

## **Executive Officer's Report**

TO: Olin Woods, Chair, and members of the  
Yolo County Local Agency Formation Commission

From: Elisa Carvalho, Assistant Executive Officer

DATE: January 25, 2010

SUBJECT: Reclamation District 811 Dissolution

## **RECOMMENDED ACTION**

1. Assign the short form title: "Reclamation District 811 Dissolution" to this proposal (see Map A).
2. Accept the Class 20 Categorical Exemption as the appropriate environmental review for this proposal.
3. Accept the City of West Sacramento as the successor to Reclamation District 811, pursuant to Government Code section 57451(a).
4. Make the findings and conclusions as set out in this Executive Officer's Report.
5. Make the following determinations:
  - a. Public service costs of this proposal are likely to be less than or substantially similar to the costs of alternate means of providing the service; and,

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### **COMMISSIONERS**

*★ Public Member Olin Woods, Chair ★  
★ County Member Matt Rexroad, Vice Chair ★  
★ City Members Tom McMasters-Stone, Stephen Souza ★ County Member Helen M. Thomson ★*

### **ALTERNATE COMMISSIONERS**

*★ Public Member Robert Ramming ★ City Member Skip Davies ★ County Member Jim Provenza ★*

### **STAFF**

*★ Executive Officer Elizabeth Castro Kemper ★ Assistant Executive Officer Elisa Carvalho ★  
★ Commission Clerk Terri Tuck ★ Commission Counsel Robyn Truitt Drivon ★*

- b. The proposed consolidation promotes public access and accountability for community services needs and financial resources; and,
  - c. The Commission has authorized, pursuant to Section 56854, the dissolution of the district without an election.
6. Approve Dissolution of Reclamation District 811, subject to the following conditions:
  - a. The City of West Sacramento shall pay all State Board of Equalization, County Clerk, or other appropriate fees prior to recording of the Certificate of Completion for the Reclamation District 811 Dissolution.
7. Instruct the Executive Officer to set the Conducting Authority proceeding for this proposal. Yolo County LAFCO shall conduct protest proceedings for this proposal pursuant to Government Code Section 57000 et seq. of the Cortese-Knox-Herzbert Act of 2000 and authorize the dissolution without election pursuant to Section 57102 and the limitations of Government Code Section 57113.
  - a. Schedule the next LAFCO meeting in the Reclamation District 811 area. Pursuant to Government Code Section 57008, for any proposal initiated by the Commission pursuant to subdivision (a) of Section 56375, the commission shall hold a public protest hearing in the affected territory. Staff has reserved the West Sacramento City Senior Center at 664 Cummins Way for 5pm on February 22, 2009.
8. If insufficient protest is received to terminate proceedings, determine the effective date of the approval of this agreement to be five (5) working days after recordation by the County Recorder of the Executive Officer's Certificate of Completion, once the imposed conditions are met.

## **BACKGROUND**

The Cortese-Knox-Hertzberg Act gives the Commission authority to initiate specific types of boundary changes, subject to study and analysis. Pursuant to Government Code section 56375(a)(3), the Commission may initiate proposals for a district change of organization or reorganization, including consolidations and dissolutions. The change must be consistent with a recommendation or conclusion of a Commission study, such as a municipal service review or sphere of influence study.

Two municipal service review and sphere of influence studies reviewed reclamation districts RD 811, 537 and 900, which overlie the City of West Sacramento and identified several reorganization options. The Commission reviewed and adopted the City of West Sacramento & CSA 9 Municipal Service Review and Sphere of Influence Report on

January 26, 2009 and the Yolo County Public Water and Reclamation Districts Municipal Service Review and Sphere of Influence Study on March 28, 2005. Both studies considered several options for reorganization, which included:

- Dissolve Reclamation Districts 537, 811 and 900 and reorganize them into one agency
- Create a single-purpose flood control agency
- Dissolve Reclamation District 811 and reassign its functions to the city
- Dissolve Reclamation District 900 and reassign its functions to the city
- Detach Reclamation District 537 territory north of the Sacramento Bypass and reassign a portion of its functions to the city
- Consolidate Reclamation District 811 and 900

In order to provide a more detailed and focused review of potential reorganization options, the Commission also directed staff to prepare a special study to consider and implement alternatives to the current organizational structure of Reclamation Districts 811, 537, and 900. On September 28, 2009, staff prepared a special study as part of its Executive Officer's report.

Based on its analysis and agency input, LAFCO staff determined that an additional reorganization option should be considered that involved Reclamation District 811 and Reclamation District 537. On September 28, 2009, staff recommended the Commission initiate a proposal for consolidation of RD 811 with RD 537; however, the Commission also received a letter from the City of West Sacramento dated September 24, 2009 expressing interest in assuming RD 811's functions. The Commission continued the hearing to December 14, 2009 to provide the City of West Sacramento more time to consider dissolution of RD 811 and subsequent management of drainage in the RD 811 area.

The West Sacramento City Council met on December 2, 2009 to discuss dissolution and management of RD 811 drainage facilities. On December 14, 2009, the Commission received a letter and minute order from the City of West Sacramento authorizing the City Manager to pursue discussions with Yolo County LAFCO on dissolution of RD 811. At the same meeting, the Commission approved the recommended action to initiate a proposal for the dissolution of Reclamation District 811.

Government Code Section 57450 states that upon the effective date of dissolution, "the district shall be dissolved, disincorporated, and extinguished, its existence shall be terminated, and all of its corporate powers shall cease, except as the commission may otherwise provide pursuant to Section 56886 or for the purpose of winding up the affairs of the district." The Commission is responsible for designating a successor agency that will wind up the affairs of the district consistent with terms and conditions established by the Commission.

If, pursuant to Government Code Section 56886(m), the Commission does not designate a city, county, or district as successor to RD 811, the City of West

Sacramento will be the successor after dissolution. Pursuant to Government Code section 57451(a), "if the territory of a dissolved district is located entirely within the incorporated territory of a single city, the city is the successor." RD 811 is entirely within the boundaries of the City of West Sacramento.

As successor, the City will have control over all of the District's assets (Government Code Section 57452) and assume the same powers and duties of the District (Government Code Section 57453) for the purpose of winding up RD 811's affairs. Pursuant to Government Code section 57463, any remaining funds would be used for the payment of any outstanding debt or other financial obligations. Once those obligations are met, remaining assets would be distributed to the City of West Sacramento; however, the City is required to use any funds, money, and property to benefit the lands, inhabitants, and taxpayers within the territory of the dissolved district, as far as may be practical.

### **ANALYSIS OF FACTORS TO BE CONSIDERED**

The requirements of Government Code section 56668 (Cortese-Knox-Hertzberg Act), the Yolo County Local Agency Formation Commission Standards of Evaluation (LAFCO Resolution No. 2007-07), and the Agricultural Conservation Policy (last amended by Minute Order 2007-25) indicate that certain factors be considered in the analysis of a proposal. These factors are discussed below.

Requests for input were distributed to the County Assessor, Auditor, Elections, and Planning Department. Responses from those departments have been included in this report as appropriate.

### **LOCATION AND LAND AREA – CONFORMITY WITH COUNTY GENERAL PLAN – PROPOSED LAND USE – PRESENT LAND USE – ASSESSED VALUE AND OWNERSHIP**

RD 811 is generally located in the northeast portion of the City of West Sacramento. The District is bound by Harbor Boulevard on the west, the Sacramento River on the north and east, and the Southern Pacific Railroad embankment (owned by the Southern Pacific Transportation Company) on the south. RD 811 is adjacent to District 537 on the west and RD 900 on the south.

RD 811 is approximately 1.7 square miles (1,088 acres) and has an estimated population of 13,512. The area is largely residential and nearly built out. Much of the development surrounding RD 811 is Industrial and Commercial.

#### **General Plan**

The proposal for dissolution is consistent with the intentions and goals of the West Sacramento and Yolo County General Plans.

The goal for storm water management in the 2030 Yolo County General Plan is to provide efficient and sustainable storm water management to reduce local flooding. The 2009 West Sacramento Draft General Plan Public Review Draft Background Report states “there is inconsistency in responsibilities between the City and reclamation districts in terms of ownership [and] maintenance and operation of drainage facilities”. According to the 1990 City of West Sacramento General Plan Policy Document (amended in 2004), the City’s goal is to cooperate with and possibly consolidate area reclamation districts for improved maintenance and improvement of levees and drainage channels.

Dissolution will help reduce the number of reclamation service providers in the area and confusion over service provision. Dissolution will fulfill the objectives of the City and County General Plan by providing reliable storm water drainage services, governance, management, and funding through the City of West Sacramento.

#### Assessed Value and Ownership

LAFCO notified the Assessor’s and Auditor’s Office of the proposed dissolution and requested feedback on the proposal. There were no concerns or conditions related to the proposal. This dissolution does not trigger the exchange of property tax; therefore, information related to assessed values and estimated property tax is not included.

According to the Elections Department, the District is inhabited and contains 4,997 registered voters. LAFCO law defines inhabited territory as territory with 12 or more registered voters.

#### **TOPOGRAPHY AND DRAINAGE**

RD 811’s drainage system and infrastructure consists of one ditch along the Southern Pacific Railroad embankment and one auxiliary pump. The railroad embankment runs east-west and represents the District’s entire southern boundary. North of this railroad right-of-way, RD 811 is responsible for drainage conveyance and discharge for most of the area from Douglas Street to Harbor Boulevard, RD 811’s western boundary. According to former Board Trustee Gregory Demars, RD 811 has not maintained the storm water ditches for at least three years.

Storm water runoff flows along the railroad ditch and through pipes into RD 537 and discharges to a larger capacity channel and pump station. The station is located in a pumping plant housing five pumps on land belonging to the Sacramento-San Joaquin Drainage District. The plant contains two large diesel pumps and three electric pumps. RD 811 owns one electric auxiliary pump, which is used for emergencies. Currently, RD 537 provides storm water pumping services and maintains the auxiliary pump for 811 with payment for operating costs paid from RD 811’s existing funds.

The City of West Sacramento currently provides limited storm water drainage service to areas in RD 811. The City operates and maintains a pump that was installed for the former

Lighthouse development, now known as The Rivers development. The pump is located on the east side of RD 811 south of the proposed development area.

The City of West Sacramento also maintains drainage pipes in RD 811. Drainage pipe has been installed in three separate areas along the Southern Pacific Railroad embankment, which represents the southern boundary of RD 811. The pipes are generally located at Kagle Drive, the Sacramento Northern Railroad, and Harbor Boulevard, the boundary between RD 537 and RD 811. RD 811 does not have the required equipment to maintain these pipes.

### **EFFECT ON GOVERNMENTAL AGENCIES – PROPERTY TAX NEGOTIATIONS – OTHER AGENCY INPUT – OTHER COUNTY DEPARTMENT INPUT**

Yolo LAFCO staff has met with all affected agencies. Staff organized a meeting with RD 537, RD 900, a former trustee of RD 811, and the Flood Protection Manager for the City of West Sacramento. The representatives from these agencies support the recommended action.

The dissolution does not trigger the exchange of property tax. RD 811 does not receive property taxes or assessments. RD 811 only receives revenue from interest on its accounts, which are dwindling.

### **BONDED INDEBTEDNESS**

Repairs to the auxiliary pump are currently under way at a cost of \$47,514. The repairs will be paid from the current RD 811 cash balance. The District's current cash balance is \$55,516. Once the invoice for the pump repairs is paid, the District will have a cash balance of \$8,002. Besides pump repair costs, RD 811 does not have any outstanding debt.

### **EFFECT ON OPEN SPACE AND AGRICULTURAL USES - PROXIMITY TO OTHER POPULATED AREAS - EFFECT ON ADJACENT AREAS - ENVIRONMENTAL ASSESSMENT - AGRICULTURAL POLICY**

There is no intention to change land use, to affect open space, or to convert any of the proposal site to urban use. The proposal area and surrounding areas are urban and developed to virtually the full extent. Much of the development surrounding RD 811 is Industrial and Commercial. There should be no growth pressure on adjacent areas as a result of this dissolution. Since this proposal is inside the City and does not involve conversion of soils from agricultural to urban uses, the Agricultural Conservation Policy and Land Evaluation and Site Assessment model do not apply.

### **COST FOR GOVERNMENTAL SERVICES**

City of West Sacramento staff estimated costs and available funds for ditch cleaning and ongoing operations and maintenance in the RD 811 area. According to former

Board Trustee Gregory Demars, RD 811 has not maintained the storm water ditches in RD 811 for at least three years. City staff estimates that a one-time thorough ditch cleaning effort would not exceed \$15,000. The ditch system would then be cleaned in segments each year, with each segment being cleaned on a three to four year rotation. The cost for annual maintenance is estimated at \$5,000. Maintenance of the equipment (auxiliary pump) is expected to be minimal as the pump is currently being refurbished and is only used as a backup. RD 537 and RD 811 split the energy costs of the operating pumps, which typically range between \$7,500 and \$10,000 annually. The City is in the process of contacting RD 537 to address the issue of pump maintenance.

City staff estimates the City has approximately \$135,000 in available funds for drainage services in January 2010. Funding is available for drainage services in the RD 811 area through an overlying flood control agency assessment and existing District funds. RD 811 will have approximately \$15,000 available in its cash balance. RD 811 currently has about \$55,000 in cash, but will have to pay \$40,000 for repairs on its auxiliary pump, leaving \$15,000.

City staff identified ongoing funding through the West Sacramento Levee Flood Control Agency (WSAFCA). As a condition of securing federal and state cost sharing funds for levee improvements, WSAFCA was required to provide provisions for ongoing operation and maintenance within the City. WSAFCA developed a formula based on land and estimated maintenance costs of each agency. The City receives \$48,000 per year on behalf of RD 811, which it has been collecting on behalf of the District for several years. The City has \$95,000 of RD 811's operations and maintenance funds. With the RD 811 cash rollover and the WSAFCA maintenance funds, the City will have approximately \$135,000 available in January 2010 and up to \$159,000 in August 2010.

### **ENVIRONMENTAL JUSTICE**

LAFCO must consider the extent to which the proposal will promote environmental justice. "Environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services. Residents in RD 811 are currently receiving a minimal level of drainage service from RD 537, which pumps RD 811 storm water. Dissolution and the City's subsequent management of drainage in the RD 811 area will increase the level of service that residents currently receive with no increase to current assessments or taxes.

### **DEFINITENESS AND CONFORMANCE OF BOUNDARY**

The State Board of Equalization (SBE) maintains and records district boundaries. The SBE does not require a prescribed map and legal description to record a dissolution; however, Yolo LAFCO is required to provide a Statement of Boundary change, Certificate of Completion, and Resolution to the SBE for an approved dissolution. The SBE does not charge a filing fee for dissolution.

## **CONFORMITY WITH COMMISSION POLICY**

This proposal is consistent with the Yolo County LAFCO's Standards of Evaluation. The dissolution of this District is consistent, logical, and orderly. RD 811 is an inhabited and urbanized single purpose special district inside the boundaries of the City. The City currently provides drainage services in the area and is better equipped to accommodate, and provide necessary governmental services to, residents in the RD 811 area.

RD 811 has a zero sphere of influence; therefore, dissolution is consistent with the sphere.

## **ENVIRONMENTAL ASSESSMENT**

Acceptance of a Class 20 Categorical Exemption as the appropriate environmental review is recommended. A Class 20 Exemption applies to local government reorganizations requiring no changes in the areas where previous powers were exercised, such as the establishment of subsidiary districts, consolidations, and mergers. The Class 20 Exemption is appropriate because the City of West Sacramento would continue to provide drainage services in the RD 811 area.

## **ALTERNATIVE ACTIONS**

Other alternatives:

1. Consolidate RD 811 with RD 537.
2. Consolidate RD 811 with RD 900.
3. Approve the dissolution with additional terms and conditions.

## **EXECUTIVE OFFICER'S COMMENTS**

The proposed dissolution is logical and orderly because it will result in greater transparency and more efficient provision of services. RD 811 is currently inactive with no governing board or staff. The City has more resources and can, therefore, provide more reliable ongoing drainage, governance, and management services. The City has been providing some drainage services to the area and dissolution would reduce the number of reclamation service providers in the area and confusion over service provision. The City is also collecting operation and maintenance revenues through WSAFCA, a portion of which will be used for drainage services in the RD 811 area.

Staff recommends that the Commission approve this proposal consistent with the findings, conclusions, and recommendations listed below.



## **FINDINGS AND CONCLUSIONS**

1. The proposal is to dissolve Reclamation District 811.
2. The subject territory is approximately 1,088 acres.
3. The City of West Sacramento is the successor to Reclamation District 811, pursuant to Government Code section 57451(a).
4. Public service costs of this proposal are likely to be less than or substantially similar to the costs of alternate means of providing the service.
5. The proposed consolidation promotes public access and accountability for community services needs and financial resources.
6. Government Code §57000 et seq. designates this Commission as the conducting agency for protest proceedings.
7. The Commission authorizes the dissolution without election pursuant to Section 57102 and the limitations of Government Code Section 57113.
8. The proposal is consistent with the Reclamation District 811 Sphere of Influence.
9. The area is largely residential and substantially built out.
10. The dissolution is not subject to the Yolo LAFCO agricultural conservation policy because the area is urban and has no agricultural land.
11. There are 4,997 registered voters in the area; therefore, the proposal area is considered inhabited by state law.
12. The proposal is consistent with the City of West Sacramento and Yolo County General Plans.
13. A Class 20 Categorical Exemption is the appropriate environmental review for this proposal.
14. The subject territory will receive drainage services from the City of West Sacramento; otherwise, there will be no change in governmental services related to this proposal.
15. The following agencies and Districts were notified concerning this proposal: the City of West Sacramento, Reclamation District 900, Reclamation District 537, the County of Yolo, the Department of Water Resources, and the Central Valley Flood Protection Board. No response was received.
16. The State Board of Equalization does not require submittal of a legal description and map for a dissolution.

17. The annexation is consistent with the LAFCO Standards of Evaluation.

18. The area proposed for reorganization represents an orderly, logical, and a justifiable change in District boundaries.

**Attachment:**

Map A: Reclamation District 811 map

# Reclamation District 811

