

2018

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

ADOPTED FEBRUARY 22, 2018

YOLO LOCAL AGENCY FORMATION COMMISSION



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-046)

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: Arnold, Cowan, Rexroad, Saylor, Woods
 Noes: None
 Abstentions: None
 Absent: None

 Olin Woods, Chair
 Yolo Local Agency Formation Commission

Attest:

 Christine Crawford, Executive Officer
 Yolo Local Agency Formation Commission

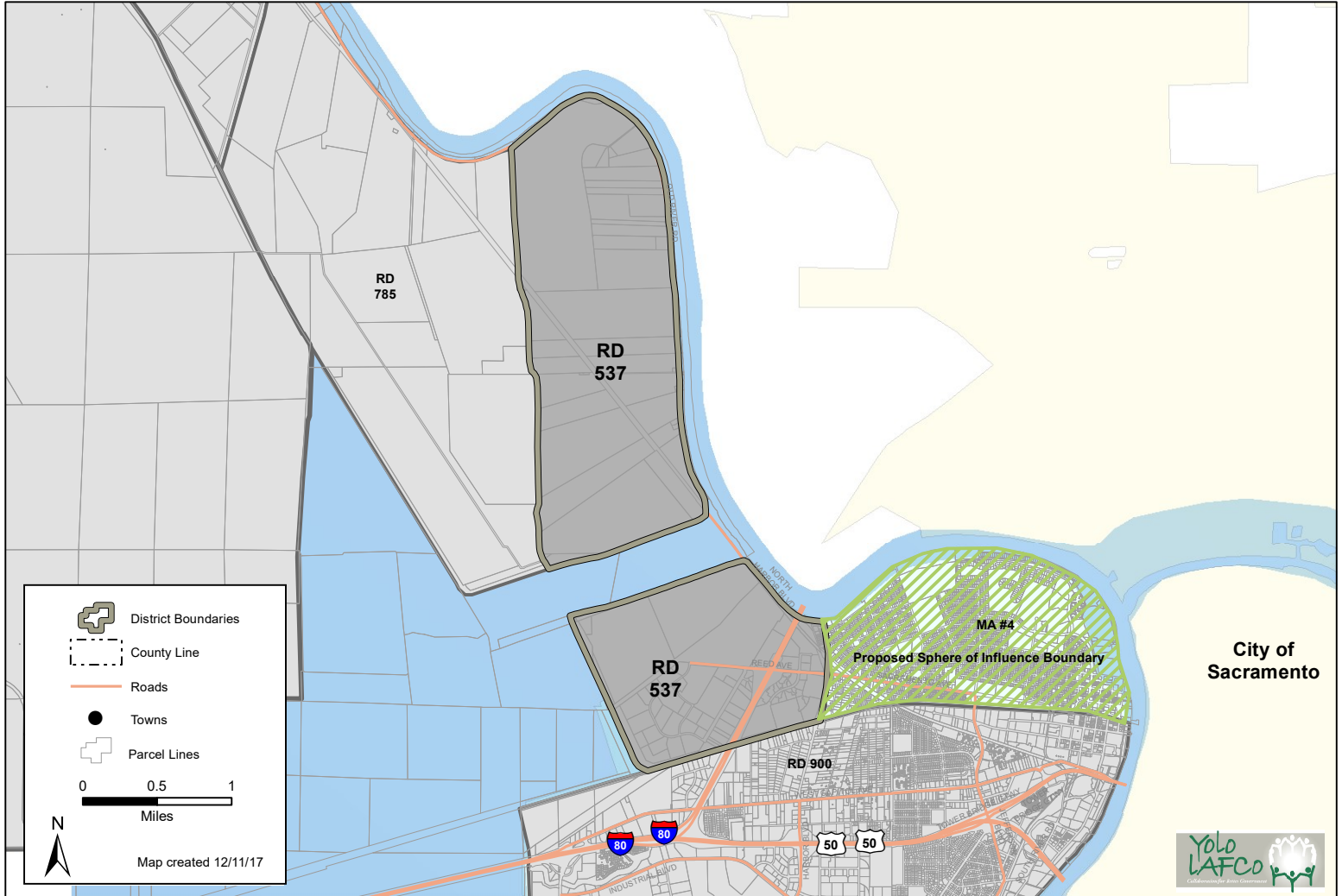
Approved as to form:

 Eric May, Commission Counsel



Exhibit A

Reclamation District 537 Boundary and Sphere of Influence



Adopted by Yolo LAFCO on February 22, 2018

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: Adopted by the LAFCo Commission on February 22, 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:

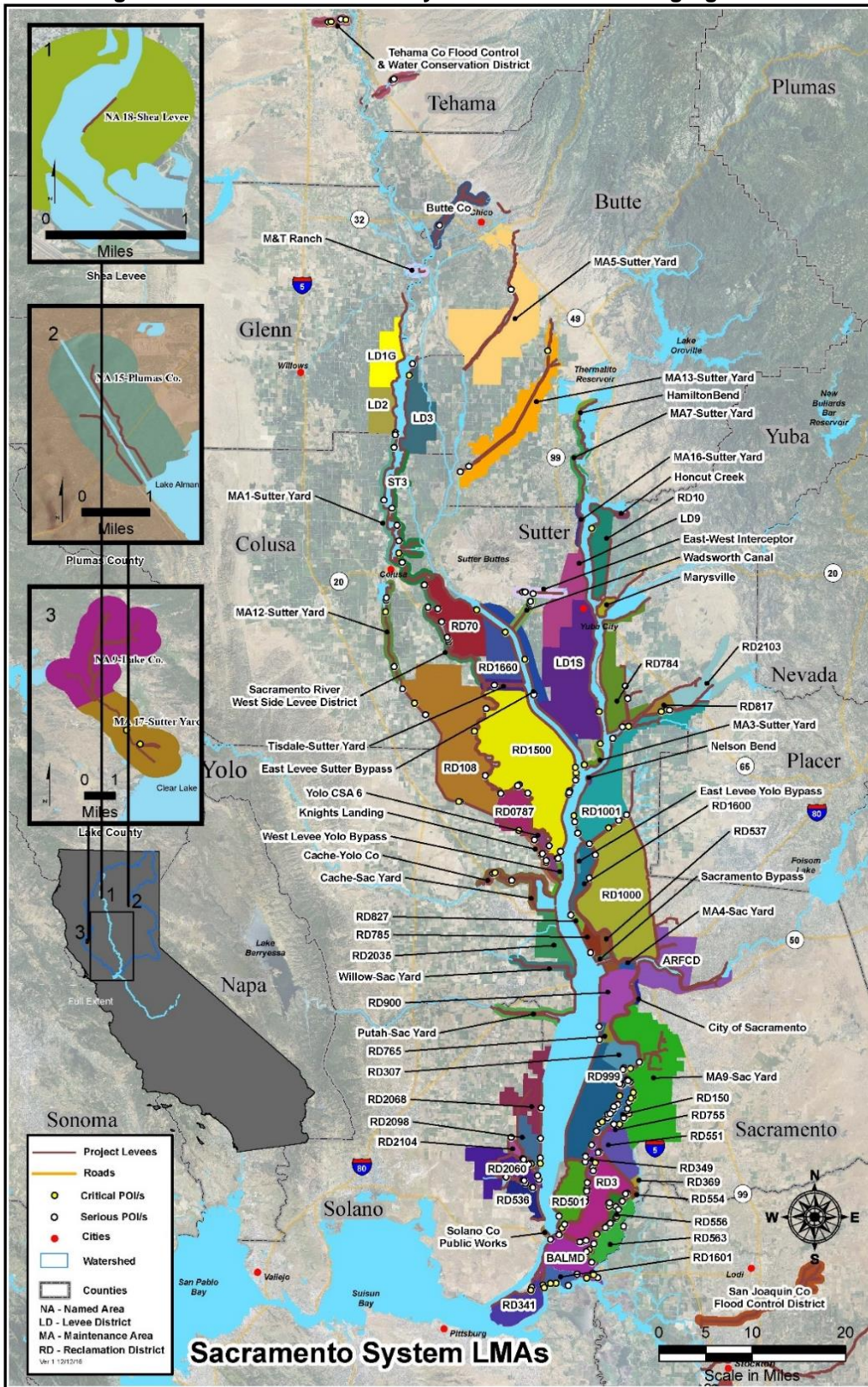
3.2.6 Effective Governance and Institutional Support

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

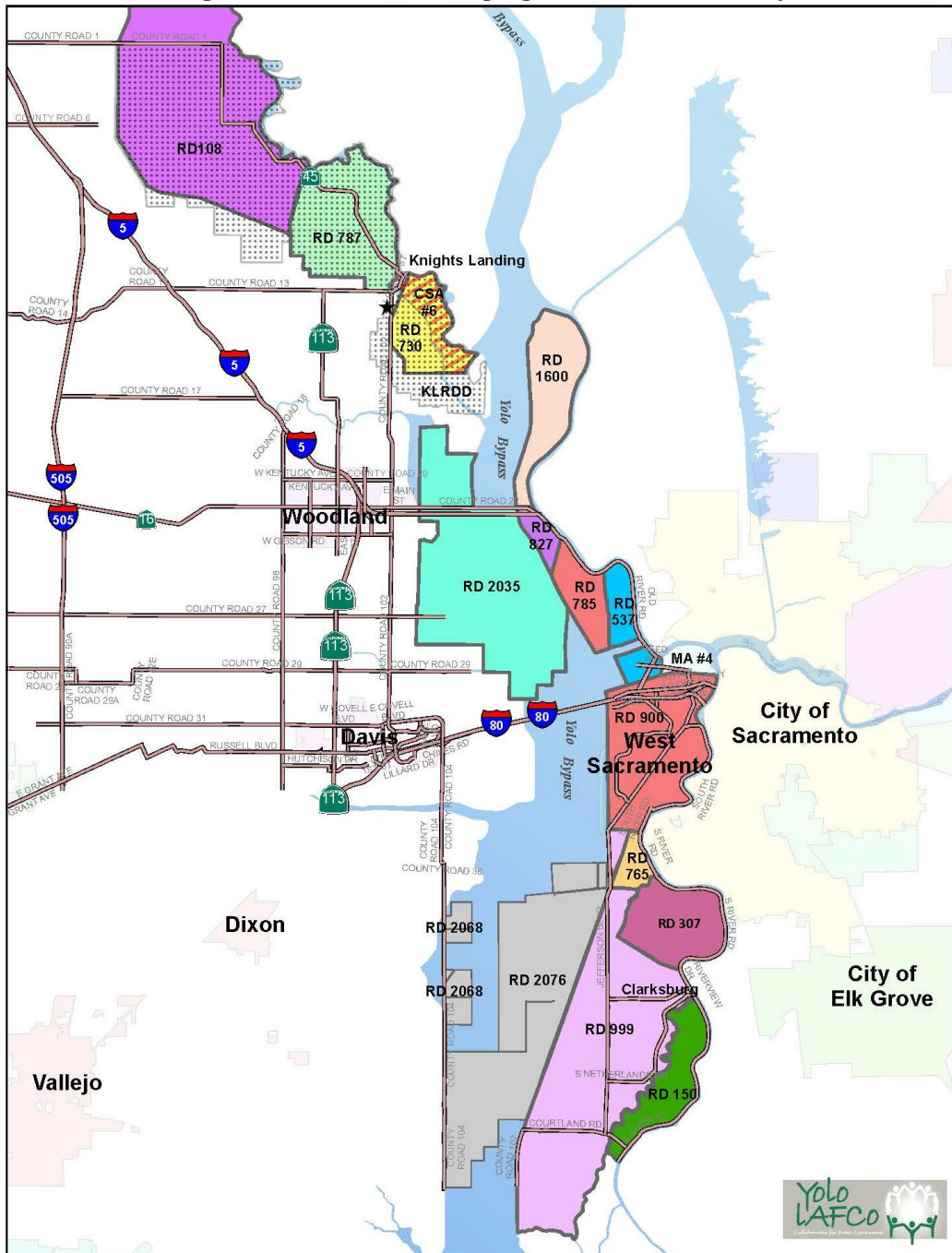
Yolo County has two (2) reclamation districts that are inactive (Reclamation District 2076 and Reclamation District 2120) and are recommended for dissolution.

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.

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:

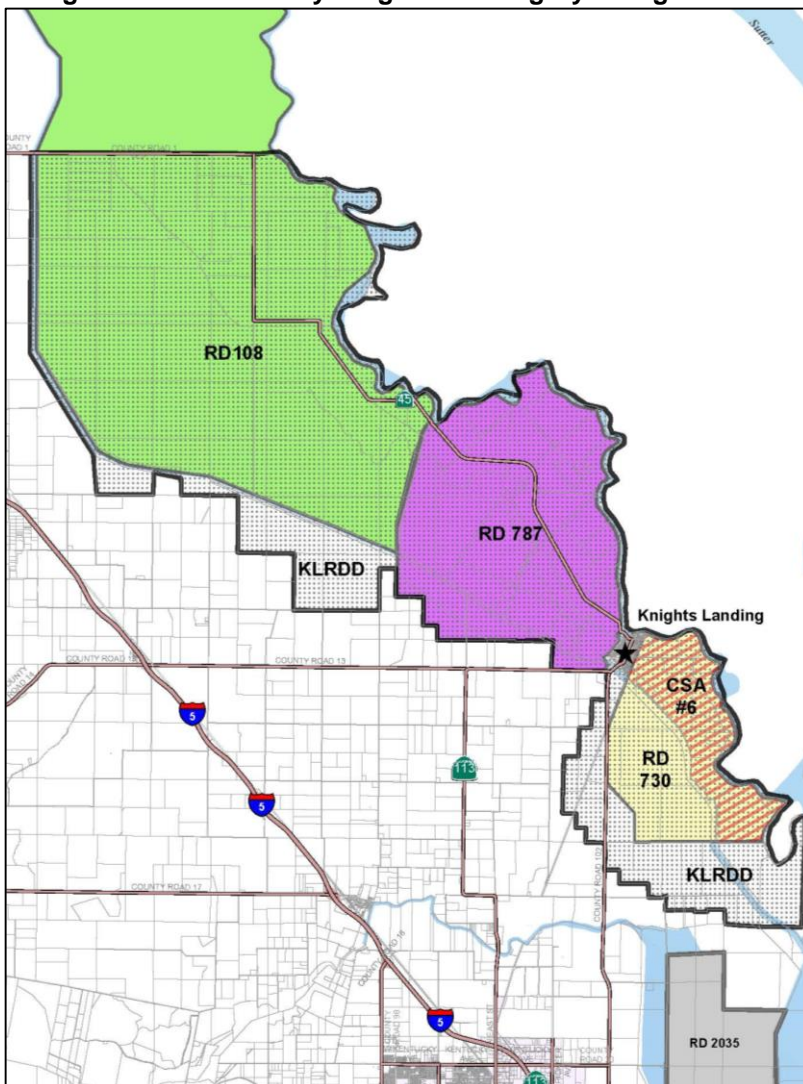
- Reclamation District 108 (Colusa County)
- Sacramento River Westside Levee District (Colusa County)
- Knights Landing Ridge Drainage District
- Reclamation District 787
- County Service Area No. 6
- Reclamation District 730

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

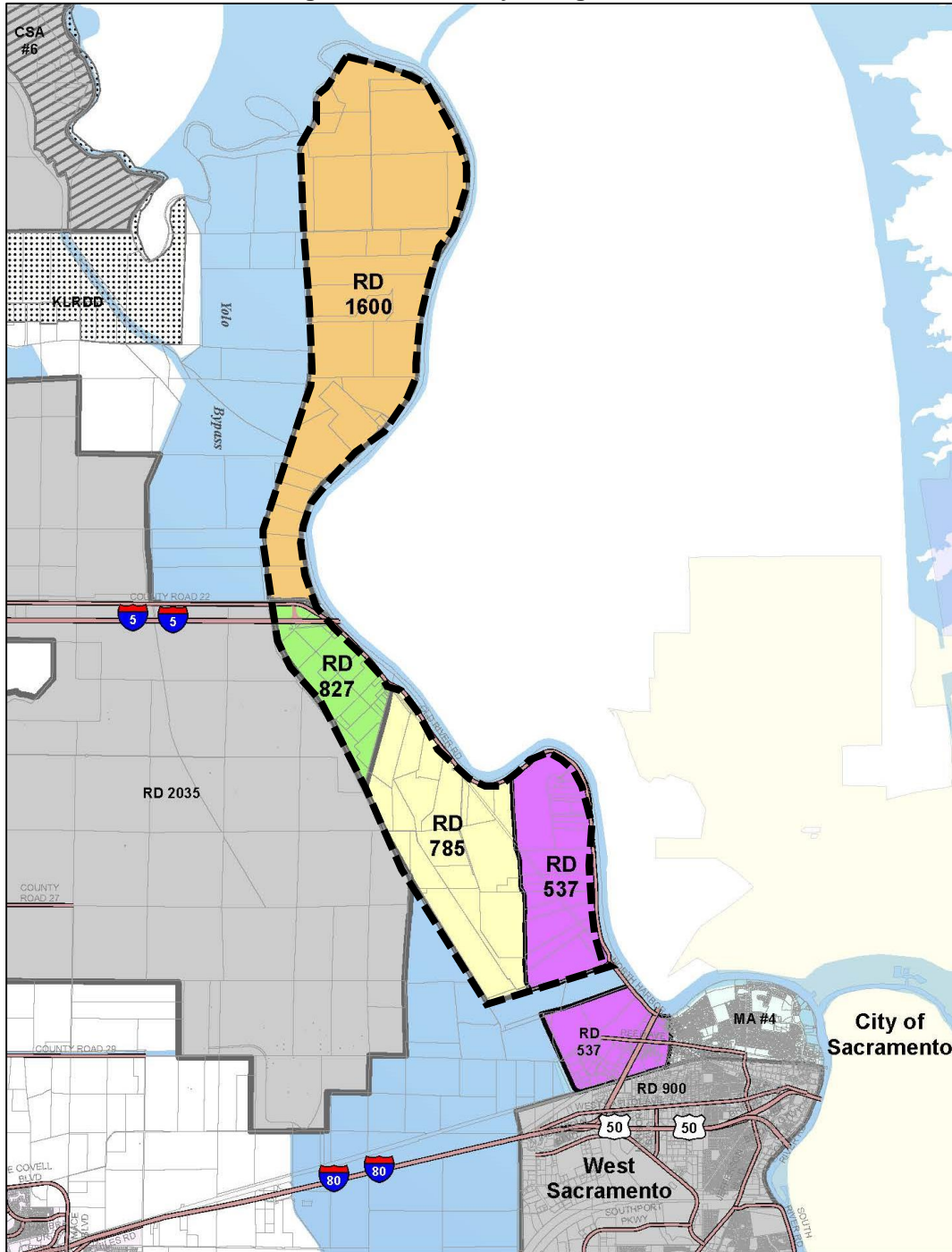
The Elkhorn Basin is located between the Yolo Bypass and the Sacramento River. It starts in the north at the Sutter Bypass and ends in the south at West Sacramento (at the Sacramento Weir). Flood system maintenance in the Elkhorn Basin is currently carried out by four separate local maintaining agencies (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



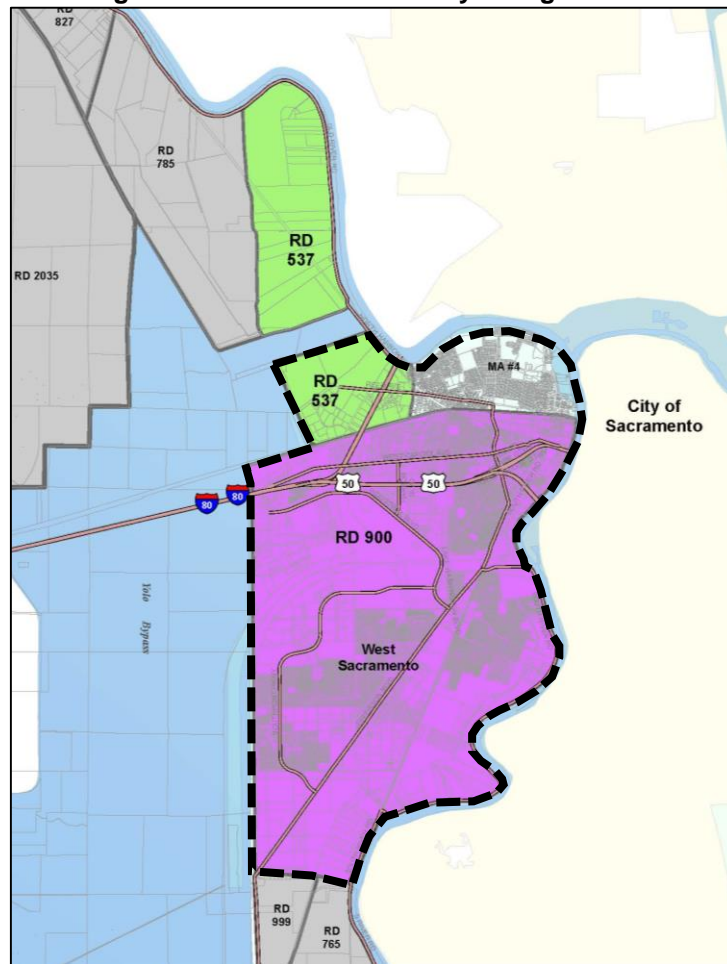
West Sacramento Hydrologic Basin

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



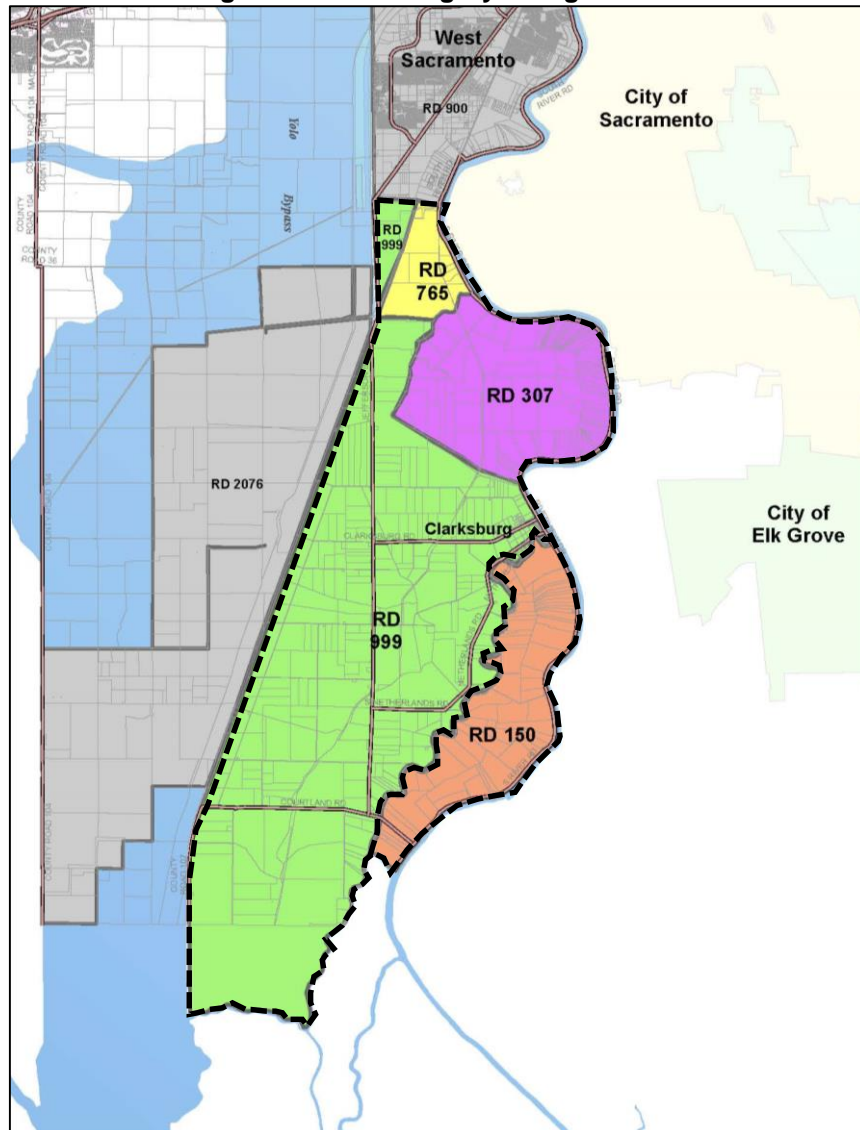
Clarksburg Hydrologic Basin

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:

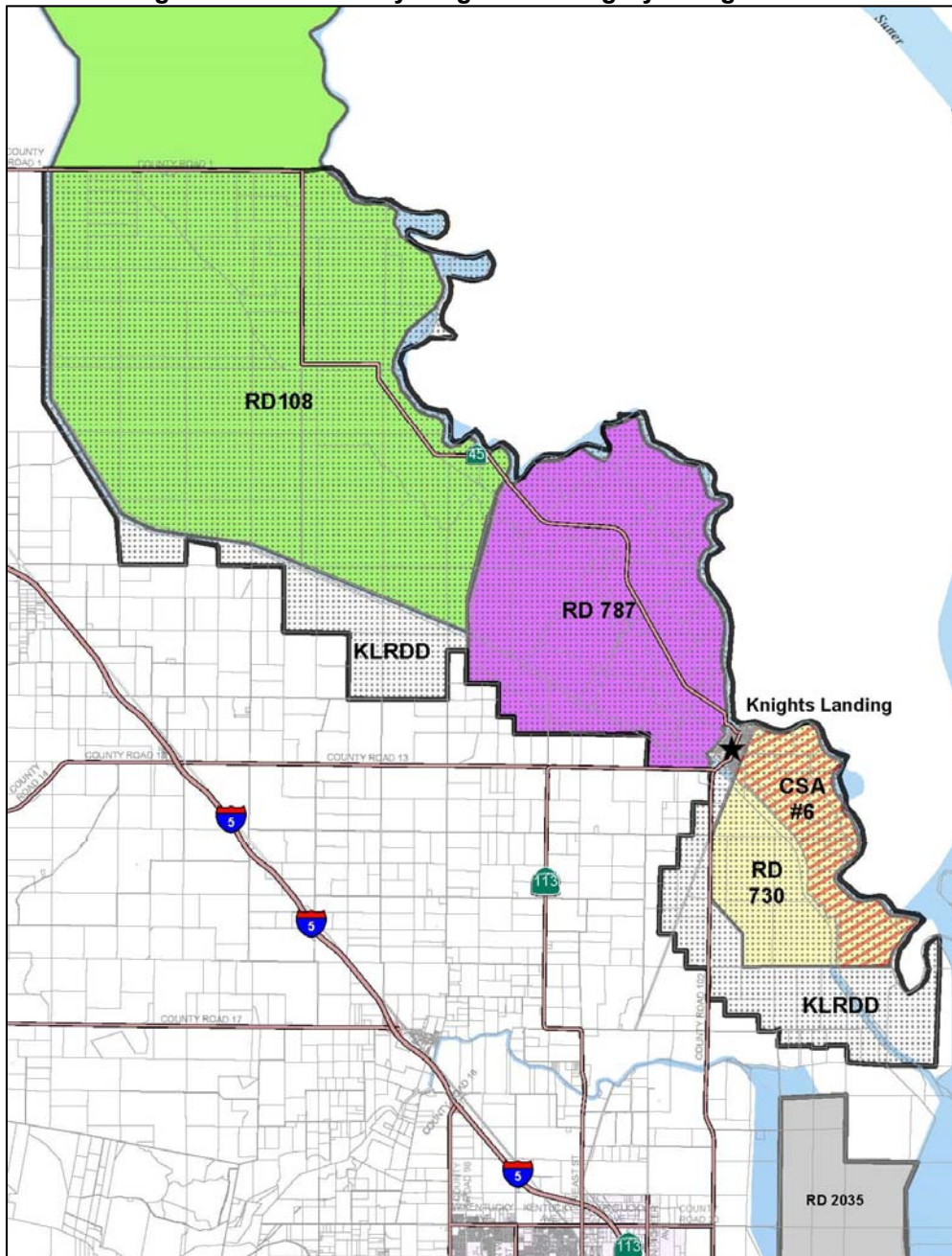
- Reclamation District – 108 (Colusa), 2068 (Solano), 2093 (Solano)
- Water District – Colusa Basin Drainage
- Sacramento-Yolo Mosquito and Vector Control District

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.

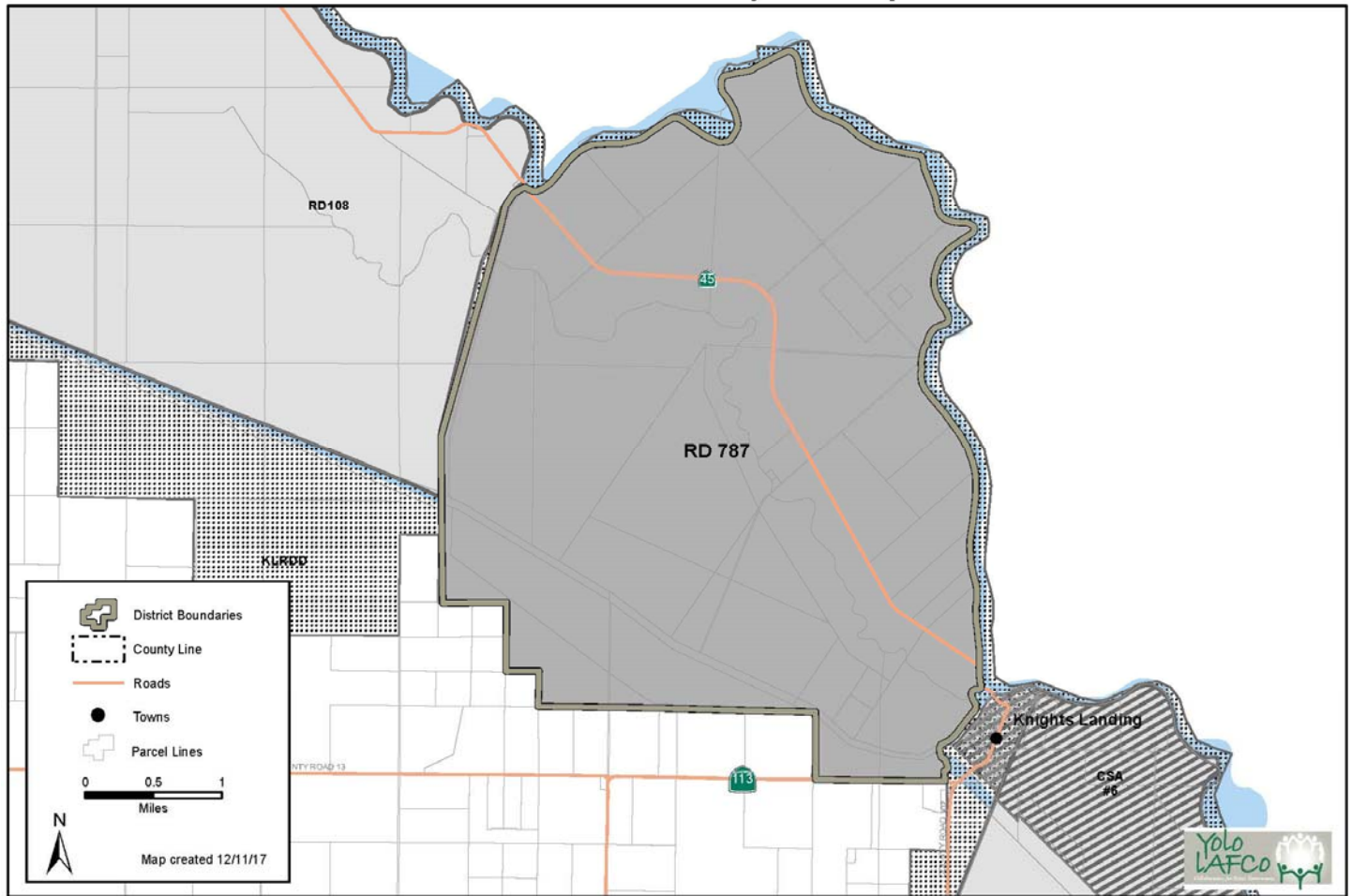
The District has no staff or equipment. The District has an agreement with River Garden Farms for all levee operations and maintenance and equipment needs. The District also contracts for legal and engineering services.

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
- 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 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"/>

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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					Total Levee Miles
	<i>A=Acceptable; M=Minimally Acceptable; U=Unacceptable</i>					
	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.

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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"/>

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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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NORTH COUNTY/KNIGHTS LANDING HYDROLOGIC BASIN**

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.

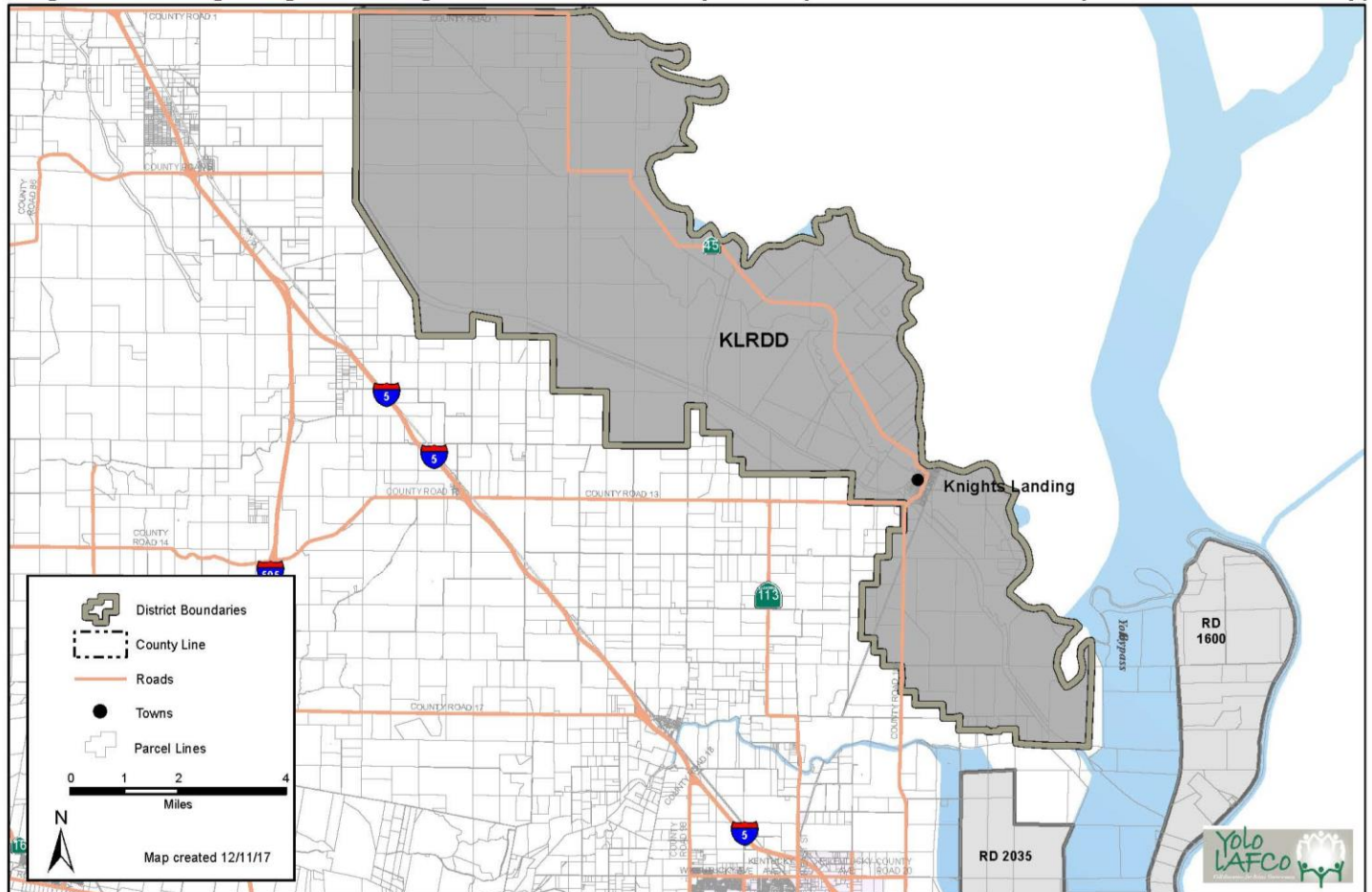
The Knight's Landing Ridge Drainage District is an independent special district with a five-member Board of Commissioners; three are elected at large from the northern division area and two from the southern division. To be eligible, a board member must own at least 40 acres of land in the division.

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

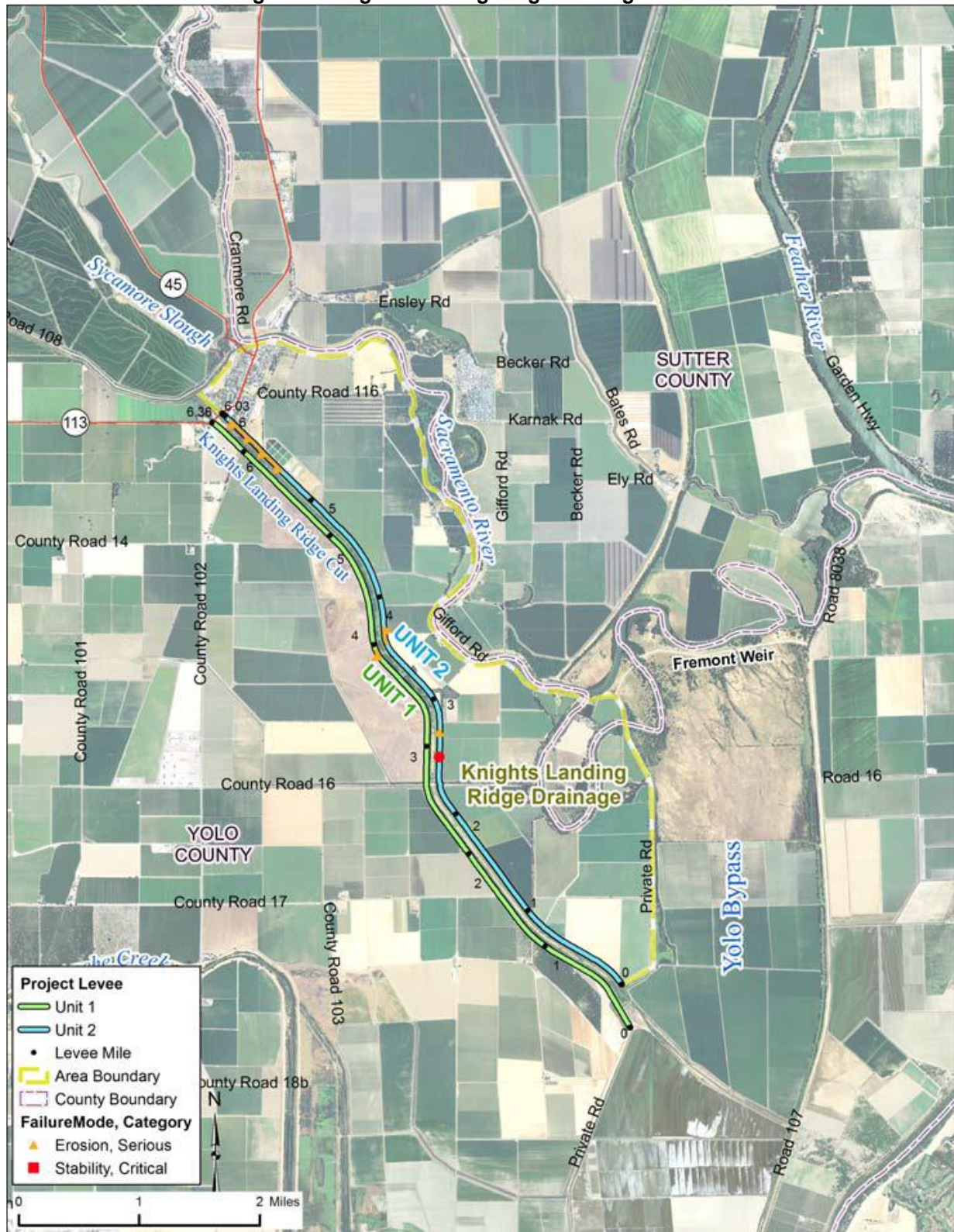
Knights Landing Ridge Drainage District Boundary and Sphere of Influence (within Yolo County)*



* 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	\$ 2,828.09	\$ 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>	\$ (93,723.25)	\$ 217,822.88	\$ 98,634.82	\$ 964,287.80	\$ (1,706,454.38)
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.

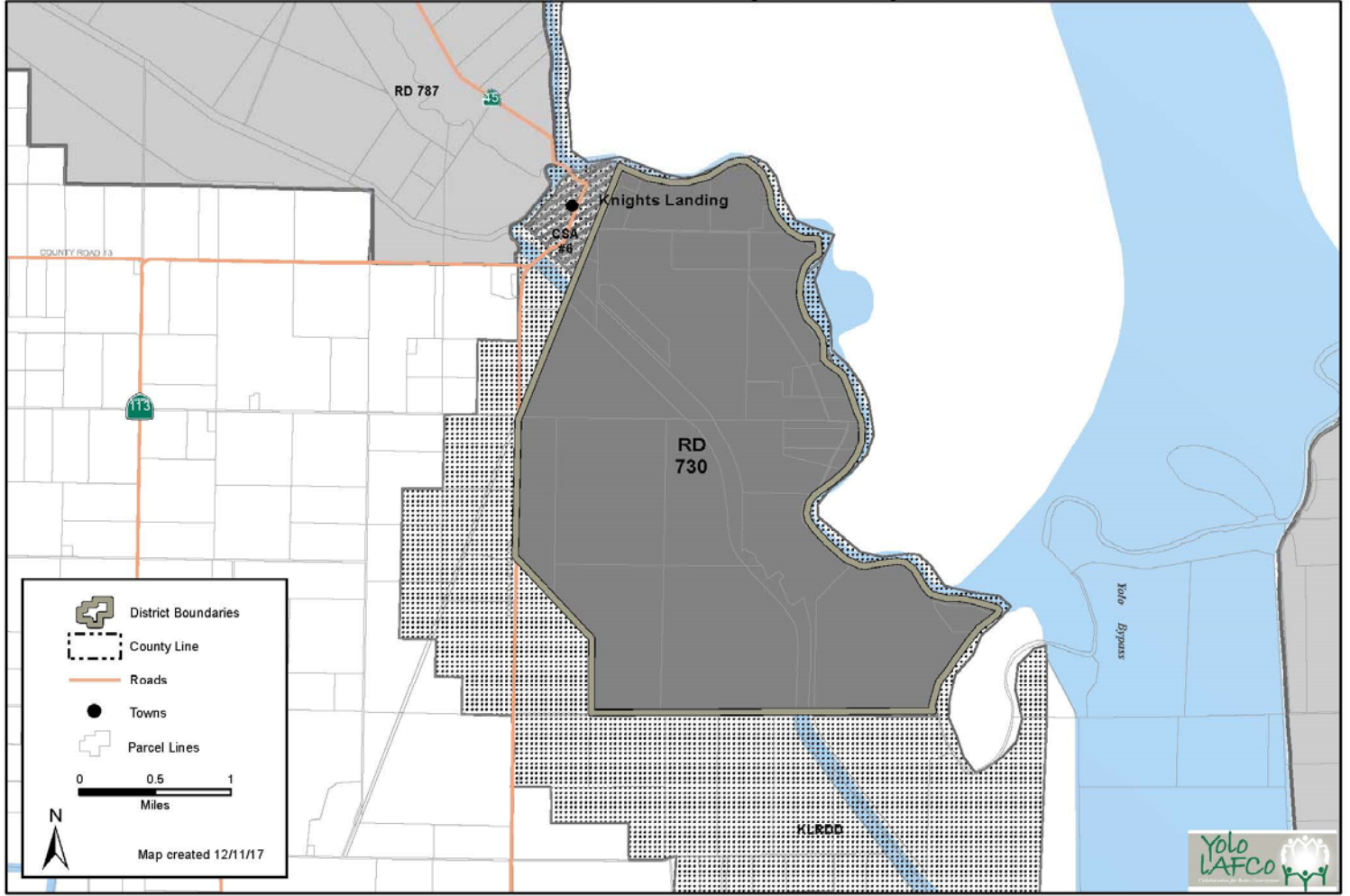
The District does not have any staff or a formal office. The District contracts for legal and engineering services and equipment maintenance. District ditches are maintained by landowners.

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
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- | | | | |
|---|-------------------------------------|-------------------------------------|-------------------------------------|
| 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>	\$ 29,989.33	\$ 36,876.64	\$ 23,753.19
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"/>

**YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY
NORTH COUNTY/KNIGHTS LANDING HYDROLOGIC BASIN**

- 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.

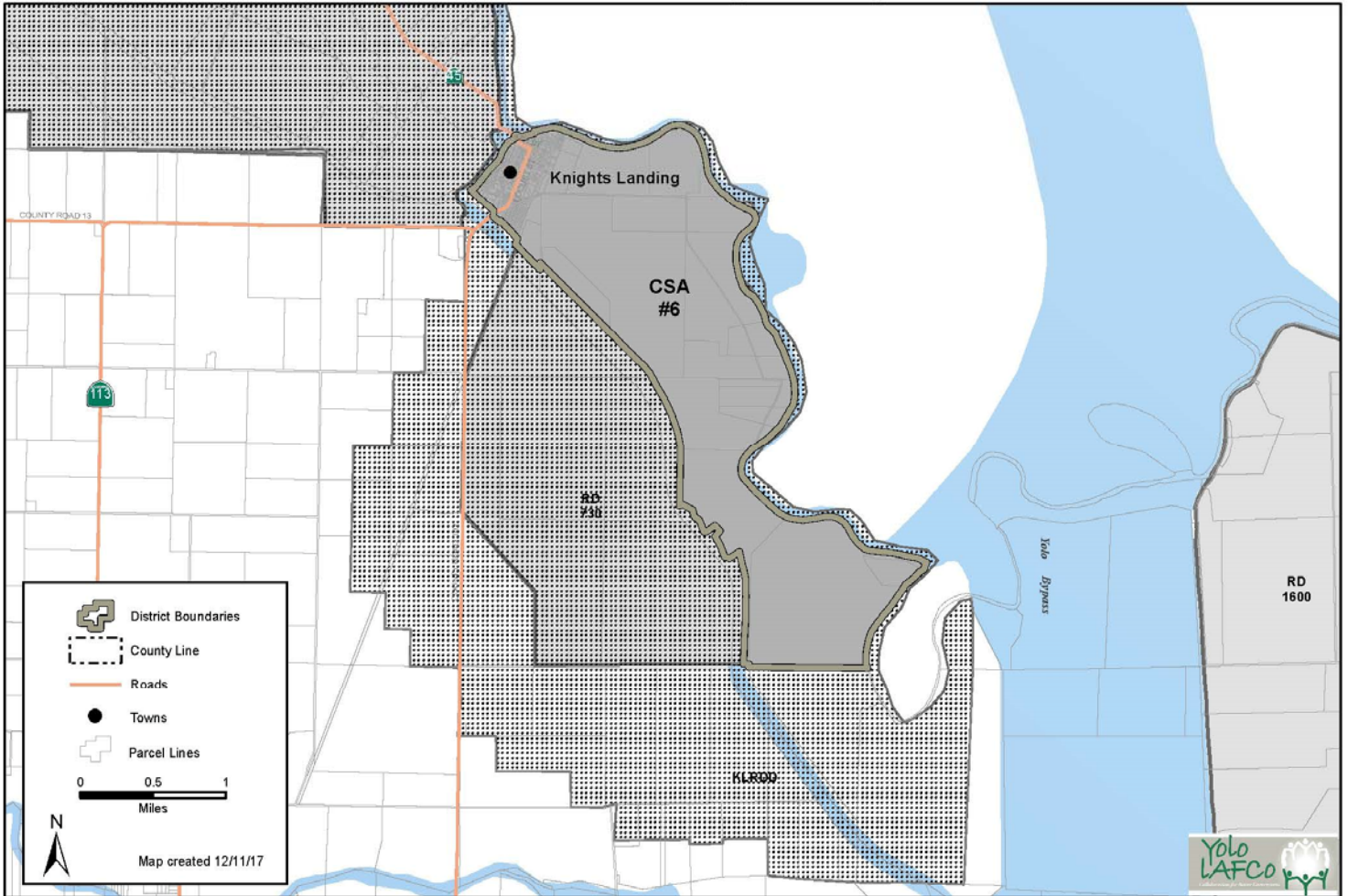
Reclamation District (RD) 730 provided levee maintenance services to this area until 1954, when the State Department of Water Services (DWR) assumed responsibility for the levee because DWR determined RD 730 was inadequately maintaining it. CSA #6 was formed in August 1975, in response to the rising 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.

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"/>
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"/>

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e) Is the organization lacking financial policies that ensure its continued financial accountability and stability?

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

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>	<i>\$ 14,163.11</i>	<i>\$ 9,653.95</i>	<i>\$ 10,167.32</i>	<i>\$ 14,260.99</i>	<i>\$ 19,627.16</i>
FUND BALANCE	\$ 211,060.36	\$ 220,714.31	\$ 230,881.63	\$ 245,142.62	\$ 264,769.78

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.

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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"/>

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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"/>
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.	<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 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.

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

² Central Valley Flood Protection Plan 2017 Update, page 3-46

³ Yolo County Flood Governance Study 2017, page 60

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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,
- 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

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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.

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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)

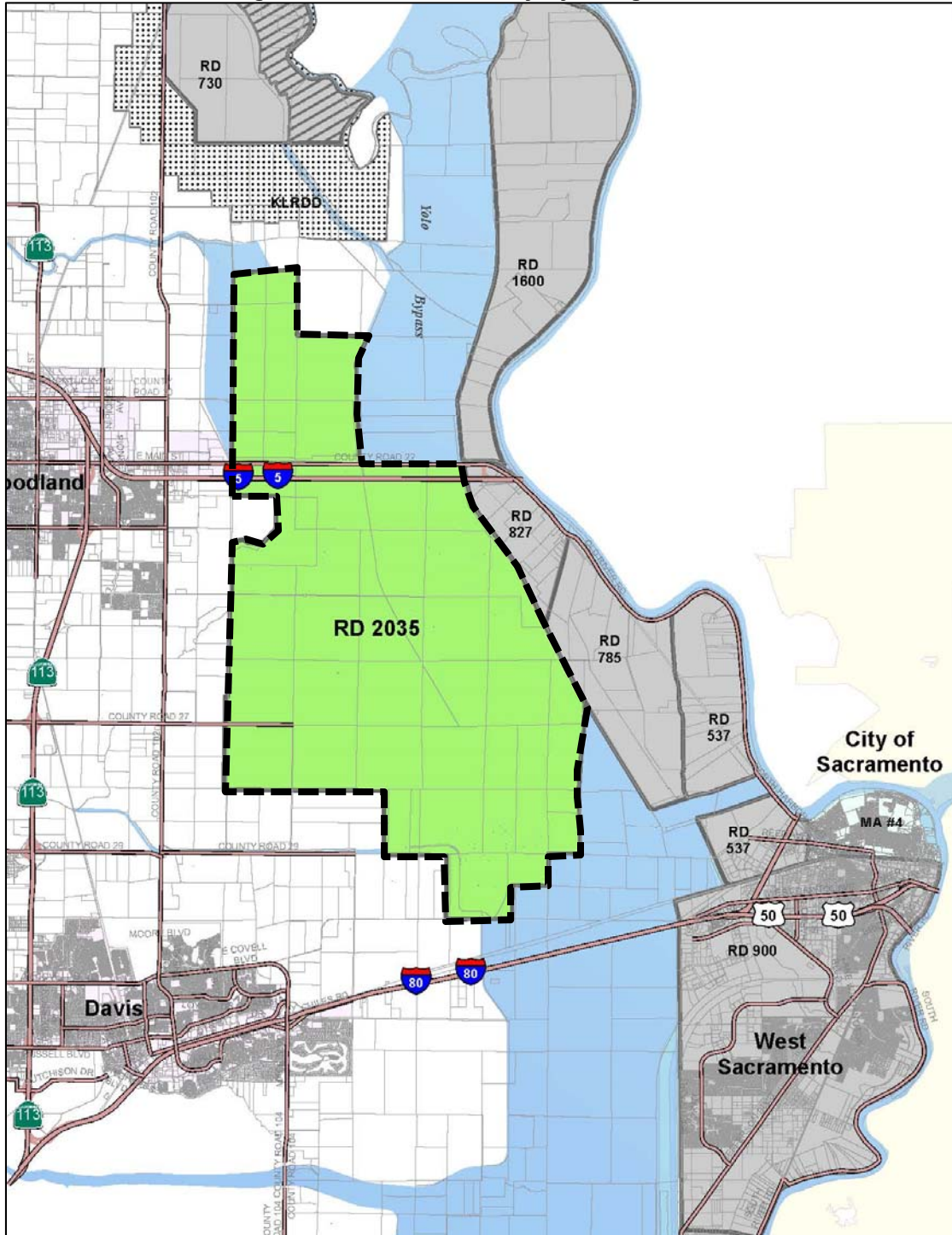
The District sphere of influence (SOI) is coterminous with its existing boundary.

Woodland/Conaway Hydrologic Basin

Levee operations and maintenance in the Woodland/Conaway Basin is currently carried out by one local maintaining agency (LMA):

- Reclamation District 2035: Conaway

Figure 1. Woodland/Conaway Hydrologic Basin



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.

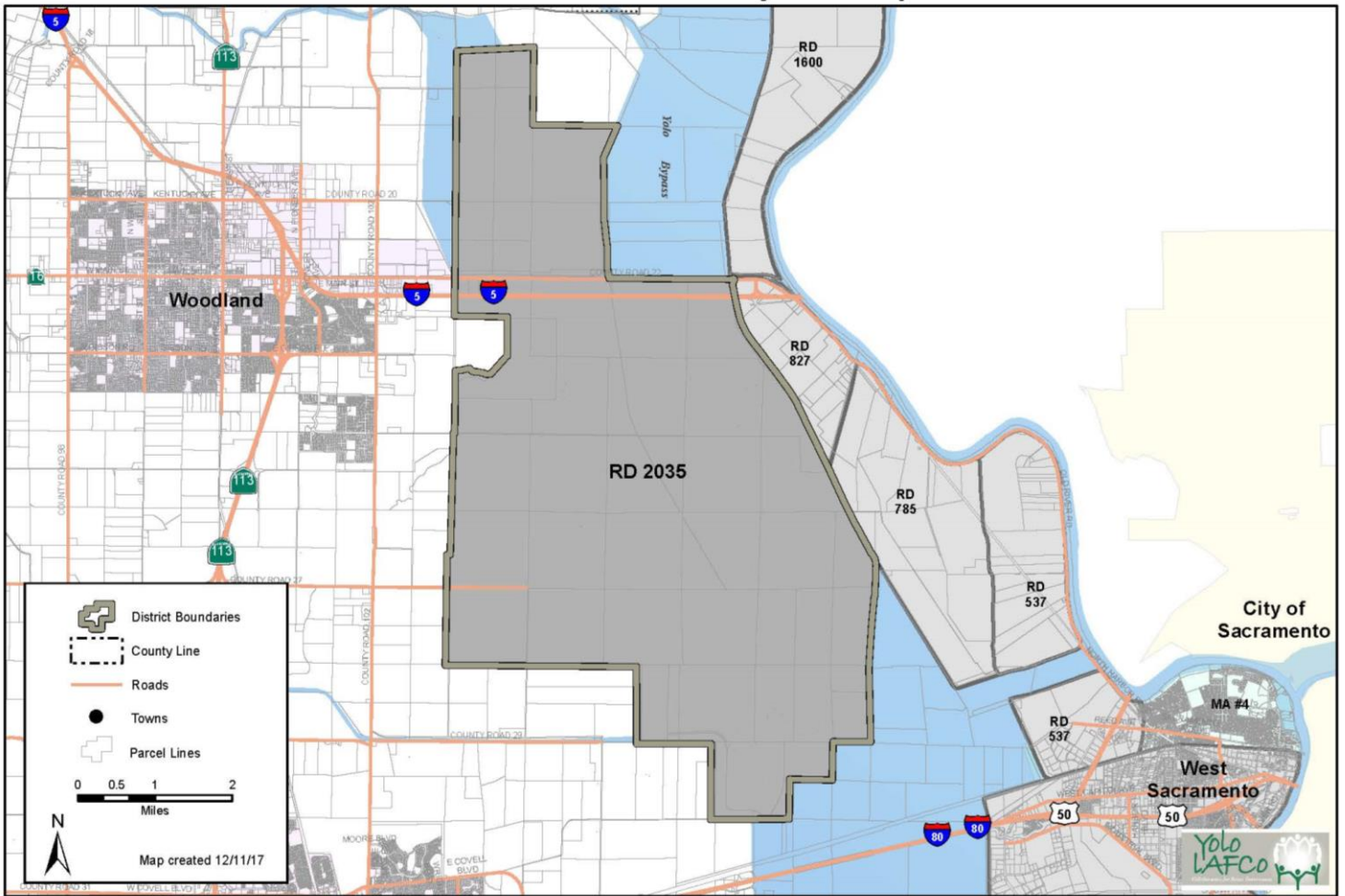
The District has two full time employees, an Accounting Manager and one Laborer. The General Manager (GM) is employed by Conaway Preservation Group (largest landowner) and is the acting GM for the District. The District contracts out for levee and ditch maintenance, legal services, and engineering services.

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.

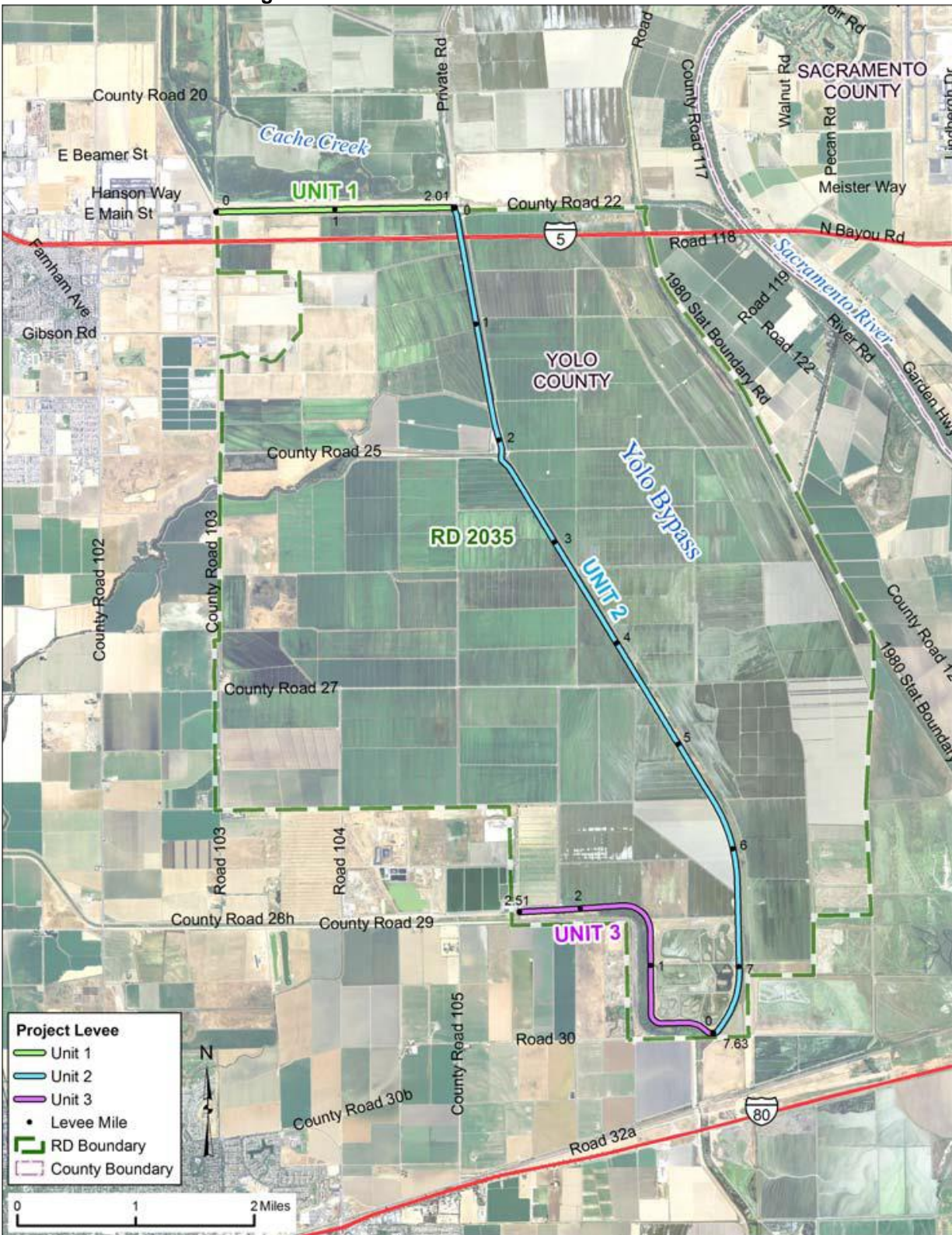
Figure 1. RD 2035 Boundary and Existing Sphere of Influence
Reclamation District 2035 Boundary and Sphere of Influence*



* 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 Conaway." 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"/>

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"/>

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>	\$ 77,169.17	\$ 219,732.43	\$ (204,877.87)	\$ 2,414,293.68	\$ (754,089.54)
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 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)

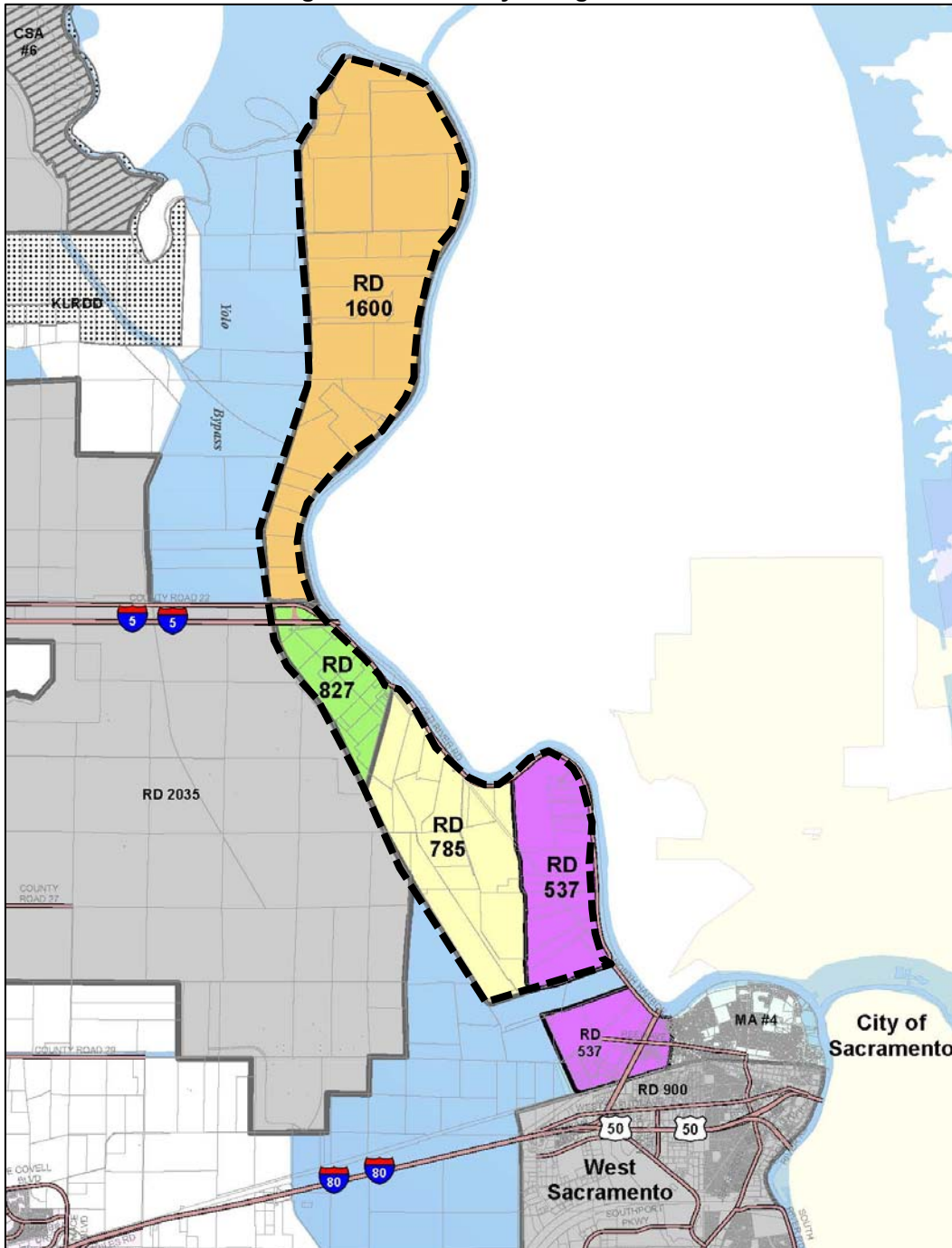
The District sphere of influence (SOI) is coterminous with its existing boundary.

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.

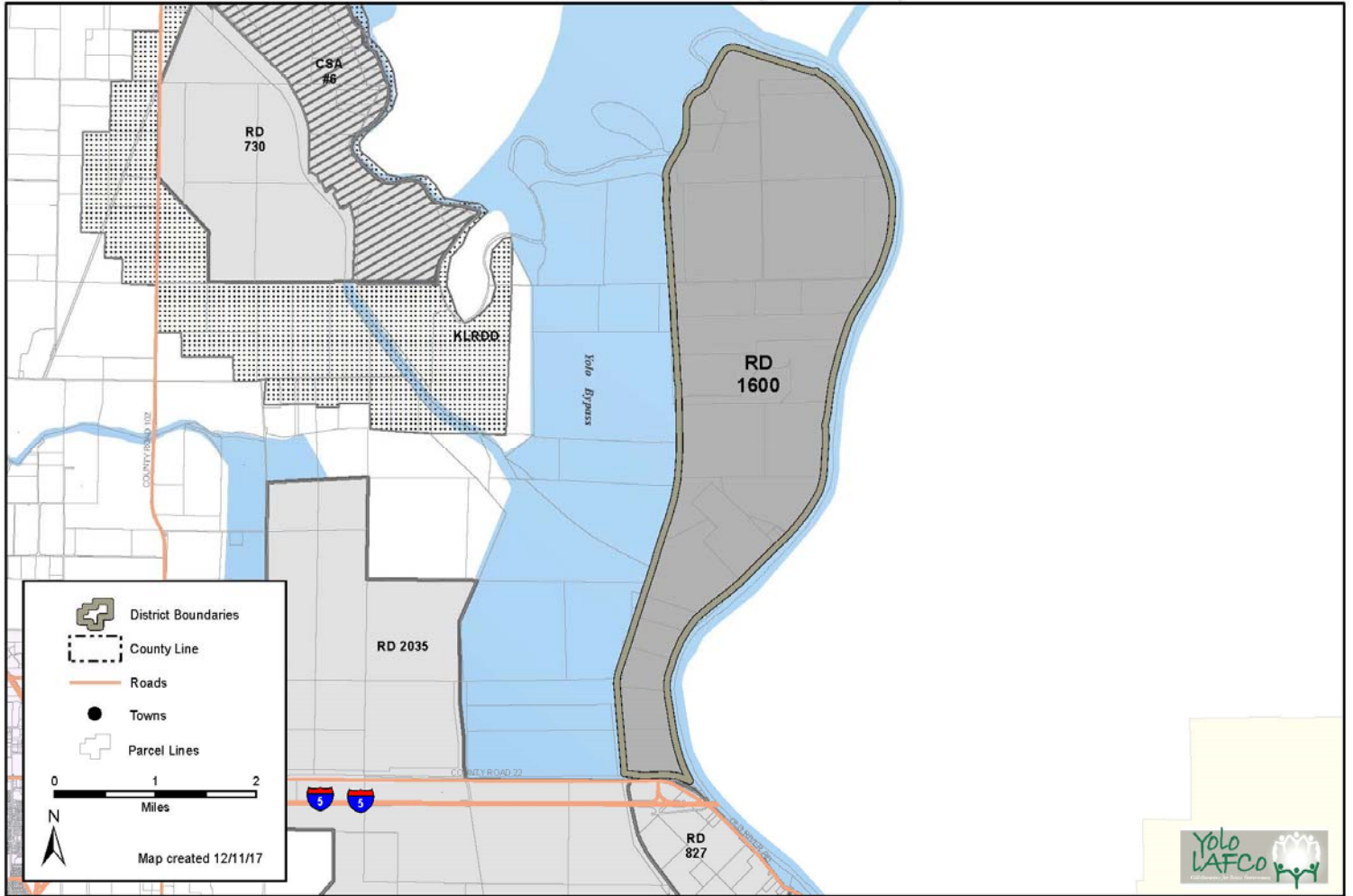
The District has no full time staff or equipment. Maintenance actions are accomplished by contracts arranged by a part time manager based on decisions made by the Board of Directors. RD 1600 has one pump station which requires occasional maintenance and power for operation.

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"/>

**YOLO LAFCo MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY
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 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"/>

**YOLO LAFCo MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY
ELKHORN HYDROLOGIC BASIN**

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.

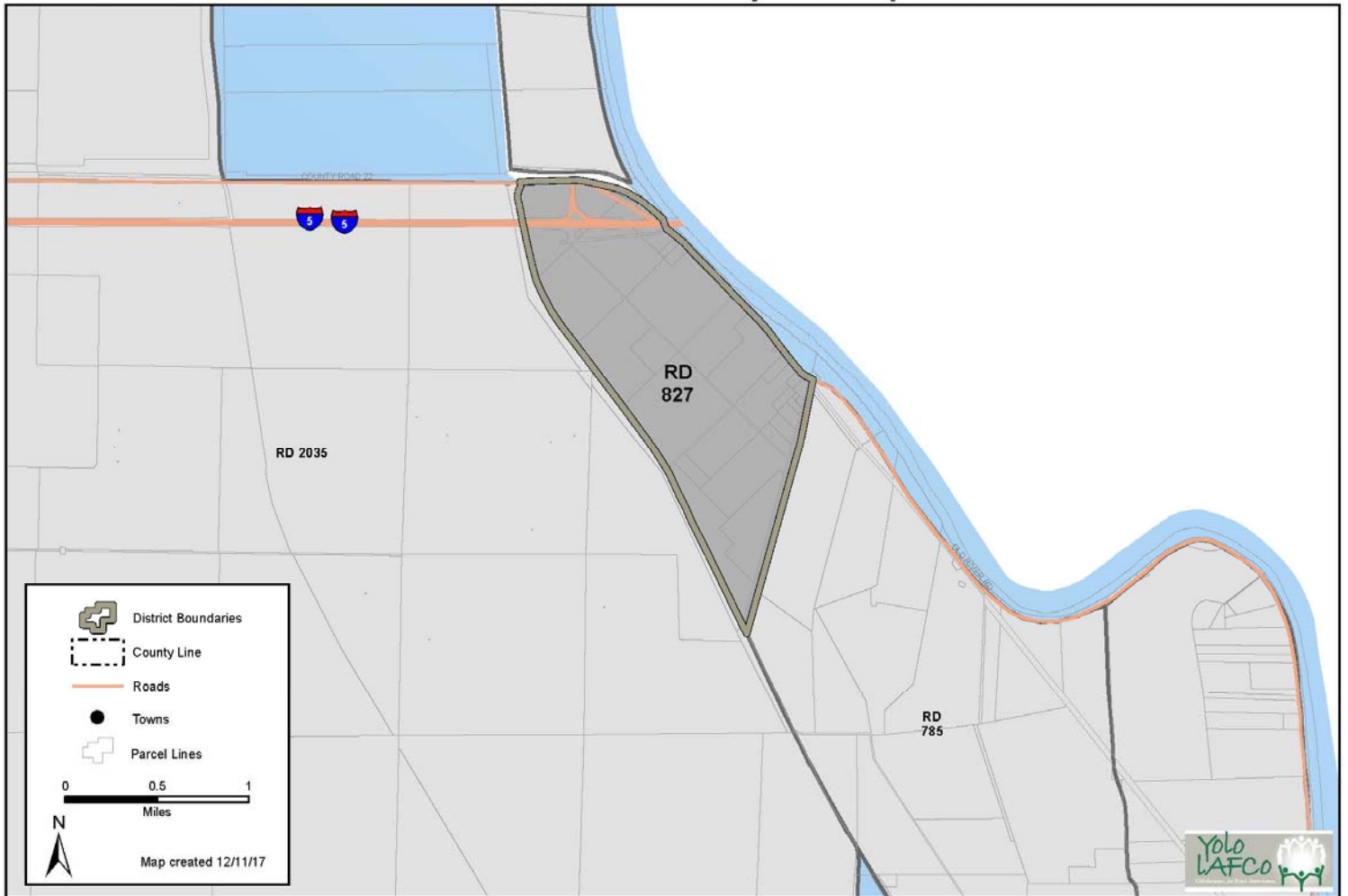
The District does not have any staff. RD 827 contracts out for levee and ditch maintenance, civil engineering, spraying services, vegetation management (including sheep and goat grazing), pump repair/maintenance, road maintenance, and prescribed burn services. RD 900 is contracted to provide administrative 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>	<i>\$ 13,903.07</i>	<i>\$ (7,713.82)</i>	<i>\$ 10,691.40</i>	<i>\$ 20,747.87</i>	<i>\$ 2,785.27</i>
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.

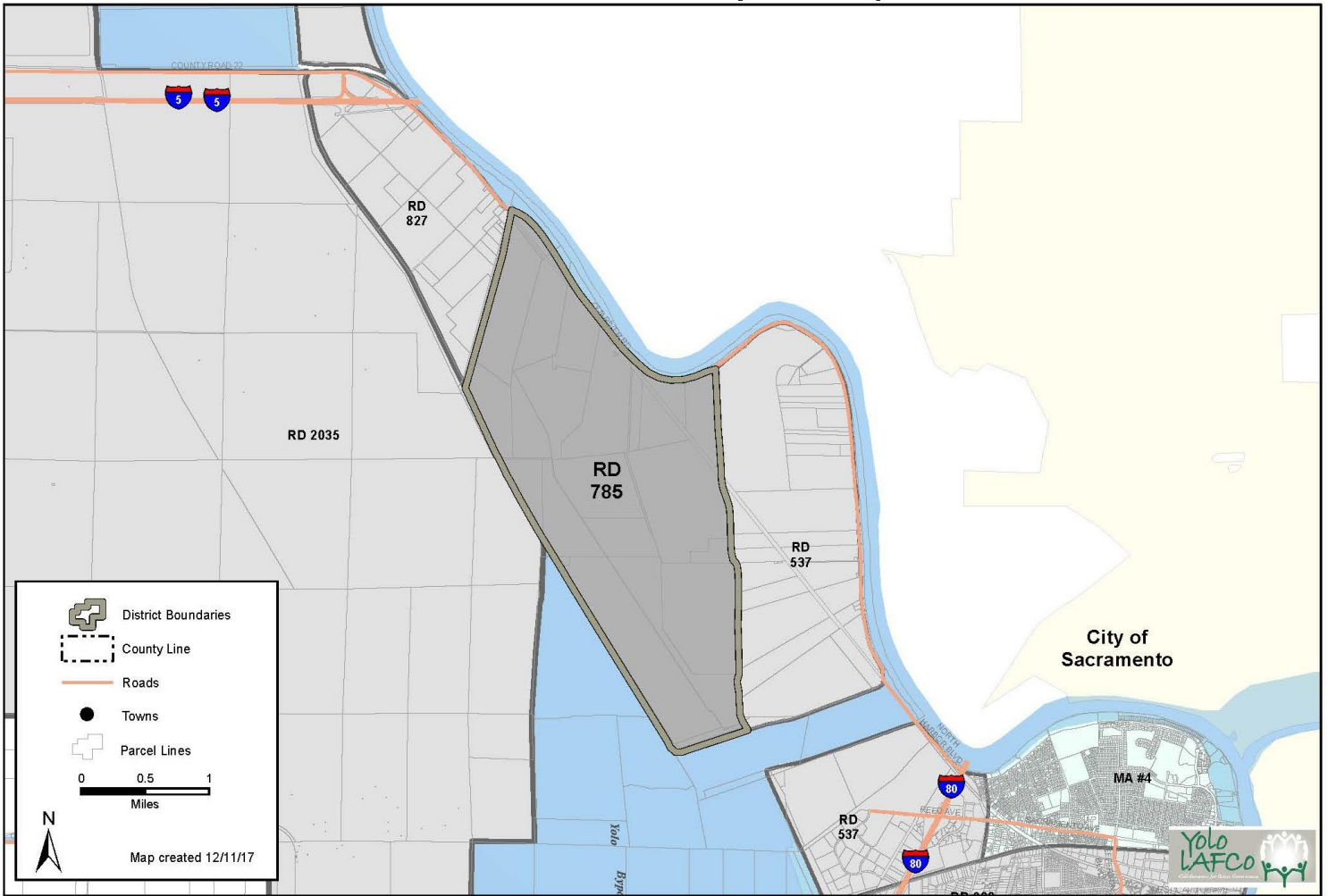
RD 785 has no permanent staff or equipment. RD 785 has one pump station which requires occasional maintenance and power for operation. RD 785 contracts out for levee maintenance, legal services, bookkeeping services, and engineering services. Maintenance actions are accomplished by contracts arranged 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.

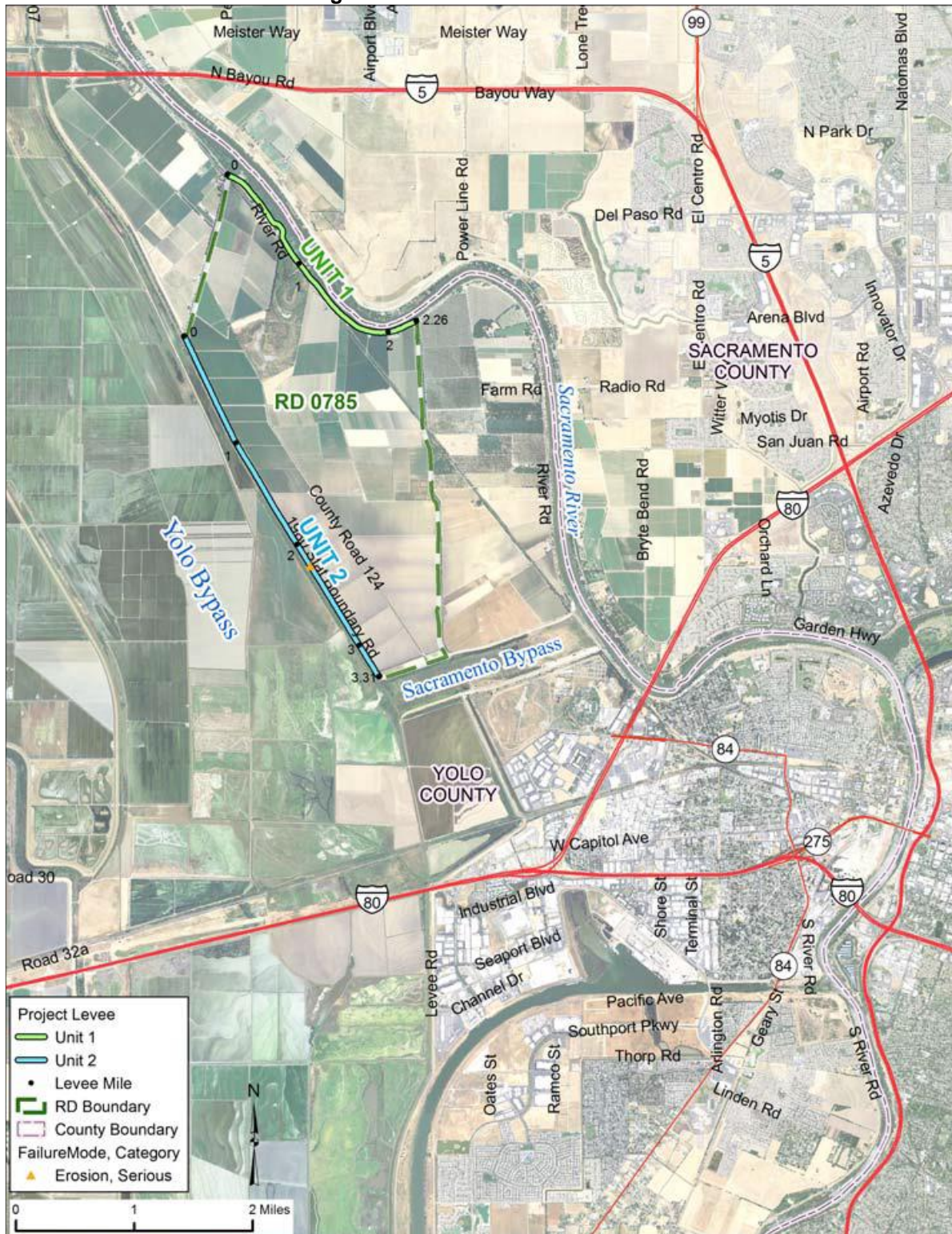
**Figure 1. RD 785 Boundary and Existing Sphere of Influence
Reclamation District 785 Boundary and Sphere of Influence***



* 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? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
|--|--------------------------|--------------------------|-------------------------------------|

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.

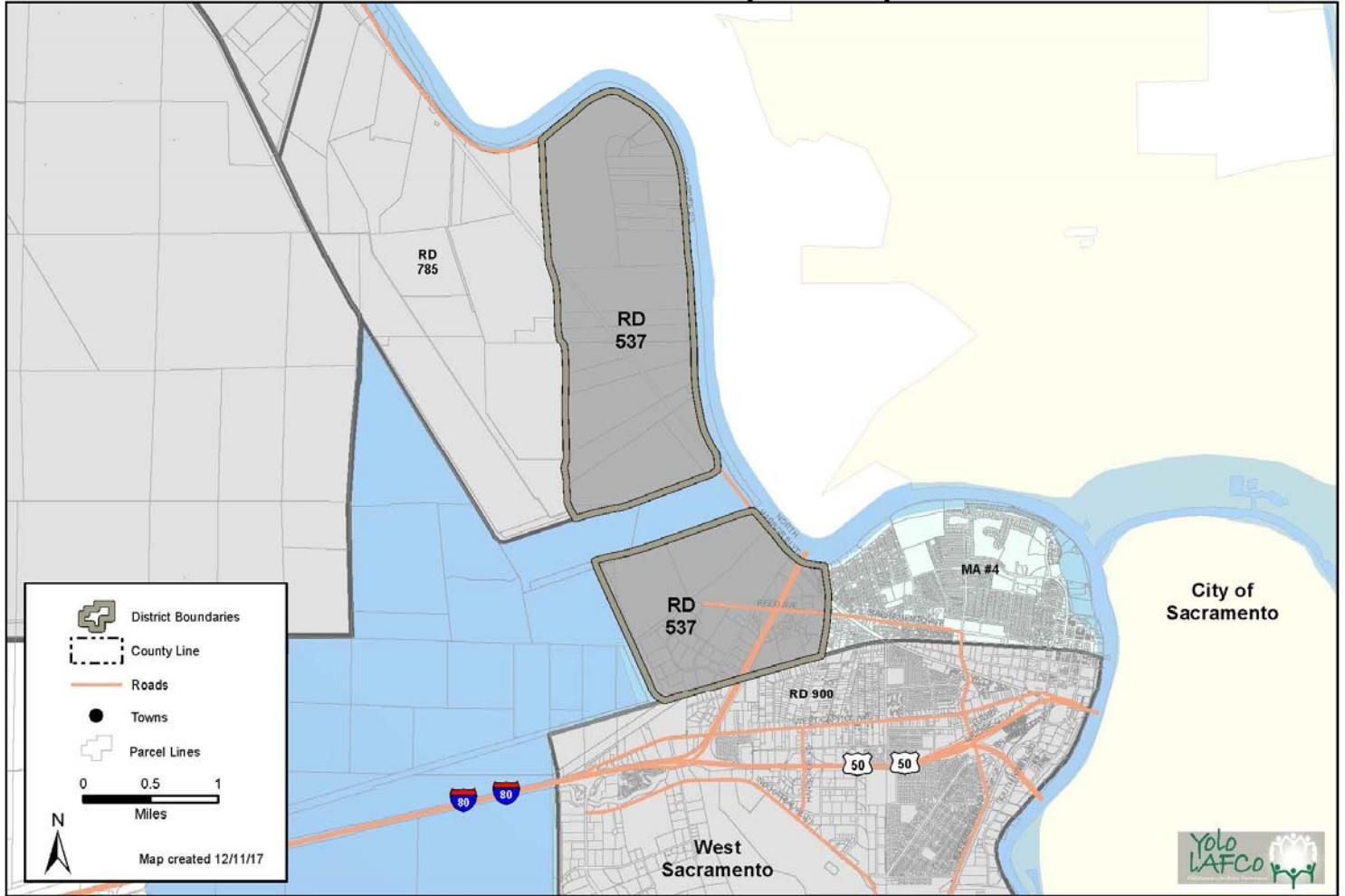
The District has two (2) employees (co-managers). RD 537 contracts out for levee and ditch maintenance, legal services, bookkeeping services (provided by RD 900), and engineering services. Maintenance actions are accomplished by contracts arranged by a part time General Manager based on decisions made 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.

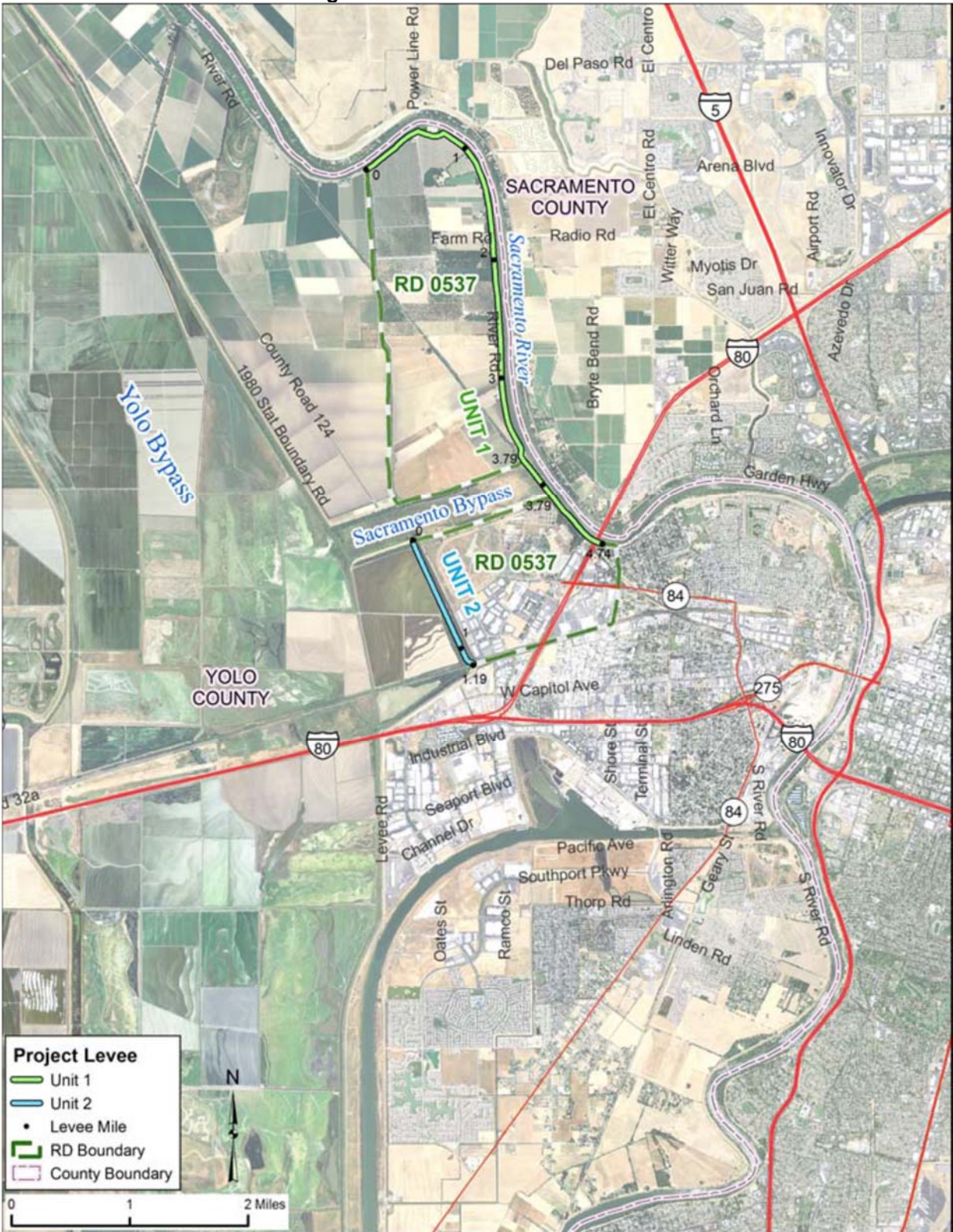
Figure 1. RD 537 Boundary and Existing Sphere of Influence
Reclamation District 537 Boundary and Sphere of Influence*



* 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"/>

**YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY
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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
ELKHORN 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 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>	<i>\$ 352.92</i>	<i>\$ 193,047.70</i>	<i>\$ (12,434.14)</i>	<i>\$ 29,588.31</i>	<i>\$ 14,383.72</i>
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 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 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"/>

**YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY
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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. To characterize these alternatives in simple terms, the goal is to have each basin function as one entity. For the West Sacramento Basin, LAFCo reviewed two alternatives 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 the 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. 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) (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 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): 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 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 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) (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

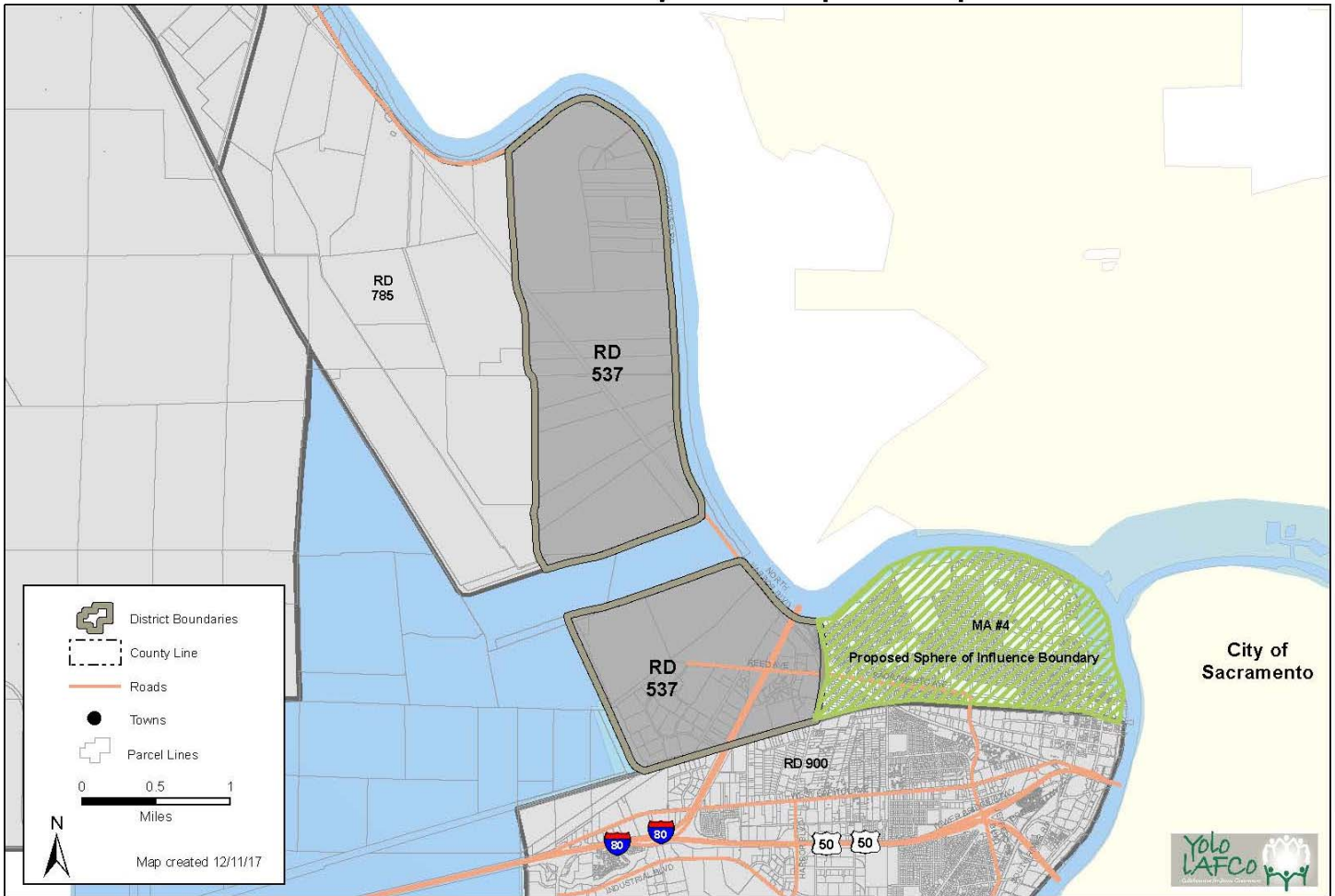
On the basis of the Municipal Service Review:

- 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 3. 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. 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.
- 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 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 charges 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

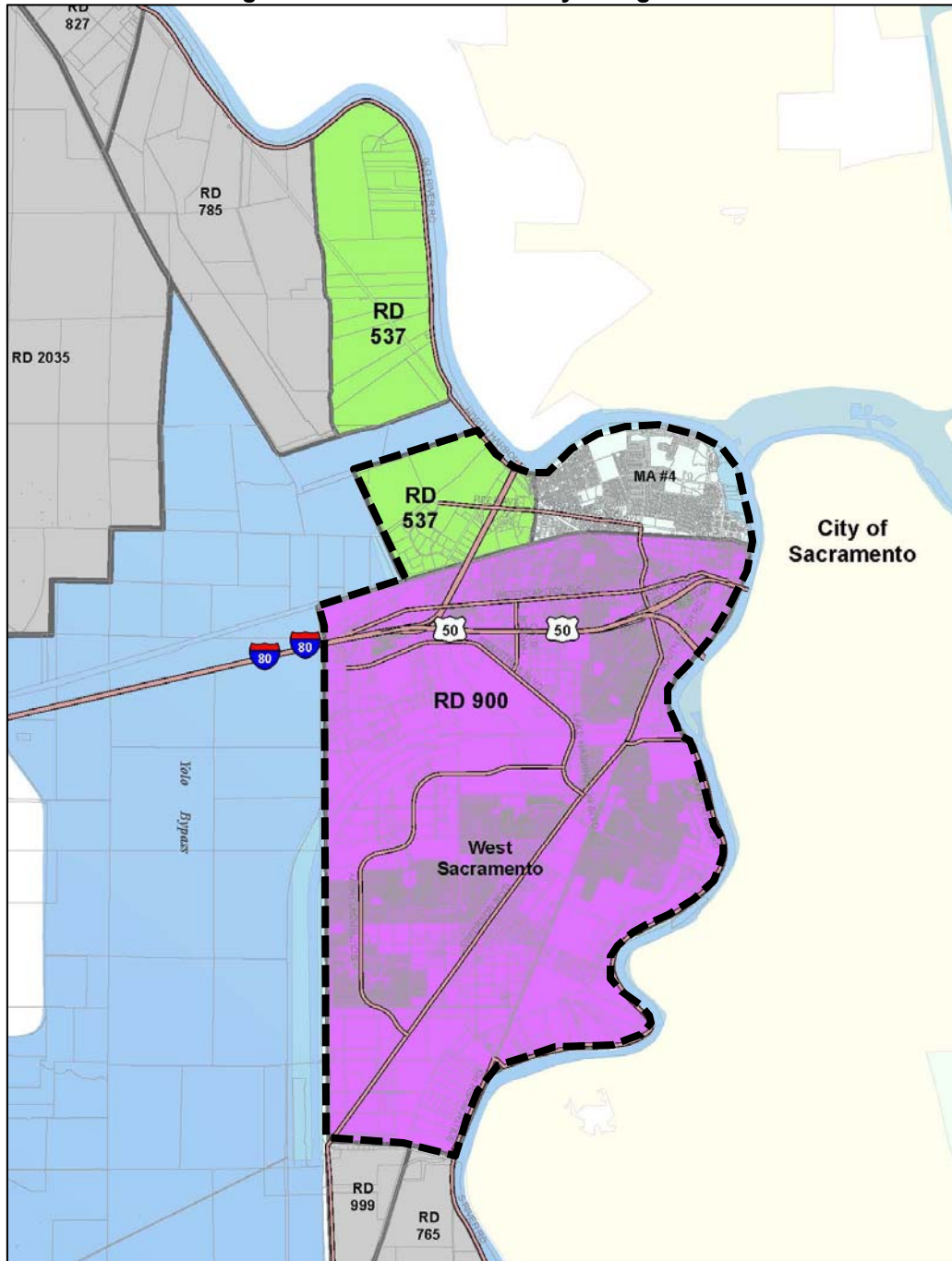
RD 537 does not provide public services related to sewers, municipal and industrial water or structural fire protection. Therefore, the provisions of SB 244 do not apply.

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:

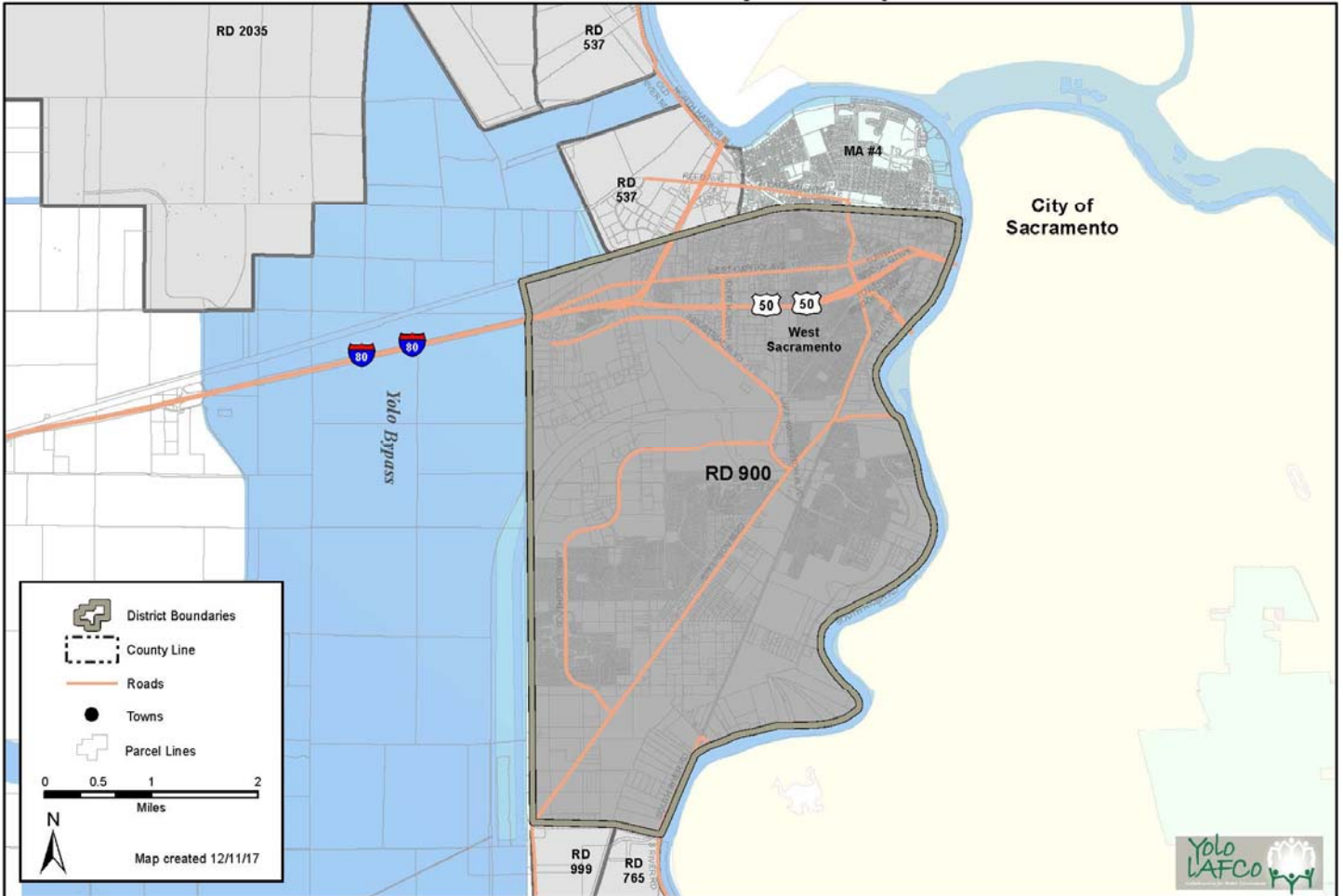
- Daily visual inspection of levees and 24 hour patrols during high water events
- Twice a year detailed inspection of project levees for PL 84-99 compliance
- Provide emergency response and levee flood fighting during storm events
- Repair levee erosion and seepage sites
- Removing debris and vegetation 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.

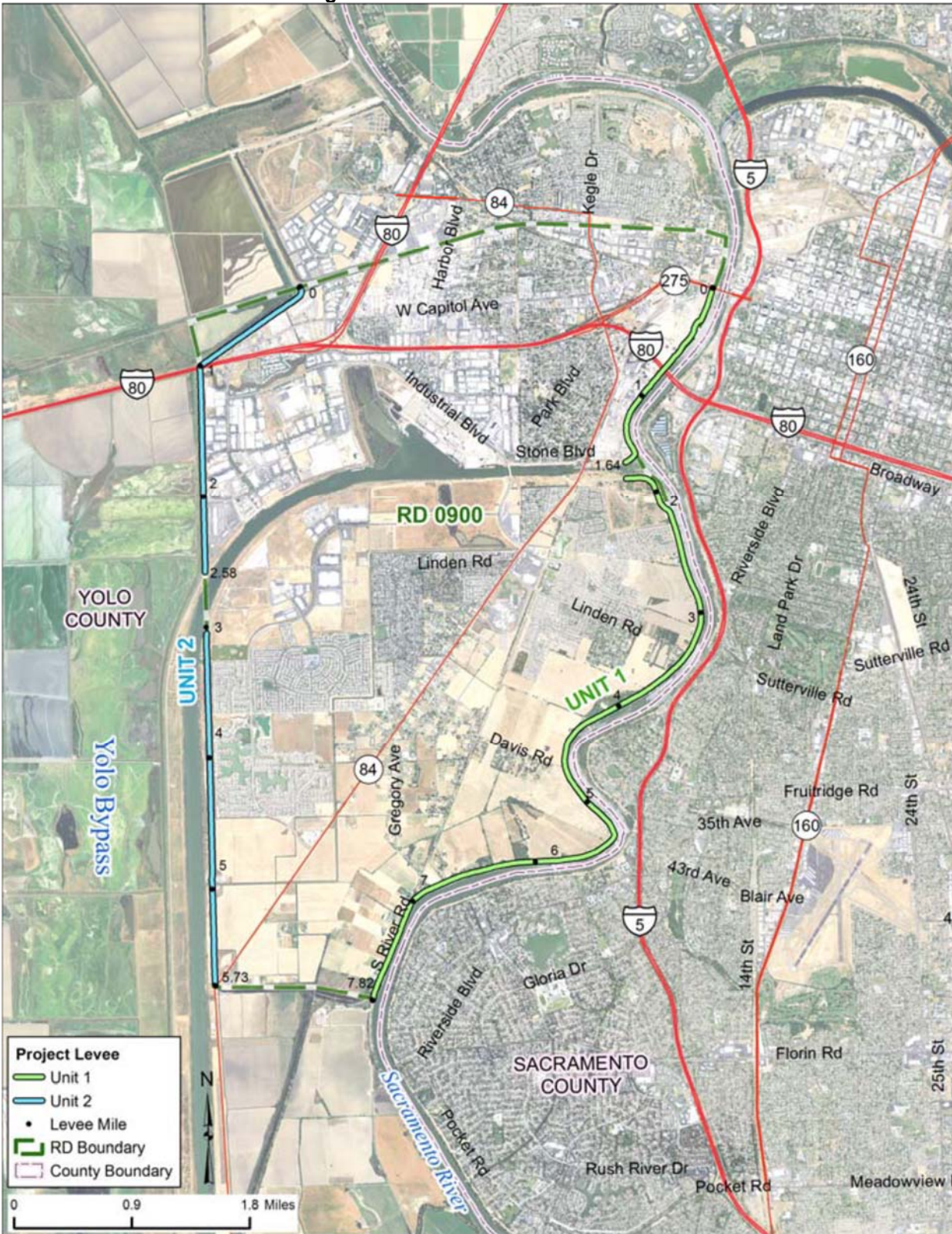
Figure 2. RD 900 Boundary and Existing Sphere of Influence
Reclamation District 900 Boundary and Sphere of Influence*



* 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"/>

**YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY
WEST SACRAMENTO HYDROLOGIC BASIN**

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-

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"/>

**YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY
WEST SACRAMENTO 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?

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 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 OPEB liability.

Recommendations

- 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 its 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"/>

**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?

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. To characterize these alternatives in simple terms, the goal is to have each basin function as one entity. For the West Sacramento Basin, LAFCo reviewed two alternatives 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 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. 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) (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 maintain and update a website that includes meeting agendas and minutes, audits, and financial information. 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 below.

Recommendations

- 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 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 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) (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)

The District sphere of influence (SOI) is coterminous with its existing boundary.

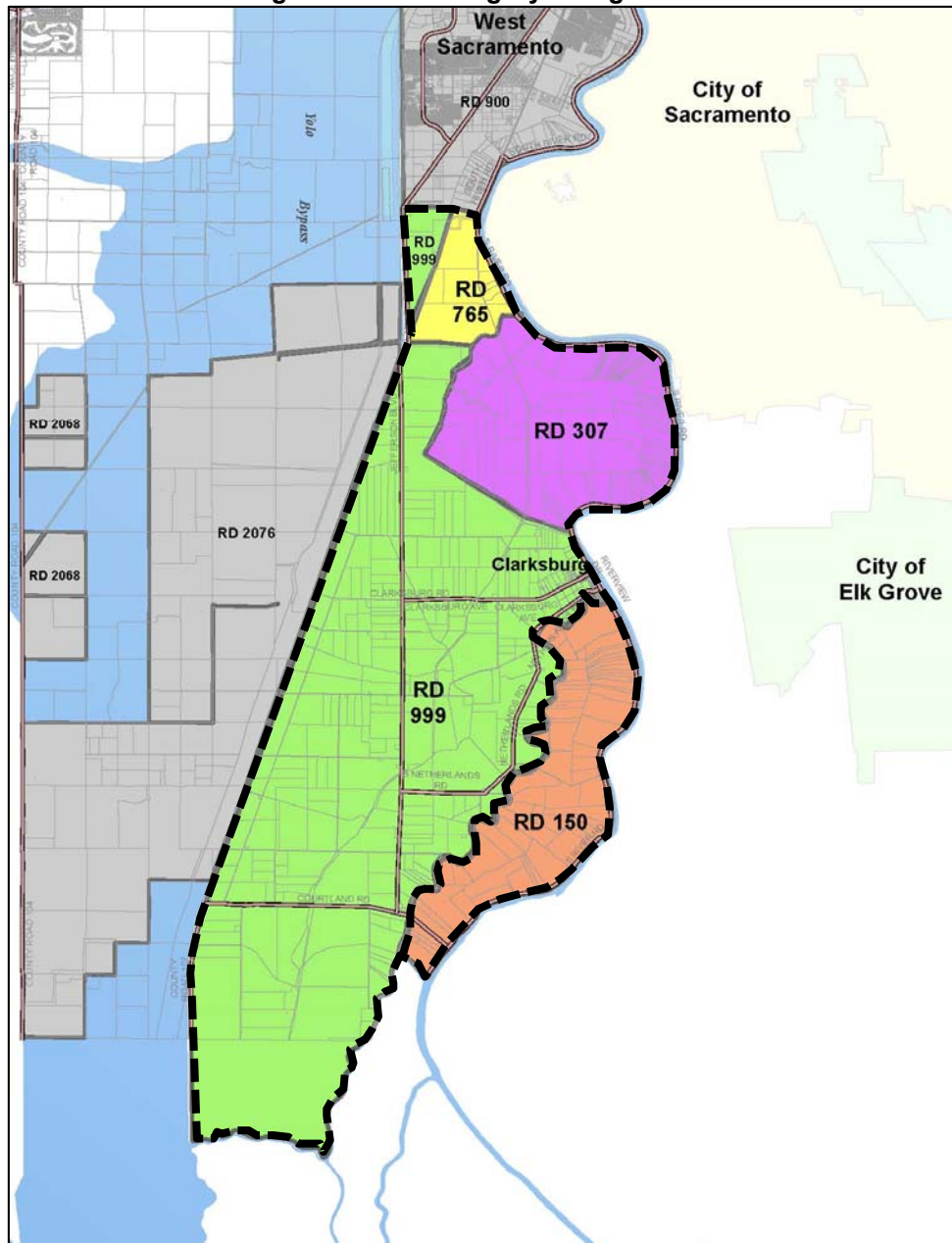
Clarksburg Hydrologic Basin

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.

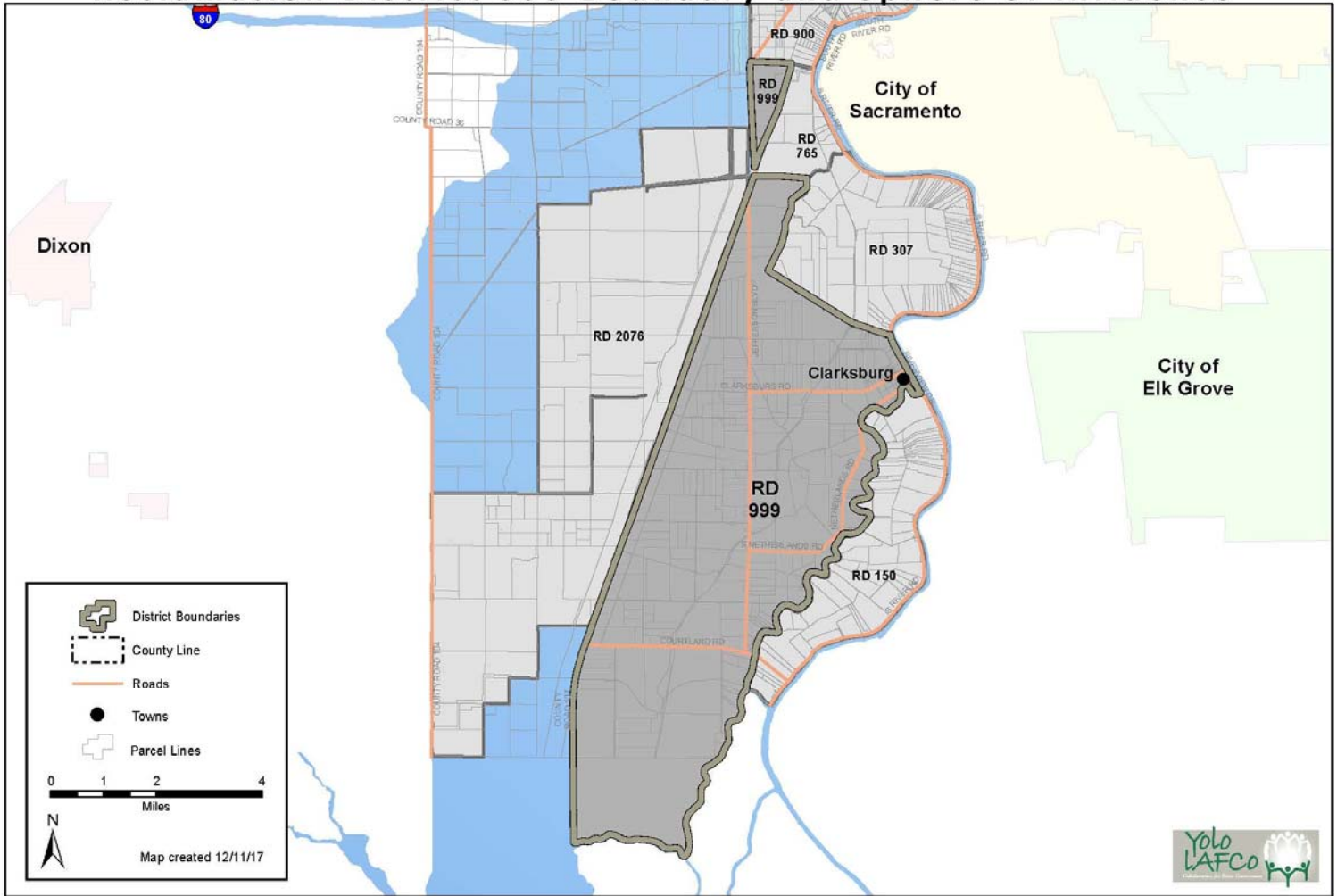
RD 999 previously had four full-time employees including a manger, board secretary, watermaster, and mechanic, however the general manager and bookkeeper positions have recently become vacant. The Chairman of the Board of Trustees, Tom Slater, has taken over as the acting manager of the District. Levee 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.

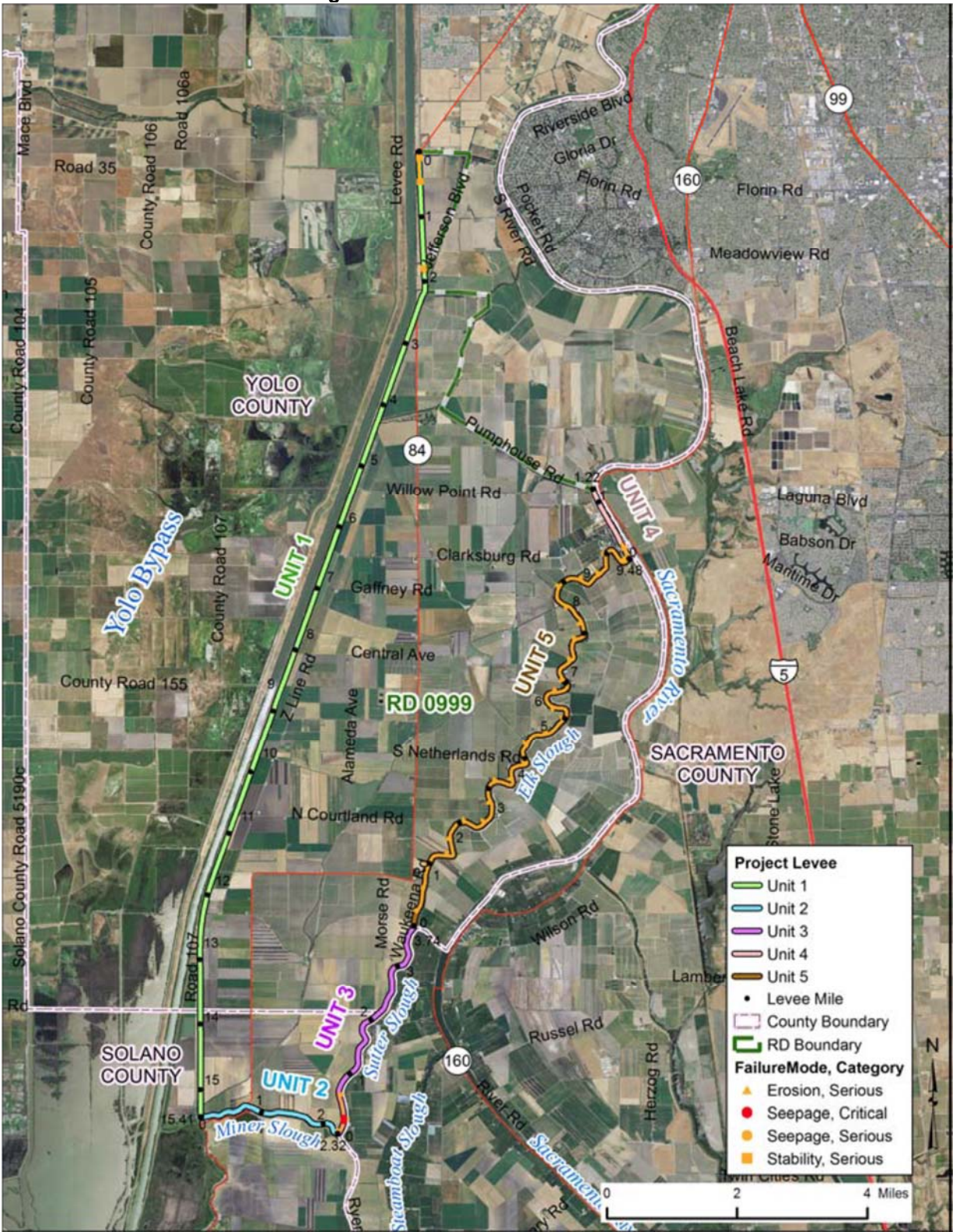
Figure 1. RD 999 Boundary and Existing Sphere of Influence
Reclamation District 999 Boundary and Sphere of Influence*



* 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.

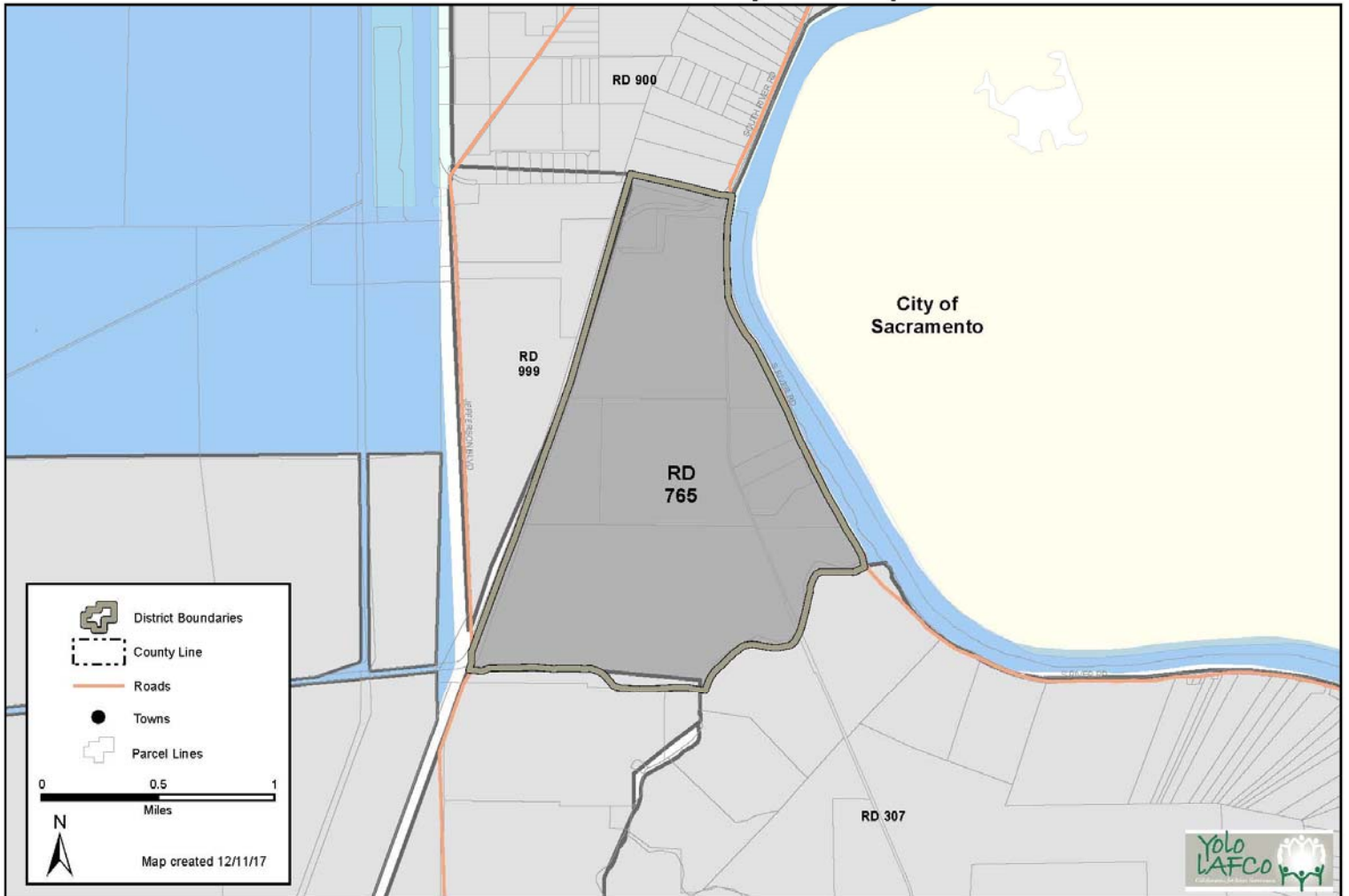
The District has one (1) part-time manager and contracts out for all operations and maintenance as well as legal and engineering services.

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 <i>A=Acceptable; M=Minimally Acceptable; U=Unacceptable</i>					Total Levee Miles
	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.

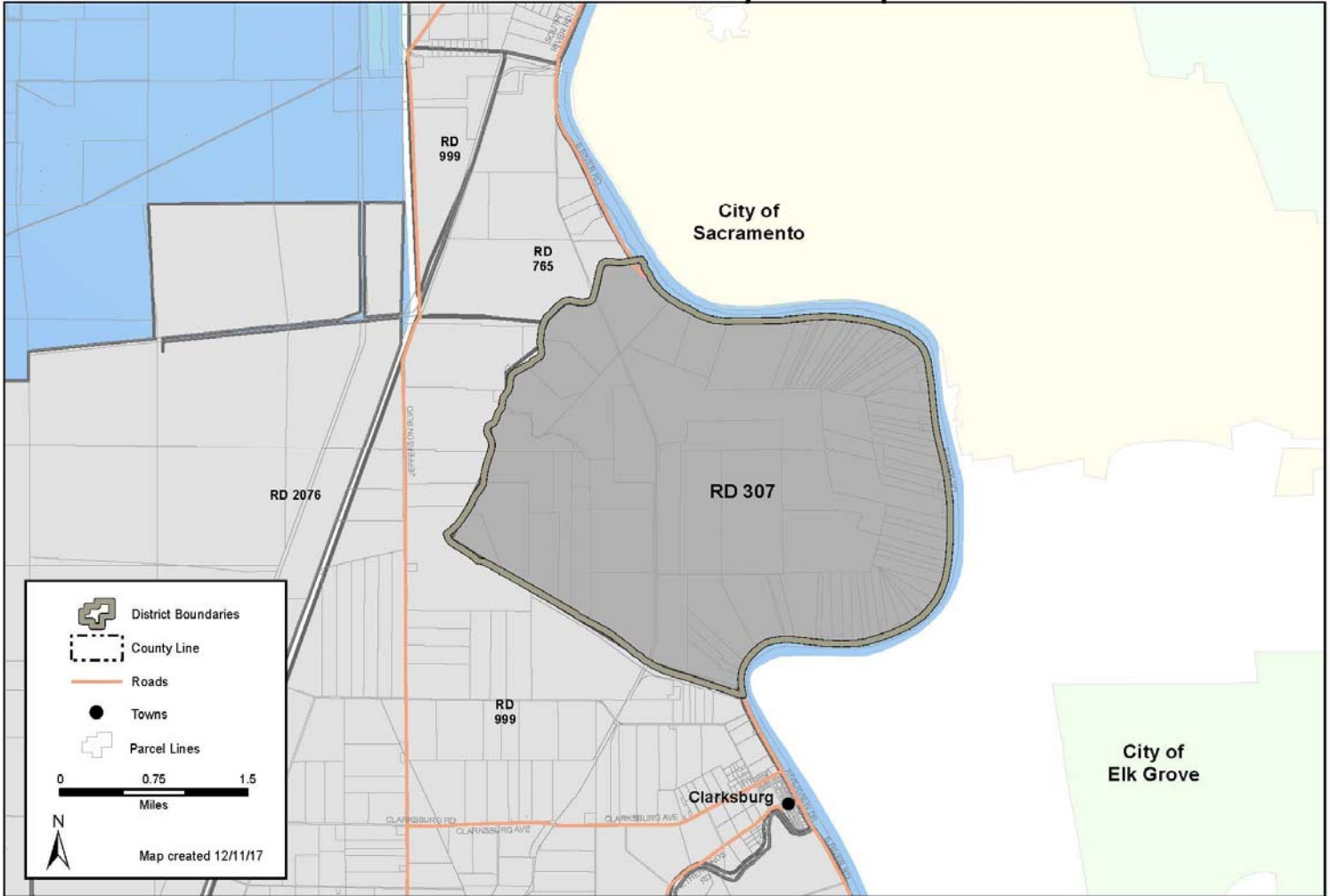
RD 307 has no permanent staff or equipment. The District contracts out for levee maintenance, legal services, bookkeeping services, and engineering services. Maintenance actions are accomplished by contracts based on decisions made by members of the Board.

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 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 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.

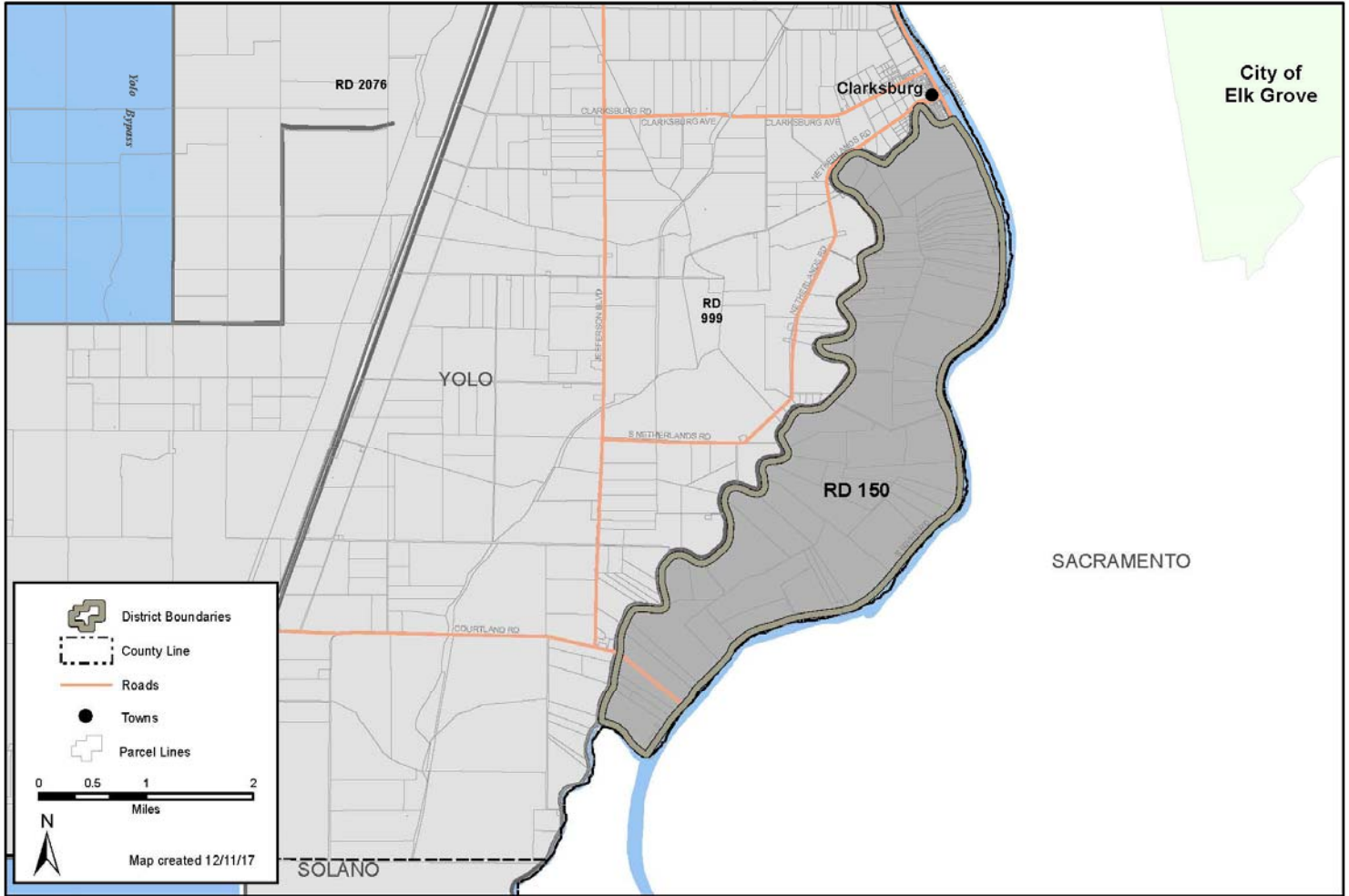
The District has two (2) part time staff (a part time drainage pump superintendent and a part time secretary) but is primarily landowner operated. RD 150 contracts out for levee and ditch maintenance, civil engineering, and legal services.

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.

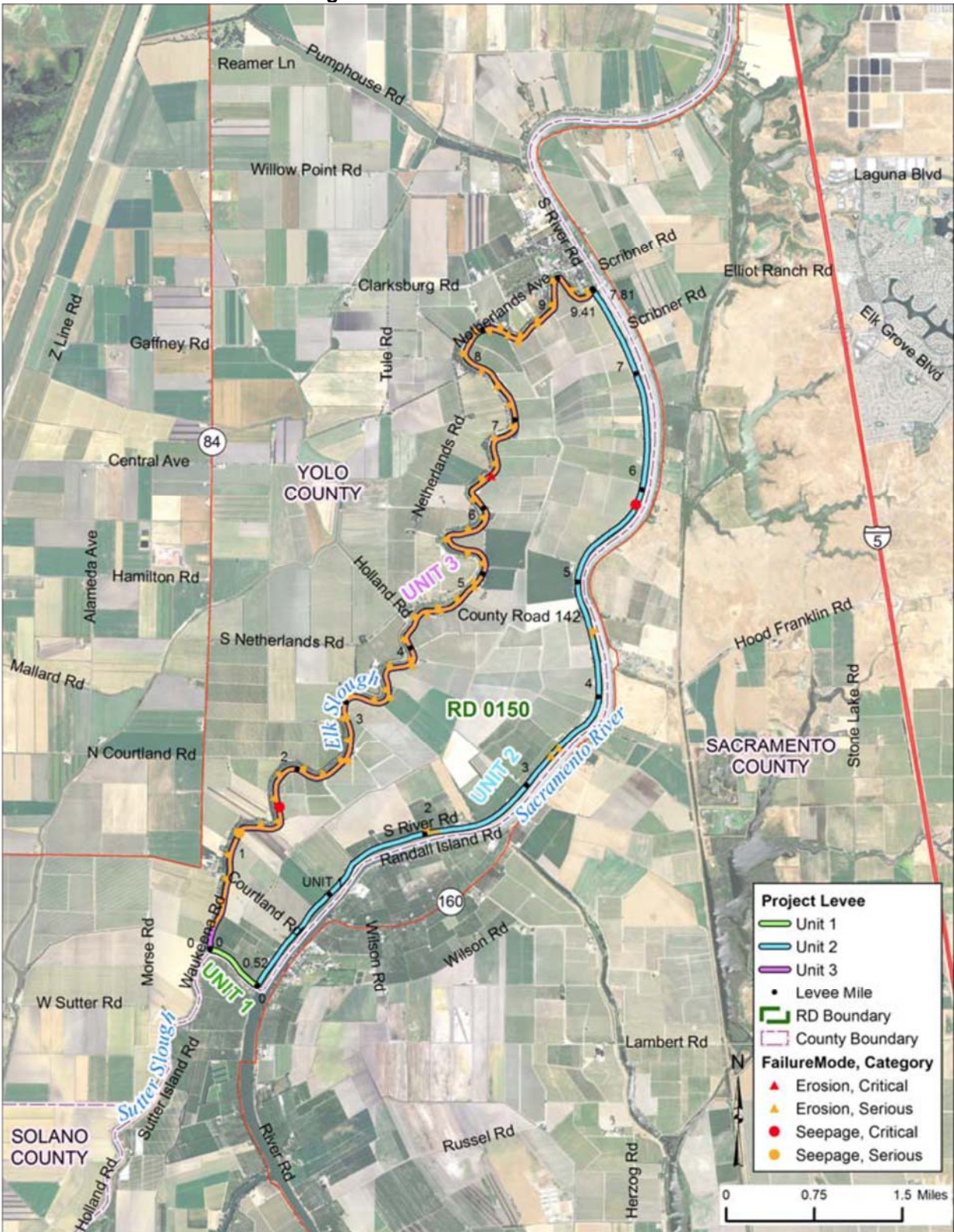
Figure 1. RD 150 Boundary and Existing Sphere of Influence
Reclamation District 150 Boundary and Sphere of Influence*



* 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

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.
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- 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.
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- Solano County Local Agency Formation Commission. *Final Municipal Service Review Solano County Water, Irrigation, Reclamation, and Flood Management Agencies*. April 2009.
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- 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.
400 Capitol Mall, 28th Floor
Sacramento, CA 95814
916 649 8010 tel
916 649 2070 fax*

*Oakland
Sacramento
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	\$2,742,391	\$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.