governance and shared understanding of roles and responsibilities will support a shift toward system-scale, long-term, outcome-driven resource management that balances a broad array of public values and priorities. Dialogues should be fostered within a structured, transparent process that includes schedules, actionable recommendations, and stakeholder engagement.

At the local level, levee maintenance along the Sacramento River System in Yolo County is currently carried out by sixteen (16) separate local agencies¹ including: thirteen (13) reclamation districts (RDs); one (1) drainage district; one (1) levee district; and one (1) county service area. In addition, the California Department of Water Resources (DWR) has one Maintenance Area (MA #4) in West Sacramento and also maintains the Bypass and the Cache Creek levee system with the exception of the Huff's Corner reach, which is maintained by the County. The United States Army Corps of Engineers (USACE) also maintains the Navigation Levee constructed in association with the Deep Water Ship Channel. Needless to say, governance is complicated.

Regional Flood Management Plans (2014)

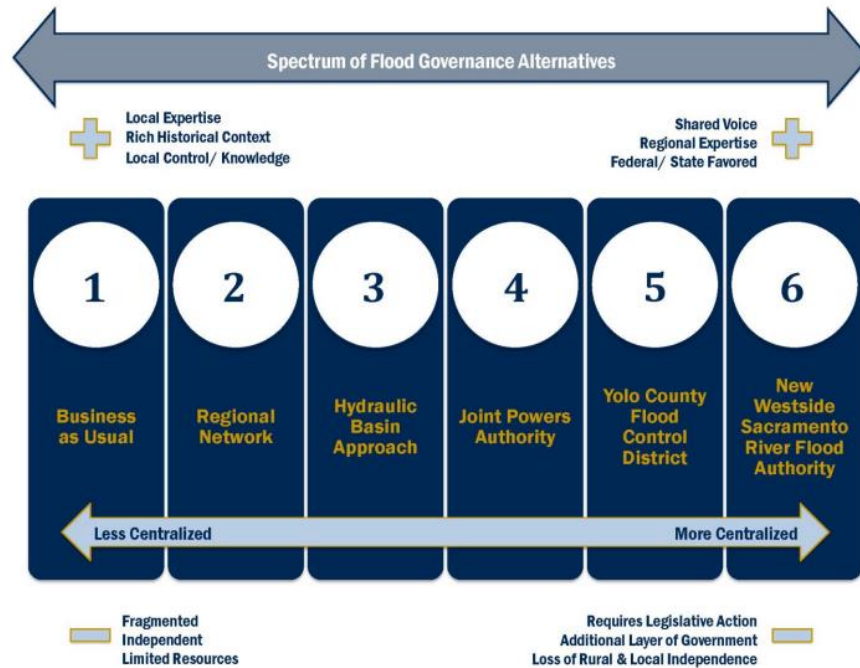
Following adoption of the 2012 CVFPP, the Department of Water Resources funded six regionally-led Regional Flood Management Plans (RFMPs) that describe local and regional flood management priorities, challenges, and potential funding mechanisms along with site-specific improvement needs. The six regions 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. The Committee includes the Counties of Yolo and Solano; the Cities of West Sacramento, Woodland, Rio Vista, and Davis; Solano County Water Agency; West Sacramento Area Flood Control 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.

¹ Sixteen represents the total number of agencies that have territory in Yolo County. Several are multi-county districts that contain more assessed value in either Colusa or Solano County. Only 14 districts are overseen by Yolo LAFCo as the principal LAFCo and included in this MSR.

UC Davis Flood Governance Study (2014)

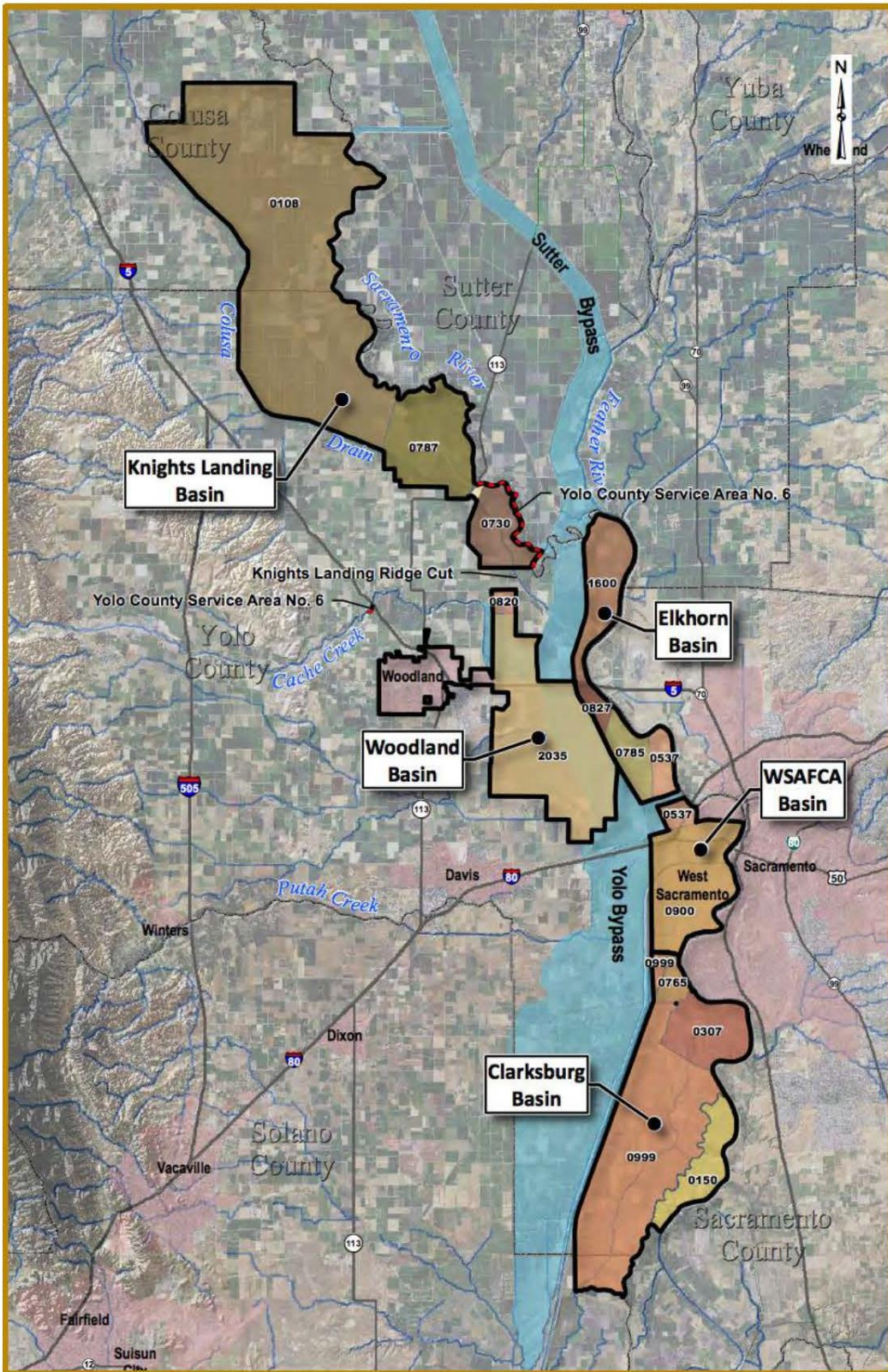
In addition to the RFMPs, funding was requested from DWR to conduct a flood governance study to analyze and make recommendations on governance for the agencies in Yolo County. This study was undertaken by the UC Davis Collaboration Center and was completed in August 2014. The authors engaged with the 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.



Ultimately, the Study recommended a combination of the “regional communication and collaboration network” (Alternative 2) and a “hydrologic basin” approach (Alternative 3). The reclamation districts/local maintaining agencies within Yolo County have been loosely divided into five (5) hydrologic basin areas: 1) North County/Knights Landing; 2) Elkhorn; 3) Woodland/Conaway; 4) West Sacramento; and 5) Clarksburg. These five distinct basins are protected by essentially “ring” levees along the Sacramento River/Yolo Bypass system, and each basin is, in essence, one hydrologically connected flood zone. Currently, the ring levee system around each basin is managed and maintained by several agencies and districts. The hydrologic basins are loosely defined by their geography, community connections, and interdependence of levees and structural flood control needs.

The study recommends 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. The Study found that while reclamation districts are best suited to conduct routine operations and maintenance (O&M) and on-site emergency response, some flood management activities would be better accomplished at the regional level. 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.

Yolo County Flood Governance Study Hydrologic Basin Map



“Recommended Hydraulic Basin Approach,” © J.Loux, M.Beryl & MBK Engineers, 2014

Agencies Per Basin	Services Provided By	Principal LAFCo	Services Provided			Annual Budget	# staff positions	DWR Rating	Approx # Landowners
			Levee Miles Maintained	Drainage	Pumping/Irrigation				
North County/Knights Landing Basin									
CSA 6	Yolo County	Yolo	5.87			\$ 25,964	-	U	400
Knights Landing Ridge Drainage District	RD 108	Yolo	12.39			\$ 335,000	0	M	
RD 108 (River Farms)	Itself	Colusa	90	X	X		26	M*	300-500
RD 730	Itself	Yolo		X		\$ 60,282	0	n/a	
RD 787 (Fair)	Itself	Yolo	4.4	X	X	\$ 31,300	0	A	3
Sacramento River Westside Levee District	RD 108	Colusa	49.64				0	M*	

For the DWR rating, each Area received one of three possible ratings based on inspection of 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. An asterisk means that 90% or more of the LMA levee miles would be rated A, however U rated miles are present, so the overall unit rating is M instead of A.*
- *Unacceptable (U) – One or more deficient conditions exist that may prevent the project from functioning as designed, intended, or required.*

For the North County/Knights Landing Hydrologic Basin, the 2014 Flood Governance Study found that the North County/Knights Landing basin is functioning well in many ways. RD 108 is a large reclamation district that already holds several inter-agency contracts and maintains much of the levee system in the North County area (specifically Knights Landing Ridge Drainage District and the Sacramento River Westside Levee District). The Study recommended that these contracted agreements be formalized into several MOUs to strengthen and institutionalize the already existing coordination process. The Study also suggested that the Districts could enter into a JPA, but that may be an unnecessary layer of government. RD 787 is a well-functioning agency that maintains a 4.5-mile section of levee on the left bank (relative to the view downstream) of the Colusa Basin Drain. RD 730 does not maintain any levees and its sole purpose is to pump surface drainage into the Knights Landing Ridge Cut. The remaining governance challenge in the area is CSA#6, which is responsible for maintaining a 5.8-mile section of levee along the right bank of the Sacramento River. The District is underfunded and it is unlikely that a Proposition 218 election to increase the assessment would succeed. While it may be logical that RD 108 provide services to CSA#6 as it does for other districts already, contracting is not possible without adequate funding. The Study suggested that some type of incentive is needed to motivate resolution for CSA#6.

The small community of Knights Landing is located at the confluence of the Knights Landing Ridge Cut, the Colusa Basin Drain, and the Sacramento River. The community is surrounded on three sides by levees and/or high ground. Small communities like Knights Landing that are protected by a large levee system struggle to afford the necessary improvements to meet Federal Emergency Management Agency (FEMA) 100-year certification requirements. The town of Knights Landing has restrictions on development and rebuilding, as it has been remapped in the FEMA 100-year floodplain. FEMA is also in the process of increasing flood insurance premiums in response to changes in law that govern the National Flood Insurance Program. These two issues have led to increases in flood insurance premiums that are likely to continue to grow into the future and may become cost prohibitive for some residents. One of the primary goals of the Central Valley Flood Protection Plan (CVFPP) and the Lower Sacramento Delta North (LSDN) Regional Flood Management Plan (RFMP) is to manage flood risk in small communities, such as Knights Landing, with the goal of providing 100-year protection where feasible. This is intended to preserve the community and sustain the agricultural economy

without encouraging urban development. However, a solution for Knights Landing has not been determined.

As part of the CVFPP, the Department of Water Resources (DWR) created the Small Communities Flood Risk Reduction program to help small communities achieve 100-year protection, where feasible. The Small Communities Program is a cost-share funding program that provides local assistance to communities with 200 to 10,000 residents that are protected by the State Plan of Flood Control (SPFC). In 2015, DWR awarded Yolo County \$1,500,000 for feasibility studies for Knights Landing, Yolo, and Clarksburg. Yolo County selected MBK engineers as the County's consultant to prepare the Small Communities Flood Risk Reduction Feasibility Studies. Funding for design and construction will be awarded in subsequent phases.

The Knights Landing feasibility study will develop an array of alternatives consisting of both structural and nonstructural measures. The team will formulate structural solutions that include improvements to existing levees to meet 100-year requirements as well as other alternatives such as a cross or ring levee. The study will take into consideration the recommendations of the Agricultural Floodplain Ordinance Task Force (AFOTF) that proposes modifying the FEMA policy that would promote a sustainable agricultural economy in the floodplain. The non-structural alternatives that will be considered are:

- changes to the National Flood Insurance Program,
- a levee relief cut plan,
- an emergency flood fight plan,
- a flood evacuation plan,
- a flood evacuation warning system,
- a voluntary structure elevation and flood-proofing program, and
- use of agricultural conservation easements purchased from willing sellers.

The RFMP estimate of the structural improvements varies from approximately \$32,800,000 to \$185,000,000.

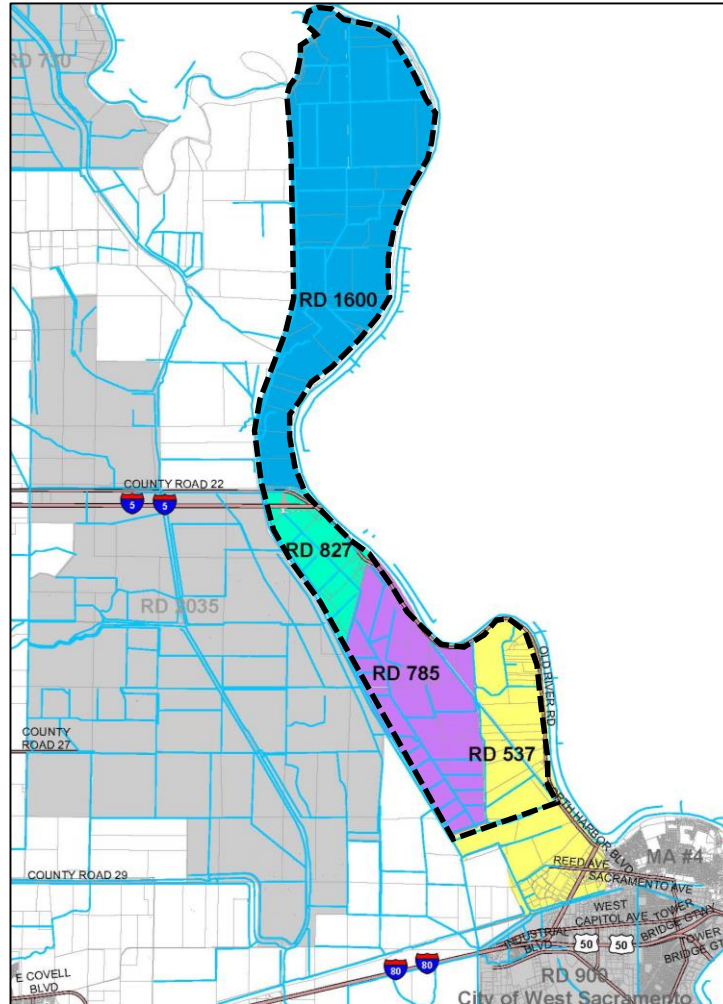
Work is anticipated to begin on the Knights Landing Small Communities Feasibility Study in early 2018 and be completed in late 2019. While the goal of the study is to evaluate alternatives to reduce flood risk, potential governance alternatives including improved coordination and/or consolidation of district maintenance and flood fight response will be discussed with the community and districts as part of the analysis. The districts should actively participate in the Feasibility Study process for the Knights Landing Basin and seek to build consensus on an alternative to achieve the goal of a common levee maintenance practice and levee flood fight capabilities in the most cost efficient manner for the benefit of the residents and property owners in the basin.

North County/Knights Landing Basin Recommendation

- The Knights Landing Basin districts and local maintaining agencies should actively participate in the Small Communities Feasibility Study process for the Knights Landing Basin and implement any future recommendations from the Study. The Study should address and make a recommendation on governance to achieve the goal of providing a consistent level of maintenance and flood response across the Knights Landing Basin and have the districts function as one entity.

Elkhorn Basin

Elkhorn Basin



Agencies Per Basin	Services Provided By	Principal LAFCo	Services Provided			Annual Budget	# staff positions	DWR Rating	Approx # Landowners
			Levee Miles Maintained	Drainage	Pumping/Irrigation				
Elkhorn Basin									
RD 537 (Lovdal) - northern portion	Itself/RD 900	Yolo	5.93	X	X	\$ 280,398	2	M	40-50
RD 785 (Driver)	Itself	Yolo	5.57	X		\$ 55,000	0	U	20
RD 827 (Elkhorn)	Itself	Yolo	4.12	X		\$ 70,900	0	M*	10
RD 1600 (Mull)	Itself	Yolo	14.69	X		\$ 133,000	0	U	30-40

For the Elkhorn Basin, the 2014 Governance Study found that the Elkhorn basin is undergoing significant change due to proposed improvements to the Yolo Bypass. Significant portions of the land within the Elkhorn Basin districts is proposed for Bypass expansion. This action will significantly decrease assessment revenue, making it nearly impossible to conduct required O&M. At the time of the 2014 Governance Study, the Elkhorn Basin districts were actively working with the County and the Lower Sac/Delta North Region to express their concerns on how their Districts would be adversely affected by the proposed bypass expansion. The districts expressed a willingness to consider

consolidation, although they had concerns regarding liability, uncertainty over the new assessments, and how the new RD would be managed.

The Department of Water Resources (DWR) is currently designing the proposed Lower Elkhorn Basin Levee Setback (LEBLS) Project along the east side of the Yolo Bypass between I-5 and the Sacramento Bypass. The LEBLS project is the first multi-benefit flood management project to be implemented by the California Department of Water Resources (DWR) that is an outgrowth of the Central Valley Flood Protection Plan (CVFPP). LEBLS' primary feature is a new, 7-mile long setback levee that is intended to increase the flood carrying capacity of both the Yolo Bypass and Sacramento Bypass, thereby enabling future improvements to the flood system such as widening the Fremont and Sacramento Weirs and setback levees in the Yolo Bypass. These projects are being proposed to be accomplished in a manner that will not only lower flood stages in the Sacramento River, but also benefit the rural areas and small communities adjacent to the Yolo Bypass.

The LEBLS project spurred discussion amongst the Elkhorn Basin RDs regarding governance in the basin. At the request of the RDs, MBK Engineers prepared the Elkhorn Basin Draft Governance Study for Reclamation Districts 537, 785, 827, and 1600 in November 2016. This study represents a collaborative effort to engage the Districts in identifying and weighing alternative governance options that could enhance local flood management entities and encourage a unified local voice as well as assess whether alternative governing methods might lead to more effective operations, maintenance, and implementation of flood management.

The Elkhorn Basin Draft Governance Study considered four (4) alternatives: 1) Maintaining the current condition; 2) Creating a Joint Powers Authority (JPA) of all four reclamation districts; 3) Combining all four reclamation districts; and 4) Combining only 827, 785, and 537.

The Reclamation Districts have indicated that they support consolidation of the four districts into one new large district. This combined district would be issued a new Reclamation District number. It provides opportunities for economies of scale by consolidating maintenance and management activities, it improves the ability to ensure a standard level of maintenance for the levees protecting this hydrologic basin, and ensures that this group of landowners with similar concerns will speak with one voice. The urbanized portion of RD 537 that lies south of the Sacramento Bypass would not be included in this combination and would remain as a smaller RD 537 (as discussed in the West Sacramento Hydrologic Basin Section of this MSR).

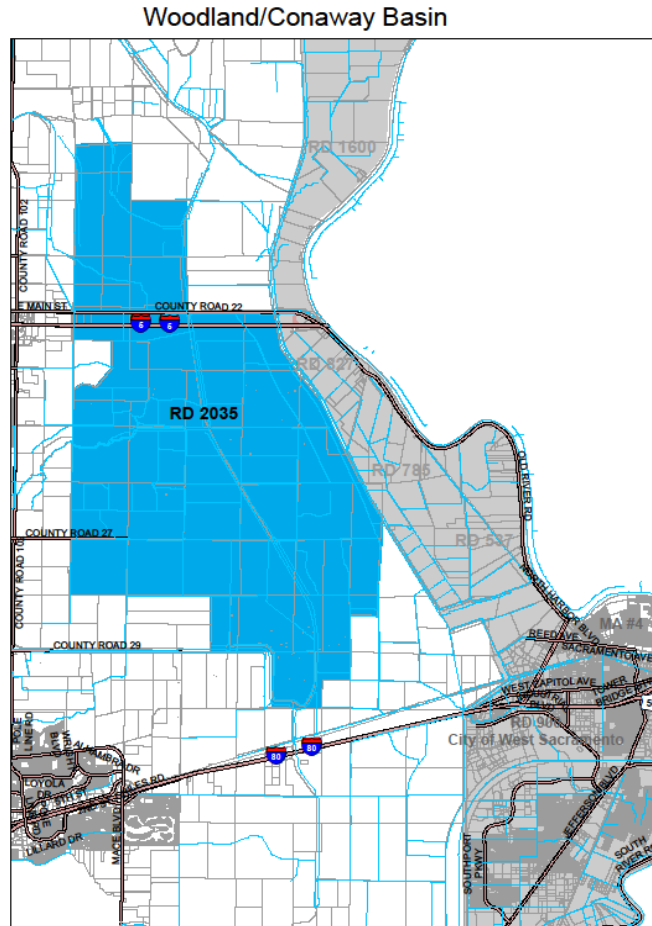
While DWR is implementing the LEBLS project in Yolo County, the Sacramento Area Flood Control Agency (SAFCA) is undertaking actions to support its implementation. The LEBLS project will reduce flood stages on the Sacramento River, benefiting the area SAFCA has responsibility for. As a result, SAFCA is partnering with Yolo County and the RDs on implementation of the LEBLS project taking on responsibility for certain aspects of the project, including funding the portion of the levee O&M associated with the newly constructed levee. SAFCA's commitment to contribute to the maintenance of the LEBLS also makes this consolidation financially feasible. A consolidated reclamation district will reduce administrative costs by reducing the number of districts which have to maintain records and the number of administrative boards as well as increased efficiency in conducting maintenance. It also offers the opportunity to identify a paid general manager to oversee the maintenance activities for this levee system to ensure that needed activities are accomplished in a similar manner for the entire basin.

Before the RDs can submit an application to LAFCo for consolidation, LEBLS project approvals are needed from DWR, which is anticipated to occur in 2018. After DWR approves the project, SAFCA will then be able to commit to ongoing funding of the LEBLS O&M. These steps are necessary in order to make the consolidation financially feasible. Consolidation will also need to be contingent on a new Prop 218 assessment being approved by the landowners. The 218 election is anticipated to be completed in 2019.

Recommendation

- Once the Lower Elkhorn Basin Levee Setback is approved by DWR and a commitment for ongoing funding received from SAFCA, Reclamation Districts 1600, 827, 785, and 537 should consider adopting Resolutions of Application for consolidation and submit a proposal application to LAFCo.

Woodland/Conaway Basin



Agencies Per Basin	Services Provided By	Principal LAFCo	Services Provided			Annual Budget	# staff positions	DWR Rating	Approx # Landowners
			Levee Miles Maintained	Drainage	Pumping/Irrigation				
Woodland/Conaway Basin									
RD 2035 (Conaway)	Itself	Yolo	12.15	X	X	\$ 1,900,000	2	M	86% Conaway

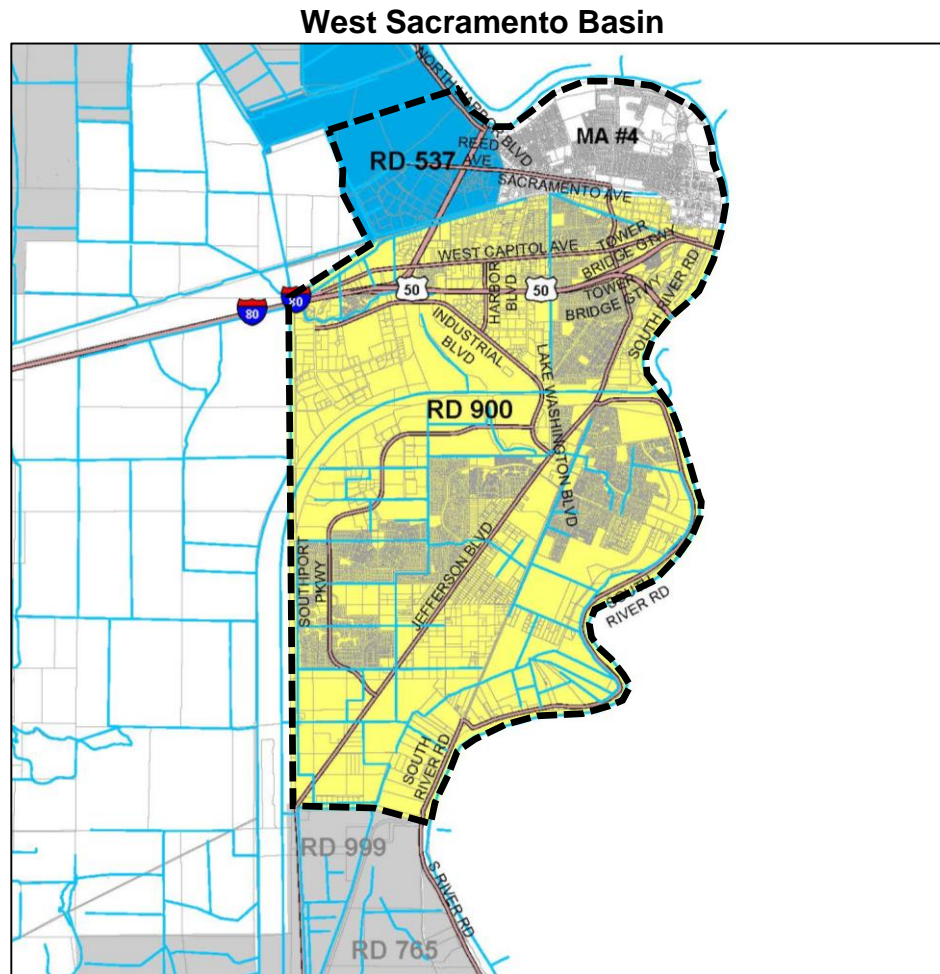
For the Woodland/Conaway Basin, the 2014 Governance Study did not have any specific recommendations for RD 2035. The Study indicated that RD 2035 is central to the discussions around expansion and improvement of the Yolo Bypass and that it is critical that they continue to be involved with the regional dialogue.

RD 2035 is technically its own, separate hydrologic basin and its boundaries do not overlap with any other local maintaining agencies. There are no recommended changes to the District’s governance structure.

Woodland/Conaway Basin Recommendation

- RD 2035 is central to the discussions around expansion and improvement of the Yolo Bypass and it is critical that the District continue to be involved with the regional dialogue.

West Sacramento Basin



Agencies Per Basin	Services Provided By	Principal LAFCo	Services Provided			Annual Budget	# staff positions	DWR Rating	Approx # Landowners
			Levee Miles Maintained	Drainage	Pumping/Irrigation				
West Sacramento Basin									
MA #4	DWR	DWR	3.47			-	-	M*	-
RD 537 (Lodval) - southern portion	Itself/RD 900	Yolo	5.93	X	X	\$ 280,398	2	M	50-75
RD 900	Itself	Yolo	12.96	X	X	\$ 1,131,076	6	A	10,809

For the West Sacramento Basin, the 2014 Governance Study found that the West Sacramento Area Flood Control Agency (WSAFCA) is an already well-functioning JPA and no major recommendations

are needed for this area. The Study also recommends that WSAFCA should show political support for better and/or consolidated management in the Clarksburg and Elkhorn basins and continued cooperation with other regional flood management agencies on actions that will reduce flood stages in the system, such as the actions proposed for the Yolo Bypass in the Sacramento Basin Wide Feasibility Study. However, LAFCo's understanding is that the JPA, while well-functioning, is set up to implement flood protection projects and does not have a roll in operations and maintenance. The WSAFCA JPA does not include Maintenance Area #4, which is managed by DWR or the Navigation Levee, which is maintained by the USACE. WSAFCA in its current form is not set up to serve as the lead entity for the West Sacramento Basin providing a uniform level of maintenance and flood fighting capability. It also does not appear to be a cost effective option to augment WSAFCA to also provide internal drainage services currently provided by the City and the RDs.

Additional action is needed to continue to work towards a more comprehensive solution, which could include one of the following alternatives detailed below. To characterize these alternatives in simple terms, the goal is to have each basin function as one entity. For the West Sacramento Basin, the lead entity could be either RD 537, RD 900 or the City of West Sacramento as detailed in the options below:

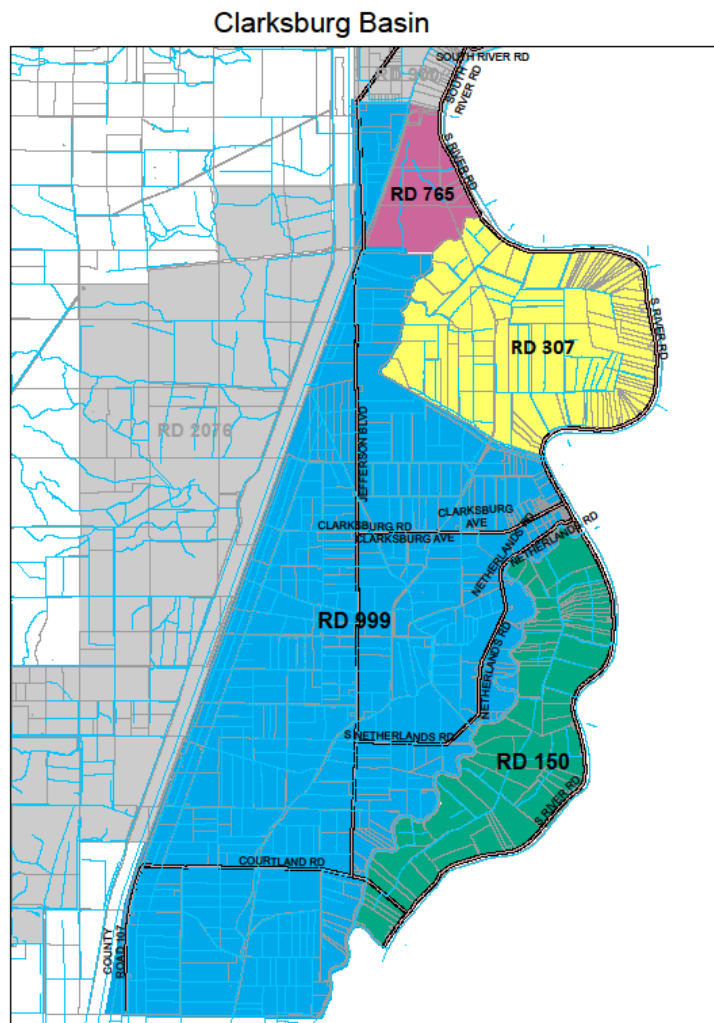
1. RD 900 and RD 537 could merge (either legally or functionally). A "functional consolidation" would involve RD 537 and its board remaining intact, but contracting all day to day operations to RD 900 (or vice versa). This should also include RD 537 taking over DWR Maintenance Area #4 so the lead entity has responsibility for the entire basin (LAFCo will add the MA #4 area into RD 537's sphere of influence to facilitate potential future services). The RD lead entity should also conduct an annual inspection of the Navigation Levee to confirm that the USACE maintenance is being conducted to the same standard as the rest of the basin and advocate (either on its own or through the JPA) for any needed improvements.
2. The City of West Sacramento has expressed a willingness to absorb RD 900 and RD 537 (the portion south of the weir) and consolidate services with the City either as a merger (where districts would cease to exist) or a subsidiary district (i.e. districts would remain with the City Council as district board). To initiate and approve such a consolidation, LAFCo would need to make a finding that the public service costs would likely be less than or substantially similar under City governance and that it promotes public access and accountability for services. Similar to the other options, the City would also need to take over DWR Maintenance Area #4 levee maintenance and conduct an annual inspection of the Navigation Levee to confirm that the USACE maintenance is being conducted to the same standard as the rest of the basin and advocate (either on its own or through the JPA) for any needed improvements to achieve the goals of basin-wide governance.

West Sacramento Basin Recommendation

- WSAFCA in its current form is not set up to accomplish the goal that the West Sacramento hydrologic basin function in a coordinated manner to provide a uniform level of maintenance and flood fighting capability. Additional action is needed to continue to work towards a more comprehensive solution, which could include one of the following alternatives detailed below:
 1. RD 900 and RD 537 could merge (either legally or functionally). A "functional consolidation" would involve RD 537 and its board remaining intact, but contracting all day to day operations to RD 900 (or vice versa). This should also include RD 537 taking over DWR Maintenance Area #4 so the lead entity has responsibility for the entire basin (LAFCo will add the MA #4 area into RD 537's sphere of influence to facilitate potential future services). The RD lead entity should also conduct an annual inspection of the Navigation Levee to confirm that the USACE maintenance is being conducted to the same standard as the rest of the basin and advocate (either on its own or through the JPA) for any needed improvements.

2. The City of West Sacramento has expressed a willingness to absorb RD 900 and RD 537 (the portion south of the weir) and consolidate services with the City either as a merger (where districts would cease to exist) or a subsidiary district (i.e. districts would remain with the City Council as district board). To initiate and approve such a consolidation, LAFCo would need to make a finding that the public service costs would likely be less than or substantially similar under City governance and that it promotes public access and accountability for services. Similar to the other options, the City would also need to take over DWR Maintenance Area #4 levee maintenance and conduct an annual inspection of the Navigation Levee to confirm that the USACE maintenance is being conducted to the same standard as the rest of the basin and advocate (either on its own or through the JPA) for any needed improvements to achieve the goals of basin-wide governance.

Clarksburg Basin



Agencies Per Basin	Services Provided By	Principal LAFCo	Services Provided			Annual Budget	# staff positions	DWR Rating	Approx # Landowners
			Levee Miles Maintained	Drainage	Pumping/Irrigation				
Clarksburg Basin									
RD 150 (Merrit Island) - separate basin	Itself	Yolo	17.74	X	X	\$ 293,247	2 (PT)	M*	50-70
RD 307 (Lisbon)	Itself	Yolo	6.56	X		\$ 225,250	0	U	30-50
RD 765 (Glide)	Itself	Yolo	1.72	X		\$ 18,000	1 (PT)	U	3
RD 999 (Netherlands)	Itself	Yolo	32.16			\$ 850,000	4	U	200-300

For the Clarksburg Hydrologic Basin, the 2014 Governance Study found that the residents of the basin would be better served if RD 999, 307 and 765 provided a consistent level of levee maintenance and flood response capability, either functioned as one entity or in a coordinated manner to accomplish this objective. Consideration should be given to how to conduct these activities in a manner that will accomplish the objectives in the most cost effective manner, acknowledging the need to address liabilities and assessment changes. RD 150 is its own, separate hydrologic basin and, therefore, is not included in this recommendation.

As discussed previously, the Clarksburg community is composed of a small rural town area, approximately 35,000 acres of agricultural land, various waterways, and the residents, businesses, and other interests which directly and indirectly support agriculture. Although downtown Clarksburg is at a higher elevation than the rest of the District, only about 1/3 of the Clarksburg basin's population lives in town. Small communities like Clarksburg that are protected by a large levee system struggle to afford the necessary improvements to meet Federal Emergency Management Agency (FEMA) 100-year certification requirements. FEMA is also in the process of increasing flood insurance premiums in response to changes in law that govern the National Flood Insurance Program. These two issues have led to increases in flood insurance premiums that are likely to continue to grow into the future and may become cost prohibitive for some residents. One of the primary goals of the Central Valley Flood Protection Plan (CVFPP) and the Lower Sacramento Delta North (LSDN) Regional Flood Management Plan (RFMP) is to manage flood risk in small communities, such as Clarksburg, with the goal of providing 100-year protection where feasible. This is intended to preserve the community and sustain the agricultural economy without encouraging urban development. However, a solution for Clarksburg has not been determined.

As part of the CVFPP, the Department of Water Resources (DWR) created the Small Communities Flood Risk Reduction program to help small communities achieve 100-year protection, where feasible. The Small Communities Program is a cost-share funding program that provides local assistance to communities with 200 to 10,000 residents that are protected by the State Plan of Flood Control (SPFC). In 2015, DWR awarded Yolo County \$1,500,000 for feasibility studies for Knights Landing, Yolo, and Clarksburg. Yolo County selected MBK engineers as the County's consultant to prepare the Small Communities Flood Risk Reduction Feasibility Studies. Funding for design and construction will be awarded in subsequent phases.

The Clarksburg feasibility study will develop an array of alternatives consisting of both structural and nonstructural measures. The team will formulate structural solutions that include improvements to existing levees to meet 100-year requirements as well as other alternatives such as a cross or ring levee. The study will take into consideration the recommendations of the Agricultural Floodplain Ordinance Task Force (AFOF) that propose modifying the FEMA policy that would promote a sustainable agricultural economy in the floodplain. The non-structural alternatives that will be considered are:

- changes to the National Flood Insurance Program,
- a levee relief cut plan,
- an emergency flood fight plan,

- a flood evacuation plan,
- a flood evacuation warning system,
- a voluntary structure elevation and flood-proofing program, and
- use of agricultural conservation easements purchased from willing sellers.

The RFMP estimate of the structural improvements varies from approximately \$10,000,000 to \$530,000,000.

Work is anticipated to begin on the Clarksburg Small Communities Feasibility Study in early 2018 and be completed in late 2019. While the goal of the study is to evaluate alternatives to reduce flood risk, potential governance alternatives, including improved coordinate on and/or consolidation of RD maintenance and flood fight response, will be discussed with the community and RDs as part of the analysis. The reclamation districts should actively participate in the Feasibility Study process for the Clarksburg Basin and seek to build consensus on an alternative to achieve the goal of a common levee maintenance practice and levee flood fight capabilities in the most cost efficient manner for the benefit of the residents and property owners in the basin.

Clarksburg Basin Recommendation

- Reclamation Districts 999, 307 and 765 should actively participate in the Small Communities Feasibility Study process for the Clarksburg Basin and implement any future recommendations from the Study. The Study should address and make a recommendation on governance to achieve the goal of providing a consistent level of maintenance and flood response across the Clarksburg Basin and have the districts function as one entity.



October 17, 2017

Christine Crawford, Executive Officer
Yolo LAFCo
625 Court Street, Suite 203
Woodland, CA. 95695

RE: RD 537 and RD 900 Consolidation Proposal

Dear Christine:

You have asked for input from the City of West Sacramento (City) in regard to the possible consolidation of flood control responsibility within the City into a single entity. The consolidation is long overdue as it would result in more efficient delivery of services and governance for local flood protection, which is the City's top public safety issue.

Reclamation District 900 (RD 900) submitted a letter raising several legal objections. The City Attorney has submitted a memorandum to me (see attached) specifically responding to those concerns. Based on the City Attorney's memorandum, we do not think there are any legal impediments to the consolidation of RD 900 and Reclamation District 537 (RD 537 – particularly the portion that lies within the City boundaries) into the City or, as an alternative, either merging RD 537 with RD 900 and then converting RD 900 into a subsidiary district of the City, or leaving RD 900 and RD 537 intact and converting the two RDs into subsidiary districts of the City.

As you know, multiple groups over the past several years have suggested the consolidation of local levee maintaining agencies (LMAs) would improve regional governance through more efficient and transparent governmental services including the State Department of Water Resources (DWR), UC Davis Collaboration Center, the State of California and LAFCo. The boundaries of the City, RD 900 and RD 537 are almost identical. All three agencies have jointly developed the storm water/drainage facilities system within the City. In addition to more efficient and transparent governance, the City assuming responsibility for the overall operations and maintenance of the storm water/drainage system may have the potential to realize operational efficiencies while reducing administrative overhead.

The City's finance staff has reviewed the Certified Annual Financial Reports (CAFRs or Financial Reports) for RD 900 and RD 537. The two districts main source of revenue is from the levy of assessments on the parcels within the City boundaries. The Financial Reports for the year ending as of June 30, 2016 for both RD 900 and RD 537 were audited by Cropper Accountancy Corporation. The auditor's opinion was "clean", meaning the financial statement were presented fairly, in all material respects regarding the respective financial position of the government activities and each major fund of RD 900 and RD 537. RD 900 reported a total net position of \$14.4 million; \$12.3 million invested in capital assets, net of \$0 related debt and \$2.0 million in unrestricted net assets. The District did not report any liabilities pledged by assessment revenues. RD 537 reported a net position of \$0.8 million; \$0.7 million in committed and assigned, \$0.1 million in nonspendable, and \$0.1 million in unassigned net assets. Neither RD 900 nor RD 537 reported any contingent liabilities that were probable of incurrence and reasonably estimable.

Based on these Financial Reports, City staff has concluded that if RD 900 and RD 537 were consolidated into the City or, one or both became subsidiary districts of the City, it would not negatively impact the City's finances. Further, the City would be able to provide the management support including financial management, as well as the operating and maintenance functions in an efficient and transparent manner.

The City Council consistently ranks flood protection as the City's top priority when adopting its annual Strategic Plan. Their direct oversight of the flood control responsibilities within the City will help to enhance efficiencies and accountability for this most critical public safety issue.

Please let me know if you have any questions or comments.

Sincerely,



Martin Tuttle
City Manager

Attachment

cc: Mayor and City Council



400 Capitol Mall, 27th Floor
Sacramento, CA 95814

T | 916.321.4500
F | 916.321.4555

MEMORANDUM

TO: Martin Tuttle, City Manager
FROM: Jeffrey A. Mitchell
DATE: September 28, 2017
RE: Effect of RD Consolidation on WSAFCA

In a memo dated August 10, 2017, the Executive Director of the Yolo County Local Agency Formation Commission ("LAFCO") asked for input from the City, RD 900, and RD 537 concerning the possibility of consolidating flood control responsibility within the City under a single agency. RD 900 has submitted a letter to LAFCO (dated September 18) in which it raises several objections to consolidation of operations. The purpose of this memo is to respond specifically to the legal concerns raised in RD 900's letter, which chiefly involve the impact of consolidation on the viability of the West Sacramento Area Flood Control Agency ("WSAFCA").

Conclusions

1. The consolidation of the two Reclamation Districts into the City, and the concurrent dissolution of those two Districts, would not automatically result in the dissolution of WSAFCA.
2. The consolidation of the two Reclamation Districts into the City would not violate the terms of the WSAFCA Joint Powers Agreement.
3. Consolidation of the two Reclamation Districts into the City would not violate covenants made in support of the issuance of bonds by WSAFCA.
4. As an alternative to dissolution, LAFCO could consider an alternative method of consolidation, under which either or both of the Reclamation Districts would be converted into "subsidiary districts" of the City. Under this approach the RD(s) would remain as separate legal entities, but the City Council would become the *ex officio* Board of the Reclamation District(s). Having at least one Reclamation District remain as a separate legal entity would remove any question concerning the viability of WSAFCA as a joint powers authority.

Discussion

2. A reorganization which results in the dissolution of the two Reclamation Districts would not automatically result in the dissolution of WSAFCA.

WSAFCA is a joint powers agency formed by the Joint Exercise of Powers Agreement dated July 20, 1994, between the City, RD 900 and RD 537, as amended on October 13, 2011 (the "WSAFCA Agreement"). The Joint Exercise of Powers Act (Government Code section 6500-6599.3) (the "Act") authorizes parties to a joint exercise of powers agreement to establish an agency or entity that is separate from the parties. (See, e.g., Section 6503.5.) Section 2 of the WSAFCA Agreement states: "The Agency shall be a public entity separate from the Parties hereto." Once the joint powers agency is established and is operating, the agreement functions as its articles of incorporation and/or bylaws.

It has been asserted that WSAFCA would automatically dissolve upon the dissolution of two of the three parties to the WSAFCA Agreement. We disagree.

While the Act requires two or more public agencies to take action to make an agreement that forms a joint powers agency, the Act is largely silent on dissolution of an agency once created. Government Code section 6510 provides:

The agreement may be continued for a definite term or until rescinded or terminated. The agreement may provide for the method by which it may be rescinded or terminated by any party.

Presumably, if the agreement creating a joint powers authority is terminated, the agency created by the agreement would be dissolved. The WSAFCA Agreement reflects this assumption and states in Section 31, Term: "The Agency shall continue until this Agreement is rescinded or terminated as herein provided." Section 32 of the WSAFCA Agreement provides a process by which the parties can rescind or terminate the Agreement,¹ but otherwise does not specify any circumstance that would lead to dissolution. In fact the language of Sections 31 and 32 compel a conclusion that, absent the consent of the City, the WSAFCA Agreement *cannot* terminate because the unanimous consent of the parties is required for termination.

The Agreement also provides a mechanism for withdrawal of members of WSAFCA. Section 34, Withdrawal, provides that a party may withdraw "from the Agency" (by which it must mean "from the Agreement") with the unanimous written consent of all parties. Section 34 does not, however, provide that the Agreement terminates upon withdrawal of two parties. In fact, it makes provision regarding actions by the Agency following a withdrawal, e.g.: "The Agency may not sell, lease, transfer or use any rights of a Party who has withdrawn without first obtaining the written consent of the withdrawing Member."

Although it may seem counter-intuitive that a "joint powers agreement" would continue if only one member of the joint powers authority remained, "unilateral" contracts are not unknown in law. Grant deed and deeds of trust are the most common examples. A bond resolution is

¹ Section 32, Rescission or Termination, provides: "This Agreement may be rescinded and the Agency terminated by unanimous written consent of the Parties."



another example. The mere fact that an agreement has only one party does not automatically terminate it.²

2. Consolidation would not violate the terms of the Joint Powers Agreement.

As noted earlier, the WSAFCA Agreement provides a mechanism for the withdrawal of members. Withdrawal requires the unanimous consent of the remaining members. Dissolution of a member of the Authority would likely be treated as the *de facto* withdrawal of a member. Dissolution of both Reclamation Districts would require only the consent of the City, as the remaining member of the Authority.

Section 39 of the WSAFCA Agreement, which was added in 2011, does not bar the dissolution of the two Reclamation Districts in connection with the consolidation of their responsibilities with the City. Section 39 has two operative provisions. Subsection (b) prohibits rescission or termination of the WSAFCA Agreement while there are outstanding Project Commitments (as defined) unless "the relevant Member of Members of the Agency first provide such reasonable written assurances regarding the Project Commitments as the CVFPB may request." If Reclamation District 900 and that portion of Reclamation District 537 that lies within the boundaries of the City were to be merged into the City, the City would be the successor to Reclamation District 900 and would be the successor to Reclamation District 537 within the overlapping territory. Under these circumstances there is nothing in Section 39 that would prohibit the City as successor from providing the requested assurances to the CVFPB. Similarly, subsection (c) prohibits withdrawal of a Member from WSAFCA "unless such withdrawing party first provides such reasonable written assurances . . . as the CVFPB may request." Again, there is nothing in Section 39 that would prohibit the City, as successor to the Reclamation Districts, from providing those written assurances.³

² The cases cited in Reclamation District 900's letter do not compel a different conclusion. *San Diegans For Open Government v. City of San Diego et al* ((2015) 242 Cal.App.4th 416) concerned the validity of bonds issued by a joint powers authority of which a redevelopment successor agency was a member. The specific citation included in RD 900's letter is to a footnote that merely refers to the provision of the Joint Powers Law that authorizes "two or more" public agencies to create a joint powers authority. The issues in the case did not require the Court to address, and the Court did not address, whether the joint powers authority in question would continue if all but one member of the authority withdrew. Similarly, the other case cited by RD 900 (*McKee v. Los Angeles Interagency Metropolitan Police Apprehension Crime Task Force* (2005) 134 Cal.App.4th 354) merely recites that a joint powers authority comes into existence when at least two agencies agree to its formation.

³ Section 36 of the WSAFCA Agreement provides that "This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the Parties hereto." Assuming the City is designated by LAFCO as the successor to the Reclamation Districts, then Section 36 would apply. In this regard it is worth noting that Section 39 places no limitations on the ability of parties to assign their rights and responsibilities pursuant to Section 36 of the WSAFCA Agreement. It would be entirely consistent with the WSAFCA Agreement, including Section 39, for the City as successor to provide such assurances as CVFPB may request.



3. Consolidation of the two Reclamation Districts into the City would not violate covenants made in support of the issuance of bonds by WSAFCA.

Reclamation District 900's letter asserts that consolidation of the Reclamation Districts into the City would "violate covenants made in support of issuance of approximately \$40,000,000.00 in bonds." We disagree.

Section 8.3 of the Fiscal Agent Agreement, pursuant to which the Agency's bonds have been issued, includes a covenant that the Agency will annually levy and make provision for the collection of the assessments necessary to pay debt service on the bonds.

Section 1.8 of the Fiscal Agent Agreement provides that any reference in the agreement to the Agency is deemed to include the successors or assigns thereof, and all the covenants and agreements by the Agency bind its successors and assigns.

As explained above, we believe that dissolution of one or more of the original parties to the joint exercise of powers agreement does not result in the dissolution of WSAFCA, which is a separate governmental entity. WSAFCA will continue in existence and will continue to be obligated to levy the assessments.

Even if, for the sake of discussion, consolidation of the Districts by LAFCO would result in the dissolution of WSAFCA, Government Code section 56886(m) in the Cortese-Knox-Hertzberg Act contemplates that LAFCO would designate a successor in order to carry out any remaining obligations of any dissolved entity under its bonds. Section 57458 provides that the successor shall provide for the levy of assessments of a dissolved governmental entity.

Finally, if LAFCO were to decide to establish either or both of the Reclamation Districts as subsidiary districts of the City (as discussed in the next section of this memo), there would continue to be at least two separate legal entities that would continue to be members of WSAFCA.

4. LAFCO could establish either or both Reclamation District's as "subsidiary districts" of the City.

Under the Cortese-Knox-Hertzberg Act, in lieu of merging a district with a city, the district may be established as a subsidiary district⁴. In that case, the district retains its separate legal existence, while the city council acts, *ex officio*, as the governing board for the district.⁵ In that event, the subsidiary district or district would continue to function as parties to the WSAFCA Agreement, although under the control of the city council. Whether establishing either or both Reclamation District 900 or 537 as subsidiary districts of the City is the best approach from an

⁴ See Government Code Sections 56078, 56117, 56375(a)(2)(D), 57105.

⁵ Government Code Section 57534 (on and after being established as a subsidiary district, "[t]he District shall continue in existence with all of the powers, rights, duties, obligations, and functions provided for by the principal act")



Memo to Martin Tuttle
September 28, 2017
Page 5

operational standpoint is beyond the scope of this memo. Doing so would certainly, as a matter of law, remove any doubt as to the continued existence of WSAFCA.



RECLAMATION DISTRICT No. 537

Post Office Box 822, West Sacramento, CA 95691

September 21, 2017

Christine Crawford
Executive Officer
Yolo County Local Agency Formation Commission
625 Court Street, Suite 203
Woodland, California 95695

Re: Response of Reclamation District No. 537 to August 10, 2017 Letter Concerning Yolo
LAFCo 2017 MSR Governance Recommendations for the West Sacramento Reach

Dear Ms. Crawford:

The Board of Trustees of Reclamation District No. 537 ("RD 537") held a special meeting on September 20, 2017 to discuss the August 10, 2017 letter from the Yolo County Local Agency Formation Commission ("LAFCo") regarding the municipal services review for the West Sacramento Reach. We also reviewed the letter to you dated September 18, 2017 from Reclamation District No. 900 ("RD 900").

The Board of Trustees strongly endorses the position taken by RD 900 in its September 18 letter to LAFCo. As described in that letter, we believe that reorganizing RD 537 and RD 900 into the City of West Sacramento would have profound and dire consequences for the residents of West Sacramento. We do not believe that such a reorganization would save our ratepayers any money; indeed, we believe that moving our flood protection function from a single-purpose district to a general law city is almost guaranteed to increase the costs of providing the service. Moreover, we believe that the political turmoil that such a proposal is likely to create undermines the ability of the West Sacramento Flood Control Agency (WSAFCA) to obtain the necessary financial resources to provide the residents of West Sacramento the 200-year flood protection mandated by California law. Consequently, we urge LAFCo to abandon any effort to reorganize RD 537 or RD 900 with the City of West Sacramento and, instead, to find in the municipal services review that the two reclamation districts are providing necessary public services at the least possible cost.

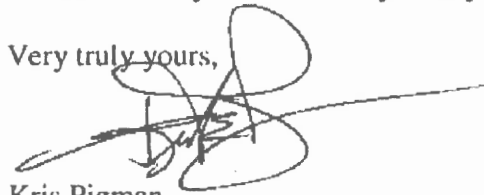
LAFCo is also in the process of considering the potential consolidation of several reclamation districts in the Elkhorn area north of the City of West Sacramento. RD 537 is actively involved in those discussions and is working with the other potentially affected agencies to develop a proposal that would provide flood protection services more effectively in the area north of the Sacramento Bypass. That potential consolidation, however, would have no effect on the southern portion of RD 537 and, consequently, should not be used by LAFCo as an excuse to reorganize the southern portion of RD 537 and RD 900 into the City of West Sacramento. Even if the proposed consolidation of the Elkhorn districts were to occur, the southern portion of RD 537 still has independent utility, a firm source of funding and extensive experience in providing flood protection to our constituents. Thus, consolidation into the City of West Sacramento would serve no beneficial purpose.

For all of these reasons, we urge LAFCo to reach the following conclusions in the municipal services review:

- (1) The existing flood control districts in the Elkhorn area and within the City of West Sacramento are providing flood protection services effectively and efficiently.
- (2) It is possible that the consolidation of the flood control districts in the Elkhorn area could provide an enhanced level of flood protection more efficiently; those districts are working together to determine whether or not such enhanced and more efficient services are possible. However, it is premature for LAFCo or any other party to evaluate such a proposal until the districts involved in the potential consolidation develop a plan.
- (3) The consolidation of RD 537 and RD 900 into the City of West Sacramento would impair the provision of public services to the residents of West Sacramento for the reasons stated above and in the RD 900 letter to LAFCo dated September 18, 2017. Accordingly, no such proposal should be pursued by LAFCo or others.

RD 537 is ready to meet with you or your staff, if you so desire, to discuss this matter further.

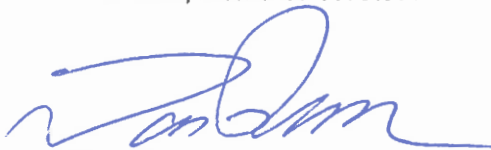
Very truly yours,



Kris Pigman
President, Board of Trustees



Kent Lang
Trustee



Tom Ramos
Trustee



RECLAMATION DISTRICT 900

Post Office Box 673

West Sacramento, CA 95691

PH: (916) 371-1483 • email: wrsrd@pacbell.net

September 18, 2017

Yolo County Local Agency Formation Commission
Attn: Christine Crawford, Executive Officer
625 Court Street, Suite 203
Woodland, CA 95695

Re: *Response of Reclamation District No. 900 to August 10, 2017 Letter Concerning Yolo LAFCo 2017 MSR Governance Recommendations for the West Sacramento Reach*

Dear Ms. Crawford and Members of the Yolo LAFCo Governing Board:

Reclamation District Number 900 ("RD 900"), which was formed by special act of the California Legislature in 1911 and is governed by the Reclamation District Act, is opposed to any form of reorganization which would result in a merger of RD 900 or Reclamation District No. 537 ("RD 537") into the City of West Sacramento, or any form of reorganization which would create a new independence special district with reclamation and flood control responsibilities or altering the governance of RD 900 or RD 537.

RD 900's boundaries are co-extensive with the boundaries of the City of West Sacramento with the exception of the northerly end of the City of West Sacramento which lies within the boundaries of RD 537. RD 900, RD 537 and the City of West Sacramento are the three members of the West Sacramento Area Flood Control Agency ("WSAFCA"), a joint exercise of powers agency created in 1994 under the Joint Exercise of Powers Act (California Government Code Sections 6500 et seq.) for the purpose of financing and providing facilities and works necessary to achieve a 1 in 200 year storm event level of flood protection for the area within its boundaries, which are co-extensive with the boundaries of the City of West Sacramento. WSAFCA is governed by a three member board with each of the reclamation district members appointing one member from their governing boards of trustees and the City of West Sacramento appointing one member from its city council.

RD 900 operates and maintains 14 miles of levees along the west bank of the Sacramento River, across the district at its southern boundary which is co-extensive with the southern boundary of the City of West Sacramento, thence along the deep water ship channel to the north, and operates and maintains a system of drainage ditches and canals, pumping plants, and several storm water detention basins which protect the lands within its boundaries from flooding from the river system or from storm water runoff. RD 537 performs the same function for levees, ditches, canals and pumping plants protecting the northern portion of the City of West Sacramento. A

portion of the levee protecting the northern portion of the City of West Sacramento is maintained by State Maintenance Area 4.

RD 900 believes there should not be any change of organization of the types described above for a number of reasons:

1. Reclamation districts are very well suited to perform the flood protection functions described above efficiently and well, and RD 900 and RD 537 have done so without major incident since their formation;
2. Merging both RDs into the City of West Sacramento or consolidating them into a new independent district would:
 - a. Violate the terms of the Joint Powers Agreement;
 - b. Terminate an existing WSAFCA flood assessment made under the 1982 Improvement Act and approved by the landowners within the City of West Sacramento in a Proposition 218 election, and violate covenants made in support of issued and sold revenue bonds totaling approximately \$40,000,000.00 utilized for early implementation levee improvement projects and to be utilized to provide a portion of the local share required for a federally authorized flood control project to complete levee modifications around the City of West Sacramento by the United States Army Corps of Engineers (the "Corps"); and
 - c. Would create an atmosphere of administrative political upheaval for WSAFCA after WSAFCA and the reclamation districts developed a solid reputation with the Federal Emergency Management Agency ("FEMA"), the Corps, Members of Congress and the State of California at a sensitive time when WSAFCA must demonstrate its financial capability to support its local share of the cost of the federally authorized flood control project.
1. Reclamation districts are very well suited to perform the flood protection functions described above efficiently and well, and RD 900 and RD 537 have done so without major incident since their formation.

The reclamation districts are best suited to provide responsive and efficient operation and maintenance of the flood control facilities protecting the City of West Sacramento. Reclamation districts are single purpose special districts, having as their sole purpose the provision of flood control for lands within their boundaries. They are governed by efficient boards of trustees, whose members tend to have no reason for political grandstanding or aspirations for higher office. The sole requirement for use of reclamation district funds is the provision of flood control, and there are no competing financial interests creating temptation for the use of flood control funds, as would be the case if a city were to be the provider of flood protection. Both RD 900 and RD 537 have earned the respect of the California Department of Water Resources, the Central Valley Flood Protection Board, the Corps and FEMA and have provided operation and maintenance of the existing flood control facilities since their formation with no major

incidents. Their staffs are lean, focused and dedicated to providing flood control and protection for lands within their boundaries.

A merger of the reclamation districts into the City ignores the value to the citizens of West Sacramento of the institutional relationships that WSAFCA, RD 900 and RD 537 have built with state and federal regulators over the past decades. Over the past twenty years, ever since the floods of 1997, the three agencies have been at the forefront of flood protection in the Central Valley.

- 2.a. Reorganization which merges two of the three members of WSAFCA into the City of West Sacramento member or creates a new independent district would violate the terms of the Joint Powers Agreement.

There are limitations within the WSAFCA Joint Powers Agreement which would preclude any reorganization which dissolves a party or two of the three current parties.

The WSAFCA Joint Powers Agreement (the "JPA") is written in such a manner as to provide checks and balances by virtue of having three independent members represented by individual members of their governing boards. For example, Section 16 of the JPA provides a right to each party to veto an assessment or construction or acquisition of works or facilities. The JPA may be rescinded and the agency terminated only by unanimous written consent of the parties (Section 32 of the JPA), and no party may withdraw without the unanimous consent of the parties (Section 34 of the JPA). The dissolution of a reclamation district party to the JPA would be the equivalent of a withdrawal by operation of law which would not be consented to by either RD 900 or RD 537. Also, the dissolution of both reclamation districts through reorganization would effect a termination of WSAFCA without the consent of RD 900 or RD 537.

Additionally, new Section 39 added by Amendment to the JPA which was required by policy resolution of the Central Valley Flood Protection Board in conjunction with construction funding agreements entered into between the California Department of Water Resources and WSAFCA to finance the early implementation projects provides that the JPA may not be rescinded or terminated or the agency dissolved so long as it has outstanding project commitments (which it will have into infinity under Operation, Maintenance, Repair, Rehabilitation and Replacement Agreements entered into with the Central Valley Flood Protection Board) unless the relevant member or members of the agency first provide such reasonable written assurances regarding the project commitments as the Central Valley Flood Protection Board may request, and, similarly, this section provides that no party may withdraw so long as the agency has such commitments unless the withdrawing party first provides such reasonable written assurances regarding the project commitments as the Central Valley Flood Protection Board may request.

- 2.b. Reorganization which merges two of the three members of WSAFCA into the third member or creates a new independent district would have the effect of terminating WSAFCA and its flood assessment and would violate covenants made in support of issuance of approximately \$40,000,000.00 in bonds.

A joint powers agency requires at least two public agencies in order to transact business. As Government Code section 6502 expressly states: "If authorized by their legislative or other governing bodies, *two or more public agencies* by agreement may jointly exercise any power common to the contracting parties...." (Gov. Code § 6502.) As one California court recently noted, "a JPA needs ... two public agency members to conduct business." (See *San Diegans for Open Government v. City of San Diego* (2015) 242 Cal.App.4th 416, 448, n. 14 [even if third agency was not properly included in JPA, JPA could still conduct business because at least two public agencies were members]; see also *McKee v. Los Angeles Interagency Metropolitan Police Apprehension Crime Task Force* (2005) 134 Cal.App.4th 354, 362 [once at least two public agencies agreed to create a separate entity, a JPA/local public agency was created for purposes of the Brown Act].)

Should WSAFCA be terminated, its flood assessment passed by the landowners within the City of West Sacramento would, by operation of law, be terminated which would be violative of covenants made in support of the issued and sold bonds totaling approximately \$40,000,000.00 and cause a default in bond payments.

- 2.c. A reorganization of either or both of RD 900 or RD 537 would create an atmosphere of administrative political upheaval for WSAFCA after WSAFCA and the reclamation districts developed a solid reputation with FEMA, the Corps, Members of Congress and the State of California at a sensitive time when WSAFCA must demonstrate its financial capability to support its local share of the cost of the federally authorized flood control project.

Completion of levee improvements necessary to achieve a 1 in 200 year level of flood protection for the City of West Sacramento will require that remaining work, beyond the early implementation projects already completed by WSAFCA and the Southport Levee Improvement Project currently under construction, be accomplished by the Corps under the Federally authorized flood protection project.

As we approach possible Congressional appropriation to permit the authorized Federal flood protection prospect to move forward, WSAFCA will need to demonstrate its ability to provide its share of the necessary local funding. This will require landowner approval of an additional flood assessment by WSAFCA to create the ability to issue and sell further bonds. The stability of WSAFCA must be preserved for the confidence of the landowner/voters and for the Corps and Congress. This is no time to create local political upheaval by altering the structure of WSAFCA or causing its termination by operation of law.

Sincerely,

Reclamation District No. 900

By: 

Kenric Jameson, General Manager/Secretary


Bryan Turner, Trustee


William E Denton, Trustee


Peter Palamidessi, Trustee


Daniel F. Ramos, Trustee


Philip Hinkel, Trustee

cc: Reclamation District No. 537
James M. Day, Jr.
David Aladjem

YOLO
LOCAL
AGENCY
FORMATION
COMMISSION



To: Kyle Lang, Reclamation District 537
Kenric Jameson, Reclamation District 900
Martin Tuttle, City of West Sacramento

From: Christine Crawford, Executive Officer, Yolo LAFCo

Re: Yolo LAFCo 2017 MSR Governance Recommendations for the West Sacramento Reach

Date: August 10, 2017

As you know, Yolo LAFCo is currently working on its Municipal Service Review (MSR) for the Levee Maintaining Agencies (including all the Reclamation Districts (RDs), Knights Landing Ridge Drainage District and the Snowball County Service Area #6) and is targeting MSR completion for December 2017. The previous LAFCo MSR was completed in 2005 and recommended the creation of a single purpose flood control agency for the West Sacramento Reach, which could include the formation of an independent special district or merging flood control agencies with the City of West Sacramento¹.

The 2005 MSR recommended that Yolo LAFCo "start discussions with RD 537, 811 and 900 and the City of West Sacramento regarding the creation of a single purpose flood control agency in this area." However, I have only been with LAFCo since December 2011 and am unaware of any discussions that may or may not have occurred after this MSR recommendation was adopted.

The purpose of this memo is to reach out to the subject agencies and (re)start these discussions, revisit the previous 2005 MSR recommendations, and obtain agency input as LAFCo develops governance recommendations for the 2017 MSR update. Also, the Elkhorn RDs are interested in pursuing consolidation and such an action would bifurcate RD 537 at the Sacramento Weir, so this is another reason that governance discussions would be timely.

We would like to hear your ideas and suggestions on governance recommendations for the 2017 MSR update and can be reached at the office information included in this letter or my email address is Christine.crawford@yolocounty.org. We can also meet in person if that is preferable. Please be aware that I am going to be on vacation from August 14th – 25th and will respond after that timeframe.

Thank you for your assistance with LAFCo's MSR efforts thus far. We look forward to continuing our work together.

CHAIR
OLIN WOODS
Public Member

VICE CHAIR
MATT REXROAD
Supervisor – 3rd District

WADE COWAN
Mayor
City of Winters

DON SAYLOR
Supervisor – 2nd District

WILL ARNOLD
Councilmember
City of Davis

ALTERNATES
VACANT
Public Member

JIM PROVENZA
Supervisor – 4th District

ANGEL BARAJAS
Mayor
City of Woodland

Staff
CHRISTINE M. CRAWFORD, AICP
Executive Officer

SARAH KIRCHGESSNER
Management Analyst

TERRI TUCK
Commission Clerk

ERIC MAY
Commission Counsel

625 Court Street, Suite 203
Woodland CA 95695

(530) 666-8048
lafco@yolocounty.org

www.yololafco.org

¹ *Municipal Service Review and Sphere of Influence Study, Yolo County Public Water and Reclamation Districts, Dudek and Associates, Inc. March 2005, pages 88-89.*



RECLAMATION DISTRICT 900

Post Office Box 673

West Sacramento, CA 95691

PH: (916) 371-1483 • email: wsrd@pacbell.net

Item 7-ATT B Supplemental

December 4, 2017

Yolo County Local Agency Formation Commission
Attn: Christine Crawford, Executive Officer
625 Court Street, Suite 203
Woodland, CA 95695

Re: *Reclamation District No. 900 & 537 Comments Concerning Yolo LAFCo 2017 MSR Governance Recommendations for the West Sacramento Reach*

Dear Ms. Crawford and Members of the Yolo LAFCo Governing Board:

Background

Formed in 1911, Reclamation District (RD) 900 is responsible for operating and maintaining 13.6 miles of levees, 38 miles of drainage canals and ditches, 6 detention basins that collect and remove storm water within the 11,000 acres of land located in its jurisdiction including 90% of the City of West Sacramento, and for repairing and replacing 9 pump stations containing 33 pumps and district equipment.

Formed in 1889, Reclamation District (RD) 537 is responsible for operating and maintaining facilities similar to those of RD 900, but at a reduced number within the City Limits. RD 537's boundaries currently extend north of the City of West Sacramento and include both levee and internal drainage facilities.

RD 900 and RD 537 are also member agencies 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, RD 900 and RD 537 will assume ongoing O&M. In addition, RD 900 provides administrative support for RDs 537 and 827.

The 2014 Yolo County Flood Governance Study, which was prepared for the Lower Sacramento/Delta North Region and funded by the Department of Water Resources, found that reclamation districts are best suited to conduct routine O&M and on-site emergency response. The 2016 Department of Water Resources rating concludes that the levee segment/system would perform as intended in a future flood event. The District has the resources to fund planned levee and drainage improvements. The Districts, along with WSAFCA, are working to meet urban 200-year flood protection by 2025 as required by the state.

Both RD 900 and RD 537 are managing their finances well and operate within their financial means and do not have any debt. The Districts have adequate reserves to provide for unexpected maintenance if necessary. In 2016 the residents of West Sacramento passed a new assessment for RD 900. This new assessment increased RD 900's budget from \$1,100,000

annually to approximately \$3,300,000. RD 900 can increase its assessment by 2.25% yearly as needed to keep up with inflation. RD 537 is currently not charging the property owners within its boundaries the maximum amount allowed under their current assessment.

LAFCO Recommendations discussion

RD 900 and RD 537 are opposed to any form of reorganization which would result in a merger of RD 900 or RD 537 into the City of West Sacramento, or any form of reorganization which would create a new independent special district with reclamation and flood control responsibilities or altering the governance of RD 900 or RD 537 by making them subsidiary districts to the City of West Sacramento.

RD 900 Manager Kenric Jameson has met with the Board of Trustees for both RD 900 and RD 537 and has been authorized to inform LAFCo that both districts are in agreement that having RD 900 and RD 537 functionally merge would provide a more uniform level of maintenance and flood fighting capabilities. The Districts look forward to working with Yolo County LAFCO, the California Department of Water Resources (DWR), the United State Army Corps of Engineers, and the West Sacramento Area Flood Control Agency, in an effort to further enhance coordination amongst agencies that provide flood protection services within the City of West Sacramento as detailed in LAFCO's recommended action.

Sincerely,

Reclamation District No. 900 & 537

By:


Kenric Jameson, Manager RD 900


Bryan Turner, President RD 900


Thomas Ramos, Trustee RD 537

2018

Item 8-ATT 7
Errata Draft MSR/SOI Update
**Includes City's Cost Analysis*

MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE STUDY

FOR THE RECLAMATION DISTRICTS AND LOCAL
MAINTAINING AGENCIES:

RECLAMATION DISTRICT 150
RECLAMATION DISTRICT 307
RECLAMATION DISTRICT 537
RECLAMATION DISTRICT 730
RECLAMATION DISTRICT 765
RECLAMATION DISTRICT 785
RECLAMATION DISTRICT 787
RECLAMATION DISTRICT 827
RECLAMATION DISTRICT 900
RECLAMATION DISTRICT 999
RECLAMATION DISTRICT 1600
RECLAMATION DISTRICT 2035
RECLAMATION DISTRICT 2076 (INACTIVE)
RECLAMATION DISTRICT 2120 (INACTIVE)
COUNTY SERVICE AREA NO. 6
KNIGHTS LANDING RIDGE DRAINAGE DISTRICT

YOLO LOCAL AGENCY FORMATION COMMISSION
PUBLIC REVIEW DRAFT FEBRUARY 2018
ERRATA VERSION



Project Name: **MSR/SOI for Yolo County Reclamation Districts/Local Maintaining Agencies**

LAFCo Project No. S-049

Conducted By: Yolo Local Agency Formation Commission
625 Court Street, Suite 203
Woodland, CA 95695

Date: January 31, 2018

Districts Included:

Subject Agency:	Reclamation District 150
Agency Address:	37783 County Road 144 Clarksburg, CA 95612
Agency Contact Person:	Warren Bogle, President
Date Last MSR/SOI Adopted	March, 2005

Subject Agency:	Reclamation District 307
Agency Address:	PO Box 518 Clarksburg, CA 95612
Agency Contact Person:	Peter Dwyer, Jr.
Date Last MSR/SOI Adopted	March, 2005

Subject Agency:	Reclamation District 537
Agency Address:	PO Box 822 West Sacramento, CA 95691
Agency Contact Person:	Kyle Lang
Date Last MSR/SOI Adopted	March, 2005

Subject Agency:	Reclamation District 730
Agency Address:	429 First Street Woodland, CA 95695
Agency Contact Person:	Robert Nakken
Date Last MSR/SOI Adopted	March, 2005

Subject Agency:	Reclamation District 765
Agency Address:	1401 Halyard Dr. STE 140 West Sacramento, CA 95691
Agency Contact Person:	David Dickson
Date Last MSR/SOI Adopted	March, 2005

Subject Agency:	Reclamation District 785
Agency Address:	429 First Street Woodland CA 95695
Agency Contact Person:	James Nolan
Date Last MSR/SOI Adopted	March, 2005

Subject Agency:	Reclamation District 787
Agency Address:	41758 County Road 112 Knights Landing, CA 95645
Agency Contact Person:	Roger Cornwell
Date Last MSR/SOI Adopted	March, 2005

Subject Agency:	Reclamation District 827
Agency Address:	PO Box 781 West Sacramento CA 95691
Agency Contact Person:	Dan Ramos
Date Last MSR/SOI Adopted	March, 2005

Subject Agency:	Reclamation District 900
Agency Address:	1420 Merkley Avenue, Suite 4 West Sacramento CA 95691
Agency Contact Person:	Kenric Jameson
Date Last MSR/SOI Adopted	March, 2005

Subject Agency:	Reclamation District 999
Agency Address:	38563 Netherlands Road Clarksburg CA 95612-5003
Agency Contact Person:	Tom Slater
Date Last MSR/SOI Adopted	March, 2005

Subject Agency:	Reclamation District 1600
Agency Address:	429 First Street Woodland, CA 95695
Agency Contact Person:	Kent Lang/Jim Nolan
Date Last MSR/SOI Adopted	March, 2005

Subject Agency:	Reclamation District 2035
Agency Address:	45332 County Road 25 Woodland CA 95776
Agency Contact Person:	Mike Hall
Date Last MSR/SOI Adopted	March, 2005

Subject Agency:	Knights Landing Ridge Drainage District
Agency Address:	PO Box 50 Grimes CA 95950
Agency Contact Person:	Lewis Bair
Date Last MSR/SOI Adopted	March, 2005

Subject Agency:	County Service Area No. 6
Agency Address:	625 Court Street, Room 202 Woodland CA 95695
Agency Contact Person:	Beth Gabor/Elisa Sabatini
Date Last MSR/SOI Adopted	March, 2006

Inactive Districts *(recommended for dissolution in this Municipal Service Review)*

2076 (inactive)
2120 (inactive)

Multi-County Districts that do not have Yolo County as Principal LAFCo *(not reviewed in detail in this Municipal Service Review)*

Reclamation District 108 (Colusa County)
Sacramento River Westside Levee District (Colusa County)
Reclamation District 2068 (Solano County)
Reclamation District 2093 (Solano County)

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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, efficiently providing government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances (§56301). CKH Act Section 56301 further establishes that “one of the objects of the commission is to make studies and to obtain and furnish information which will contribute to the logical and reasonable development of local agencies in each county and to shape the development of local agencies so as to advantageously provide for the present and future needs of each county and its communities.”

Based on that legislative charge, LAFCo serves as an arm of the State; preparing and reviewing studies and analyzing independent data to make informed, quasi-legislative decisions that guide the physical and economic development of the state (including agricultural uses) and the efficient, cost-effective, and reliable delivery of services to residents, landowners, and businesses. While SOIs are required to be updated every five years, they are not time-bound as planning tools by the statute, but are meant to address the “probable physical boundaries and service area of a local agency” (§56076). SOIs therefore guide both the near-term and long-term physical and economic development of local agencies their broader county area, and MSRs provide the near-term and long-term time-relevant data to inform LAFCo’s SOI determinations.

PURPOSE OF A MUNICIPAL SERVICE REVIEW

As described above, MSRs are designed to equip LAFCo with relevant information and data necessary for the Commission to make informed decisions on SOIs. The CKH Act, however, gives LAFCo broad discretion in deciding how to conduct MSRs, including geographic focus, scope of study, and the identification of alternatives for improving the efficiency, cost-effectiveness, accountability, and reliability of public services. The purpose of a Municipal Services Review (MSR) in general is to provide a comprehensive inventory and analysis of the services provided by local municipalities, service areas, and special districts. A MSR evaluates the structure and operation of the local municipalities, service areas, and special districts and discusses possible areas for improvement and coordination. The MSR is intended to provide information and analysis to support a sphere of influence update. 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; and

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

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

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.

The role of SOIs in guiding the State’s growth and development was validated and strengthened in 2000 when the Legislature passed Assembly Bill (“AB”) 2838 (Chapter 761, Statutes of 2000), which was the result of two years of labor by the Commission on Local Governance for the 21st Century, which traveled up and down the State taking testimony from a variety of local government stakeholders and assembled an extensive set of recommendations to the Legislature to strengthen the powers and tools of LAFCoS to promote logical and orderly growth and development, and the efficient, cost-effective, and reliable delivery of public services to California’s residents, businesses, landowners, and visitors. The requirement for LAFCoS to conduct MSRs was established by AB 2838 as an acknowledgment of the importance of SOIs and recognition that regular periodic updates of SOIs should be conducted on a five-year basis (§56425(g)) with the benefit of better information and data through MSRs (§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 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.

DISADVANTAGED UNINCORPORATED COMMUNITIES

SB 244 (Chapter 513, Statutes of 2011) made changes to the CKH Act related to “disadvantaged unincorporated communities,” including the addition of SOI determination #5 listed above. Disadvantaged unincorporated communities, or “DUCs,” are inhabited territories (containing 12 or more registered voters) where the annual median household income is less than 80 percent of the statewide annual median household income.

On March 26, 2012, LAFCo adopted a “Policy for the Definition of ‘Inhabited Territory’ for the Implementation of SB 244 Regarding Disadvantaged Unincorporated Communities”, which identified 21 inhabited unincorporated communities for purposes of implementing SB 244.

CKH Act Section 56375(a)(8)(A) prohibits LAFCo from approving a city annexation of more than 10 acres if a DUC is contiguous to the annexation territory but not included in the proposal, unless an application to annex the DUC has been filed with LAFCo. The legislative intent is to prohibit “cherry picking” by cities of tax-generating land uses while leaving out under-served, inhabited areas with infrastructure deficiencies and lack of access to reliable potable water and wastewater services. DUCs are recognized as social and economic communities of interest for purposes of recommending SOI determinations pursuant to Section 56425(c).

ORGANIZATION OF 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. 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 adopted Yolo LAFCo local policies and procedures. This report provides the following:

- Provides a description of the subject agency;
- Provides any new information since the last MSR and a determination regarding the need to update the SOI;
- Provides MSR and SOI draft determinations for public and Commission review; and
- Identifies any other issues that the Commission should consider in the MSR/SOI.

CALIFORNIA WATER CODE REGARDING RECLAMATION DISTRICTS

Reclamation districts are special districts established and regulated under provisions of the Water Code Code, Sections 50000-53901, Water Code.

Reclamation districts are governed by a board of trustees that are appointed by the County Board of Supervisors or are elected directly from the populations they serve (§50650). The board of trustees can consist of three, five or seven members and have the power to do all things necessary or convenient for accomplishing the purposes for which the reclamation district was formed (50900). The owners of the majority of acreage in the district may vote to adopt governing bylaws (§50370). A district may, by resolution of the board, provide a procedure for the collection charges and fees, by way of the tax bills of the county or counties in which such district is located (§50904).

FINANCING RECLAMATION DISTRICTS

California State Law (California Water Code section 50000 et seq.) grants a reclamation district the authority to use assessments 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), reclamation districts 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.

The first of these tools 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 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.

The second financing tool is fees or charges, including minimum and standby charges, for services provided by the reclamation district. The final financing tool is derived from user fees for the irrigation services provided to property owners.

RECLAMATION DISTRICTS – REGIONAL CONTEXT

Reclamation districts are typically responsible for protecting development in floodplain lands through levee operations, maintenance, design, and construction. Reclamation districts may also perform other duties, and in some cases enterprise activities, including irrigation, drainage, and recharge needs. The origin of reclamation districts began in 1850 when the U.S. Congress passed the Reclamation Act authorizing lands to be purchased and placed into reclamation holdings for preservation and use. A series of new laws in California followed, including allowing counties to sell "swamp land" for \$1 per acre for reclamation purposes (1855) and authorizing the local County Board of Supervisors to apply assessments on property for improvement and maintenance (1861). From 1866 to 1911, the authority for oversight of reclamation districts changed from the Swamp Land Commission to each of the County Board of Supervisors and then to the State Board of Reclamation. When the Legislature created LAFCos, reclamation districts came under the oversight of LAFCos to establish service boundaries and spheres of influence (SOI).

Over one hundred years passed without substantial change in flood protection planning. The old plan consisted of a levee and bypass system, which successfully reduced the frequency of flooding to primarily agricultural lands. These levees, however, did not have a sophisticated design or seepage controls, resulting in failures from time to time. Over the years, rural homes, urban subdivisions, and high-value permanent crops were developed on these lands. A new flood protection plan for California's Central Valley was long overdue. After Hurricane Katrina in 2005, the U.S. Army Corps of Engineers evaluated much of California's Central Valley flood control system and determined that it was substandard. In 2007, the State Legislature directed the Department of Water Resources and the Central Valley Flood Protection Board to prepare a new flood protection plan.

Central Valley Flood Protection Plan (2012/2017 Update)

The Central Valley Flood Protection Plan (CVFPP) was adopted by the Central Valley Flood Protection Board in 2012 and updated in 2017. The CVFPP is a guide to managing flood risk in the Central Valley and it will be updated every five years. 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 locally. The CVFPP promotes regional governance via local consolidation and collaboration among partnering agencies.

Below is an excerpt from the 2017 CVFPP Update which provides context to LAFCo's governance recommendations for this MSR:

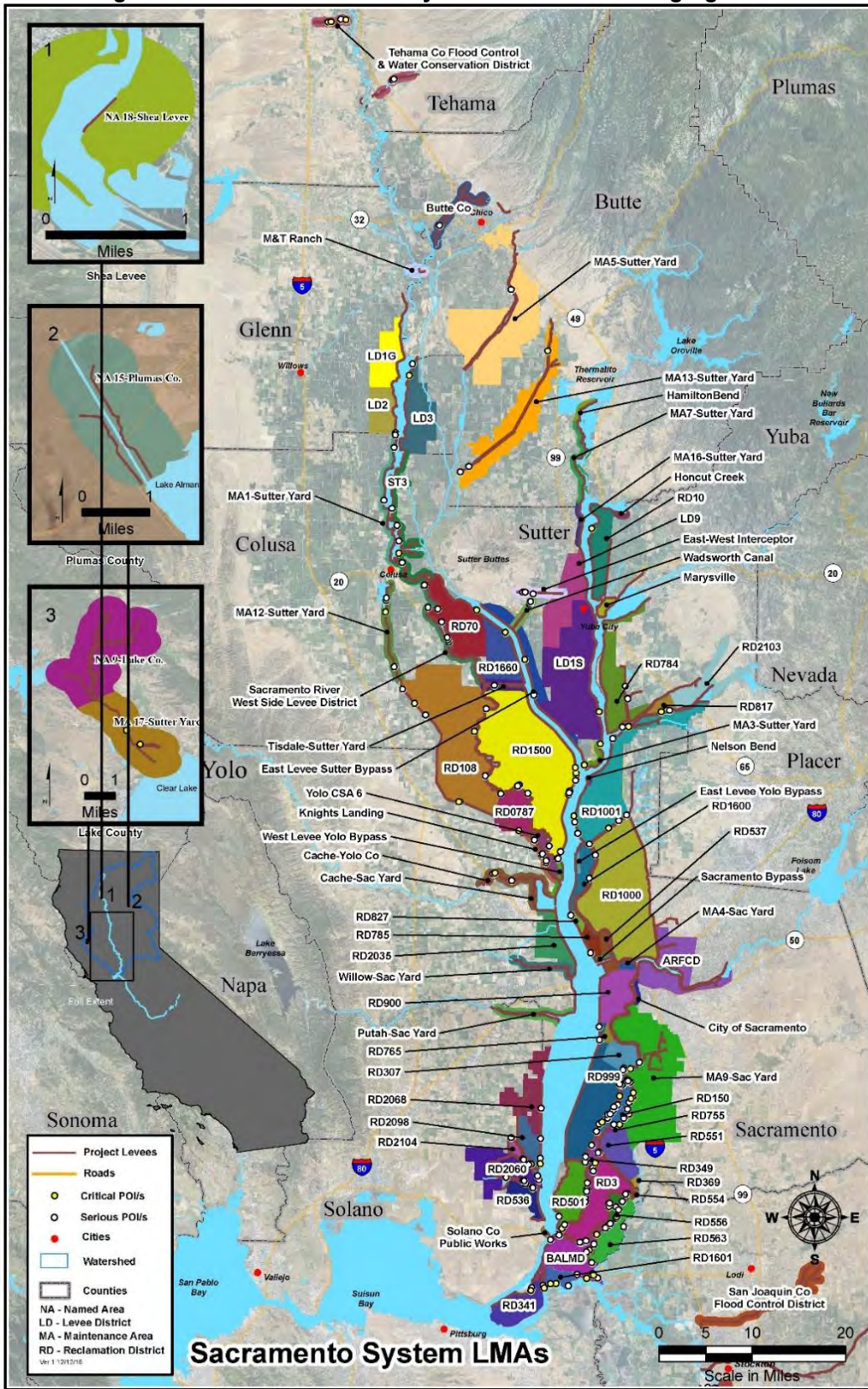
3.2.6 Effective Governance and Institutional Support

Overlapping authorities and conflicting mandates that sometimes occur can complicate flood system improvements and maintenance, and is partially a consequence of existing governance

structures that are inadequate to support the broad range of actions included in the CVFPP at federal, State, and local levels. Central Valley flood management is affected by a complex framework of public agencies (over 300 in the Sacramento Basin and over 200 in the San Joaquin Basin). At the local level, governance is complicated by multiple small levee maintaining agencies (LMAs) with limited resources, including staff, revenues, and authorities. Enhanced regional governance can empower groups of local agencies to more effectively pool and leverage funding and resources, enhance collaboration and coordination, coordinate political advocacy, and create shared ownership of the flood system. Regional planning and project implementation is greatly improved through enhanced regional governance. Regional governance not only improves collaboration among local agencies within a region, but also facilitates more effective partnering with State and federal governments, greatly helping to define and achieve a shared regional vision.

Strong regional governance and shared understanding of roles and responsibilities will support a shift toward system-scale, long-term, outcome-driven resource management that balances a broad array of public values and priorities. Dialogues should be fostered within a structured, transparent process that includes schedules, actionable recommendations, and stakeholder engagement.

Figure 1. CVFPP Sacramento System Local Maintaining Agencies



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. The Committee includes the Counties of Yolo and Solano; the Cities of West Sacramento, Woodland, Rio Vista, and Davis; Solano County Water Agency; West Sacramento Area Flood Control 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.

YOLO COUNTY LOCAL MAINTAINING AGENCIES (LMAS)

At the local level, levee maintenance along the Sacramento River System in Yolo County is currently carried out by sixteen (16) separate local agencies including: thirteen (13) reclamation districts (RDs); one (1) drainage district; one (1) levee district; and one (1) county service area. In addition, the California Department of Water Resources (DWR) has one Maintenance Area (MA #4) in West Sacramento and also maintains the Bypass and the Cache Creek levee system with the exception of the Huff's Corner reach, which is maintained by the County. The United States Army Corps of Engineers (USACE) also maintains the Navigation Levee constructed in association with the Deep Water Ship Channel. Therefore, governance is complicated.

The Reclamation Districts range from large areas with multiple landowners to small districts with only a few landowners. The Reclamation Districts/Local Maintaining Agencies included in this Municipal Service Review are:

- Reclamation District 150: Merritt Island
- Reclamation District 307: Lisbon
- Reclamation District 537: Lovdal
- Reclamation District 730: Knights Landing
- Reclamation District 765: Glide
- Reclamation District 785: Driver
- Reclamation District 787: Fair
- Reclamation District 827: Elkhorn
- Reclamation District 900: West Sacramento
- Reclamation District 999: Netherland
- Reclamation District 1600: Mull
- Reclamation District 2035: Yolo
- County Service Area No. 6: Snowball
- Knights Landing Ridge Drainage District

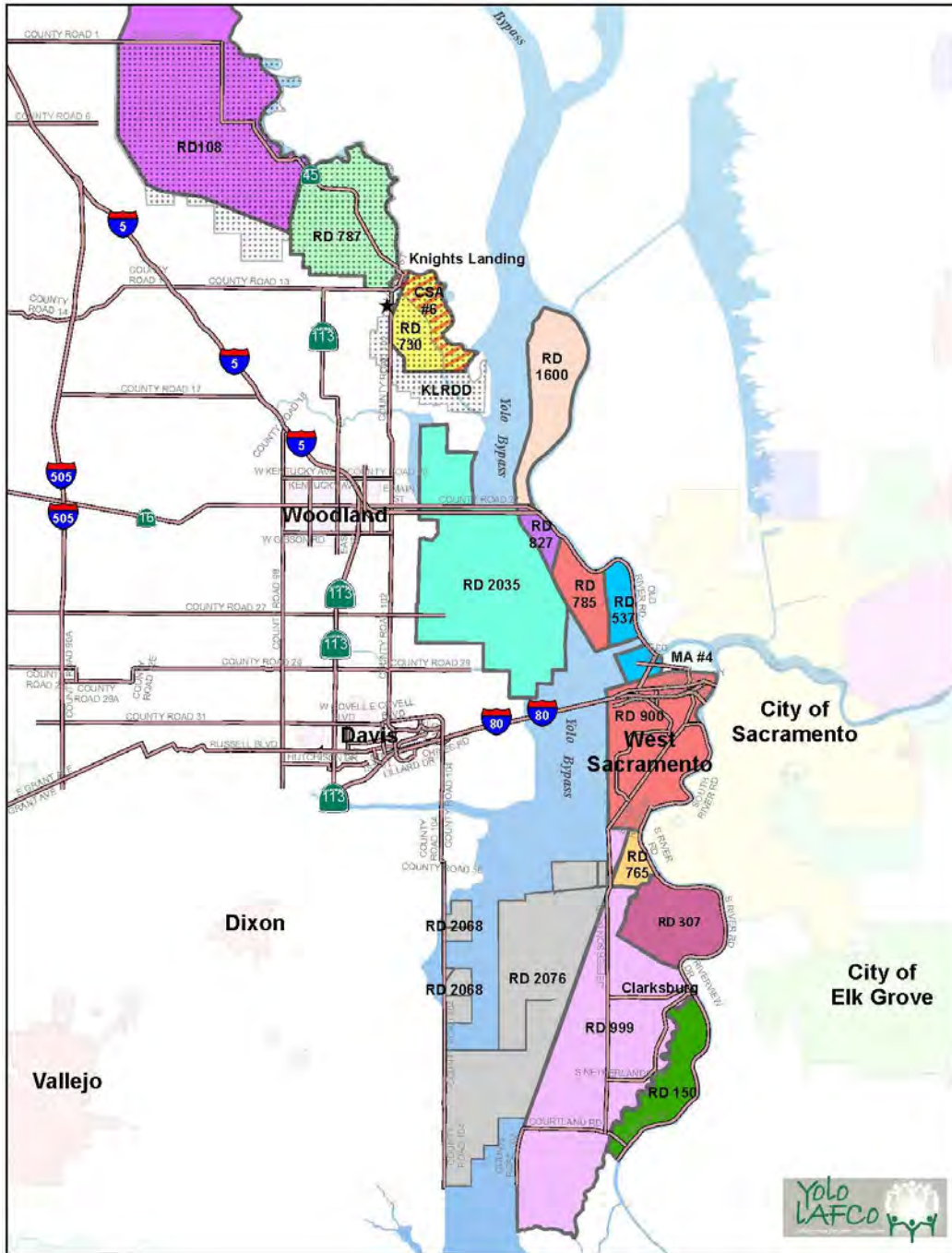
Yolo County has two (2) reclamation districts that are inactive (Reclamation District 2076 and Reclamation District 2120) and are recommended for dissolution.

While portions of Reclamation District 108 (Colusa County), Reclamation District 2068 (Solano County), Reclamation District 2093 (Solano County), and the Sacramento River Westside Levee District (Colusa

County) are located within Yolo County, the majority of their assessed values lie in other counties. Therefore, Yolo LAFCo is not the principal LAFCo for these districts and does not have jurisdiction.

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.

Figure 2. Local Maintaining Agencies in Yolo County



University of California Davis Flood Governance Study (2014)

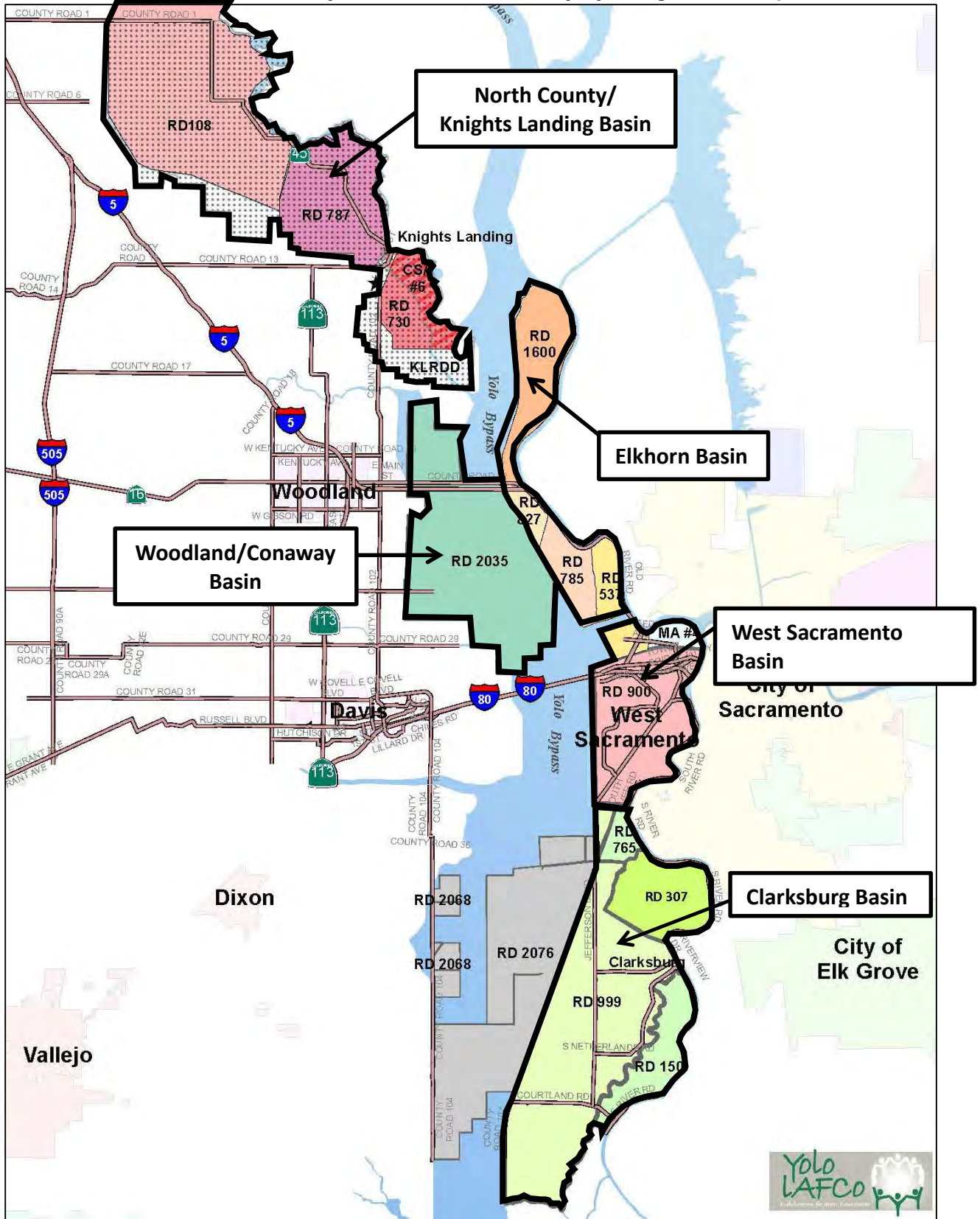
In addition to the RFMPs, funding was requested from DWR to conduct a flood governance study to analyze and make recommendations on governance for the agencies in Yolo County. This study was undertaken by the UC Davis Collaboration Center and was completed in August 2014. As part of an overall, integrated, 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 reclamation districts 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 reclamation districts/local maintaining agencies within Yolo County have been loosely divided into five (5) hydrologic basin areas: 1) North County/Knights Landing; 2) Elkhorn; 3) Woodland/Conaway; 4) West Sacramento; and 5) Clarksburg. These five distinct basins are protected by essentially “ring” levees along the Sacramento River/Yolo Bypass system, and each basin is, in essence, one hydrologically connected flood zone. Currently, the ring levee system around each basin is managed and maintained by several agencies and districts. The hydrologic basins are loosely defined by their geography, community connections, and interdependence of levees and structural flood control needs.

The study recommends 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.

Figure 3. Yolo County Flood Governance Study Hydrologic Basin Map



HYDROLOGIC BASINS

For purposes of the municipal service reviews and for the sphere of influence studies, the reclamation districts/local maintaining agencies of Yolo County have been divided into five (5) hydrologic basin areas, correlating to the UC Davis Governance Study. There are five distinct basins protected by essentially “ring” levees along the Sacramento River/Yolo Bypass system, and each basin is, in essence, one hydraulically connected flood zone. Currently the ring levee system around each basin is managed and maintained by several agencies and districts. The hydraulic basins are loosely defined by their geography, community connections, and interdependence of levees and structural flood control needs. The basin areas are:

1. North County/Knights Landing
2. Elkhorn
3. Woodland/Conaway
4. West Sacramento Area Flood Control Agency (WSAFCA)
5. Clarksburg

North County/Knights Landing Hydrologic Basin

The North County/Knights Landing hydraulic basin encompasses northern Yolo County, stretching from the Colusa/Yolo boundary south to the Fremont Weir and includes the following reclamation districts/local maintaining agencies:

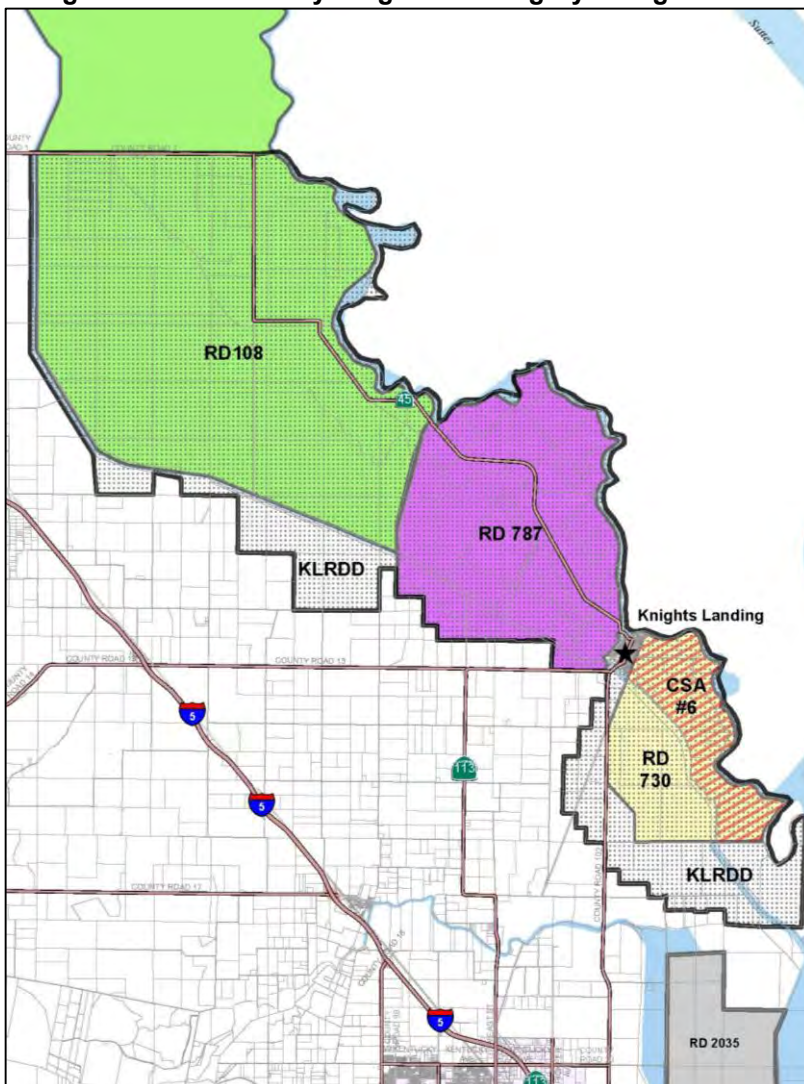
- Reclamation District 108 (Colusa County)
- Sacramento River Westside Levee District (Colusa County)
- Knights Landing Ridge Drainage District
- Reclamation District 787
- County Service Area No. 6
- Reclamation District 730

The six (6) reclamation districts and local maintaining agencies in the North County/Knight's Landing hydraulic basin perform a variety of functions including levee operations and maintenance, drainage.

The small community of Knights Landing is located in this hydrologic basin. The protection of Knights Landing is of key importance to Yolo County. The County has received funding from the State of California Department of Water Resources (DWR) to prepare feasibility studies for the small communities of Knights Landing, Yolo, and Clarksburg to evaluate alternatives to reduce flood risk. Work is anticipated to begin on the Knights Landing Small Communities Feasibility Study in early 2018 and be completed in late 2019.

The lands along the river north of Knights Landing are primarily farmland, with several reclamation districts and related agencies taking care of the levee system. The levees protect the rural communities of Colusa, Grimes, Knights Landing, Verona and Nicholas, while also protecting 194,000 acres of farmland. These levees are integral to the system-wide performance of the Sacramento River Flood Control Project and provides indirect protection to the cities of Sacramento and West Sacramento.

Figure 4. North County/Knights Landing Hydrologic Basin



Elkhorn Hydrologic Basin

The Elkhorn Basin is located between the Yolo Bypass and the Sacramento River. It starts in the north at the Sutter Bypass and ends in the south at West Sacramento (at the Sacramento Weir). Flood system maintenance in the Elkhorn Basin is currently carried out by four separate local maintaining agencies (LMAS) and the State:

- Reclamation District 537
- Reclamation District 785
- Reclamation District 827
- Reclamation District 1600

The LMAs have varying capacities and responsibilities related to funding, operations and maintenance (O&M), planning, and policy. Most of the land is currently farmland, and most of the basin incorporates both the Yolo Bypass and the Sacramento River west side levees. The State as required by State Water Code 8361 maintains the northern most two miles of the East Levee of the Yolo Bypass and the North and South Levees of the Sacramento Bypass. The LMAs have responsibility for maintenance of all of the other levees in the Elkhorn Basin.

Elkhorn levees and reclamation districts face many issues related to operations and maintenance, funding, and emergency preparedness. All levees in this community were built in the early 1900s and do not currently meet United States Army Corps of Engineers levee design standards.

Figure 5. Elkhorn Hydrologic Basin

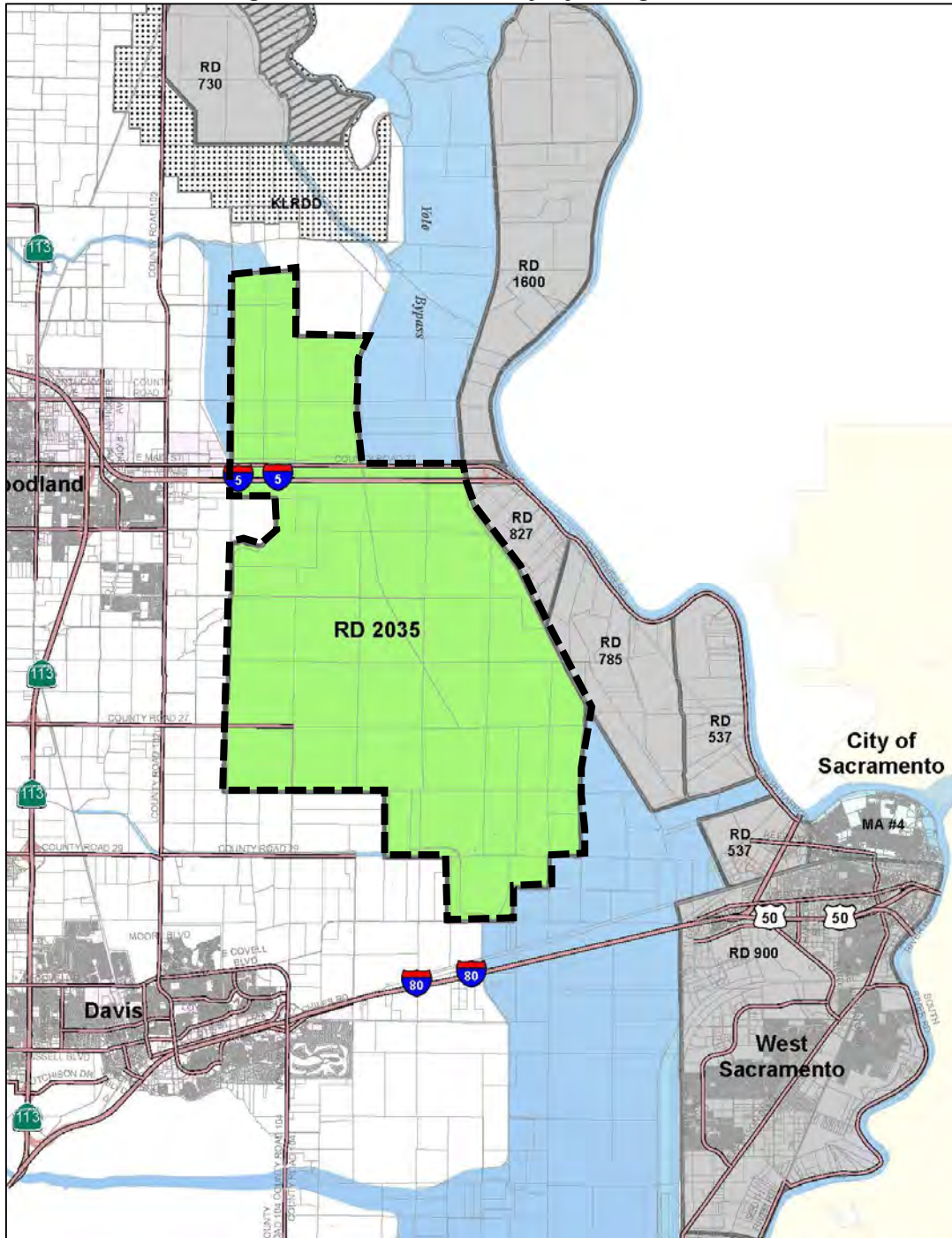


Woodland/Conway Hydrologic Basin

The Woodland/Conway Basin is located east of the City of Woodland. Portions of the Cache Creek Setting Basin and the Yolo Bypass are within the Basin. Conaway Ranch owns the majority of land and the Cities of Davis and Woodland own land in the Bypass. Flood maintenance in the Woodland/Conway Hydrologic Basin is carried out by one reclamation district:

- Reclamation District 2035

Figure 6. Woodland/Conway Hydrologic Basin



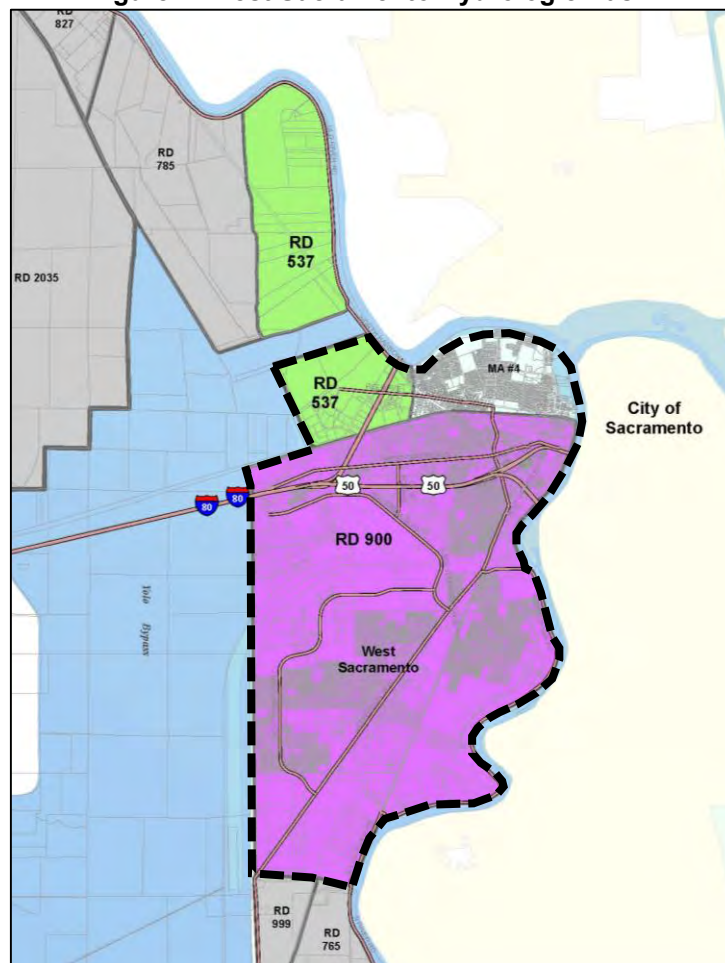
West Sacramento Hydrologic Basin

The West Sacramento Hydrologic Basin corresponds with the city limit for the City of West Sacramento comprising 13,000 acres of mixed-use land and an estimated population of 44,000 residents. Local levee maintaining agencies within the West Sacramento Basin are:

- Reclamation District 900
- Reclamation District 537 (southern portion)
- Department of Water Resources Maintenance Area 4

West Sacramento Flood Control Agency (WSAFCA) is a Joint Powers Authority, including the City of West Sacramento, Reclamation District 900, and Reclamation District 537. The JPA region follows City boundaries. The board is comprised of a voting member from each agency. Funding for flood infrastructure projects are derived from assessments, fees on new development in the 200-year floodplain, and a 1/4 of a half-cent sales tax (Measure U & V). WSAFCA does not perform any O&M on levees; this responsibility falls to RDs 537 and 900, and the DWR maintenance division (Maintenance Area 4). The JPA is an administrative and fiduciary agent that manages capital improvements and leverages local, State, and federal cost-share. They have been very successful in securing funds, developing and designing projects, and coordinating flood management activities for the City.

Figure 7. West Sacramento Hydrologic Basin



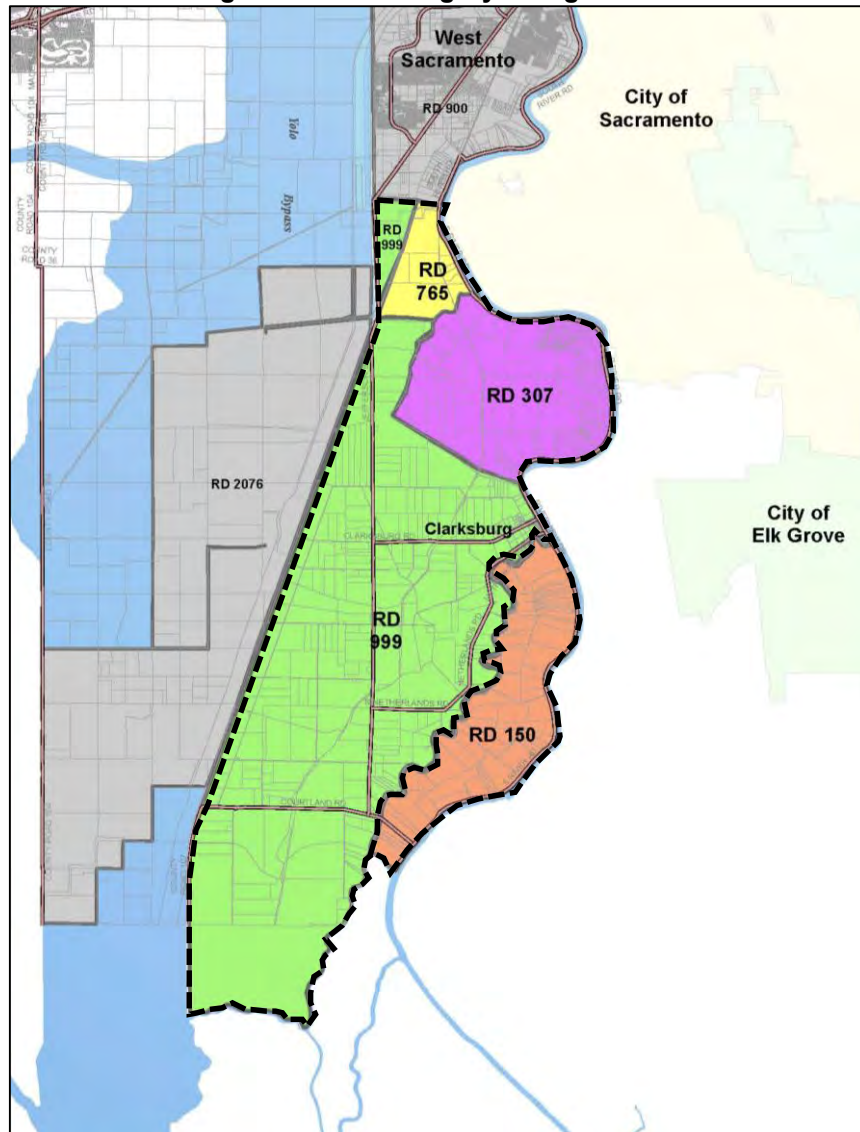
Clarksburg Hydrologic Basin

Clarksburg is a unique region of the Delta, comprised primarily of farmland and the community of Clarksburg. Roughly one-third of the population lives in the town, while the remaining population lives in the surrounding rural areas. The area supports a burgeoning wine industry; it contains ten (10) wineries and 9,000 vineyard acres. Levee operations and maintenance in the Clarksburg Basin is currently carried out by four separate local maintaining agencies (LMAS):

- Reclamation District 150: Merritt Island
- Reclamation District: 307: Lisbon
- Reclamation District 765: Glide
- Reclamation District 999: Netherlands

Although the Clarksburg area encompasses RDs 765, 307, 999 and 150, RD 150 is not hydrologically linked to the other RDs and is considered its own basin.

Figure 8. Clarksburg Hydrologic Basin



AFFECTED AGENCIES

Per Government Code Section 56427, a public hearing is required to adopt, amend, or revise a sphere of influence. Notice shall be provided at least 21 days in advance and mailed notice shall be provided to each affected local agency or affected County, and to any interested party who has filed a written request for notice with the executive officer. Per Government Code Section 56014, an affected local agency means any local agency that overlaps with any portion of the subject agency boundary or SOI (including proposed changes to the SOI).

The affected local agencies for this MSR/SOI are:

County/Cities:

- City of Davis
- City of West Sacramento
- City of Winters
- City of Woodland
- County of Yolo

County Service Areas (CSAs)

- Dunnigan, El Macero, Garcia Bend, Madison-Esparto Regional CSA (MERCESA), North Davis Meadows, **Snowball**, Wild Wings, and Willowbank

K-12 School Districts:

- Davis Joint Unified
- Esparto Unified
- Pierce Joint Unified
- River Delta Unified
- Washington Unified
- Winters Joint Unified
- Woodland Joint Unified

Community College Districts

- Los Rios Community College District
- Solano Community College District
- Yuba Community College District

Special Districts:

- Cemetery District – Capay, Cottonwood, **Davis, Knight’s Landing, Mary’s, Winters**
- Community Service District – Cacheville, Esparto, **Knight’s Landing, Madison**
- Fire Protection District – Capay, **Clarksburg, Dunnigan, East Davis, Elkhorn, Esparto, Knights Landing, Madison, No Man’s Land, Springlake, West Plainfield, Willow Oak, Winters, Yolo, Zamora**
- Sacramento-Yolo Port District
- Reclamation District – **150, 307, 537, 730, 765, 785, 787, 827, 900, 999, 1600, 2035, 2076, 2120**
- Yolo County Resource Conservation District
- Water District – Dunnigan, **Knight’s Landing Ridge Drainage, Yolo County Flood Control & Water Conservation**

Multi-County Districts:

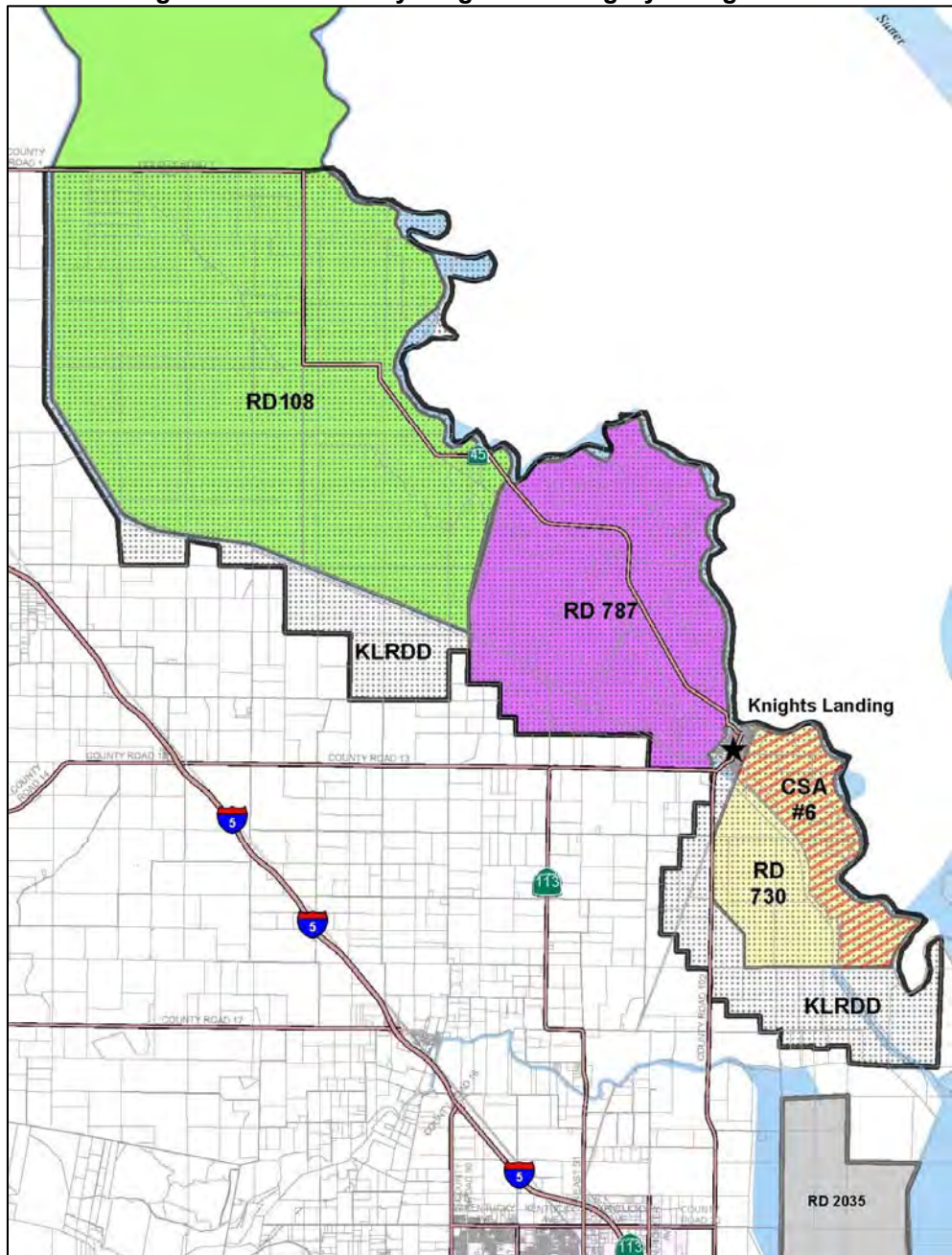
- Reclamation District – 108 (Colusa), 2068 (Solano), 2093 (Solano)
- Water District – Colusa Basin Drainage
- Sacramento-Yolo Mosquito and Vector Control District

North County/Knights Landing Hydrologic Basin

Levee operations and maintenance in the North County/Knights Landing Hydrologic Basin is currently carried out by six separate local maintaining agencies (LMAS):

- Knights Landing Ridge Drainage District
- Reclamation District 787: Fair
- Reclamation District 730: Knights Landing
- County Service Area #6: Snowball
- Reclamation District 108: River Farms (Colusa County)
- Sacramento River Westside Levee District (Colusa County)

Figure 1. North County/Knights Landing Hydrologic Basin



RECLAMATION DISTRICT 787: Fair Ranch

Agency Profile

Formed in 1908, Reclamation District (RD) 787 provides drainage services and levee maintenance for 4.4 levee miles along the Colusa Basin Drain, protecting 9,493 acres of land. RD 787 is located northwest of the disadvantaged unincorporated community of Knights Landing. The District 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 generally bisect the District. While RD 787 is disconnected from the Knights Landing Hydrologic Basin due to its location north of the Colusa Basin Drain Canal, it is hydrologically connected to the North County basin area that includes RD 108, the Knights Landing Ridge Drainage District, and the Sacramento River West Side Levee District. Current levee operations and maintenance (O&M) is evaluated at the acceptable level by the Department of Water Resources (DWR). RD 787 participates as a member of the California Central Valley Flood Control Association (CCVFCA). The annual budget for 2015/16 was approximately \$45,000, generated from annual assessments. The District has three landowners and costs are apportioned by acreage protected. River Garden Farms Company is the largest landowner and bears 86% of the costs.

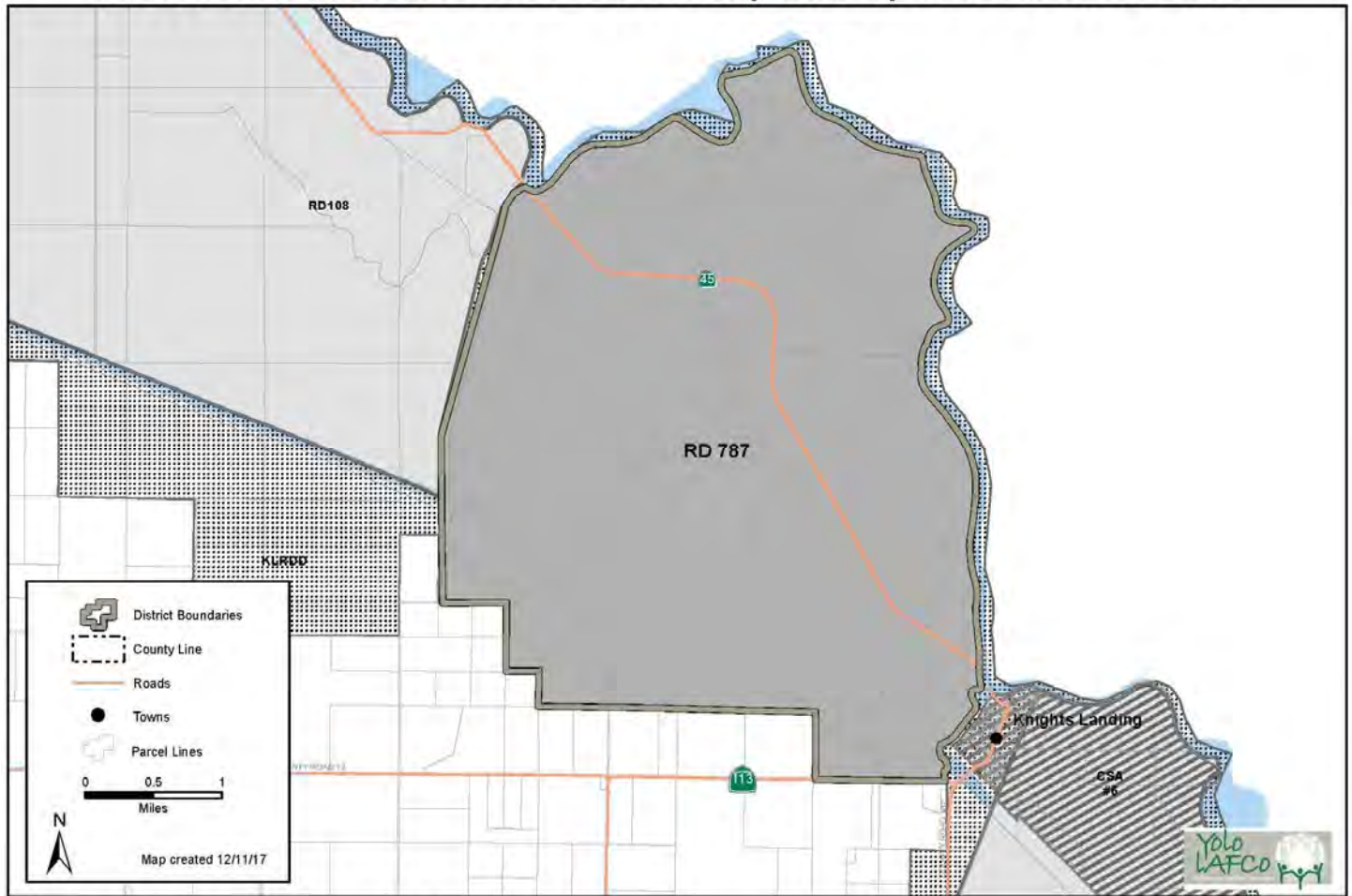
The District has no staff or equipment. The District has an agreement with River Garden Farms for all levee operations and maintenance and equipment needs. The District also contracts for legal and engineering services.

Reclamation District 787 is an independent special district with a three-member board of trustees, two of which are local landowners elected by the landowners in the District.

Name of Member	Title	Term Expiration	Compensation
Roger Cornwell	Trustee	2017	None
Eric Faye	Trustee	2017	None
Joseph Hutchins	Trustee	2017	None

Meetings are held annually as needed at 41758 County Road 112 in Knights Landing at the River Garden Farms office.

Figure 1. RD 787 Boundary and Existing Sphere of Influence
Reclamation District 787 Boundary and Sphere of Influence*



* Note: Sphere of Influence is coterminous with boundary

Boundary approved in 1908

Figure 2. Reclamation District 787 Levee Units



Department of Water Resources. "SACRAMENTO SYSTEM: Levee District No. 0787 Fair." Map. Scale not given. "Appendix A - Sacramento River Individual Agency Summary Reports," A-108. (2016). Web. 18 Sep. 2017.

Potentially Significant MSR Determinations

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

- Growth and Population Shared Services
- Disadvantaged Unincorporated Communities Accountability
- Capacity, Adequacy & Infrastructure to Provide Services Other
- Financial Ability

1. GROWTH AND POPULATION

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

Discussion:

a-c) The State Department of Finance population projections¹ indicate that Yolo County had an estimated population in the unincorporated area of 26,995 as of January 1, 2015 and 28,419 as of January 1, 2016, a 5.3 percent overall increase. The Yolo County General Plan Housing Element projects that the Dunnigan-Knights Landing area will have a projected average annual population increase of 0.8%. There is no significant development anticipated in the District that would result in a negative impact to the agency’s ability to provide services.

Growth and Population MSR Determination

There is no significant development anticipated in the District that would result in a negative impact to the agency’s ability to provide services.

¹ E-1 Population Estimates for Cities, Counties, and the State January 1, 2015 and 2016

2. DISADVANTAGED UNINCORPORATED COMMUNITIES

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

	YES	MAYBE	NO
a) Does the subject agency provide public services related to sewers, municipal and industrial water, or structural fire protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Are there any “inhabited unincorporated communities” (per adopted Commission policy) within or adjacent to the subject agency’s sphere of influence that are considered “disadvantaged” (80% or less of the statewide median household income)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) If “yes” to both a) and b), it is feasible for the agency to be reorganized such that it can extend service to the disadvantaged unincorporated community (if “no” to either a) or b), this question may be skipped)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Discussion:

a-c) The subject agency does not provide public services related to water, sewer or structural fire protection and therefore, the provisions of Senate Bill (SB) 244 do not apply to this MSR. The disadvantaged unincorporated community of Knights Landing is located adjacent to the District. However, the subject agency provides levee maintenance services and, therefore, does not trigger the provisions of SB 244.

Disadvantaged Unincorporated Communities MSR Determination

The subject agency does not provide public services related to water, sewer or structural fire protection and therefore, the provisions of SB 244 do not apply to this MSR.

3. CAPACITY AND ADEQUACY OF PUBLIC FACILITIES AND SERVICES

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

	YES	MAYBE	NO
a) Are there any deficiencies in agency capacity to meet service needs of existing development within its existing territory?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Are there any issues regarding the agency’s capacity to meet the service demand of reasonably foreseeable future growth?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY
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c) Are there any concerns regarding public services provided by the agency being considered adequate?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Are there any significant infrastructure needs or deficiencies to be addressed?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Are there changes in state regulations on the horizon that will require significant facility and/or infrastructure upgrades?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Are there any service needs or deficiencies for disadvantaged unincorporated communities related to sewers, municipal and industrial water, and structural fire protection within or contiguous to the agency's sphere of influence?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

a-d) The 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. The Fall 2016 DWR Inspection Report gave the LMA an overall rating of "Acceptable."

Local Maintaining Agency	Overall Rating <i>A=Acceptable; M=Minimally Acceptable; U=Unacceptable</i>					Total Levee Miles
	2012	2013	2014	2015	2016	
RD 787	A	A	A	M	A	4.45
<i>Source: California Department of Water Resources</i>						

According to the DWR Report, there is erosion in the area that should be monitored. The District should focus on repairing erosion sites and controlling vegetation to maintain visibility and access. The District provided a summary of expenses and planned maintenance activities to DWR for all levee units. Expenses include costs of burning, herbicide application, restoration of wild oats, rodent control, and slope dragging. The reported total cost for the current fiscal year is \$31,300.

The Regional Flood Management Plan (RFMP) does not include any recommended improvements for RD 787.

e) Senate Bill (SB) 5, the Central Valley Flood Protection Act, required the development of the Central Valley Flood Protection Plan (CVFPP) by mid-2012. The plan, authored by DWR and approved by the Central Valley Flood Protection Board (CVFPB), establishes a system-wide approach to improving State Plan of Flood Control (SPFC) facilities, and recommends both structural and governance methods of improving flood risk reduction and vulnerability. The California Department of Water Resources adopted the CVFPP in 2012. A five-year update was adopted in 2017. The CVFPP requires 200-year flood protection for all urban and urbanizing areas within the flood zone by 2025. The District is not located in an urban or urbanizing area so the 200-year standard is not required for district levees. However, one of the primary goals of the CVFPP and the RFMP is to achieve a 100-year level of flood protection for small communities such as Knights Landing in order to preserve small community development opportunities without providing urban level of protection and encouraging broader urban development. The RFMP's recommended solution for Knights is a feasibility study. However, Knights Landing is not located within the boundaries of the District and its levees do not impact the flood protection for Knights Landing residents. Therefore, RD 787 will not be included in the Knights Landing Small Communities Feasibility Study.

**YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY
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- f) The disadvantaged unincorporated community of Knights Landing is located adjacent to the District. However, the subject agency does not provide public services related to water, sewer or structural fire protection.

Capacity and Adequacy of Public Facilities and Services MSR Determination

District levees have an overall rating of “Acceptable” from the Department of Water Resources. There is erosion occurring in this area that should be monitored. The District should focus on repairing erosion sites and controlling vegetation to maintain visibility and access. The District provided a summary of expenses and planned maintenance activities to DWR for all levee units. Expenses include costs of burning, herbicide application, restoration of wild oats, rodent control, and slope dragging. The reported total cost for the current fiscal year is \$31,300. The Regional Flood Management Plan (RFMP) does not include any recommended improvements for RD 787.

Recommendations

- The District should work to improve the items detailed in the 2016 Department of Water Resources Inspection Report, including repairing erosion sites and controlling vegetation.

4. FINANCIAL ABILITY

Financial ability of agencies to provide services.

	YES	MAYBE	NO
a) Does the organization engage in budgeting practices that may indicate poor financial management, such as overspending its revenues, using up its fund balance or reserve over time, or adopting its budget late?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Is there an issue with the organization's revenue sources being reliable? For example, is a large percentage of revenue coming from grants or one-time/short-term sources?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Is the organization's rate/fee schedule insufficient to fund an adequate level of service, and/or is the fee inconsistent with the schedules of similar service organizations?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Is the organization in need of written financial policies that ensure its continued financial accountability and stability?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Is the organization unable to fund necessary infrastructure maintenance, replacement and/or any needed expansion?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Is the organization needing additional reserve to protect against unexpected events or upcoming significant costs?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Is the organization's debt at an unmanageable level?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h) Does the agency have pension and/or other post-employment benefit (OPEB) liability? If so, what is it the liability and are there any concerns that it is unmanageable?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

a) Budget:

The District does not use the County Treasurer. The District does not adopt a budget annually. The District approved an annual invoice from River Garden Farms for services and utilities for the District. The District uses an adopted formula to apportion the District costs to landowners based on acreage. River Garden Farms, as the largest landowner, bears 86% of the cost. While the District does not have reserves, the District does not have its own equipment or infrastructure to maintain and/or replace.

b-c) Revenue Sources:

100% of the District costs are provided by the landowners in the District. Therefore, the agency's funding is stable and reliable. There are no additional fees for service.

d) Financial Policies:

While the District has not adopted financial policies, the District indicates that it follows state law and reclamation law. Since the District has no staff or equipment, it does not make sense for the District to adopt financial policies such as how to handle travel and reimbursable expenses, personnel issues, operating procedures, safety, etc.

e-f) Infrastructure Maintenance and Replacement/Reserves:

The District provided a summary of expenses and planned maintenance activities to DWR for all levee units. Expenses include costs of burning, herbicide application, restoration of wild oats, rodent control, and slope dragging. The reported total cost for the current fiscal year is \$31,300.

g) Debt:

The District has no debt.

h) Post-Employment Liability:

The District does not have any post-employment liability as it has no employees.

Financial Ability MSR Determination

The District does not prepare an annual budget and instead charges annual costs to the three landowners in the district. Most of the District lands (86%) are owned by River Garden farms. While the District does not have reserves, the District does not have its own equipment or infrastructure to maintain and/or replace.

5. SHARED SERVICES AND FACILITIES

Status of, and opportunities for, shared facilities.

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

Discussion:

a-b) RD 787 works with the other districts in the North County hydrologic basin (also known as the Grimes Basin), including RD 108, Maintenance Area #12, the Sacramento River Westside Levee District and the City of Colusa, on a joint flood safety plan for flood preparedness, levee patrols, flood fight, and water removal procedures. The District does not currently share any services or facilities with other organizations. The District has no staff or equipment and contracts with River Garden Farms for all levee O&M and drainage services. Yolo County has received grant funding to prepare a Small Communities Flood Risk Reduction Feasibility Study for the Knights Landing Community (discussed in more detail in Section 6 of this report) to achieve a 100-year level of flood protection in order to preserve small community development opportunities. While RD 787 is disconnected from the Knights Landing Hydrologic Basin due to its location north of the Colusa Basin Drain Canal, it is hydrologically connected to the North County basin area that includes RD 108, Maintenance Area #12, and the Sacramento River West Side Levee District. While the goal of the study is to evaluate alternatives to reduce flood risk, potential governance alternatives will be reviewed as part of the analysis, which could lead to staffing efficiencies and other operational efficiencies.

Shared Services MSR Determination

RD 787 works with the other districts in the North County hydrologic basin (also known as the Grimes Basin), including RD 108, Maintenance Area #12, the Sacramento River Westside Levee District and the City of Colusa, on a joint flood safety plan for flood preparedness, levee patrols, flood fight, and water removal procedures. The District does not currently share any other services or facilities with other organizations. The District has no staff or equipment and contracts with River Garden Farms for all levee O&M and drainage services. Yolo County has received grant funding to prepare a Small Communities Flood Risk Reduction Feasibility Study for the Knights Landing Community (discussed in more detail in Section 6 of this report) to achieve a 100-year level of flood protection in order to preserve small community development opportunities. While RD 787 is disconnected from the Knights Landing Hydrologic Basin due to its location north of the Colusa Basin Drain Canal, it is hydrologically connected to the North County basin area that includes RD 108, Maintenance Area #12, and the Sacramento River West Side Levee District. While the goal of the study is to evaluate alternatives to reduce flood risk, potential governance alternatives will be reviewed as part of the analysis, which could lead to staffing efficiencies and other operational efficiencies.

6. ACCOUNTABILITY, STRUCTURE AND EFFICIENCIES

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

	YES	MAYBE	NO
a) Are there any issues with meetings being accessible and well publicized? Any failures to comply with disclosure laws and the Brown Act?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Are there any issues with filling board vacancies and maintaining board members? Is there a lack of board member training regarding the organization's program requirements and financial management?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Are there any issues with staff turnover or operational efficiencies? Is there a lack of staff member training regarding the organization's program requirements and financial management?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY
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d) Are there any issues with independent audits being performed on a regular schedule? Are completed audits being provided to the State Controller's Office and County Director of Financial Services within 12 months of the end of the fiscal year(s) under examination? Are there any corrective action plans to follow up on?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Does the organization need to improve its public transparency via a website? [A website should contain at a minimum the following information: organization mission/description/boundary, board members, staff, meeting schedule/agendas/minutes, budget, revenue sources including fees for services (if applicable), and audit reports.]	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f) Are there any recommended changes to the organization's governance structure that will increase accountability and efficiency?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
g) Are there any opportunities to eliminate overlapping boundaries that confuse the public, cause service inefficiencies, unnecessarily increase the cost of infrastructure, exacerbate rate issues and/or undermine good planning practices?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Discussion:

- a) There are no issues with the board meetings being accessible and posted in accordance with the Brown Act. The District holds its meetings annually as needed at 41758 County Road 112 in Knights Landing at the River Garden Farms office. Public notice is posted at the River Gardens Farms office as well as one of the properties in the District (Faye).
- b) All of the board seats are currently filled, therefore, there do not appear to be chronic issues with filling board vacancies and maintaining board members.
- c) The District does not have any staff or equipment. The District has an agreement with River Garden Farms to all services. Therefore, there do not appear to be issues with staff turnover or other operational efficiencies.
- d) The District is not audited directly; however, River Garden Farms is audited annually in accordance with auditing standards generally accepted in the United States.
- e) Regarding public accessibility of District records, the District does not have a website, so public access to District information is not easily accessible. The District may want to consider even a minimal website to provide information to the public regarding board members, meetings, financial information, audits, etc. District files are stored at the River Garden Farms office.

f-g) Central Valley Flood Protection Plan Context

Flood management in the Central Valley is affected by a complex framework of public agencies (over 300 in the Sacramento Basin and over 200 in the San Joaquin Basin). At the local level, governance is complicated by multiple small levee maintaining agencies (LMAs) with limited resources, including staff, revenues, and authorities. Flood management in Yolo County along the Sacramento River System is currently carried out by fifteen (15) separate local agencies including: twelve (12) reclamation districts (RDs); one (1) drainage district; one (1) levee district; and one (1) county service area. In addition, the California Department of Water Resources (DWR) has one Maintenance Area (MA #4) in the West Sacramento Basin and also maintains the Bypass and the Cache Creek levee system with the exception of the Huff's Corner reach, which is maintained by the County. The United States Army Corps

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of Engineers (USACE) also maintains the Navigation Levee constructed in association with the Deep Water Ship Channel.

Enhanced regional governance can empower groups of local agencies to more effectively pool and leverage funding and resources, enhance collaboration and coordination, coordinate political advocacy, and create shared ownership of the flood system. Regional planning and project implementation is greatly improved through enhanced regional governance. Regional governance not only improves collaboration among local agencies within a region, but also facilitates more effective partnering with State and federal governments, greatly helping to define and achieve a shared regional vision.

Strong regional governance and shared understanding of roles and responsibilities will support a shift toward system-scale, long-term, outcome-driven resource management that balances a broad array of public values and priorities. Dialogues should be fostered within a structured, transparent process that includes schedules, actionable recommendations, and stakeholder engagement.²

In an effort to improve statewide flood management, the State Department of Water Resources (DWR) funded a locally led Regional Flood Management Plan process in six Central Valley regions. The intent of the effort includes establishing a common vision among regional partners, articulating local and regional flood management needs and priorities, describing regional financing strategies, and establishing improved regional governance for implementation.

Through interaction with these regional groups, State DWR has advanced the idea of LMA consolidation. This concept, which arose in the aftermath of the Hurricane Katrina disaster, is founded on the belief that it would be more efficient for existing LMAs to voluntarily collaborate, enabling them to “speak with one voice” (e.g. on matters affecting multiple LMAs whose levees protect the same hydrologic basin), perform consistent O&M, and increase emergency response capabilities.³

Yolo County Flood Governance Study Recommendations

DWR funded the Yolo County Flood Governance Study, dated August 2014 prepared by the UC Davis Collaboration Center. The study recommends that each of the five “basins” develop their own version of coordinated governance: 1) Knights Landing; 2) Elkhorn; 3) Woodland; 4) West Sacramento; and 5) Clarksburg. 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.

The 2014 Yolo County Flood Governance Study, which was prepared for the Lower Sacramento/Delta North Region and funded by the Department of Water Resources, recommended a combination of the “regional communication and collaboration network” (Alternative 2) and a “hydrologic basin” approach (Alternative 3) would be desirable and useful. The Study found that while reclamation districts are best suited to conduct routine O&M and on-site emergency response, some flood management activities would be better accomplished at the regional level. 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.

LAFCo recommends that 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 a risk due to inconsistent maintenance or flood fight 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

² Central Valley Flood Protection Plan 2017 Update, page 3-46

³ Yolo County Flood Governance Study 2017, page 60

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fee/assessment structures), and improved coordination during flood events. Because each hydrologic basin is unique, a discussion specific to each individual basin is provided below.

Knights Landing Basin

For the Knights Landing Hydrologic Basin, the 2014 Flood Governance Study found that the Knights Landing basin is functioning well in many ways. RD 108 is a large reclamation district that already holds several inter-agency contracts and maintains much of the levee system in the North County area (specifically Knights Landing Ridge Drainage District and the Sacramento River Westside Levee District). The Study recommended that these contracted agreements be formalized into several MOUs to strengthen and institutionalize the already existing coordination process. The Study also suggested that the Districts could enter into a JPA, but that may be an unnecessary layer of government. RD 787 is a well-functioning agency that maintains a 4.5-mile section of levee on the left bank (relative to the view downstream) of the Colusa Basin Drain. RD 730 does not maintain any levees and its sole purpose is to pump surface drainage into the Knights Landing Ridge Cut. The remaining governance challenge in the area is CSA#6, which is responsible for maintaining a 5.8-mile section of levee along the right bank of the Sacramento River. The District is underfunded and it is unlikely that a Proposition 218 election to increase the assessment would succeed. While it may be logical that RD 108 provide services to CSA#6 as it does for other districts already, contracting is not possible without adequate funding. The Study suggested that some type of incentive is needed to motivate resolution for CSA#6.

As discussed previously, the small community of Knights Landing is located at the confluence of the Knights Landing Ridge Cut, the Colusa Basin Drain, and the Sacramento River. The community is surrounded on three sides by levees and/or high ground. Small communities like Knights Landing that are protected by a large levee system struggle to afford the necessary improvements to meet Federal Emergency Management Agency (FEMA) 100-year certification requirements. The town of Knights Landing has restrictions on development and rebuilding, as it has been remapped in the FEMA 100-year floodplain. FEMA is also in the process of increasing flood insurance premiums in response to changes in law that govern the National Flood Insurance Program. These two issues have led to increases in flood insurance premiums that are likely to continue to grow into the future and may become cost prohibitive for some residents. One of the primary goals of the Central Valley Flood Protection Plan (CVFPP) and the Lower Sacramento Delta North (LSDN) Regional Flood Management Plan (RFMP) is to manage flood risk in small communities, such as Knights Landing, with the goal of providing 100-year protection where feasible. This is intended to preserve the community and sustain the agricultural economy without encouraging urban development. However, a solution for Knights Landing has not been determined.

As part of the CVFPP, the Department of Water Resources (DWR) created the Small Communities Flood Risk Reduction program to help small communities achieve 100-year protection, where feasible. The Small Communities Program is a cost-share funding program that provides local assistance to communities with 200 to 10,000 residents that are protected by the State Plan of Flood Control (SPFC). In 2015, DWR awarded Yolo County \$1,500,000 for feasibility studies for Knights Landing, Yolo, and Clarksburg. Yolo County selected MBK engineers as the County's consultant to prepare the Small Communities Flood Risk Reduction Feasibility Studies. Funding for design and construction will be awarded in subsequent phases.

The Knights Landing feasibility study will develop an array of alternatives consisting of both structural and nonstructural measures. The team will formulate structural solutions that include improvements to existing levees to meet 100-year requirements as well as other alternatives such as a cross or ring levee. The study will take into consideration the recommendations of the Agricultural Floodplain Ordinance Task Force (AFOTF) that proposes modifying the FEMA policy that would promote a sustainable agricultural economy in the floodplain. The non-structural alternatives that will be considered are:

- changes to the National Flood Insurance Program,
- a levee relief cut plan,
- an emergency flood fight plan,
- a flood evacuation plan,

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- a flood evacuation warning system,
- a voluntary structure elevation and floodproofing program, and
- use of agricultural conservation easements purchased from willing sellers.

The RFMP estimate of the structural improvements varies from approximately \$32,800,000 to \$185,000,000.

Work is anticipated to begin on the Knights Landing Small Communities Feasibility Study in early 2018 and be completed in late 2019. While the goal of the study is to evaluate alternatives to reduce flood risk, potential governance alternatives including improved coordination and/or consolidation of district maintenance and flood fight response will be discussed with the community and districts as part of the analysis. The districts should actively participate in the Feasibility Study process for the Knights Landing Basin and seek to build consensus on an alternative to achieve the goal of a common levee maintenance practice and levee flood fight capabilities in the most cost efficient manner for the benefit of the residents and property owners in the basin.

Accountability, Structure and Efficiencies MSR Determination

There are no issues with meetings being accessible and publicized in accordance with the Brown Act. The District does not maintain a website and should look to create even a minimal one for public transparency purposes. The District is not audited directly; however, River Garden Farms is audited annually in accordance with auditing standards generally accepted in the United States.

RD 108 already maintains much of the levee system in the North County area (specifically for the Knights Landing Ridge Drainage District and the Sacramento River Westside Levee District). RD 787 is a well-functioning agency and maintains a 4.5-mile section of levee of the left bank of the Colusa Basin Drain. RD 730 does not maintain any levees and its sole purpose is to pump surface drainage into the Knights Landing Ridge Cut. For the Knights Landing Hydrologic Basin, while the basin functions well in many ways the remaining governance challenge in the area is CSA#6, which is responsible for maintaining a 5.8-mile section of levee along the right bank of the Sacramento River. The 2014 Flood Governance Study suggested that some type of incentive is necessary to motivate the districts towards a local cooperative solution.

In 2015, DWR awarded Yolo County \$1,500,000 for feasibility studies for Knights Landing, Yolo, and Clarksburg and a consultant was selected to prepare the Small Communities Flood Risk Reduction Feasibility Studies. Work will begin on the Knights Landing Small Communities Feasibility Study in 2018 with a potential completion date by late 2019. While the goal of the study is to evaluate alternatives to reduce flood risk, potential governance alternatives will be reviewed as part of the analysis. This more detailed technical analysis for the Knights Landing Basin will inform how best to achieve the governance goals for the basin. The districts should actively participate in the Feasibility Study process for the Knights Landing Basin and implement any future recommendations from the Study.

Recommendations

- The District board may want to consider creating a website for the District for public transparency purposes. For a special district with an annual operating budget between \$15 - \$50,000 per year, the California Special Districts Association offers a website template through getstreamline.com for \$25 per month (if CSDA member, \$50 per month if not). This fee includes unlimited technical support and hosting services. Or, alternatively provide District information on the River Garden Farms website.
- The Knights Landing Basin districts and local maintaining agencies should actively participate in the Small Communities Feasibility Study process for the Knights Landing Basin and implement any future recommendations from the Study. The Study should address and make a recommendation on governance to achieve the goal of providing a consistent level of maintenance and flood response across the Knights Landing Basin and have the districts function as one entity.

7. OTHER ISSUES

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

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

Discussion:

a) LAFCo is not aware of any other service delivery issues not already addressed in the MSR.

Other Issues MSR Determination

LAFCo is not aware of any other service delivery issues not already addressed in the MSR.

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.

SPHERE OF INFLUENCE MAP(S)

The District sphere of influence (SOI) is coterminous with its existing boundary.

KNIGHTS LANDING RIDGE DRAINAGE DISTRICT (KLRDD)

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"), protecting 73,000 acres of land. The District 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. Current levee operations and maintenance (O&M) are evaluated at the minimally acceptable level by the Department of Water Resources (DWR). KLRDD participates as members of the California Central Valley Flood Control Association (CCVFCA) and the Westside Committee for the Regional Flood Management Plan. The annual budget for 2015/16 was \$3,090,948, generated from annual assessments and funding from the Department of Water Resources for the Mid-Valley Project levee repairs.

KLRDD currently contracts with RD 108 for all staffing and equipment needs. RD 108 General Manager and support-staff manage, design, construct, and provide all O&M needs for the District.

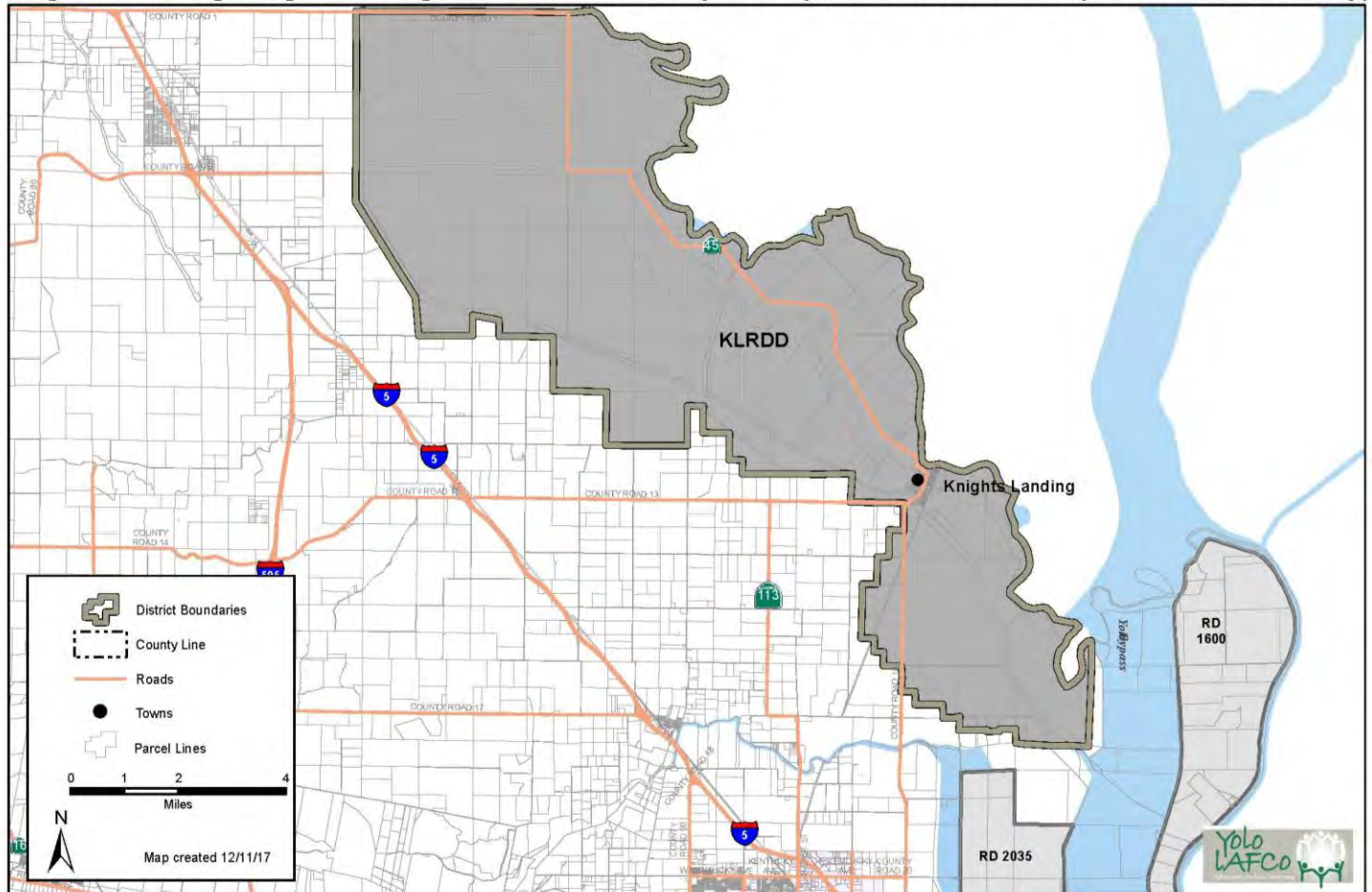
The Knight's Landing Ridge Drainage District is an independent special district with a five-member Board of Commissioners; three are elected at large from the northern division area and two from the southern division. To be eligible, a board member must own at least 40 acres of land in the division.

Name of Member	Title	Term Expiration	Compensation
Jim Heidrick	President	2021	\$10/mtg
Herbert Pollock	Commissioner	2021	\$10/mtg
Roger Cornwell	Commissioner	2019	\$10/mtg
Frederick Durst	Commissioner	2019	\$10/mtg
Dan Tibbitts	Commissioner	2019	\$10/mtg

The Board meets three times each year in February, June, and October on the fourth Wednesday of each month at the District Office located at 975 Wilson Bend Road, Grimes, CA.

Figure 1. KLRDD Boundary and Existing Sphere of Influence

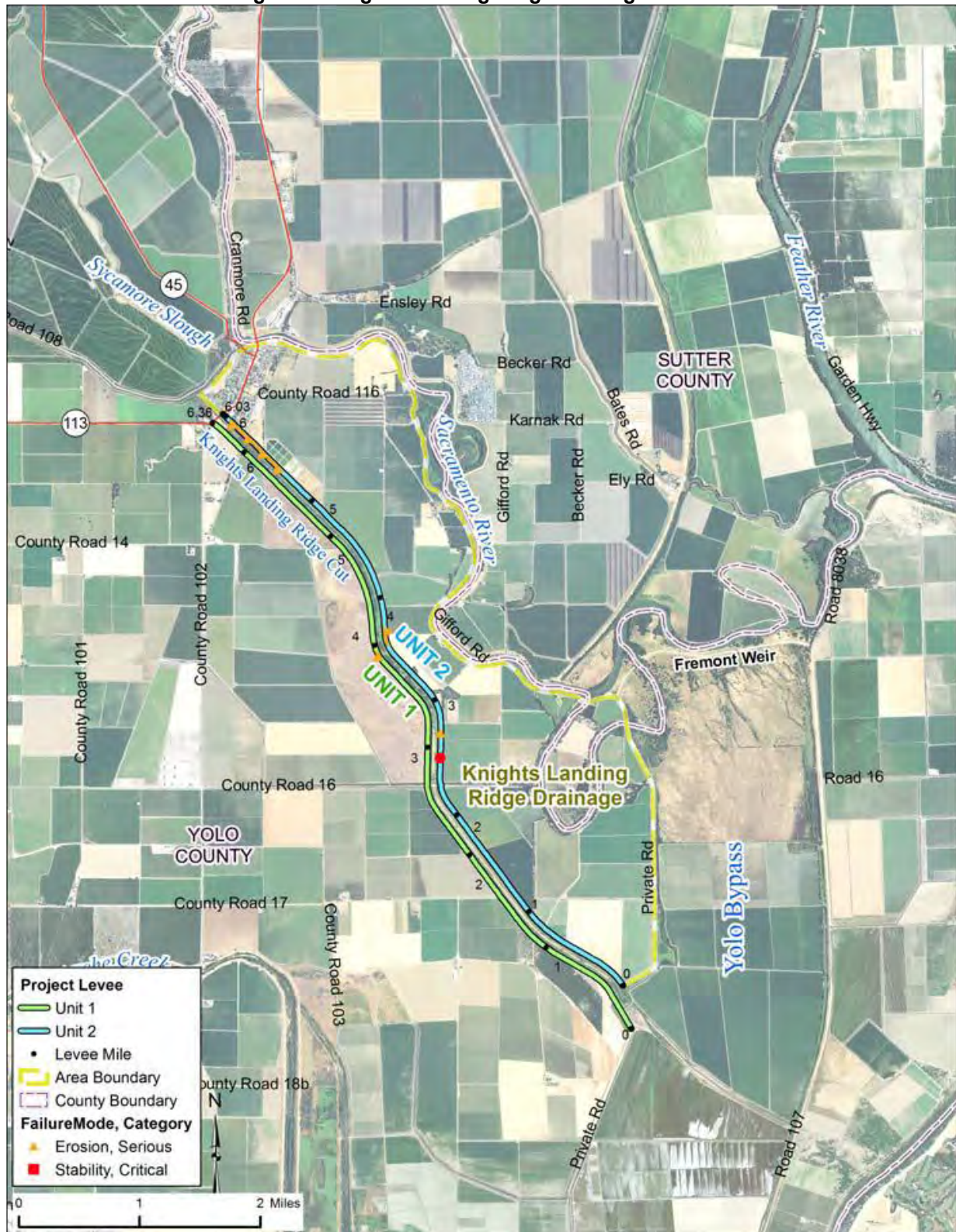
Knights Landing Ridge Drainage District Boundary and Sphere of Influence (within Yolo County)*



* Note: Sphere of Influence is coterminous with boundary

Boundary approved in 1913

Figure 2. Knights Landing Ridge Drainage District



Department of Water Resources. "SACRAMENTO SYSTEM: Knights Landing Ridge Drainage District." Map. Scale not given. "Appendix A - Sacramento River Individual Agency Summary Reports," A-208. (2016). Web. 18 Sep. 2017.

Potentially Significant MSR Determinations

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

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

1. GROWTH AND POPULATION

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

Discussion:

a-c)The majority of population within the Knights Landing Ridge Drainage District (KLRDD) is located in the disadvantaged unincorporated community of Knight Landing. The 2010 United States Census reported that Knights Landing had a population of 995. The State Department of Finance population projections¹ indicate that Yolo County had an estimated population in the unincorporated area of 26,995 as of January 1, 2015 and 28,419 as of January 1, 2016, a 5.3 percent overall increase. The Yolo County General Plan Housing Element projects that the Dunnigan-Knights Landing area will have a projected average annual population increase of 0.8%. There is no significant development anticipated in the District that would result in a negative impact to the agency’s ability to provide services.

Growth and Population MSR Determination

There is no significant development anticipated in the District that would result in a negative impact to the agency’s ability to provide services.

¹ E-1 Population Estimates for Cities, Counties, and the State January 1, 2015 and 2016

2. DISADVANTAGED UNINCORPORATED COMMUNITIES

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

	YES	MAYBE	NO
a) Does the subject agency provide public services related to sewers, municipal and industrial water, or structural fire protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Are there any "inhabited unincorporated communities" (per adopted Commission policy) within or adjacent to the subject agency's sphere of influence that are considered "disadvantaged" (80% or less of the statewide median household income)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) If "yes" to both a) and b), it is feasible for the agency to be reorganized such that it can extend service to the disadvantaged unincorporated community (if "no" to either a) or b), this question may be skipped)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Discussion:

a-c) The subject agency does not provide public services related to water, sewer or structural fire protection and therefore, the provisions of Senate Bill (SB) 244 do not apply to this MSR. The disadvantaged unincorporated community of Knights Landing is located within the District. However, the subject agency only provides drainage and levee maintenance services and, therefore, does not trigger the provisions of SB 244.

Disadvantaged Unincorporated Communities MSR Determination

The subject agency does not provide public services related to water, sewer or structural fire protection and therefore, the provisions of SB 244 do not apply to this MSR.

3. CAPACITY AND ADEQUACY OF PUBLIC FACILITIES AND SERVICES

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

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

Discussion:

a-d) The 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. The Fall 2016 DWR Inspection Report gave the District an overall rating of "Minimally Acceptable." Overall, the unacceptable miles are less than 10%. This determination concludes that the unacceptable inspection items would not prevent the segment/system from performing as intended during the next flood event.

Local Maintaining Agency	Overall Rating					Total Levee Miles
	<i>A=Acceptable; M=Minimally Acceptable; U=Unacceptable</i>					
	2012	2013	2014	2015	2016	
KLRDD	A	M*	M*	M	M	12.39

Source: California Department of Water Resources

According to the DWR Report, there is significant erosion in the area that should be monitored as well as vegetation that significantly impacts access and visibility in the area. The District should focus on repairing erosion sites and controlling vegetation to maintain visibility and access. The District provided a summary of expenses and planned maintenance activities to DWR for all levee units. Expenses

include costs of herbicide application, high water levee monitoring, levee inspections, mowing, road and levee maintenance including base rock application, grading, and slope dragging, rodent baiting and monitoring, and vegetation burning, clearing, thinning, and trimming. The reported total cost for the current fiscal year is \$38,500.

The Regional Flood Management Plan (RFMP) details the specific improvements necessary in the District and summarizes the improvements, including estimated cost, design, permitting, and funding readiness, as well as benefits from the improvements. The Mid-Valley Project includes levee repairs in the Knights Landing Drainage District (referred to as Area 3). The project proposes to repair levees at 13 sites which have required flood fighting or experienced seepage and boils during previous flood events. These levees are integral to the system-wide performance of the Sacramento River Flood Control Project and provide direct protection to the town of Knights Landing, as well as to the towns of Verona and Nicolas and indirect flood protection to the cities of Sacramento and West Sacramento, and also protect 93,000 acres of farmland. The repair of levees in Area 3 will nearly triple the level of flood protection afforded the town of Knights Landing. Area 3 levee reconstruction involves 3.4 miles of levee repair along the Knights Landing Ridge Cut. The estimate total cost for Area 3 repairs is over \$7 million. KLRDD succeeded in a Proposition 218 election in 2012 for the KLRDD sites and now has local funding with which they have been able to take over part of the project from USACE and are funding in partnership with DWR. Work commenced on the project in 2015.

- e) Senate Bill (SB) 5, the Central Valley Flood Protection Act, required the development of the Central Valley Flood Protection Plan (CVFPP) by mid-2012. The plan, authored by DWR and approved by the Central Valley Flood Protection Board (CVFPB), establishes a system-wide approach to improving State Plan of Flood Control (SPFC) facilities, and recommends both structural and governance methods of improving flood risk reduction and vulnerability. The California Department of Water Resources adopted the CVFPP in 2012. A five-year update was adopted in 2017. The CVFPP requires 200-year flood protection for all urban and urbanizing areas within the flood zone by 2025. The District is not located in an urban or urbanizing area so the 200-year standard is not required for district levees. However, one of the primary goals of the CVFPP and the RFMP is to achieve a 100-year level of flood protection for small communities such as Knights Landing in order to preserve small community development opportunities without providing urban level of protection and encouraging broader urban development. The RFMP's recommended solution for Knights Landing is a feasibility study. Yolo County has received grant funding to prepare a Small Communities Flood Risk Reduction Feasibility Study for the Knights Landing Community, including KLRDD (discussed in more detail in Section 6 of this report).
- f) The disadvantaged unincorporated community of Knights Landing is located within the District. However, the subject agency does not provide public services related to water, sewer or structural fire protection.

Capacity and Adequacy of Public Facilities and Services MSR Determination

District levees have an overall rating of "Minimally Acceptable" from the Department of Water Resources. Overall, the unacceptable miles are less than 10%. This determination concludes that the unacceptable inspection items would not prevent the segment/system from performing as intended during the next flood event. There is significant erosion in the area that should be monitored as well as vegetation that significantly impacts access and visibility in the area. The District should focus on repairing erosion sites and controlling vegetation to maintain visibility and access. The District provided a summary of expenses and planned maintenance activities to DWR for all levee units. The reported total cost for the current fiscal year is \$38,500. KLRDD is completing levee reconstruction on 3.4 miles of levee along the Knights Landing Ridge Cut. The estimate total cost for Area 3 repairs is over \$7 million. KLRDD succeeded in a Proposition 218 election in 2012 for the KLRDD sites and now has local funding with which they have been able to take over part of the project from USACE and are funding in partnership with DWR. Work commenced on the project in 2015.

Recommendations

- The District should work to improve the items detailed in the 2016 Department of Water Resources Inspection Report, including repairing erosion sites and controlling vegetation to maintain visibility and access.
- The District should work to complete the improvements detailed in the 2014 Regional Flood Management Plan and any future updates including estimated cost, design, permitting, and funding readiness, as well as benefits from the improvements.

4. FINANCIAL ABILITY

Financial ability of agencies to provide services.

	YES	MAYBE	NO
a) Does the organization engage in budgeting practices that may indicate poor financial management, such as overspending its revenues, using up its fund balance or reserve over time, or adopting its budget late?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Is there an issue with the organization's revenue sources being reliable? For example, is a large percentage of revenue coming from grants or one-time/short-term sources?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Is the organization's rate/fee schedule insufficient to fund an adequate level of service, and/or is the fee inconsistent with the schedules of similar service organizations?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Is the organization in need of written financial policies that ensure its continued financial accountability and stability?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Is the organization unable to fund necessary infrastructure maintenance, replacement and/or any needed expansion?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Is the organization needing additional reserve to protect against unexpected events or upcoming significant costs?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Is the organization's debt at an unmanageable level?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h) Does the agency have pension and/or other post-employment benefit (OPEB) liability? If so, what is it the liability and are there any concerns that it is unmanageable?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion

KLRDD Operations Budget Summary (Fund 407/6955)					
	2011-12	2012-13	2013-14	2014-15	2015-16
Revenues:					
Total Taxes - Current	\$ -	\$ -	\$ -	\$ -	\$ -
Total Taxes - Prior	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue Use of Money and Property	\$ 4,249.64	\$ 1,806.90	\$ 2,826.09	\$ 2,842.81	\$ 8,493.64
Total Intergovernment Revenue - State	\$ -	\$ -	\$ -	\$ -	\$ -
Total Intergovernment Revenue - Other	\$ -	\$ -	\$ -	\$ -	\$ -
Total Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ -
Total Misc	\$ 82,212.57	\$ 337,101.55	\$ 574,587.72	\$ 1,642,051.99	\$ 3,029,414.47
TOTAL REVENUES	\$ 86,462.21	\$ 338,908.45	\$ 577,415.81	\$ 1,644,894.80	\$ 3,037,908.11
Expenditures:					
Salaries and Benefits	\$ -	\$ -	\$ -	\$ -	\$ -
Services and Supplies	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Charges	\$ 180,185.46	\$ 121,085.57	\$ 478,780.99	\$ 680,607.00	\$ 4,744,362.49
Capital Assets - Equipment & Structures	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	\$ 180,185.46	\$ 121,085.57	\$ 478,780.99	\$ 680,607.00	\$ 4,744,362.49
<i>Revenues Less Expenditures</i>	<i>\$ (93,723.25)</i>	<i>\$ 217,822.88</i>	<i>\$ 98,634.82</i>	<i>\$ 964,287.80</i>	<i>\$ (1,706,454.38)</i>
Fund Balance	\$634,331.68	\$ 852,154.56	\$950,789.38	\$ 1,915,077.18	\$ 208,622.80

Discussion:

a) Budget:

The 5-year budget trend analysis above indicates that the District is generally operating within its available resources (i.e. it is not overspending its revenue). In 2012, the Knights Landing Ridge Drainage District (KLRDD) succeeded in a Proposition 218 election for the repairs included within the District as part of the Mid-Valley Project. Work commenced on the project in 2015. District. In fiscal year 15/16, the District overspent its revenue by approximately \$1,700,000 due to work on the Project; however, the District's upfront costs will be paid back by DWR in fiscal year 16/17.

b-c) Revenue Sources:

100% of the District budget comes from their own assessments, in-lieu assessments from RD 108, and the Department of Water Resources for the Mid-Valley Project funding. Therefore, the agency's funding is stable and reliable. The District has sufficient funding for on-going operations and maintenance. There are no additional fees for service.

d) Financial Policies:

According to the District manager, the District has a purchasing policy that is reviewed as needed and an emergency spending policy that was established through the Mid-Upper Sacramento River Regional Flood Plan that will be reviewed and updated as needed. The District is also subject to the County's Special District Financial Handbook. The County's handbook primarily deals with how special districts interact with the County for tax revenue, the treasury, or reporting to the State Controller's Office. The County's policies do not address other issues that may be a concern for reclamation districts such as how to handle travel and reimbursable expenses, personnel issues, operating procedures, safety, etc. It may be beneficial for the District to adopt additional finance policies.

e-f) Infrastructure Maintenance and Replacement/Reserves:

The District provided a summary of expenses and planned maintenance activities to DWR for all levee units. Expenses include costs of herbicide application, high water levee monitoring, levee inspections, mowing, road and levee maintenance including base rock application, grading, and slope dragging, rodent baiting and monitoring, and vegetation burning, clearing, thinning, and trimming. The reported total cost for the current fiscal year is \$38,500. Additionally, the Mid-Valley Project includes levee

repairs in the Knights Landing Drainage District (referred to as Area 3). Area 3 levee reconstruction involves 3.4 miles of levee repair along the Knights Landing Ridge Cut and 1.3 miles of levee repair along the west bank of the Sacramento River. The estimate total cost for Area 3 repairs is over \$7 million. KLRDD succeeded in a Proposition 218 election in 2012 for the KLRDD sites and now has local funding with which they have been able to take over part of the project from USACE and are funding in partnership with DWR. Work commenced on the project in 2015.

g) Debt:

The District went into debt for the local share of the Knights Landing Levee Repair Project (Mid-Valley Early Implementation Project). The loan amount was \$1,142,500. The balance is due in December 2017. This loan repayment has been included in the budget.

h) Post-Employment Liability:

The District does not have any post-employment liability.

Financial Ability MSR Determination

The District appears to be managing its finances well and operates within its financial means. The District has budgeted for the repayment of outstanding debt. The District has adequate reserve to provide unexpected maintenance if necessary. The District has adopted a purchasing policy as well as an emergency spending policy. The District should consider adopting policies for District other operations and financial management, such as travel and reimbursable expenses, operating procedures, safety, etc.

Recommendations

- Consider adopting additional policies for District operations and financial management including such topics as: travel and reimbursable expenses, operating procedures, safety, etc.

5. SHARED SERVICES AND FACILITIES

Status of, and opportunities for, shared facilities.

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

Discussion:

a-b)The District is a “sister district” of RD 108 and currently contracts with RD 108 for all staffing and equipment needs. RD 108’s general manager and support-staff manage, design, construct, and provide all operations and maintenance for the District. Yolo County has received grant funding to prepare a Small Communities Flood Risk Reduction Feasibility Study for the Knights Landing Community, including KLRDD (discussed in more detail in Section 6 of this report) to achieve a 100-year level of flood protection in order to preserve small community development opportunities. While the goal of the study is to evaluate alternatives to reduce flood risk, potential governance alternatives will be reviewed as part of the analysis, which could lead to staffing efficiencies and other operational efficiencies.

Shared Services MSR Determination

The District currently contracts with RD 108 for all staffing and equipment needs. RD 108’s general manager and support-staff manage, design, construct, and provide all operations and maintenance for the District. Yolo County has received grant funding to prepare a Small Communities Flood Risk Reduction Feasibility Study for the Knights Landing Community, including KLRDD (discussed in more detail in Section 6 of this report) to achieve a 100-year level of flood protection in order to preserve small community development opportunities. While the goal of the study is to evaluate alternatives to reduce flood risk, potential governance alternatives will be reviewed as part of the analysis.

6. ACCOUNTABILITY, STRUCTURE AND EFFICIENCIES

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

	YES	MAYBE	NO
a) Are there any issues with meetings being accessible and well publicized? Any failures to comply with disclosure laws and the Brown Act?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Are there any issues with filling board vacancies and maintaining board members? Is there a lack of board member training regarding the organization's program requirements and financial management?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Are there any issues with staff turnover or operational efficiencies? Is there a lack of staff member training regarding the organization's program requirements and financial management?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Are there any issues with independent audits being performed on a regular schedule? Are completed audits being provided to the State Controller's Office and County Director of Financial Services within 12 months of the end of the fiscal year(s) under examination? Are there any corrective action plans to follow up on?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Does the organization need to improve its public transparency via a website? [A website should contain at a minimum the following information: organization mission/description/boundary, board members, staff, meeting schedule/agendas/minutes, budget, revenue sources including fees for services (if applicable), and audit reports.]	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Are there any recommended changes to the organization's governance structure that will increase accountability and efficiency?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
g) Are there any opportunities to eliminate overlapping boundaries that confuse the public, cause service inefficiencies, unnecessarily increase the cost of infrastructure, exacerbate rate issues and/or undermine good planning practices?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

- a) There are no issues with the board meetings being accessible and posted in accordance with the Brown Act. The Board meets three times each year in February, June, and October on the fourth Wednesday of each month at the District Office located at 975 Wilson Bend Road, Grimes, CA. Meeting notices are posted on the District website and at the District office.
- b) All of the board seats are currently filled, therefore, there do not appear to be chronic issues with filling board vacancies and maintaining board members.
- c) The District contracts with RD 108 for all staff and equipment. The District also contracts for legal and engineering services. Therefore, there do not appear to be issues with staff turnover or other operational efficiencies.
- d) The District is independently audited annually in accordance with auditing standards generally accepted in the United States. Audits are performed annually by Smith & Newell, CPAs. Audits are current through fiscal year 2016. Are completed audits being provided to the State Controller's Office and County Director of Financial Services within 12 months of the end of the fiscal year(s) under examination? Are there any corrective action plans to follow up on?
- e) Regarding public accessibility of District records, KLRDD information is included as part of the RD 108 website (<http://www.rd108.org/>). The website includes board members, staff contact information, project information, meeting notices, agendas, and minutes from previous meetings. The District should consider providing additional financial information to the public on the website including audits and adopted budgets. District files are stored at the RD 108 office and maintained by District staff.

f-g) Central Valley Flood Protection Plan Context

Flood management in the Central Valley is affected by a complex framework of public agencies (over 300 in the Sacramento Basin and over 200 in the San Joaquin Basin). At the local level, governance is complicated by multiple small levee maintaining agencies (LMAs) with limited resources, including staff, revenues, and authorities. Flood management in Yolo County along the Sacramento River System is currently carried out by fifteen (15) separate local agencies including: twelve (12) reclamation districts (RDs); one (1) drainage district; one (1) levee district; and one (1) county service area. In addition, the California Department of Water Resources (DWR) has one Maintenance Area (MA #4) in the West Sacramento Basin and also maintains the Bypass and the Cache Creek levee system with the exception of the Huff's Corner reach, which is maintained by the County. The United States Army Corps of Engineers (USACE) also maintains the Navigation Levee constructed in association with the Deep Water Ship Channel.

Enhanced regional governance can empower groups of local agencies to more effectively pool and leverage funding and resources, enhance collaboration and coordination, coordinate political advocacy, and create shared ownership of the flood system. Regional planning and project implementation is greatly improved through enhanced regional governance. Regional governance not only improves collaboration among local agencies within a region, but also facilitates more effective partnering with State and federal governments, greatly helping to define and achieve a shared regional vision.

Strong regional governance and shared understanding of roles and responsibilities will support a shift toward system-scale, long-term, outcome-driven resource management that balances a broad array of public values and priorities. Dialogues should be fostered within a structured, transparent process that includes schedules, actionable recommendations, and stakeholder engagement.²

In an effort to improve statewide flood management, the State Department of Water Resources (DWR) funded a locally led Regional Flood Management Plan process in six Central Valley regions. The intent

² Central Valley Flood Protection Plan 2017 Update, page 3-46

of the effort includes establishing a common vision among regional partners, articulating local and regional flood management needs and priorities, describing regional financing strategies, and establishing improved regional governance for implementation.

Through interaction with these regional groups, State DWR has advanced the idea of LMA consolidation. This concept, which arose in the aftermath of the Hurricane Katrina disaster, is founded on the belief that it would be more efficient for existing LMAs to voluntarily collaborate, enabling them to “speak with one voice” (e.g. on matters affecting multiple LMAs whose levees protect the same hydrologic basin), perform consistent O&M, and increase emergency response capabilities.³

Yolo County Flood Governance Study Recommendations

DWR funded the Yolo County Flood Governance Study, dated August 2014 prepared by the UC Davis Collaboration Center. The study recommends that each of the five “basins” develop their own version of coordinated governance: 1) Knights Landing; 2) Elkhorn; 3) Woodland; 4) West Sacramento; and 5) Clarksburg. 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.

The 2014 Yolo County Flood Governance Study, which was prepared for the Lower Sacramento/Delta North Region and funded by the Department of Water Resources, recommended a combination of the “regional communication and collaboration network” (Alternative 2) and a “hydrologic basin” approach (Alternative 3) would be desirable and useful. The Study found that while reclamation districts are best suited to conduct routine O&M and on-site emergency response, some flood management activities would be better accomplished at the regional level. 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.

LAFCo recommends that 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 a risk due to inconsistent maintenance or flood fight 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. Because each hydrologic basin is unique, a discussion specific to each individual basin is provided below.

Knights Landing Basin

For the Knights Landing Hydrologic Basin, the 2014 Flood Governance Study found that the Knights Landing basin is functioning well in many ways. RD 108 is a large reclamation district that already holds several inter-agency contracts and maintains much of the levee system in the North County area (specifically Knights Landing Ridge Drainage District and the Sacramento River Westside Levee District). The Study recommended that these contracted agreements be formalized into several MOUs to strengthen and institutionalize the already existing coordination process. The Study also suggested that the Districts could enter into a JPA, but that may be an unnecessary layer of government. RD 787 is a well-functioning agency that maintains a 4.5-mile section of levee on the left bank (relative to the view downstream) of the Colusa Basin Drain. RD 730 does not maintain any levees and its sole purpose is to pump surface drainage into the Knights Landing Ridge Cut. The remaining governance challenge in the area is CSA#6, which is responsible for maintaining a 5.8-mile section of levee along the right bank of the Sacramento River. The District is underfunded and it is unlikely that a Proposition 218 election to increase the assessment would succeed. While it may be logical that RD 108 provide services to CSA#6 as it does for other districts already, contracting is not possible without adequate funding. The Study suggested that some type of incentive is needed to motivate resolution for CSA#6.

³ Yolo County Flood Governance Study 2017, page 60

As discussed previously, the small community of Knights Landing is located at the confluence of the Knights Landing Ridge Cut, the Colusa Basin Drain, and the Sacramento River. The community is surrounded on three sides by levees and/or high ground. Small communities like Knights Landing that are protected by a large levee system struggle to afford the necessary improvements to meet Federal Emergency Management Agency (FEMA) 100-year certification requirements. The town of Knights Landing has restrictions on development and rebuilding, as it has been remapped in the FEMA 100-year floodplain. FEMA is also in the process of increasing flood insurance premiums in response to changes in law that govern the National Flood Insurance Program. These two issues have led to increases in flood insurance premiums that are likely to continue to grow into the future and may become cost prohibitive for some residents. One of the primary goals of the Central Valley Flood Protection Plan (CVFPP) and the Lower Sacramento Delta North (LSDN) Regional Flood Management Plan (RFMP) is to manage flood risk in small communities, such as Knights Landing, with the goal of providing 100-year protection where feasible. This is intended to preserve the community and sustain the agricultural economy without encouraging urban development. However, a solution for Knights Landing has not been determined.

As part of the CVFPP, the Department of Water Resources (DWR) created the Small Communities Flood Risk Reduction program to help small communities achieve 100-year protection, where feasible. The Small Communities Program is a cost-share funding program that provides local assistance to communities with 200 to 10,000 residents that are protected by the State Plan of Flood Control (SPFC). In 2015, DWR awarded Yolo County \$1,500,000 for feasibility studies for Knights Landing, Yolo, and Clarksburg. Yolo County selected MBK engineers as the County's consultant to prepare the Small Communities Flood Risk Reduction Feasibility Studies. Funding for design and construction will be awarded in subsequent phases.

The Knights Landing feasibility study will develop an array of alternatives consisting of both structural and nonstructural measures. The team will formulate structural solutions that include improvements to existing levees to meet 100-year requirements as well as other alternatives such as a cross or ring levee. The study will take into consideration the recommendations of the Agricultural Floodplain Ordinance Task Force (AFOTF) that proposes modifying the FEMA policy that would promote a sustainable agricultural economy in the floodplain. The non-structural alternatives that will be considered are:

- changes to the National Flood Insurance Program,
- a levee relief cut plan,
- an emergency flood fight plan,
- a flood evacuation plan,
- a flood evacuation warning system,
- a voluntary structure elevation and floodproofing program, and
- use of agricultural conservation easements purchased from willing sellers.

The RFMP estimate of the structural improvements varies from approximately \$32,800,000 to \$185,000,000.

Work is anticipated to begin on the Knights Landing Small Communities Feasibility Study in early 2018 and be completed in late 2019. While the goal of the study is to evaluate alternatives to reduce flood risk, potential governance alternatives including improved coordination and/or consolidation of district maintenance and flood fight response will be discussed with the community and districts as part of the analysis. The districts should actively participate in the Feasibility Study process for the Knights Landing Basin and seek to build consensus on an alternative to achieve the goal of a common levee maintenance practice and levee flood fight capabilities in the most cost efficient manner for the benefit of the residents and property owners in the basin.

Accountability, Structure and Efficiencies MSR Determination

There are no issues with meetings being accessible and publicized in accordance with the Brown Act. KLRDD information is included as part of the RD 108 website, the District should consider providing additional financial information to the public on the website including audits and adopted budgets.

RD 108 already maintains much of the levee system in the North County area (specifically for the Knights Landing Ridge Drainage District and the Sacramento River Westside Levee District). RD 787 is a well-functioning agency and maintains a 4.5-mile section of levee of the left bank of the Colusa Basin Drain. RD 730 does not maintain any levees and its sole purpose is to pump surface drainage into the Knights Landing Ridge Cut. For the Knights Landing Hydrologic Basin, while the basin functions well in many ways the remaining governance challenge in the area is CSA#6, which is responsible for maintaining a 5.8-mile section of levee along the right bank of the Sacramento River. The 2014 Flood Governance Study suggested that some type of incentive is necessary to motivate the districts towards a local cooperative solution.

In 2015, DWR awarded Yolo County \$1,500,000 for feasibility studies for Knights Landing, Yolo, and Clarksburg and a consultant was selected to prepare the Small Communities Flood Risk Reduction Feasibility Studies. Work will begin on the Knights Landing Small Communities Feasibility Study in 2018 with a potential completion date by late 2019. While the goal of the study is to evaluate alternatives to reduce flood risk, potential governance alternatives will be reviewed as part of the analysis. This more detailed technical analysis for the Knights Landing Basin will inform how best to achieve the governance goals for the basin. The districts should actively participate in the Feasibility Study process for the Knights Landing Basin and implement any future recommendations from the Study.

Recommendations

- While the District does maintain a website, the District should consider providing additional financial information to the public on the website including audits and adopted budgets.
- The Knights Landing Basin districts and local maintaining agencies should actively participate in the Small Communities Feasibility Study process for the Knights Landing Basin and implement any future recommendations from the Study. The Study should address and make a recommendation on governance to achieve the goal of providing a consistent level of maintenance and flood response across the Knights Landing Basin and have the districts function as one entity.

7. OTHER ISSUES

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

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

Discussion:

- a) LAFCo is not aware of any other service delivery issues not already addressed in the MSR.

Other Issues MSR Determination

LAFCo is not aware of any other service delivery issues not already addressed in the MSR.

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.

SPHERE OF INFLUENCE MAP(S)

The District sphere of influence (SOI) is coterminous with its existing boundary.

RECLAMATION DISTRICT 730: Knights Landing

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 4,498 acres of land. The District does not 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 Basin to the Yolo Bypass during flood periods, bisects the district. The Knights Landing Community Services District, the Knights Landing Ridge Drainage District, and County Service Area #6 all overlap portions of RD 730. RD 730 participates as a member of the Westside Committee for the Regional Flood Management Plan. The annual budget for 2015/16 was \$60,282, generated from annual assessments.

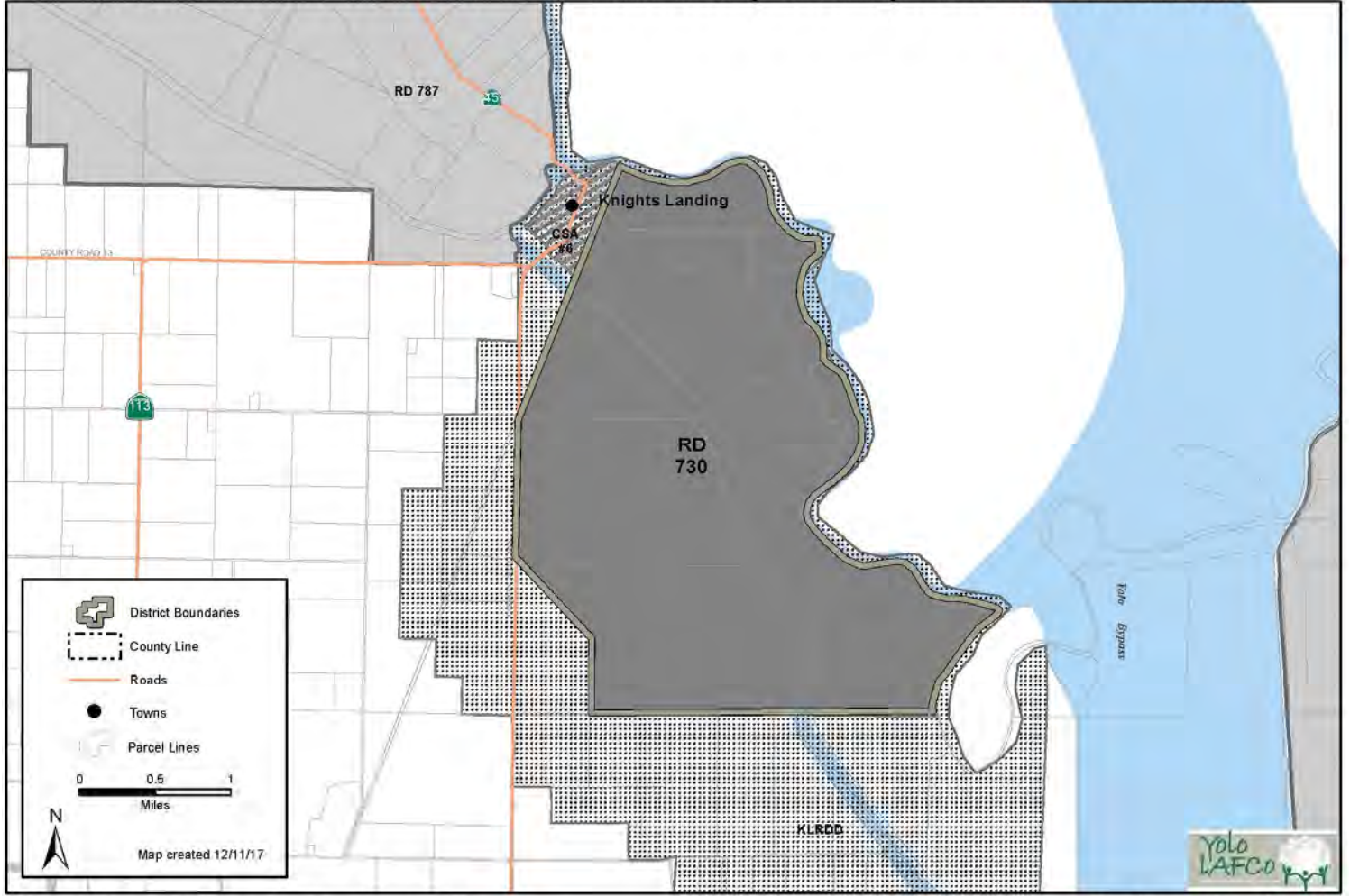
The District does not have any staff or a formal office. The District contracts for legal and engineering services and equipment maintenance. District ditches are maintained by landowners.

Reclamation District 730 is an independent special district with a three-member board of trustees elected by the landowners in the District.

Name of Member	Title	Term Expiration	Compensation
James Heidrick	Trustee	2021	None
Roger Dorris	Trustee	2021	None
William Driver	Trustee	2019	None

The District holds its annual meeting on the first Tuesday of May, with special meetings called as needed. Meetings are held at 429 First Street, Woodland. Public notice is posted outside the office of the District's attorney as there is no physical location for posting within the District's boundaries.

Figure 1. RD 730 Boundary and Existing Sphere of Influence
Reclamation District 730 Boundary and Sphere of Influence*



* Note: Sphere of Influence is coterminous with boundary

Boundary approved in 1902

Potentially Significant MSR Determinations

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

- Growth and Population Shared Services
- Disadvantaged Unincorporated Communities Accountability
- Capacity, Adequacy & Infrastructure to Provide Services Other
- Financial Ability

1. GROWTH AND POPULATION

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

Discussion:

a-c) There are approximately 19 residents within District boundaries. The State Department of Finance population projections¹ indicate that Yolo County had an estimated population in the unincorporated area of 26,995 as of January 1, 2015 and 28,419 as of January 1, 2016, a 5.3 percent overall increase. There is no significant development anticipated in the District that would result in a negative impact to the agency’s ability to provide services.

Growth and Population MSR Determination

There is no significant development anticipated in the District that would result in a negative impact to the agency’s ability to provide services.

¹ E-1 Population Estimates for Cities, Counties, and the State January 1, 2015 and 2016

2. DISADVANTAGED UNINCORPORATED COMMUNITIES

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

	YES	MAYBE	NO
a) Does the subject agency provide public services related to sewers, municipal and industrial water, or structural fire protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Are there any "inhabited unincorporated communities" (per adopted Commission policy) within or adjacent to the subject agency's sphere of influence that are considered "disadvantaged" (80% or less of the statewide median household income)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) If "yes" to both a) and b), it is feasible for the agency to be reorganized such that it can extend service to the disadvantaged unincorporated community (if "no" to either a) or b), this question may be skipped)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Discussion:

a-c)The subject agency does not provide public services related to water, sewer or structural fire protection and therefore, the provisions of Senate Bill (SB) 244 do not apply to this MSR. The disadvantaged unincorporated community of Knights Landing is located adjacent to the District. However, the subject agency only provides drainage services and, therefore, does not trigger the provisions of SB 244.

Disadvantaged Unincorporated Communities MSR Determination

The subject agency does not provide public services related to water, sewer or structural fire protection and therefore, the provisions of SB 244 do not apply to this MSR.

3. CAPACITY AND ADEQUACY OF PUBLIC FACILITIES AND SERVICES

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

	YES	MAYBE	NO
a) Are there any deficiencies in agency capacity to meet service needs of existing development within its existing territory?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Are there any issues regarding the agency's capacity to meet the service demand of reasonably foreseeable future growth?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Are there any concerns regarding public services provided by the agency being considered adequate?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY
NORTH COUNTY/KNIGHTS LANDING HYDROLOGIC BASIN**

d) Are there any significant infrastructure needs or deficiencies to be addressed?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Are there changes in state regulations on the horizon that will require significant facility and/or infrastructure upgrades?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Are there any service needs or deficiencies for disadvantaged unincorporated communities related to sewers, municipal and industrial water, and structural fire protection within or contiguous to the agency's sphere of influence?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

a-d) The District provides drainage services for 4,498 acres of land by pumping annual rainfall and irrigation drainage into the Knights Landing Ridge Cut ("Ridge Cut"). The District does not maintain any levees. The District currently has five (5) pumps. According to the District, the pumps are old and may need to be replaced in the future, which costs over \$100,000 for each pump. Additionally, District ditches are currently maintained by landowners. If the landowner does not maintain the ditches, they are not maintained at all. The District is working to build up the fund balance to plan for future equipment upgrades.

e) There are no changes in state regulations on the horizon that will require significant facility and/or infrastructure upgrades.

f) The disadvantaged unincorporated community of Knights Landing is located adjacent to the District. However, the subject agency does not provide public services related to water, sewer or structural fire protection.

Capacity and Adequacy of Public Facilities and Services MSR Determination

The District provides drainage services for 4,498 acres of land by pumping annual rainfall and irrigation drainage into the Knights Landing Ridge Cut ("Ridge Cut"). The District does not maintain any levees. The District currently has five (5) pumps and according to the District, the pumps are old and may need to be replaced in the future, each costing approximately \$100,000.

Recommendations

- The District should create a capital improvement plan (CIP) to fund and replace pumps on an ongoing basis as needed and continue to work to build up the fund balance to pay for future equipment replacement.

4. FINANCIAL ABILITY

Financial ability of agencies to provide services.

	YES	MAYBE	NO
a) Does the organization routinely engage in budgeting practices that may indicate poor financial management, such as overspending its revenues, failing to commission independent audits, or adopting its budget late?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY
NORTH COUNTY/KNIGHTS LANDING HYDROLOGIC BASIN**

- | | | | |
|---|-------------------------------------|-------------------------------------|-------------------------------------|
| b) Is the organization lacking adequate reserve to protect against unexpected events or upcoming significant costs? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| c) Is the organization's rate/fee schedule insufficient to fund an adequate level of service, and/or is the fee inconsistent with the schedules of similar service organizations? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d) Is the organization unable to fund necessary infrastructure maintenance, replacement and/or any needed expansion? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| e) Is the organization lacking financial policies that ensure its continued financial accountability and stability? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| f) Is the organization's debt at an unmanageable level? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Discussion:

Reclamation District 730 Operations Budget Summary (Fund 392)					
	2011-12	2012-13	2013-14	2014-15	2015-16
Revenues:					
Total Taxes - Current	\$ -	\$ -	\$ 60,163.00	\$ 60,163.00	\$ -
Total Taxes - Prior	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, Permits & Franchises	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue Use of Money and Property	\$ 487.09	\$ 161.91	\$ 190.37	\$ 315.79	\$ 1,406.72
Total Intergovernment Revenue - State	\$ -	\$ -	\$ -	\$ -	\$ -
Total Intergovernment Revenue - Other	\$ -	\$ -	\$ -	\$ -	\$ -
Total Charges for Services	\$ 30,316.00	\$ 60,162.00	\$ -	\$ -	\$ 58,017.00
Total Misc	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	\$ 30,803.09	\$ 60,323.91	\$ 60,353.37	\$ 60,478.79	\$ 59,423.72
Expenditures:					
Salaries and Benefits	\$ -	\$ -	\$ -	\$ -	\$ -
Services and Supplies	\$ 43,064.56	\$ 82,011.05	\$ 30,364.04	\$ 23,602.15	\$ 35,670.53
Total Other Charges	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Assets - Equipment & Structures	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	\$ 43,064.56	\$ 82,011.05	\$ 30,364.04	\$ 23,602.15	\$ 35,670.53
<i>Revenues Less Expenditures</i>	<i>\$ (12,261.47)</i>	<i>\$ (21,687.14)</i>	<i>\$ 29,989.33</i>	<i>\$ 36,876.64</i>	<i>\$ 23,753.19</i>
Fund Balance	\$ 74,212.54	\$ 52,525.40	\$ 82,514.73	\$ 119,391.37	\$ 143,144.56

Discussion:

a) Budget:

The 5-year budget trend analysis above indicates that the District is generally operating within its available resources (i.e. it is not overspending its revenue). In fiscal years 11/12 and 12/13, the District overspent its revenue; however, there were sufficient funds to accommodate the overages. Assessments were raised beginning in FY 12/13 to cover increase costs.

**YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY
NORTH COUNTY/KNIGHTS LANDING HYDROLOGIC BASIN**

b-c) Revenue Sources:

100% of the District budget comes from their own assessments. Therefore, the agency's funding is stable and reliable. There are no additional fees for service.

d) Financial Policies:

While the District has not adopted financial policies, the District follows state law and reclamation law. The District does not currently have written financial policies other than what is provided in the County's Special District Financial Handbook. The County's handbook primarily deals with how special districts interact with the County for tax revenue, the treasury, or reporting to the State Controller's Office. The County's policies do not address other issues that may be a concern for reclamation districts such as how to handle travel and reimbursable expenses, personnel issues, operating procedures, safety, etc. It may be beneficial for the District to adopt finance policies.

e-f) Infrastructure Maintenance and Replacement/Reserves:

According to the District, the pumps are old and may need to be replaced in the future, which costs over \$100,000 for each pump. The District is working to build up the fund balance to plan for future equipment upgrades. Please also see the discussion under 3(d).

g) Debt:

The District does not have any debt.

h) Post-Employment Liability:

The District does not have any post-employment liability.

Financial Ability MSR Determination

The District appears to generally operate within its financial means and does not have any debt. However, the District does not currently have adequate reserve to replace old pumps, if needed (as discussed under the Capacity and Adequacy of Public Facilities and Services MSR Determination). The District is lacking adopted financial policies other than what the County provides and should consider adopting policies for District operations and financial management.

Recommendations

- Consider adopting additional policies for District operations and financial management including such topics as: travel and reimbursable expenses, operating procedures, safety, etc.

5. SHARED SERVICES AND FACILITIES

Status of, and opportunities for, shared facilities.

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

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

Discussion:

a-b) The District does not currently share any services or facilities with other organizations. The District has no staff nor a formal office. Yolo County has received grant funding to prepare a Small Communities Flood Risk Reduction Feasibility Study for the Knights Landing Community (discussed in more detail in Section 6 of this report) to achieve a 100-year level of flood protection in order to preserve small community development opportunities. RD 730 does not currently maintain any levees; however, due the fact that RD 730 district boundaries overlap with other reclamation districts and levee maintaining agencies, RD 730 will be included in the analysis. While the goal of the study is to evaluate alternatives to reduce flood risk, potential governance alternatives will be reviewed as part of the analysis, which could lead to staffing efficiencies and other operational efficiencies.

Shared Services MSR Determination

The District does not currently share any services or facilities with other organizations. The District has no staff nor a formal office. Yolo County has received grant funding to prepare a Small Communities Flood Risk Reduction Feasibility Study for the Knights Landing Community (discussed in more detail in Section 6 of this report) to achieve a 100-year level of flood protection in order to preserve small community development opportunities. RD 730 does not currently maintain any levees; however, due the fact that RD 730 district boundaries overlap with other reclamation districts and levee maintaining agencies, RD 730 will be included in the analysis. While the goal of the study is to evaluate alternatives to reduce flood risk, potential governance alternatives will be reviewed as part of the analysis, which could lead to staffing efficiencies and other operational efficiencies.

6. ACCOUNTABILITY, STRUCTURE AND EFFICIENCIES

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

	YES	MAYBE	NO
a) Are there any issues with meetings being accessible and well publicized? Any failures to comply with disclosure laws and the Brown Act?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Are there any issues with filling board vacancies and maintaining board members? Is there a lack of board member training regarding the organization's program requirements and financial management?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Are there any issues with staff turnover or operational efficiencies? Is there a lack of staff member training regarding the organization's program requirements and financial management?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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d) Are there any issues with independent audits being performed on a regular schedule? Are completed audits being provided to the State Controller's Office and County Director of Financial Services within 12 months of the end of the fiscal year(s) under examination? Are there any corrective action plans to follow up on?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Does the organization need to improve its public transparency via a website? [A website should contain at a minimum the following information: organization mission/description/boundary, board members, staff, meeting schedule/agendas/minutes, budget, revenue sources including fees for services (if applicable), and audit reports.]	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Are there any recommended changes to the organization's governance structure that will increase accountability and efficiency?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
g) Are there any opportunities to eliminate overlapping boundaries that confuse the public, cause service inefficiencies, unnecessarily increase the cost of infrastructure, exacerbate rate issues and/or undermine good planning practices?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Discussion:

- a) There are no issues with the board meetings being accessible and posted in accordance with the Brown Act. The District holds its annual meeting on the first Tuesday of May, with special meetings called as needed. Meetings are held at 429 First Street, Woodland. Public notice is posted outside the office of the District's attorney.
- b) All of the board seats are currently filled, therefore, there do not appear to be chronic issues with filling board vacancies and maintaining board members.
- c) The District does not have any staff. The District contracts for legal and engineering services, and equipment maintenance. Therefore, there are no issues with staff turnover. There may be contracting efficiencies with other nearby districts or other operational efficiencies.
- d) The District is independently audited annually in accordance with auditing standards generally accepted in the United States. Audits are performed annually by Perry, Bunch, and Johnston, CPAs. Audits are current through fiscal year 2015. Are completed audits being provided to the State Controller's Office and County Director of Financial Services within 12 months of the end of the fiscal year(s) under examination? Are there any corrective action plans to follow up on?
- e) Regarding public accessibility of District records, the District does not have a website, so public access to District information is not easily accessible. The District should consider even a minimal website to provide information to the public regarding board members, meetings, financial information, audits, etc. District files are stored at the District's attorney's office and maintained by legal services staff.

f-g) Central Valley Flood Protection Plan Context

Flood management in the Central Valley is affected by a complex framework of public agencies (over 300 in the Sacramento Basin and over 200 in the San Joaquin Basin). At the local level, governance is complicated by multiple small levee maintaining agencies (LMAs) with limited resources, including staff, revenues, and authorities. Flood management in Yolo County along the Sacramento River System is currently carried out by fifteen (15) separate local agencies including: twelve (12) reclamation districts (RDs); one (1) drainage district; one (1) levee district; and one (1) county service area. In addition, the

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California Department of Water Resources (DWR) has one Maintenance Area (MA #4) in the West Sacramento Basin and also maintains the Bypass and the Cache Creek levee system with the exception of the Huff's Corner reach, which is maintained by the County. The United States Army Corps of Engineers (USACE) also maintains the Navigation Levee constructed in association with the Deep Water Ship Channel.

Enhanced regional governance can empower groups of local agencies to more effectively pool and leverage funding and resources, enhance collaboration and coordination, coordinate political advocacy, and create shared ownership of the flood system. Regional planning and project implementation is greatly improved through enhanced regional governance. Regional governance not only improves collaboration among local agencies within a region, but also facilitates more effective partnering with State and federal governments, greatly helping to define and achieve a shared regional vision.

Strong regional governance and shared understanding of roles and responsibilities will support a shift toward system-scale, long-term, outcome-driven resource management that balances a broad array of public values and priorities. Dialogues should be fostered within a structured, transparent process that includes schedules, actionable recommendations, and stakeholder engagement.²

In an effort to improve statewide flood management, the State Department of Water Resources (DWR) funded a locally led Regional Flood Management Plan process in six Central Valley regions. The intent of the effort includes establishing a common vision among regional partners, articulating local and regional flood management needs and priorities, describing regional financing strategies, and establishing improved regional governance for implementation.

Through interaction with these regional groups, State DWR has advanced the idea of LMA consolidation. This concept, which arose in the aftermath of the Hurricane Katrina disaster, is founded on the belief that it would be more efficient for existing LMAs to voluntarily collaborate, enabling them to "speak with one voice" (e.g. on matters affecting multiple LMAs whose levees protect the same hydrologic basin), perform consistent O&M, and increase emergency response capabilities.³

Yolo County Flood Governance Study Recommendations

DWR funded the Yolo County Flood Governance Study, dated August 2014 prepared by the UC Davis Collaboration Center. The study recommends that each of the five "basins" develop their own version of coordinated governance: 1) Knights Landing; 2) Elkhorn; 3) Woodland; 4) West Sacramento; and 5) Clarksburg. 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.

The 2014 Yolo County Flood Governance Study, which was prepared for the Lower Sacramento/Delta North Region and funded by the Department of Water Resources, recommended a combination of the "regional communication and collaboration network" (Alternative 2) and a "hydrologic basin" approach (Alternative 3) would be desirable and useful. The Study found that while reclamation districts are best suited to conduct routine O&M and on-site emergency response, some flood management activities would be better accomplished at the regional level. 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.

LAFCo recommends that 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

² Central Valley Flood Protection Plan 2017 Update, page 3-46

³ Yolo County Flood Governance Study 2017, page 60

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protected area is not a risk due to inconsistent maintenance or flood fight 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. Because each hydrologic basin is unique, a discussion specific to each individual basin is provided below.

Knights Landing Basin

For the Knights Landing Hydrologic Basin, the 2014 Flood Governance Study found that the Knights Landing basin is functioning well in many ways. RD 108 is a large reclamation district that already holds several inter-agency contracts and maintains much of the levee system in the North County area (specifically Knights Landing Ridge Drainage District and the Sacramento River Westside Levee District). The Study recommended that these contracted agreements be formalized into several MOUs to strengthen and institutionalize the already existing coordination process. The Study also suggested that the Districts could enter into a JPA, but that may be an unnecessary layer of government. RD 787 is a well-functioning agency that maintains a 4.5-mile section of levee on the left bank (relative to the view downstream) of the Colusa Basin Drain. RD 730 does not maintain any levees and its sole purpose is to pump surface drainage into the Knights Landing Ridge Cut. The remaining governance challenge in the area is CSA#6, which is responsible for maintaining a 5.8-mile section of levee along the right bank of the Sacramento River. The District is underfunded and it is unlikely that a Proposition 218 election to increase the assessment would succeed. While it may be logical that RD 108 provide services to CSA#6 as it does for other districts already, contracting is not possible without adequate funding. The Study suggested that some type of incentive is needed to motivate resolution for CSA#6.

As discussed previously, the small community of Knights Landing is located at the confluence of the Knights Landing Ridge Cut, the Colusa Basin Drain, and the Sacramento River. The community is surrounded on three sides by levees and/or high ground. Small communities like Knights Landing that are protected by a large levee system struggle to afford the necessary improvements to meet Federal Emergency Management Agency (FEMA) 100-year certification requirements. The town of Knights Landing has restrictions on development and rebuilding, as it has been remapped in the FEMA 100-year floodplain. FEMA is also in the process of increasing flood insurance premiums in response to changes in law that govern the National Flood Insurance Program. These two issues have led to increases in flood insurance premiums that are likely to continue to grow into the future and may become cost prohibitive for some residents. One of the primary goals of the Central Valley Flood Protection Plan (CVFPP) and the Lower Sacramento Delta North (LSDN) Regional Flood Management Plan (RFMP) is to manage flood risk in small communities, such as Knights Landing, with the goal of providing 100-year protection where feasible. This is intended to preserve the community and sustain the agricultural economy without encouraging urban development. However, a solution for Knights Landing has not been determined.

As part of the CVFPP, the Department of Water Resources (DWR) created the Small Communities Flood Risk Reduction program to help small communities achieve 100-year protection, where feasible. The Small Communities Program is a cost-share funding program that provides local assistance to communities with 200 to 10,000 residents that are protected by the State Plan of Flood Control (SPFC). In 2015, DWR awarded Yolo County \$1,500,000 for feasibility studies for Knights Landing, Yolo, and Clarksburg. Yolo County selected MBK engineers as the County's consultant to prepare the Small Communities Flood Risk Reduction Feasibility Studies. Funding for design and construction will be awarded in subsequent phases.

The Knights Landing feasibility study will develop an array of alternatives consisting of both structural and nonstructural measures. The team will formulate structural solutions that include improvements to existing levees to meet 100-year requirements as well as other alternatives such as a cross or ring levee. The study will take into consideration the recommendations of the Agricultural Floodplain Ordinance Task Force (AFOTF) that proposes modifying the FEMA policy that would promote a

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sustainable agricultural economy in the floodplain. The non-structural alternatives that will be considered are:

- changes to the National Flood Insurance Program,
- a levee relief cut plan,
- an emergency flood fight plan,
- a flood evacuation plan,
- a flood evacuation warning system,
- a voluntary structure elevation and floodproofing program, and
- use of agricultural conservation easements purchased from willing sellers.

The RFMP estimate of the structural improvements varies from approximately \$32,800,000 to \$185,000,000.

Work is anticipated to begin on the Knights Landing Small Communities Feasibility Study in early 2018 and be completed in late 2019. While the goal of the study is to evaluate alternatives to reduce flood risk, potential governance alternatives including improved coordination and/or consolidation of district maintenance and flood fight response will be discussed with the community and districts as part of the analysis. The districts should actively participate in the Feasibility Study process for the Knights Landing Basin and seek to build consensus on an alternative to achieve the goal of a common levee maintenance practice and levee flood fight capabilities in the most cost efficient manner for the benefit of the residents and property owners in the basin.

Accountability, Structure and Efficiencies MSR Determination

There are no issues with meetings being accessible and publicized in accordance with the Brown Act. The Board seats are currently filled at the District does not have any employees as it contracts out its legal and engineering services. The District may want to consider contracting efficiencies with other similar districts in the Basin. The District is current on its audits. The District does not maintain a website and should look to create even a minimal one for public transparency purposes.

RD 108 already maintains much of the levee system in the North County area (specifically for the Knights Landing Ridge Drainage District and the Sacramento River Westside Levee District). RD 787 is a well-functioning agency and maintains a 4.5-mile section of levee of the left bank of the Colusa Basin Drain. RD 730 does not maintain any levees and its sole purpose is to pump surface drainage into the Knights Landing Ridge Cut. For the Knights Landing Hydrologic Basin, while the basin functions well in many ways the remaining governance challenge in the area is CSA#6, which is responsible for maintaining a 5.8-mile section of levee along the right bank of the Sacramento River. The 2014 Flood Governance Study suggested that some type of incentive is necessary to motivate the districts towards a local cooperative solution.

In 2015, DWR awarded Yolo County \$1,500,000 for feasibility studies for Knights Landing, Yolo, and Clarksburg and a consultant was selected to prepare the Small Communities Flood Risk Reduction Feasibility Studies. Work will begin on the Knights Landing Small Communities Feasibility Study in 2018 with a potential completion date by late 2019. While the goal of the study is to evaluate alternatives to reduce flood risk, potential governance alternatives will be reviewed as part of the analysis. This more detailed technical analysis for the Knights Landing Basin will inform how best to achieve the governance goals for the basin. The districts should actively participate in the Feasibility Study process for the Knights Landing Basin and implement any future recommendations from the Study.

Recommendations

- The District board should consider creating a website for the District for public transparency purposes. The California Special Districts Association offers a website template through

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getstreamline.com for a reasonable monthly fee. This fee includes unlimited technical support and hosting services.

- The Knights Landing Basin districts and local maintaining agencies should actively participate in the Small Communities Feasibility Study process for the Knights Landing Basin and implement any future recommendations from the Study. The Study should address and make a recommendation on governance to achieve the goal of providing a consistent level of maintenance and flood response across the Knights Landing Basin and have the districts function as one entity.

7. OTHER ISSUES

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

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

Discussion:

- a) LAFCo is not aware of any other service delivery issues not already addressed in the MSR.

Other Issues MSR Determination

LAFCo is not aware of any other service delivery issues not already addressed in the MSR.

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.

SPHERE OF INFLUENCE MAP(S)

The District sphere of influence (SOI) is coterminous with its existing boundary.

County Service Area #6: SNOWBALL

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 2,500 acres of land, including the town of Knights Landing. 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. The area within the CSA is generally flat, agricultural land with high ground, known as Knights Landing Ridge, located in the northwestern section of the CSA. The town of Knights Landing, which holds the only concentrated populated area within its jurisdiction, is located in the northeast corner of the CSA at the intersection of the Sacramento River and Sycamore Slough. The remainder of Snowball CSA contains only scattered farmhouses. Of the 2,500 acres within Snowball CSA, approximately 65% of them are under Williamson Act contract.

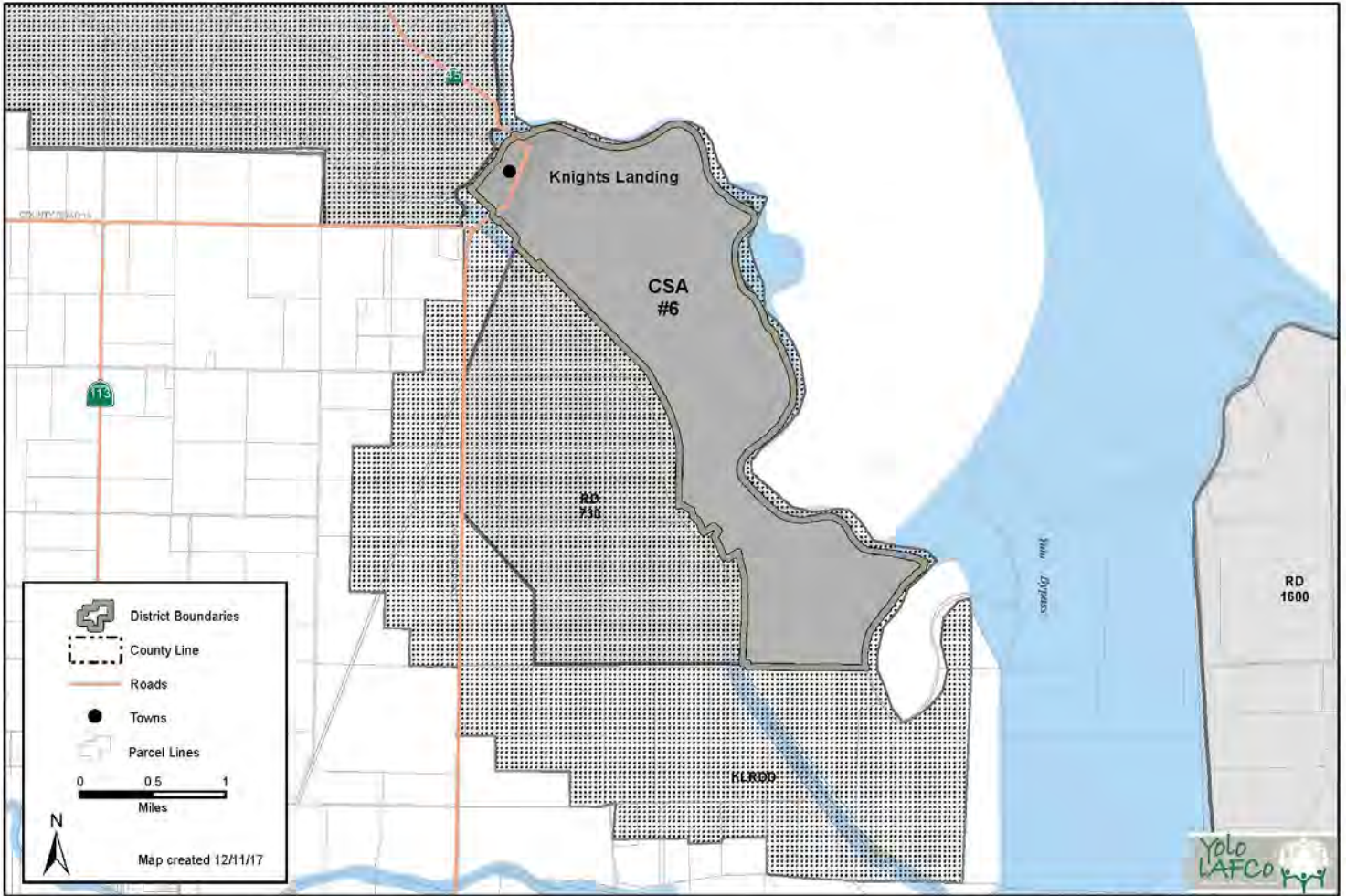
Reclamation District (RD) 730 provided levee maintenance services to this area until 1954, when the State Department of Water Services (DWR) assumed responsibility for the levee because DWR determined RD 730 was inadequately maintaining it. CSA #6 was formed in August 1975, in response to the rising cost of State services. 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.

Current levee operations and maintenance (O&M) are evaluated at the Unacceptable level by the Department of Water Resources (DWR). CSA #6 participates as members of the California Central Valley Flood Control Association (CCVFCA) and the Westside Committee for the Regional Flood Management Plan. The annual operating budget for 2016/17 was \$25,964, generated from annual assessments.

CSA #6 functions similar to an assessment district; the county collects a 0.5% property assessment from levee-protected landowners. CSA #6 is under the direct supervision of the Yolo County Board of Supervisors and the staff that administer its program are located in the County Administrator’s Office. County employees are sometimes utilized for agency services, including the coordination of any necessary repairs and maintenance to the levee.

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Figure 1. County Service Area #6 Boundary and Existing Sphere of Influence
County Service Area #6 Boundary and Sphere of Influence*



* Note: Sphere of Influence is coterminous with boundary

Boundary approved by Yolo County in 1975

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Figure 2. County Service Area #6



Department of Water Resources. "SACRAMENTO SYSTEM: Yolo County Service Area 6." Map. Scale not given. "Appendix A - Sacramento River Individual Agency Summary Reports," A-246. (2016). Web. 18 Sep. 2017.

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Potentially Significant MSR Determinations

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

- Growth and Population
- Disadvantaged Unincorporated Communities
- Capacity, Adequacy & Infrastructure to Provide Services
- Financial Ability
- Shared Services
- Accountability
- Other

1. GROWTH AND POPULATION

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

Discussion:

a-c)The majority of population within the Knights Landing Ridge Drainage District is located in the disadvantaged unincorporated community of Knights Landing. The 2010 United States Census reported that Knights Landing had a population of 995. The State Department of Finance population projections¹ indicate that Yolo County had an estimated population in the unincorporated area of 26,995 as of January 1, 2015 and 28,419 as of January 1, 2016, a 5.3 percent overall increase. The Yolo County General Plan Housing Element projects that the Dunnigan-Knights Landing area will have a projected average annual population increase of 0.8%. There is no significant development anticipated in the CSA that would result in a negative impact to the agency’s ability to provide services.

Growth and Population MSR Determination

There is no significant development anticipated in the CSA that would result in a negative impact to the agency’s ability to provide services.

¹ E-1 Population Estimates for Cities, Counties, and the State January 1, 2015 and 2016

2. DISADVANTAGED UNINCORPORATED COMMUNITIES

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

	YES	MAYBE	NO
a) Does the subject agency provide public services related to sewers, municipal and industrial water, or structural fire protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Are there any "inhabited unincorporated communities" (per adopted Commission policy) within or adjacent to the subject agency's sphere of influence that are considered "disadvantaged" (80% or less of the statewide median household income)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) If "yes" to both a) and b), it is feasible for the agency to be reorganized such that it can extend service to the disadvantaged unincorporated community (if "no" to either a) or b), this question may be skipped)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Discussion:

a-c) The subject agency does not provide public services related to water, sewer or structural fire protection and therefore, the provisions of Senate Bill (SB) 244 do not apply to this MSR. The disadvantaged unincorporated community of Knights Landing is located within CSA #6. However, the subject agency only provides levee maintenance services and, therefore, does not trigger the provisions of SB 244.

Disadvantaged Unincorporated Communities MSR Determination

The subject agency does not provide public services related to water, sewer or structural fire protection and therefore, the provisions of SB 244 do not apply to this MSR.

3. CAPACITY AND ADEQUACY OF PUBLIC FACILITIES AND SERVICES

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

	YES	MAYBE	NO
a) Are there any deficiencies in agency capacity to meet service needs of existing development within its existing territory?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Are there any issues regarding the agency's capacity to meet the service demand of reasonably foreseeable future growth?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Are there any concerns regarding public services provided by the agency being considered adequate?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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d) Are there any significant infrastructure needs or deficiencies to be addressed?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Are there changes in state regulations on the horizon that will require significant facility and/or infrastructure upgrades?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Are there any service needs or deficiencies for disadvantaged unincorporated communities related to sewers, municipal and industrial water, and structural fire protection within or contiguous to the agency's sphere of influence?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

a-d) The 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. The Fall 2016 DWR Inspection Report gave the CSA #6 an overall rating of "Unacceptable."

Local Maintaining Agency	Overall Rating					Total Levee Miles
	<i>A=Acceptable; M=Minimally Acceptable; U=Unacceptable</i>					
	2012	2013	2014	2015	2016	
CSA #6	U	U	U	U	U	5.87
<i>Source: California Department of Water Resources</i>						

According to the DWR Report, there is vegetation that significantly impacts access and visibility in the area. CSA #6 should focus on controlling vegetation to maintain visibility and access. CSA #6 should also enhance its rodent control program and focus on repairing erosion sites.

The Regional Flood Management Plan (RFMP) details the specific improvements necessary in the CSA and summarizes the improvements, including estimated cost, design, permitting, and funding readiness, as well as benefits from the improvements. There are erosion issues along a portion of the CSA #6 Sacramento River levee that are included as part of the Mid-Valley Project. The project proposes to repair levees at 13 sites which have required flood fighting or experienced seepage and boils during previous flood events. These levees are integral to the system-wide performance of the Sacramento River Flood Control Project and provide direct protection to the town of Knights Landing, as well as to the towns of Verona and Nicolas and indirect flood protection to the cities of Sacramento and West Sacramento, and also protect 93,000 acres of farmland. CSA #6 does not have funding to fix the erosion. This project would bring levees up to approximately 60-year level of protection from the current 20-year.

e) Senate Bill (SB) 5, the Central Valley Flood Protection Act, required the development of the Central Valley Flood Protection Plan (CVFPP) by mid-2012. The plan, authored by DWR and approved by the Central Valley Flood Protection Board (CVFPB), establishes a system-wide approach to improving State Plan of Flood Control (SPFC) facilities, and recommends both structural and governance methods of improving flood risk reduction and vulnerability. The California Department of Water Resources adopted the CVFPP in 2012. A five-year update was adopted in 2017. The CVFPP requires 200-year flood protection for all urban and urbanizing areas within the flood zone by 2025. The CSA is not located in an urban or urbanizing area so the 200-year standard is not required for CSA levees. However, one of the primary goals of the CVFPP and the RFMP is to achieve a 100-year level of flood protection for small communities such as Knights Landing in order to preserve small community development opportunities without providing an urban level of protection and encouraging broader urban development. The RFMP's recommended solution for Knights Landing is a feasibility study. Yolo County has received grant funding to prepare a Small Communities Flood Risk Reduction Feasibility

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Study for the Knights Landing Community, including CSA #6 (discussed in more detail in Section 6 of this report).

- f) The disadvantaged unincorporated community of Knights Landing is located within the CSA. However, the subject agency does not provide public services related to water, sewer or structural fire protection.

Capacity and Adequacy of Public Facilities and Services MSR Determination

CSA levees have an overall rating of “Unacceptable” from the Department of Water Resources. There is vegetation that significantly impacts access and visibility in the area. The CSA should focus on controlling vegetation to maintain visibility and access. The CSA should also enhance its rodent control program and focus on repairing erosion sites.

The Regional Flood Management Plan (RFMP) details the specific improvements necessary in the CSA and summarizes the improvements, including estimated cost, design, permitting, and funding readiness, as well as benefits from the improvements. There are erosion issues along a portion of the CSA #6 Sacramento River levee that are included as part of the Mid-Valley Project. The Project proposes to repair levees at 13 sites which have required flood fighting or experienced seepage and boils during previous flood events. These levees are integral to the system-wide performance of the Sacramento River Flood Control Project and provide direct protection to the town of Knights Landing, as well as to the towns of Verona and Nicolas and indirect flood protection to the cities of Sacramento and West Sacramento, and also protect 93,000 acres of farmland. CSA #6 does not have funding to fix the erosion.

Recommendations

- The CSA should work to improve the items detailed in the 2016 Department of Water Resources Inspection Report, including repairing erosion sites and controlling vegetation to maintain visibility and access.
- The CSA should work to find funding and complete the improvements detailed in the 2014 Regional Flood Management Plan and any future updates including estimated cost, design, permitting, and funding readiness, as well as benefits from the improvements.
- ~~• Should we add a recommendation about participating in small communities study or reference section 6 one. (don't create a new one if its redundant, just cross reference).~~

4. FINANCIAL ABILITY

Financial ability of agencies to provide services.

	YES	MAYBE	NO
a) Does the organization routinely engage in budgeting practices that may indicate poor financial management, such as overspending its revenues, failing to commission independent audits, or adopting its budget late?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Is the organization lacking adequate reserve to protect against unexpected events or upcoming significant costs?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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- | | | | |
|---|-------------------------------------|--------------------------|-------------------------------------|
| c) Is the organization's rate/fee schedule insufficient to fund an adequate level of service, and/or is the fee inconsistent with the schedules of similar service organizations? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| d) Is the organization unable to fund necessary infrastructure maintenance, replacement and/or any needed expansion? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| e) Is the organization lacking financial policies that ensure its continued financial accountability and stability? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| f) Is the organization's debt at an unmanageable level? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Discussion:

a) Budget:

The Snowball County Service Area #6 routinely adopts and operates an annual budget as part of the larger Yolo County budget process, which is approved by the Yolo County Board of Supervisors. The table below provides a summary of the budget trends for CSA #6's expenditures and revenues for the last five years. The 5-year budget trend analysis below indicates that CSA #6 is generally operating within its available resources (i.e. it is not overspending its revenue). Revenues and expenditures are stable from year to year and there is adequate reserve in the fund balance.

CSA #6 Operations Budget Summary (Fund 486/1920)					
	2011-12	2012-13	2013-14	2014-15	2015-16
Revenues:					
Total Taxes - Current	\$ 36,493.91	\$ 37,155.49	\$ 37,559.92	\$ 35,865.49	\$ 37,940.80
Total Taxes - Prior	\$ 5.79	\$ 8.94	\$ 8.34	\$ 3.77	\$ -
Total Revenue Use of Money and Property	\$ 1,190.59	\$ 626.26	\$ 734.14	\$ 735.07	\$ 2,486.49
Total Intergovernment Revenue - State	\$ 785.69	\$ 780.93	\$ 759.14	\$ 744.15	\$ 745.93
Total Intergovernment Revenue - Other	\$ 218.76	\$ 201.81	\$ 207.28	\$ 190.92	\$ 190.92
Total Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ -
Total Misc	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	\$ 38,694.74	\$ 38,773.43	\$ 39,268.82	\$ 37,539.40	\$ 41,364.14
Expenditures:					
Salaries and Benefits	\$ -	\$ -	\$ -	\$ -	\$ -
Services and Supplies	\$ 24,531.63	\$ 29,119.48	\$ 29,101.50	\$ 23,278.41	\$ 21,736.98
Total Other Charges	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Assets - Equipment & Structures	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	\$ 24,531.63	\$ 29,119.48	\$ 29,101.50	\$ 23,278.41	\$ 21,736.98
<i>Revenues Less Expenditures</i>	\$ 14,163.11	\$ 9,653.95	\$ 10,167.32	\$ 14,260.99	\$ 19,627.16
FUND BALANCE	\$ 211,060.36	\$ 220,714.31	\$ 230,881.63	\$ 245,142.62	\$ 264,769.78

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b-c) Revenue Sources:

100% of the CSA budget comes from their own assessments. Therefore, the agency's funding is stable and reliable. However, there is not adequate funding to maintain the CSA levees to an acceptable standard. There is significant vegetation that impacts access and visibility in the area. Additionally, there are erosion issues along a portion of the CSA #6 Sacramento River levee that are included as part of the Mid-Valley Project. This levee is integral to the system-wide performance of the Sacramento River Flood Control Project and provide direct protection to the town of Knights Landing. CSA #6 does not have funding to fix the erosion. According to County administrative staff, it is unlikely that a Proposition 218 election to increase the assessment would succeed. There are no additional fees for service.

d) Financial Policies:

CSA #6 is a part of the County of Yolo, and is governed by the Yolo County Board of Supervisors. As such, the CSA is subject to the financial policies that have been adopted by the County.

e-f) Infrastructure Maintenance and Replacement/Reserves:

There is not adequate funding to maintain CSA levees to an acceptable standard. There is vegetation that significantly impacts access and visibility on CSA #6 levees. There are erosion issues along a portion of the CSA #6 Sacramento River levee that are included as part of the Mid-Valley Project. The Project proposes to repair levees at 13 sites which have required flood fighting or experienced seepage and boils during previous flood events. These levees are integral to the system-wide performance of the Sacramento River Flood Control Project and provide direct protection to the town of Knights Landing, as well as to the towns of Verona and Nicolas and indirect flood protection to the cities of Sacramento and West Sacramento, and also protect 93,000 acres of farmland. CSA #6 does not have funding to fix the erosion.

g) Debt:

The CSA does not currently have any debt.

h) Post-Employment Liability:

CSA #6 does not have any post-employment liability because it is staffed by Yolo County employees.

Financial Ability MSR Determination

The CSA appears to be financially stable and operates within its financial means. However, there is not adequate funding to maintain the CSA levees to an acceptable standard. There is significant vegetation that impacts access and visibility in the area. Additionally, there are erosion issues along a portion of the CSA #6 Sacramento River levee that are included as part of the Mid-Valley Project. This levee is integral to the system-wide performance of the Sacramento River Flood Control Project and provides direct protection to the town of Knights Landing. CSA #6 does not have funding to fix the erosion. According to County administrative staff, it is unlikely that a Proposition 218 election to increase the assessment would succeed. The CSA is subject to the financial policies that have been adopted by the County.

Recommendations

- The District should work to identify funding for the improvements detailed in the 2014 Regional Flood Management Plan, fund ongoing operations and maintenance and build up a reserve.

5. SHARED SERVICES AND FACILITIES

Status of, and opportunities for, shared facilities.

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

Discussion:

a-b) CSA #6 does not currently share any services or facilities with other levee maintaining agencies, however, it shares Yolo County resources as a CSA. The CSA administration is functionally located within the County Administrator’s Office. Yolo County has received grant funding to prepare a Small Communities Flood Risk Reduction Feasibility Study for the Knights Landing Community, including CSA #6 (discussed in more detail in Section 6 of this report) to achieve a 100-year level of flood protection in order to preserve small community development opportunities. While the goal of the study is to evaluate alternatives to reduce flood risk, potential governance alternatives will be reviewed as part of the analysis, which could lead to staffing efficiencies and other operational efficiencies.

Shared Services MSR Determination

CSA #6 does not currently share any services or facilities with other levee maintaining agencies, however, it shares Yolo County resources as a CSA. The CSA administration is functionally located within the County Administrator’s Office. Yolo County has received grant funding to prepare a Small Communities Flood Risk Reduction Feasibility Study for the Knights Landing Community, including CSA #6 (discussed in more detail in Section 6 of this report) to achieve a 100-year level of flood protection in order to preserve small community development opportunities. While the goal of the study is to evaluate alternatives to reduce flood risk, potential governance alternatives will be reviewed as part of the analysis, which could lead to staffing efficiencies and other operational efficiencies

6. ACCOUNTABILITY, STRUCTURE AND EFFICIENCIES

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

	YES	MAYBE	NO
a) Are there any issues with meetings being accessible and well publicized? Any failures to comply with disclosure laws and the Brown Act?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Are there any issues with filling board vacancies and maintaining board members? Is there a lack of board member training regarding the organization's program requirements and financial management?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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c) Are there any issues with staff turnover or operational efficiencies? Is there a lack of staff member training regarding the organization's program requirements and financial management?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Are there any issues with independent audits being performed on a regular schedule? Are completed audits being provided to the State Controller's Office and County Director of Financial Services within 12 months of the end of the fiscal year(s) under examination? Are there any corrective action plans to follow up on?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Does the organization need to improve its public transparency via a website? [A website should contain at a minimum the following information: organization mission/description/boundary, board members, staff, meeting schedule/agendas/minutes, budget, revenue sources including fees for services (if applicable), and audit reports.]	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Are there any recommended changes to the organization's governance structure that will increase accountability and efficiency?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
g) Are there any opportunities to eliminate overlapping boundaries that confuse the public, cause service inefficiencies, unnecessarily increase the cost of infrastructure, exacerbate rate issues and/or undermine good planning practices?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Discussion:

a-b)The CSA does not have an advisory committee and budgets are adopted by the Yolo County Board of Supervisors. There are no issues with the board meetings being accessible and posted in accordance with the Brown Act. The Board of Supervisors meets on various Tuesdays in Room 206 of the County Administration Building, where they make decisions regarding the CSA during their regular meeting agendas. The Board is in compliance with public meeting regulations, and all meeting materials (including agendas, minutes, and video recordings) can be accessed on the County's website.

c) The CSA is governed by the Yolo County Board of Supervisors with services coordinated through the CSA administrative support team. Therefore, there do not appear to be issues with staff turnover or other operational efficiencies.

d-e)CSA #6 is part of the County of Yolo, and is therefore subject to the same financial regulations and practices of the County. The Board of Supervisors routinely adopts a budget for the CSA as part of their annual budget process, the County Auditor-Controller provides financial reports at the close of each FY, and the County also commissions an independent audit each year. The information is all publically available on the County Auditor-Controller website. The CSA #6 website also includes the CSA quarterly financial report and the current FY budget. CSA files are stored at County administration offices and maintained by County staff.

f-g) Central Valley Flood Protection Plan Context

Flood management in the Central Valley is affected by a complex framework of public agencies (over 300 in the Sacramento Basin and over 200 in the San Joaquin Basin). At the local level, governance is complicated by multiple small levee maintaining agencies (LMAs) with limited resources, including staff, revenues, and authorities. Flood management in Yolo County along the Sacramento River System is currently carried out by fifteen (15) separate local agencies including: twelve (12) reclamation districts (RDs); one (1) drainage district; one (1) levee district; and one (1) county service area. In addition, the California Department of Water Resources (DWR) has one Maintenance Area (MA #4) in the West

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Sacramento Basin and also maintains the Bypass and the Cache Creek levee system with the exception of the Huff's Corner reach, which is maintained by the County. The United States Army Corps of Engineers (USACE) also maintains the Navigation Levee constructed in association with the Deep Water Ship Channel.

Enhanced regional governance can empower groups of local agencies to more effectively pool and leverage funding and resources, enhance collaboration and coordination, coordinate political advocacy, and create shared ownership of the flood system. Regional planning and project implementation is greatly improved through enhanced regional governance. Regional governance not only improves collaboration among local agencies within a region, but also facilitates more effective partnering with State and federal governments, greatly helping to define and achieve a shared regional vision.

Strong regional governance and shared understanding of roles and responsibilities will support a shift toward system-scale, long-term, outcome-driven resource management that balances a broad array of public values and priorities. Dialogues should be fostered within a structured, transparent process that includes schedules, actionable recommendations, and stakeholder engagement.²

In an effort to improve statewide flood management, the State Department of Water Resources (DWR) funded a locally led Regional Flood Management Plan process in six Central Valley regions. The intent of the effort includes establishing a common vision among regional partners, articulating local and regional flood management needs and priorities, describing regional financing strategies, and establishing improved regional governance for implementation.

Through interaction with these regional groups, State DWR has advanced the idea of LMA consolidation. This concept, which arose in the aftermath of the Hurricane Katrina disaster, is founded on the belief that it would be more efficient for existing LMAs to voluntarily collaborate, enabling them to "speak with one voice" (e.g. on matters affecting multiple LMAs whose levees protect the same hydrologic basin), perform consistent O&M, and increase emergency response capabilities.³

Yolo County Flood Governance Study Recommendations

DWR funded the Yolo County Flood Governance Study, dated August 2014 prepared by the UC Davis Collaboration Center. The study recommends that each of the five "basins" develop their own version of coordinated governance: 1) Knights Landing; 2) Elkhorn; 3) Woodland; 4) West Sacramento; and 5) Clarksburg. 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.

The 2014 Yolo County Flood Governance Study, which was prepared for the Lower Sacramento/Delta North Region and funded by the Department of Water Resources, recommended a combination of the "regional communication and collaboration network" (Alternative 2) and a "hydrologic basin" approach (Alternative 3) would be desirable and useful. The Study found that while reclamation districts are best suited to conduct routine O&M and on-site emergency response, some flood management activities would be better accomplished at the regional level. 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.

LAFCo recommends that 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 a risk due to inconsistent maintenance or flood fight 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

² Central Valley Flood Protection Plan 2017 Update, page 3-46

³ Yolo County Flood Governance Study 2017, page 60

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achieve equal service standards, consistent maintenance standards (which may require consistent fee/assessment structures), and improved coordination during flood events. Because each hydrologic basin is unique, a discussion specific to each individual basin is provided below.

Knights Landing Basin

For the Knights Landing Hydrologic Basin, the 2014 Flood Governance Study found that the Knights Landing basin is functioning well in many ways. RD 108 is a large reclamation district that already holds several inter-agency contracts and maintains much of the levee system in the North County area (specifically Knights Landing Ridge Drainage District and the Sacramento River Westside Levee District). The Study recommended that these contracted agreements be formalized into several MOUs to strengthen and institutionalize the already existing coordination process. The Study also suggested that the Districts could enter into a JPA, but that may be an unnecessary layer of government. RD 787 is a well-functioning agency that maintains a 4.5-mile section of levee on the left bank of the Colusa Basin Drain. RD 730 does not maintain any levees and its sole purpose is to pump surface drainage into the Knights Landing Ridge Cut. The remaining governance challenge in the area is CSA#6, which is responsible for maintaining a 5.8-mile section of levee along the right bank of the Sacramento River. The District is underfunded and it is unlikely that a Proposition 218 election to increase the assessment would succeed. While it may be logical that RD 108 provide services to CSA#6 as it does for other districts already, contracting is not possible without adequate funding. The Study suggested that some type of incentive is needed to motivate resolution for CSA#6.

As discussed previously, the small community of Knights Landing is located at the confluence of the Knights Landing Ridge Cut, the Colusa Basin Drain, and the Sacramento River. The community is surrounded on three sides by levees and/or high ground. Small communities like Knights Landing that are protected by a large levee system struggle to afford the necessary improvements to meet Federal Emergency Management Agency (FEMA) 100-year certification requirements. The town of Knights Landing has restrictions on development and rebuilding, as it has been remapped in the FEMA 100-year floodplain. FEMA is also in the process of increasing flood insurance premiums in response to changes in law that govern the National Flood Insurance Program. These two issues have led to increases in flood insurance premiums that are likely to continue to grow into the future and may become cost prohibitive for some residents. One of the primary goals of the Central Valley Flood Protection Plan (CVFPP) and the Lower Sacramento Delta North (LSDN) Regional Flood Management Plan (RFMP) is to manage flood risk in small communities, such as Knights Landing, with the goal of providing 100-year protection where feasible. This is intended to preserve the community and sustain the agricultural economy without encouraging urban development. However, a solution for Knights Landing has not been determined.

As part of the CVFPP, the Department of Water Resources (DWR) created the Small Communities Flood Risk Reduction program to help small communities achieve 100-year protection, where feasible. The Small Communities Program is a cost-share funding program that provides local assistance to communities with 200 to 10,000 residents that are protected by the State Plan of Flood Control (SPFC). In 2015, DWR awarded Yolo County \$1,500,000 for feasibility studies for Knights Landing, Yolo, and Clarksburg. Yolo County selected MBK engineers as the County's consultant to prepare the Small Communities Flood Risk Reduction Feasibility Studies. Funding for design and construction will be awarded in subsequent phases.

The Knights Landing feasibility study will develop an array of alternatives consisting of both structural and nonstructural measures. The team will formulate structural solutions that include improvements to existing levees to meet 100-year requirements as well as other alternatives such as a cross or ring levee. The study will take into consideration the recommendations of the Agricultural Floodplain Ordinance Task Force (AFOTF) that proposes modifying the FEMA policy that would promote a sustainable agricultural economy in the floodplain. The non-structural alternatives that will be considered are:

- changes to the National Flood Insurance Program,
- a levee relief cut plan,
- an emergency flood fight plan,

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- a flood evacuation plan,
- a flood evacuation warning system,
- a voluntary structure elevation and floodproofing program, and
- use of agricultural conservation easements purchased from willing sellers.

The RFMP estimate of the structural improvements varies from approximately \$32,800,000 to \$185,000,000.

Work is anticipated to begin on the Knights Landing Small Communities Feasibility Study in early 2018 and be completed in late 2019. While the goal of the study is to evaluate alternatives to reduce flood risk, potential governance alternatives including improved coordination and/or consolidation of district maintenance and flood fight response will be discussed with the community and districts as part of the analysis. The districts should actively participate in the Feasibility Study process for the Knights Landing Basin and seek to build consensus on an alternative to achieve the goal of a common levee maintenance practice and levee flood fight capabilities in the most cost efficient manner for the benefit of the residents and property owners in the basin.

Accountability, Structure and Efficiencies MSR Determination

The CSA holds publicly accessible meetings as needed that are well publicized in accordance with the Brown Act. The CSA adopts annual budgets and completes annual audits as part of the county wide financial management policies.

RD 108 already maintains much of the levee system in the North County area (specifically for the Knights Landing Ridge Drainage District and the Sacramento River Westside Levee District). RD 787 is a well-functioning agency and maintains a 4.5-mile section of levee of the left bank of the Colusa Basin Drain. RD 730 does not maintain any levees and its sole purpose is to pump surface drainage into the Knights Landing Ridge Cut. For the Knights Landing Hydrologic Basin, while the basin functions well in many ways the remaining governance challenge in the area is CSA#6, which is responsible for maintaining a 5.8-mile section of levee along the right bank of the Sacramento River. The 2014 Flood Governance Study suggested that some type of incentive is necessary to motivate the districts toward a local cooperative solution.

In 2015, DWR awarded Yolo County \$1,500,000 for feasibility studies for Knights Landing, Yolo, and Clarksburg and a consultant was selected to prepare the Small Communities Flood Risk Reduction Feasibility Studies. Work will begin on the Knights Landing Small Communities Feasibility Study in 2018 with a potential completion date by late 2019. While the goal of the study is to evaluate alternatives to reduce flood risk, potential governance alternatives will be reviewed as part of the analysis. This more detailed technical analysis for the Knights Landing Basin will inform how best to achieve the governance goals for the basin. The districts should actively participate in the Feasibility Study process for the Knights Landing Basin and implement any future recommendations from the Study.

Recommendations

- The Knights Landing Basin districts and local maintaining agencies should actively participate in the Small Communities Feasibility Study process for the Knights Landing Basin and implement any future recommendations from the Study. The Study should address and make a recommendation on governance to achieve the goal of providing a consistent level of maintenance and flood response across the Knights Landing Basin and have the districts function as one entity.

7. OTHER ISSUES

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

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

Discussion:

a) LAFCo is not aware of any other service delivery issues not already addressed in the MSR.

Other Issues MSR Determination

LAFCo is not aware of any other service delivery issues not already addressed in the MSR.

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.

SPHERE OF INFLUENCE MAP(S)

The District sphere of influence (SOI) is coterminous with its existing boundary.

RECLAMATION DISTRICT 2035: CONAWAY

Agency Profile

Formed in 1919, Reclamation District (RD) 2035 provides levee maintenance for 12.1 miles of levee and operates and maintains agricultural water delivery systems and drainage facilities, protecting 20,500 acres of owned land. Conaway Ranch owns the majority of this land (86%), and the Cities of Davis and Woodland own 430 acres in the Yolo Bypass. District levees include the 2.01 miles of the right bank (relative to the view downstream) of the Cache Creek settling basin, 7.63 miles of the right bank of the Yolo Bypass, and 2.52 miles of the Willow Slough 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. Current levee O&M is evaluated at the minimally acceptable level by the Department of Water Resources (DWR). RD 2035 participates as a members of the Water Resources Association of Yolo County (WRA), the Integrated Regional Water Management Plan (IRWMP), and the Westside Committee for the Regional Flood Management Plan. The annual budget for 2015/16 was approximately \$21 million dollars, which is generated from their assessment, enterprise water delivery, and state and federal funding. 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 appropriate 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.

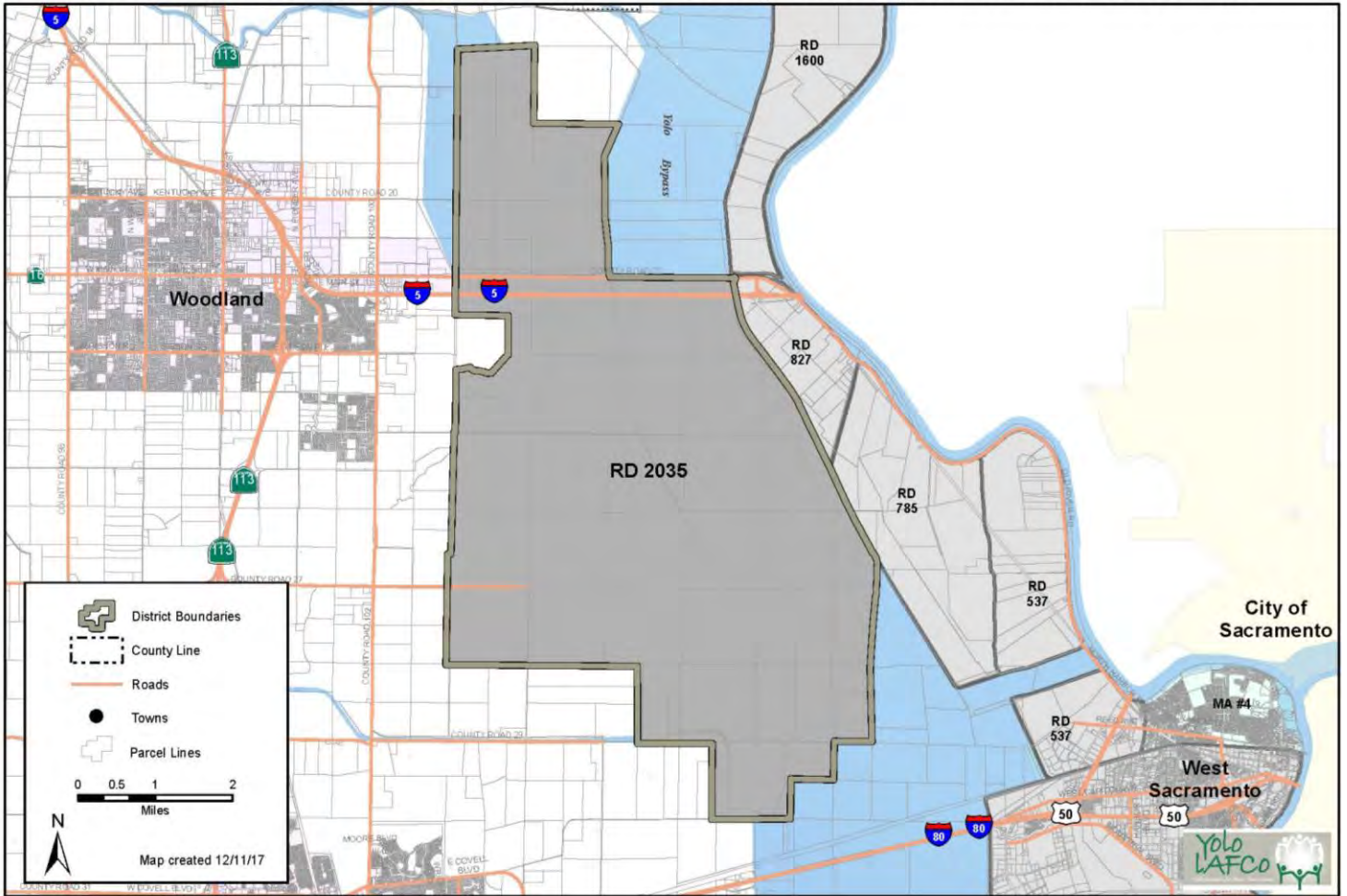
The District has two full time employees, an Accounting Manager and one Laborer. The General Manager (GM) is employed by Conaway Preservation Group (largest landowner) and is the acting GM for the District. The District contracts out for levee and ditch maintenance, legal services, and engineering services.

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

Name of Member	Title	Term Expiration	Compensation
Angelo Christi	Trustee	2021	\$0
Robert Thomas	Trustee	2021	\$0
Robert Baker	Trustee	2019	\$0

Meetings are held approximately four times per year at the District office located at 45332 County Road 25, Woodland, CA 95776. The District gives the public notice of meetings through posting at meeting location.

Figure 1. RD 2035 Boundary and Existing Sphere of Influence
Reclamation District 2035 Boundary and Sphere of Influence*



* Note: Sphere of Influence is coterminous with boundary

Boundary approved in 1909

Figure 2. Reclamation District 2035 Levee Units



Department of Water Resources. "SACRAMENTO SYSTEM: Levee District No. 2035 Conway." Map. Scale not given. "Appendix A - Sacramento River Individual Agency Summary Reports," A-156. (2016). Web. 18 Sep. 2017.

Potentially Significant MSR Determinations

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

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

1. GROWTH AND POPULATION

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

Discussion:

a-c) The State Department of Finance population projections¹ indicate that Yolo County had an estimated population in the unincorporated area of 26,995 as of January 1, 2015 and 28,419 as of January 1, 2016, a 5.3 percent overall increase. There is no significant development anticipated in the District that would result in a negative impact to the agency’s ability to provide services.

Growth and Population MSR Determination

There is no significant development anticipated in the District that would result in a negative impact to the agency’s ability to provide services.

¹ E-1 Population Estimates for Cities, Counties, and the State January 1, 2015 and 2016

2. DISADVANTAGED UNINCORPORATED COMMUNITIES

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

	YES	MAYBE	NO
a) Does the subject agency provide public services related to sewers, municipal and industrial water, or structural fire protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Are there any "inhabited unincorporated communities" (per adopted Commission policy) within or adjacent to the subject agency's sphere of influence that are considered "disadvantaged" (80% or less of the statewide median household income)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) If "yes" to both a) and b), it is feasible for the agency to be reorganized such that it can extend service to the disadvantaged unincorporated community (if "no" to either a) or b), this question may be skipped)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Discussion:

a-c) The subject agency does not provide public services related to municipal water, sewer or structural fire protection and therefore, the provisions of Senate Bill (SB) 244 do not apply to this MSR. Additionally, there are no Disadvantaged Unincorporated Communities (DUCs) within or contiguous to the District.

Disadvantaged Unincorporated Communities MSR Determination

The subject agency does not provide public services related to municipal water, sewer or structural fire protection and therefore, the provisions of SB 244 do not apply to this MSR. In addition, there are no Disadvantaged Unincorporated Communities (DUCs) within or contiguous to the District.

3. CAPACITY AND ADEQUACY OF PUBLIC FACILITIES AND SERVICES

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

	YES	MAYBE	NO
a) Are there any deficiencies in agency capacity to meet service needs of existing development within its existing territory?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Are there any issues regarding the agency's capacity to meet the service demand of reasonably foreseeable future growth?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Are there any concerns regarding public services provided by the agency being considered adequate?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY
WOODLAND/CONAWAY HYDROLOGIC BASIN**

- | | | | |
|---|--------------------------|-------------------------------------|-------------------------------------|
| d) Are there any significant infrastructure needs or deficiencies to be addressed? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| e) Are there changes in state regulations on the horizon that will require significant facility and/or infrastructure upgrades? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| f) Are there any service needs or deficiencies for disadvantaged unincorporated communities related to sewers, municipal and industrial water, and structural fire protection within or contiguous to the agency's sphere of influence? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Discussion:

a-d) The 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. The Fall 2016 DWR Inspection Report gave the LMA an overall rating of "Minimally Acceptable."

Local Maintaining Agency	Overall Rating					Total Levee Miles
	<i>A=Acceptable; M=Minimally Acceptable; U=Unacceptable</i>					
	2012	2013	2014	2015	2016	
RD 2035	M	M	M	M	M	12.15

Source: California Department of Water Resources

According to the DWR report, there is erosion in the area that should be monitored. The District should focus on repairing erosion sites. The District provided a summary of expenses and maintenance activities for all levee units. Expenses include costs of slope dragging, rodent baiting and trapping, and vegetation control. The reported total estimated cost for the current fiscal year is \$130,000. The levee sections damaged from this year's high water events including the waterside erosion are being addressed by the U.S. Army Corps of Engineers. Sites 1 through 7 have been repaired this year and site 8 (landside slip) and site 9 (water side toe erosion) will be addressed next year. Contingency plans are being developed, in coordination with the Department of Water Resources, for the sites that will not be repaired this year.

The Regional Flood Management Plan (RFMP) also details some specific levee problems in the District and summarizes the improvements, including estimated cost, design, permitting, and funding readiness, as well as benefits from the improvements. According to the RFMP, RD 2035's primary issues are related to maintenance activities like vegetation and rodent control, seepage control, bank protection/erosion control, access road maintenance, and encroachment repairs and modifications. The Willow Slough Bypass Stability Project would correct a serious stability issue in RD 2035 with a total length of 100 feet. The cost is estimated at \$58,013 and local funding has not been identified.

e) Senate Bill (SB) 5, the Central Valley Flood Protection Act, required the development of the Central Valley Flood Protection Plan (CVFPP) by mid-2012. The plan, authored by DWR and approved by the Central Valley Flood Protection Board (CVFPB), establishes a system-wide approach to improving State Plan of Flood Control (SPFC) facilities, and recommends both structural and governance methods of improving flood risk reduction and vulnerability. The California Department of Water Resources adopted the CVFPP in 2012. A five-year update was adopted in 2017. The CVFPP requires 200-year flood protection for all urban and urbanizing areas within the flood zone by 2025. The District is not located in an urban or urbanizing area so the 200-year standard is not required for district levees.

- f) There are no Disadvantaged Unincorporated Communities (DUCs) within or contiguous to the District's sphere of influence and the subject agency does not provide public services related to municipal water, sewer or structural fire protection.

Capacity and Adequacy of Public Facilities and Services MSR Determination

The District has ample capacity to meet service needs for the foreseeable future and its services appear to be adequate. The 2016 Department of Water Resources identified some erosion issues, but its rating concludes that the segment/system would perform as intended in a future flood event. The District provided a summary of expenses and maintenance activities for all levee units. Expenses include costs of slope dragging, rodent baiting and trapping, and vegetation control. The reported total estimated cost for the current fiscal year is \$130,000. The Willow Slough Bypass Stability Project would correct a serious stability issue in RD 2035 with a total length of 100 feet. The cost is estimated at \$58,013 and local funding has not been identified. The District has the resources to fund planned improvements. No changes in state law are anticipated that will require costly facility upgrades.

Recommendations

- The District should work to repair erosion sites, as detailed in the 2016 Department of Water Resources Inspection Report.
- The District should work to identify funding and complete the improvements detailed in the 2014 Regional Flood Management Plan and any future updates including the Willow Slough Bypass Stability Project.

4. FINANCIAL ABILITY

Financial ability of agencies to provide services.

	YES	MAYBE	NO
a) Does the organization engage in budgeting practices that may indicate poor financial management, such as overspending its revenues, using up its fund balance or reserve over time, or adopting its budget late?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Is there an issue with the organization's revenue sources being reliable? For example, is a large percentage of revenue coming from grants or one-time/short-term sources?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Is the organization's rate/fee schedule insufficient to fund an adequate level of service, and/or is the fee inconsistent with the schedules of similar service organizations?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Is the organization in need of written financial policies that ensure its continued financial accountability and stability?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Is the organization unable to fund necessary infrastructure maintenance, replacement and/or any needed expansion?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Is the organization needing additional reserve to protect against unexpected events or upcoming significant costs?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY
WOODLAND/CONAWAY HYDROLOGIC BASIN**

- g) Is the organization's debt at an unmanageable level?
-
- h) Does the agency have pension and/or other post-employment benefit (OPEB) liability? If so, what is it the liability and are there any concerns that it is unmanageable?
-

Reclamation District 2035 Operations Budget Summary (Combined Funds)					
	2011-12	2012-13	2013-14	2014-15	2015-16
Revenues:					
Total Taxes - Current	\$ -	\$ -	\$ -	\$ -	\$ -
Total Taxes - Prior	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, Permits & Franchises	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue Use of Money and Property	\$ 3,291.39	\$ 1,127.23	\$ 1,532.64	\$ 10,843.28	\$ 42,886.12
Total Intergovernment Revenue - State	\$ -	\$ -	\$ -	\$ -	\$ -
Total Intergovernment Revenue - Other	\$ -	\$ -	\$ -	\$ -	\$ -
Total Charges for Services	\$ 2,971.73	\$ 2,057.59	\$ 5,770.27	\$ -	\$ -
Total Misc	\$ 2,557,405.53	\$ 3,017,750.70	\$ 3,896,631.77	\$ 31,738,896.88	\$ 20,559,243.72
TOTAL REVENUES	\$ 2,563,668.65	\$ 3,020,935.52	\$ 3,903,934.68	\$ 31,749,740.16	\$ 20,602,129.84
Expenditures:					
Salaries and Benefits	\$ -	\$ -	\$ -	\$ -	\$ -
Services and Supplies	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Charges	\$ 2,486,499.48	\$ 2,801,203.09	\$ 4,108,812.55	\$ 29,335,446.48	\$ 21,356,219.38
Capital Assets - Equipment & Structures	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	\$ 2,486,499.48	\$ 2,801,203.09	\$ 4,108,812.55	\$ 29,335,446.48	\$ 21,356,219.38
<i>Revenues Less Expenditures</i>	<i>\$ 77,169.17</i>	<i>\$ 219,732.43</i>	<i>\$ (204,877.87)</i>	<i>\$ 2,414,293.68</i>	<i>\$ (754,089.54)</i>
FUND BALANCE	\$ 293,012.79	\$ 512,745.22	\$ 307,867.35	\$ 2,722,161.03	\$ 1,968,071.49

Discussion:

a) Budget:

The District's 5-year budget trend analysis above indicates that the District is generally operating within its available resources (i.e. it is not overspending its revenue). The annual budget for levee maintenance and water delivery in 2015/16 was approximately \$1.9 million dollars, which is generated from their assessment as well as from enterprise water delivery. The District's budget includes funding from the Department of Water Resources for the construction of the Joint Intake and Fish Screen Project, a \$44-million intake facility on the Sacramento River that provides water to irrigate approximately 15,000 acres of crops and serve the residents of cities of Davis and Woodland, as well as the campus of the University of California, Davis. In fiscal years 13/14 and 15/16, the District overspent its revenue due to construction of the Project; however, it is clear from the financial information that there were sufficient funds to accommodate the overage. The Reclamation District is independently audited annually in accordance with auditing standards generally accepted in the United States. The chart above also shows the District appears to have sufficient reserves to cover unexpected events or upcoming significant costs.

b-c) Revenue Sources:

The District budget comes from their own assessment as well as revenues from enterprise water delivery. Therefore, the agency's funding is stable and reliable. There are no additional fees for service.

d) Financial Policies:

The District has adopted policies and follows state law and reclamation law. The District has a Policy Handbook which includes personnel issues, operating procedures, fraud prevention, financial and fiscal procedures, etc.

e-f) Infrastructure Maintenance and Replacement/Reserves:

The District provided a summary to the Department of Water Resources of expenses and maintenance activities for all levee units. Expenses include costs of slope dragging, rodent baiting and trapping, and vegetation control. The reported total estimated cost for the current fiscal year is \$130,000. According to the Regional Flood Management Plan (RFMP), RD 2035's primary issues are related to maintenance activities like vegetation and rodent control, seepage control, bank protection/erosion control, access road maintenance, and encroachment repairs and modifications. The Willow Slough Bypass Stability Project would correct a serious stability issue in RD 2035 with a total length of 100 feet. The cost is estimated at \$58,013 and the RFMP indicates that a local funding has not been identified. However, the District appears to have adequate reserves.

g) Debt:

The District does not have any debt.

i) Post-Employment Liability:

The District does not have any post-employment liability.

Financial Ability MSR Determination

The District appears to generally operate within its financial means and appears to have adequate reserve to provide necessary maintenance. According to the Regional Flood Management Plan, local funding has not been identified for the Willow Slough Stability Project.- The District has adopted financial policies which includes personnel issues, operating procedures, fraud prevention, financial and fiscal procedures, etc.

5. SHARED SERVICES AND FACILITIES

Status of, and opportunities for, shared facilities.

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

Discussion:

a-b)The District does not currently share any services of facilities with other districts. LAFCo is not aware of any opportunities for shared services that might improve staffing or other operational efficiencies to reduce costs.

Shared Services MSR Determination

The District does not currently share any services or facilities with other Districts. LAFCo is not aware of any opportunities for shared services that might improve staffing or other operational efficiencies to reduce costs.

6. ACCOUNTABILITY, STRUCTURE AND EFFICIENCIES

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

	YES	MAYBE	NO
a) Are there any issues with meetings being accessible and well publicized? Any failures to comply with disclosure laws and the Brown Act?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Are there any issues with filling board vacancies and maintaining board members? Is there a lack of board member training regarding the organization's program requirements and financial management?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Are there any issues with staff turnover or operational efficiencies? Is there a lack of staff member training regarding the organization's program requirements and financial management?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Are there any issues with independent audits being performed on a regular schedule? Are completed audits being provided to the State Controller's Office and County Director of Financial Services within 12 months of the end of the fiscal year(s) under examination? Are there any corrective action plans to follow up on?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Does the organization need to improve its public transparency via a website? [A website should contain at a minimum the following information: organization mission/description/boundary, board members, staff, meeting schedule/agendas/minutes, budget, revenue sources including fees for services (if applicable), and audit reports?]	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Are there any recommended changes to the organization's governance structure that will increase accountability and efficiency?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g) Are there any opportunities to eliminate overlapping boundaries that confuse the public, cause service inefficiencies, unnecessarily increase the cost of infrastructure, exacerbate rate issues and/or undermine good planning practices?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Discussion:

- a) There are no issues with the board meetings being accessible and posted in accordance with the Brown Act. Meetings are held approximately four times per year at the District office located at 45332 County

Road 25, Woodland, CA 95776. The District gives the public notice of meetings through posting at meeting location.

- b) All of the board seats are currently filled, therefore, there do not appear to be chronic issues with filling board vacancies and maintaining board members.
- c) There do not appear to be issues with staff turnover or other operational efficiencies. The District has two full time employees, an Accounting Manager and one Laborer. The General Manager (GM) is employed by Conaway Preservation Group (largest landowner) and is the acting GM for the District. The District contracts out for some levee and ditch maintenance, all legal services, and engineering services.
- d) The Reclamation District is independently audited annually in accordance with auditing standards generally accepted in the United States. Audits are performed annually by Richardson & Company LLP. Audits are current through fiscal year 2016. The District's 2017 audit is currently in process.
- e) Regarding public accessibility of District records, the District does not have a website, so public access to District information is not easily accessible. The District should consider even a minimal website to provide information to the public regarding board members, meetings, financial information, audits, etc. District files are stored at the District office and maintained by District staff.

f-g) Central Valley Flood Protection Plan Context

Flood management in the Central Valley is affected by a complex framework of public agencies (over 300 in the Sacramento Basin and over 200 in the San Joaquin Basin). At the local level, governance is complicated by multiple small levee maintaining agencies (LMAs) with limited resources, including staff, revenues, and authorities. Flood management in Yolo County along the Sacramento River System is currently carried out by fifteen (15) separate local agencies including: twelve (12) reclamation districts (RDs); one (1) drainage district; one (1) levee district; and one (1) county service area. In addition, the California Department of Water Resources (DWR) has one Maintenance Area (MA #4) in the West Sacramento Basin and also maintains the Bypass and the Cache Creek levee system with the exception of the Huff's Corner reach, which is maintained by the County. The United States Army Corps of Engineers (USACE) also maintains the Navigation Levee constructed in association with the Deep Water Ship Channel.

Enhanced regional governance can empower groups of local agencies to more effectively pool and leverage funding and resources, enhance collaboration and coordination, coordinate political advocacy, and create shared ownership of the flood system. Regional planning and project implementation is greatly improved through enhanced regional governance. Regional governance not only improves collaboration among local agencies within a region, but also facilitates more effective partnering with State and federal governments, greatly helping to define and achieve a shared regional vision.

Strong regional governance and shared understanding of roles and responsibilities will support a shift toward system-scale, long-term, outcome-driven resource management that balances a broad array of public values and priorities. Dialogues should be fostered within a structured, transparent process that includes schedules, actionable recommendations, and stakeholder engagement.²

In an effort to improve statewide flood management, the State Department of Water Resources (DWR) funded a locally led Regional Flood Management Plan process in six Central Valley regions. The intent of the effort includes establishing a common vision among regional partners, articulating local and regional flood management needs and priorities, describing regional financing strategies, and establishing improved regional governance for implementation.

Through interaction with these regional groups, State DWR has advanced the idea of LMA consolidation. This concept, which arose in the aftermath of the Hurricane Katrina disaster, is founded

² Central Valley Flood Protection Plan 2017 Update, page 3-46

on the belief that it would be more efficient for existing LMAs to voluntarily collaborate, enabling them to “speak with one voice” (e.g. on matters affecting multiple LMAs whose levees protect the same hydrologic basin), perform consistent O&M, and increase emergency response capabilities.³

Yolo County Flood Governance Study Recommendations

DWR funded the Yolo County Flood Governance Study, dated August 2014 prepared by the UC Davis Collaboration Center. The study recommends that each of the five “basins” develop their own version of coordinated governance: 1) Knights Landing; 2) Elkhorn; 3) Woodland; 4) West Sacramento; and 5) Clarksburg. 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.

The 2014 Yolo County Flood Governance Study, which was prepared for the Lower Sacramento/Delta North Region and funded by the Department of Water Resources, recommended a combination of the “regional communication and collaboration network” (Alternative 2) and a “hydrologic basin” approach (Alternative 3) would be desirable and useful. The Study found that while reclamation districts are best suited to conduct routine O&M and on-site emergency response, some flood management activities would be better accomplished at the regional level. 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.

LAFCo recommends that 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 a risk due to inconsistent maintenance or flood fight 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. Because each hydrologic basin is unique, a discussion specific to each individual basin is provided below.

Woodland/Conaway Basin

For the Woodland/Conaway Basin, the 2014 Governance Study did not have any specific recommendations for RD 2035. The Study indicated that RD 2035 is central to the discussions around expansion and improvement of the Yolo Bypass and that it is critical that they continue to be involved with the regional dialogue.

RD 2035 is technically its own, separate hydrologic basin and its boundaries do not overlap with any other local maintaining agencies. There are no recommended changes to the District’s governance structure.

Accountability, Structure and Efficiencies MSR Determination

There are no issues with meetings being accessible and publicized in accordance with the Brown Act. The District does not maintain a website and should look to create even a minimal one for public transparency purposes.

For the Woodland/Conaway Basin, the 2014 Governance Study did not have any specific recommendations for RD 2035. The Study indicated that RD 2035 is central to the discussions around expansion and improvement of the Yolo Bypass and that it is critical that they continue to be involved with the regional dialogue.

RD 2035 is technically its own, separate hydrologic basin and its boundaries do not overlap with any other local maintaining agencies. There are no recommended changes to the District’s governance structure.

³ Yolo County Flood Governance Study 2017, page 60

Recommendations

- The District board should consider creating a website for the District for public transparency purposes. For a special district with an annual budget less between \$1,000,000 - \$5,000,000 per year, the California Special Districts Association offers a website template through getstreamline.com for \$200 per month (if CSDA member, \$300 per month if not). This fee includes unlimited technical support and hosting services.
- RD 2035 is central to the discussions around expansion and improvement of the Yolo Bypass and the District should ~~it is critical that continue to~~ continue to be involved with the regional dialogue.

7. OTHER ISSUES

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

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

Discussion:

a) LAFCo is not aware of any other service delivery issues not already addressed in the MSR.

Other Issues MSR Determination

LAFCo is not aware of any other service delivery issues not already addressed in the MSR.

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.

SPHERE OF INFLUENCE MAP(S)

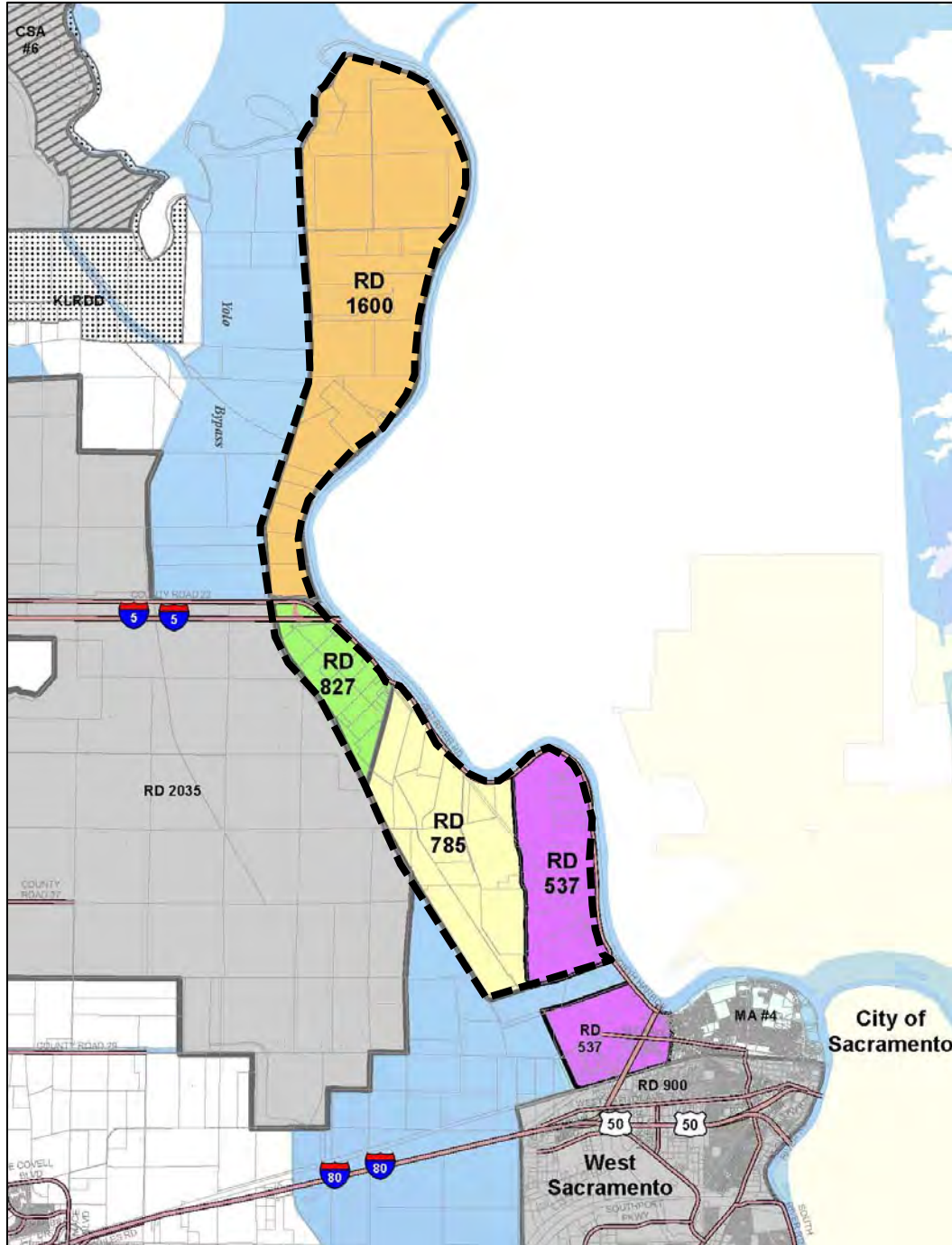
The District sphere of influence (SOI) is coterminous with its existing boundary.

Elkhorn Hydrologic Basin

Levee operations and maintenance in the Elkhorn Basin is currently carried out by four separate local maintaining agencies (LMAS):

- Reclamation District 537: Lovdal
- Reclamation District 785: Driver
- Reclamation District 827: Elkhorn
- Reclamation District 1600: Mull

Figure 1. Elkhorn Hydrologic Basin



RECLAMATION DISTRICT 1600: MULL

Agency Profile

Formed in 1914, Reclamation District 1600 provides drainage and levee maintenance for 14.2 miles of levee, protecting 6,924 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 827 to the south. Current levee O&M is evaluated at the unacceptable level by the Department of Water Resources (DWR). RD 537 participates as members of the California Central Valley Flood Control Association (CCVFCA) and the Westside Committee for the Regional Flood Management Plan. The annual budget for 2015/16 was \$133,000 generated from their assessment. There are currently eight landowners in the district.

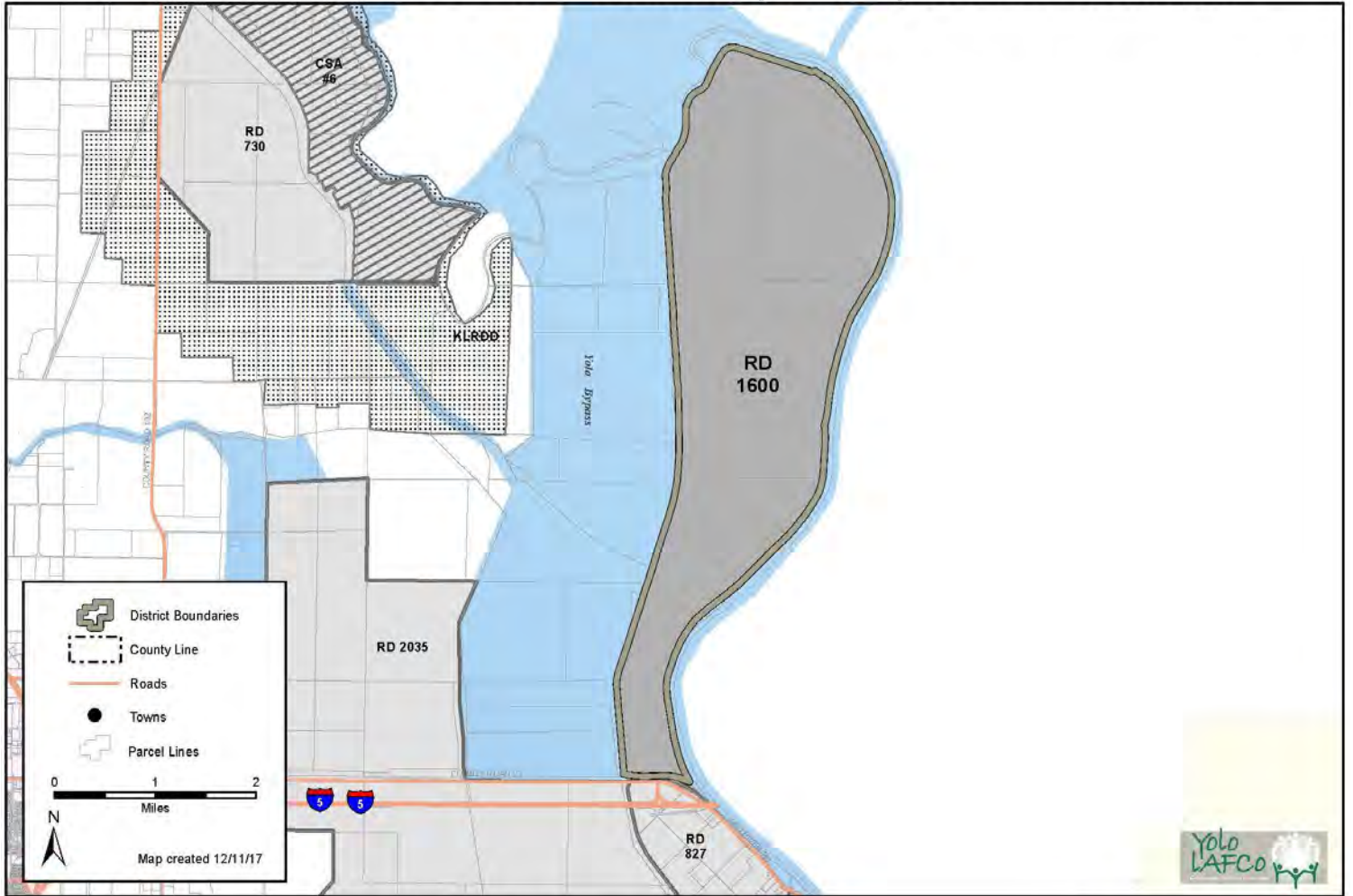
The District has no full time staff or equipment. Maintenance actions are accomplished by contracts arranged by a part time manager based on decisions made by the Board of Directors. RD 1600 has one pump station which requires occasional maintenance and power for operation.

Reclamation District 1600 is an independent special district with a three-member board of trustees.

Name of Member	Title	Term Expiration	Compensation
Kent Lang	President	2019	none
Dominic Bruno	Trustee	2017	none
Michele M. Clark	Trustee	2019	none

The District meets quarterly (January, April, July, and October - time varies) at 429 First Street, Woodland, CA 95695. The District gives the public notice of meetings through posting at meeting location at their Legal Council's office.

Figure 1. RD 1600 Boundary and Existing Sphere of Influence
Reclamation District 1600 Boundary and Sphere of Influence*



* Note: Sphere of Influence is coterminous with boundary

Boundary approved in 1914

Figure 2. Reclamation District 1600



Department of Water Resources. "SACRAMENTO SYSTEM: Levee District No. 1600 Mull." Map. Scale not given. "Appendix A - Sacramento River Individual Agency Summary Reports," A-42. (2016). Web. 18 Sep. 2017.

Potentially Significant MSR Determinations

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

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

1. GROWTH AND POPULATION

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

Discussion:

a-c) The State Department of Finance population projections¹ indicate that Yolo County had an estimated population in the unincorporated area of 26,995 as of January 1, 2015 and 28,419 as of January 1, 2016, a 5.3 percent overall increase. There is no significant development anticipated in the District that would result in a negative impact to the agency’s ability to provide services.

Growth and Population MSR Determination

There is no significant development anticipated in the District that would result in a negative impact to the agency’s ability to provide services.

¹ E-1 Population Estimates for Cities, Counties, and the State January 1, 2015 and 2016

2. DISADVANTAGED UNINCORPORATED COMMUNITIES

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

	YES	MAYBE	NO
a) Does the subject agency provide public services related to sewers, municipal and industrial water, or structural fire protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Are there any "inhabited unincorporated communities" (per adopted Commission policy) within or adjacent to the subject agency's sphere of influence that are considered "disadvantaged" (80% or less of the statewide median household income)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) If "yes" to both a) and b), it is feasible for the agency to be reorganized such that it can extend service to the disadvantaged unincorporated community (if "no" to either a) or b), this question may be skipped)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Discussion:

a-c) The subject agency does not provide public services related to water, sewer or structural fire protection and therefore, the provisions of Senate Bill (SB) 244 do not apply to this MSR. Additionally, there are no Disadvantaged Unincorporated Communities (DUCs) within or contiguous to the District.

Disadvantaged Unincorporated Communities MSR Determination

The subject agency does not provide public services related to water, sewer or structural fire protection and therefore, the provisions of SB 244 do not apply to this MSR. In addition, there are no Disadvantaged Unincorporated Communities (DUCs) within or contiguous to the District.

3. CAPACITY AND ADEQUACY OF PUBLIC FACILITIES AND SERVICES

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

	YES	MAYBE	NO
a) Are there any deficiencies in agency capacity to meet service needs of existing development within its existing territory?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Are there any issues regarding the agency's capacity to meet the service demand of reasonably foreseeable future growth?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Are there any concerns regarding public services provided by the agency being considered adequate?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY
ELKHORN HYDROLOGIC BASIN**

d) Are there any significant infrastructure needs or deficiencies to be addressed?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Are there changes in state regulations on the horizon that will require significant facility and/or infrastructure upgrades?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Are there any service needs or deficiencies for disadvantaged unincorporated communities related to sewers, municipal and industrial water, and structural fire protection within or contiguous to the agency's sphere of influence?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

a-d)The 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. The Fall 2016 DWR Inspection Report gave the LMA an overall rating of “Unacceptable.”

Local Maintaining Agency	Overall Rating					Total Levee Miles
	<i>A=Acceptable; M=Minimally Acceptable; U=Unacceptable</i>					
	2012	2013	2014	2015	2016	
RD 1600	U	U	U	U	U	14.69

Source: California Department of Water Resources

According to the DWR report, there is erosion occurring in this area that should be monitored and the District should focus on repairing erosion sites. Additionally, there is vegetation that significantly impacts access and visibility in this area and the District needs to focus on controlling vegetation to maintain visibility and access. The District provided a summary of expenses and planned maintenance activities for all levee units. Expenses include costs of appropriations for contingencies, architectural, engineering, and planning services, contributions to the Midvalley Levee Project, insurance and dues, legal services, minor structure repair and maintenance, office overhead, patrolling, roadway maintenance, and vegetation spraying. The reported total cost for the current fiscal year is \$133,000.

The Regional Flood Management Plan also details some specific levee problems in the District and summarizes the improvements, including estimated cost, design, permitting, and funding readiness, as well as benefits from the improvements. On the Sacramento River levee, there are several projects needed, including the Sacramento River Scour Hole Repair and Vegetation Mitigation Management. Costs have not yet been estimated for these projects; however, local funding sources have not been identified. On the District's portion of the Yolo Bypass levee, the RFMP details two projects with a costs estimate of over ten million dollars. However, the Department of Water Resources (DWR) is currently designing the proposed Lower Elkhorn Basin Levee Setback (LEBLS) Project along the east side of the Yolo Bypass between I-5 and the Sacramento Bypass. The LEBLS project is the first multi-benefit flood management project to be implemented by the California Department of Water Resources (DWR) that is an outgrowth of the Central Valley Flood Protection Plan (CVFPP). LEBLS' primary feature is a new, 7-mile long setback levee that is intended to increase the flood carrying capacity of both the Yolo Bypass and Sacramento Bypass, thereby enabling future improvements to the flood system such as widening the Fremont and Sacramento Weirs and setback levees in the Yolo Bypass. If approved by

DWR, this would replace RD 1600's portion of the Yolo Bypass levee and obviate the need for these improvements.

- e) Senate Bill (SB) 5, the Central Valley Flood Protection Act, required the development of the Central Valley Flood Protection Plan (CVFPP) by mid-2012. The plan, authored by DWR and approved by the Central Valley Flood Protection Board (CVFPB), establishes a system-wide approach to improving State Plan of Flood Control (SPFC) facilities, and recommends both structural and governance methods of improving flood risk reduction and vulnerability. The California Department of Water Resources adopted the CVFPP in 2012. A five-year update was adopted in 2017. The CVFPP requires 200-year flood protection for all urban and urbanizing areas within the flood zone by 2025. The District is not located in an urban or urbanizing area so the 200-year standard is not required for district levees.
- f) There are no Disadvantaged Unincorporated Communities (DUCs) within or contiguous to the District's sphere of influence and the subject agency does not provide public services related to water, sewer or structural fire protection.

Capacity and Adequacy of Public Facilities and Services MSR Determination

District levees have an overall rating of "Unacceptable" from the Department of Water Resources. There is vegetation that significantly impacts access and visibility in this area and the District needs to focus on repairing erosion sites and controlling vegetation to maintain visibility and access. The proposed Lower Elkhorn Basin Levee Setback (LEBLS) will replace RD 1600's portion of the Yolo Bypass levee and would be funded by DWR. Ongoing maintenance of this new levee remains an issue and the Lower Elkhorn Basin RDs are considering consolidation so that they can more efficiently carry out operations and maintenance (see also Section 6f). No changes in state law are anticipated that will require costly facility upgrades.

Recommendations

- The District should work to improve the items detailed in the 2016 Department of Water Resources Inspection Report, including repairing erosion sites and controlling vegetation to maintain visibility and access.
- The District should work to identify funding and complete the improvements detailed in the 2014 Regional Flood Management Plan and any future updates including estimated cost, design, permitting, and funding readiness, as well as benefits from the improvements.

4. FINANCIAL ABILITY

Financial ability of agencies to provide services.

	YES	MAYBE	NO
a) Does the organization engage in budgeting practices that may indicate poor financial management, such as overspending its revenues, using up its fund balance or reserve over time, or adopting its budget late?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Is there an issue with the organization's revenue sources being reliable? For example, is a large percentage of revenue coming from grants or one-time/short-term sources?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Is the organization's rate/fee schedule insufficient to fund an adequate level of service, and/or is the fee inconsistent with the schedules of similar service organizations?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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ELKHORN HYDROLOGIC BASIN**

- | | | | |
|--|-------------------------------------|-------------------------------------|-------------------------------------|
| d) Is the organization in need of written financial policies that ensure its continued financial accountability and stability? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| e) Is the organization unable to fund necessary infrastructure maintenance, replacement and/or any needed expansion? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| f) Is the organization needing additional reserve to protect against unexpected events or upcoming significant costs? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| g) Is the organization's debt at an unmanageable level? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| h) Does the agency have pension and/or other post-employment benefit (OPEB) liability? If so, what is it the liability and are there any concerns that it is unmanageable? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Discussion:

Reclamation District 1600 Operations Budget Summary (Fund 394/6450)					
	2011-12	2012-13	2013-14	2014-15	2015-16
Revenues:					
Total Taxes - Current	\$ -	\$ -	\$ -	\$ -	\$ -
Total Taxes - Prior	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, Permits & Franchises	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue Use of Money and Property	\$ 65.73	\$ 72.36	\$ 292.94	\$ 665.56	\$ 1,232.54
Total Intergovernment Revenue - State	\$ -	\$ -	\$ -	\$ -	\$ -
Total Intergovernment Revenue - Other	\$ -	\$ -	\$ -	\$ -	\$ -
Total Charges for Services	\$ 130,569.20	\$ 83,330.03	\$ 200,200.23	\$ 130,658.47	\$ 133,783.88
Total Misc	\$ -	\$ 7,599.12	\$ 181.10	\$ 155.75	\$ 1,076,086.82
TOTAL REVENUES	\$ 130,634.93	\$ 91,001.51	\$ 200,674.27	\$ 131,479.78	\$ 1,211,103.24
Expenditures:					
Salaries and Benefits	\$ 18,831.53	\$ 18,344.69	\$ 18,333.71	\$ 18,256.89	\$ 18,589.25
Services and Supplies	\$ 105,150.39	\$ 90,517.48	\$ 112,884.49	\$ 85,627.34	\$ 1,270,429.81
Total Other Charges	\$ -	\$ -	\$ -	\$ -	\$ (5,194.43)
Capital Assets - Equipment & Structures	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	\$ 123,981.92	\$ 108,862.17	\$ 131,218.20	\$ 103,884.23	\$ 1,283,824.63
<i>Revenues Less Expenditures</i>	\$ 6,653.01	\$ (17,860.66)	\$ 69,456.07	\$ 27,595.55	\$ (72,721.39)
Fund Balance	\$ 18,723.27	\$ 862.61	\$ 148,114.68	\$ 175,710.23	\$ 102,988.84

a) Budget:

The District's 5-year budget trend analysis above indicates that the District may not be operating within its available resources. In fiscal years 12/13 and 15/16, the District overspent its revenue, however, there were sufficient funds to accommodate the expenditures. The chart below shows the District does not appear to have sufficient reserves to cover unexpected events or upcoming significant costs. The Reclamation District is independently audited annually in accordance with auditing standards generally accepted in the United States. The County Treasury shows over \$1 million in miscellaneous revenue/expenditures for FY 2015-16. The District has not provided LAFCo details on the additional revenue/expenditures.

b-c) Revenue Sources:

The District's budget comes from their own assessment and charges for service. There is not an issue with the organization's revenue sources being reliable. Assessments are based on the valuation of the land and there are currently eight landowners in the district. Assessment levels are established based on the expected operating expenses of the District. There are no additional fees for service. RD 1600's assessment does not appear sufficient to maintain an acceptable level of service. However, the new LEBLS project, potential consolidation of the Elkhorn Basin RDs, and ongoing O&M funding support from SAFCA would help address these long term issues. The County Treasury shows over \$1 million in miscellaneous revenue/expenditures for FY 2015-16. The District has not provided LAFCo details on the additional revenue/expenditures.

d) Financial Policies:

While the District has not adopted financial policies, the District follows state law and reclamation law. The District does not currently have written financial policies other than what is provided in the County's Special District Financial Handbook. The County's handbook primarily deals with how special districts interact with the County for tax revenue, the treasury, or reporting to the State Controller's Office. The County's policies do not address other issues that may be a concern for reclamation districts such as how to handle travel and reimbursable expenses, personnel issues, operating procedures, safety, etc. It may be beneficial for the District to adopt finance policies.

e-f) Infrastructure Maintenance and Replacement/Reserves:

RD 1600 provided DWR a summary of expenses and planned maintenance activities for its levee units. The reported total cost for the current fiscal year is \$133,000. The District fund balance varies significantly over the 5-year trend analysis and does not appear to have sufficient reserves to cover unexpected events or upcoming significant costs. The District indicated that they are currently working on a financial plan to address improvements and needed reserve. In addition, RD 1600 is not able to fund necessary improvements to the Yolo Bypass levee. However, the DWR LEBLS project would replace this levee. There is a proposal to consolidate the Lower Elkhorn Basin RDs and obtain an ongoing funding commitment from SAFCA to fund ongoing operations and maintenance costs.

g) Debt:

The District has debt due to projects and expenses brought on by this past flood event and is waiting for monetary recovery from the FEMA. The District is currently looking at a revolving loan of \$250,000 to cover costs associated with the flood event.

a) Post-Employment Liability:

The District does not have any post-employment liability.

Financial Ability MSR Determination

The District overspent its revenue in two of the last five years and does not appear to have adequate reserve to provide necessary maintenance or needed improvements for the District's levees. The District indicated that they are currently working on a financial plan to address improvements and needed reserve. The District is lacking adopted financial policies other than what the County provides and should consider adopting policies for District operations and financial management.

Recommendations

- The District ~~may need to~~ should consider approving a new assessment to maintain an adequate level of service and build up reserves for needed improvements.

- The District should consider adopting 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.

5. SHARED SERVICES AND FACILITIES

Status of, and opportunities for, shared facilities.

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

Discussion:

a-b) The District currently shares District offices and a part-time manager with RD 537. However, it does not share any other services or facilities with other organizations. It contracts out all of its services. The Districts in the Elkhorn basin have discussed consolidation of the districts. The consolidation could lead to staffing efficiencies and other operational efficiencies. The Districts have indicated that they currently support consolidation of the four three Lower Elkhorn districts north of the Sacramento Bypass excluding RD 1600 into one new large district. This consolidation is discussed in Section 6 (f-g) of this MSR. The consolidation would lead to staffing efficiencies and other operational efficiencies.

Shared Services MSR Determination

The District currently shares District offices and a part-time manager with RD 537. However, it does not share any other services or facilities with other organizations. It contracts out all of its services. The Districts in the Elkhorn basin have discussed consolidation of the districts. The consolidation could lead to staffing efficiencies and other operational efficiencies. The Districts have indicated that they currently support consolidation of the three Lower Elkhorn districts north of the Sacramento Bypass excluding RD 1600 into one new large district. This consolidation is discussed in Section 6 (f-g) of this MSR.

6. ACCOUNTABILITY, STRUCTURE AND EFFICIENCIES

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

	YES	MAYBE	NO
a) Are there any issues with meetings being accessible and well publicized? Any failures to comply with disclosure laws and the Brown Act?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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b) Are there any issues with filling board vacancies and maintaining board members? Is there a lack of board member training regarding the organization's program requirements and financial management?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Are there any issues with staff turnover or operational efficiencies? Is there a lack of staff member training regarding the organization's program requirements and financial management?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Are there any issues with independent audits being performed on a regular schedule? Are completed audits being provided to the State Controller's Office and County Director of Financial Services within 12 months of the end of the fiscal year(s) under examination? Are there any corrective action plans to follow up on?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Does the organization need to improve its public transparency via a website? [A website should contain at a minimum the following information: organization mission/description/boundary, board members, staff, meeting schedule/agendas/minutes, budget, revenue sources including fees for services (if applicable), and audit reports.]	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Are there any recommended changes to the organization's governance structure that will increase accountability and efficiency?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g) Are there any opportunities to eliminate overlapping boundaries that confuse the public, cause service inefficiencies, unnecessarily increase the cost of infrastructure, exacerbate rate issues and/or undermine good planning practices?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Discussion:

- a) The District meets quarterly at their legal counsel's office in the City of Woodland. The District gives the public notice of meetings through posting at meeting location at its legal counsel's office. There are no issues with the board meetings being accessible and posted in accordance with the Brown Act. However, the varied time and date of the meetings may lead to uncertainty from the public about when meetings are held.
- b) All of the board seats are currently filled, therefore, there do not appear to be chronic issues with filling board vacancies and maintaining board members.
- c) The District does not have any full time staff. The District shares a part-time general manager with RD 537 who has been with the District since 2002. Therefore, are no issues with staff turnover and experience/training.
- d) The Reclamation District is independently audited annually in accordance with auditing standards generally accepted in the United States. The District has an audit performed every two years by Perry, Bunch, & Johnson, CPAs. The last audit was for fiscal years ending 14/15 and 15/16. The District has not provided audits to LAFCo for review. The District should be providing audits to the State Controller's Office and County Director of Financial Services within 12 months of the end of the fiscal year(s).

- e) Regarding public accessibility of District records, the District does not have a website, so public access to District information is not easily accessible. The District should consider even a minimal website to provide information to the public regarding board members, meetings, financial information, audits, etc. District files are stored at the District office and maintained by District staff.

f-g) Central Valley Flood Protection Plan Context

Flood management in the Central Valley is affected by a complex framework of public agencies (over 300 in the Sacramento Basin and over 200 in the San Joaquin Basin). At the local level, governance is complicated by multiple small levee maintaining agencies (LMAs) with limited resources, including staff, revenues, and authorities. Flood management in Yolo County along the Sacramento River System is currently carried out by fifteen (15) separate local agencies including: twelve (12) reclamation districts (RDs); one (1) drainage district; one (1) levee district; and one (1) county service area. In addition, the California Department of Water Resources (DWR) has one Maintenance Area (MA #4) in the West Sacramento Basin and also maintains the Bypass and the Cache Creek levee system with the exception of the Huff's Corner reach, which is maintained by the County. The United States Army Corps of Engineers (USACE) also maintains the Navigation Levee constructed in association with the Deep Water Ship Channel.

Enhanced regional governance can empower groups of local agencies to more effectively pool and leverage funding and resources, enhance collaboration and coordination, coordinate political advocacy, and create shared ownership of the flood system. Regional planning and project implementation is greatly improved through enhanced regional governance. Regional governance not only improves collaboration among local agencies within a region, but also facilitates more effective partnering with State and federal governments, greatly helping to define and achieve a shared regional vision.

Strong regional governance and shared understanding of roles and responsibilities will support a shift toward system-scale, long-term, outcome-driven resource management that balances a broad array of public values and priorities. Dialogues should be fostered within a structured, transparent process that includes schedules, actionable recommendations, and stakeholder engagement.²

In an effort to improve statewide flood management, the State Department of Water Resources (DWR) funded a locally led Regional Flood Management Plan process in six Central Valley regions. The intent of the effort includes establishing a common vision among regional partners, articulating local and regional flood management needs and priorities, describing regional financing strategies, and establishing improved regional governance for implementation.

Through interaction with these regional groups, State DWR has advanced the idea of LMA consolidation. This concept, which arose in the aftermath of the Hurricane Katrina disaster, is founded on the belief that it would be more efficient for existing LMAs to voluntarily collaborate, enabling them to "speak with one voice" (e.g. on matters affecting multiple LMAs whose levees protect the same hydrologic basin), perform consistent O&M, and increase emergency response capabilities.³

Yolo County Flood Governance Study Recommendations

DWR funded the Yolo County Flood Governance Study, dated August 2014 prepared by the UC Davis Collaboration Center. The study recommends that each of the five "basins" develop their own version of coordinated governance: 1) Knights Landing; 2) Elkhorn; 3) Woodland; 4) West Sacramento; and 5) Clarksburg. 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.

² Central Valley Flood Protection Plan 2017 Update, page 3-46

³ Yolo County Flood Governance Study 2017, page 60

The 2014 Yolo County Flood Governance Study, which was prepared for the Lower Sacramento/Delta North Region and funded by the Department of Water Resources, recommended a combination of the “regional communication and collaboration network” (Alternative 2) and a “hydrologic basin” approach (Alternative 3) would be desirable and useful. The Study found that while reclamation districts are best suited to conduct routine O&M and on-site emergency response, some flood management activities would be better accomplished at the regional level. 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.

LAFCo recommends that 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 a risk due to inconsistent maintenance or flood fight 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. Because each hydrologic basin is unique, a discussion specific to each individual basin is provided below.

Elkhorn Basin

For the Elkhorn Basin, the 2014 Governance Study found that the Elkhorn basin is undergoing significant change due to proposed improvements to the Yolo Bypass. Significant portions of the land within the Elkhorn Basin districts is proposed for Bypass expansion. This action will significantly decrease assessment revenue, making it nearly impossible to conduct required O&M. At the time of the 2014 Governance Study, the Elkhorn Basin districts were actively working with the County and the Lower Sac/Delta North Region to express their concerns on how their Districts would be adversely affected by the proposed bypass expansion. The districts expressed a willingness to consider consolidation, although they had concerns regarding liability, uncertainty over the new assessments, and how the new RD would be managed.

The Department of Water Resources (DWR) is currently designing the proposed Lower Elkhorn Basin Levee Setback (LEBLS) Project along the east side of the Yolo Bypass between I-5 and the Sacramento Bypass. The LEBLS project is the first multi-benefit flood management project to be implemented by the California Department of Water Resources (DWR) that is an outgrowth of the Central Valley Flood Protection Plan (CVFPP). LEBLS' primary feature is a new, 7-mile long setback levee that is intended to increase the flood carrying capacity of both the Yolo Bypass and Sacramento Bypass, thereby enabling future improvements to the flood system such as widening the Fremont and Sacramento Weirs and setback levees in the Yolo Bypass. These projects are being proposed to be accomplished in a manner that will not only lower flood stages in the Sacramento River, but also benefit the rural areas and small communities adjacent to the Yolo Bypass.

The LEBLS project spurred discussion amongst the Elkhorn Basin RDs regarding governance in the basin. At the request of the RDs, MBK Engineers prepared the Elkhorn Basin Draft Governance Study for Reclamation Districts 537, 785, 827, and 1600 in November, 2016. This study represents a collaborative effort to engage the Districts in identifying and weighing alternative governance options that could enhance local flood management entities and encourage a unified local voice as well as assess whether alternative governing methods might lead to more effective operations, maintenance, and implementation of flood management.

The Elkhorn Basin Draft Governance Study considered four (4) alternatives: 1) Maintaining the current condition; 2) Creating a Joint Powers Authority (JPA) of all four reclamation districts; 3) Combining all four reclamation districts; and 4) Combining only 827, 785, and 537.

The Reclamation Districts have indicated that they currently support consolidation of the three districts in Lower Elkhorn (RD 827, 785, and 537) into one new large district. This combined district would be issued a new Reclamation District number. It provides opportunities for economies of scale by consolidating maintenance and management activities, it improves the ability to ensure a standard level

of maintenance for the levees protecting this hydrologic basin, and ensures that this group of landowners with similar concerns will speak with one voice. The urbanized portion of RD 537 that lies south of the Sacramento Bypass would not be included in this combination and would remain as a smaller RD 537 (as discussed in the West Sacramento Hydrologic Basin Section of this MSR). This consolidation may not include RD 1600. There is an effort underway to possibly relocate the Sierra Northern rail line, which currently runs parallel to Interstate 5 through the Yolo Bypass. This relocation could potentially allow for the removal of the Fremont Trestle and the construction of a cross levee which could separate the Elkhorn basin into two hydrologic basins. Therefore, it may make sense for RD 1600 to remain as a standalone district.

While DWR is implementing the LEBLS project in Yolo County, the Sacramento Area Flood Control Agency (SAFCA) is undertaking actions to support its implementation. The LEBLS project will reduce flood stages on the Sacramento River, benefiting the area SAFCA has responsibility for. As a result, SAFCA is partnering with Yolo County and the RDs on implementation of the LEBLS project taking on responsibility for certain aspects of the project, including funding the portion of the levee O&M associated with the newly constructed levee. SAFCA's commitment to contribute to the maintenance of the LEBLS also makes this consolidation financially feasible. A consolidated reclamation district will reduce administrative costs by reducing the number of districts which have to maintain records and the number of administrative boards as well as increased efficiency in conducting maintenance. It also offers the opportunity to identify a paid general manager to oversee the maintenance activities for this levee system to ensure that needed activities are accomplished in a similar manner for entire basin.

Before the RDs can submit an application to LAFCo for consolidation, LEBLS project approvals are needed from DWR, which is anticipated to occur in 2018. After DWR approves the project, SAFCA will then be able to commit to ongoing funding of the LEBLS O&M. These steps are necessary in order to make the consolidation financially feasible. Consolidation will also need to be contingent on a new Prop 218 assessment being approved by the landowners. The 218 election is anticipated to be completed in 2019.

Accountability, Structure and Efficiencies MSR Determination

There are no issues with meetings being accessible and publicized in accordance with the Brown Act. The District does not maintain a website and should look to create even a minimal one for public transparency purposes.

The Elkhorn RDs have indicated that they support the consolidation RDs 827, 785, and the portion of RD 537 north of the Sacramento Bypass. Consolidation would provide opportunities for economies of scale by having just one large district for this very similar area, it improves the ability to ensure a standard level of maintenance for the levees protecting this hydrologic basin, and ensures that this group of landowners with similar concerns will speak with one voice. However, before the RDs can submit an application to LAFCo for consolidation, several milestones need to occur. LEBLS project approvals are needed from DWR, which are anticipated to occur in 2018. After DWR project approval, SAFCA will then be able to commit to ongoing funding of the LEBLS O&M. This consolidation may not include RD 1600. There is an effort underway to possibly relocate the Sierra Northern rail line, which currently runs parallel to Interstate 5 through the Yolo Bypass. This relocation could potentially allow for the removal of the Fremont Trestle and the construction of a cross levee which could separate the Elkhorn basin into two hydrologic basins. Therefore, it may make sense for RD 1600 to remain as a standalone district.

Recommendations

- The District board should consider creating a website for the District for public transparency purposes. For a special district with an annual budget less between \$50,000 - \$250,000 per year, the California Special Districts Association offers a website template through getstreamline.com for \$50 per month (if CSDA member, \$75 per month if not). This fee includes unlimited technical support and hosting services.

Once the Lower Elkhorn Basin Levee Setback is approved by DWR and a commitment for ongoing funding received from SAFCA, Reclamation Districts, 827, 785, and 537 should consider adopting Resolutions of Application for consolidation and submit a proposal application to LAFCo as detailed in the Draft Project Management Plan for the Bryte Landfill Relocation and SAFCA Associated Actions in Support of the Lower Elkhorn Setback. This consolidation may not include RD 1600. There is an effort underway to possibly relocate the Sierra Northern rail line, which currently runs parallel to Interstate 5 through the Yolo Bypass. This relocation could potentially allow for the removal of the Fremont Trestle and the construction of a cross levee which could separate the Elkhorn basin into two hydrologic basins. Therefore, it may make sense for RD 1600 to remain as a standalone district.

7. OTHER ISSUES

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

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

Discussion:

a) LAFCo is not aware of any other service delivery issues not already addressed in the MSR.

Other Issues MSR Determination

LAFCo is not aware of any other service delivery issues not already addressed in the MSR.

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.

SPHERE OF INFLUENCE MAP(S)

The District sphere of influence (SOI) is coterminous with its existing boundary.

RECLAMATION DISTRICT 827: ELKHORN

Agency Profile

Formed in 1918, Reclamation District (RD) 827 provides drainage and levee maintenance to 4.3 miles of levee, protecting 1,225 acres of land. RD 827 is bounded the Yolo Bypass to the west, RD 1600 to the north, the Sacramento River to the west, and RD 785 to the south. Current levee O&M is evaluated at the minimally acceptable level by the Department of Water Resources (DWR). RD 827 participates as members of the California Central Valley Flood Control Association (CCVFCA) and the Westside Committee for the Regional Flood Management Plan. The annual budget for 2015/16 was \$70,900, generated from annual assessments.

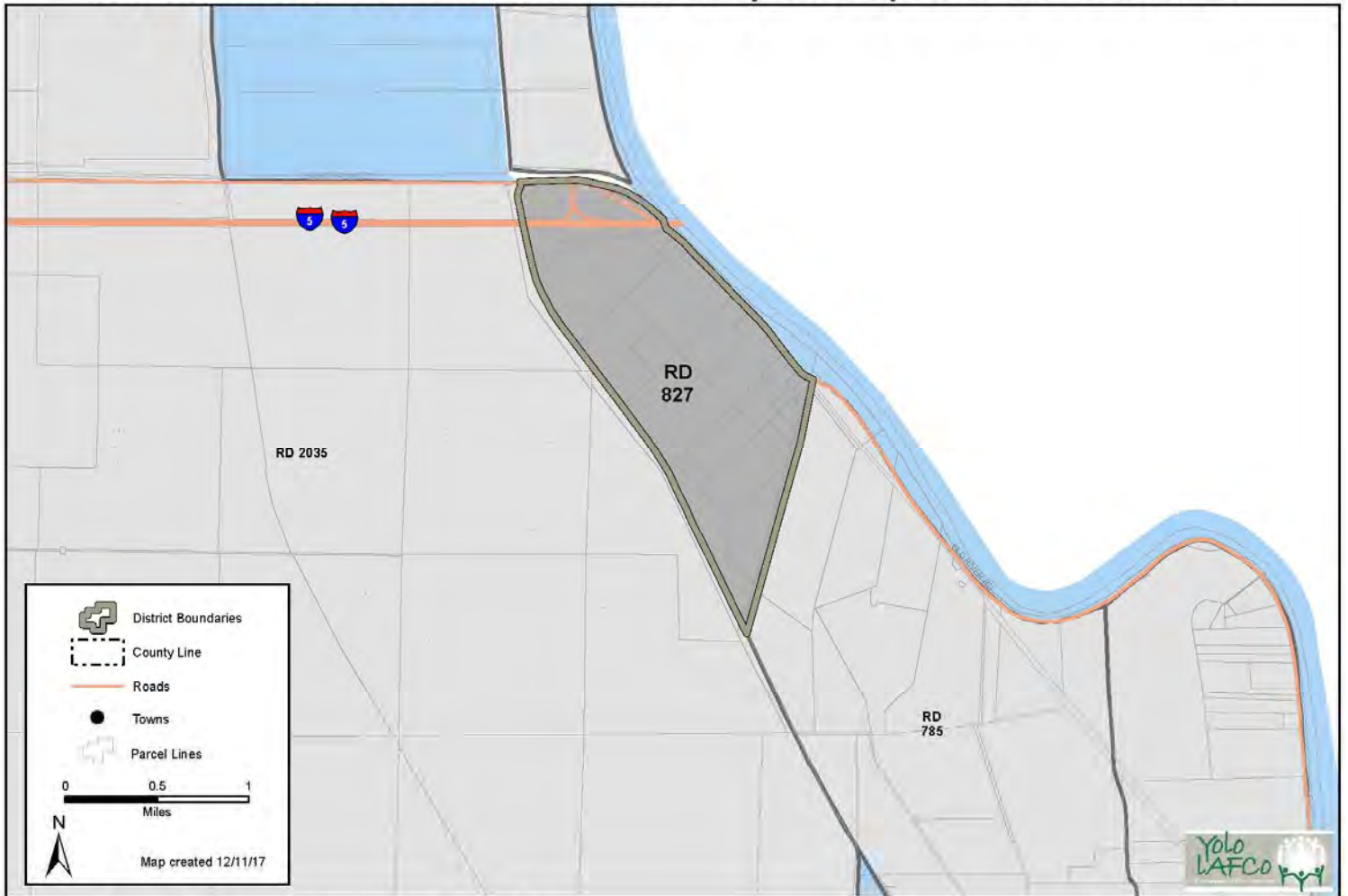
The District does not have any staff. RD 827 contracts out for levee and ditch maintenance, civil engineering, spraying services, vegetation management (including sheep and goat grazing), pump repair/maintenance, road maintenance, and prescribed burn services. RD 900 is contracted to provide administrative support.

Reclamation District 827 is an independent special district with a three-member board of trustees elected by the landowners within the District.

Name of Member	Title	Term Expiration	Compensation
Daniel Ramos	President	2019	\$100/mtg
Larry Albaugh	Trustee	2019	\$100/mtg
Raymond Yeung	Trustee	2017	\$100/mtg

The District meets two to four times per year, on an as needed basis. Meetings are held at RD 900's offices, at 1420 Merkley Avenue, Suite 4, in West Sacramento. The District gives the public notice of meetings through posting at meeting location at the District office.

Figure 1. RD 827 Boundary and Existing Sphere of Influence
Reclamation District 827 Boundary and Sphere of Influence*



* Note: Sphere of Influence is coterminous with boundary

Boundary approved in 1918

Figure 2. Reclamation District 827



Department of Water Resources. "SACRAMENTO SYSTEM: Levee District No. 537 Elkhorn." Map. Scale not given. "Appendix A - Sacramento River Individual Agency Summary Reports," A-42. (2016). Web. 18 Sep. 2017.

Potentially Significant MSR Determinations

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

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

1. GROWTH AND POPULATION

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

Discussion:

a-c)The State Department of Finance population projections¹ indicate that Yolo County had an estimated population in the unincorporated area of 26,995 as of January 1, 2015 and 28,419 as of January 1, 2016, a 5.3 percent overall increase. There is no significant development anticipated in the District that would result in a negative impact to the agency’s ability to provide services.

Growth and Population MSR Determination

There is no significant development anticipated in the District that would result in a negative impact to the agency’s ability to provide services.

¹ E-1 Population Estimates for Cities, Counties, and the State January 1, 2015 and 2016

2. DISADVANTAGED UNINCORPORATED COMMUNITIES

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

	YES	MAYBE	NO
a) Does the subject agency provide public services related to sewers, municipal and industrial water, or structural fire protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Are there any “inhabited unincorporated communities” (per adopted Commission policy) within or adjacent to the subject agency’s sphere of influence that are considered “disadvantaged” (80% or less of the statewide median household income)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) If “yes” to both a) and b), it is feasible for the agency to be reorganized such that it can extend service to the disadvantaged unincorporated community (if “no” to either a) or b), this question may be skipped)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

a-c) The subject agency does not provide public services related to water, sewer or structural fire protection and therefore, the provisions of Senate Bill (SB) 244 do not apply to this MSR. Additionally, there are no Disadvantaged Unincorporated Communities (DUCs) within or contiguous to the District.

Disadvantaged Unincorporated Communities MSR Determination

The subject agency does not provide public services related to water, sewer or structural fire protection and therefore, the provisions of SB 244 do not apply to this MSR. In addition, there are no Disadvantaged Unincorporated Communities (DUCs) within or contiguous to the District.

3. CAPACITY AND ADEQUACY OF PUBLIC FACILITIES AND SERVICES

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

	YES	MAYBE	NO
a) Are there any deficiencies in agency capacity to meet service needs of existing development within its existing territory?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Are there any issues regarding the agency’s capacity to meet the service demand of reasonably foreseeable future growth?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Are there any concerns regarding public services provided by the agency being considered adequate?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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d) Are there any significant infrastructure needs or deficiencies to be addressed?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Are there changes in state regulations on the horizon that will require significant facility and/or infrastructure upgrades?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Are there any service needs or deficiencies for disadvantaged unincorporated communities related to sewers, municipal and industrial water, and structural fire protection within or contiguous to the agency's sphere of influence?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

a-d)The 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. The Fall 2016 DWR Inspection Report gave the LMA an overall rating of “Minimally acceptable.” This determination concludes that the unacceptable inspection items would not prevent the segment/system from performing as intended during the next flood event.

Local Maintaining Agency	Overall Rating					Total Levee Miles
	<i>A=Acceptable; M=Minimally Acceptable; U=Unacceptable</i>					
	2012	2013	2014	2015	2016	
RD 827	A	U	A	U	M*	4.12
<i>Source: California Department of Water Resources</i>						

According to the DWR report, there is erosion occurring in this Area that should be monitored. The District should focus on repairing erosion sites and backfilling rodent holes. The Agency provided a summary of expenses and planned maintenance activities for all levee units. Expenses include costs of general repair and maintenance of facilities and levees, and spraying of weeds and grass. The reported total cost for the current fiscal year is \$32,000.

The Regional Flood Management Plan (RFMP) details the specific improvements necessary in the District and summarizes the improvements, including estimated cost, design, permitting, and funding readiness, as well as benefits from the improvements. These projects include the Yolo Bypass Stability Berm (\$63,814) and the Yolo Bypass Levee Flattening (cost to be determined). Local funding sources have not been identified for this projects. However, the Department of Water Resources (DWR) is currently designing the proposed Lower Elkhorn Basin Levee Setback (LEBLS) Project along the east side of the Yolo Bypass between I-5 and the Sacramento Bypass. The LEBLS project is the first multi-benefit flood management project to be implemented by the California Department of Water Resources (DWR) that is an outgrowth of the Central Valley Flood Protection Plan (CVFPP). LEBLS' primary feature is a new, 7-mile long setback levee that is intended to increase the flood carrying capacity of both the Yolo Bypass and Sacramento Bypass, thereby enabling future improvements to the flood system such as widening the Fremont and Sacramento Weirs and setback levees in the Yolo Bypass. If approved by DWR, this would replace RD 827's portion of the Yolo Bypass levee and obviate the need for these improvements.

e) Senate Bill (SB) 5, the Central Valley Flood Protection Act, required the development of the Central Valley Flood Protection Plan (CVFPP) by mid-2012. The plan, authored by DWR and approved by the Central Valley Flood Protection Board (CVFPB), establishes a system-wide approach to improving State Plan of Flood Control (SPFC) facilities, and recommends both structural and governance

methods of improving flood risk reduction and vulnerability. The California Department of Water Resources adopted the CVFPP in 2012. A five-year update was adopted in 2017. The CVFPP requires 200-year flood protection for all urban and urbanizing areas within the flood zone by 2025. The District is not located in an urban or urbanizing area so the 200-year standard is not required for district levees.

- f) There are no Disadvantaged Unincorporated Communities (DUCs) within or contiguous to the District's sphere of influence and the subject agency does not provide public services related to water, sewer or structural fire protection.

Capacity and Adequacy of Public Facilities and Services MSR Determination

District levees have an overall rating of "minimally acceptable" from the Department of Water Resources. There is erosion occurring in this area that should be monitored. The District should focus on repairing erosion sites and backfilling rodent holes. The District provided a summary of expenses and planned maintenance activities for all levee units. Expenses include costs of general repair and maintenance of facilities and levees, and spraying of weeds and grass. The reported total cost for the current fiscal year is \$32,000. Other needed projects include the Yolo Bypass Stability Berm (\$63,814) and the Yolo Bypass Levee Flattening. The proposed Lower Elkhorn Basin Levee Setback (LEBLS) will replace RD 827's portion of the Yolo Bypass levee and would be funded by DWR. Ongoing maintenance of this new levee remains an issue and the Lower Elkhorn Basin RDs are considering consolidation so that they can more efficiently carry out operations and maintenance (see also Section 6f). No changes in state law are anticipated that will require costly facility upgrades.

Recommendations

- The District should work to improve the items detailed in the 2016 Department of Water Resources Inspection Report, including controlling vegetation to maintain visibility and access.
- The District should work to identify funding and complete the improvements detailed in the 2014 Regional Flood Management Plan and any future updates including estimated cost, design, permitting, and funding readiness, as well as benefits from the improvements.

4. FINANCIAL ABILITY

Financial ability of agencies to provide services.

	YES	MAYBE	NO
a) Does the organization engage in budgeting practices that may indicate poor financial management, such as overspending its revenues, using up its fund balance or reserve over time, or adopting its budget late?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Is there an issue with the organization's revenue sources being reliable? For example, is a large percentage of revenue coming from grants or one-time/short-term sources?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Is the organization's rate/fee schedule insufficient to fund an adequate level of service, and/or is the fee inconsistent with the schedules of similar service organizations?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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- | | | | |
|--|-------------------------------------|--------------------------|-------------------------------------|
| d) Is the organization in need of written financial policies that ensure its continued financial accountability and stability? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| e) Is the organization unable to fund necessary infrastructure maintenance, replacement and/or any needed expansion? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| f) Is the organization needing additional reserve to protect against unexpected events or upcoming significant costs? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| g) Is the organization's debt at an unmanageable level? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| h) Does the agency have pension and/or other post-employment benefit (OPEB) liability? If so, what is it the liability and are there any concerns that it is unmanageable? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Discussion:

Reclamation District 827 Operations Budget Summary (Fund 387)					
	2011-12	2012-13	2013-14	2014-15	2015-16
Revenues:					
Total Taxes - Current	\$ 7,888.84	\$ 8,306.76	\$ 9,194.59	\$ 8,997.08	\$ 9,619.65
Total Taxes - Prior	\$ 16.12	\$ 11.21	\$ 24.83	\$ 7.38	\$ -
Licenses, Permits & Franchises	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue Use of Money and Property	\$ 190.28	\$ 173.08	\$ 139.60	\$ 227.24	\$ 731.29
Total Intergovernment Revenue - State	\$ 41.64	\$ 35.86	\$ 30.41	\$ 30.24	\$ 30.30
Total Intergovernment Revenue - Other	\$ 2.92	\$ 2.84	\$ -	\$ -	\$ -
Total Charges for Services	\$ 51,090.29	\$ 52,603.51	\$ 47,426.41	\$ 51,259.24	\$ 54,679.48
Total Misc	\$ -	\$ -	\$ 3,298.37	\$ 2,500.00	\$ 2,750.00
TOTAL REVENUES	\$ 59,230.09	\$ 61,133.26	\$ 60,114.21	\$ 63,021.18	\$ 67,810.72
Expenditures:					
Salaries and Benefits	\$ -	\$ -	\$ -	\$ -	\$ -
Services and Supplies	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Charges	\$ 45,327.02	\$ 68,847.08	\$ 49,422.81	\$ 42,273.31	\$ 65,025.45
Capital Assets - Equipment & Structures	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	\$ 45,327.02	\$ 68,847.08	\$ 49,422.81	\$ 42,273.31	\$ 65,025.45
<i>Revenues Less Expenditures</i>	\$ 13,903.07	\$ (7,713.82)	\$ 10,691.40	\$ 20,747.87	\$ 2,785.27
Fund Balance	\$ 42,543.28	\$ 34,829.46	\$ 45,520.86	\$ 66,268.73	\$ 69,054.00

a) Budget:

The 5-year budget trend analysis below indicates that the District is generally operating within its available resources (i.e. it is not overspending its revenue). In fiscal year 12/13, the District overspent its revenue by approximately \$7,500 however, there were sufficient funds to accommodate the overage. The chart below shows the District does not appear to have sufficient reserves to cover unexpected events or upcoming significant costs.

b-c) Revenue Sources:

The District's budget comes from their own assessment. Therefore, the agency's funding is stable and reliable. There are no additional fees for service. RD 827's assessment does not appear to provide adequate reserves to cover unexpected events or upcoming significant costs. However, the new LEBLS project, potential consolidation of the Lower Elkhorn Basin RDs, and ongoing O&M funding support from SAFCA would help address these long term issues.

d) Financial Policies:

While the District has not adopted financial policies, the District follows state law and reclamation law. The District does not currently have written financial policies other than what is provided in the County's Special District Financial Handbook. The County's handbook primarily deals with how special districts interact with the County for tax revenue, the treasury, or reporting to the State Controller's Office. The County's policies do not address other issues that may be a concern for reclamation districts such as how to handle travel and reimbursable expenses, personnel issues, operating procedures, safety, etc. It may be beneficial for the District to adopt finance policies.

e-f) Infrastructure Maintenance and Replacement/Reserves:

The District provided a summary of expenses and planned maintenance activities for all levee units. Expenses include costs of general repair and maintenance of facilities and levees, and spraying of weeds and grass. The reported total cost for the current fiscal year is \$32,000. Additionally, the estimated cost for levee improvements needed for the District's section of the Yolo Bypass levee is approximately \$60,000. The District does not appear to have sufficient reserves to cover unexpected events or upcoming significant costs. In addition, RD 827 is not able to fund necessary improvements to the Yolo Bypass levee. However, the DWR LEBLS project would replace this levee. There is a proposal to consolidate the Lower Elkhorn Basin RDs and obtain an ongoing funding commitment from SAFCA to fund ongoing operations and maintenance costs.

g) Debt:

The District does not have any debt.

h) Post-Employment Liability:

The District does not have any post-employment liability.

Financial Ability MSR Determination

The District appears to generally operate within its financial means and does not have any debt. However, the District does not appear to have adequate reserve to provide necessary maintenance or needed improvements for the District's section the Yolo Bypass levee. However, the Lower Elkhorn Districts, including RD 827, have indicated that they support consolidation of the three Lower Elkhorn districts north of the Sacramento Bypass into one new large district. This consolidation is discussed in Section 6 (f-g) of this MSR. Consolidation will need to be contingent on a new Prop 218 assessment being approved by the landowners, which would provide necessary funding for levee O&M and necessary improvements. The District is lacking adopted financial policies other than what the County provides and should consider adopting policies for District operations and financial management.

Recommendations

- Consider adopting 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.

5. SHARED SERVICES AND FACILITIES

Status of, and opportunities for, shared facilities.

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

Discussion:

a-b) The District contracts with RD 900 to provide administrative support. The District does not currently share any additional services or facilities with other organizations. It contracts out for all of its services. In the Elkhorn basin, the Districts do not currently use shared service agreements for staffing, consultants, equipment, contracts, etc. However, the Lower Elkhorn Districts have indicated that they support consolidation of the three Lower Elkhorn districts north of the Sacramento Bypass into one new large district. This consolidation is discussed in Section 6 (f-g) of this MSR. The consolidation would lead to staffing efficiencies and other operational efficiencies.

Shared Services MSR Determination

The District contracts with RD 900 to provide administrative support. The District does not currently share any additional services or facilities with other organizations. It contracts out all of its services. The Districts in the Lower Elkhorn basin have indicated that they support consolidation of the three Lower Elkhorn districts north of the Sacramento Bypass into one new large district. This consolidation is discussed in Section 6 (f-g) of this MSR. The consolidation would lead to staffing efficiencies and other operational efficiencies.

6. ACCOUNTABILITY, STRUCTURE AND EFFICIENCIES

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

	YES	MAYBE	NO
a) Are there any issues with meetings being accessible and well publicized? Any failures to comply with disclosure laws and the Brown Act?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Are there any issues with filling board vacancies and maintaining board members? Is there a lack of board member training regarding the organization's program requirements and financial management?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Are there any issues with staff turnover or operational efficiencies? Is there a lack of staff member training regarding the organization's program requirements and financial management?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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

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

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

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

Discussion:

- a) The District meets two to four times per year, on an as needed basis. The District gives the public notice of meetings through posting the District office. There are no issues with the board meetings being accessible and posted in accordance with the Brown Act. However, the varied time and date of the meetings may lead to uncertainty from the public about when meetings are held.
- b) All of the board seats are currently filled, therefore, there do not appear to be chronic issues with filling board vacancies and maintaining board members.
- c) The District does not have any permanent staff. The District completes O&M by contracting with appropriate providers including civil engineering, spraying services, vegetation management, pump repair/maintenance, road maintenance, and burn services. Therefore, are no issues with staff turnover and experience/training.
- d) The Reclamation District is independently audited annually in accordance with auditing standards generally accepted in the United States. The District has not provided audits to LAFCo for review. The District should be providing audits to the State Controller's Office and County Director of Financial Services within 12 months of the end of the fiscal year(s).
- e) Regarding public accessibility of District records, the District does not have a website, so public access to District information is not easily accessible. The District should consider even a minimal website to provide information to the public regarding board members, meetings, financial information, audits, etc. District files are stored at the District office and maintained by District staff.

f-g) Central Valley Flood Protection Plan Context

Flood management in the Central Valley is affected by a complex framework of public agencies (over 300 in the Sacramento Basin and over 200 in the San Joaquin Basin). At the local level, governance is complicated by multiple small levee maintaining agencies (LMAs) with limited resources, including staff, revenues, and authorities. Flood management in Yolo County along the Sacramento River System is currently carried out by fifteen (15) separate local agencies including: twelve (12) reclamation districts (RDs); one (1) drainage district; one (1) levee district; and one (1) county service area. In addition, the California Department of Water Resources (DWR) has one Maintenance Area (MA #4) in the West Sacramento Basin and also maintains the Bypass and the Cache Creek levee system with the

exception of the Huff's Corner reach, which is maintained by the County. The United States Army Corps of Engineers (USACE) also maintains the Navigation Levee constructed in association with the Deep Water Ship Channel.

Enhanced regional governance can empower groups of local agencies to more effectively pool and leverage funding and resources, enhance collaboration and coordination, coordinate political advocacy, and create shared ownership of the flood system. Regional planning and project implementation is greatly improved through enhanced regional governance. Regional governance not only improves collaboration among local agencies within a region, but also facilitates more effective partnering with State and federal governments, greatly helping to define and achieve a shared regional vision.

Strong regional governance and shared understanding of roles and responsibilities will support a shift toward system-scale, long-term, outcome-driven resource management that balances a broad array of public values and priorities. Dialogues should be fostered within a structured, transparent process that includes schedules, actionable recommendations, and stakeholder engagement.²

In an effort to improve statewide flood management, the State Department of Water Resources (DWR) funded a locally led Regional Flood Management Plan process in six Central Valley regions. The intent of the effort includes establishing a common vision among regional partners, articulating local and regional flood management needs and priorities, describing regional financing strategies, and establishing improved regional governance for implementation.

Through interaction with these regional groups, State DWR has advanced the idea of LMA consolidation. This concept, which arose in the aftermath of the Hurricane Katrina disaster, is founded on the belief that it would be more efficient for existing LMAs to voluntarily collaborate, enabling them to "speak with one voice" (e.g. on matters affecting multiple LMAs whose levees protect the same hydrologic basin), perform consistent O&M, and increase emergency response capabilities.³

Yolo County Flood Governance Study Recommendations

DWR funded the Yolo County Flood Governance Study, dated August 2014 prepared by the UC Davis Collaboration Center. The study recommends that each of the five "basins" develop their own version of coordinated governance: 1) Knights Landing; 2) Elkhorn; 3) Woodland; 4) West Sacramento; and 5) Clarksburg. 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.

The 2014 Yolo County Flood Governance Study, which was prepared for the Lower Sacramento/Delta North Region and funded by the Department of Water Resources, recommended a combination of the "regional communication and collaboration network" (Alternative 2) and a "hydrologic basin" approach (Alternative 3) would be desirable and useful. The Study found that while reclamation districts are best suited to conduct routine O&M and on-site emergency response, some flood management activities would be better accomplished at the regional level. 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.

LAFCo recommends that 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 a risk due to inconsistent maintenance or flood fight 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

² Central Valley Flood Protection Plan 2017 Update, page 3-46

³ Yolo County Flood Governance Study 2017, page 60

fee/assessment structures), and improved coordination during flood events. Because each hydrologic basin is unique, a discussion specific to each individual basin is provided below.

Elkhorn Basin

For the Elkhorn Basin, the 2014 Governance Study found that the Elkhorn basin is undergoing significant change due to proposed improvements to the Yolo Bypass. Significant portions of the land within the Elkhorn Basin districts is proposed for Bypass expansion. This action will significantly decrease assessment revenue, making it nearly impossible to conduct required O&M. At the time of the 2014 Governance Study, the Elkhorn Basin districts were actively working with the County and the Lower Sac/Delta North Region to express their concerns on how their Districts would be adversely affected by the proposed bypass expansion. The districts expressed a willingness to consider consolidation, although they had concerns regarding liability, uncertainty over the new assessments, and how the new RD would be managed.

The Department of Water Resources (DWR) is currently designing the proposed Lower Elkhorn Basin Levee Setback (LEBLS) Project along the east side of the Yolo Bypass between I-5 and the Sacramento Bypass. The LEBLS project is the first multi-benefit flood management project to be implemented by the California Department of Water Resources (DWR) that is an outgrowth of the Central Valley Flood Protection Plan (CVFPP). LEBLS' primary feature is a new, 7-mile long setback levee that is intended to increase the flood carrying capacity of both the Yolo Bypass and Sacramento Bypass, thereby enabling future improvements to the flood system such as widening the Fremont and Sacramento Weirs and setback levees in the Yolo Bypass. These projects are being proposed to be accomplished in a manner that will not only lower flood stages in the Sacramento River, but also benefit the rural areas and small communities adjacent to the Yolo Bypass.

The LEBLS project spurred discussion amongst the Elkhorn Basin RDs regarding governance in the basin. At the request of the RDs, MBK Engineers prepared the Elkhorn Basin Draft Governance Study for Reclamation Districts 537, 785, 827, and 1600 in November, 2016. This study represents a collaborative effort to engage the Districts in identifying and weighing alternative governance options that could enhance local flood management entities and encourage a unified local voice as well as assess whether alternative governing methods might lead to more effective operations, maintenance, and implementation of flood management.

The Elkhorn Basin Draft Governance Study considered four (4) alternatives: 1) Maintaining the current condition; 2) Creating a Joint Powers Authority (JPA) of all four reclamation districts; 3) Combining all four reclamation districts; and 4) Combining only 827, 785, and 537.

The Reclamation Districts have indicated that they currently support consolidation of the three districts in Lower Elkhorn (RD 827, 785, and 537) into one new large district. This combined district would be issued a new Reclamation District number. It provides opportunities for economies of scale by consolidating maintenance and management activities, it improves the ability to ensure a standard level of maintenance for the levees protecting this hydrologic basin, and ensures that this group of landowners with similar concerns will speak with one voice. The urbanized portion of RD 537 that lies south of the Sacramento Bypass would not be included in this combination and would remain as a smaller RD 537 (as discussed in the West Sacramento Hydrologic Basin Section of this MSR). This consolidation may not include RD 1600. There is an effort underway to possibly relocate the Sierra Northern rail line, which currently runs parallel to Interstate 5 through the Yolo Bypass. This relocation could potentially allow for the removal of the Fremont Trestle and the construction of a cross levee which could separate the Elkhorn basin into two hydrologic basins. Therefore, it may make sense for RD 1600 to remain as a standalone district.

While DWR is implementing the LEBLS project in Yolo County, the Sacramento Area Flood Control Agency (SAFCA) is undertaking actions to support its implementation. The LEBLS project will reduce flood stages on the Sacramento River, benefiting the area SAFCA has responsibility for. As a result, SAFCA is partnering with Yolo County and the RDs on implementation of the LEBLS project taking on responsibility for certain aspects of the project, including funding the portion of the levee O&M associated with the newly constructed levee. SAFCA's commitment to contribute to the maintenance of the LEBLS also makes this consolidation financially feasible. A consolidated reclamation district will

reduce administrative costs by reducing the number of districts which have to maintain records and the number of administrative boards as well as increased efficiency in conducting maintenance. It also offers the opportunity to identify a paid general manager to oversee the maintenance activities for this levee system to ensure that needed activities are accomplished in a similar manner for entire basin.

Before the RDs can submit an application to LAFCo for consolidation, LEBLS project approvals are needed from DWR, which is anticipated to occur in 2018. After DWR approves the project, SAFCA will then be able to commit to ongoing funding of the LEBLS O&M. These steps are necessary in order to make the consolidation financially feasible. Consolidation will also need to be contingent on a new Prop 218 assessment being approved by the landowners. The 218 election is anticipated to be completed in 2019.

Accountability, Structure and Efficiencies MSR Determination

There are no issues with meetings being accessible and publicized in accordance with the Brown Act. The District does not maintain a website and should look to create even a minimal one for public transparency purposes.

The Elkhorn RDs have indicated that they support the consolidation RDs 827, 785, and the portion of RD 537 north of the Sacramento Bypass. Consolidation would provide opportunities for economies of scale by having just one large district for this very similar area, it improves the ability to ensure a standard level of maintenance for the levees protecting this hydrologic basin, and ensures that this group of landowners with similar concerns will speak with one voice. However, before the RDs can submit an application to LAFCo for consolidation, several milestones need to occur. LEBLS project approvals are needed from DWR, which are anticipated to occur in 2018. After DWR project approval, SAFCA will then be able to commit to ongoing funding of the LEBLS O&M. This consolidation may not include RD 1600. There is an effort underway to possibly relocate the Sierra Northern rail line, which currently runs parallel to Interstate 5 through the Yolo Bypass. This relocation could potentially allow for the removal of the Fremont Trestle and the construction of a cross levee which could separate the Elkhorn basin into two hydrologic basins. Therefore, it may make sense for RD 1600 to remain as a standalone district.

Recommendations

- The District board should consider creating a website for the District for public transparency purposes. For a special district with an annual budget less between \$50,000 - \$250,000 per year, the California Special Districts Association offers a website template through getstreamline.com for \$50 per month (if CSDA member, \$75 per month if not). This fee includes unlimited technical support and hosting services.
- Once the Lower Elkhorn Basin Levee Setback is approved by DWR and a commitment for ongoing funding received from SAFCA, Reclamation Districts 1600, 827, 785, and 537 should consider adopting Resolutions of Application for consolidation and submit a proposal application to LAFCo as detailed in the Draft Project Management Plan for the Bryte Landfill Relocation and SAFCA Associated Actions in Support of the Lower Elkhorn Setback. As discussed in the Elkhorn Basin Draft Governance Study, there is also an alternative being considered to consolidate only RDs 827, 785, and 537. There is an effort underway to possibly relocate the Sierra Northern rail line, which currently runs parallel to Interstate 5 through the Yolo Bypass. This relocation could potentially allow for the removal of the Fremont Trestle and the construction of a cross levee which could separate the Elkhorn basin into two hydrologic basins. If this occurs, it may make sense for RD 1600 to remain as a standalone district.

7. OTHER ISSUES

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

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

Discussion:

a) LAFCo is not aware of any other service delivery issues not already addressed in the MSR.

Other Issues MSR Determination

LAFCo is not aware of any other service delivery issues not already addressed in the MSR.

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.

SPHERE OF INFLUENCE MAP(S)

The District sphere of influence (SOI) is coterminous with its existing boundary.

RECLAMATION DISTRICT 785: DRIVER

Agency Profile

Formed in 1930, Reclamation District (RD) 785 provides drainage and levee maintenance for 5.6 miles of levee, protecting 3,200 acres of land. RD 785 is bounded by RD 827 and the Sacramento River to the north, the Yolo Bypass to the west, RD 537 to the east, and the Sacramento Bypass to the south. Current levee operations and maintenance (O&M) is evaluated at the unacceptable level by the Department of Water Resources (DWR). RD 785 participates in the Westside Committee for the Regional Flood Management Plan. The annual budget for 2015/16 was \$55,000 generated from annual assessments.

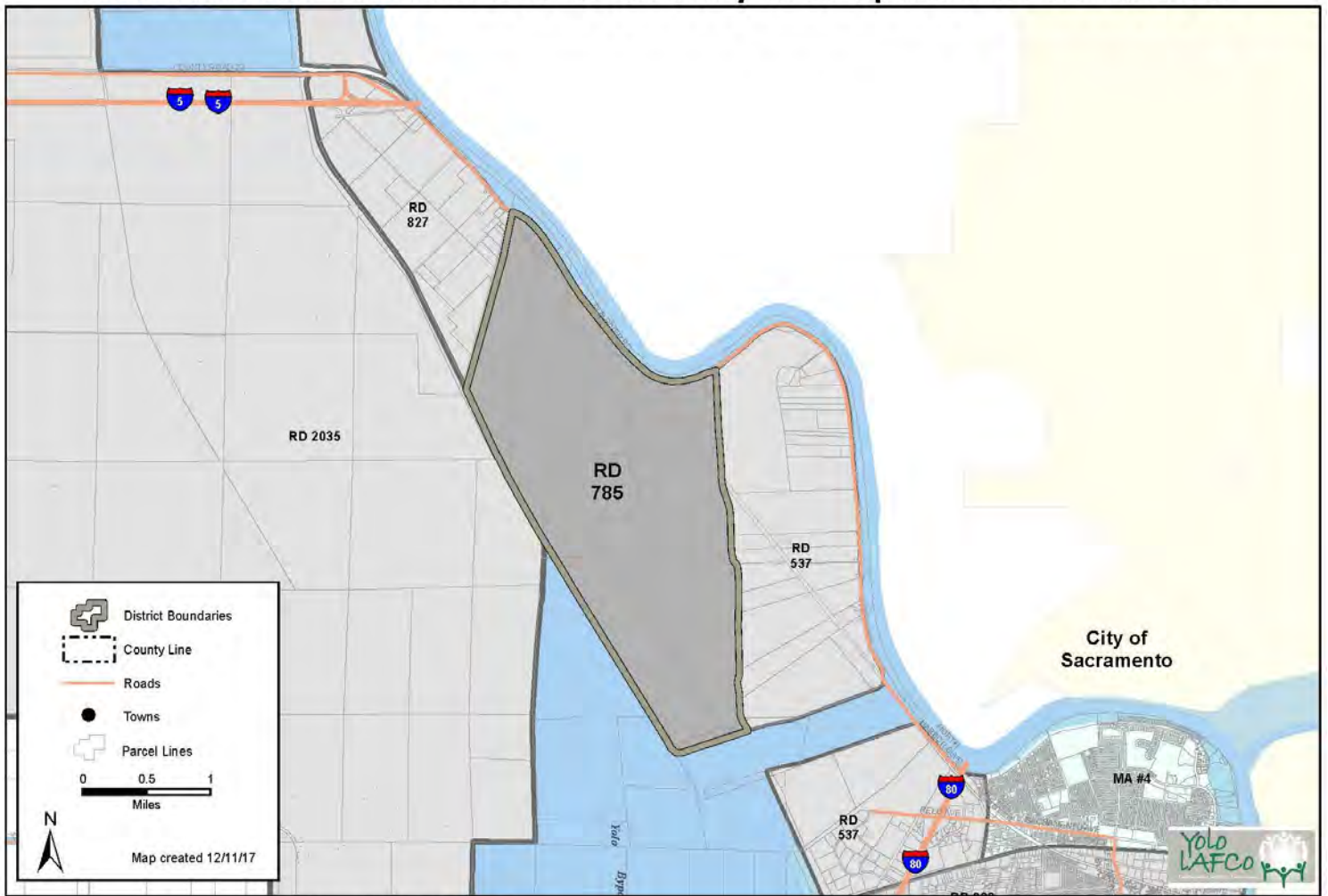
RD 785 has no permanent staff or equipment. RD 785 has one pump station which requires occasional maintenance and power for operation. RD 785 contracts out for levee maintenance, legal services, bookkeeping services, and engineering services. Maintenance actions are accomplished by contracts arranged by the contract District Engineer based on decisions made by the Board of Directors.

RD 785 is an independent special district with a three-member board of trustees.

Name of Member	Title	Term Expiration	Compensation
Ross Peabody	President	2019	None
Richard Yeung	Trustee	2019	None
Thomas Kane	Trustee	2017	None

The District meets quarterly (January, April, July, and October - time varies) at 429 First Street, Woodland, CA 95695. The District gives the public notice of meetings through posting at the meeting location at their legal counsel's office.

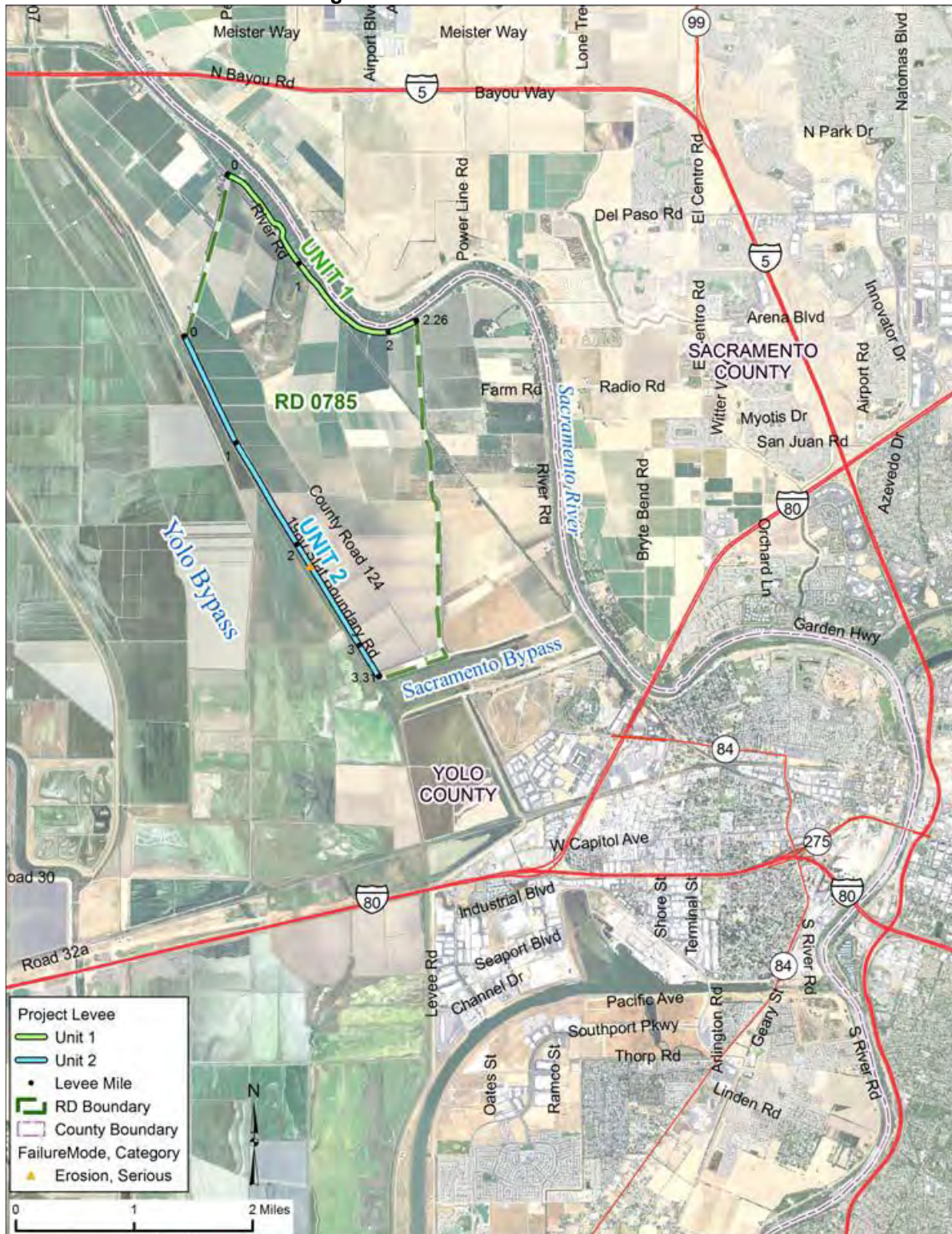
Figure 1. RD 785 Boundary and Existing Sphere of Influence
Reclamation District 785 Boundary and Sphere of Influence*



* Note: Sphere of Influence is coterminous with boundary

Boundary approved in 1930

Figure 2. Reclamation District 785



Department of Water Resources. "SACRAMENTO SYSTEM: Levee District No. 785 Driver." Map. Scale not given. "Appendix A - Sacramento River Individual Agency Summary Reports," A-42. (2016). Web. 18 Sep. 2017.

Potentially Significant MSR Determinations

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

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

1. GROWTH AND POPULATION

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

Discussion:

a-c) The State Department of Finance population projections¹ indicate that Yolo County had an estimated population in the unincorporated area of 26,995 as of January 1, 2015 and 28,419 as of January 1, 2016, a 5.3 percent overall increase. There is no significant development anticipated in the District that would result in a negative impact to the agency’s ability to provide services.

Growth and Population MSR Determination

There is no significant development anticipated in the District that would result in a negative impact to the agency’s ability to provide services.

¹ E-1 Population Estimates for Cities, Counties, and the State January 1, 2015 and 2016

2. DISADVANTAGED UNINCORPORATED COMMUNITIES

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

	YES	MAYBE	NO
a) Does the subject agency provide public services related to sewers, municipal and industrial water, or structural fire protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Are there any "inhabited unincorporated communities" (per adopted Commission policy) within or adjacent to the subject agency's sphere of influence that are considered "disadvantaged" (80% or less of the statewide median household income)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) If "yes" to both a) and b), it is feasible for the agency to be reorganized such that it can extend service to the disadvantaged unincorporated community (if "no" to either a) or b), this question may be skipped)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

a-c) The subject agency does not provide public services related to water, sewer or structural fire protection and therefore, the provisions of Senate Bill (SB) 244 do not apply to this MSR. Additionally, there are no Disadvantaged Unincorporated Communities (DUCs) within or contiguous to the District.

Disadvantaged Unincorporated Communities MSR Determination

The subject agency does not provide public services related to water, sewer or structural fire protection and therefore, the provisions of SB 244 do not apply to this MSR. In addition, there are no Disadvantaged Unincorporated Communities (DUCs) within or contiguous to the District.

3. CAPACITY AND ADEQUACY OF PUBLIC FACILITIES AND SERVICES

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

	YES	MAYBE	NO
a) Are there any deficiencies in agency capacity to meet service needs of existing development within its existing territory?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Are there any issues regarding the agency's capacity to meet the service demand of reasonably foreseeable future growth?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Are there any concerns regarding public services provided by the agency being considered adequate?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

d) Are there any significant infrastructure needs or deficiencies to be addressed?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Are there changes in state regulations on the horizon that will require significant facility and/or infrastructure upgrades?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Are there any service needs or deficiencies for disadvantaged unincorporated communities related to sewers, municipal and industrial water, and structural fire protection within or contiguous to the agency's sphere of influence?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

a-d) RD 785 maintains 3.3 miles of the Yolo Bypass East Levee and 2.3 miles of the Sacramento River West Levee. 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. The Fall 2016 DWR Inspection Report gave the LMA an overall rating of "Unacceptable."

Local Maintaining Agency	Overall Rating					Total Levee Miles
	<i>A=Acceptable; M=Minimally Acceptable; U=Unacceptable</i>					
	2012	2013	2014	2015	2016	
RD 785	U	U	U	U	U	5.57
<i>Source: California Department of Water Resources</i>						

According to the DWR report, there is vegetation that significantly impacts access and visibility in this area and the District needs to focus on controlling vegetation to maintain visibility and access. The levees also have serious erosion issues. RD 785 provided a summary of expenses and planned maintenance activities for its levee units. Expenses include costs of various annual maintenance and vegetation removal. The reported total cost for the current fiscal year is \$70,000.

The Regional Flood Management Plan also details some specific levee problems in the District and summarizes the improvements, including estimated cost, design, permitting, and funding readiness, as well as benefits from the improvements. Approximately two (2) miles of the Yolo Bypass levee were never completed when constructed. The levee slope on the bypass side was never rip-rapped as originally designed and the levee needs rock placed onto the crown to allow for winter patrol access and emergency access during flood warning times. The estimate cost for these levee improvements is over three million dollars. However, the Department of Water Resources (DWR) is currently designing the proposed Lower Elkhorn Basin Levee Setback (LEBLS) Project along the east side of the Yolo Bypass between I-5 and the Sacramento Bypass. The LEBLS project is the first multi-benefit flood management project to be implemented by the California Department of Water Resources (DWR) that is an outgrowth of the Central Valley Flood Protection Plan (CVFPP). LEBLS' primary feature is a new, 7-mile long setback levee that is intended to increase the flood carrying capacity of both the Yolo Bypass and Sacramento Bypass, thereby enabling future improvements to the flood system such as widening the Fremont and Sacramento Weirs and setback levees in the Yolo Bypass. If approved by DWR, this would replace RD 785's portion of the Yolo Bypass levee and obviate the need for these improvements.

e) Senate Bill (SB) 5, the Central Valley Flood Protection Act, required the development of the Central Valley Flood Protection Plan (CVFPP) by mid-2012. The plan, authored by DWR and approved by the Central Valley Flood Protection Board (CVFPB), establishes a system-wide approach to improving State Plan of Flood Control (SPFC) facilities, and recommends both structural and governance methods of improving flood risk reduction and vulnerability. The California Department of Water

Resources adopted the CVFPP in 2012. A five-year update was adopted in 2017. The CVFPP requires 200-year flood protection for all urban and urbanizing areas within the flood zone by 2025. The District is not located in an urban or urbanizing area so the 200-year standard is not required for district levees.

- f) There are no Disadvantaged Unincorporated Communities (DUCs) within or contiguous to the District's sphere of influence and the subject agency does not provide public services related to water, sewer or structural fire protection.

Capacity and Adequacy of Public Facilities and Services MSR Determination

District levees have an overall rating of "Unacceptable" from the Department of Water Resources. There is vegetation that significantly impacts access and visibility in this area and the District needs to focus on controlling vegetation to maintain visibility and access. The levees have serious erosion issues. The proposed Lower Elkhorn Basin Levee Setback (LEBLS) will replace RD 785's portion of the Yolo Bypass levee and would be funded by DWR. Ongoing maintenance of this new levee remains an issue and the Elkhorn Basin RDs are considering consolidation so that they can more efficiently carry out operations and maintenance (see also Section 6f). No changes in state law are anticipated that will require costly facility upgrades.

Recommendations

- The District should work to improve the items detailed in the 2016 Department of Water Resources Inspection Report, including controlling vegetation to maintain visibility and access.
- The District should work to identify funding and complete the improvements detailed in the 2014 Regional Flood Management Plan and any future updates including estimated cost, design, permitting, and funding readiness, as well as benefits from the improvements.

4. FINANCIAL ABILITY

Financial ability of agencies to provide services.

	YES	MAYBE	NO
a) Does the organization engage in budgeting practices that may indicate poor financial management, such as overspending its revenues, using up its fund balance or reserve over time, or adopting its budget late?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Is there an issue with the organization's revenue sources being reliable? For example, is a large percentage of revenue coming from grants or one-time/short-term sources?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Is the organization's rate/fee schedule insufficient to fund an adequate level of service, and/or is the fee inconsistent with the schedules of similar service organizations?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Is the organization in need of written financial policies that ensure its continued financial accountability and stability?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Is the organization unable to fund necessary infrastructure maintenance, replacement and/or any needed expansion?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- f) Is the organization needing additional reserve to protect against unexpected events or upcoming significant costs?
- g) Is the organization's debt at an unmanageable level?
- h) Does the agency have pension and/or other post-employment benefit (OPEB) liability? If so, what is it the liability and are there any concerns that it is unmanageable?

Reclamation District 785 Operations Budget Summary (Fund 393)					
	2011-12	2012-13	2013-14	2014-15	2015-16
Revenues:					
Total Taxes - Current	\$ -	\$ -	\$ -	\$ -	\$ -
Total Taxes - Prior	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, Permits & Franchises	\$ -	\$ -	\$ -	\$ -	
Total Revenue Use of Money and Property	\$ -	\$ 312.98	\$ 289.06	\$ 318.61	\$ 805.99
Total Intergovernment Revenue - State	\$ -	\$ -	\$ -	\$ -	\$ -
Total Intergovernment Revenue - Other	\$ -	\$ -	\$ -	\$ -	\$ -
Total Charges for Services	\$ 67,950.00	\$ 50,663.71	\$ 43,739.06	\$ 50,593.01	\$ 50,593.00
Total Misc	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	\$ 67,950.00	\$ 50,976.69	\$ 44,028.12	\$ 50,911.62	\$ 51,398.99
Expenditures:					
Salaries and Benefits	\$ -	\$ -	\$ -	\$ -	\$ -
Services and Supplies	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Charges	\$ 45,000.00	\$ 75,000.00	\$ 45,000.00	\$ 50,000.00	\$ 60,000.00
Capital Assets - Equipment & Structures	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	\$ 45,000.00	\$ 75,000.00	\$ 45,000.00	\$ 50,000.00	\$ 60,000.00
<i>Revenues Less Expenditures</i>	\$ 22,950.00	\$ (24,023.31)	\$ (971.88)	\$ 911.62	\$ (8,601.01)
Fund Balance	109235.2	85211.89	84240.01	\$ 85,151.63	\$ 76,550.62

Discussion:

a) Budget:

The 5-year budget trend analysis above indicates that the District is generally not operating within its available resources. In three of the last five years, the District overspent its revenue. The chart above shows the District does not appear to have sufficient reserves to cover unexpected events or upcoming significant costs. The Reclamation District is independently audited annually in accordance with auditing standards generally accepted in the United States.

b-c) Revenue Sources:

100% of the District budget comes from their own assessment. Therefore, the agency's funding is stable and reliable. There are no additional fees for service. RD 785's assessment does not appear sufficient to maintain an acceptable level of service. However, the new LEBLS project, potential consolidation of the Elkhorn Basin RDs, and ongoing O&M funding support from SAFCA would help address these long term issues.

d) Financial Policies:

While the District has not adopted financial policies, the District follows state law and reclamation law. The District does not currently have written financial policies other than what is provided in the County's Special District Financial Handbook. The County's handbook primarily deals with how special districts

interact with the County for tax revenue, the treasury, or reporting to the State Controller's Office. The County's policies do not address other issues that may be a concern for reclamation districts such as how to handle travel and reimbursable expenses, personnel issues, operating procedures, safety, etc. It may be beneficial for the District to adopt finance policies.

e-f) Infrastructure Maintenance and Replacement/Reserves:

RD 785 provided DWR a summary of expenses and planned maintenance activities for its levee units. The reported total cost for the current fiscal year is \$70,000. The District does not appear to have sufficient reserves to cover unexpected events or upcoming significant costs. In addition, RD 785 is not able to fund necessary improvements to the Yolo Bypass levee. However, the DWR LEBLS project would replace this levee. There is a proposal to consolidate the Elkhorn Basin RDs and obtain an ongoing funding commitment from SAFCA to fund ongoing operations and maintenance costs.

g) Debt:

The District does not have any debt.

h) Post-Employment Liability:

The District does not have any post-employment liability.

Financial Ability MSR Determination

The District overspent its revenue in three of the last five years and does not appear to have adequate reserve to provide necessary maintenance or needed improvements for the District's section the Yolo Bypass levees. However, the Lower Elkhorn Districts, including RD 785, have indicated that they support consolidation of three districts north of the Sacramento Bypass into one new large district. This consolidation is discussed in Section 6 (f-g) of this MSR. Consolidation will need to be contingent on a new Prop 218 assessment being approved by the landowners, which would provide necessary funding for levee O&M and necessary improvements. The District is lacking adopted financial policies other than what the County provides and should consider adopting policies for District operations and financial management.

Recommendations

- Consider adopting 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.
- While there is support for consolidation of the three districts in Lower Elkhorn into one new large district, including RD 785, which would address long term funding issues, the District may need to consider approving a new assessment to maintain an adequate level of service and build up reserves for needed improvements if the proposed consolidation does not occur.

5. SHARED SERVICES AND FACILITIES

Status of, and opportunities for, shared facilities.

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

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

Discussion:

a-b) The District does not currently share services or facilities with other organizations. It contracts out all of its services. In the Elkhorn basin, the Districts do not currently use shared service agreements for staffing, consultants, equipment, contracts, etc. However, the Districts have indicated that they support consolidation of the three Lower Elkhorn districts north of the Sacramento Bypass into one new large district. This consolidation is discussed in Section 6 (f-g) of this MSR. The consolidation would lead to staffing efficiencies and other operational efficiencies.

Shared Services MSR Determination

The District does not currently share services or facilities with other organizations. It contracts out all of its services. The Districts in the Elkhorn basin have indicated that they support consolidation of the three Lower Elkhorn districts north of the Sacramento Bypass into one new large district. This consolidation is discussed in Section 6 (f-g) of this MSR. The consolidation would lead to staffing efficiencies and other operational efficiencies.

6. ACCOUNTABILITY, STRUCTURE AND EFFICIENCIES

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

	YES	MAYBE	NO
a) Are there any issues with meetings being accessible and well publicized? Any failures to comply with disclosure laws and the Brown Act?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Are there any issues with filling board vacancies and maintaining board members? Is there a lack of board member training regarding the organization's program requirements and financial management?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Are there any issues with staff turnover or operational efficiencies? Is there a lack of staff member training regarding the organization's program requirements and financial management?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Are there any issues with independent audits being performed on a regular schedule? Are completed audits being provided to the State Controller's Office and County Director of Financial Services within 12 months of the end of the fiscal year(s) under examination? Are there any corrective action plans to follow up on?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Does the organization need to improve its public transparency via a website? [A website should contain at a minimum the following information: organization mission/description/boundary, board members, staff, meeting schedule/agendas/minutes, budget, revenue sources including fees for services (if applicable), and audit reports.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

f) Are there any recommended changes to the organization's governance structure that will increase accountability and efficiency?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g) Are there any opportunities to eliminate overlapping boundaries that confuse the public, cause service inefficiencies, unnecessarily increase the cost of infrastructure, exacerbate rate issues and/or undermine good planning practices?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Discussion:

- a) The District meets quarterly at their legal counsel's office in the City of Woodland. The District gives the public notice of meetings through posting at meeting location at its legal counsel's office. There are no issues with the board meetings being accessible and posted in accordance with the Brown Act. However, the varied time and date of the meetings may lead to uncertainty from the public about when meetings are held.
- b) All of the board seats are currently filled, therefore, there do not appear to be chronic issues with filling board vacancies and maintaining board members.
- c) The District does not have any permanent staff. RD 785 contracts out for maintenance services. Therefore, are no issues with staff turnover and experience/training.
- d) The Reclamation District is independently audited annually in accordance with auditing standards generally accepted in the United States. The District has not provided audits to LAFCo for review. The District should be providing audits to the State Controller's Office and County Director of Financial Services within 12 months of the end of the fiscal year(s).
- e) Regarding public accessibility of District records, the District does not have a website, so public access to District information is not easily accessible. The District should consider even a minimal website to provide information to the public regarding board members, meetings, financial information, audits, etc. District files are stored at the District office and maintained by District staff.

f-g) Central Valley Flood Protection Plan Context

Flood management in the Central Valley is affected by a complex framework of public agencies (over 300 in the Sacramento Basin and over 200 in the San Joaquin Basin). At the local level, governance is complicated by multiple small levee maintaining agencies (LMAs) with limited resources, including staff, revenues, and authorities. Flood management in Yolo County along the Sacramento River System is currently carried out by fifteen (15) separate local agencies including: twelve (12) reclamation districts (RDs); one (1) drainage district; one (1) levee district; and one (1) county service area. In addition, the California Department of Water Resources (DWR) has one Maintenance Area (MA #4) in the West Sacramento Basin and also maintains the Bypass and the Cache Creek levee system with the exception of the Huff's Corner reach, which is maintained by the County. The United States Army Corps of Engineers (USACE) also maintains the Navigation Levee constructed in association with the Deep Water Ship Channel.

Enhanced regional governance can empower groups of local agencies to more effectively pool and leverage funding and resources, enhance collaboration and coordination, coordinate political advocacy, and create shared ownership of the flood system. Regional planning and project implementation is greatly improved through enhanced regional governance. Regional governance not only improves collaboration among local agencies within a region, but also facilitates more effective partnering with State and federal governments, greatly helping to define and achieve a shared regional vision.

Strong regional governance and shared understanding of roles and responsibilities will support a shift toward system-scale, long-term, outcome-driven resource management that balances a broad array of

public values and priorities. Dialogues should be fostered within a structured, transparent process that includes schedules, actionable recommendations, and stakeholder engagement.²

In an effort to improve statewide flood management, the State Department of Water Resources (DWR) funded a locally led Regional Flood Management Plan process in six Central Valley regions. The intent of the effort includes establishing a common vision among regional partners, articulating local and regional flood management needs and priorities, describing regional financing strategies, and establishing improved regional governance for implementation.

Through interaction with these regional groups, State DWR has advanced the idea of LMA consolidation. This concept, which arose in the aftermath of the Hurricane Katrina disaster, is founded on the belief that it would be more efficient for existing LMAs to voluntarily collaborate, enabling them to “speak with one voice” (e.g. on matters affecting multiple LMAs whose levees protect the same hydrologic basin), perform consistent O&M, and increase emergency response capabilities.³

Yolo County Flood Governance Study Recommendations

DWR funded the Yolo County Flood Governance Study, dated August 2014 prepared by the UC Davis Collaboration Center. The study recommends that each of the five “basins” develop their own version of coordinated governance: 1) Knights Landing; 2) Elkhorn; 3) Woodland; 4) West Sacramento; and 5) Clarksburg. 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.

The 2014 Yolo County Flood Governance Study, which was prepared for the Lower Sacramento/Delta North Region and funded by the Department of Water Resources, recommended a combination of the “regional communication and collaboration network” (Alternative 2) and a “hydrologic basin” approach (Alternative 3) would be desirable and useful. The Study found that while reclamation districts are best suited to conduct routine O&M and on-site emergency response, some flood management activities would be better accomplished at the regional level. 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.

LAFCo recommends that 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 a risk due to inconsistent maintenance or flood fight 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. Because each hydrologic basin is unique, a discussion specific to each individual basin is provided below.

Elkhorn Basin

For the Elkhorn Basin, the 2014 Governance Study found that the Elkhorn basin is undergoing significant change due to proposed improvements to the Yolo Bypass. Significant portions of the land within the Elkhorn Basin districts is proposed for Bypass expansion. This action will significantly decrease assessment revenue, making it nearly impossible to conduct required O&M. At the time of the 2014 Governance Study, the Elkhorn Basin districts were actively working with the County and the Lower Sac/Delta North Region to express their concerns on how their Districts would be adversely affected by the proposed bypass expansion. The districts expressed a willingness to consider consolidation, although they had concerns regarding liability, uncertainty over the new assessments, and how the new RD would be managed.

² Central Valley Flood Protection Plan 2017 Update, page 3-46

³ Yolo County Flood Governance Study 2017, page 60

The Department of Water Resources (DWR) is currently designing the proposed Lower Elkhorn Basin Levee Setback (LEBLS) Project along the east side of the Yolo Bypass between I-5 and the Sacramento Bypass. The LEBLS project is the first multi-benefit flood management project to be implemented by the California Department of Water Resources (DWR) that is an outgrowth of the Central Valley Flood Protection Plan (CVFPP). LEBLS' primary feature is a new, 7-mile long setback levee that is intended to increase the flood carrying capacity of both the Yolo Bypass and Sacramento Bypass, thereby enabling future improvements to the flood system such as widening the Fremont and Sacramento Weirs and setback levees in the Yolo Bypass. These projects are being proposed to be accomplished in a manner that will not only lower flood stages in the Sacramento River, but also benefit the rural areas and small communities adjacent to the Yolo Bypass.

The LEBLS project spurred discussion amongst the Elkhorn Basin RDs regarding governance in the basin. At the request of the RDs, MBK Engineers prepared the Elkhorn Basin Draft Governance Study for Reclamation Districts 537, 785, 827, and 1600 in November, 2016. This study represents a collaborative effort to engage the Districts in identifying and weighing alternative governance options that could enhance local flood management entities and encourage a unified local voice as well as assess whether alternative governing methods might lead to more effective operations, maintenance, and implementation of flood management.

The Elkhorn Basin Draft Governance Study considered four (4) alternatives: 1) Maintaining the current condition; 2) Creating a Joint Powers Authority (JPA) of all four reclamation districts; 3) Combining all four reclamation districts; and 4) Combining only 827, 785, and 537.

The Reclamation Districts have indicated that they currently support consolidation of the three districts in Lower Elkhorn (RD 827, 785, and 537) into one new large district. This combined district would be issued a new Reclamation District number. It provides opportunities for economies of scale by consolidating maintenance and management activities, it improves the ability to ensure a standard level of maintenance for the levees protecting this hydrologic basin, and ensures that this group of landowners with similar concerns will speak with one voice. The urbanized portion of RD 537 that lies south of the Sacramento Bypass would not be included in this combination and would remain as a smaller RD 537 (as discussed in the West Sacramento Hydrologic Basin Section of this MSR). This consolidation may not include RD 1600. There is an effort underway to possibly relocate the Sierra Northern rail line, which currently runs parallel to Interstate 5 through the Yolo Bypass. This relocation could potentially allow for the removal of the Fremont Trestle and the construction of a cross levee which could separate the Elkhorn basin into two hydrologic basins. Therefore, it may make sense for RD 1600 to remain as a standalone district.

While DWR is implementing the LEBLS project in Yolo County, the Sacramento Area Flood Control Agency (SAFCA) is undertaking actions to support its implementation. The LEBLS project will reduce flood stages on the Sacramento River, benefiting the area SAFCA has responsibility for. As a result, SAFCA is partnering with Yolo County and the RDs on implementation of the LEBLS project taking on responsibility for certain aspects of the project, including funding the portion of the levee O&M associated with the newly constructed levee. SAFCA's commitment to contribute to the maintenance of the LEBLS also makes this consolidation financially feasible. A consolidated reclamation district will reduce administrative costs by reducing the number of districts which have to maintain records and the number of administrative boards as well as increased efficiency in conducting maintenance. It also offers the opportunity to identify a paid general manager to oversee the maintenance activities for this levee system to ensure that needed activities are accomplished in a similar manner for entire basin.

Before the RDs can submit an application to LAFCo for consolidation, LEBLS project approvals are needed from DWR, which is anticipated to occur in 2018. After DWR approves the project, SAFCA will then be able to commit to ongoing funding of the LEBLS O&M. These steps are necessary in order to make the consolidation financially feasible. Consolidation will also need to be contingent on a new Prop 218 assessment being approved by the landowners. The 218 election is anticipated to be completed in 2019.

Accountability, Structure and Efficiencies MSR Determination

There are no issues with meetings being accessible and publicized in accordance with the Brown Act. The District does not maintain a website and should look to create even a minimal one for public transparency purposes.

The Elkhorn RDs have indicated that they support the consolidation of RDs 827, 785, and the portion of RD 537 north of the Sacramento Bypass. Consolidation would provide opportunities for economies of scale by having just one large district for this very similar area, it improves the ability to ensure a standard level of maintenance for the levees protecting this hydrologic basin, and ensures that this group of landowners with similar concerns will speak with one voice. However, before the RDs can submit an application to LAFCo for consolidation, several milestones need to occur. LEBLS project approvals are needed from DWR, which are anticipated to occur in 2018. After DWR project approval, SAFCA will then be able to commit to ongoing funding of the LEBLS O&M. This consolidation may not include RD 1600. There is an effort underway to possibly relocate the Sierra Northern rail line, which currently runs parallel to Interstate 5 through the Yolo Bypass. This relocation could potentially allow for the removal of the Fremont Trestle and the construction of a cross levee which could separate the Elkhorn basin into two hydrologic basins. Therefore, it may make sense for RD 1600 to remain as a standalone district.

Recommendations

- The District should consider adopting a regular meeting schedule for consistency and transparency purposes.
- The District board should consider creating a website for the District for public transparency purposes. For a special district with an annual budget less between \$50,000 - \$250,000 per year, the California Special Districts Association offers a website template through getstreamline.com for \$50 per month (if CSDA member, \$75 per month if not). This fee includes unlimited technical support and hosting services.
- Once the Lower Elkhorn Basin Levee Setback is approved by DWR and a commitment for ongoing funding received from SAFCA, Reclamation Districts, 827, 785, and 537 should consider adopting Resolutions of Application for consolidation and submit a proposal application to LAFCo as detailed in the Draft Project Management Plan for the Bryte Landfill Relocation and SAFCA Associated Actions in Support of the Lower Elkhorn Setback. This consolidation may not include RD 1600. There is an effort underway to possibly relocate the Sierra Northern rail line, which currently runs parallel to Interstate 5 through the Yolo Bypass. This relocation could potentially allow for the removal of the Fremont Trestle and the construction of a cross levee which could separate the Elkhorn basin into two hydrologic basins. Therefore, it may make sense for RD 1600 to remain as a standalone district.

7. OTHER ISSUES

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

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

Discussion:

- a) LAFCo is not aware of any other service delivery issues not already addressed in the MSR.

Other Issues MSR Determination

LAFCo is not aware of any other service delivery issues not already addressed in the MSR.

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.

SPHERE OF INFLUENCE MAP(S)

The District sphere of influence (SOI) is coterminous with its existing boundary.

RECLAMATION DISTRICT 537: LOVDAL

Agency Profile

Formed in 1891, Reclamation District (RD) 537 provides levee maintenance for six (6) miles of levee, protecting 5,200 acres of land. Bisected by the Sacramento Bypass, RD 537 contains two disparate sections: the northern portion of RD 537 is rural, while the southern portion is developed urban land. The southern portion is part of the West Sacramento Flood Control Agency Joint Powers Authority (WSAFCA JPA), and is assessed accordingly. Current levee O&M is evaluated at the minimally acceptable level by the Department of Water Resources (DWR). RD 537 participates as members of the California Central Valley Flood Control Association (CCVFCA) and the Westside Committee for the Regional Flood Management Plan. The annual budget for 2015/16 was \$280,398, which includes JPA assessment funding as well as their own assessment, which is collected by invoices sent directly to their landowners.

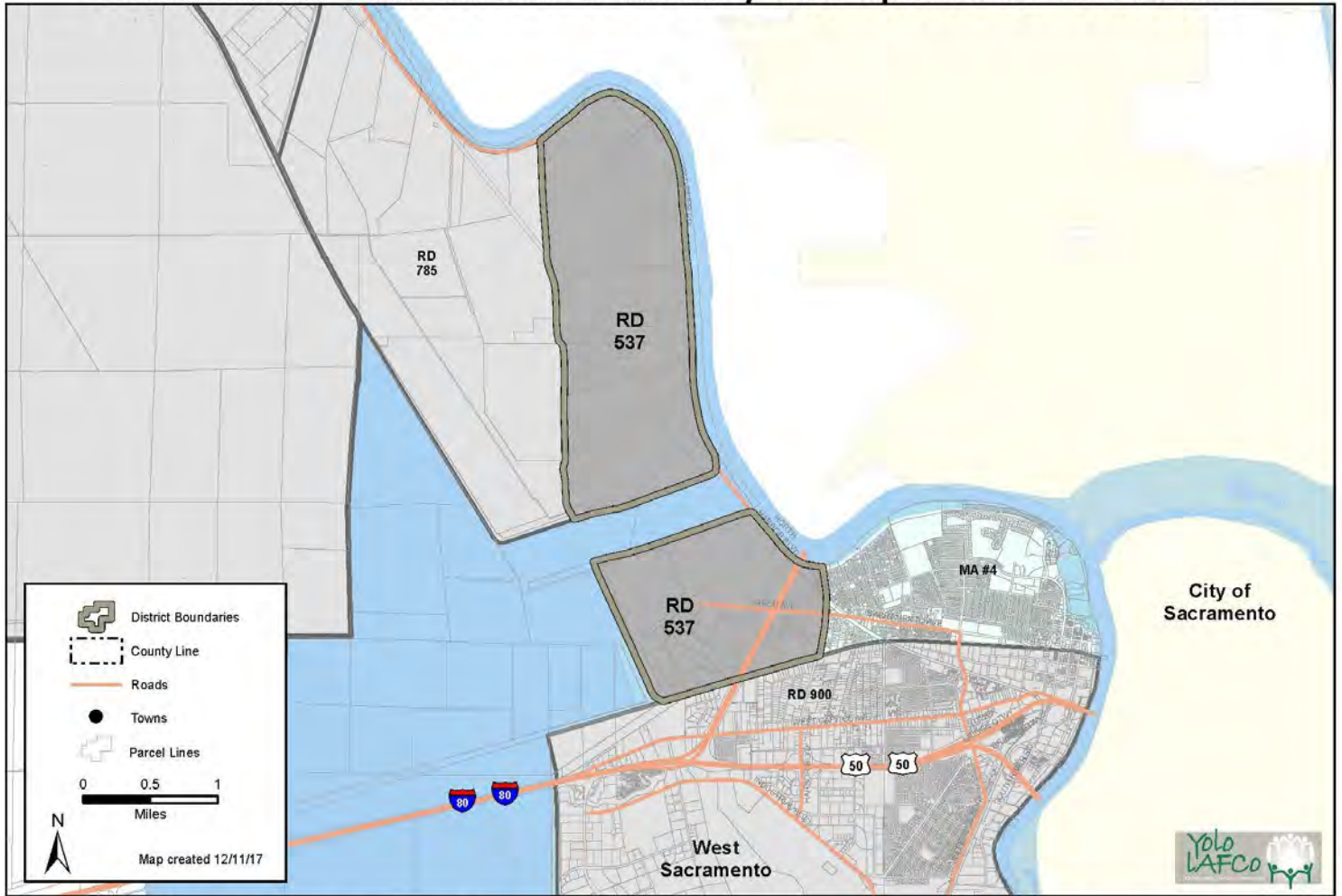
The District has two (2) employees (co-managers). RD 537 contracts out for levee and ditch maintenance, legal services, bookkeeping services (provided by RD 900), and engineering services. Maintenance actions are accomplished by contracts arranged by a part time General Manager based on decisions made by the Board of Directors. RD 537 has one pump station for the agricultural area north of the Sacramento Bypass and one pump station for the urbanized area south of the Sacramento Bypass. These pump stations require occasional maintenance and power for operation.

RD 537 is an independent special district with a three-member board of trustees elected by the landowners within the District.

Name of Member	Title	Term Expiration	Compensation
Kristen Pigman	President	2017	\$145/mtg
Kent Lang	Vice President	2019	\$145/mtg
Thomas Ramos	Secretary/Trustee	2019	\$145/mtg

The regularly scheduled meeting day for Reclamation District 537 is the second Wednesday of the month; meetings are called as needed. The District gives the public notice of meetings through posting at meeting location at the District office.

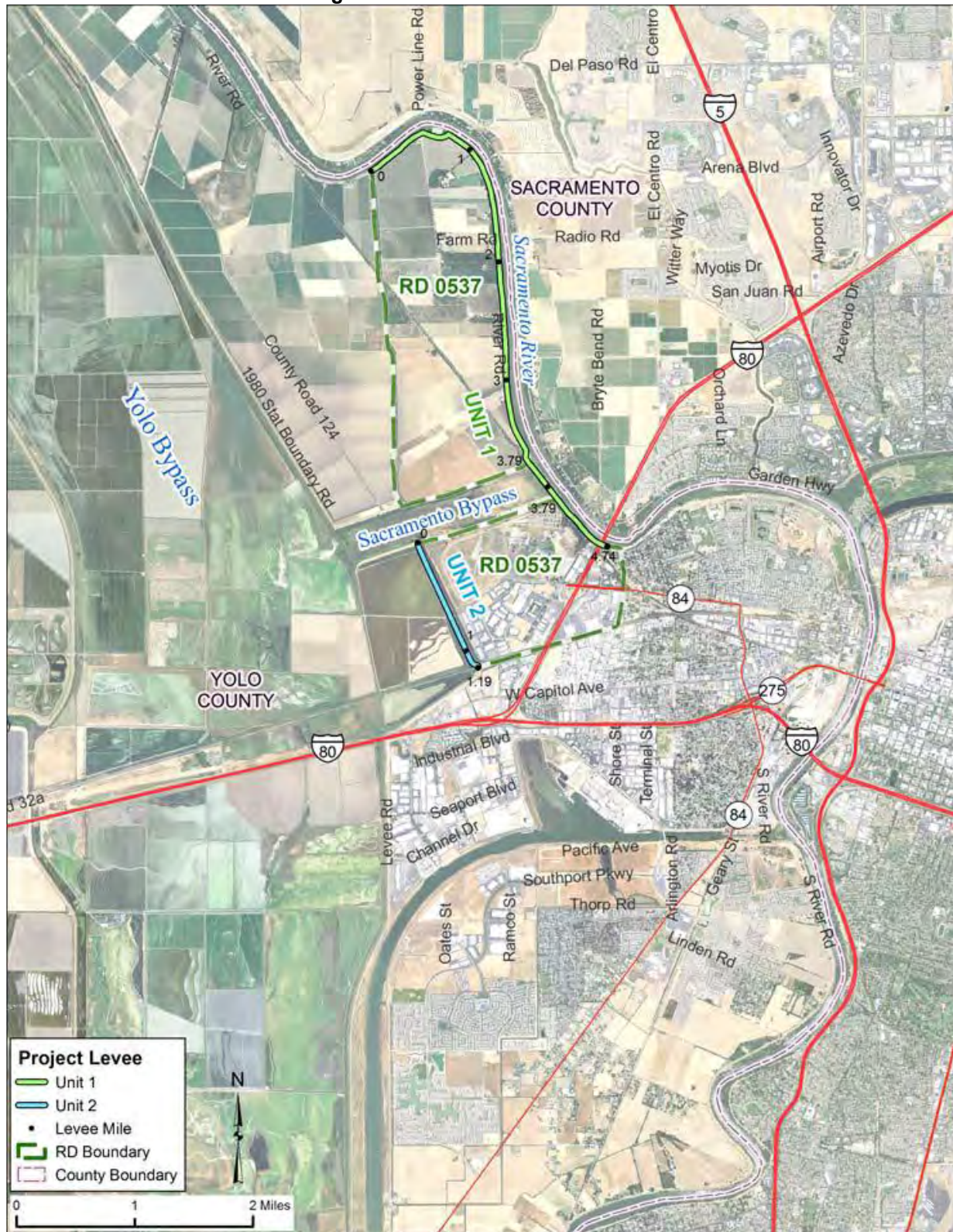
Figure 1. RD 537 Boundary and Existing Sphere of Influence
Reclamation District 537 Boundary and Sphere of Influence*



* Note: Sphere of Influence is coterminous with boundary

Boundary approved in 1891

Figure 2. Reclamation District 537



Department of Water Resources. "SACRAMENTO SYSTEM: Levee District No. 537 Lovdal." Map. Scale not given. "Appendix A - Sacramento River Individual Agency Summary Reports," A-42. (2016). Web. 18 Sep. 2017.

Potentially Significant MSR Determinations

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

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

1. GROWTH AND POPULATION

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

Discussion:

a-c) The State Department of Finance population projections¹ indicate that Yolo County had an estimated population in the unincorporated area of 26,995 as of January 1, 2015 and 28,419 as of January 1, 2016, a 5.3 percent overall increase. There is no significant development anticipated in the northern portion of the District (north of the Sacramento Weir) that would result in a negative impact to the agency’s ability to provide services.

The southern portion of the District is located within the City of West Sacramento. According to the State Department of Finance population projections², the City of West Sacramento population increased from 51,963 as of January 1, 2015 to 53,082 in 2016, an increase of 2.2 percent. The City of West Sacramento completed a comprehensive General Plan Update in December 2016 and has ample space within its current boundaries to accommodate planned growth through 2035. Growth in the City is not anticipated to significantly impact RD 537’s service needs and demands.

¹ E-1 Population Estimates for Cities, Counties, and the State January 1, 2015 and 2016

² State of California Department of Finance Population Estimates for Cities, Counties and the State – January 1, 2015 and 2016

Growth and Population MSR Determination

There is no significant development anticipated in the District that would result in a negative impact to the agency's ability to provide services.

2. DISADVANTAGED UNINCORPORATED COMMUNITIES

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

	YES	MAYBE	NO
a) Does the subject agency provide public services related to sewers, municipal and industrial water, or structural fire protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Are there any "inhabited unincorporated communities" (per adopted Commission policy) within or adjacent to the subject agency's sphere of influence that are considered "disadvantaged" (80% or less of the statewide median household income)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) If "yes" to both a) and b), it is feasible for the agency to be reorganized such that it can extend service to the disadvantaged unincorporated community (if "no" to either a) or b), this question may be skipped)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

a-c) The subject agency does not provide public services related to water, sewer or structural fire protection and therefore, the provisions of Senate Bill (SB) 244 do not apply to this MSR. Additionally, there are no Disadvantaged Unincorporated Communities (DUCs) within or contiguous to the District.

Disadvantaged Unincorporated Communities MSR Determination

The subject agency does not provide public services related to water, sewer or structural fire protection and therefore, the provisions of SB 244 do not apply to this MSR. In addition, there are no Disadvantaged Unincorporated Communities (DUCs) within or contiguous to the District.

3. CAPACITY AND ADEQUACY OF PUBLIC FACILITIES AND SERVICES

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

	YES	MAYBE	NO
a) Are there any deficiencies in agency capacity to meet service needs of existing development within its existing territory?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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b) Are there any issues regarding the agency's capacity to meet the service demand of reasonably foreseeable future growth?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Are there any concerns regarding public services provided by the agency being considered adequate?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Are there any significant infrastructure needs or deficiencies to be addressed?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Are there changes in state regulations on the horizon that will require significant facility and/or infrastructure upgrades?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f) Are there any service needs or deficiencies for disadvantaged unincorporated communities related to sewers, municipal and industrial water, and structural fire protection within or contiguous to the agency's sphere of influence?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

a-c)The District is not aware of any concerns regarding the District's services being adequate. 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. The Fall 2016 DWR Inspection Report gave the LMA an overall rating of "Minimally Acceptable."

Local Maintaining Agency	Overall Rating <i>A=Acceptable; M=Minimally Acceptable; U=Unacceptable</i>					Total Levee Miles
	2012	2013	2014	2015	2016	
RD 537	M*	U	M*	U	M	5.93
<i>Source: California Department of Water Resources</i>						

According to the DWR report, the District needs to focus on enhancing its rodent control program, backfilling rodent holes, and repairing erosion sites. This determination concludes that the unacceptable inspection items would not prevent the segment/system from performing as intended during the next flood event.

The Regional Flood Management Plan also details some specific levee problems in the District and summarizes the improvements, including estimated cost, design, permitting, and funding readiness, as well as benefits from the improvements.

- d) The District currently has several improvements planned that include installing a concrete floor below the pump station on the south side of the Sacramento Weir, installing a new supervisory control and data acquisition (SCADA) system at the south pump station, and cleaning the ditch that runs along Harbor Boulevard to the south pump station. The District has the resources to fund these improvements.
- e) Senate Bill (SB) 5, the Central Valley Flood Protection Act, required the development of the Central Valley Flood Protection Plan (CVFPP) by mid-2012. The plan, authored by DWR and approved by the Central Valley Flood Protection Board (CVFPB), establishes a system-wide approach to improving State Plan of Flood Control (SPFC) facilities, and recommends both structural and governance methods of improving flood risk reduction and vulnerability. The California Department of Water Resources adopted the CVFPP in 2012. A five-year update was adopted in 2017. The CVFPP requires

200-year flood protection for all urban and urbanizing areas within the flood zone by 2025. WSAFCA, of which RD 537 is a member agency, is working on a number of projects within West Sacramento to face the challenges of stricter flood control standards imposed by the state. Together with the Department of Water Resources, Central Valley Flood Protection Board and U.S. Army corps of Engineers, WSAFCA has begun design and construction of projects that meet the 200-year level of flood protection requirement imposed by new state law and new federal levee standards.

- f) There are no Disadvantaged Unincorporated Communities (DUCs) within or contiguous to the District's sphere of influence and the subject agency does not provide public services related to water, sewer or structural fire protection.

Capacity and Adequacy of Public Facilities and Services MSR Determination

The District has ample capacity to meet service needs for the foreseeable future and its services appear to be adequate. The 2016 Department of Water Resources identified some rodent control issues, but its rating concludes that the segment/system would perform as intended in a future flood event. The District has the resources to fund planned improvements. No changes in state law are anticipated that will require costly facility upgrades.

Recommendations

- The District should work to enhance its rodent control program, as detailed in the 2016 Department of Water Resources Inspection Report.
- The District should work to complete the improvements detailed in the 2014 Regional Flood Management Plan and any future updates including estimated cost, design, permitting, and funding readiness, as well as benefits from the improvements.

4. FINANCIAL ABILITY

Financial ability of agencies to provide services.

	YES	MAYBE	NO
a) Does the organization engage in budgeting practices that may indicate poor financial management, such as overspending its revenues, using up its fund balance or reserve over time, or adopting its budget late?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Is there an issue with the organization's revenue sources being reliable? For example, is a large percentage of revenue coming from grants or one-time/short-term sources?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Is the organization's rate/fee schedule insufficient to fund an adequate level of service, and/or is the fee inconsistent with the schedules of similar service organizations?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Is the organization in need of written financial policies that ensure its continued financial accountability and stability?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Is the organization unable to fund necessary infrastructure maintenance, replacement and/or any needed expansion?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Is the organization needing additional reserve to protect against unexpected events or upcoming significant costs?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY
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- g) Is the organization's debt at an unmanageable level?
- h) Does the agency have pension and/or other post-employment benefit (OPEB) liability? If so, what is it the liability and are there any concerns that it is unmanageable?

Reclamation District 537 Operations Budget Summary (Fund 396/6455)					
	2011-12	2012-13	2013-14	2014-15	2015-16
Revenues:					
Total Taxes - Current	\$ -	\$ -	\$ -	\$ -	\$ -
Total Taxes - Prior	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, Permits & Franchises	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue Use of Money and Property	\$ 3,562.39	\$ 1,565.71	\$ 2,394.03	\$ 2,458.77	\$ 8,151.19
Total Intergovernment Revenue - State	\$ -	\$ -	\$ -	\$ -	\$ -
Total Intergovernment Revenue - Other	\$ -	\$ -	\$ -	\$ -	\$ -
Total Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ 73,014.00
Total Misc	\$ 207,453.62	\$ 435,490.17	\$ 272,799.59	\$ 270,378.09	\$ 189,988.71
TOTAL REVENUES	\$ 211,016.01	\$ 437,055.88	\$ 275,193.62	\$ 272,836.86	\$ 271,153.90
Expenditures:					
Salaries and Benefits	\$ -	\$ -	\$ -	\$ -	\$ -
Services and Supplies	\$ (9,787.26)	\$ 109.00	\$ 109.00	\$ 109.00	\$ 109.00
Total Other Charges	\$ 220,450.35	\$ 243,899.18	\$ 287,518.76	\$ 243,139.55	\$ 256,661.18
Capital Assets - Equipment & Structures	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	\$ 210,663.09	\$ 244,008.18	\$ 287,627.76	\$ 243,248.55	\$ 256,770.18
<i>Revenues Less Expenditures</i>	\$ 352.92	\$ 193,047.70	\$ (12,434.14)	\$ 29,588.31	\$ 14,383.72
Fund Balance	\$595,044.11	\$788,091.81	\$775,657.67	\$805,245.98	\$819,629.70

Discussion:

a) Budget:

The District's board adopts its budget each year and its 5-year budget trend analysis above indicates that the District is generally operating within its available resources (i.e. it is not overspending its revenue). In fiscal year 12/13, the District had a significant increase in revenue due to approximately \$162,000 collected in delinquent assessments. In addition, WSAFCA began contributing approximately \$50,000 to the RD 537 from a shared property assessment. In fiscal year 13/14, the District overspent its revenue due to increased levee maintenance spending (\$45,000 over budget) in order to repair unusual seepage and erosion issues, however, it is clear from the financial information that there were sufficient funds to accommodate the overage. The Reclamation District is independently audited annually in accordance with auditing standards generally accepted in the United States. The chart above also shows the District appears to have sufficient reserves to cover unexpected events or upcoming significant costs.

b-c) Revenue Sources:

100% of the District budget comes from JPA assessment funding as well as their own assessment, which is collected on invoices sent directly to their landowners. Therefore, the agency's funding is stable and reliable. There are no additional fees for service.

d) Financial Policies:

While the District has not adopted financial policies, the District follows state law and reclamation law. The District does not currently have written financial policies other than what is provided in the County's

Special District Financial Handbook. The County’s handbook primarily deals with how special districts interact with the County for tax revenue, the treasury, or reporting to the State Controller’s Office. The County’s policies do not address other issues that may be a concern for reclamation districts such as how to handle travel and reimbursable expenses, personnel issues, operating procedures, safety, etc. It may be beneficial for the District to adopt finance policies.

e-f) Infrastructure Maintenance and Replacement/Reserves:

The District has an adopted improvement plan as well as a financial plan and reserves adequate funding to cover costs. The District appears to have sufficient reserves to cover unexpected events or upcoming significant costs.

g) Debt:

The District does not have any debt.

i) Post-Employment Liability:

The District does not have any post-employment liability.

Financial Ability MSR Determination

The District appears to be managing its finances well. It operates within its financial means and does not have any debt. The District has adequate reserve to provide unexpected maintenance if necessary. The District is lacking adopted financial policies other than what the County provides and should consider adopting policies for District operations and financial management.

Recommendations

- The District board should cConsider adopting 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.

5. SHARED SERVICES AND FACILITIES

Status of, and opportunities for, shared facilities.

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

Discussion:

a-b)The District currently contracts with Reclamation District 900 for bookkeeping services. As discussed previously, RD 537 is bisected by the Sacramento Bypass. The northern portion of RD 537 is rural while the southern portion is located within the City of West Sacramento and is developed urban land.

In the West Sacramento basin, the District is a member agency of the WSAFCA JPA, along with RD 900 and the City of West Sacramento. The WSAFCA JPA is an administrative and fiduciary agent that

manages capital improvements and leverages cost-share for flood infrastructure projects in the City of West Sacramento. However, LAFCo’s understanding is that the JPA, while well-functioning, is set up to implement flood protection projects and does not have a role in promoting or coordinating shared services between the member agencies, such as contracting for O&M or other engineering services.

In the Elkhorn basin, the Districts do not currently use shared service agreements for staffing, consultants, equipment, contracts, etc. However, the Districts have indicated that they support consolidation of three Elkhorn districts (RDs 537, 785, and 827) north of the Sacramento Bypass into one new large district. This consolidation, as well as possible alternatives for a comprehensive solution for coordinated governance in both the West Sacramento Hydrologic Basin, is discussed in Section 6 (f-g) of this MSR. The alternatives discussed would lead to staffing efficiencies and other operation efficiencies.

Shared Services MSR Determination

The District currently contracts with Reclamation District 900 for bookkeeping services. While RD 537 is a member agency of the WSAFCA JPA, the JPA does not currently coordinate shared services between the member agencies. Additionally, the Districts in the Elkhorn basin, including RD 537, do not currently use shared services agreements for staffing, consultants, equipment, etc. However, the Districts have indicated that they support consolidation of three Elkhorn districts (RDs 537, 785, and 827) north of the Sacramento Bypass into one new large district. This consolidation, as well as possible alternatives for a comprehensive solution for coordinated governance in the West Sacramento Hydrologic Basin, is discussed in Section 6 (f-g) of this MSR. The alternatives discussed would lead to staffing efficiencies and other operational efficiencies.

6. ACCOUNTABILITY, STRUCTURE AND EFFICIENCIES

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

	YES	MAYBE	NO
a) Are there any issues with meetings being accessible and well publicized? Any failures to comply with disclosure laws and the Brown Act?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Are there any issues with filling board vacancies and maintaining board members? Is there a lack of board member training regarding the organization's program requirements and financial management?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Are there any issues with staff turnover or operational efficiencies? Is there a lack of staff member training regarding the organization's program requirements and financial management?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Are there any issues with independent audits being performed on a regular schedule? Are completed audits being provided to the State Controller's Office and County Director of Financial Services within 12 months of the end of the fiscal year(s) under examination? Are there any corrective action plans to follow up on?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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

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

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

Discussion:

- a) There are no issues with the board meetings being accessible and posted in accordance with the Brown Act. The regularly scheduled meeting day for Reclamation District 537 is the second Wednesday of the month; meetings are called as needed. The District gives the public notice of meetings through posting at meeting location at the District office.
- b) All of the board seats are currently filled, therefore, there do not appear to be chronic issues with filling board vacancies and maintaining board members.
- c) There do not appear to be issues with staff turnover or other operational efficiencies. The District has two employees (co-managers).
- d) The Reclamation District is independently audited annually in accordance with auditing standards generally accepted in the United States.
- e) Regarding public accessibility of District records, the District does not have a website, so public access to District information is not easily accessible. The District should consider even a minimal website to provide information to the public regarding board members, meetings, financial information, audits, etc. District files are stored at the District office and maintained by District staff.

f-g) Central Valley Flood Protection Plan Context

Flood management in the Central Valley is affected by a complex framework of public agencies (over 300 in the Sacramento Basin and over 200 in the San Joaquin Basin). At the local level, governance is complicated by multiple small levee maintaining agencies (LMAs) with limited resources, including staff, revenues, and authorities. Flood management in Yolo County along the Sacramento River System is currently carried out by fifteen (15) separate local agencies including: twelve (12) reclamation districts (RDs); one (1) drainage district; one (1) levee district; and one (1) county service area. In addition, the California Department of Water Resources (DWR) has one Maintenance Area (MA #4) in the West Sacramento Basin and also maintains the Bypass and the Cache Creek levee system with the exception of the Huff's Corner reach, which is maintained by the County. The United States Army Corps of Engineers (USACE) also maintains the Navigation Levee constructed in association with the Deep Water Ship Channel.

Enhanced regional governance can empower groups of local agencies to more effectively pool and leverage funding and resources, enhance collaboration and coordination, coordinate political advocacy, and create shared ownership of the flood system. Regional planning and project implementation is greatly improved through enhanced regional governance. Regional governance not only improves collaboration among local agencies within a region, but also facilitates more effective partnering with State and federal governments, greatly helping to define and achieve a shared regional vision.

Strong regional governance and shared understanding of roles and responsibilities will support a shift toward system-scale, long-term, outcome-driven resource management that balances a broad array of public values and priorities. Dialogues should be fostered within a structured, transparent process that includes schedules, actionable recommendations, and stakeholder engagement.³

In an effort to improve statewide flood management, the State Department of Water Resources (DWR) funded a locally led Regional Flood Management Plan process in six Central Valley regions. The intent of the effort includes establishing a common vision among regional partners, articulating local and regional flood management needs and priorities, describing regional financing strategies, and establishing improved regional governance for implementation.

Through interaction with these regional groups, State DWR has advanced the idea of LMA consolidation. This concept, which arose in the aftermath of the Hurricane Katrina disaster, is founded on the belief that it would be more efficient for existing LMAs to voluntarily collaborate, enabling them to “speak with one voice” (e.g. on matters affecting multiple LMAs whose levees protect the same hydrologic basin), perform consistent O&M, and increase emergency response capabilities.⁴

Yolo County Flood Governance Study Recommendations

DWR funded the Yolo County Flood Governance Study, dated August 2014 prepared by the UC Davis Collaboration Center. The study recommends that each of the five “basins” develop their own version of coordinated governance: 1) Knights Landing; 2) Elkhorn; 3) Woodland; 4) West Sacramento; and 5) Clarksburg. 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.

The 2014 Yolo County Flood Governance Study, which was prepared for the Lower Sacramento/Delta North Region and funded by the Department of Water Resources, recommended a combination of the “regional communication and collaboration network” (Alternative 2) and a “hydrologic basin” approach (Alternative 3) would be desirable and useful. The Study found that while reclamation districts are best suited to conduct routine O&M and on-site emergency response, some flood management activities would be better accomplished at the regional level. 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.

LAFCo recommends that 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 a risk due to inconsistent maintenance or flood fight 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. Because each hydrologic basin is unique, a discussion specific to each individual basin is provided below.

Elkhorn Basin

For the Elkhorn Basin, the 2014 Governance Study found that the Elkhorn basin is undergoing significant change due to proposed improvements to the Yolo Bypass. Significant portions of the land within the Elkhorn Basin districts is proposed for Bypass expansion. This action will significantly decrease assessment revenue, making it nearly impossible to conduct required O&M. At the time of the 2014 Governance Study, the Elkhorn Basin districts were actively working with the County and the Lower Sac/Delta North Region to express their concerns on how their Districts would be adversely affected by the proposed bypass expansion. The districts expressed a willingness to consider

³ Central Valley Flood Protection Plan 2017 Update, page 3-46

⁴ Yolo County Flood Governance Study 2017, page 60

consolidation, although they had concerns regarding liability, uncertainty over the new assessments, and how the new RD would be managed.

The Department of Water Resources (DWR) is currently designing the proposed Lower Elkhorn Basin Levee Setback (LEBLS) Project along the east side of the Yolo Bypass between I-5 and the Sacramento Bypass. The LEBLS project is the first multi-benefit flood management project to be implemented by the California Department of Water Resources (DWR) that is an outgrowth of the Central Valley Flood Protection Plan (CVFPP). LEBLS' primary feature is a new, 7-mile long setback levee that is intended to increase the flood carrying capacity of both the Yolo Bypass and Sacramento Bypass, thereby enabling future improvements to the flood system such as widening the Fremont and Sacramento Weirs and setback levees in the Yolo Bypass. These projects are being proposed to be accomplished in a manner that will not only lower flood stages in the Sacramento River, but also benefit the rural areas and small communities adjacent to the Yolo Bypass.

The LEBLS project spurred discussion amongst the Elkhorn Basin RDs regarding governance in the basin. At the request of the RDs, MBK Engineers prepared the Elkhorn Basin Draft Governance Study for Reclamation Districts 537, 785, 827, and 1600 in November, 2016. This study represents a collaborative effort to engage the Districts in identifying and weighing alternative governance options that could enhance local flood management entities and encourage a unified local voice as well as assess whether alternative governing methods might lead to more effective operations, maintenance, and implementation of flood management.

The Elkhorn Basin Draft Governance Study considered four (4) alternatives: 1) Maintaining the current condition; 2) Creating a Joint Powers Authority (JPA) of all four reclamation districts; 3) Combining all four reclamation districts; and 4) Combining only 827, 785, and 537.

The Reclamation Districts have indicated that they currently support consolidation of the three districts in Lower Elkhorn (RD 827, 785, and 537) into one new large district. This combined district would be issued a new Reclamation District number. It provides opportunities for economies of scale by consolidating maintenance and management activities, it improves the ability to ensure a standard level of maintenance for the levees protecting this hydrologic basin, and ensures that this group of landowners with similar concerns will speak with one voice. The urbanized portion of RD 537 that lies south of the Sacramento Bypass would not be included in this combination and would remain as a smaller RD 537 (as discussed in the West Sacramento Hydrologic Basin Section of this MSR). This consolidation may not include RD 1600. There is an effort underway to possibly relocate the Sierra Northern rail line, which currently runs parallel to Interstate 5 through the Yolo Bypass. This relocation could potentially allow for the removal of the Fremont Trestle and the construction of a cross levee which could separate the Elkhorn basin into two hydrologic basins. Therefore, it may make sense for RD 1600 to remain as a standalone district.

While DWR is implementing the LEBLS project in Yolo County, the Sacramento Area Flood Control Agency (SAFCA) is undertaking actions to support its implementation. The LEBLS project will reduce flood stages on the Sacramento River, benefiting the area SAFCA has responsibility for. As a result, SAFCA is partnering with Yolo County and the RDs on implementation of the LEBLS project taking on responsibility for certain aspects of the project, including funding the portion of the levee O&M associated with the newly constructed levee. SAFCA's commitment to contribute to the maintenance of the LEBLS also makes this consolidation financially feasible. A consolidated reclamation district will reduce administrative costs by reducing the number of districts which have to maintain records and the number of administrative boards as well as increased efficiency in conducting maintenance. It also offers the opportunity to identify a paid general manager to oversee the maintenance activities for this levee system to ensure that needed activities are accomplished in a similar manner for entire basin.

Before the RDs can submit an application to LAFCo for consolidation, LEBLS project approvals are needed from DWR, which is anticipated to occur in 2018. After DWR approves the project, SAFCA will then be able to commit to ongoing funding of the LEBLS O&M. These steps are necessary in order to make the consolidation financially feasible. Consolidation will also need to be contingent on a new Prop 218 assessment being approved by the landowners. The 218 election is anticipated to be completed in 2019.

West Sacramento Basin

For the West Sacramento Basin, the 2014 Governance Study found that the West Sacramento Area Flood Control Agency (WSAFCA) is an already well-functioning JPA and no major recommendations are needed for this area. The Study also recommends that WSAFCA should show political support for better and/or consolidated management in the Clarksburg and Elkhorn basins and continued cooperation with other regional flood management agencies on actions that will reduce flood stages in the system, such as the actions proposed for the Yolo Bypass in the Sacramento Basin Wide Feasibility Study. However, LAFCo's understanding is that the JPA, while well-functioning, is set up to implement flood protection projects and does not have a roll in operations and maintenance. The WSAFCA JPA does not include Maintenance Area #4, which is managed by DWR or the Navigation Levee, which is maintained by the USACE. WSAFCA in its current form is not set up to serve as the lead entity for the West Sacramento Basin providing a uniform level of maintenance and flood fighting capability. It also does not appear to be a cost effective option to augment WSAFCA to also provide internal drainage services currently provided by the City and the RDs.

Additional action is needed to continue to work towards a more comprehensive solution, ~~which could include one of the following alternatives detailed below.~~ To characterize these alternatives in simple terms, the goal is to have each basin function as one entity. For the West Sacramento Basin, ~~the LAFCo reviewed two alternatives as lead entity could be either RD 537, RD 900 or the City of West Sacramento as detailed in the options below:~~

1. RD 900 and RD 537 could merge (either legally or functionally). A "functional consolidation" would involve RD 537 and its board remaining intact, but contracting all day to day operations to RD 900 (or vice versa). This should also include RD 537 taking over DWR Maintenance Area #4 so the lead entity has responsibility for the entire basin (LAFCo will add the MA #4 area into RD 537's sphere of influence to facilitate potential future services). The RD lead entity should also conduct an annual inspection of the Navigation Levee to confirm that the USACE maintenance is being conducted to the same standard as the rest of the basin and advocate (either on its own or through the JPA) for any needed improvements.
2. The City of West Sacramento has expressed a willingness to absorb RD 900 and RD 537 (the portion south of the weir) and consolidate services with the City either as a merger or a subsidiary district. To approve such a consolidation, LAFCo would need to make a finding that the public service costs would likely be less than or substantially similar under City governance and that it consolidation promotes public access and accountability for services. ~~The RDs districts have expressed their opposition to being absorbed in any manner by the City and provided reasons for such opposition. Similar to the other options, the City would also need to take over DWR Maintenance Area #4 levee maintenance and conduct an annual inspection of the Navigation Levee to confirm that the USACE maintenance is being conducted to the same standard as the rest of the basin and advocate (either on its own or through the JPA) for any needed improvements to achieve the goals of basin-wide governance. The City of West Sacramento has provided a Financial Analysis that compares existing costs to projected costs of City consolidation of services (merger and subsidiary district) examines these alternatives (Attachment 1).~~

Based on the analysis in the February 22, 2018 LAFCo staff report for this Municipal Service Review and Sphere of Influence Update, LAFCo recommends RD 900 and RD 537 (the portion south of the weir) become subsidiary districts to the City.

Accountability, Structure and Efficiencies MSR Determination

There are no issues with meetings being accessible and publicized in accordance with the Brown Act. The District does not maintain a website and should look to create even a minimal one for public transparency purposes.

For the northern portion of RD 537 located in the Elkhorn hydrologic basin, the Elkhorn RDs have indicated that they support the consolidation of RDs 827, 785, and the portion of RD 537 north of the Sacramento Bypass. Consolidation would provide opportunities for economies of scale by having just one large district for this very similar area, it improves the ability to ensure a standard level of maintenance for the levees protecting this hydrologic basin, and ensures that this group of landowners with similar concerns will speak with one voice. However, before the RDs can submit an application to LAFCo for consolidation, several milestones need to occur. LEBLS project approvals are needed from DWR, which are anticipated to occur in 2018. After DWR project approval, SAFCA will then be able to commit to ongoing funding of the LEBLS O&M. This consolidation may not include RD 1600. There is an effort underway to possibly relocate the Sierra Northern rail line, which currently runs parallel to Interstate 5 through the Yolo Bypass. This relocation could potentially allow for the removal of the Fremont Trestle and the construction of a cross levee which could separate the Elkhorn basin into two hydrologic basins. Therefore, it may make sense for RD 1600 to remain as a standalone district.

For the southern portion of RD 537 located in the West Sacramento hydrologic basin, WSAFCA in its current form is not set up to accomplish the goal that the West Sacramento hydrologic basin function in a coordinated manner to be provide a uniform level of maintenance and flood fighting capability. Additional action is needed to continue to work towards a more comprehensive solution as recommended, ~~which could include one of the following alternatives below.~~

Recommendations

- The District board should consider creating a website for the District for public transparency purposes. For a special district with an annual budget less between \$250,000 - \$500,000 per year, the California Special Districts Association offers a website template through getstreamline.com for \$75 per month (if CSDA member, \$100 per month if not). This fee includes unlimited technical support and hosting services.
- Northern portion (Elkhorn Hydrologic Basin): Once the Lower Elkhorn Basin Levee Setback is approved by DWR and a commitment for ongoing funding received from SAFCA, Reclamation Districts, 827, 785, and 537 should consider adopting Resolutions of Application for consolidation and submit a proposal application to LAFCo as detailed in the Draft Project Management Plan for the Bryte Landfill Relocation and SAFCA Associated Actions in Support of the Lower Elkhorn Setback. This consolidation may not include RD 1600. There is an effort underway to possibly relocate the Sierra Northern rail line, which currently runs parallel to Interstate 5 through the Yolo Bypass. This relocation could potentially allow for the removal of the Fremont Trestle and the construction of a cross levee which could separate the Elkhorn basin into two hydrologic basins. Therefore, it may make sense for RD 1600 to remain as a standalone district.
- Southern portion (West Sacramento Basin): ~~WSAFCA in its current form is not set up to accomplish the goal that the West Sacramento hydrologic basin function in a coordinated manner to be provide a uniform level of maintenance and flood fighting capability. Additional action is needed to continue to work towards a more comprehensive solution, which could include one of the following alternatives:~~
 1. ~~RD 900 and RD 537 could merge (either legally or functionally). A “functional consolidation” would involve RD 537 and its board remaining intact, but contracting all day to day operations to RD 900 (or vice versa). This should also include RD 537 taking over DWR Maintenance Area #4 so the lead entity has responsibility for the entire basin (LAFCo will add the MA #4 area into RD 537’s sphere of influence to facilitate potential future services). The RD lead entity should also conduct an annual inspection of the Navigation Levee to confirm that the USACE maintenance is being conducted to the same standard as the rest of the basin and advocate (either on its own or through the JPA) for any needed improvements.~~

The City of West Sacramento has expressed a willingness to absorb RD 900 and RD 537 (the portion south of the weir) and consolidate services with the City either as a merger or a subsidiary district. LAFCo recommends RD 900 and RD 537 (the portion south of the weir) become subsidiary districts to the City. To approve such a consolidation, LAFCo would need

to make a finding that the public service costs would likely be less than or substantially similar under City governance and that it consolidation promotes public access and accountability for services. The RDs districts have expressed their opposition to being absorbed in any manner by the City and provided reasons for such opposition. ~~Similar to the other options, the City would also need to~~ should take over responsibility for DWR Maintenance Area #4 levee maintenance and conduct an annual inspection of the Navigation Levee to confirm that the USACE maintenance is being conducted to the same standard as the rest of the basin and (either on its own or through the JPA) for any needed improvements to achieve the goals of basin-wide governance. The City of West Sacramento has provided a Financial Analysis that compares existing costs to projected costs of City consolidation of services (merger and subsidiary district) ~~examines these alternatives~~ (Attachment 1).

7. OTHER ISSUES

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

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

Discussion:

a) LAFCo is not aware of any other service delivery issues not already addressed in the MSR.

Other Issues MSR Determination

LAFCo is not aware of any other service delivery issues not already addressed in the MSR.

SPHERE OF INFLUENCE STUDY

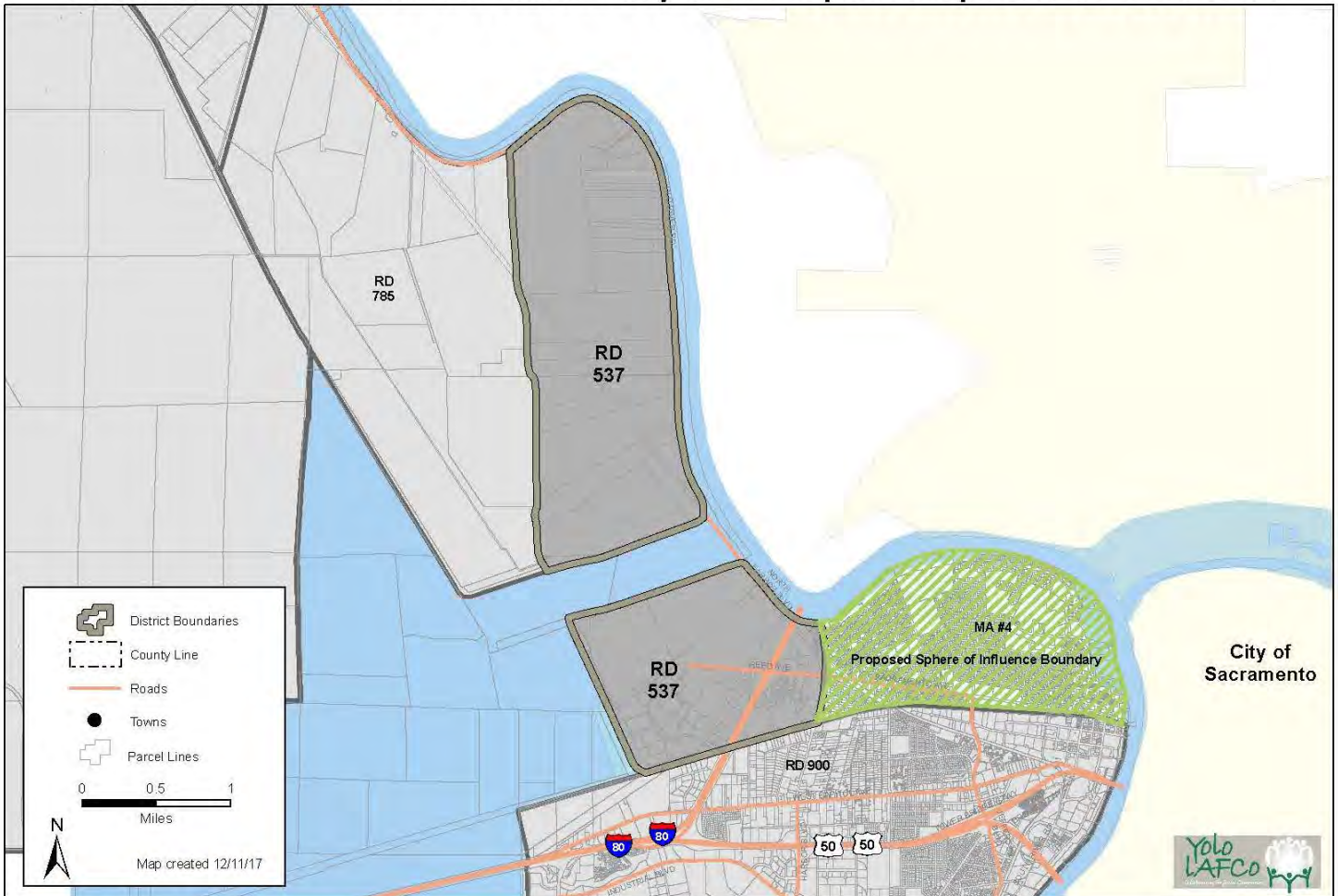
On the basis of the Municipal Service Review:

- 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.

SPHERE OF INFLUENCE MAP(S)

Figure X3. Proposed Sphere of Influence for RD 537

Reclamation District 537 Boundary and Proposed Sphere of Influence



Proposed by Yolo LAFCO

POTENTIALLY SIGNIFICANT SOI DETERMINATIONS

The SOI determinations below are potentially significant, as indicated by “yes” or “maybe” answers to the key policy questions in the checklist and corresponding discussion on the following pages.

- Present and Planned Land Uses
- Need for Public Facilities and Services
- Capacity and Adequacy of Provide Services
- Social or Economic Communities of Interest
- Disadvantaged Unincorporated Communities

1. PRESENT AND PLANNED LAND USES

The present and planned land uses in the area, including agricultural and open-space lands.

	YES	MAYBE	NO
a) Are there any present or planned land uses in the area that would create the need for an expanded service area?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Would the SOI conflict with planned, orderly and efficient patterns of urban development?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Is there a conflict with the adopted SACOG Metropolitan Transportation Plan/Sustainable Communities Strategy?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Would the SOI result in the loss of prime agricultural land or open space?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Would the SOI impact the identity of any existing communities; e.g. would it conflict with existing postal zones, school, library, sewer, water census, fire, parks and recreation boundaries?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Are there any natural or made-made obstructions that would impact where services can reasonably be extended or should otherwise be used as a logical SOI boundary?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Would the proposed SOI conflict with a Census boundary, such that it would compromise the ability to obtain discrete data?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

- a) The MSR for RD 537 concluded that DWR Maintenance Area #4 is a remainder area that, ideally, would be under local control so it could meet the goal of the Basin functioning as one entity. DWR took over levee maintenance after RD 811 went defunct (and was later dissolved in 2010). LAFCo’s understanding, however, is that the City of West Sacramento provides internal drainage services in the MA #4 area. This area is already developed with urban uses. The goal identified in the MSR is to bring the entire West Sacramento Basin under the umbrella of a lead entity, which would be more effective

if MA #4 was taken back from DWR. ~~One of the options presented would have either RD 537 or RD 900 take the lead and take over MA #4.~~ In order to facilitate potential future services (under the RD option) in the MA #4 area, it would be most logical to annex the area into RD 537.

b-g) The SOI area is already developed and is an integral part of the West Sacramento City and hydrologic basin. The SOI would potentially help facilitate bringing the community together under one lead entity for levee maintenance, rather than separating it. The area is already urbanized, therefore, there is no impact to agricultural land or open space. It does not conflict with the SACOG MTP or SCS.

Present and Planned Land Uses SOI Determination

The SOI area is already developed and is an integral part of the West Sacramento City and hydrologic basin. The SOI would potentially help facilitate bringing the community together under one lead entity for levee maintenance, rather than separating it. The area is already urbanized, therefore, there is no impact to agricultural land or open space. It does not conflict with the SACOG MTP or SCS.

2. NEED FOR PUBLIC FACILITIES AND SERVICES

The present and probable need for public facilities and services in the area.

	YES	MAYBE	NO
a) 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?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Would the SOI expand services that could be better provided by a city or another agency?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Does the SOI represent premature inducement of growth or facilitate conversion of agriculture or open space lands?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Does the SOI conflict with the Regional Housing Needs Analysis (RHNA) or other SACOG growth projections?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) 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 or important open space/prime agricultural land should be removed from urbanization?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) 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?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

- a,c) The proposed SOI will not induce any growth and will help promote more efficient services.
- b) LAFCo’s understanding is that the City provides internal drainage in this area, but DWR maintains the levee. ~~The MSR provides options for governance to be lead either by the RDs or the City. This SOI would only be exercised if either RD 900 or RD 537 became the lead entity via a legal or functional consolidation.~~
- d,f) The SOI area is already developed within the City of West Sacramento. Therefore, it does not conflict with RHNA or SACOG requirements.

e) No. The area is already developed with urban uses.

Need for Public Facilities and Services SOI Determination

The proposed SOI will not induce any growth and will help promote more efficient services. LAFCo's understanding is that the City provides internal drainage in this area, but DWR maintains the levee. ~~The MSR provides options for governance to be lead either by the RDs or the City. This SOI would only be exercised if either RD 900 or RD 537 became the lead entity via a legal or functional consolidation.~~ The SOI area is already developed within the City of West Sacramento. Therefore, it does not conflict with RHNA or SACOG requirements.

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.

	YES	MAYBE	NO
a) Are there any issues regarding the agency's capacity to provide services in the proposed SOI territory?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Are there any issues regarding the agency's willingness and ability to extend services?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

- a) Local assessments may need to be established via a Proposition 218 process before RD 537 has the resources to take over levee maintenance from DWR. LAFCo's understanding is that DWR has not charged local property owners in MA #4 for maintenance.
- b) RD 537's willingness and ability would be contingent on establishing a local assessment for levee maintenance.

Capacity and Adequacy of Provided Services SOI Determination

Local assessments may need to be established via a Proposition 218 process before RD 537 has the resources to take over levee maintenance from DWR. LAFCo's understanding is that DWR ~~has not charged~~ local property owners in MA #4 for maintenance. RD 537's willingness and ability would be contingent on establishing a local assessment 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.

	YES	MAYBE	NO
a) 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” (same as MSR checklist question 2b)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

a) Please see response to MSR checklist question 2b.

Social or Economic Communities of Interest SOI Determination

There are no social or economic communities of interest in this area. The subject area is incorporated and part of the City of West Sacramento.

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.

	YES	MAYBE	NO
a) Does the subject agency provide public services related to sewers, municipal and industrial water or structural fire protection (same as MSR checklist question 2a)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) If yes, does the proposed SOI exclude any disadvantaged unincorporated community (per MSR checklist question 2b) where it either may be feasible to extend services or it is required under SB 244 to be included?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Discussion:

a-b) Please see response to MSR checklist question 2a.

Disadvantaged Unincorporated Communities SOI Determination

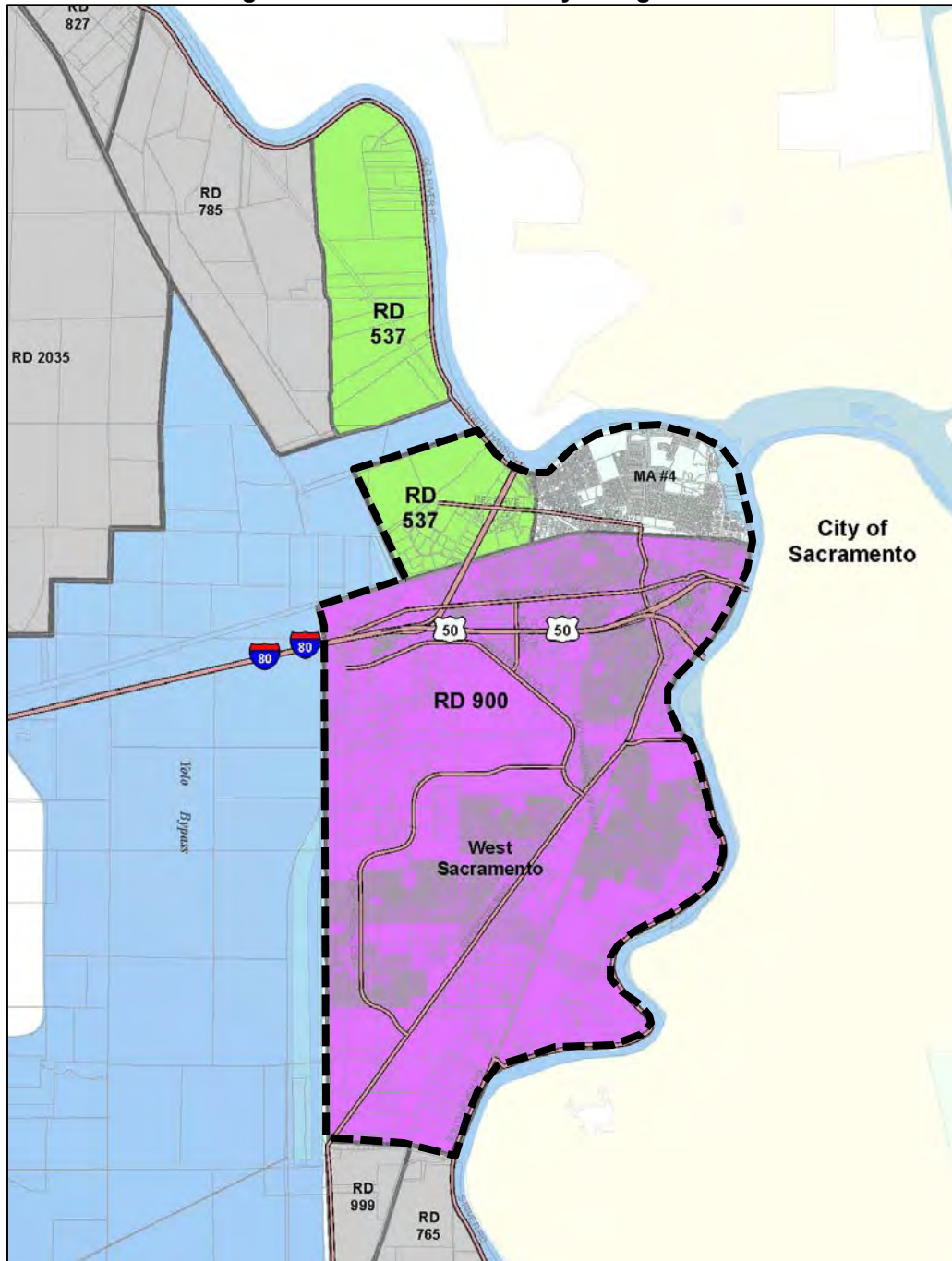
RD 537 does not provide public services related to sewers, municipal and industrial water or structural fire protection. Therefore, the provisions of SB 244 do not apply.

West Sacramento Hydrologic Basin

Levee operations and maintenance in the West Sacramento Basin is currently carried out by three separate local maintaining agencies (LMAS):

- Reclamation District 900: West Sacramento
- Reclamation District 537: Lovdal (southern portion)
- Department of Water Resources Maintenance Area 4 (MA #4)

Figure 1. West Sacramento Hydrologic Basin



RECLAMATION DISTRICT 900: WEST SACRAMENTO

Agency Profile

Formed in 1911, Reclamation District (RD) 900 is responsible for operating and maintaining 13.6 miles of levees, 38 miles of drainage canals and ditches, 6 detention basins that collect and remove storm water within the 11,000 acres of land located in its jurisdiction including 90% of the City of West Sacramento, and for repairing and replacing 9 pump stations containing 33 pumps and district equipment. The annual budget for 2015/16 was \$1,131,076, which includes JPA assessment funding as well as their own assessment, which is collected as a line item on property tax bills. There are approximately 10,809 landowners in the District.

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, RD 900 will assume ongoing O&M. In addition, RD 900 provides administrative support for RDs 537 and 827. and WSAFCA.

The District has seven (7) full time employees. RD 900 operations and maintenance activities for levees and the internal drainage system includes:

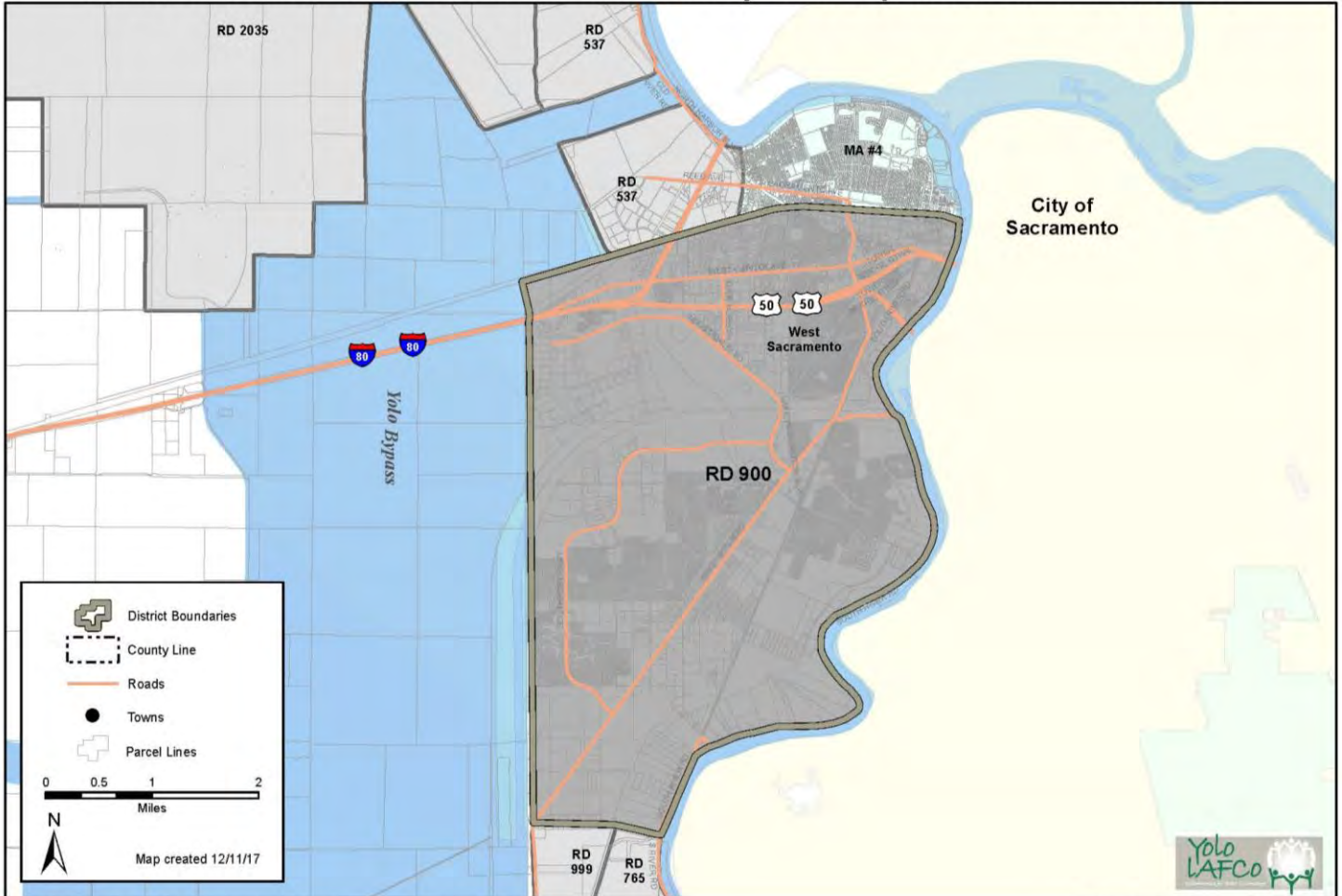
- Daily visual inspection of levees and 24 hour patrols during high water events
- Twice a year detailed inspection of project levees for PL 84-99 compliance
- Provide emergency response and levee flood fighting during storm events
- Repair levee erosion and seepage sites
- Removing debris and vegetation from canals and ditches
- Maintaining electronics and mechanics of pump stations, including regular major maintenance to expand life of pumps
- Removal of vegetation and other debris in and around drainage ponds
- Regulatory permitting and compliance (air and water quality)
- Maintaining patrol roads, fences and gates
- Controlling rodent and squirrel infestation
- Handling of toxic materials
- Replacing and rehabilitating equipment

Reclamation District 900 is an independent special district with a five-member board of trustees elected by the landowners within the District.

Name of Member	Title	Term Expiration	Compensation
Bryan Turner	President	2019	\$100/mtg
Peter Palamidessi	Vice President	2019	\$100/mtg
Phillip Hinkel	Trustee	2017	\$100/mtg
Daniel Ramos	Trustee	2019	\$100/mtg
William Denton	Trustee	2017	\$100/mtg

The regularly scheduled meeting day for Reclamation District 900 is the second Thursday of each month with meetings beginning at 9:00 am at 1420 Merkley Avenue, Suite 4, in West Sacramento. The District gives the public notice of meetings through posting of the notice on the RD office window.

Figure 2. RD 900 Boundary and Existing Sphere of Influence
Reclamation District 900 Boundary and Sphere of Influence*



* Note: Sphere of Influence is coterminous with boundary

Boundary approved in 1911

Figure 3. Reclamation District 900



Department of Water Resources. "SACRAMENTO SYSTEM: Levee District No. 537 Lovdal." Map. Scale not given. "Appendix A - Sacramento River Individual Agency Summary Reports," A-42. (2016). Web. 18 Sep. 2017.

Potentially Significant MSR Determinations

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

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

1. GROWTH AND POPULATION

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

Discussion:

a-c) According to the State Department of Finance population projections¹, the City of West Sacramento population increased from 51,963 as of January 1, 2015 to 53,082 in 2016, an increase of 2.2 percent. The City of West Sacramento completed a comprehensive General Plan Update in December 2016 and has ample space within its current boundaries to accommodate planned growth through 2035. Growth in the City is not anticipated to significantly impact RD 900’s service needs and demands.

Growth and Population MSR Determination

There is no significant development anticipated in the District that would result in a negative impact to the agency’s ability to provide services.

¹ State of California Department of Finance Population Estimates for Cities, Counties and the State – January 1, 2015 and 2016

2. DISADVANTAGED UNINCORPORATED COMMUNITIES

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

	YES	MAYBE	NO
a) Does the subject agency provide public services related to sewers, municipal and industrial water, or structural fire protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Are there any "inhabited unincorporated communities" (per adopted Commission policy) within or adjacent to the subject agency's sphere of influence that are considered "disadvantaged" (80% or less of the statewide median household income)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) If "yes" to both a) and b), it is feasible for the agency to be reorganized such that it can extend service to the disadvantaged unincorporated community (if "no" to either a) or b), this question may be skipped)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

a-c) The subject agency does not provide public services related to water, sewer or structural fire protection and therefore, the provisions of Senate Bill (SB) 244 do not apply to this MSR. Additionally, there are no Disadvantaged Unincorporated Communities (DUCs) within or contiguous to the District.

Disadvantaged Unincorporated Communities MSR Determination

The subject agency does not provide public services related to water, sewer or structural fire protection and therefore, the provisions of SB 244 do not apply to this MSR. In addition, there are no Disadvantaged Unincorporated Communities (DUCs) within or contiguous to the District.

3. CAPACITY AND ADEQUACY OF PUBLIC FACILITIES AND SERVICES

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

	YES	MAYBE	NO
a) Are there any deficiencies in agency capacity to meet service needs of existing development within its existing territory?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Are there any issues regarding the agency's capacity to meet the service demand of reasonably foreseeable future growth?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Are there any concerns regarding public services provided by the agency being considered adequate?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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d) Are there any significant infrastructure needs or deficiencies to be addressed?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Are there changes in state regulations on the horizon that will require significant facility and/or infrastructure upgrades?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f) Are there any service needs or deficiencies for disadvantaged unincorporated communities related to sewers, municipal and industrial water, and structural fire protection within or contiguous to the agency's sphere of influence?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

a-c) According to the District General Manager Kenric Jameson, there are no deficiencies in capacity to meet the flood protection service needs of existing and future development. 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. The Fall 2016 DWR Inspection Report gave the LMA an overall rating of "Acceptable."

Local Maintaining Agency	Overall Rating					Total Levee Miles
	<i>A=Acceptable; M=Minimally Acceptable; U=Unacceptable</i>					
	2012	2013	2014	2015	2016	
RD 900	U	A	M	A	A	12.96
<i>Source: California Department of Water Resources</i>						

According to the DWR report, the District needs to focus on repairing levee erosion sites and continue to maintain the area at the high level seen during the last inspection. It should be noted that the erosion sites cited in the DWR inspection reports are being repaired as part of the Southport Levee improvement project currently being implemented by WSAFCA, in which RD 900 is a member agency. Once the project is completed, RD 900 will be responsible is for the ongoing operation and maintenance of the levee system.

The Regional Flood Management Plan also details some specific levee problems in the District and summarizes the improvements, including estimated cost, design, permitting, and funding readiness, as well as benefits from the improvements.

- d) In 2016, a new assessment was approved under the Benefit Assessment Act of 1982 for internal drainage to adequately fund required maintenance and operation activities, and minimize the need for long-term debt financing for facility replacement for the next 30 years. The district assessment is anticipated to provide adequate reserves to support long-term repair, rehabilitation, and replacement of drainage facilities on a pay-as-you-go basis. RD 900 adopted an Engineer's Report for the Assessment. The 2016 Engineer's Report details the infrastructure needs of the District, including back-up generators as well as SCADA (supervisory control and data acquisition) remote access to monitor drainage pumps. The cost for these facility improvements were included in the approved assessment. The future periodic costs associated with these activities have been annualized based on the frequency of occurrence, current cost estimates for 2016, and a savings interest rate of 0.5% on reserve funds.
- e) Senate Bill 5, The Central Valley Flood Protection Act, required the development of the Central Valley Flood Protection Plan (CVFPP) by mid-2012. The plan, authored by DWR and approved by the Central Valley Flood Protection Board (CVFPB), establishes a system-wide approach to improving SPFC facilities, and recommends both structural and governance methods of improving flood risk reduction and vulnerability. The California Department of Water Resources adopted the CVFPP in 2012. A five-

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year update was adopted in 2017. The CVFPP requires 200-year flood protection for all urban and urbanizing areas within the flood zone by 2025. WSAFCA is working on a number of projects to face the challenges of stricter flood control standards imposed by the state. Together with the Department of Water Resources, Central Valley Flood Protection Board and U.S. Army corps of Engineers, WSAFCA has begun design and construction of levee improvement projects that meet the 200-year level of flood protection requirement imposed by new state law and new federal levee standards.

- f) There are no Disadvantaged Unincorporated Communities (DUCs) within or contiguous to the District's sphere of influence and the subject agency does not provide public services related to water, sewer or structural fire protection.

Capacity and Adequacy of Public Facilities and Services MSR Determination

The District has ample capacity to meet service needs for the foreseeable future and its services appear to be adequate. The 2016 Department of Water Resources rating concludes that the levee segment/system would perform as intended in a future flood event. The District has the resources to fund planned levee and drainage improvements. The District, along with WSAFCA, are working to meet urban 200-year flood protection by 2025 as required by the state.

Recommendations

- The District should work with WSAFCA to complete the improvements detailed in the 2014 Regional Flood Management Plan and any future updates including estimated cost, design, permitting, and funding readiness, as well as benefits from the improvements.

4. FINANCIAL ABILITY

Financial ability of agencies to provide services.

	YES	MAYBE	NO
a) Does the organization engage in budgeting practices that may indicate poor financial management, such as overspending its revenues, using up its fund balance or reserve over time, or adopting its budget late?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Is there an issue with the organization's revenue sources being reliable? For example, is a large percentage of revenue coming from grants or one-time/short-term sources?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Is the organization's rate/fee schedule insufficient to fund an adequate level of service, and/or is the fee inconsistent with the schedules of similar service organizations?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Is the organization in need of written financial policies that ensure its continued financial accountability and stability?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Is the organization unable to fund necessary infrastructure maintenance, replacement and/or any needed expansion?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Is the organization needing additional reserve to protect against unexpected events or upcoming significant costs?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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- g) Is the organization's debt at an unmanageable level?
- h) Does the agency have pension and/or other post-employment benefit (OPEB) liability? If so, what is it the liability and are there any concerns that it is unmanageable?

Discussion:

a) Budget:

The District's board adopts its budget each year and its 5-year budget trend analysis below indicates that the District is generally operating within its available resources. The District's assessment finances levee and internal drainage maintenance, and is in addition to the assessment funding levied through the WSAFCA JPA, which is used for JPA related expenses and maintenance of JPA improvements. Levee operations and maintenance is funded by property assessments collected by the West Sacramento Flood Control Agency. Funds collected for levee operations and maintenance may not be spent on the internal drainage system, and vice versa. In fiscal years 14/15 and 15/16, the District overspent its revenue, however, it was necessary due to equipment purchases, drainage repairs, and assessment preparation, and there were sufficient reserve funds to accommodate the expenditures. Overall, the District appears to be managing its budget resources responsibly.

b-c) Revenue Sources:

The majority of the RD 900 budget revenues comes from the new district assessment, with additional contributions from WSAFCA, and the RD 537/RD 827/Washington Unified School District budgets. The RD 900 assessment provides approximately \$2,600,000 annually. Additionally, WSAFCA provides an additional \$595,100 annually. RD 537, RD 827, and the Washington Unified School District provide approximately \$40,000 for contract services. The chart above also shows the District appears to have sufficient reserves to cover unexpected events or upcoming significant costs. Therefore, the agencies funding is stable and reliable. There are no additional fees for service.

Reclamation District 900 Operations Budget Summary (Fund 388)					
	2011-12	2012-13	2013-14	2014-15	2015-16
Revenues:					
Total Taxes - Current	\$ -	\$ 302.00	\$ 569,053.72	\$ 577,280.06	\$ (98.16)
Total Taxes - Prior	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, Permits & Franchises	\$ -	\$ -	\$ -	\$ -	
Total Revenue Use of Money and Property	\$ 8,209.01	\$ 4,872.24	\$ 6,121.36	\$ 5,963.00	\$ 17,916.82
Total Intergovernment Revenue - State	\$ -	\$ -	\$ -	\$ -	\$ -
Total Intergovernment Revenue - Other	\$ -	\$ -	\$ -	\$ -	\$ -
Total Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ -
Total Misc	\$ 1,366,026.14	\$ 1,230,880.80	\$ 613,168.77	\$ 672,340.59	\$ 1,149,751.13
TOTAL REVENUES	\$ 1,374,235.15	\$ 1,236,055.04	\$ 1,188,343.85	\$ 1,255,583.65	\$ 1,167,569.79
Expenditures:					
Salaries and Benefits	\$ -	\$ -	\$ -	\$ -	\$ -
Services and Supplies	\$ 11,633.00	\$ 11,628.00	\$ 11,644.00	\$ 11,631.00	\$ -
Total Other Charges	\$ 968,637.75	\$ 957,850.87	\$ 916,631.34	\$ 1,273,555.40	\$ 1,517,474.42
Capital Assets - Equipment & Structures	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	\$ 980,270.75	\$ 969,478.87	\$ 928,275.34	\$ 1,285,186.40	\$ 1,517,474.42
<i>Revenues Less Expenditures</i>	<i>\$ 393,964.40</i>	<i>\$ 266,576.17</i>	<i>\$ 260,068.51</i>	<i>\$ (29,602.75)</i>	<i>\$ (349,904.63)</i>
Fund Balance	\$ 1,720,252.18	\$ 1,986,224.35	\$ 2,246,292.86	\$ 2,216,690.11	\$ 1,866,785.48

d) Financial Policies

While the District has not adopted financial policies, the District follows state law and reclamation law. The District does not currently have written financial policies other than what is provided in the County's Special District Financial Handbook. The County's handbook primarily deals with how special districts interact with the County for tax revenue, the treasury, or reporting to the State Controller's Office. The County's policies do not address other issues that may be a concern for reclamation districts such as how to handle travel and reimbursable expenses, personnel issues, operating procedures, safety, etc. It may be beneficial for the District to adopt finance policies.

e-f) Infrastructure Maintenance and Replacement/Reserve:

As discussed in Section 3(d), a new assessment was approved in 2016. The assessment provided adequate reserves to support long-term repair, rehabilitation, and replacement of drainage facilities. RD 900 plans to perform the long-term repair, repair, and rehabilitation of drainage facilities on a pay-as-you-go basis. Additionally, the District has \$1,866,785 in its fund balance. The District appears to have sufficient reserves to cover unexpected events or upcoming significant costs.

g) Debt:

The District does not have any debt.

h) Post-Employment Liability:

The District provides pension benefits for all of its full-time employees through a defined contribution plan of the Internal Revenue Code. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate upon hire and are vested 20% per year of employment. The District contributes 14% of the employees' salaries each year. The District's contributions are fully vested after five years of continuous service. The Plan is administered through the Equitable Company.

A postemployment healthcare benefit plan was formally adopted by resolution. Postemployment medical benefits will be made to all qualifying retirees with benefits consistent with those offered to active employees. There is dependent coverage but no survivor benefit. Retiree medical benefits are paid to employees who have attained age 62 with twenty years of service.

According to the District's latest audit, the annual OPEB cost is \$34,683 but only about one third is being contributed towards this amount. At the end of the fiscal year 2015/16, the net OPEB obligation was reported as \$42,270. The District should make sure it has a plan to fund its ~~pension and~~ OPEB liability in the future so that it doesn't continue to fall behind.

Financial Ability MSR Determination

The District appears to be managing its finances well. It operates within its financial means and does not have any debt. The District has adequate reserve to provide unexpected maintenance if necessary. The District is lacking adopted financial policies other than what the County provides and should consider adopting policies for District operations and financial management. The District should also consider a funding plan to address ~~employee pension and~~ OPEB liability.

Recommendations

- The District board should cConsider adopting policies for District operations and financial management including such topics as: purchasing and contracting, etc.
- The District should adopt a plan to make sure it funds its ~~pension and~~ OPEB obligation in the future.

5. SHARED SERVICES AND FACILITIES

Status of, and opportunities for, shared facilities.

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

Discussion:

a-b) The District provides bookkeeping services for RD 537 and RD 827 via a professional services contract. The District is a member agency of the WSAFCA JPA, along with RD 537 and the City of West Sacramento. The WSAFCA JPA is an administrative and fiduciary agent that manages capital improvements and leverages cost-share for flood infrastructure projects in the City of West Sacramento. RD 900's General Manager acts as the General Manager and Secretary of WSAFCA. WSAFCA is set up to implement levee improvement projects and does not have a role in promoting or coordinating shared services between the member agencies, such as contracting for O&M or engineering services.

Shared Services MSR Determination

The District provides bookkeeping services for RD 537 and RD 827. RD 900's General Manager also serves as the General Manager/Secretary of WSAFCA. While RD 900 is a member agency of the WSAFCA JPA, the JPA does not currently coordinate shared services between the member agencies. Possible alternatives for a comprehensive solution for coordinated governance and potential staffing and operational efficiencies in the West Sacramento Hydrologic Basin is discussed in Section 6 (f-g) of this MSR.

6. ACCOUNTABILITY, STRUCTURE AND EFFICIENCIES

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

	YES	MAYBE	NO
a) Are there any issues with meetings being accessible and well publicized? Any failures to comply with disclosure laws and the Brown Act?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Are there any issues with filling board vacancies and maintaining board members? Is there a lack of board member training regarding the organization's program requirements and financial management?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Are there any issues with staff turnover or operational efficiencies? Is there a lack of staff member training regarding the organization's program requirements and financial management?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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

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

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

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

Discussion:

- a) There are no issues with the board meetings being accessible and posted in accordance with the Brown Act. The regularly scheduled meeting day for Reclamation District 900 is the second Thursday of each month with meetings beginning at 9:00 am at 1420 Merkley Avenue, Suite 4, in West Sacramento. The District gives the public notice of meetings through posting of the notice on the RD office window.
- b) All of the board seats are currently filled, therefore, there do not appear to be chronic issues with filling board vacancies and maintaining board members.
- c) There do not appear to be issues with staff turnover or other operational efficiencies. The District has seven (7) full-time employees.
- d) The Reclamation District is independently audited annually in accordance with auditing standards generally accepted in the United States.
- e) Regarding public accessibility of District records, the District has a website that was created by their consultants as part of the assessment adopted in 2016. The website is updated by the District and includes meeting agendas and minutes, audits, and financial information. District files are stored at the District office and maintained by District staff.

f-g) Central Valley Flood Protection Plan Context

Flood management in the Central Valley is affected by a complex framework of public agencies (over 300 in the Sacramento Basin and over 200 in the San Joaquin Basin). At the local level, governance is complicated by multiple small levee maintaining agencies (LMAs) with limited resources, including staff, revenues, and authorities. Flood management in Yolo County along the Sacramento River System is currently carried out by sixteen (16) separate local agencies including: thirteen (13) reclamation districts (RDs); one (1) drainage district; one (1) levee district; and one (1) county service area. In addition, the California Department of Water Resources (DWR) has one Maintenance Area (MA #4) in the West Sacramento Basin and also maintains the Bypass and the Cache Creek levee system with the exception of the Huff's Corner reach, which is maintained by the County. The United States Army Corps of Engineers (USACE) also maintains the Navigation Levee constructed in association with the Deep Water Ship Channel.

Enhanced regional governance can empower groups of local agencies to more effectively pool and leverage funding and resources, enhance collaboration and coordination, coordinate political advocacy, and create shared ownership of the flood system. Regional planning and project implementation is greatly improved through enhanced regional governance. Regional governance not only improves collaboration among local agencies within a region, but also facilitates more effective partnering with State and federal governments, greatly helping to define and achieve a shared regional vision. Regional partnerships have already been created, such as the West Sacramento Flood Control Agency comprised of the City of West Sacramento, RD 537 and RD 900.

Strong regional governance and shared understanding of roles and responsibilities will support a shift toward system-scale, long-term, outcome-driven resource management that balances a broad array of public values and priorities. Dialogues should be fostered within a structured, transparent process that includes schedules, actionable recommendations, and stakeholder engagement.²

In an effort to improve statewide flood management, the State Department of Water Resources (DWR) funded a locally led Regional Flood Management Plan process in six Central Valley regions. The intent of the effort includes establishing a common vision among regional partners, articulating local and regional flood management needs and priorities, describing regional financing strategies, and establishing improved regional governance for implementation.

Through interaction with these regional groups, State DWR has advanced the idea of LMA consolidation. This concept, which arose in the aftermath of the Hurricane Katrina disaster, is founded on the belief that it would be more efficient for existing LMAs to voluntarily collaborate, enabling them to “speak with one voice” (e.g. on matters affecting multiple LMAs whose levees protect the same hydrologic basin), perform consistent O&M, and increase emergency response capabilities.³

Yolo County Flood Governance Study Recommendations

DWR funded the Yolo County Flood Governance Study, dated August 2014 prepared by the UC Davis Collaboration Center. The study recommends that each of the five “basins” develop their own version of coordinated governance: 1) Knights Landing; 2) Elkhorn; 3) Woodland; 4) West Sacramento; and 5) Clarksburg. 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.

The 2014 Yolo County Flood Governance Study, which was prepared for the Lower Sacramento/Delta North Region and funded by the Department of Water Resources, recommended a combination of the “regional communication and collaboration network” (Alternative 2) and a “hydrologic basin” approach (Alternative 3) would be desirable and useful. The Study found that while reclamation districts are best suited to conduct routine O&M and on-site emergency response, some flood management activities would be better accomplished at the regional level. 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.

LAFCo recommends that 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 a risk due to inconsistent maintenance or flood fight 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. Because each hydrologic basin is unique, a discussion specific to each individual basin is provided below.

² Central Valley Flood Protection Plan 2017 Update, page 3-46

³ Yolo County Flood Governance Study 2017, page 60

West Sacramento Basin

For the West Sacramento Basin, the 2014 Governance Study found that the West Sacramento Area Flood Control Agency (WSAFCA) is an already well-functioning JPA and no major recommendations are needed for this area. The Study also recommends that WSAFCA should show political support for better and/or consolidated management in the Clarksburg and Elkhorn basins and continued cooperation with other regional flood management agencies on actions that will reduce flood stages in the system, such as the actions proposed for the Yolo Bypass in the Sacramento Basin Wide Feasibility Study. However, LAFCo's understanding is that the JPA, while well-functioning, is implementing levee upgrade projects and is not set up to perform day-to-day levee operation and maintenance functions. WSAFCA will be executing an Operation, Maintenance, Repair Rehabilitation and Replacement Agreement ("OMRR&R") being required by the CVFPB, along with the RDs, under which WSAFCA will participate with the RDs in developing a standard levee operation and maintenance manual for approval by the CVFPB, and WSAFCA will be responsible for OMRR&R of the levees should the RDs fail to perform. The WSAFCA JPA does not include Maintenance Area #4, which is managed by DWR or the Navigation Levee, which is maintained by the USACE. WSAFCA, as currently operating, does not serve as the lead entity for the West Sacramento Basin providing a uniform level of maintenance and flood fighting capability. It also does not appear to be a cost effective option to augment WSAFCA to also provide internal drainage services currently provided by the City and the RDs or levee operation and maintenance provided by RDs.

Various ways of providing enhanced regional coordination in the West Sacramento Basin is being considered, which could include one of the following alternatives detailed below. To characterize these alternatives in simple terms, the goal is to have each basin function as one entity. For the West Sacramento Basin, ~~the LAFCo reviewed two alternatives as lead entity could be either RD 537, RD 900 or the City of West Sacramento as detailed in the options below:~~

1. RD 900 and RD 537 could merge (either legally or functionally). A "functional consolidation" would involve RD 537 and its board remaining intact, but contracting all day to day operations to RD 900 (or vice versa). This should also include RD 537 taking over DWR Maintenance Area #4 so the lead entity has responsibility for the entire basin (LAFCo will add the MA #4 area into RD 537's sphere of influence to facilitate potential future services). The RD lead entity should also conduct an annual inspection of the Navigation Levee to confirm that the USACE maintenance is being conducted to the same standard as the rest of the basin and advocate (either on its own or through the JPA) for any needed improvements.
2. The City of West Sacramento has expressed a willingness to absorb RD 900 and RD 537 (the portion south of the weir) and consolidate services with the City either as a merger or a subsidiary district. To approve such a consolidation, LAFCo would need to make a finding that the public service costs would likely be less than or substantially similar under City governance and that it consolidation promotes public access and accountability for services. ~~The RDs districts have expressed their opposition to being absorbed in any manner by the City and provided reasons for such opposition. Similar to the other options, the City would also need to take over DWR Maintenance Area #4 levee maintenance and conduct an annual inspection of the Navigation Levee to confirm that the USACE maintenance is being conducted to the same standard as the rest of the basin and advocate (either on its own or through the JPA) for any needed improvements to achieve the goals of basin-wide governance. The City of West Sacramento has provided a Financial Analysis that compares existing costs to projected costs of City consolidation of services (merger and subsidiary district) examines these alternatives (Attachment 1).~~

Based on the analysis in the February 22, 2018 LAFCo staff report for this Municipal Service Review and Sphere of Influence Update, LAFCo recommends RD 900 and RD 537 (the portion south of the weir) become subsidiary districts to the City.

Accountability, Structure and Efficiencies MSR Determination

There are no issues with meetings being accessible and publicized in accordance with the Brown Act. The District does ~~not~~ maintain and update a website that includes meeting agendas and minutes, audits, and

~~financial information. and should look to create even a minimal one for public transparency purposes. WSAFCA, while well-functioning, in its current form is not set up to accomplish the goal that the West Sacramento hydrologic basin function in a coordinated manner to be provide a uniform level of maintenance and flood fighting capability. Additional action is needed to continue to work towards a more comprehensive solution as recommended, which could include one of the following alternatives below.~~

Recommendations

- ~~• WSAFCA in its current form is not set up to accomplish the goal that the West Sacramento hydrologic basin function in a coordinated manner to be provide a uniform level of maintenance and flood fighting capability. Additional action is needed to continue to work towards a more comprehensive solution, which could include one of the following alternatives detailed below:~~

- ~~1. RD 900 and RD 537 could merge (either legally or functionally). A “functional consolidation” would involve RD 537 and its board remaining intact, but contracting all day to day operations to RD 900 (or vice versa). This should also include RD 537 taking over DWR Maintenance Area #4 so the lead entity has responsibility for the entire basin (LAFCo will add the MA #4 area into RD 537’s sphere of influence to facilitate potential future services). The RD lead entity should also conduct an annual inspection of the Navigation Levee to confirm that the USACE maintenance is being conducted to the same standard as the rest of the basin and advocate (either on its own or through the JPA) for any needed improvements.~~

The City of West Sacramento has expressed a willingness to absorb RD 900 and RD 537 (the portion south of the weir) and consolidate services with the City either as a merger or a subsidiary district. LAFCo recommends RD 900 and RD 537 (the portion south of the weir) become subsidiary districts to the City. To approve such a consolidation, LAFCo would need to make a finding that the public service costs would likely be less than or substantially similar under City governance and that ~~it consolidation~~ consolidation promotes public access and accountability for services. The ~~RDs districts~~ RDs districts have expressed their opposition to being absorbed in any manner by the City and provided reasons for such opposition. ~~Similar to the other options, the City would also need to should~~ take over responsibility for DWR Maintenance Area #4 levee maintenance and conduct an annual inspection of the Navigation Levee to confirm that the USACE maintenance is being conducted to the same standard as the rest of the basin and (either on its own or through the JPA) for any needed improvements to achieve the goals of basin-wide governance. The City of West Sacramento has provided a Financial Analysis that compares existing costs to projected costs of City consolidation of services (merger and subsidiary district)~~examines these alternatives~~ (Attachment 1).

7. OTHER ISSUES

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

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

Discussion:

- a) LAFCo is not aware of any other service delivery issues not already addressed in the MSR.

Other Issues MSR Determination

LAFCo is not aware of any other service delivery issues not already addressed in the MSR.

SPHERE OF INFLUENCE STUDY

On the basis of the Municipal Service Review:

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- 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.

SPHERE OF INFLUENCE MAP(S)

The District sphere of influence (SOI) is coterminous with its existing boundary.

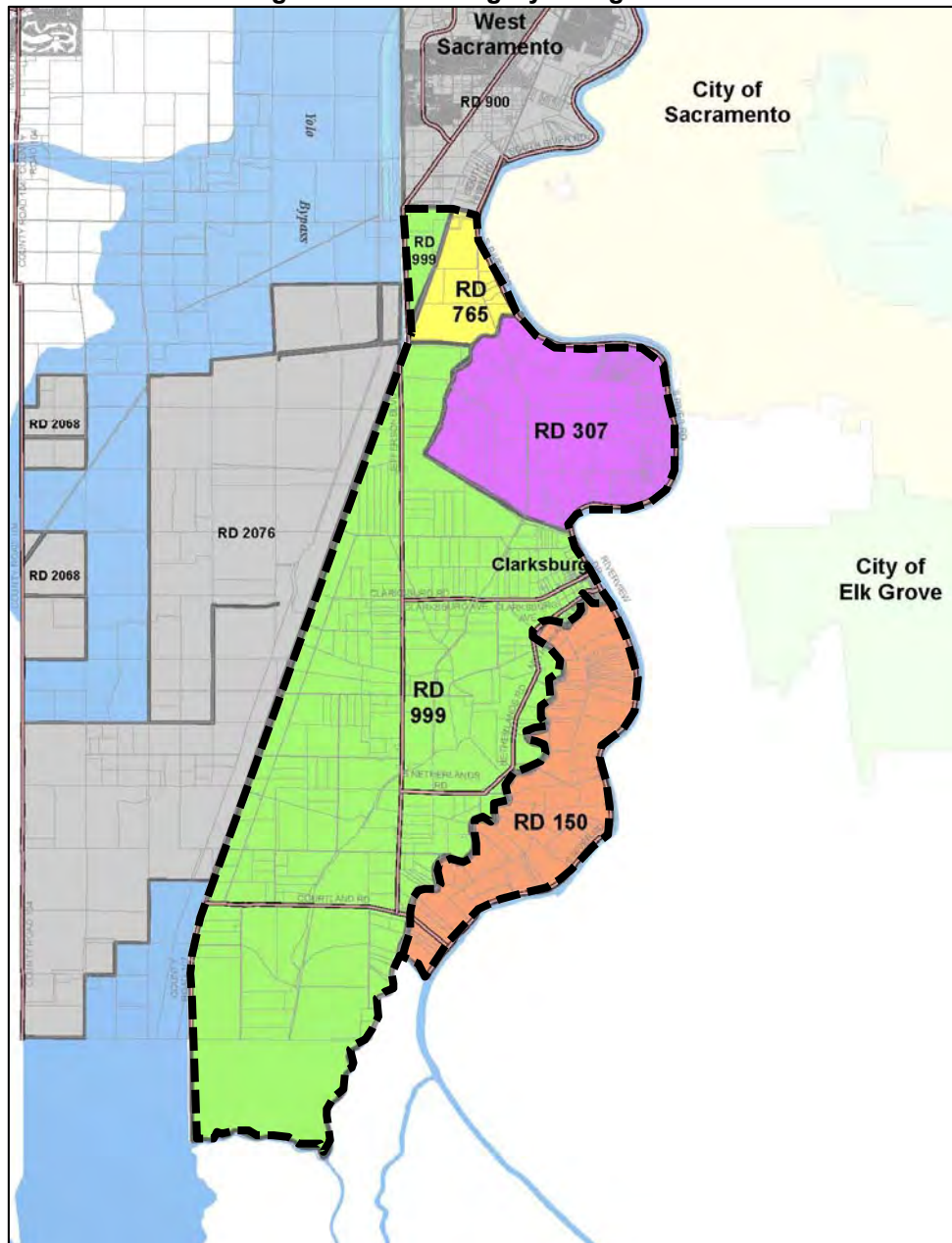
Clarksburg Hydrologic Basin

Levee operations and maintenance in the Clarksburg Basin is currently carried out by four separate local maintaining agencies (LMAS):

- Reclamation District 150: Merritt Island
- Reclamation District: 307: Lisbon
- Reclamation District 765: Glide
- Reclamation District 999: Netherlands

There are two (2) inactive districts that are located in the Clarksburg area (Reclamation District 2076 and Reclamation District 2120).

Figure 1. Clarksburg Hydrologic Basin



RECLAMATION DISTRICT 999: NETHERLANDS

Agency Profile

Formed in 1913, Reclamation District (RD) 999 provides levee maintenance, drainage, and irrigation for 32.4 miles of levee, protecting approximately 26,0090 acres of land. Some of this land is in Solano County. All of the District levees are part of the Sacramento River Flood Control Project (SRFC). RD 999 holds riparian water rights, as well as Pre- and Post-1914 appropriate water rights. 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 260-mile network of irrigation and drainage canals and siphons and pumping plants.

Drainage water for that portion of the District protected by levees is pumped, at various locations, over the levee by District pumping plants. Localized flooding is common throughout the District during significant storm events. It is not expected that the drainage facilities of the District will prevent localized flooding, but rather, will moderate the depth and duration of such flooding and facilitate the removal of storm and flood waters from District lands.

Current levee operations and maintenance (O&M) is evaluated at the Unacceptable level by the Department of Water Resources (DWR). RD 999 participates as members of the California Central Valley Flood Control Association (CCVFCA) and the Westside Committee for the Regional Flood Management Plan. The District is part of the Delta Levees Maintenance Subvention Program which offers cost-share assistance for levee maintenance and rehabilitation. The annual operating budget for 2015/16 was \$850,000, generated from annual assessments and the Subvention Program.

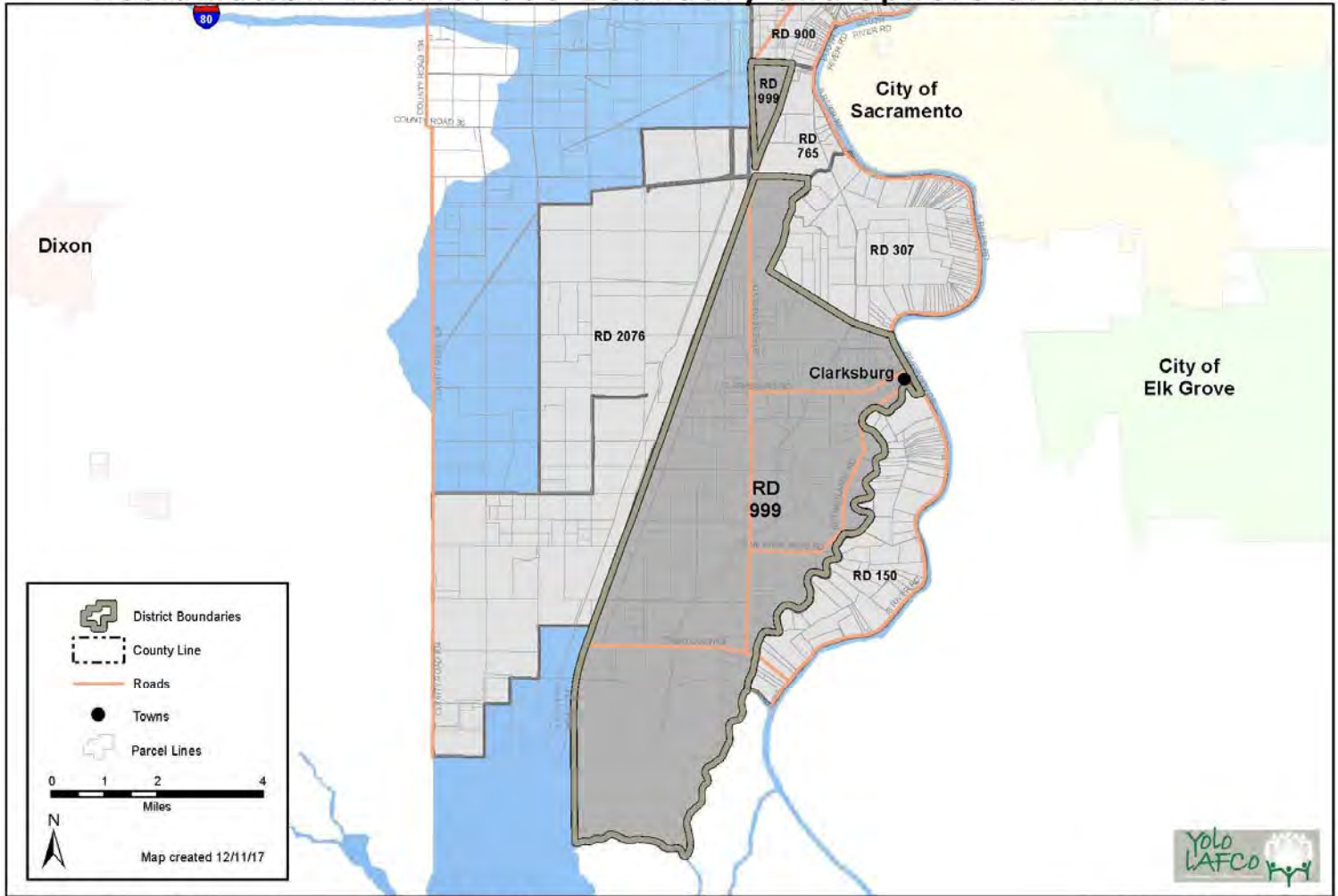
RD 999 previously had four full-time employees including a manger, board secretary, watermaster, and mechanic, however the general manager and bookkeeper positions have recently become vacant. The Chairman of the Board of Trustees, Tom Slater, has taken over as the acting manager of the District. Levee maintenance primarily includes mowing levee slopes, tree trimming, weed control, rodent abatement, crown road maintenance, erosion repair, and routine inspections. Ditch maintenance requires vegetation control, cleaning, deepening of the waterways and the maintenance of pipes, gates, risers and pumps which connect them. The District contracts out for legal and engineering services.

Reclamation District 999 is an independent special district with a five-member board of trustees elected by the landowners within the District.

Name of Member	Title	Term Expiration	Compensation
Thomas Slater	President	2019	None
Stephen Barsoom	Vice President/Trustee	2019	None
Stephen F. Heringer	Trustee	2019	None
Gary Robert Merwin	Trustee	2017	None
Jeffrey Merwin	Trustee	2017	None

District meetings are held on the second Thursday of the month at 9:00 am at the District's office, 38563 Netherlands, Clarksburg, CA. Meeting notices are posted on the District website and at the District office, and mailed to all board members.

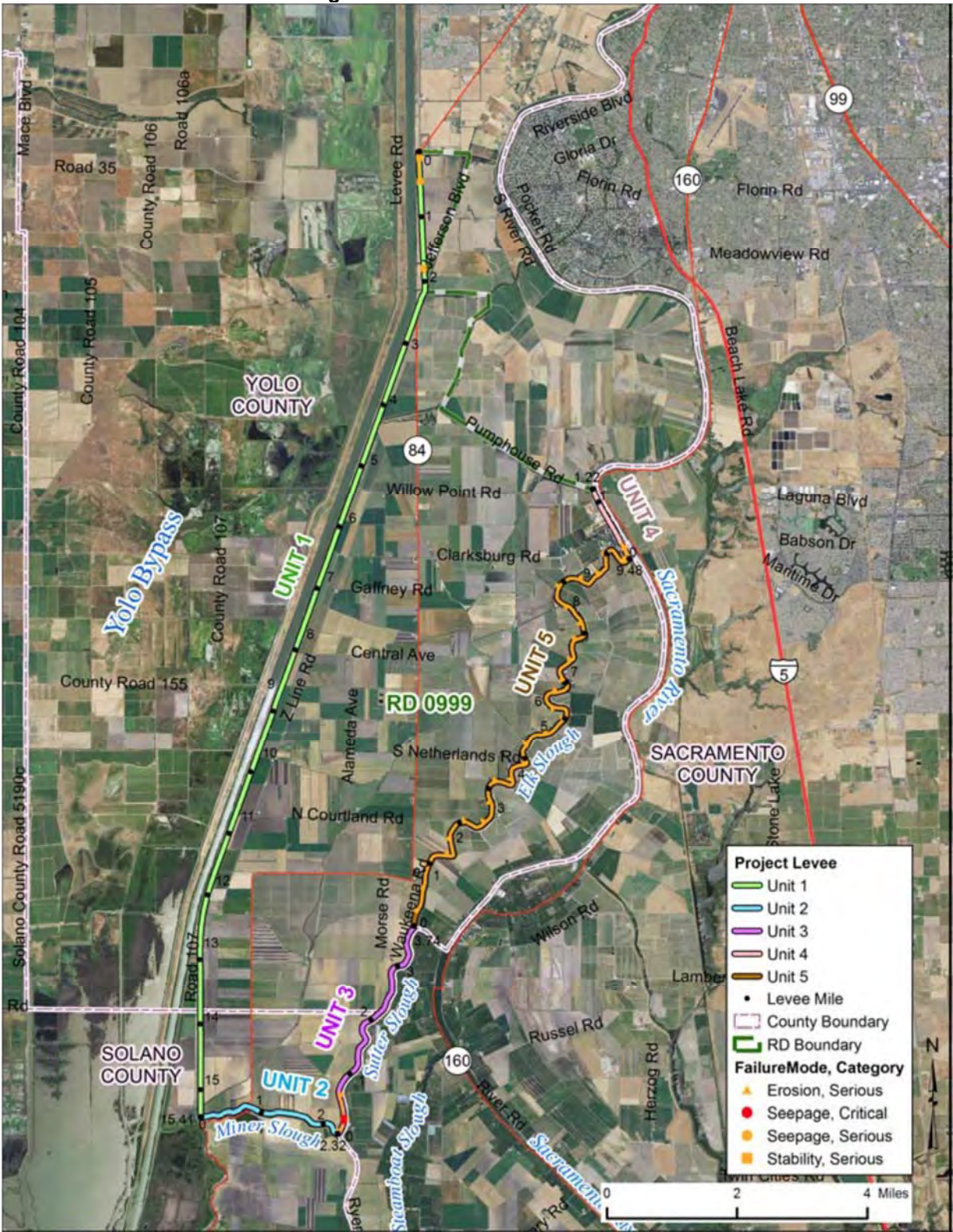
Figure 1. RD 999 Boundary and Existing Sphere of Influence
Reclamation District 999 Boundary and Sphere of Influence*



* Note: Sphere of Influence is coterminous with boundary

Boundary approved in 1913

Figure 2. Reclamation District 999



Department of Water Resources. "SACRAMENTO SYSTEM: Levee District No. 099 Netherlands." Map. Scale not given. "Appendix A - Sacramento River Individual Agency Summary Reports," A-124. (2016). Web. 18 Sep. 2017.

Potentially Significant MSR Determinations

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

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

1. GROWTH AND POPULATION

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

Discussion:

a-c)The State Department of Finance population projections¹ indicate that Yolo County had an estimated population in the unincorporated area of 26,995 as of January 1, 2015 and 28,419 as of January 1, 2016, a 5.3 percent overall increase. The town area of the Clarksburg community has a population of approximately 496 people and 179 housing units within the town limits. The Yolo County General Plan anticipates that the number of housing units within the town area will increase by 20 units by 2030. There is no significant development anticipated in the District that would result in a negative impact to the agency’s ability to provide services.

Growth and Population MSR Determination

There is no significant development anticipated in the District that would result in a negative impact to the agency’s ability to provide services.

¹ E-1 Population Estimates for Cities, Counties, and the State January 1, 2015 and 2016

2. DISADVANTAGED UNINCORPORATED COMMUNITIES

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

	YES	MAYBE	NO
a) Does the subject agency provide public services related to sewers, municipal and industrial water, or structural fire protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Are there any "inhabited unincorporated communities" (per adopted Commission policy) within or adjacent to the subject agency's sphere of influence that are considered "disadvantaged" (80% or less of the statewide median household income)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) If "yes" to both a) and b), it is feasible for the agency to be reorganized such that it can extend service to the disadvantaged unincorporated community (if "no" to either a) or b), this question may be skipped)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

a-c) The subject agency does not provide public services related to water, sewer or structural fire protection and therefore, the provisions of Senate Bill (SB) 244 do not apply to this MSR. Additionally, there are no Disadvantaged Unincorporated Communities (DUCs) within or contiguous to the District. While Clarksburg is defined by Yolo LAFCo policy as an inhabited unincorporated community, it does not qualify as a disadvantaged community based on its 2015 median household income (MHI).

Disadvantaged Unincorporated Communities MSR Determination

The subject agency does not provide public services related to water, sewer or structural fire protection and therefore, the provisions of SB 244 do not apply to this MSR. In addition, there are no Disadvantaged Unincorporated Communities (DUCs) within or contiguous to the District.

3. CAPACITY AND ADEQUACY OF PUBLIC FACILITIES AND SERVICES

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

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

Discussion:

a-d) The 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. The Fall 2016 DWR Inspection Report gave the LMA an overall rating of "Unacceptable."

Local Maintaining Agency	Overall Rating					Total Levee Miles
	<i>A=Acceptable; M=Minimally Acceptable; U=Unacceptable</i>					
	2012	2013	2014	2015	2016	
RD 999	U	U	U	U	U	32.16

Source: California Department of Water Resources

According to the DWR Report, there is woody vegetation that significantly impacts access and visibility in the area. Additionally, the crown roadway may not be able to be driven in all types of weather. There is also erosion that should be monitored. The District should focus on controlling woody vegetation and repairing erosion sites. Additionally, the District should ensure that the levee crown and access roads are able to be driven in all weather conditions. The District provided a summary of expenses and planned maintenance activities to DWR for operation and maintenance of levees. Expenses include costs of roadway grading, beaver damage repair, and vegetation control. The reported total estimated cost for the current fiscal year is \$3,350,000.

The Regional Flood Management Plan (RFMP) details the specific improvements necessary in the District and summarizes the improvements, including estimated cost, design, permitting, and funding readiness, as well as benefits from the improvements. According to the RFMP, proposed improvements may include:

- Sutter Slough Erosion Repair Project: The project consists of erosion repairs along multiple sites on Sutter Slough. The primary concern is the heavy vegetation which could require expensive mitigation. The cost of the project includes environmental documentation, permitting, design, mitigation, construction, and enhancement components (\$775,061).
- Minor Slough Seepage Repair Project: The project consists of repairing seepage along Minor Slough (\$1,240,097).
- Sacramento River Erosion Repair Project: The project consists of repairing erosion on the Sacramento River along the entire waterside slope south of the Clarksburg Marina that protects the town of Clarksburg (\$2,066,828).
- Elk Slough Feasibility Study: A comprehensive study to evaluate existing levee conditions and habitat along Elk Slough and evaluate alternatives for improvement (\$775,061). According to the District, this feasibility study has not materialized and is unlikely to be completed.
- Deep Water Ship Channel Stability Project: Improvements include the construction of a stability protection project along the Deep Water Ship Channel (\$1,821,596).
- Minor Slough Bank Protection Control: Improvements include the construction of bank protection along Minor Slough (\$453,588).

The total estimated costs for these projects is over eight (8) million dollars and according to the RFMP, local funding sources have not been identified.

- e) Senate Bill (SB) 5, the Central Valley Flood Protection Act, required the development of the Central Valley Flood Protection Plan (CVFPP) by mid-2012. The plan, authored by DWR and approved by the Central Valley Flood Protection Board (CVFPB), establishes a system-wide approach to improving State Plan of Flood Control (SPFC) facilities, and recommends both structural and governance methods of improving flood risk reduction and vulnerability. The California Department of Water Resources adopted the CVFPP in 2012. A five-year update was adopted in 2017. The CVFPP requires 200-year flood protection for all urban and urbanizing areas within the flood zone by 2025. The District is not located in an urban or urbanizing area so the 200-year standard is not required for district levees. However, one of the primary goals of the CVFPP and the RFMP is to achieve a 100-year level of flood protection for small communities such as Clarksburg in order to preserve small community development opportunities without providing urban level of protection and encouraging broader urban development. The RFMP's recommended solution for Clarksburg is a feasibility study. Yolo County has received grant funding to prepare a Small Communities Flood Risk Reduction Feasibility Study for the Clarksburg Community, including RD 999 (discussed in more detail in Section 6 of this report) to achieve a 100-year level of flood protection in order to preserve small community development opportunities. Work will begin on the Clarksburg Small Communities Feasibility Study in 2018 with a potential completion date by late 2019.
- f) There are no Disadvantaged Unincorporated Communities (DUCs) within or contiguous to the District's sphere of influence.

Capacity and Adequacy of Public Facilities and Services MSR Determination

District levees have an overall rating of "Unacceptable" from the Department of Water Resources. There is woody vegetation that significantly impacts access and visibility in the area. Additionally, the crown roadway may not be able to be driven in all types of weather. There is also erosion that should be monitored. The District should focus on controlling woody vegetation and repairing erosion sites. Additionally, the District should ensure that the levee crown and access roads are able to be driven in all weather conditions. The District provided a summary of expenses and planned maintenance activities to DWR for all levee units. Expenses include costs of roadway grading, beaver damage repair, and vegetation control. The reported total estimated cost for the current fiscal year is \$3,350,000. Other needed projects identified in the Regional

Flood Management Plan are estimated to cost over eight (8) million dollars and local funding sources have not been identified.

Recommendations

- The District should work to improve the items detailed in the 2016 Department of Water Resources Inspection Report, including repairing erosion sites and working with landowners and the Central Valley Flood Plan Board to control unauthorized encroachments.
- The District should work to identify funding and complete the improvements detailed in the 2014 Regional Flood Management Plan and any future updates including estimated cost, design, permitting, and funding readiness, as well as benefits from the improvements.

4. FINANCIAL ABILITY

Financial ability of agencies to provide services.

	YES	MAYBE	NO
a) Does the organization engage in budgeting practices that may indicate poor financial management, such as overspending its revenues, using up its fund balance or reserve over time, or adopting its budget late?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Is there an issue with the organization's revenue sources being reliable? For example, is a large percentage of revenue coming from grants or one-time/short-term sources?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Is the organization's rate/fee schedule insufficient to fund an adequate level of service, and/or is the fee inconsistent with the schedules of similar service organizations?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Is the organization in need of written financial policies that ensure its continued financial accountability and stability?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Is the organization unable to fund necessary infrastructure maintenance, replacement and/or any needed expansion?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Is the organization needing additional reserve to protect against unexpected events or upcoming significant costs?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
g) Is the organization's debt at an unmanageable level?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
h) Does the agency have pension and/or other post-employment benefit (OPEB) liability? If so, what is it the liability and are there any concerns that it is unmanageable?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

a) Budget:

The District does not use the County Treasurer. While the District indicates that the Board does adopt an annual budget, the District has not provided the current fiscal year budget or previous fiscal year budgets to LAFCo as requested. Therefore, LAFCo has relied on the District's adopted Engineer's

Report prepared for the recent 2016 Assessment for financial information. Between 1997 and 2016, the District's annual operation expenses increased significantly due to significant cost increases, regulatory changes, and outdated equipment. In 2016, the District voters approved a new assessment through a Proposition 218 election. The purpose of the new assessment is to retire outstanding debt, operation and maintenance, construction of reclamation and irrigation works, replacement of equipment and operating facilities, and establishing a reserve fund to address large unplanned expenses. According to the Engineer's Report, the previous assessment amount (established in 1997) failed to cover the approximate annual operating expenses and generated an operating deficit of \$200,000 annually. The new assessment will begin to retire this debt.

b-c) Revenue Sources:

The District's budget comes from their own assessment as well as the Delta Levees Maintenance Subvention Program which offers cost-share assistance for levee maintenance and rehabilitation. In 2016, the District voters approved a new assessment through a Proposition 218 election. Therefore, the agency's funding is stable and reliable. However, the District does not appear to have adequate reserve for improvements detailed in the Regional Flood Management Plan. There are no additional fees for service. The RFMP has identified several needed projects including erosion repair projects along Sutter Slough and the Sacramento River, a seepage repair project along Minor Slough, the Deep Water Ship Channel Stability Project, the Minor Slough Bank Protection Control, and the Elk Slough Feasibility Project. These projects together are estimated to cost over eight (8) million dollars and local funding sources have not been identified.

d) Financial Policies:

While the District has not adopted financial policies, the District indicates that it follows state law and reclamation law. The District should consider adopting policies that address other issues that may be a concern for reclamation districts such as how to handle travel and reimbursable expenses, personnel issues, operating procedures, safety, etc.

e-f) Infrastructure Maintenance and Replacement/Reserves:

The District provided a summary of expenses and planned maintenance activities for all levee units. Expenses include costs of roadway grading, beaver damage repair, and vegetation control. The reported total estimated expenses for the current fiscal year is \$3,350,000. The District has adequate funds for this maintenance. Other needed projects identified in the Regional Flood Management Plan are estimated to cost over eight (8) million dollars and local funding sources have not been identified.

g) Debt:

According to the 2016 Assessment, Engineer's Report for RD 999, the previous assessment amount failed to cover the approximate annual operating expenses and generated an operating deficit of \$200,000 annually. The District has had to borrow funds through a line of credit to meet annual expenses. The outstanding debt is currently approximately \$450,000. The new assessment has begun to retire this debt.

h) Post-Employment Liability:

The District has approximately \$20,000 annually in unfunded liability from PERS.

Financial Ability MSR Determination

According to the 2016 Assessment Engineer's report prepared by the District, the District appears to generally operate within its financial means and has recently adopted a new assessment to begin retiring debt, operation and maintenance, construction of reclamation and irrigation works, replacement of equipment and operating facilities, and establishing a reserve fund to address large unplanned expenses. However, the District does not appear to have adequate reserve for improvements detailed in the Regional

Flood Management Plan. The District is lacking adopted financial policies and should consider adopting policies for District operations and financial management.

Recommendations

- The District should 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.
- Consider adopting 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.
- The District should work to identify funding for the improvements detailed in the 2014 Regional Flood Management Plan.

5. SHARED SERVICES AND FACILITIES

Status of, and opportunities for, shared facilities.

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

Discussion:

a-b)The District does not currently share any services or facilities with other organizations. RD 999 has four full-time employees including a manger, board secretary, watermaster, and mechanic. The District contracts out for legal and engineering services. The 2014 Yolo County Flood Governance Study found that for the Clarksburg hydrologic basin the residents of the basin would be better served if RD 999, 307 and 765 provided a consistent level of levee maintenance and flood response capability, either functioned as one entity or in a coordinated manner to accomplish this objective. Yolo County has received grant funding to prepare a Small Communities Flood Risk Reduction Feasibility Study for the Clarksburg Community, including RD 999 (discussed in more detail in Section 6 of this report) to achieve a 100-year level of flood protection in order to preserve small community development opportunities. While the goal of the study is to evaluate alternatives to reduce flood risk, potential governance alternatives will be reviewed as part of the analysis, which could lead to staffing efficiencies and other operational efficiencies.

Shared Services MSR Determination

The District does not currently share any services or facilities with other organizations. RD 999 has four full-time employees including a manger, board secretary, watermaster, and mechanic. The District contracts out for legal and engineering services. The 2014 Yolo County Flood Governance Study found that for the Clarksburg hydrologic basin the residents of the basin would be better served if RD 999, 307 and 765 provided a consistent level of levee maintenance and flood response capability, either functioned as one entity or in a coordinated manner to accomplish this objective. Additionally, Yolo County has received grant funding to prepare a Small Communities Flood Risk Reduction Feasibility Study for the Clarksburg Community, including RD 999 (discussed in more detail in Section 6 of this report) to achieve a 100-year level of flood protection in order to preserve small community development opportunities. While the goal of

**YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY
CLARKSBURG HYDROLOGIC BASIN**

the study is to evaluate alternatives to reduce flood risk, potential governance alternatives will be reviewed as part of the analysis, which could lead to staffing efficiencies and other operational efficiencies.

6. ACCOUNTABILITY, STRUCTURE AND EFFICIENCIES

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

	YES	MAYBE	NO
a) Are there any issues with meetings being accessible and well publicized? Any failures to comply with disclosure laws and the Brown Act?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Are there any issues with filling board vacancies and maintaining board members? Is there a lack of board member training regarding the organization's program requirements and financial management?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Are there any issues with staff turnover or operational efficiencies? Is there a lack of staff member training regarding the organization's program requirements and financial management?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Are there any issues with independent audits being performed on a regular schedule? Are completed audits being provided to the State Controller's Office and County Director of Financial Services within 12 months of the end of the fiscal year(s) under examination? Are there any corrective action plans to follow up on?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Does the organization need to improve its public transparency via a website? [A website should contain at a minimum the following information: organization mission/description/boundary, board members, staff, meeting schedule/agendas/minutes, budget, revenue sources including fees for services (if applicable), and audit reports.]	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Are there any recommended changes to the organization's governance structure that will increase accountability and efficiency?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
g) Are there any opportunities to eliminate overlapping boundaries that confuse the public, cause service inefficiencies, unnecessarily increase the cost of infrastructure, exacerbate rate issues and/or undermine good planning practices?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

- a) There are no issues with the board meetings being accessible and posted in accordance with the Brown Act. District meetings are held on the second Thursday of the month at 9:00 am at the District's office, 38563 Netherlands, Clarksburg, CA. Meeting notices are posted on the District website and at the District office, and mailed to all board members.
- b) All of the board seats are currently filled, therefore, there do not appear to be chronic issues with filling board vacancies and maintaining board members.

- c) There may be an issue staff turnover at the District. The District has recently lost its general manager and bookkeeper. The District previously had four full-time staff; however, the Chairman of the Board of Trustees, Tom Slater, has taken over as the acting manager of the District. The District contracts for legal and engineering services. The District completes O&M by contracting with appropriate providers.
- d) The Reclamation District has not provided any audits to LAFCo for review. Audits should be completed and provided to the State Controller's Office and the Yolo County Director of Financial Services as required by law. Additionally, audits and other financial documents should be provided to the public and LAFCo if requested consistent with state law, including Section 56386 of the Cortese-Knox-Hertzberg Act Local Government Reorganization Act of 2000.
- e) Regarding public accessibility of District records, the District has a website is maintained by the District (www.rd999.org). The website includes board members, staff contacts, information on the 2016 Proposition 216 election, a brief history of RD 999, and meeting notices and agendas. The District should consider providing additional financial information to the public on the website including audits and adopted budgets. District files are stored at the District office and maintained by District staff.

f-g) Central Valley Flood Protection Plan Context

Flood management in the Central Valley is affected by a complex framework of public agencies (over 300 in the Sacramento Basin and over 200 in the San Joaquin Basin). At the local level, governance is complicated by multiple small levee maintaining agencies (LMAs) with limited resources, including staff, revenues, and authorities. Flood management in Yolo County along the Sacramento River System is currently carried out by fifteen (15) separate local agencies including: twelve (12) reclamation districts (RDs); one (1) drainage district; one (1) levee district; and one (1) county service area. In addition, the California Department of Water Resources (DWR) has one Maintenance Area (MA #4) in the West Sacramento Basin and also maintains the Bypass and the Cache Creek levee system with the exception of the Huff's Corner reach, which is maintained by the County. The United States Army Corps of Engineers (USACE) also maintains the Navigation Levee constructed in association with the Deep Water Ship Channel.

Enhanced regional governance can empower groups of local agencies to more effectively pool and leverage funding and resources, enhance collaboration and coordination, coordinate political advocacy, and create shared ownership of the flood system. Regional planning and project implementation is greatly improved through enhanced regional governance. Regional governance not only improves collaboration among local agencies within a region, but also facilitates more effective partnering with State and federal governments, greatly helping to define and achieve a shared regional vision.

Strong regional governance and shared understanding of roles and responsibilities will support a shift toward system-scale, long-term, outcome-driven resource management that balances a broad array of public values and priorities. Dialogues should be fostered within a structured, transparent process that includes schedules, actionable recommendations, and stakeholder engagement.²

In an effort to improve statewide flood management, the State Department of Water Resources (DWR) funded a locally led Regional Flood Management Plan process in six Central Valley regions. The intent of the effort includes establishing a common vision among regional partners, articulating local and regional flood management needs and priorities, describing regional financing strategies, and establishing improved regional governance for implementation.

Through interaction with these regional groups, State DWR has advanced the idea of LMA consolidation. This concept, which arose in the aftermath of the Hurricane Katrina disaster, is founded on the belief that it would be more efficient for existing LMAs to voluntarily collaborate, enabling them

² Central Valley Flood Protection Plan 2017 Update, page 3-46

to “speak with one voice” (e.g. on matters affecting multiple LMAs whose levees protect the same hydrologic basin), perform consistent O&M, and increase emergency response capabilities.³

Yolo County Flood Governance Study Recommendations

DWR funded the Yolo County Flood Governance Study, dated August 2014 prepared by the UC Davis Collaboration Center. The study recommends that each of the five “basins” develop their own version of coordinated governance: 1) Knights Landing; 2) Elkhorn; 3) Woodland; 4) West Sacramento; and 5) Clarksburg. 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.

The 2014 Yolo County Flood Governance Study, which was prepared for the Lower Sacramento/Delta North Region and funded by the Department of Water Resources, recommended a combination of the “regional communication and collaboration network” (Alternative 2) and a “hydrologic basin” approach (Alternative 3) would be desirable and useful. The Study found that while reclamation districts are best suited to conduct routine O&M and on-site emergency response, some flood management activities would be better accomplished at the regional level. 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.

LAFCo recommends that 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 a risk due to inconsistent maintenance or flood fight 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. Because each hydrologic basin is unique, a discussion specific to each individual basin is provided below.

Clarksburg Basin

For the Clarksburg Hydrologic Basin, the 2014 Governance Study found that the residents of the basin would be better served if RD 999, 307 and 765 provided a consistent level of levee maintenance and flood response capability, either functioned as one entity or in a coordinated manner to accomplish this objective. Consideration should be given to how to conduct these activities in a manner that will accomplish the objectives in the most cost effective manner, acknowledging the need to address liabilities and assessment changes. RD 150 is its own, separate hydrologic basin and, therefore, is not included in this recommendation.

As discussed previously, the Clarksburg community is composed of a small rural town area, approximately 35,000 acres of agricultural land, various waterways, and the residents, businesses, and other interests which directly and indirectly support agriculture. Although downtown Clarksburg is at a higher elevation than the rest of the District, only about 1/3 of the Clarksburg basin’s population lives in town. Small communities like Clarksburg that are protected by a large levee system struggle to afford the necessary improvements to meet Federal Emergency Management Agency (FEMA) 100-year certification requirements. FEMA is also in the process of increasing flood insurance premiums in response to changes in law that govern the National Flood Insurance Program. These two issues have led to increases in flood insurance premiums that are likely to continue to grow into the future and may become cost prohibitive for some residents. One of the primary goals of the Central Valley Flood Protection Plan (CVFPP) and the Lower Sacramento Delta North (LSDN) Regional Flood Management Plan (RFMP) is to manage flood risk in small communities, such as Clarksburg, with the goal of providing 100-year protection where feasible. This is intended to preserve the community and sustain the agricultural economy without encouraging urban development. However, a solution for Clarksburg has not been determined.

³ Yolo County Flood Governance Study 2017, page 60

As part of the CVFPP, the Department of Water Resources (DWR) created the Small Communities Flood Risk Reduction program to help small communities achieve 100-year protection, where feasible. The Small Communities Program is a cost-share funding program that provides local assistance to communities with 200 to 10,000 residents that are protected by the State Plan of Flood Control (SPFC). In 2015, DWR awarded Yolo County \$1,500,000 for feasibility studies for Knights Landing, Yolo, and Clarksburg. Yolo County selected MBK engineers as the County's consultant to prepare the Small Communities Flood Risk Reduction Feasibility Studies. Funding for design and construction will be awarded in subsequent phases.

The Clarksburg feasibility study will develop an array of alternatives consisting of both structural and nonstructural measures. The team will formulate structural solutions that include improvements to existing levees to meet 100-year requirements as well as other alternatives such as a cross or ring levee. The study will take into consideration the recommendations of the Agricultural Floodplain Ordinance Task Force (AFOF) that propose modifying the FEMA policy that would promote a sustainable agricultural economy in the floodplain. The non-structural alternatives that will be considered are:

- changes to the National Flood Insurance Program,
- a levee relief cut plan,
- an emergency flood fight plan,
- a flood evacuation plan,
- a flood evacuation warning system,
- a voluntary structure elevation and floodproofing program, and
- use of agricultural conservation easements purchased from willing sellers.

The RFMP estimate of the structural improvements varies from approximately \$10,000,000 to \$530,000,000.

Work is anticipated to begin on the Clarksburg Small Communities Feasibility Study in early 2018 and be completed in late 2019. While the goal of the study is to evaluate alternatives to reduce flood risk, potential governance alternatives, including improved coordinate on and/or consolidation of RD maintenance and flood fight response, will be discussed with the community and RDs as part of the analysis. The reclamation districts should actively participate in the Feasibility Study process for the Clarksburg Basin and seek to build consensus on an alternative to achieve the goal of a common levee maintenance practice and levee flood fight capabilities in the most cost efficient manner for the benefit of the residents and property owners in the basin.

Accountability, Structure and Efficiencies MSR Determination

There are no issues with meetings being accessible and publicized in accordance with the Brown Act. The District does maintain a website, however, the District should consider providing additional financial information to the public on the website including audits and adopted budgets.

For the Clarksburg Hydrologic Basin, the 2014 Governance Study recommended that RD 999, RD 307, and RD 765 work together either through shared-use agreements, MOU, or consolidation. RD 150 is its own, separate hydrologic basin and, therefore, is not included in this recommendation.

In 2015, DWR awarded Yolo County \$1,500,000 for feasibility studies for Knights Landing, Yolo, and Clarksburg and a consultant was selected to prepare the Small Communities Flood Risk Reduction Feasibility Studies. Work will begin on the Clarksburg Small Communities Feasibility Study in 2018 with a potential completion date by late 2019. While the goal of the study is to evaluate alternatives to reduce flood risk, potential governance alternatives will be reviewed as part of the analysis. This more detailed technical analysis for the Clarksburg Basin will inform how best to achieve the governance goals for the basin. The Reclamation Districts should actively participate in the Feasibility Study process for the Clarksburg Basin and implement any future recommendations from the Study.

Recommendations

- Audits should be completed and provided to the State Controller’s Office and the Yolo County Director of Financial Services as required by law. Additionally, audits and other financial documents should be provided to the public and LAFCo if requested consistent with state law, including Section 56386 of the Cortese-Knox-Hertzberg Act Local Government Reorganization Act of 2000.
- While the District does maintain a website, the District should consider providing additional financial information to the public on the website including audits and adopted budgets.
- Reclamation Districts 999, 307 and 765 should actively participate in the Small Communities Feasibility Study process for the Clarksburg Basin and implement any future recommendations from the Study. The Study should address and make a recommendation on governance to achieve the goal of providing a consistent level of maintenance and flood response across the Clarksburg Basin and have the districts function as one entity.

7. OTHER ISSUES

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

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

Discussion:

a) LAFCo is not aware of any other service delivery issues not already addressed in the MSR.

Other Issues MSR Determination

LAFCo is not aware of any other service delivery issues not already addressed in the MSR.

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.

SPHERE OF INFLUENCE MAP(S)

The District sphere of influence (SOI) is coterminous with its existing boundary.

RECLAMATION DISTRICT 765: GLIDE

Agency Profile

Formed in 1905, Reclamation District (RD) 765 provides drainage and levee maintenance for 1.7 miles of levee, protecting 1,322 acres of land. RD 765, 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. Due to topography, RD 999 depends heavily on the protection offered by RD 765 and RD 307 levees. Current levee operations and maintenance (O&M) for District 765 is evaluated at an unacceptable level by the Department of Water Resources (DWR). RD 765 participates as members of the California Central Valley Flood Control Association (CCVFCA) and the Westside Committee for the Regional Flood Management Plan. The annual budget is approximately \$18,000. The level of owner contribution is based on expenses for the year. There are only three (3) landowners in the District.

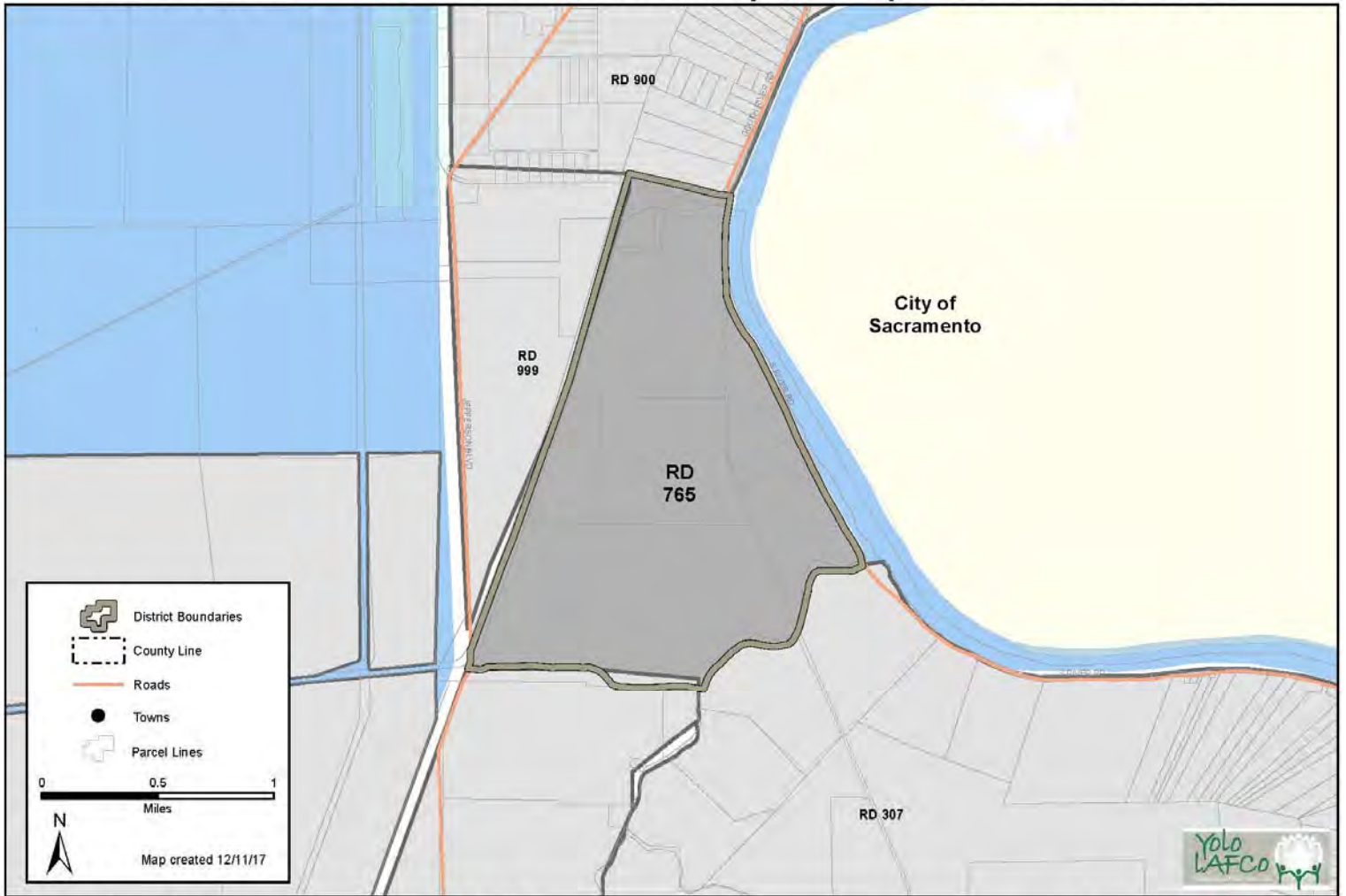
The District has one (1) part-time manager and contracts out for all operations and maintenance as well as legal and engineering services.

Reclamation District 765 is an independent special district with a three-member board of trustees elected by the landowners in the District.

Name of Member	Title	Term Expiration	Compensation
Vacant			
Patrick Markham	Trustee	2015	None
Doug Dickson	Trustee	2017	None

Meetings for Reclamation District 765 are held on an as-needed basis at the District office located at 1401 Halyard Dr., Ste. 140 in West Sacramento. A meeting notice is posted at the District office as well as all four corners of the District boundaries in advance of any meetings.

Figure 1. RD 765 Boundary and Existing Sphere of Influence
Reclamation District 765 Boundary and Sphere of Influence*



* Note: Sphere of Influence is coterminous with boundary

Boundary approved in 1905

Figure 2. Reclamation District 765



Department of Water Resources. "SACRAMENTO SYSTEM: Levee District No. 0765 Glide." Map. Scale not given. "Appendix A - Sacramento River Individual Agency Summary Reports," A-96. (2016). Web. 18 Sep. 2017.

Potentially Significant MSR Determinations

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

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

1. GROWTH AND POPULATION

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

Discussion:

a-c)The State Department of Finance population projections¹ indicate that Yolo County had an estimated population in the unincorporated area of 26,995 as of January 1, 2015 and 28,419 as of January 1, 2016, a 5.3 percent overall increase. There is no significant development anticipated in the District that would result in a negative impact to the agency’s ability to provide services.

Growth and Population MSR Determination

There is no significant development anticipated in the District that would result in a negative impact to the agency’s ability to provide services.

¹ E-1 Population Estimates for Cities, Counties, and the State January 1, 2015 and 2016

2. DISADVANTAGED UNINCORPORATED COMMUNITIES

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

	YES	MAYBE	NO
a) Does the subject agency provide public services related to sewers, municipal and industrial water, or structural fire protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Are there any "inhabited unincorporated communities" (per adopted Commission policy) within or adjacent to the subject agency's sphere of influence that are considered "disadvantaged" (80% or less of the statewide median household income)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) If "yes" to both a) and b), it is feasible for the agency to be reorganized such that it can extend service to the disadvantaged unincorporated community (if "no" to either a) or b), this question may be skipped)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

a-c) The subject agency does not provide public services related to water, sewer or structural fire protection and therefore, the provisions of Senate Bill (SB) 244 do not apply to this MSR. Additionally, there are no Disadvantaged Unincorporated Communities (DUCs) within or contiguous to the District. While Clarksburg is defined by Yolo LAFCo policy as an inhabited unincorporated community, it does not qualify as a disadvantaged community based on its 2015 median household income (MHI).

Disadvantaged Unincorporated Communities MSR Determination

The subject agency does not provide public services related to water, sewer or structural fire protection and therefore, the provisions of SB 244 do not apply to this MSR. In addition, there are no Disadvantaged Unincorporated Communities (DUCs) within or contiguous to the District.

3. CAPACITY AND ADEQUACY OF PUBLIC FACILITIES AND SERVICES

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

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

Discussion:

a-d) The 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. The Fall 2016 DWR Inspection Report gave the LMA an overall rating of "Unacceptable."

Local Maintaining Agency	Overall Rating					Total Levee Miles
	<i>A=Acceptable; M=Minimally Acceptable; U=Unacceptable</i>					
	2012	2013	2014	2015	2016	
RD 765	U	U	U	U	U	1.72
<i>Source: California Department of Water Resources</i>						

According to the DWR Report, there is vegetation that significantly impacts access and visibility in the area. The District should focus more on controlling vegetation to maintain visibility and access.

The Regional Flood Management Plan (RFMP) details the specific improvements necessary in the District and summarizes the improvements, including estimated cost, design, permitting, and funding readiness, as well as benefits from the improvements. The primary improvements recommended focusing on vegetation and rodent control, seepage control, bank protection/erosion control, access

road maintenance, and encroachment repairs and modifications. However, there are no major improvements recommended.

- e) Senate Bill (SB) 5, the Central Valley Flood Protection Act, required the development of the Central Valley Flood Protection Plan (CVFPP) by mid-2012. The plan, authored by DWR and approved by the Central Valley Flood Protection Board (CVFPB), establishes a system-wide approach to improving State Plan of Flood Control (SPFC) facilities, and recommends both structural and governance methods of improving flood risk reduction and vulnerability. The California Department of Water Resources adopted the CVFPP in 2012. A five-year update was adopted in 2017. The CVFPP requires 200-year flood protection for all urban and urbanizing areas within the flood zone by 2025. The District is not located in an urban or urbanizing area so the 200-year standard is not required for district levees. However, one of the primary goals of the CVFPP and the RFMP is to achieve a 100-year level of flood protection for small communities such as Clarksburg in order to preserve small community development opportunities without providing urban level of protection and encouraging broader urban development. The RFMP's recommended solution for Clarksburg is a feasibility study. Yolo County has received grant funding to prepare a Small Communities Flood Risk Reduction Feasibility Study for the Clarksburg Community, including RD 765 (discussed in more detail in Section 6 of this report) to achieve a 100-year level of flood protection in order to preserve small community development opportunities. Work will begin on the Clarksburg Small Communities Feasibility Study in 2018 with a potential completion date by late 2019.
- f) There are no Disadvantaged Unincorporated Communities (DUCs) within or contiguous to the District's sphere of influence.

Capacity and Adequacy of Public Facilities and Services MSR Determination

District levees have an overall rating of "Unacceptable" from the Department of Water Resources. There is vegetation that significantly impacts access and visibility in the area. The District should focus more on controlling vegetation to maintain visibility and access. The RFMP also recommends focusing on vegetation and rodent control, seepage control, bank protection/erosion control, access road maintenance, and encroachment repairs and modifications. However, there are no major improvements recommended.

Recommendations

- The District should work to improve the items detailed in the 2016 Department of Water Resources Inspection Report, including controlling vegetation to maintain visibility and access.
- The District should focus on vegetation and rodent control, seepage control, bank protection/erosion control, access road maintenance, and encroachment repairs and modifications as detailed in the 2014 Regional Flood Management Plan and any future updates.

4. FINANCIAL ABILITY

Financial ability of agencies to provide services.

	YES	MAYBE	NO
a) Does the organization engage in budgeting practices that may indicate poor financial management, such as overspending its revenues, using up its fund balance or reserve over time, or adopting its budget late?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY
CLARKSBURG HYDROLOGIC BASIN**

b) Is there an issue with the organization's revenue sources being reliable? For example, is a large percentage of revenue coming from grants or one-time/short-term sources?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Is the organization's rate/fee schedule insufficient to fund an adequate level of service, and/or is the fee inconsistent with the schedules of similar service organizations?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Is the organization in need of written financial policies that ensure its continued financial accountability and stability?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Is the organization unable to fund necessary infrastructure maintenance, replacement and/or any needed expansion?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f) Is the organization needing additional reserve to protect against unexpected events or upcoming significant costs?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
g) Is the organization's debt at an unmanageable level?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h) Does the agency have pension and/or other post-employment benefit (OPEB) liability? If so, what is it the liability and are there any concerns that it is unmanageable?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

a) Budget:

The District does not use the County as its treasury. The District has provided budget information for Fiscal Years 2010, 2011, 2012, 2014, 2015, and 2016. The District's budget includes levee maintenance, ditch cleaning, professional fees, administrative expenses, extraordinary expenses, as well as 10% contingency. The District's appears to be spending only a small portion of its adopted budget. While the 2016 adopted budget was \$61,880.50, the District spent \$25,139.45. The District did not spend any budgeted amounts on professional fees and spent approximately half of the amount budgeted for levee maintenance.

b-c) Revenue Sources:

The District's budget is determined by the District manager and adopted by the Board annually. There are only three (3) landowners in the District and the level of landowner contribution is based on expenses for the year. There are no additional fees for service. However, RD 765's assessment does not appear to provide adequate reserves to cover unexpected events or upcoming significant costs. However, the Regional Flood Management Plan (RFMP) does not recommend any major improvements for the District other than vegetation/rodent management and erosion and seepage control.

d) Financial Policies:

The District does not currently have written financial policies and the District Manager has indicated that it apparently follows state law. It may be beneficial for the District to adopt finance policies regarding items such as how to handle travel and reimbursable expenses, personnel issues, operating procedures, safety, etc.

e-f) Infrastructure Maintenance and Replacement/Reserves:

There is vegetation that significantly impacts access and visibility in the area. The District should focus more on controlling vegetation to maintain visibility and access. The RFMP also recommends focusing

on vegetation and rodent control, seepage control, bank protection/erosion control, access road maintenance, and encroachment repairs and modifications. However, there are no major improvements recommended.

g) Debt:

According to the District Manager, the District does not have any debt.

h) Post-Employment Liability:

The District does not have any post-employment liability.

Financial Ability MSR Determination

The District Manager has indicated that it operates within its financial means and does not have any debt. However, the District does not appear to have adequate resources to provide necessary maintenance (as indicated by the Department of Water Resources rating of Unacceptable for the District) or needed improvements as detailed in the Regional Flood Management Plan. The District is lacking adopted financial policies and should consider adopting policies for District operations and financial management.

Recommendations

- The District should 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.
- Consider adopting 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.
- The District should fund the improvements detailed in the 2014 Regional Flood Management Plan.

5. SHARED SERVICES AND FACILITIES

Status of, and opportunities for, shared facilities.

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

Discussion:

a-b)The District does not currently share any services or facilities with other organizations. District staff is limited to a part-time manager. RD 765 contracts out for all levee maintenance and other professional services. The 2014 Yolo County Flood Governance Study found that for the Clarksburg hydrologic basin the residents of the basin would be better served if RD 999, 307 and 765 provided a consistent level of levee maintenance and flood response capability, either functioned as one entity or in a coordinated manner to accomplish this objective. Yolo County has received grant funding to prepare a Small Communities Flood Risk Reduction Feasibility Study for the Clarksburg Community, including RD 765 (discussed in more detail in Section 6 of this report) to achieve a 100-year level of flood

protection in order to preserve small community development opportunities. While the goal of the study is to evaluate alternatives to reduce flood risk, potential governance alternatives will be reviewed as part of the analysis, which could lead to staffing efficiencies and other operational efficiencies.

Shared Services MSR Determination

The District does not currently share any services or facilities with other organizations as it only has one part-time employee and already utilizes contract services. The 2014 Yolo County Flood Governance Study found that for the Clarksburg hydrologic basin the residents of the basin would be better served if RD 999, 307 and 765 provided a consistent level of levee maintenance and flood response capability, either functioned as one entity or in a coordinated manner to accomplish this objective. Yolo County has received grant funding to prepare a Small Communities Flood Risk Reduction Feasibility Study for the Clarksburg Community, including RD 765 (discussed in more detail in Section 6 of this report) to achieve a 100-year level of flood protection in order to preserve small community development opportunities. While the goal of the study is to evaluate alternatives to reduce flood risk, potential governance alternatives will be reviewed as part of the analysis, which could lead to staffing efficiencies and other operational efficiencies.

6. ACCOUNTABILITY, STRUCTURE AND EFFICIENCIES

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

	YES	MAYBE	NO
a) Are there any issues with meetings being accessible and well publicized? Any failures to comply with disclosure laws and the Brown Act?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Are there any issues with filling board vacancies and maintaining board members? Is there a lack of board member training regarding the organization's program requirements and financial management?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Are there any issues with staff turnover or operational efficiencies? Is there a lack of staff member training regarding the organization's program requirements and financial management?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Are there any issues with independent audits being performed on a regular schedule? Are completed audits being provided to the State Controller's Office and County Director of Financial Services within 12 months of the end of the fiscal year(s) under examination? Are there any corrective action plans to follow up on?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Does the organization need to improve its public transparency via a website? [A website should contain at a minimum the following information: organization mission/description/boundary, board members, staff, meeting schedule/agendas/minutes, budget, revenue sources including fees for services (if applicable), and audit reports.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Are there any recommended changes to the organization's governance structure that will increase accountability and efficiency?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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

Discussion:

- a) There are only three landowners in the District. The District Manager has indicated that board meetings are accessible and posted in accordance with the Brown Act. Meetings for Reclamation District 765 are held on an as-needed basis at the District office located at 1401 Halyard Dr., Ste. 140 in West Sacramento. A meeting notice is posted at the District office as well as the four corners of the District boundaries in advance of any meetings.
- b) There has been a vacancy on the District Board since a sitting board member passed away in April, 2017. There may be an issue with filling the board vacancy. According to the District manager David Dickson, the vacant board position should be filled by a representative of Linda Elliot, who owns the majority of the land in the District.
- c) The District does not have any full-time staff. The District employs one (1) part-time manager who is the son of one of the board members. The District completes O&M by contracting with service providers. There do not appear to be issues with staff turnover or other operational efficiencies.
- d) The Reclamation District does not have formal audits prepared. The District contracts with a Certified Public Accountant (Mike Giotto at CPA Corp) to annually review financial information and provide advisory financial services. The District has not provided these financial reviews to LAFCo for review. Audits should be completed and provided to the State Controller's Office and the Yolo County Director of Financial Services as required by law. Additionally, audits and other financial documents should be provided to the public and LAFCo if requested consistent with state law, including Section 56386 of the Cortese-Knox-Hertzberg Act Local Government Reorganization Act of 2000.
- e) Regarding public accessibility of District records, the District does not have a website, so public access to District information is not easily accessible. The District should consider even a minimal website to provide information to the public regarding board members, meetings, financial information, audits, etc. District files are stored at the District office and maintained by District staff.

f-g) Central Valley Flood Protection Plan Context

Flood management in the Central Valley is affected by a complex framework of public agencies (over 300 in the Sacramento Basin and over 200 in the San Joaquin Basin). At the local level, governance is complicated by multiple small levee maintaining agencies (LMAs) with limited resources, including staff, revenues, and authorities. Flood management in Yolo County along the Sacramento River System is currently carried out by fifteen (15) separate local agencies including: twelve (12) reclamation districts (RDs); one (1) drainage district; one (1) levee district; and one (1) county service area. In addition, the California Department of Water Resources (DWR) has one Maintenance Area (MA #4) in the West Sacramento Basin and also maintains the Bypass and the Cache Creek levee system with the exception of the Huff's Corner reach, which is maintained by the County. The United States Army Corps of Engineers (USACE) also maintains the Navigation Levee constructed in association with the Deep Water Ship Channel.

Enhanced regional governance can empower groups of local agencies to more effectively pool and leverage funding and resources, enhance collaboration and coordination, coordinate political advocacy, and create shared ownership of the flood system. Regional planning and project implementation is greatly improved through enhanced regional governance. Regional governance not only improves collaboration among local agencies within a region, but also facilitates more effective partnering with State and federal governments, greatly helping to define and achieve a shared regional vision.

Strong regional governance and shared understanding of roles and responsibilities will support a shift toward system-scale, long-term, outcome-driven resource management that balances a broad array of public values and priorities. Dialogues should be fostered within a structured, transparent process that includes schedules, actionable recommendations, and stakeholder engagement.²

In an effort to improve statewide flood management, the State Department of Water Resources (DWR) funded a locally led Regional Flood Management Plan process in six Central Valley regions. The intent of the effort includes establishing a common vision among regional partners, articulating local and regional flood management needs and priorities, describing regional financing strategies, and establishing improved regional governance for implementation.

Through interaction with these regional groups, State DWR has advanced the idea of LMA consolidation. This concept, which arose in the aftermath of the Hurricane Katrina disaster, is founded on the belief that it would be more efficient for existing LMAs to voluntarily collaborate, enabling them to “speak with one voice” (e.g. on matters affecting multiple LMAs whose levees protect the same hydrologic basin), perform consistent O&M, and increase emergency response capabilities.³

Yolo County Flood Governance Study Recommendations

DWR funded the Yolo County Flood Governance Study, dated August 2014 prepared by the UC Davis Collaboration Center. The study recommends that each of the five “basins” develop their own version of coordinated governance: 1) Knights Landing; 2) Elkhorn; 3) Woodland; 4) West Sacramento; and 5) Clarksburg. 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.

The 2014 Yolo County Flood Governance Study, which was prepared for the Lower Sacramento/Delta North Region and funded by the Department of Water Resources, recommended a combination of the “regional communication and collaboration network” (Alternative 2) and a “hydrologic basin” approach (Alternative 3) would be desirable and useful. The Study found that while reclamation districts are best suited to conduct routine O&M and on-site emergency response, some flood management activities would be better accomplished at the regional level. 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.

LAFCo recommends that 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 a risk due to inconsistent maintenance or flood fight 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. Because each hydrologic basin is unique, a discussion specific to each individual basin is provided below.

Clarksburg Basin

For the Clarksburg Hydrologic Basin, the 2014 Governance Study found that the residents of the basin would be better served if RD 999, 307 and 765 provided a consistent level of levee maintenance and flood response capability, either functioned as one entity or in a coordinated manner to accomplish this objective. Consideration should be given to how to conduct these activities in a manner that will accomplish the objectives in the most cost effective manner, acknowledging the need to address liabilities and assessment changes. RD 150 is its own, separate hydrologic basin and, therefore, is not included in this recommendation.

² Central Valley Flood Protection Plan 2017 Update, page 3-46

³ Yolo County Flood Governance Study 2017, page 60

As discussed previously, the Clarksburg community is composed of a small rural town area, approximately 35,000 acres of agricultural land, various waterways, and the residents, businesses, and other interests which directly and indirectly support agriculture. Although downtown Clarksburg is at a higher elevation than the rest of the District, only about 1/3 of the Clarksburg basin's population lives in town. Small communities like Clarksburg that are protected by a large levee system struggle to afford the necessary improvements to meet Federal Emergency Management Agency (FEMA) 100-year certification requirements. FEMA is also in the process of increasing flood insurance premiums in response to changes in law that govern the National Flood Insurance Program. These two issues have led to increases in flood insurance premiums that are likely to continue to grow into the future and may become cost prohibitive for some residents. One of the primary goals of the Central Valley Flood Protection Plan (CVFPP) and the Lower Sacramento Delta North (LSDN) Regional Flood Management Plan (RFMP) is to manage flood risk in small communities, such as Clarksburg, with the goal of providing 100-year protection where feasible. This is intended to preserve the community and sustain the agricultural economy without encouraging urban development. However, a solution for Clarksburg has not been determined.

As part of the CVFPP, the Department of Water Resources (DWR) created the Small Communities Flood Risk Reduction program to help small communities achieve 100-year protection, where feasible. The Small Communities Program is a cost-share funding program that provides local assistance to communities with 200 to 10,000 residents that are protected by the State Plan of Flood Control (SPFC). In 2015, DWR awarded Yolo County \$1,500,000 for feasibility studies for Knights Landing, Yolo, and Clarksburg. Yolo County selected MBK engineers as the County's consultant to prepare the Small Communities Flood Risk Reduction Feasibility Studies. Funding for design and construction will be awarded in subsequent phases.

The Clarksburg feasibility study will develop an array of alternatives consisting of both structural and nonstructural measures. The team will formulate structural solutions that include improvements to existing levees to meet 100-year requirements as well as other alternatives such as a cross or ring levee. The study will take into consideration the recommendations of the Agricultural Floodplain Ordinance Task Force (AFOF) that propose modifying the FEMA policy that would promote a sustainable agricultural economy in the floodplain. The non-structural alternatives that will be considered are:

- changes to the National Flood Insurance Program,
- a levee relief cut plan,
- an emergency flood fight plan,
- a flood evacuation plan,
- a flood evacuation warning system,
- a voluntary structure elevation and floodproofing program, and
- use of agricultural conservation easements purchased from willing sellers.

The RFMP estimate of the structural improvements varies from approximately \$10,000,000 to \$530,000,000.

Work is anticipated to begin on the Clarksburg Small Communities Feasibility Study in early 2018 and be completed in late 2019. While the goal of the study is to evaluate alternatives to reduce flood risk, potential governance alternatives, including improved coordinate on and/or consolidation of RD maintenance and flood fight response, will be discussed with the community and RDs as part of the analysis. The reclamation districts should actively participate in the Feasibility Study process for the Clarksburg Basin and seek to build consensus on an alternative to achieve the goal of a common levee maintenance practice and levee flood fight capabilities in the most cost efficient manner for the benefit of the residents and property owners in the basin.

Accountability, Structure and Efficiencies MSR Determination

There are only three landowners in the District. The District Manager has indicated that meetings are accessible and posted in accordance with the Brown Act. There may be an issue with filling the current board vacancy as it has been vacant since April 2017. The District does not maintain a website and should look to create even a minimal one for public transparency purposes.

For the Clarksburg Hydrologic Basin, the 2014 Governance Study recommended that RD 999, RD 307, and RD 765 work together either through shared-use agreements, MOU, or consolidation. RD 150 is its own, separate hydrologic basin and, therefore, is not included in this recommendation.

In 2015, DWR awarded Yolo County \$1,500,000 for feasibility studies for Knights Landing, Yolo, and Clarksburg and a consultant was selected to prepare the Small Communities Flood Risk Reduction Feasibility Studies. Work will begin on the Clarksburg Small Communities Feasibility Study in 2018 with a potential completion date by late 2019. While the goal of the study is to evaluate alternatives to reduce flood risk, potential governance alternatives will be reviewed as part of the analysis. This more detailed technical analysis for the Clarksburg Basin will inform how best to achieve the governance goals for the basin. The Reclamation Districts should actively participate in the Feasibility Study process for the Clarksburg Basin and implement any future recommendations from the Study.

Recommendations

- The District board should consider creating a website for the District for public transparency purposes. The California Special Districts Association offers a website template through getstreamline.com for a reasonable monthly fee. This fee includes unlimited technical support and hosting services.
- The District should ensure that audits are performed of the Districts' accounts and records as required by law, and provide any necessary documentation to the auditor. Yolo County should arrange for financial reviews of the District in accordance with Government Code Section 26909. An audit should occur annually, unless the District Board and Board of Supervisors authorize alternative financial reviews, with audits occurring no less frequently than every five years. The county auditor should either conduct the audit, or contract with a public accountant to do so. If the Yolo County Department of Financial Services (DFS) determines that it does not have the resources to provide an audit, the County should solicit proposals from qualified CPAs or accounting firms to provide the audit and charge the District for the cost.
- Reclamation Districts 999, 307, and 765 should actively participate in the Small Communities Feasibility Study process for the Clarksburg Basin and implement any future recommendations from the Study. The Study should address and make a recommendation on governance to achieve the goal of providing a consistent level of maintenance and flood response across the Clarksburg Basin and have the districts function as one entity.

7. OTHER ISSUES

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

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

Discussion:

a) LAFCo is not aware of any other service delivery issues not already addressed in the MSR.

Other Issues MSR Determination

LAFCo is not aware of any other service delivery issues not already addressed in the MSR.

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.

SPHERE OF INFLUENCE MAP(S)

The District sphere of influence (SOI) is coterminous with its existing boundary.

RECLAMATION DISTRICT 307: LISBON

Agency Profile

Formed in 1877, Reclamation District (RD) 307 provides levee maintenance to 6.7 miles of levee, protecting approximately 6,000 acres of land. RD 307 is bounded by the Sacramento River to the north and east, RD 900 to the north, and RD 999 to the west. 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. Current levee operations and maintenance (O&M) is evaluated at the Unacceptable level by the Department of Water Resources (DWR). RD 307 participates in the Westside Committee for the Regional Flood Management Plan. The District is part of the Delta Levees Maintenance Subvention Program which offers cost-share assistance for levee maintenance and rehabilitation. The annual budget for 2015/16 was \$225,250, generated from annual assessments, property tax, and the Subvention Program. There are 70 landowners are in the district.

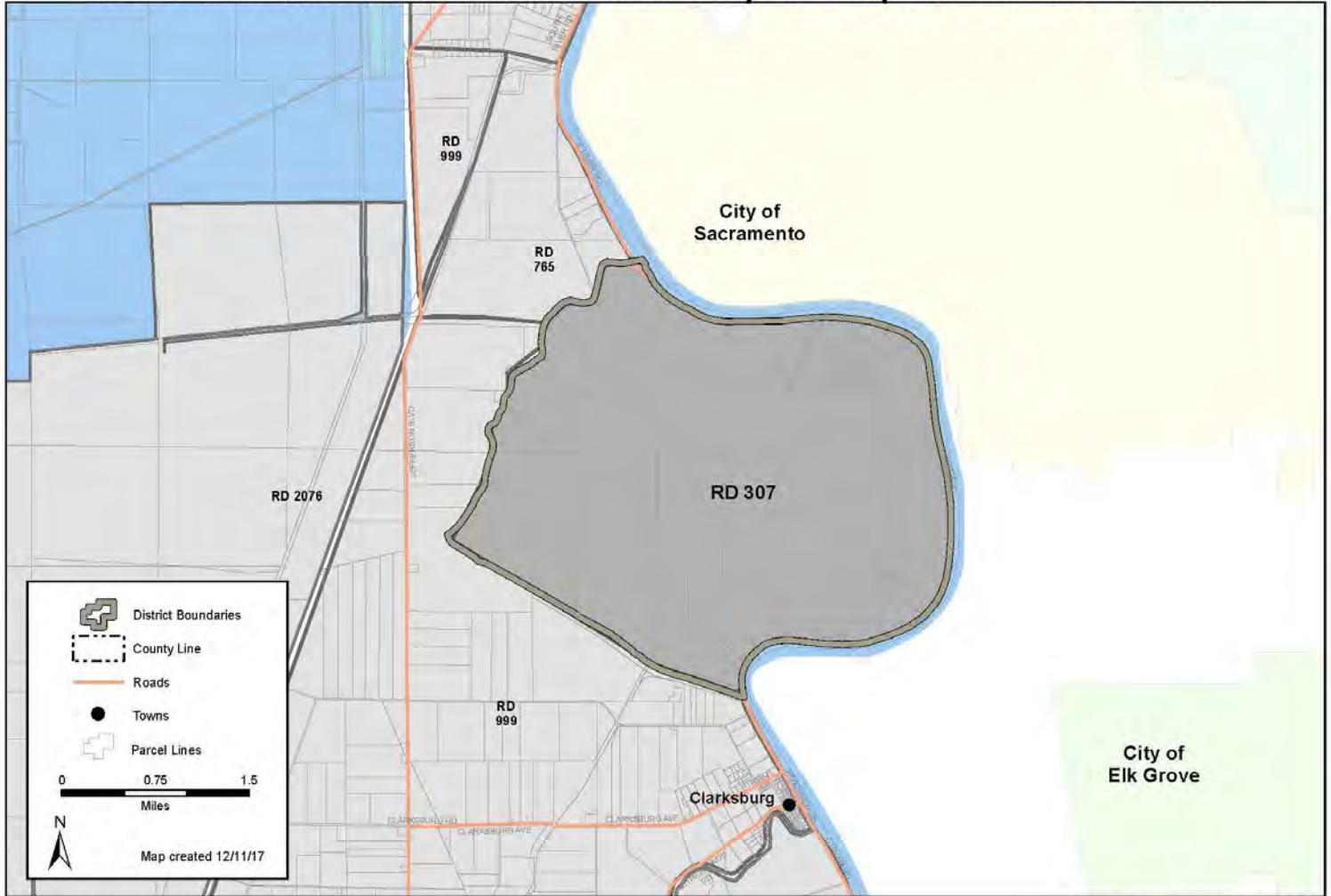
RD 307 has no permanent staff or equipment. The District contracts out for levee maintenance, legal services, bookkeeping services, and engineering services. Maintenance actions are accomplished by contracts based on decisions made by members of the Board.

Reclamation District 307 is an independent special district with a five-member board of trustees appointed by the Yolo County Board of Supervisors.

Name of Member	Title	Term Expiration	Compensation
Joseph M. Borges	President	2021	None
Karen Chesnut	Trustee	2019	None
Corrinne Dwyer	Trustee	2021	None
Peter Dwyer, Jr.	Trustee	2019	None
James Johas	Trustee	2021	None

The District meets four times per year – January, April, July and October – on the third Thursday of the month at the Joseph Borges Airport Office. The District posts notices in accordance with the Brown Act at the District yard located at 53670 Pumphouse Road.

Figure 1. RD 307 Boundary and Existing Sphere of Influence
Reclamation District 307 Boundary and Sphere of Influence*



* Note: Sphere of Influence is coterminous with boundary

Boundary approved in 1877

Figure 2. Reclamation District 307



Department of Water Resources. "SACRAMENTO SYSTEM: Levee District No. 0307 Lisbon." Map. Scale not given. "Appendix A - Sacramento River Individual Agency Summary Reports," A-46. (2016). Web. 18 Sep. 2017.

Potentially Significant MSR Determinations

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

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

1. GROWTH AND POPULATION

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

Discussion:

a-c)The State Department of Finance population projections¹ indicate that Yolo County had an estimated population in the unincorporated area of 26,995 as of January 1, 2015 and 28,419 as of January 1, 2016, a 5.3 percent overall increase. There is no significant development anticipated in the District that would result in a negative impact to the agency’s ability to provide services.

Growth and Population MSR Determination

There is no significant development anticipated in the District that would result in a negative impact to the agency’s ability to provide services.

¹ E-1 Population Estimates for Cities, Counties, and the State January 1, 2015 and 2016

2. DISADVANTAGED UNINCORPORATED COMMUNITIES

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

	YES	MAYBE	NO
a) Does the subject agency provide public services related to sewers, municipal and industrial water, or structural fire protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Are there any "inhabited unincorporated communities" (per adopted Commission policy) within or adjacent to the subject agency's sphere of influence that are considered "disadvantaged" (80% or less of the statewide median household income)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) If "yes" to both a) and b), it is feasible for the agency to be reorganized such that it can extend service to the disadvantaged unincorporated community (if "no" to either a) or b), this question may be skipped)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

a-c) The subject agency does not provide public services related to water, sewer or structural fire protection and therefore, the provisions of Senate Bill (SB) 244 do not apply to this MSR. Additionally, there are no Disadvantaged Unincorporated Communities (DUCs) within or contiguous to the District. While Clarksburg is defined by Yolo LAFCo policy as an inhabited unincorporated community, it does not qualify as a disadvantaged community based on its 2015 median household income (MHI).

Disadvantaged Unincorporated Communities MSR Determination

The subject agency does not provide public services related to water, sewer or structural fire protection and therefore, the provisions of SB 244 do not apply to this MSR. In addition, there are no Disadvantaged Unincorporated Communities (DUCs) within or contiguous to the District.

3. CAPACITY AND ADEQUACY OF PUBLIC FACILITIES AND SERVICES

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

	YES	MAYBE	NO
a) Are there any deficiencies in agency capacity to meet service needs of existing development within its existing territory?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Are there any issues regarding the agency's capacity to meet the service demand of reasonably foreseeable future growth?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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c) Are there any concerns regarding public services provided by the agency being considered adequate?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Are there any significant infrastructure needs or deficiencies to be addressed?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Are there changes in state regulations on the horizon that will require significant facility and/or infrastructure upgrades?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f) Are there any service needs or deficiencies for disadvantaged unincorporated communities related to sewers, municipal and industrial water, and structural fire protection within or contiguous to the agency's sphere of influence?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

a-d) The 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. The Fall 2016 DWR Inspection Report gave the LMA an overall rating of "Unacceptable."

Local Maintaining Agency	Overall Rating					Total Levee Miles
	<i>A=Acceptable; M=Minimally Acceptable; U=Unacceptable</i>					
	2012	2013	2014	2015	2016	
RD 307	U	U	M*	M	U	6.56
<i>Source: California Department of Water Resources</i>						

According to the DWR Report, there is significant rodent activity in this area and erosion that should be monitored. DWR recommends that the District enhance its rodent control program and focus on controlling vegetation to maintain visibility and access and repairing erosion sites. The District provided an estimate for routine maintenance for District levees to the Delta Levees Subvention Program at a total cost of \$225,250.

The Regional Flood Management Plan (RFMP) details the specific improvements necessary in the District and summarizes the improvements, including estimated cost, design, permitting, and funding readiness, as well as benefits from the improvements. These improvements include the Rock Slope Protection Project which would add supplementary riprap to prevent erosion and the Vegetation Control Project which consists of general vegetation removal. The estimated cost for the Rock Slope Protection Project is \$4,216,329 and the estimated cost for the vegetation control project is \$378,230. Local funding sources have not been identified for these improvements.

e) Senate Bill (SB) 5, the Central Valley Flood Protection Act, required the development of the Central Valley Flood Protection Plan (CVFPP) by mid-2012. The plan, authored by DWR and approved by the Central Valley Flood Protection Board (CVFPB), establishes a system-wide approach to improving State Plan of Flood Control (SPFC) facilities, and recommends both structural and governance methods of improving flood risk reduction and vulnerability. The California Department of Water Resources adopted the CVFPP in 2012. A five-year update was adopted in 2017. The CVFPP requires 200-year flood protection for all urban and urbanizing areas within the flood zone by 2025. The District is not located in an urban or urbanizing area so the 200-year standard is not required for district levees. However, one of the primary goals of the CVFPP and the RFMP is to achieve a 100-year level of flood protection for small communities such as Clarksburg in order to preserve small community development opportunities without providing urban level of protection and encouraging broader urban development.

The RFMP’s recommended solution for Clarksburg is a feasibility study. Yolo County has received grant funding to prepare a Small Communities Flood Risk Reduction Feasibility Study for the Clarksburg Community, including RD 307 (discussed in more detail in Section 6 of this report) to achieve a 100-year level of flood protection in order to preserve small community development opportunities. Work will begin on the Clarksburg Small Communities Feasibility Study in 2018 with a potential completion date by late 2019.

- f) There are no Disadvantaged Unincorporated Communities (DUCs) within or contiguous to the District’s sphere of influence.

Capacity and Adequacy of Public Facilities and Services MSR Determination

District levees have an overall rating of “Unacceptable” from the Department of Water Resources. There is significant rodent activity in this area and erosion that should be monitored. The District enhance its rodent control program and focus on controlling vegetation to maintain visibility and access and repairing erosion sites. The District provided an estimate for routine maintenance for District levees to the Delta Levees Subvention Program at a total cost of \$225,250. Other needed projects include the Rock Slope Protection Project and the Vegetation Control Project. These projects together are estimated to cost approximately \$4,500,000 and local funding sources have not been identified.

Recommendations

- The District should work to improve the items detailed in the 2016 Department of Water Resources Inspection Report, including controlling vegetation to maintain visibility and access.
- The District should work to identify funding and complete the improvements detailed in the 2014 Regional Flood Management Plan and any future updates including estimated cost, design, permitting, and funding readiness, as well as benefits from the improvements.

4. FINANCIAL ABILITY

Financial ability of agencies to provide services.

	YES	MAYBE	NO
a) Does the organization engage in budgeting practices that may indicate poor financial management, such as overspending its revenues, using up its fund balance or reserve over time, or adopting its budget late?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Is there an issue with the organization's revenue sources being reliable? For example, is a large percentage of revenue coming from grants or one-time/short-term sources?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Is the organization's rate/fee schedule insufficient to fund an adequate level of service, and/or is the fee inconsistent with the schedules of similar service organizations?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Is the organization in need of written financial policies that ensure its continued financial accountability and stability?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Is the organization unable to fund necessary infrastructure maintenance, replacement and/or any needed expansion?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY
CLARKSBURG HYDROLOGIC BASIN**

- | | | | |
|--|--------------------------|--------------------------|-------------------------------------|
| f) Is the organization needing additional reserve to protect against unexpected events or upcoming significant costs? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| g) Is the organization's debt at an unmanageable level? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| h) Does the agency have pension and/or other post-employment benefit (OPEB) liability? If so, what is it the liability and are there any concerns that it is unmanageable? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Discussion:

- a) The District's board adopts its budget each year and its 5-year budget trend analysis below indicates that the District is generally operating within its available resources (i.e. it is not overspending its revenue). In FY 15/16, the District overspent its revenue by a small amount; however, it is clear from the financial information that there were sufficient funds to accommodate the overage. The chart below also shows the District appears to have sufficient reserves to cover unexpected events or upcoming significant costs.

Reclamation District 307 Operations Budget Summary (Fund 390/395/6430/6431)					
	2011-12	2012-13	2013-14	2014-15	2015-16
Revenues:					
Total Taxes - Current	\$ 53,998.45	\$ 54,584.95	\$ 57,346.94	\$ 59,539.23	\$ 62,914.83
Total Taxes - Prior	\$ 11.80	\$ 20.60	\$ 30.34	\$ 9.21	\$ -
Licenses, Permits & Franchises	\$ -	\$ -	\$ 1,200.00	\$ -	\$ -
Total Revenue Use of Money and Property	\$ 2,863.48	\$ 1,482.88	\$ 1,930.84	\$ 1,954.80	\$ 6,578.76
Total Intergovernment Revenue - State	\$ 23,941.43	\$ 225.68	\$ 74,544.57	\$ 17,754.42	\$ 11,903.32
Total Intergovernment Revenue - Other	\$ 21.42	\$ 21.83	\$ -	\$ -	\$ -
Total Charges for Services	\$ 80,733.78	\$ 80,732.80	\$ 81,012.54	\$ 80,998.54	\$ 80,280.20
Total Misc	\$ -	\$ 945.98	\$ 3,447.80	\$ -	\$ -
TOTAL REVENUES	\$ 161,570.36	\$ 138,014.72	\$ 219,513.03	\$ 160,256.20	\$ 161,677.11
Expenditures:					
Salaries and Benefits	\$ -	\$ -	\$ -	\$ -	\$ -
Services and Supplies	\$ 151,357.63	\$ 82,226.47	\$ 130,161.61	\$ 120,991.06	\$ 158,407.52
Total Other Charges	\$ 65.22	\$ 65.22	\$ 65.22	\$ 65.22	\$ 65.22
Capital Assets - Equipment & Structures	\$ -	\$ -	\$ -	\$ 5,546.55	\$ 7,121.00
TOTAL EXPENDITURES	\$ 151,422.85	\$ 82,291.69	\$ 130,226.83	\$ 126,602.83	\$ 165,593.74
<i>Revenues Less Expenditures</i>	\$ 10,147.51	\$ 55,723.03	\$ 89,286.20	\$ 33,653.37	\$ (3,916.63)
FUND BALANCE	\$ 661,642.41	\$ 717,365.44	\$ 806,651.64	\$ 683,764.28	\$ 660,254.33

b-c) Revenue Sources:

The District's budget comes from their own assessment, property taxes, as well as the Delta Levees Maintenance Subvention Program which offers cost-share assistance for levee maintenance and rehabilitation. The District receives approximately \$27,365 annually from the Subvention program. Therefore, the agency's funding is stable and reliable. There are no additional fees for service. However, the District's assessment does not appear to provide adequate resources to cover potential upcoming significant costs as detailed in the Regional Flood Management Plan. The Regional Flood Management Plan (RFMP) details the specific improvements necessary in the District and summarizes the improvements, including estimated cost, design, permitting, and funding readiness, as well as benefits from the improvements. There improvements include the Rock Slope Protection Project which would add supplementary riprap to prevent erosion and the Vegetation Control Project which consists

of general vegetation removal. The estimated cost for the two projects is approximately \$4,500,000 and local funding sources have not been identified for these improvements.

d) Financial Policies:

While the District has not adopted financial policies, the District follows state law and reclamation law. The District should consider adopting policies such as how to handle travel and reimbursable expenses, personnel issues, operating procedures, safety, etc.

e-f) Infrastructure Maintenance and Replacement/Reserves:

The District provided an estimate for routine maintenance for District levees to the Delta Levees Subvention Program at a total cost of \$225,250. Other needed projects identified in the Regional Flood Management Plan are estimated to cost approximately \$4,500,000 and local funding sources have not been identified.

g) Debt:

The District does not have any debt.

h) Post-Employment Liability:

The District does not have any post-employment liability.

Financial Ability MSR Determination

The District does not use the County as its treasury and has not provided LAFCo with District budget information as requested. The District does not appear to have adequate resources to provide necessary maintenance or needed improvements as detailed in the Regional Flood Management Plan. The District is lacking adopted financial policies and should consider adopting policies for District operations and financial management.

Recommendations

- The District board should ~~C~~consider adopting 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.
- The District should work to identify funding for the improvements detailed in the 2014 Regional Flood Management Plan.

5. SHARED SERVICES AND FACILITIES

Status of, and opportunities for, shared facilities.

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

Discussion:

a-b) Reclamation District 307 and Reclamation District 765 have a cooperative agreement for maintenance during high water events. The District does not currently share any other services or facilities with other organizations. The District has no staff and contracts for levee maintenance, civil engineering, and legal services. The 2014 Yolo County Flood Governance Study found that for the Clarksburg hydrologic basin the residents of the basin would be better served if RD 999, 307 and 765 provided a consistent level of levee maintenance and flood response capability, either functioned as one entity or in a coordinated manner to accomplish this objective. Yolo County has received grant funding to prepare a Small Communities Flood Risk Reduction Feasibility Study for the Clarksburg Community, including RD 307 (discussed in more detail in Section 6 of this report) to achieve a 100-year level of flood protection in order to preserve small community development opportunities. While the goal of the study is to evaluate alternatives to reduce flood risk, potential governance alternatives will be reviewed as part of the analysis, which could lead to staffing efficiencies and other operational efficiencies.

Shared Services MSR Determination

Reclamation District 307 and Reclamation District 765 have a cooperative agreement for maintenance during high water events. The District does not currently share any other services or facilities with other organizations. The District has no staff and contracts for levee maintenance, civil engineering, and legal services. The 2014 Yolo County Flood Governance Study found that for the Clarksburg hydrologic basin the residents of the basin would be better served if RD 999, 307 and 765 provided a consistent level of levee maintenance and flood response capability, either functioned as one entity or in a coordinated manner to accomplish this objective. Yolo County has received grant funding to prepare a Small Communities Flood Risk Reduction Feasibility Study for the Clarksburg Community, including RD 307 (discussed in more detail in Section 6 of this report) to achieve a 100-year level of flood protection in order to preserve small community development opportunities. While the goal of the study is to evaluate alternatives to reduce flood risk, potential governance alternatives will be reviewed as part of the analysis, which could lead to staffing efficiencies and other operational efficiencies.

6. ACCOUNTABILITY, STRUCTURE AND EFFICIENCIES

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

	YES	MAYBE	NO
a) Are there any issues with meetings being accessible and well publicized? Any failures to comply with disclosure laws and the Brown Act?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Are there any issues with filling board vacancies and maintaining board members? Is there a lack of board member training regarding the organization's program requirements and financial management?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Are there any issues with staff turnover or operational efficiencies? Is there a lack of staff member training regarding the organization's program requirements and financial management?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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

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

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

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

Discussion:

- a) The District meets four times per year – January, April, July and October – on the third Thursday of the month at the Joseph Borges Airport Office. Notices are posted in accordance with the Brown Act at the District yard located at 53670 Pumphouse Road.
- b) All of the board seats are currently filled, therefore, there do not appear to be chronic issues with filling board vacancies and maintaining board members.
- c) The District does not have any staff. The District completes O&M by contracting with appropriate providers. Regarding the storage of District records, because the District has no formal office, it is common practice to keep its records in a private home. This makes the District records potentially vulnerable to damage, loss, or lack of access with staff/board changes. LAFCo strongly recommends the District consider the best methods for it to create a backup of computer files and create a safe place to secure District records.
- d) According to the District, the District has not been audited in over 18 years. Audits should be completed and provided to the State Controller's Office and the Yolo County ~~Director~~Department of Financial Services as required by law. Additionally, audits and other financial documents should be provided to the public and LAFCo if requested consistent with state law, including Section 56386 of the Cortese-Knox-Hertzberg Act Local Government Reorganization Act of 2000.
- e) Regarding public accessibility of District records, the District does not have a website, so public access to District information is not easily accessible. The District should consider even a minimal website to provide information to the public regarding board members, meetings, financial information, audits, etc. District files are stored at the District office and maintained by District staff.

f-g) Central Valley Flood Protection Plan Context

Flood management in the Central Valley is affected by a complex framework of public agencies (over 300 in the Sacramento Basin and over 200 in the San Joaquin Basin). At the local level, governance is complicated by multiple small levee maintaining agencies (LMAs) with limited resources, including staff, revenues, and authorities. Flood management in Yolo County along the Sacramento River System is currently carried out by fifteen (15) separate local agencies including: twelve (12) reclamation districts

(RDs); one (1) drainage district; one (1) levee district; and one (1) county service area. In addition, the California Department of Water Resources (DWR) has one Maintenance Area (MA #4) in the West Sacramento Basin and also maintains the Bypass and the Cache Creek levee system with the exception of the Huff's Corner reach, which is maintained by the County. The United States Army Corps of Engineers (USACE) also maintains the Navigation Levee constructed in association with the Deep Water Ship Channel.

Enhanced regional governance can empower groups of local agencies to more effectively pool and leverage funding and resources, enhance collaboration and coordination, coordinate political advocacy, and create shared ownership of the flood system. Regional planning and project implementation is greatly improved through enhanced regional governance. Regional governance not only improves collaboration among local agencies within a region, but also facilitates more effective partnering with State and federal governments, greatly helping to define and achieve a shared regional vision.

Strong regional governance and shared understanding of roles and responsibilities will support a shift toward system-scale, long-term, outcome-driven resource management that balances a broad array of public values and priorities. Dialogues should be fostered within a structured, transparent process that includes schedules, actionable recommendations, and stakeholder engagement.²

In an effort to improve statewide flood management, the State Department of Water Resources (DWR) funded a locally led Regional Flood Management Plan process in six Central Valley regions. The intent of the effort includes establishing a common vision among regional partners, articulating local and regional flood management needs and priorities, describing regional financing strategies, and establishing improved regional governance for implementation.

Through interaction with these regional groups, State DWR has advanced the idea of LMA consolidation. This concept, which arose in the aftermath of the Hurricane Katrina disaster, is founded on the belief that it would be more efficient for existing LMAs to voluntarily collaborate, enabling them to "speak with one voice" (e.g. on matters affecting multiple LMAs whose levees protect the same hydrologic basin), perform consistent O&M, and increase emergency response capabilities.³

Yolo County Flood Governance Study Recommendations

DWR funded the Yolo County Flood Governance Study, dated August 2014 prepared by the UC Davis Collaboration Center. The study recommends that each of the five "basins" develop their own version of coordinated governance: 1) Knights Landing; 2) Elkhorn; 3) Woodland; 4) West Sacramento; and 5) Clarksburg. 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.

The 2014 Yolo County Flood Governance Study, which was prepared for the Lower Sacramento/Delta North Region and funded by the Department of Water Resources, recommended a combination of the "regional communication and collaboration network" (Alternative 2) and a "hydrologic basin" approach (Alternative 3) would be desirable and useful. The Study found that while reclamation districts are best suited to conduct routine O&M and on-site emergency response, some flood management activities would be better accomplished at the regional level. 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.

LAFCo recommends that 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

² Central Valley Flood Protection Plan 2017 Update, page 3-46

³ Yolo County Flood Governance Study 2017, page 60

protected area is not a risk due to inconsistent maintenance or flood fight 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. Because each hydrologic basin is unique, a discussion specific to each individual basin is provided below.

Clarksburg Basin

For the Clarksburg Hydrologic Basin, the 2014 Governance Study found that the residents of the basin would be better served if RD 999, 307 and 765 provided a consistent level of levee maintenance and flood response capability, either functioned as one entity or in a coordinated manner to accomplish this objective. Consideration should be given to how to conduct these activities in a manner that will accomplish the objectives in the most cost effective manner, acknowledging the need to address liabilities and assessment changes. RD 150 is its own, separate hydrologic basin and, therefore, is not included in this recommendation.

As discussed previously, the Clarksburg community is composed of a small rural town area, approximately 35,000 acres of agricultural land, various waterways, and the residents, businesses, and other interests which directly and indirectly support agriculture. Although downtown Clarksburg is at a higher elevation than the rest of the District, only about 1/3 of the Clarksburg basin's population lives in town. Small communities like Clarksburg that are protected by a large levee system struggle to afford the necessary improvements to meet Federal Emergency Management Agency (FEMA) 100-year certification requirements. FEMA is also in the process of increasing flood insurance premiums in response to changes in law that govern the National Flood Insurance Program. These two issues have led to increases in flood insurance premiums that are likely to continue to grow into the future and may become cost prohibitive for some residents. One of the primary goals of the Central Valley Flood Protection Plan (CVFPP) and the Lower Sacramento Delta North (LSDN) Regional Flood Management Plan (RFMP) is to manage flood risk in small communities, such as Clarksburg, with the goal of providing 100-year protection where feasible. This is intended to preserve the community and sustain the agricultural economy without encouraging urban development. However, a solution for Clarksburg has not been determined.

As part of the CVFPP, the Department of Water Resources (DWR) created the Small Communities Flood Risk Reduction program to help small communities achieve 100-year protection, where feasible. The Small Communities Program is a cost-share funding program that provides local assistance to communities with 200 to 10,000 residents that are protected by the State Plan of Flood Control (SPFC). In 2015, DWR awarded Yolo County \$1,500,000 for feasibility studies for Knights Landing, Yolo, and Clarksburg. Yolo County selected MBK engineers as the County's consultant to prepare the Small Communities Flood Risk Reduction Feasibility Studies. Funding for design and construction will be awarded in subsequent phases.

The Clarksburg feasibility study will develop an array of alternatives consisting of both structural and nonstructural measures. The team will formulate structural solutions that include improvements to existing levees to meet 100-year requirements as well as other alternatives such as a cross or ring levee. The study will take into consideration the recommendations of the Agricultural Floodplain Ordinance Task Force (AFOF) that propose modifying the FEMA policy that would promote a sustainable agricultural economy in the floodplain. The non-structural alternatives that will be considered are:

- changes to the National Flood Insurance Program,
- a levee relief cut plan,
- an emergency flood fight plan,
- a flood evacuation plan,
- a flood evacuation warning system,
- a voluntary structure elevation and floodproofing program, and
- use of agricultural conservation easements purchased from willing sellers.

The RFMP estimate of the structural improvements varies from approximately \$10,000,000 to \$530,000,000.

Work is anticipated to begin on the Clarksburg Small Communities Feasibility Study in early 2018 and be completed in late 2019. While the goal of the study is to evaluate alternatives to reduce flood risk, potential governance alternatives, including improved coordinate on and/or consolidation of RD maintenance and flood fight response, will be discussed with the community and RDs as part of the analysis. The reclamation districts should actively participate in the Feasibility Study process for the Clarksburg Basin and seek to build consensus on an alternative to achieve the goal of a common levee maintenance practice and levee flood fight capabilities in the most cost efficient manner for the benefit of the residents and property owners in the basin.

Accountability, Structure and Efficiencies MSR Determination

The District does not maintain a website and should look to create even a minimal one for public transparency purposes. Because the District has no formal office, it is common practice to keep its records in a private home. This makes the District records potentially vulnerable to damage, loss, or lack of access with staff/board changes. LAFCo strongly recommends the District consider the best methods for it to create a backup of computer files and create a safe place to secure District records.

For the Clarksburg Hydrologic Basin, the 2014 Governance Study recommended that RD 999, RD 307, and RD 765 work together either through shared-use agreements, MOU, or consolidation. RD 150 is its own, separate hydrologic basin and, therefore, is not included in this recommendation.

In 2015, DWR awarded Yolo County \$1,500,000 for feasibility studies for Knights Landing, Yolo, and Clarksburg and a consultant was selected to prepare the Small Communities Flood Risk Reduction Feasibility Studies. Work will begin on the Clarksburg Small Communities Feasibility Study in 2018 with a potential completion date by late 2019. While the goal of the study is to evaluate alternatives to reduce flood risk, potential governance alternatives will be reviewed as part of the analysis. This more detailed technical analysis for the Clarksburg Basin will inform how best to achieve the governance goals for the basin. The Reclamation Districts should actively participate in the Feasibility Study process for the Clarksburg Basin and implement any future recommendations from the Study.

Recommendations

- The District board should consider creating a website for the District for public transparency purposes. For a special district with an annual operating budget between \$15 - \$50,000 per year, the California Special Districts Association offers a website template through getstreamline.com for \$25 per month (if CSDA member, \$50 per month if not). This fee includes unlimited technical support and hosting services.
- Audits should be completed and provided to the State Controller's Office and the Yolo County Director of Financial Services as required by law. Additionally, audits and other financial documents should be provided to the public and LAFCo if requested consistent with state law, including Section 56386 of the Cortese-Knox-Hertzberg Act Local Government Reorganization Act of 2000.
- The District should consider the best methods to create a backup of computer files and determine a safe place to secure District records. It is common practice with small districts to keep its records in private homes, which makes the District records potentially vulnerable to damage, loss, or lack of access with board changes.
- Reclamation Districts 999, 307 and 765 should actively participate in the Small Communities Feasibility Study process for the Clarksburg Basin and implement any future recommendations from the Study. The Study should address and make a recommendation on governance to achieve

the goal of providing a consistent level of maintenance and flood response across the Clarksburg Basin and have the districts function as one entity.

7. OTHER ISSUES

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

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

Discussion:

a) LAFCo is not aware of any other service delivery issues not already addressed in the MSR.

Other Issues MSR Determination

LAFCo is not aware of any other service delivery issues not already addressed in the MSR.

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.

SPHERE OF INFLUENCE MAP(S)

The District sphere of influence (SOI) is coterminous with its existing boundary.

RECLAMATION DISTRICT 150: MERRITT ISLAND

Agency Profile

Formed in 1868, Reclamation District (RD) 150 provides levee maintenance for 17.74 miles of levee, protecting approximately 5,000 acres of land. The District, known as the Merritt Island district, also provides drainage and purveys irrigation water. Although RD 150 is located on Merritt Island in the community of Clarksburg, it 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 and Elk Slough to the west. The District has a population of 125 permanent residents and 800 seasonal visitors. Current levee operations and maintenance (O&M) is evaluated at the minimally acceptable level by the Department of Water Resources (DWR). RD 150 participates as members of the California Central Valley Flood Control Association (CCVFCA) and the Westside Committee for the Regional Flood Management Plan. The District is part of the Delta Levees Maintenance Subvention Program which offers cost-share assistance for levee maintenance and rehabilitation. The annual budget for 2015/16 was \$293,247, generated from annual assessments and the Subvention Program. The District has 69 landowners.

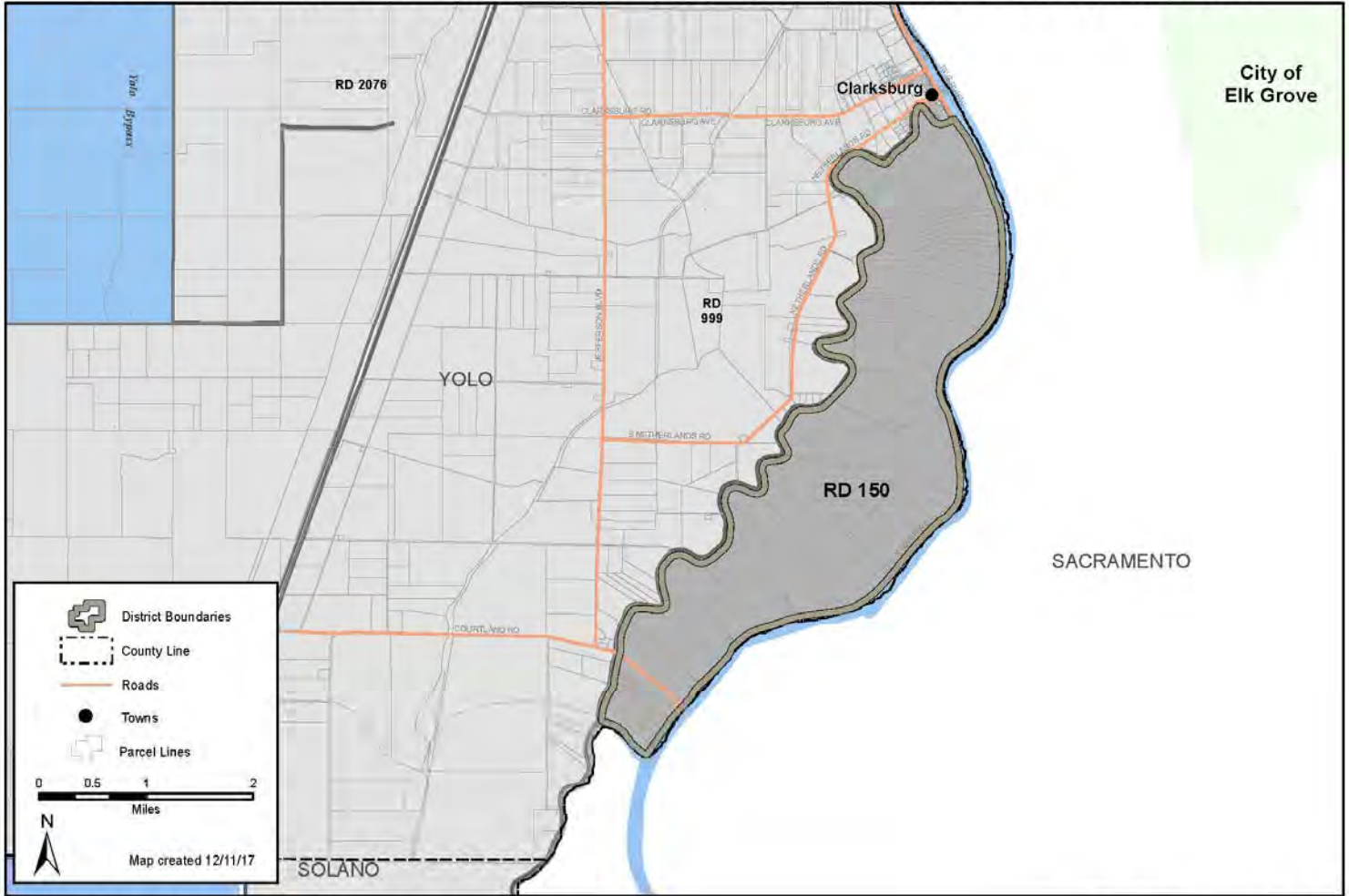
The District has two (2) part time staff (a part time drainage pump superintendent and a part time secretary) but is primarily landowner operated. RD 150 contracts out for levee and ditch maintenance, civil engineering, and legal services.

Reclamation District 150 is an independent special district with a five-member board of trustees elected by the landowners within the District.

Name of Member	Title	Term Expiration	Compensation
Warren Bogle	President	2019	\$600/year
Matt Hemly	Trustee	2017	\$360/year
Roger Berry	Trustee	2019	\$360/year
Chris Smith	Trustee	2017	\$360/year
David Ogilvie	Trustee	2019	\$360/year

The regularly scheduled meeting day for Reclamation District 150 is the second Monday of each month with meetings beginning at 6:30 PM at 37783 County Road 144, Clarksburg, CA 95612. The District gives the public notice of meetings through posting and individual notification.

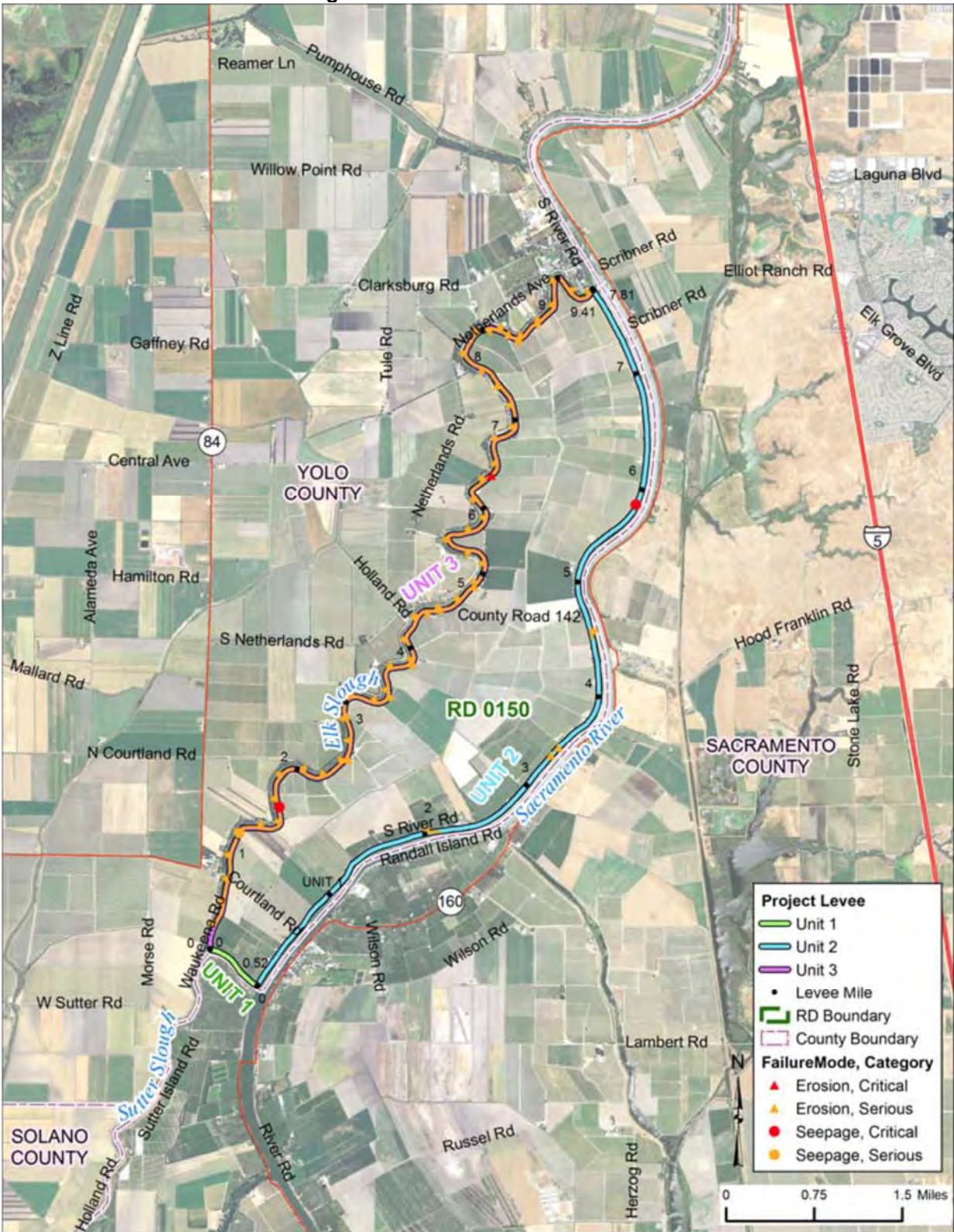
Figure 1. RD 150 Boundary and Existing Sphere of Influence
Reclamation District 150 Boundary and Sphere of Influence*



* Note: Sphere of Influence is coterminous with boundary

Boundary approved in 1868

Figure 2. Reclamation District 150



Department of Water Resources. "SACRAMENTO SYSTEM: Levee District No. 0150 Merrit Island." Map. Scale not given. "Appendix A - Sacramento River Individual Agency Summary Reports," A-42. (2016). Web. 18 Sep. 2017.

Potentially Significant MSR Determinations

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

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

1. GROWTH AND POPULATION

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

Discussion:

a-c)The State Department of Finance population projections¹ indicate that Yolo County had an estimated population in the unincorporated area of 26,995 as of January 1, 2015 and 28,419 as of January 1, 2016, a 5.3 percent overall increase. There is no significant development anticipated in the District that would result in a negative impact to the agency’s ability to provide services.

Growth and Population MSR Determination

There is no significant development anticipated in the District that would result in a negative impact to the agency’s ability to provide services. The purpose of RD 150 is to protect and drain agricultural land, therefore population growth would not affect the District.

¹ E-1 Population Estimates for Cities, Counties, and the State January 1, 2015 and 2016

2. DISADVANTAGED UNINCORPORATED COMMUNITIES

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

	YES	MAYBE	NO
a) Does the subject agency provide public services related to sewers, municipal and industrial water, or structural fire protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Are there any "inhabited unincorporated communities" (per adopted Commission policy) within or adjacent to the subject agency's sphere of influence that are considered "disadvantaged" (80% or less of the statewide median household income)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) If "yes" to both a) and b), it is feasible for the agency to be reorganized such that it can extend service to the disadvantaged unincorporated community (if "no" to either a) or b), this question may be skipped)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

a-c) The subject agency does not provide public services related to water, sewer or structural fire protection and therefore, the provisions of Senate Bill (SB) 244 do not apply to this MSR. Additionally, there are no Disadvantaged Unincorporated Communities (DUCs) within or contiguous to the District. While Clarksburg is defined by Yolo LAFCo policy as an inhabited unincorporated community, it does not qualify as a disadvantaged community based on its 2015 median household income (MHI).

Disadvantaged Unincorporated Communities MSR Determination

The subject agency does not provide public services related to water, sewer or structural fire protection and therefore, the provisions of SB 244 do not apply to this MSR. In addition, there are no Disadvantaged Unincorporated Communities (DUCs) within or contiguous to the District.

3. CAPACITY AND ADEQUACY OF PUBLIC FACILITIES AND SERVICES

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

	YES	MAYBE	NO
a) Are there any deficiencies in agency capacity to meet service needs of existing development within its existing territory?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Are there any issues regarding the agency's capacity to meet the service demand of reasonably foreseeable future growth?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY
CLARKSBURG HYDROLOGIC BASIN**

c) Are there any concerns regarding public services provided by the agency being considered adequate?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Are there any significant infrastructure needs or deficiencies to be addressed?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Are there changes in state regulations on the horizon that will require significant facility and/or infrastructure upgrades?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Are there any service needs or deficiencies for disadvantaged unincorporated communities related to sewers, municipal and industrial water, and structural fire protection within or contiguous to the agency's sphere of influence?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

a-d) The 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. The Fall 2016 DWR Inspection Report gave the LMA an overall rating of "Minimally Acceptable." Overall, the unacceptable miles are less than 10%. This determination concludes that the unacceptable inspection items would not prevent the segment/system from performing as intended during the next flood event.

Local Maintaining Agency	Overall Rating					Total Levee Miles
	<i>A=Acceptable; M=Minimally Acceptable; U=Unacceptable</i>					
	2012	2013	2014	2015	2016	
RD 150	A	M*	M*	M*	M*	17.74
<i>Source: California Department of Water Resources</i>						

According to the DWR Report, there is erosion in the area that should be monitored. The District should focus on repairing erosion sites and working with landowners and the Central Valley Flood Protection Board to control unauthorized encroachments through advocacy and education. The District provided a summary of expenses and planned maintenance activities to DWR for all levee units. Expenses include costs of cleaning of ditches to control vegetation growth, engineering services, mowing, ongoing inspections, patrols during the winter season, spraying of herbicides, and tree trimming as needed. According to the District, the average annual cost is \$96,000 (3-year average between FYs 2014-15, 2015-16, and 2016-17).

The Regional Flood Management Plan (RFMP) details the specific improvements necessary in the District and summarizes the improvements, including estimated cost, design, permitting, and funding readiness, as well as benefits from the improvements. There problems include:

- At the Courtland Road (Elk Slough to Road 143) there are seepage issues which were fixed 15 years ago and the toe was rebuilt; however, there are multiple boils and the underseepage issues continue.
- There is a seepage area located on the 2-mile stretch along the levee from Road 143 toward Road 142. According to the District, this was not a problem during 2017.
- Seepage along the north end of the Sacramento River. There is erosion along the waterside as well.
- The levee along Sutter Slough is built on top of pure sand and there are underseepage issues.

RD 150 plans to construct a large bank protection project along four areas of Elk Slough. The project will rehabilitate the waterside bank and incorporate an enhanced lower waterside slope habitat area with possible riparian forest, scrub-shrub, and emergent/freshwater marsh features to mitigate for loss of habitat and enhance the habitat value along the slough. RD 150 also plans to complete a feasibility study for Elk Slough. RD 150 also plans to construct a large bank protection project and a seepage protection project along the Sacramento River. These projects together are estimated to cost over seven (7) million dollars. Local funding sources have not been identified.

- e) Senate Bill (SB) 5, the Central Valley Flood Protection Act, required the development of the Central Valley Flood Protection Plan (CVFPP) by mid-2012. The plan, authored by DWR and approved by the Central Valley Flood Protection Board (CVFPB), establishes a system-wide approach to improving State Plan of Flood Control (SPFC) facilities, and recommends both structural and governance methods of improving flood risk reduction and vulnerability. The California Department of Water Resources adopted the CVFPP in 2012. A five-year update was adopted in 2017. The CVFPP requires 200-year flood protection for all urban and urbanizing areas within the flood zone by 2025. The District is not located in an urban or urbanizing area so the 200-year standard is not required for district levees. However, one of the primary goals of the CVFPP and the RFMP is to achieve a 100-year level of flood protection for small communities such as Clarksburg in order to preserve small community development opportunities without providing urban level of protection and encouraging broader urban development. The RFMP's recommended solution for Clarksburg is a feasibility study. However, RD 150 is technically its own, separate hydrologic basin and will not be included in the Clarksburg Small Communities Feasibility Study. Any recommendations for Clarksburg may be exportable to RD 150.
- f) There are no Disadvantaged Unincorporated Communities (DUCs) within or contiguous to the District's sphere of influence.

Capacity and Adequacy of Public Facilities and Services MSR Determination

District levees have an overall rating of "minimally acceptable" from the Department of Water Resources. There is erosion occurring in this area that should be monitored. The District should focus on repairing erosion sites and working with landowners and the Central Valley Flood Plan Board to control unauthorized encroachments. The District provided a summary of expenses and planned maintenance activities to DWR for all levee units. Expenses include costs of cleaning of ditches to control vegetation growth, engineering services, mowing, ongoing inspections, patrols during the winter season, spraying of herbicides, and tree trimming as needed. The reported total cost for the current fiscal year is \$69,000. Other needed projects include the Elk Slough Bank Protection Project, the Elk Slough Bank Feasibility Study, the Sacramento River Bank Protection Project, and the Sacramento River Seepage Protection Project. These projects together are estimated to cost over seven (7) million dollars and local funding sources have not been identified.

Recommendations

- The District should work to improve the items detailed in the 2016 Department of Water Resources Inspection Report, including repairing erosion sites and working with landowners and the Central Valley Flood Plan Board to control unauthorized encroachments.
- The District should work to identify funding and complete the improvements detailed in the 2014 Regional Flood Management Plan and any future updates including estimated cost, design, permitting, and funding readiness, as well as benefits from the improvements.

4. FINANCIAL ABILITY

Financial ability of agencies to provide services.

	YES	MAYBE	NO
a) Does the organization engage in budgeting practices that may indicate poor financial management, such as overspending its revenues, using up its fund balance or reserve over time, or adopting its budget late?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Is there an issue with the organization's revenue sources being reliable? For example, is a large percentage of revenue coming from grants or one-time/short-term sources?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Is the organization's rate/fee schedule insufficient to fund an adequate level of service, and/or is the fee inconsistent with the schedules of similar service organizations?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Is the organization in need of written financial policies that ensure its continued financial accountability and stability?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Is the organization unable to fund necessary infrastructure maintenance, replacement and/or any needed expansion?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Is the organization needing additional reserve to protect against unexpected events or upcoming significant costs?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g) Is the organization's debt at an unmanageable level?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h) Does the agency have pension and/or other post-employment benefit (OPEB) liability? If so, what is it the liability and are there any concerns that it is unmanageable?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY
CLARKSBURG HYDROLOGIC BASIN**

RD 150 District Operations Budget Summary (Fund 391/6435)					
	2011-12	2012-13	2013-14	2014-15	2015-16
Revenues:					
Total Taxes - Current	\$ -	\$ -	\$ -		\$ -
Total Taxes - Prior	\$ -	\$ -	\$ -		\$ -
Total Revenue Use of Money and Property	\$ 7,149.08	\$ 7,514.82	\$ 7,100.49	\$ 7,473.60	\$ 7,392.61
Total Intergovernment Revenue - State	\$ 84,017.00	\$ -	\$ 89,261.00	\$ 48,938.04	\$ 46,824.91
Total Intergovernment Revenue - Other	\$ -	\$ -	\$ -		\$ -
Total Charges for Services	\$ 127,029.88	\$ 127,535.47	\$ 125,595.18	\$ 124,868.65	\$ 124,732.41
Total Misc	\$ -	\$ 26.78	\$ 64.00	\$ 3,723.94	\$ 344.80
TOTAL REVENUES	\$ 218,195.96	\$ 135,077.07	\$ 222,020.67	\$ 185,004.23	\$ 179,294.73
Expenditures:					
Salaries and Benefits	\$ 7,904.88	\$ 6,703.14	\$ 7,802.94	\$ 7,714.03	\$ 14,087.76
Services and Supplies	\$ 127,899.51	\$ 145,302.59	\$ 165,851.82	\$ 160,818.53	\$ 150,268.79
Total Other Charges	\$ 24,577.52	\$ 31,419.00	\$ -		\$ 1,501.93
Capital Assets - Equipment & Structures	\$ -	\$ -	\$ -		\$ -
TOTAL EXPENDITURES	\$ 160,381.91	\$ 183,424.73	\$ 173,654.76	\$ 168,532.56	\$ 165,858.48
<i>Revenues Less Expenditures</i>	<i>\$ 57,814.05</i>	<i>\$ (48,347.66)</i>	<i>\$ 48,365.91</i>	<i>\$ 16,471.67</i>	<i>\$ 13,436.25</i>
FUND BALANCE	\$ 90,566.85	\$ 42,219.19	\$ 90,585.10	\$ 107,056.77	\$ 120,493.02

Discussion:

a) Budget:

The 5-year budget trend analysis above indicates that the District is generally operating within its available resources (i.e. it is not overspending its revenue). In fiscal year 12/13, the District overspent its revenue by approximately \$48,000; however, there were sufficient funds to accommodate the overage. The District did not receive expected income from the State. The timing of the Subventions Program funding varies annually between May – August in any given year. The District received the funding the following year.

b-c) Revenue Sources:

The District's budget comes from their own assessment as well as the Delta Levees Maintenance Subvention Program which offers cost-share assistance for levee maintenance and rehabilitation. The District receives approximately \$40,000 to \$60,000 annually from the Subvention program. Therefore, the agency's funding is stable and reliable. There are no additional fees for service. However, RD 150's assessment does not appear to provide adequate reserves to cover unexpected events or upcoming significant costs. The RFMP has identified four (4) needed projects including the Elk Slough Bank Projection Project, the Elk Slough Bank Feasibility Study, the Sacramento River Bank Protection Project, and the Sacramento River Seepage Protection Project. These projects together are estimated to cost over seven (7) million dollars and local funding sources have not been identified.

d) Financial Policies:

While the District has not adopted financial policies, the District follows state law and reclamation law. The District does not currently have written financial policies other than what is provided in the County's Special District Financial Handbook. The County's handbook primarily deals with how special districts interact with the County for tax revenue, the treasury, or reporting to the State Controller's Office. The County's policies do not address other issues that may be a concern for reclamation districts such as how to handle travel and reimbursable expenses, personnel issues, operating procedures, safety, etc. It may be beneficial for the District to adopt finance policies.

e-f) Infrastructure Maintenance and Replacement/Reserves:

The District provided a summary of expenses and planned maintenance activities for all levee units. Expenses include costs of cleaning of ditches to control vegetation growth, engineering services, mowing, ongoing inspections, patrols during the winter season, spraying of herbicides, and tree trimming as needed. The reported total cost for the current fiscal year is \$69,000. Additionally, the RFMP has identified four (4) needed projects including the Elk Slough Bank Projection Project, the Elk Slough Bank Feasibility Study, the Sacramento River Bank Protection Project, and the Sacramento River Seepage Protection Project. These projects together are estimated to cost over seven (7) million dollars and local funding sources have not been identified.

g) Debt:

The District does not have any debt.

h) Post-Employment Liability:

The District does not have any post-employment liability.

Financial Ability MSR Determination

The District appears to generally operate within its financial means and does not have any debt. However, the District does not appear to have adequate reserve to provide necessary maintenance or needed improvements as detailed in the Regional Flood Management Plan. The District is lacking adopted financial policies other than what the County provides and should consider adopting policies for District operations and financial management.

Recommendations

- Consider adopting 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.
- The District should work to identify funding for the improvements detailed in the 2014 Regional Flood Management Plan.

5. SHARED SERVICES AND FACILITIES

Status of, and opportunities for, shared facilities.

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

Discussion:

a-b) The District does not currently share any services or facilities with other organizations. The District has two (2) part-time staff (a part-time drainage pump superintendent and a part-time secretary) but is primarily landowner operated. RD 150 contracts out for levee and ditch maintenance, civil engineering, and legal services. RD 150 functions as an independent hydrologic basin since it maintains a complete levee ring.

Shared Services MSR Determination

The District does not currently share any services or facilities with other organizations as it only has two part-time employees, already utilizes contract services, and is primarily landowner operated. RD 150 is not hydrologically connected to the Clarksburg Basin since it maintains a complete levee ring.

6. ACCOUNTABILITY, STRUCTURE AND EFFICIENCIES

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

	YES	MAYBE	NO
a) Are there any issues with meetings being accessible and well publicized? Any failures to comply with disclosure laws and the Brown Act?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Are there any issues with filling board vacancies and maintaining board members? Is there a lack of board member training regarding the organization's program requirements and financial management?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Are there any issues with staff turnover or operational efficiencies? Is there a lack of staff member training regarding the organization's program requirements and financial management?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Are there any issues with independent audits being performed on a regular schedule? Are completed audits being provided to the State Controller's Office and County Director of Financial Services within 12 months of the end of the fiscal year(s) under examination? Are there any corrective action plans to follow up on?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Does the organization need to improve its public transparency via a website? [A website should contain at a minimum the following information: organization mission/description/boundary, board members, staff, meeting schedule/agendas/minutes, budget, revenue sources including fees for services (if applicable), and audit reports.]	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Are there any recommended changes to the organization's governance structure that will increase accountability and efficiency?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
g) Are there any opportunities to eliminate overlapping boundaries that confuse the public, cause service inefficiencies, unnecessarily increase the cost of infrastructure, exacerbate rate issues and/or undermine good planning practices?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

- a) There are no issues with the board meetings being accessible and posted in accordance with the Brown Act. The regularly scheduled meeting day for RD 150 is the second Monday of each month with meetings beginning at 6:30 PM at 40584 South River Road. The District gives the public notice of meetings through posting at the meeting location and individual notification.

- b) All of the board seats are currently filled, therefore, there do not appear to be chronic issues with filling board vacancies and maintaining board members.
- c) The District does not have any full-time staff. The District employs two (2) part-time staff. The District completes O&M by contracting with appropriate providers. Therefore, there do not appear to be issues with staff turnover or other operational efficiencies.
- d) The Reclamation District is independently audited annually in accordance with auditing standards generally accepted in the United States. Audits are performed annually by Don Cole & Company, a certified public accountant. Audits are current through fiscal year 2016. The audit did not have any items that need to be addressed.
- e) Regarding public accessibility of District records, the District does not have a website, so public access to District information is not easily accessible. The District should consider even a minimal website to provide information to the public regarding board members, meetings, financial information, audits, etc. District files are stored at the District office and maintained by District staff.

f-g) Central Valley Flood Protection Plan Context

Flood management in the Central Valley is affected by a complex framework of public agencies (over 300 in the Sacramento Basin and over 200 in the San Joaquin Basin). At the local level, governance is complicated by multiple small levee maintaining agencies (LMAs) with limited resources, including staff, revenues, and authorities. Flood management in Yolo County along the Sacramento River System is currently carried out by fifteen (15) separate local agencies including: twelve (12) reclamation districts (RDs); one (1) drainage district; one (1) levee district; and one (1) county service area. In addition, the California Department of Water Resources (DWR) has one Maintenance Area (MA #4) in the West Sacramento Basin and also maintains the Bypass and the Cache Creek levee system with the exception of the Huff's Corner reach, which is maintained by the County. The United States Army Corps of Engineers (USACE) also maintains the Navigation Levee constructed in association with the Deep Water Ship Channel.

Enhanced regional governance can empower groups of local agencies to more effectively pool and leverage funding and resources, enhance collaboration and coordination, coordinate political advocacy, and create shared ownership of the flood system. Regional planning and project implementation is greatly improved through enhanced regional governance. Regional governance not only improves collaboration among local agencies within a region, but also facilitates more effective partnering with State and federal governments, greatly helping to define and achieve a shared regional vision.

Strong regional governance and shared understanding of roles and responsibilities will support a shift toward system-scale, long-term, outcome-driven resource management that balances a broad array of public values and priorities. Dialogues should be fostered within a structured, transparent process that includes schedules, actionable recommendations, and stakeholder engagement.²

In an effort to improve statewide flood management, the State Department of Water Resources (DWR) funded a locally led Regional Flood Management Plan process in six Central Valley regions. The intent of the effort includes establishing a common vision among regional partners, articulating local and regional flood management needs and priorities, describing regional financing strategies, and establishing improved regional governance for implementation.

Through interaction with these regional groups, State DWR has advanced the idea of LMA consolidation. This concept, which arose in the aftermath of the Hurricane Katrina disaster, is founded on the belief that it would be more efficient for existing LMAs to voluntarily collaborate, enabling them

² Central Valley Flood Protection Plan 2017 Update, page 3-46

**YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY
CLARKSBURG HYDROLOGIC BASIN**

to “speak with one voice” (e.g. on matters affecting multiple LMAs whose levees protect the same hydrologic basin), perform consistent O&M, and increase emergency response capabilities.³

Yolo County Flood Governance Study Recommendations

DWR funded the Yolo County Flood Governance Study, dated August 2014 prepared by the UC Davis Collaboration Center. The study recommends that each of the five “basins” develop their own version of coordinated governance: 1) Knights Landing; 2) Elkhorn; 3) Woodland; 4) West Sacramento; and 5) Clarksburg. 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.

The 2014 Yolo County Flood Governance Study, which was prepared for the Lower Sacramento/Delta North Region and funded by the Department of Water Resources, recommended a combination of the “regional communication and collaboration network” (Alternative 2) and a “hydrologic basin” approach (Alternative 3) would be desirable and useful. The Study found that while reclamation districts are best suited to conduct routine O&M and on-site emergency response, some flood management activities would be better accomplished at the regional level. 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.

LAFCo recommends that 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 a risk due to inconsistent maintenance or flood fight 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. Because each hydrologic basin is unique, a discussion specific to each individual basin is provided below.

Clarksburg Basin

For the Clarksburg Hydrologic Basin, the 2014 Governance Study found that the residents of the basin would be better served if RD 999, 307 and 765 provided a consistent level of levee maintenance and flood response capability, either functioned as one entity or in a coordinated manner to accomplish this objective. Consideration should be given to how to conduct these activities in a manner that will accomplish the objectives in the most cost effective manner, acknowledging the need to address liabilities and assessment changes. RD 150 is its own, separate hydrologic basin and, therefore, is not included in this recommendation.

Yolo County and MBK engineers are anticipated to begin work on the Clarksburg Small Communities Feasibility Study in early 2018 with goal of the study being to evaluate alternatives to reduce flood risk, potential governance alternatives, including improved coordinate on and/or consolidation of RD maintenance and flood fight response. However, RD 150 is technically its own, separate hydrologic basin and will not be included in the Clarksburg Small Communities Feasibility Study.

Accountability, Structure and Efficiencies MSR Determination

There are no issues with meetings being accessible and publicized in accordance with the Brown Act. The District does not maintain a website and should look to create even a minimal one for public transparency purposes.

For the Clarksburg Hydrologic Basin, the 2014 Governance Study recommended that RD 999, RD 307, and RD 765 work together either through shared-use agreements, MOU, or consolidation. RD 150 is its own, separate hydrologic basin and, therefore, is not included in this recommendation.

³ Yolo County Flood Governance Study 2017, page 60

**YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY
CLARKSBURG HYDROLOGIC BASIN**

Yolo County and MBK engineers are anticipated to begin work on the Clarksburg Small Communities Feasibility Study in early 2018 with goal of the study being to evaluate alternatives to reduce flood risk, potential governance alternatives, including improved coordinate on and/or consolidation of RD maintenance and flood fight response. However, RD 150 is technically its own, separate hydrologic basin and will not be included in the Clarksburg Small Communities Feasibility Study.

Recommendations

- The District board should consider creating a website for the District for public transparency purposes. For a special district with an annual operating budget between \$50,000 - \$250,000 per year, the California Special Districts Association offers a website template through getstreamline.com for \$50 per month (if CSDA member, \$75 per month if not). This fee includes unlimited technical support and hosting services.

7. OTHER ISSUES

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

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

Discussion:

- a) LAFCo is not aware of any other service delivery issues not already addressed in the MSR.

Other Issues MSR Determination

LAFCo is not aware of any other service delivery issues not already addressed in the MSR.

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.

SPHERE OF INFLUENCE MAP(S)

The District sphere of influence (SOI) is coterminous with its existing boundary.

INACTIVE DISTRICTS

RECLAMATION DISTRICT 2120: LITTLE HOLLAND

In 1983, Yolo LAFCo approved a proposal for formation of a new Reclamation District 2120 (Little Holland) which was located at the southern boundary of Yolo County between Reclamation Districts 999 and 2076. However, in 1999 the property was sold to the US Army Corps of Engineers for habitat mitigation purposes. RD 2120 is currently inactive and was never formally dissolved by LAFCo.

Recommendation:

LAFCo should initiate dissolution of the inactive District 2120 pursuant to Section 56879 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

RECLAMATION DISTRICT 2076

Reclamation District 2076 was once part of the Glide Family holdings which eventually became the Yolo Bypass. The District has been inactive since it was formed and no information was available regarding its size, miles of levees or budgets. The District has a “zero area” sphere of influence and has never provided services since its inception. The District has no board of trustees, no adopted bylaws, and has never collected any revenue.

Information on file suggest that the State condemned the Bypass properties and acquired them through eminent domain; therefore, voiding the purpose of the district. In 2005, the MSR recommended that RD 2076 be dissolved. The Commission supported the recommendation; however, no action to dissolve the district was ever taken.

Recommendation:

LAFCo should initiate dissolution of the inactive District 2076 pursuant to Section 56879 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

MULTI-COUNTY DISTRICTS

SACRAMENTO RIVER WESTSIDE LEVEE DISTRICT

The Sacramento River West Levee District (SRWLD) is responsible for maintenance of the west side of the levee along the Sacramento River from Colusa to Knights Landing. The District overlaps with RD 479, RD 108, RD 787 and the Knights Landing Ridge Drainage District. SRWLD was formed in 1915 and maintains approximately 50 miles of levees. The District contracts with RD 108 to manage the District.

While a portion of SRWLD is located within Yolo County, the majority of its assessed value lies within Colusa County. Therefore, Colusa LAFCo has jurisdiction as the principal LAFCo.

The Sacramento River Westside Levee District Contact Information is as follows:

Lewis Bair, General Manager
PO Box 50
Grimes, CA 95950
(530) 437-2221
rd108@rd108.org

RECLAMATION DISTRICT 108: MERRIT ISLAND

Reclamation District 108 (RD 108), established in 1870, is responsible for 20 miles of levee along the Colusa Basin Drain. The District also maintains a small portion of levee along Castle properties near the town of Knights Landing. The District delivers water from the Sacramento River to nearly 48,000 acres of land within northern Yolo County and southern Colusa County.

A significant portion of Reclamation District 108 overlaps with the service area of the Knights Landing Ridge Drainage District (KLRDD) and the Sacramento River Westside Levee District (SRWLD). RD 108 provides administration for these two districts.

While a portion of RD 108 is located within Yolo County, the majority of its assessed value lies within Colusa County. Therefore, Colusa LAFCo has jurisdiction as the principal LAFCo.

Reclamation District 108 Contact Information is as follows:

Lewis Bair, General Manager
PO Box 50
Grimes, CA 95950
(530) 437-2221
rd108@rd108.org

RECLAMATION DISTRICT 2068: YOLANO

Reclamation District 2068 was formed in April 7, 1924, and maintains 8.7 miles of federal project levees that protect a portion of its 13,200 acres. The District provides water for irrigation, flood protection through levee maintenance, and drainage services.

While a portion of RD 2068 is located within Yolo County, the majority of its assessed value lies within Solano County. Therefore, Solano LAFCo has jurisdiction as the principal LAFCo.

Reclamation District 2068 Contact Information is as follows:

Cliff Detar
President
7178 Yolano Road
Dixon, CA 95620
(707) 678-5412

RECLAMATION DISTRICT 2093: LIBERTY ISLAND

Reclamation District 2093 was originally formed as “Liberty Reclamation #1” in 1918. The original purpose was to protect the island with a levee system to allow for agriculture. In 1959, Reclamation District No. 2093 replaced Liberty Reclamation #1. In 1998, The Trust for Public Land purchased 96 percent of the island. Since that time there has been no agricultural activity, the levee was breached, and much of the island was flooded.

The District provides very limited services. There is no agricultural activity, the pumps are inoperable, the levee breach is not slated for repair, and the District prefers to leave the island in its current state. The Trust for Public Land (TPL) loans the District sufficient funds to cover expenses. The costs are divided proportionally by percent of ownership.

While a portion of RD 2093 is located within Yolo County, the majority of its assessed value lies within Solano County. Therefore, Solano LAFCo has jurisdiction as the principal LAFCo.

Reclamation District 2093 Contact Information is as follows:

Shelby Semmes
101 Montgomery Street, Suite 900
San Francisco, CA 94104
(415) 800-5287
shelby.semmes@tpl.org

REFERENCES

- California Department of Water Resources. *Central Valley Flood Protection Plan 2012*. June 2012.
- California Department of Water Resources. *Central Valley Flood Protection Plan 2017 Update*. December 2016.
- California Department of Water Resources. *Inspection and Local Maintaining Agency Report of the Central Valley State-Federal Flood Protection System*. 2016.
- California Department of Water Resources. *Lower Elkhorn Basin Levee Setback Project Brochure*. February 2017.
- Colusa County Local Agency Formation Commission. *Municipal Service Review for Colusa County Reclamation, Drainage, Flood Control and Levee Districts*. April 2010.
- Flood Protect. *Lower Sacramento River/Delta North Regional Flood Management Plan*. July 2014.
- Larsen Wurzel & Associates, Inc. *Reclamation District 900 Drainage Operations and Maintenance Assessment Final Engineer's Report*. June 2016.
- MBK Engineers. *Elkhorn Basin Draft Governance Study Prepared for Reclamation Districts 537, 785, 827, and 1600*. November 2016.
- MBK Engineers. *Draft Bryte Landfill Relocation and SAFCA Associated Actions in Support of the Lower Elkhorn Setback Levee Project Project Management Plan*. September 2017.
- Solano County Local Agency Formation Commission. *Final Municipal Service Review Solano County Water, Irrigation, Reclamation, and Flood Management Agencies*. April 2009.
- UC Davis Extension Collaboration Center. *Yolo County Flood Governance Study*. 2014.
- US Census Bureau. *American Community Survey - American Factfinder*. 2012-2016 5-Year Estimates. Median Household Income. Website. <https://factfinder.census.gov>. Accessed various 2017.
- Yolo County. *2030 Countywide General Plan County of Yolo*. November 2009.
- Yolo County. *Clarksburg Area Community Plan*. September 2015.



January 24, 2018

Christine Crawford, Executive Director
Yolo LAFCo
625 Court Street, Suite 203
Woodland, CA 95695

RE: RD 537 and RD 900 Consolidation Proposal

Dear Christine:

Following the December 7, 2017, LAFCo Board meeting, you asked for additional input from the City of West Sacramento (City) in regard to the required findings for a possible consolidation of flood control responsibility within the City into a single entity. In order to respond, the City needed to review the public service costs, public access and service accountability of the two reclamation districts. The City conducted an internal review of the available budget and service information of Reclamation District 537 (RD 537), Reclamation District 900 (RD 900), and Local Maintenance Area #4 as well as contracted with Economic & Planning Systems, Inc. (EPS), for an independent preliminary analysis. The EPS memorandum is enclosed for your reference.

Based on the City's review, the City believes the findings can be made to support the initiation and approval of the consolidation of flood control responsibility within the City into a single entity. Furthermore, the analyses indicate that the City can provide the flood control services at a substantially similar or lesser public service cost due to economies of scale and efficiencies, and as such supports consolidation as a merger with the City. A merger would also promote greater public access, transparency, and service accountability based on the City's performance history since its incorporation. As stated in the January 2000 report of the State of California Commission on Local Governance for the 21st Century entitled, "Growth Within Bounds", "Where district consolidations or absorption of district functions into general purpose local governments will improve efficiency or transparency of service delivery, they should be aggressively pursued."

Sincerely,



Amanda Berlin
Assistant City Manager

Enclosure: EPS Memorandum

Cc: City Council

MEMORANDUM

To: Paul Blumberg; City of West Sacramento
Charline Hamilton; City of West Sacramento

From: Jamie Gomes and Sean Fisher

Subject: Financial Analysis Related to Yolo Local Agency Formation
Commission Consideration of West Sacramento Basin
Reclamation District Governance Options; EPS #182005

Date: January 18, 2018

The Economics of Land Use



Overview

The Yolo Local Agency Formation Commission (LAFCo) has prepared a Municipal Service Review (MSR) for the Reclamation Districts in Yolo County. The LAFCo MSR includes alternatives for the West Sacramento Basin that could involve the City of West Sacramento (City). Accordingly, the City engaged Economic & Planning Systems, Inc. (EPS) to provide financial analysis related to one of the LAFCo alternatives.

Consistent with findings from prior LAFCo MSRs, the latest MSR includes a West Sacramento Basin Recommendation identifying alternatives for future governance. Recommendations included the following alternatives:

1. Reclamation District 900 (RD 900) and Reclamation District 537 (RD 537) could merge (either legally or functionally).
2. The City expressed a willingness to absorb RD 900 and RD 537 either as a subsidiary district or as a consolidation with City services.

The LAFCo MSR states, "to initiate and approve such a consolidation, LAFCo would need to make a finding that the public services costs would likely be less than or substantially similar under City governance and that it promotes public access and accountability for services." This memorandum provides a financial analysis to address that portion of the statement quoted above. This memorandum does not address the question of public access and accountability for services, nor does it include a financial analysis for Alternative #1.

*Economic & Planning Systems, Inc.
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Sacramento, CA 95814
916 649 8010 tel
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*Oakland
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Denver
Los Angeles*

www.epsys.com

Focus of the Financial Analysis

Guided by the Alternative 2 question posed in the MSR, the financial analysis examines the following two reorganization options:

1. The City absorbs the operations of RD 900 and RD 537 (Option 2A—Merger).
2. RD 900 and RD 537 consolidate with one another, including Local Maintenance Area No. 4, and become a subsidiary district to the City (Option 2B—Subsidiary).

The Option 2A and 2B nomenclature is used to maintain consistency with the LAFCo MSR documentation. Local Maintenance Area #4 (LMA #4) is the area of Sacramento River levee maintained by the California Department of Water Resources, a taxing entity that receives a portion of the property tax collected within the City of West Sacramento. Further analysis of LMA #4 should be pursued as a part of either Option 2A or Option 2B. To prepare the enclosed financial analysis, EPS worked with City staff using the following documents:

- Fiscal Year (FY) 2017-18 Annual budgets of RD 900 and RD 537.
- FY 2016-17 and 2017-18 Biannual Budget of the City.
- RD 900 Drainage Operations and Maintenance Assessment—Preliminary Engineer’s Report.

All options considered are based on the assumption only a portion of RD 537 service area would be assumed by the City. Based on information from the City and LAFCo, this analysis is based on the assumption the remaining RD 537 service area, approximately 80 percent of the area, may be included in another potential consolidation of Reclamation Districts. To be comprehensive, this analysis includes the residual costs associated with the remainder area of RD 537. **Table 7** shows the assumptions for RD 537.

Findings

The following sections detail the findings of this preliminary financial analysis regarding governance options.

Option 2A—Merger

Under this option, the analysis is based on the assumption all existing staff would remain and salary costs would be unchanged related to the district personnel. Although there could be some personnel savings under the Merger option, changes are not assumed in this analysis.

The Option 2A—Merger is anticipated to experience a cost savings as compared to the existing situation. Avoidance of duplicative costs and reduced expenses in the Merger option outweigh changes in cost from City benefits and City overhead costs.

The primary cost savings are associated with elimination or reduction in the following items:

- Office rent
- Insurance
- Trustee expense

- Professional services
- Assessment calculations
- Shop repair

It is important to note that it is unclear whether RD 900 has a multi-year office lease and, if so, what costs may be incurred related to that future obligation. Under the Merger option, all functions would become part of City operations. Accordingly, the analysis includes a share of General Fund Support Services costs that would be applicable to the new functional unit.

The Option 2A—Merger also should consider residual costs for RD 537 for the remaining areas outside of City boundaries and that will still need to be addressed. **Tables 1** and **3** summarize the estimated remaining RD 537 costs that are detailed in **Table 7**.

Option 2B—Subsidiary Districts

The results of Option 2B vary depending on the perspective from which they are viewed. For services by the Subsidiary Districts performed in the City, costs are approximately \$240,000 lower for Option 2B. **Tables 2** and **3** show the assumptions for each Reclamation District. For example for RD 900, avoided costs associated with trustee expenses, office space, and supplies are offset by the General Fund Support Services cost allocation that would be applied to the subsidiary districts. As shown in **Table 2**, the increased cost related to General Fund Support Services allocation outpaces potential cost savings achieved through a subsidiary status. However, as shown in **Table 3**, the General Fund Support Services allocation for RD 900 would be adequate to cover the consolidated functions; thus, an additional overhead cost is not included for RD 537.

As shown on **Table 1**, total cumulative costs (for areas in and outside the City) may be approximately \$65,000 greater overall for all service areas. This result is being driven by increased City overhead costs applicable to the consolidated districts and assuming RD 537 incurs costs for the remaining area proportional to the area that would remain in RD 537 control. While cost savings from the consolidation of the districts outweigh additive City overhead costs, when one considers the remaining cost of service for the RD 537 area outside the city limits, the cumulative sum of costs may increase. Because the Option 2B—Subsidiary outcome is based on an assumed consolidation of RD 900 and portion of RD 537 in the City, staffing from RD 900 is assumed to cover most of the functions required by RD 537 staff. Correspondingly, costs associated with General Fund Support Services derived based on RD 900 staffing are assumed to be adequate to cover that portion of RD 537 costs in the City. However, to be conservative, Option 2B includes 20 percent of the RD 537 staffing costs as being incurred by the consolidated subsidiary. It is important to note that it is uncertain whether these personnel costs would be incurred in Option 2B.

Summary of Assumptions

Tables 4 and **5** provide detailed notes on the assumptions made to applicable budget line items in this analysis. Below is a general description of the overall approach and consideration of factors:

1. **Elimination of Duplicate Costs.** The analysis identifies areas where costs may be eliminated (such as office rents, insurances, trustee expenditures, etc.) that may be duplicative in either Option 2A or 2B.
2. **Inclusion of Additive or New Costs.** The analysis identifies new costs or charges that would be incurred for either Option 2A or 2B. Examples of such costs include fixed costs for subsidiary districts or an overhead cost allocation the City applies to internal departments and budget units to account for general fund support services (e.g., City Council, legal, information technology, finance, human resources, etc.).
3. **Employee Benefits and Compensation.** The Merger option (Option 2A) is based on the assumption employees integrated into the City would receive City benefits on par with existing City employees.
4. **Major Equipment.** The RD 900 FY 2017-18 budget includes \$500,000 for major equipment. It is unclear whether this is a one-time expenditure; an accrual for long-term repair, replacement and rehabilitation; or another cost that may not be a repetitive cost. To be conservative, this analysis is based on the assumption these costs are ongoing expenditures. If all or a portion of these costs are one-time, then any reduction would be achieved under all scenarios.
5. **Initial and Ongoing Compensation Costs.** This initial analysis uses a single budget year as a means to estimate potential cost changes related to Options 2A and 2B. In its consideration of financial impacts, LAFCo may want to consider the potential longer-term financial impacts of the options. By way of illustration, **Table 6** illustrates historical salaries and benefits trends in the Reclamation Districts. This information could be relevant under the Merger option (Option 2A) wherein employees would become City employees and could be compared with historical City cost changes.

Table 1
West Sacramento Drainage Maintenance
Budget Unit [NEW]: Reclamation District Maintenance Formatted Fiscal Year 2017-18 Budget

ID Number	Item	Existing Situation: No Change	Option 2A: Merger	Option 2B: Subsidiary Districts
1	Budget Unit [NEW]: Reclamation District Maintenance			
2				
3	Personnel Services			
4	5012 RD900 Admin Salary	\$167,000	\$167,000	\$167,000
5	5013 RD900 Field Salary	\$300,000	\$300,000	\$300,000
6	5014 RD900 O.T. Emergency	\$8,000	\$8,000	\$8,000
7	5015 RD900 Trustee Fees	\$8,400	-	-
8	5021 RD900 Payroll Tax	\$38,500	-	\$38,500
9	5022 RD900 Retirement	\$60,000	-	\$60,000
10	5023 RD900 Hospital Withholdings	\$40,000	-	\$40,000
11	5023.02 RD900 Retiree Medical	\$13,500	-	\$13,500
12	5025 RD900 Worker's Compensation Insurance	\$50,000	-	\$50,000
13	5027 RD900 Dental Insurance	\$3,014	-	\$3,014
14	6010 RD537 Management Payroll	\$39,000	-	\$7,800
15	6010 RD537 Salary	\$6,500	-	\$1,300
16	6020 RD537 Payroll Tax	\$5,000	-	\$1,000
17	6150 RD537 Insurance (Inc. Comp.)	\$20,000	-	\$4,000
18	6200 RD537 Director Fees	\$4,000	-	-
19	X Both City Benefits Allocation	-	\$161,500	-
20	Total Personnel Services	\$762,914	\$636,500	\$694,114
21				
22	Operations and Maintenance			
23	5110 RD900 Insurance	\$44,500	-	\$44,500
24	5130 RD900 Office	\$15,000	-	-
25	5140 RD900 Professional Services	\$150,000	\$50,000	\$150,000
26	5140.02 RD900 Permits and Fees	\$12,000	\$12,000	\$12,000
27	5145 RD900 Assessment Preparation	\$15,000	\$15,000	\$15,000
28	5150 RD900 Office Rent	\$15,000	-	-
29	5170 RD900 Assessment Collection	\$12,000	\$12,000	\$12,000
30	5180 RD900 Assessment Expense	\$10,000	-	-
31	5220 RD900 Uniforms	\$5,000	\$5,000	\$5,000
32	5242 RD900 Tools	\$10,000	\$10,000	\$10,000
33	5260 RD900 Fuel	\$35,000	\$35,000	\$35,000
34	5270 RD900 Power	\$85,000	\$85,000	\$85,000
35	5410 RD900 Equipment Repair	\$25,000	\$18,750	\$25,000
36	5415 RD900 Equipment Supply	\$40,000	\$30,000	\$40,000
37	5417 RD900 Major Equipment	\$500,000	\$500,000	\$500,000
38	5420 RD900 Shop Repair	\$10,000	-	\$10,000
39	5425 RD900 Shop Supply	\$8,000	\$8,000	\$8,000
40	5427 RD900 Trash Removal	\$10,000	\$10,000	\$10,000
41	5435 RD900 Spray Equipment and Supply	\$45,000	\$45,000	\$45,000
42	6000 RD900 Levee OMRR&R	\$200,000	\$200,000	\$200,000
43	7000 RD900 Internal Drainage OMRR&R	\$1,189,066	\$1,189,066	\$1,189,066
44	3025 RD537 Bank Fees	\$125	-	-
45	6050 RD537 Legal	\$8,000	-	-
46	6100 RD537 Equipment Maintenance	\$88,000	\$17,600	\$17,600
47	6120 RD537 Flood Supplies	\$2,000	\$400	\$400
48	6121 RD537 Flood Fight Training	\$5,000	\$1,000	\$1,000
49	6125 RD537 Levee Maintenance	\$70,000	\$14,000	\$14,000
50	6130 RD537 Ditch Maintenance	\$60,000	\$12,000	\$12,000
51	6250 RD537 Dues and Public Notices	\$3,800	\$3,800	\$760
52	6300 RD537 Professional Fees	\$20,000	-	\$4,000
53	6350 RD537 Office Expense	\$500	-	\$100
54	6400 RD537 Admin Services	\$21,000	-	\$4,200
55	6450 RD537 Utilities	\$25,000	\$5,000	\$5,000
56	6455 RD537 Fuel	\$2,000	\$400	\$400
57	6500 RD537 Yolo Handling Charge	\$1,400	\$280	\$280
58	Total Operations and Maintenance	\$2,742,381	\$2,279,296	\$2,455,306
59				
60	Non-Operating			
61	X General Fund Support Services [1] [2]	-	\$123,500	\$96,000
62	Total Non-Operating	-	\$123,500	\$96,000
63				
64	Less Reimbursement for RD 537 Administration			
65	X Reimbursement for Administrative Costs	(\$21,000)	-	(\$4,200)
66	Total Reimbursement for RD 537 Administration	(\$21,000)	-	(\$4,200)
67				
68	Total Budget Unit [NEW]: Reclamation District Maintenance	\$3,484,305	\$3,039,296	\$3,241,220
69				
70				
71	Estimated Remaining RD 537 Costs			
72	Remaining RD 537 Costs	-	\$330,645	\$307,485
73	Total Estimated Remaining RD 537 Costs	-	\$330,645	\$307,485
74				
75	Total All Costs	\$3,484,305	\$3,369,941	\$3,548,705

budget

Source: Reclamation District 900 Draft Fiscal Year Budget Report 2017-2018; Reclamation District 537 Draft Fiscal Year Budget Report 2017-2018; City of West Sacramento; EPS.

[1] Under Option 2A: Merger, General Fund Support Services is estimated as an annual expenditure of \$19,000 per FTE.
 [2] Under Option 2B: Subsidiary Districts, General Fund Support Services is estimated as a monthly expenditure of \$8,000.

Table 2
West Sacramento Drainage Maintenance
RD 900 Formatted Fiscal Year 2017-18 Budget

ID Number	Item	Existing Situation: No Change	Option 2A: Merger	Option 2B: Subsidiary Districts
1	Budget Unit [NEW]: Reclamation District Maintenance			
2				
3	Personnel Services			
4	5012 RD900 Admin Salary	\$167,000	\$167,000	\$167,000
5	5013 RD900 Field Salary	\$300,000	\$300,000	\$300,000
6	5014 RD900 O.T. Emergency	\$8,000	\$8,000	\$8,000
7	5015 RD900 Trustee Fees	\$8,400	-	-
8	5021 RD900 Payroll Tax	\$38,500	-	\$38,500
9	5022 RD900 Retirement	\$60,000	-	\$60,000
10	5023 RD900 Hospital Withholdings	\$40,000	-	\$40,000
11	5023.02 RD900 Retiree Medical	\$13,500	-	\$13,500
12	5025 RD900 Worker's Compensation Insurance	\$50,000	-	\$50,000
13	5027 RD900 Dental Insurance	\$3,014	-	\$3,014
14	X Both City Benefits Allocation [1]	-	\$161,500	-
15	Total Personnel Services	\$688,414	\$636,500	\$680,014
16				
17	Operations and Maintenance			
18	5110 RD900 Insurance	\$44,500	-	\$44,500
19	5130 RD900 Office	\$15,000	-	-
20	5140 RD900 Professional Services	\$150,000	\$50,000	\$150,000
21	5140.02 RD900 Permits and Fees	\$12,000	\$12,000	\$12,000
22	5145 RD900 Assessment Preparation	\$15,000	\$15,000	\$15,000
23	5150 RD900 Office Rent	\$15,000	-	-
24	5170 RD900 Assessment Collection	\$12,000	\$12,000	\$12,000
25	5180 RD900 Assessment Expense	\$10,000	-	-
26	5220 RD900 Uniforms	\$5,000	\$5,000	\$5,000
27	5242 RD900 Tools	\$10,000	\$10,000	\$10,000
28	5260 RD900 Fuel	\$35,000	\$35,000	\$35,000
29	5270 RD900 Power	\$85,000	\$85,000	\$85,000
30	5410 RD900 Equipment Repair	\$25,000	\$18,750	\$25,000
31	5415 RD900 Equipment Supply	\$40,000	\$30,000	\$40,000
32	5417 RD900 Major Equipment	\$500,000	\$500,000	\$500,000
33	5420 RD900 Shop Repair	\$10,000	-	\$10,000
34	5425 RD900 Shop Supply	\$8,000	\$8,000	\$8,000
35	5427 RD900 Trash Removal	\$10,000	\$10,000	\$10,000
36	5435 RD900 Spray Equipment and Supply	\$45,000	\$45,000	\$45,000
37	6000 RD900 Levee OMRR&R	\$200,000	\$200,000	\$200,000
38	7000 RD900 Internal Drainage OMRR&R	\$1,189,066	\$1,189,066	\$1,189,066
39	Total Operations and Maintenance	\$2,435,566	\$2,224,816	\$2,395,566
40				
41	Non-Operating			
42	X General Fund Support Services [2] [3]	-	\$123,500	\$96,000
43	Total Non-Operating	-	\$123,500	\$96,000
44				
45	Less Reimbursement for RD 537 Administration			
46	X Reimbursement for Administrative Costs	(\$21,000)	-	(\$4,200)
47	Total Reimbursement for RD 537 Administration	(\$21,000)	-	(\$4,200)
48				
49	Total Budget Unit [NEW]: Reclamation District Maintenance	\$3,102,980	\$2,984,816	\$3,167,380

rd900

Source: Reclamation District 900 Draft Fiscal Year Budget Report 2017-2018; City of West Sacramento; EPS.

[1] The City identifies benefits allocation for employees at 34 percent of salaries.

[2] Under Option 2A: Merger, General Fund Support Services is estimated as an annual expenditure of \$19,000 per FTE. It is assumed that RD 900 employees equate to a total of 6.5 FTEs.

[3] Under Option 2B: Subsidiary Districts, General Fund Support Services is estimated as a monthly expenditure of \$8,000.

Table 3
West Sacramento Drainage Maintenance
RD 537 Formatted Fiscal Year 2017-18 Budget

ID Number	Item	Existing Situation: No Change	Option 2A: Merger	Option 2B: Subsidiary Districts
1	Budget Unit [NEW]: Reclamation District Maintenance			
2				
3	Personnel Services			
4	6010 RD537 Management Payroll	\$39,000	-	\$7,800
5	6010 RD537 Salary	\$6,500	-	\$1,300
6	6020 RD537 Payroll Tax	\$5,000	-	\$1,000
7	6150 RD537 Insurance (Inc. Comp.)	\$20,000	-	\$4,000
8	6200 RD537 Director Fees	\$4,000	-	-
9	X Both City Benefits Allocation	-	-	-
10	Total Personnel Services	\$74,500	-	\$14,100
11				
12	Operations and Maintenance			
13	3025 RD537 Bank Fees	\$125	-	-
14	6050 RD537 Legal	\$8,000	-	-
15	6100 RD537 Equipment Maintenance [1]	\$88,000	\$17,600	\$17,600
16	6120 RD537 Flood Supplies [1]	\$2,000	\$400	\$400
17	6121 RD537 Flood Fight Training [1]	\$5,000	\$1,000	\$1,000
18	6125 RD537 Levee Maintenance [1]	\$70,000	\$14,000	\$14,000
19	6130 RD537 Ditch Maintenance [1]	\$60,000	\$12,000	\$12,000
20	6250 RD537 Dues and Public Notices	\$3,800	\$3,800	\$760
21	6300 RD537 Professional Fees	\$20,000	-	\$4,000
22	6350 RD537 Office Expense	\$500	-	\$100
23	6400 RD537 Admin Services	\$21,000	-	\$4,200
24	6450 RD537 Utilities [1]	\$25,000	\$5,000	\$5,000
25	6455 RD537 Fuel [1]	\$2,000	\$400	\$400
26	6500 RD537 Yolo Handling Charge [1]	\$1,400	\$280	\$280
27	Total Operations and Maintenance	\$306,825	\$54,480	\$59,740
28				
29	Non-Operating			
30	X General Fund Support Services [2] [3]	-	-	-
31	Total Non-Operating	-	-	-
32				
33	Total Budget Unit [NEW]: Reclamation District Maintenance	\$381,325	\$54,480	\$73,840
34				
35				
36	Estimated Remaining RD 537 Costs			
37	Remaining RD 537 Costs	-	\$330,645	\$307,485
38	Total Estimated Remaining RD 537 Costs	-	\$330,645	\$307,485
39				
40	Total All Costs	\$381,325	\$385,125	\$381,325

rd537

Source: Reclamation District 537 Fiscal Year Budget Report 2017-2018; City of West Sacramento; EPS.

- [1] Based on estimates of acreage and area maintained, approximately 20 percent of the RD 537 area is within the City boundary.
- [2] Under Option 2A: Merger, General Fund Support Services is estimated as an annual expenditure of \$19,000 per FTE. It is assumed that RD 537 costs would be covered with the RD 900 General Fund Support Services expenditure.
- [3] Under Option 2B: Subsidiary Districts, General Fund Support Services is estimated as a monthly expenditure of \$8,000.

Table 4
West Sacramento Drainage Maintenance
RD 900 Formatted Fiscal Year 2017-18 Budget Notes

ID Number	Item	Option 2A: Merger	Option 2B: Subsidiary Districts
1	Budget Unit [NEW]: Reclamation District Maintenance		
2			
3	Personnel Services		
4	5012 RD900 Admin Salary	Potential change - none assumed in this analysis.	
5	5013 RD900 Field Salary	Potential change - none assumed in this analysis.	
6	5014 RD900 O.T. Emergency	Potential change - none assumed in this analysis.	
7	5015 RD900 Trustee Fees	Avoided cost.	Avoided cost.
8	5021 RD900 Payroll Tax	Included in City Benefits Allocation.	
9	5022 RD900 Retirement	Included in City Benefits Allocation.	
10	5023 RD900 Hospital Withholdings	Included in City Benefits Allocation.	
11	5023.02 RD900 Retiree Medical	Included in City Benefits Allocation.	
12	5025 RD900 Worker's Compensation Insurance	Included in City Benefits Allocation.	
13	5027 RD900 Dental Insurance	Included in City Benefits Allocation.	
14	X Both City Benefits Allocation [1]	New City Benefits Allocation for all employees.	
15	Total Personnel Services		
16			
17	Operations and Maintenance		
18	5110 RD900 Insurance	Avoided cost.	
19	5130 RD900 Office	Assumes included in General Fund Support Costs.	Assumes included in General Fund Support Costs.
20	5140 RD900 Professional Services	Assumes engineering costs w/contingency remain.	
21	5140.02 RD900 Permits and Fees		
22	5145 RD900 Assessment Preparation		
23	5150 RD900 Office Rent	Avoided cost.	Avoided cost.
24	5170 RD900 Assessment Collection		
25	5180 RD900 Assessment Expense	Avoided cost.	Avoided cost.
26	5220 RD900 Uniforms		
27	5242 RD900 Tools		
28	5260 RD900 Fuel		
29	5270 RD900 Power		
30	5410 RD900 Equipment Repair		
31	5415 RD900 Equipment Supply		
32	5417 RD900 Major Equipment	TBD	
33	5420 RD900 Shop Repair	Avoided cost.	
34	5425 RD900 Shop Supply		
35	5427 RD900 Trash Removal		
36	5435 RD900 Spray Equipment and Supply		
37	6000 RD900 Levee OMRR&R		
38	7000 RD900 Internal Drainage OMRR&R		
39	Total Operations and Maintenance		
40			
41	Non-Operating		
42	X General Fund Support Services	New budget unit's share of City support costs.	New costs for subsidiary of City.
43	Total Non-Operating		
44			
45	Less Reimbursement for RD 537 Administration		
46	X Reimbursement for Administrative Costs		
47	Total Reimbursement for RD 537 Administration		
48			
49	Total Budget Unit [NEW]: Reclamation District Maintenance		

rd900 notes

Source: Reclamation District 900 Draft Fiscal Year Budget Report 2017-2018; City of West Sacramento; EPS.

Table 5
West Sacramento Drainage Maintenance
RD 537 Formatted Fiscal Year 2017-18 Budget Notes

ID Number	Item	Option 2A: Merger	Option 2B: Subsidiary Districts
1	Budget Unit [NEW]: Reclamation District Maintenance		
2			
3	Personnel Services		
4	6010 RD537 Management Payroll	Avoided cost.	Proportionate share of cost.
5	6010 RD537 Salary	Avoided cost.	Proportionate share of cost.
6	6020 RD537 Payroll Tax	Avoided cost.	Proportionate share of cost.
7	6150 RD537 Insurance (Inc. Comp.)	Avoided cost.	Proportionate share of cost.
8	6200 RD537 Director Fees	Avoided cost.	Avoided cost.
9	X Both City Benefits Allocation	Assumes covered by RD 900 staffing.	Assumes covered by RD 900 staffing.
10	Total Personnel Services		
11			
12	Operations and Maintenance		
13	3025 RD537 Bank Fees	Avoided cost.	Remainder area incurred cost.
14	6050 RD537 Legal	Avoided cost.	Remainder area incurred cost.
15	6100 RD537 Equipment Maintenance	Proportionate share of cost.	Proportionate share of cost.
16	6120 RD537 Flood Supplies	Proportionate share of cost.	Proportionate share of cost.
17	6121 RD537 Flood Fight Training	Proportionate share of cost.	Proportionate share of cost.
18	6125 RD537 Levee Maintenance	Proportionate share of cost.	Proportionate share of cost.
19	6130 RD537 Ditch Maintenance	Proportionate share of cost.	Proportionate share of cost.
20	6250 RD537 Dues and Public Notices	Proportionate share of cost.	Proportionate share of cost.
21	6300 RD537 Professional Fees	Avoided cost.	Proportionate share of cost.
22	6350 RD537 Office Expense	Avoided cost.	Proportionate share of cost.
23	6400 RD537 Admin Services	Avoided cost.	Proportionate share of cost.
24	6450 RD537 Utilities		Proportionate share of cost.
25	6455 RD537 Fuel		Proportionate share of cost.
26	6500 RD537 Yolo Handling Charge		Proportionate share of cost.
27	Total Operations and Maintenance		
28			
29	Non-Operating		
30	X General Fund Support Services	Assumed covered by RD 900 staffing.	Assumed covered by RD 900 staffing.
31	Total Non-Operating		
32			
33	Total Budget Unit [NEW]: Reclamation District Maintenance		

Source: Reclamation District 537 Fiscal Year Budget Report 2017-2018; City of West Sacramento; EPS.

rd537 notes

**Table 6
West Sacramento Drainage Maintenance
Reclamation District Annual Salary Growth**

Year	Salary, Wages, and Benefits Expenditures							
	RD 900				RD 537			
	Salary	Benefits	Total Employee Expenditures	Annual Change	Salary	Benefits	Total Employee Expenditures	Annual Change
2003	\$240,408	\$87,576	\$327,984	N/A	\$15,000	\$1,637	\$16,637	N/A
2004	\$249,494	\$97,926	\$347,420	6%	\$30,000	\$2,771	\$32,771	97%
2005	\$261,124	\$103,112	\$364,236	5%	\$30,000	\$2,785	\$32,785	0%
2006	\$237,705	\$86,376	\$324,081	(11%)	\$30,000	\$2,911	\$32,911	0%
2007	\$229,781	\$103,309	\$333,090	3%	\$31,200	-	\$31,200	(5%)
2008	\$240,412	\$91,666	\$332,078	(0%)	\$31,200	\$2,807	\$34,007	9%
2009	\$334,748	\$114,778	\$449,526	35%	\$40,160	\$3,590	\$43,750	29%
2010	\$352,502	\$145,862	\$498,364	11%	\$41,303	\$4,203	\$45,506	4%
2011	\$366,353	\$170,146	\$536,499	8%	\$47,724	\$3,205	\$50,929	12%
2012	\$383,384	\$85,182	\$468,566	(13%)	\$49,623	-	\$49,623	(3%)
2013	\$400,652	\$155,462	\$556,114	19%	\$49,571	-	\$49,571	(0%)
2014	\$416,103	\$143,739	\$559,842	1%	\$49,456	-	\$49,456	(0%)
2015	\$444,106	\$117,260	\$561,366	0%	\$49,885	-	\$49,885	1%
2016	\$370,902	\$133,627	\$504,529	(10%)	\$46,097	\$4,085	\$50,182	1%
Average Annual Change [1]	3%	3%	3%		4%	3%	4%	

salary

Source: California State Controller's Office; EPS.

[1] RD 537 average annual salary and wage expenditure growth excludes 2003 value, due to the size of the growth from 2003 to 2004. Including this value would increase the average annual growth to approximately 10%.

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Table 7
West Sacramento Drainage Maintenance
Estimated Remaining RD 537 Costs

ID Number	Item	Existing Situation: No Change	Option 2A: Merger			Option 2B: Subsidiary District			
			City Share	Remaining RD 537 Cost	Total	City Share	Remaining RD 537 Cost	Total	
1	Budget Unit [NEW]: Reclamation District Maintenance								
2									
3	Personnel Services								
4	6010	RD537 Management Payroll	\$39,000	-	\$39,000	\$39,000	\$7,800	\$31,200	\$39,000
5	6010	RD537 Salary	\$6,500	-	\$6,500	\$6,500	\$1,300	\$5,200	\$6,500
6	6020	RD537 Payroll Tax	\$5,000	-	\$5,000	\$5,000	\$1,000	\$4,000	\$5,000
7	6150	RD537 Insurance (Inc. Comp.)	\$20,000	-	\$20,000	\$20,000	\$4,000	\$16,000	\$20,000
8	6200	RD537 Director Fees	\$4,000	-	\$4,000	\$4,000	-	\$4,000	\$4,000
9	X	Both City Benefits Allocation	-	-	-	-	-	-	-
10	Total Personnel Services		\$74,500	-	\$74,500	\$74,500	\$14,100	\$60,400	\$74,500
11									
12	Operations and Maintenance								
13	3025	RD537 Bank Fees	\$125	-	\$125	\$125	-	\$125	\$125
14	6050	RD537 Legal	\$8,000	-	\$8,000	\$8,000	-	\$8,000	\$8,000
15	6100	RD537 Equipment Maintenance [1]	\$88,000	\$17,600	\$70,400	\$88,000	\$17,600	\$70,400	\$88,000
16	6120	RD537 Flood Supplies [1]	\$2,000	\$400	\$1,600	\$2,000	\$400	\$1,600	\$2,000
17	6121	RD537 Flood Fight Training [1]	\$5,000	\$1,000	\$4,000	\$5,000	\$1,000	\$4,000	\$5,000
18	6125	RD537 Levee Maintenance [1]	\$70,000	\$14,000	\$56,000	\$70,000	\$14,000	\$56,000	\$70,000
19	6130	RD537 Ditch Maintenance [1]	\$60,000	\$12,000	\$48,000	\$60,000	\$12,000	\$48,000	\$60,000
20	6250	RD537 Dues and Public Notices	\$3,800	\$3,800	\$3,800	\$6,000	\$7,600	\$3,040	\$3,800
21	6300	RD537 Professional Fees	\$20,000	-	\$20,000	\$20,000	\$4,000	\$16,000	\$20,000
22	6350	RD537 Office Expense	\$500	-	\$500	\$500	\$100	\$400	\$500
23	6400	RD537 Admin Services	\$21,000	-	\$21,000	\$21,000	\$4,200	\$16,800	\$21,000
24	6450	RD537 Utilities [1]	\$25,000	\$5,000	\$20,000	\$25,000	\$5,000	\$20,000	\$25,000
25	6455	RD537 Fuel [1]	\$2,000	\$400	\$1,600	\$2,000	\$400	\$1,600	\$2,000
26	6500	RD537 Yolo Handling Charge [1]	\$1,400	\$280	\$1,120	\$1,400	\$280	\$1,120	\$1,400
27	Total Operations and Maintenance		\$306,825	\$54,480	\$256,145	\$310,625	\$59,740	\$247,085	\$306,825
28									
29	Non-Operating								
30	X	General Fund Support Services [2] [3] [4]	-	-	-	-	-	-	-
31	Total Non-Operating		-	-	-	-	-	-	-
32									
33	Total Budget Unit [NEW]: Reclamation District Maintenance		\$381,325	\$54,480	\$330,645	\$385,125	\$73,840	\$307,485	\$381,325

Source: Reclamation District 537 Fiscal Year Budget Report 2017-2018; City of West Sacramento; EPS.

share

[1] Based on estimates of acreage and area maintained, approximately 20 percent of the RD 537 area is within the City boundary.

[2] Under Option 2A: Merger, General Fund Support Services is estimated as an annual expenditure of \$19,000 per FTE. It is assumed that RD 537 costs would be covered with the RD 900 General Fund Support Services expenditure.

[3] Under Option 2B: Subsidiary Districts, General Fund Support Services is estimated as a monthly expenditure of \$8,000.

[4] Assumes costs allocated to RD 900 would cover the portion of RD 537 that would be included within the City.



Executive Officer Report 9.

LAFCO

Meeting Date: 02/22/2018

Information

SUBJECT

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

- EO Activity Report - December 4, 2017 through February 16, 2018
-

Attachments

[ATT-EO Activity Report Dec. 4 to Feb. 16](#)

Form Review

Form Started By: Terri Tuck

Started On: 02/09/2018 11:00 AM

Final Approval Date: 02/09/2018

LAFCo EO Activity Report

December 4, 2017 through February 16, 2018

Date	Meeting/Milestone	Comments
12/04/2017	Meeting w/Will Arnold	Reclamation Districts MSR/SOI: Flood Protection Governance
12/04/2017	Meeting w/Don Saylor	Reclamation Districts MSR/SOI: Flood Protection Governance
12/05/2017	Meeting w/Matt Rexroad	Reclamation Districts MSR/SOI: Flood Protection Governance
12/06/2017	Meeting w/Wade Cowan	Reclamation Districts MSR/SOI: Flood Protection Governance
12/08/2017	CALAFCO Board Meeting	Attended first board meeting as a CALAFCO Deputy Executive Officer, representing the Central Region
12/13/2017	Shared Services – Yolo County Broadband Task Force Meeting	Participate in County staff level working group meetings
12/18/2017	Meeting w/Roger Cornwell (River Garden Farms)	Comments on Administrative Draft MSR
12/20/2017	Shared Services – City of Davis Broadband Task Force Meeting	Citywide Fiber Optic Network
12/21/2017	CALAFCO Staff Meeting	Attended first staff meeting as a CALAFCO Deputy Executive Officer, representing the Central Region
12/25-01/01/2018	Vacation-Office Closed	Off the Grid
01/10/2018	Shared Services – Davis/County 2x2	Attended
01/10/2018	Shared Services – Yolo County Broadband Task Force Meeting	Participate in County staff level working group meetings
01/12/2018	Shared Services – Meeting w/Howard Newens & Chad Rinde (DFS)	DFS interview panel: Follow-up interview for special district accountant position
01/16/2018	Shared Services – Meeting w/Chad Rinde (DFS)	Discussion: Special District Audits
01/19/2018	Meeting w/Diane Parro (City of Davis) & Chris Clements (UCD)	Conference Call Re Upcoming City Broadband Task Force Agenda
01/22/2018	CALAFCO University Course	LAFCos Evolving Mission New Laws Requirements and Transparency

Date	Meeting/Milestone	Comments
01/23/2018	Meeting w/ Kim McKinney (City of Woodland)	MSR/SOI for Woodland: Financials
01/24/2018	Shared Services – City of Davis Broadband Task Force Meeting	Citywide Fiber Optic Network
01/25/2018	Financial Officer's Forum (Yolo County)	2018 CAFR, Open Gov Update
01/26/2018	Meeting w/Mindi Nunes (CAO)	County Potentially Hosting Special District Website Content
02/01/2018	Meeting w/water stakeholders from DWR, CVFPB, MBK Engineers	LAFCo / State Coordination meeting regarding RDs/LMAs MSR/SOI
02/02/2018	Meeting with Elise Stinnett	Re Potential District Formation for Wastewater Treatment in Guinda
02/05/2018	Meeting w/Olin Woods	Agenda Review
02/05/2018	Meeting w/staff from City of West Sacramento	LAFCo Countywide Web Transparency Scorecard Program
02/07/2018	Meeting w/Kenric Jameson, Manager of Rd 900	Tour of Reclamation Districts 537 & 900
02/08/2018	Shared Services – Yolo Leaders/YED Talks Planning Committee Meeting	Topic Selection for next YED Summit
02/14/2018	Shared Services – Yolo County Development Review Committee Meeting	Attended
02/14/2018	Shared Services – Yolo County Broadband Task Force Meeting	Participate in County staff level working group meetings