

2015

MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE STUDY

FOR THE

Yolo County Resource Conservation District





Project Name: MSR/SOI for the Yolo County Resource Conservation District

LAFCo Project No. S-043

Conducted By: Yolo Local Agency Formation Commission
625 Court Street, Suite 203
Woodland, CA 95695

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Subject Agency: Yolo County Resource Conservation District (RCD)

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Date of Last MSR/SOI Adopted by LAFCo 5/12/2008

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MSR/SOI BACKGROUND

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. In Yolo County, a SOI generally has two planning lines. One is the 10-year boundary which includes the area that may likely be annexed within 10 years, while the 20-year boundary is anticipated to accommodate boundary expansions over a 20-year horizon.

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.

AGENCY PROFILE

The Yolo County Resource Conservation District (RCD) was formed in 1977 through the consolidation of the existing Soil Conservation Districts (SCD) in Yolo County, including the Capay Valley, Western Yolo, and Northern Yolo SCDs. The RCD is empowered by California Public Resources Code (Division 9, Chapter 3) to provide for the control of runoff, the prevention or control of soil erosion, the development and distribution of water, and the improvement of land capabilities, including:

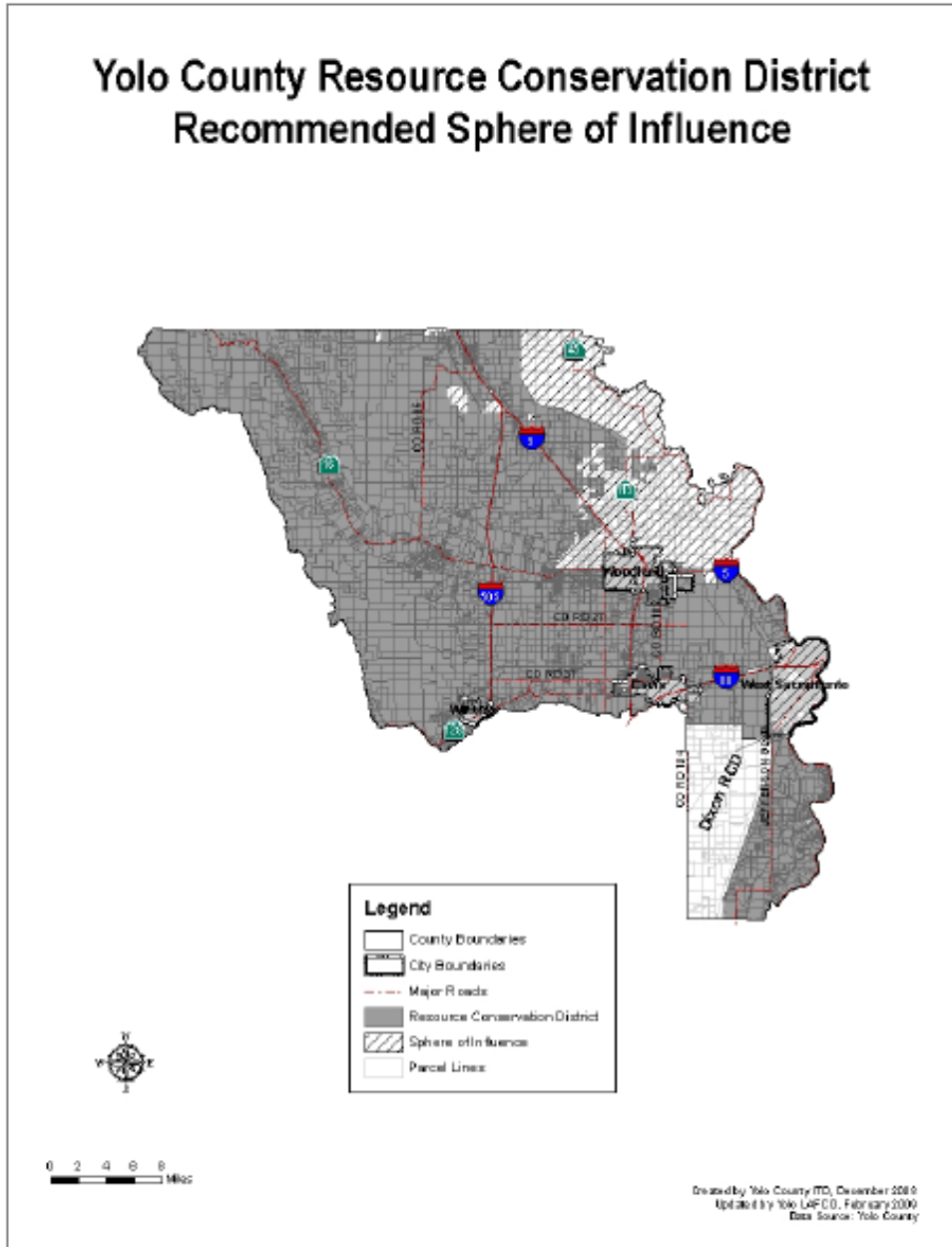
- Conducting surveys, investigations, and research
- Disseminating information relating to soil and water conservation and erosion stabilization
- Conducting demonstrational projects
- Providing technical assistance to private landowners
- Developing a district wide comprehensive annual and long-range work plan
- Managing soil conservation, water conservation, water distribution, flood control, erosion control, erosion prevention, and erosion stabilization projects
- Establishing standards of cropping and tillage operations and range practices
- Engaging in activities designed to promote a knowledge of the principles of resource conservation throughout the district, including educational programs for both children and adults

Boundaries

Prior to 1977 Yolo County had three soil conservation districts (Capay Valley, Western Yolo, and Northern Yolo), which covered much of unincorporated Yolo County and a portion of Colusa County. The three districts were merged to form the Yolo County RCD in 1977, which covered a total of 530,447 acres. The portion of the District that extended into Colusa County was detached in 1985 through efforts of the Colusa County LAFCo, leaving the Yolo County RCD with approximately 505,000 acres. The RCD covers approximately 77% of the County's total 653,549 acres.

The District's existing boundaries are generally bound by Napa County to the west, Colusa County to the north, and Solano County to the south. The District's eastern side is bound by the Colusa Basin Drain, the City of Woodland, Sacramento County, and the City of West Sacramento.

Generally, the District's boundary covers all territory in Yolo County, with the exception of the incorporated cities, a portion of the Yolo bypass area (which is served by Dixon RCD), and areas currently served by reclamation districts.



Historically, it was LAFCo’s policy to detach land from the RCD automatically upon annexation into one of the four cities. However, in 1995 LAFCo received a petition for an annexation of 425 acres into the City of Davis, and concurrent detachment from the RCD. The RCD contacted LAFCo expressing concern with these automatic detachments, emphasizing that the District provided services to both urban and rural areas. Ultimately, the Commission approved the annexation without detaching the land from the RCD’s boundaries. This effectively set a precedent that lands being annexed into incorporated cities in Yolo County would remain a part of the RCD service area.

The District's SOI was last updated during its most recent MSR/SOI study in 2008. At that time the Commission adopted a SOI for the RCD that covered all Yolo County property outside of the District's boundaries, with the exception of the territory served by the Dixon RCD. See the map for greater detail.

Structure and Governance

The Yolo County RCD is governed by a five member Board of Directors composed of local growers and landowners. The Board members are appointed to four-year terms by the Yolo County Board of Supervisors. The District is staffed by five employees, including one full-time Executive Director, one full-time Senior Program Manager, one part-time Administrative Assistant, one part-time Financial Manager, and one full-time Project Assistant. The District also works closely with the Natural Resources Conservation Service (NRCS), and draws on the skills and expertise of the NRCS staff as needed.

Services and Projects

The Resource Conservation District works to protect, improve and sustain the natural resources in Yolo County through collaboration with local partners. The District provides a variety of services related to resource conservation, including planning, management, project implementation, studies, monitoring, outreach and education. The District operates similar to a non-profit organization, in that it is primarily funded through grants and contracts. Many of its services and projects are driven by the availability of funding. Currently, the District has a wide variety of active projects, as listed below:

- **Cottonwood Slough Restoration and Enhancement:** The project is a riparian revegetation project on a partially straightened section of Cottonwood Slough starting approximately 1 mile south of the town of Madison in Western Yolo County.
 - **Funding Source:** US Partners for Fish and Wildlife
 - **Timeline:** Award ends 8/15/2018; Agreement ends 8/15/2024
- **Downtown Davis Parkway Greening:** The RCD is leading the revegetation planning, implementation and maintenance for the Putah Creek Parkway.
 - **Funding Source:** California Department of Urban Greening, Strategic Growth Council, Proposition 84
 - **Partners:** City of Davis, UC Davis Arboretum
 - **Timeline:** 6/1/20016
- **East Regional Detention Pond:** Provides design, planting and maintenance services for the pond, located in the City of Woodland.
 - **Funding Source:** City of Woodland
- **Hedgerow Project:** Provides outreach and education for establishing hedgerows on farms in Sacramento Valley.
 - **Funding Source:** Regents of the University of California
 - **Partners:** UC Davis
 - **Timeline:** 3/31/2016
- **Mitigation Project:** Light and sound mitigation for traffic impacts of the Hotel and Casino Expansion Project. Project is a dense pollinator hedgerow between Hwy 16 and private camp at Capay Organic Farm in Capay Valley.

- **Funding Source:** Yocha Dehe Community Fund
- **Partners:** Center for Land- Based Learning SLEWS Program (Student and Landowner Education and Watershed Stewardship)
- **Timeline:** Completed by 12/31/2015
- **North Davis Riparian Greenbelt:** The project is creating approximately 17 acres of publicly accessible riparian habitat in an urban storm water channel, benefiting water quality, agriculture, local residents and wildlife.
 - **Funding Source:** California Department of Urban Greening, Strategic Growth Council, Proposition 84
 - **Partners:** Putah Creek Council
 - **Timeline:** 6/30/2017
- **Sagara Project:** Establishment activities for farm-friendly riparian restoration and pollinator hedgerow in Esparto.
 - **Funding Source:** Partners for Fish and Wildlife
 - **Partners:** Audubon California
 - **Timeline:** Ends 10/31/2015
- **Springlake Project:** Provides education and outreach funds for public workshops on water conservation for residents of the City of Woodland.
 - **Funding Source:** Mitigation funds paid by the City of Woodland to offset the environmental impacts of the Springlake development.
 - **Timeline:** Ends 1/1/2019
- **Storz Pond Project:** Maintenance of 19-acre perennial grassland for urban storm water filtration located east of Highway 113, south of the Springlake Fire Department.
 - **Funding Source:** City of Woodland
 - **Partners:** City of Woodland
 - **Timeline:** Under existing MOU, renews annually on July 1st
- **Union School Restoration and Enhancement:** Establishment activities for farm-friendly riparian restoration and pollinator hedgerow on County Road 95 between County Roads 29 and 27.
 - **Funding Source:** Partners for Fish and Wildlife
 - **Partners:** Audubon California
 - **Timeline:** Ends 10/31/2015
- **Westside Sacramento Integrated Regional Water Management (IRWM) Plan Implementation Assistance:** The RCD assists in administering the Westside IRWM with meeting coordination, data management and outreach services.
 - **Funding Source:** Solano County Water Agency
 - **Partners:** Westside Sacramento IRWM Coordinating Committee
 - **Timeline:** Ends 6/30/2016
- **Working Waterways:** The primary goal was to get conservation projects on the ground, specifically riparian restoration plantings; native vegetation of canal banks and uplands; and installation of ponds designed to support Sacramento perch, a native fish previously found throughout the great valley but now relegated to isolated California lakes not previously within its native range. Additionally,

Audubon monitored wildlife use of the project areas- specifically birds; Solano Land Trust led a study on Local Markets for Farm Edge Conservation; and all of the partners worked closely with the YCFCWCD to assemble a canal vegetation management manual to guide them in converting weedy vegetation into native plants that are compatible with their water delivery and management practices.

- **Funding Source:** California Department of Fish and Game
 - **Partners:** Audubon Landowner Stewardship Program, Solano RCD and Solano Land Trust
 - **Timeline:** Ended 12/31/2014
- **Yolo Creek and Community Partnership:** The project supports habitat restoration projects along Yolo County waterways to benefit wildlife, support agricultural values, and foster community cooperation in the region.
 - **Funding Source:** Yocha Dehe Community Fund
 - **Partners:** Center for Land-Based Learning
 - **Timeline:** Ends 12/31/2015

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 (included 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

School Districts:

- Davis Joint Unified
- Esparto Unified
- Pierce Joint Unified
- River Delta Unified

- Washington Unified
- Winters Joint Unified
- Woodland Joint Unified
- Los Rios Community College District
- Solano Community College District
- Woodland Community College District
- Yuba Community College District

Special Districts:

- Cemetery Districts – Capay, Cottonwood, Davis, Knight’s Landing, Mary’s, Winters
- Community Service Districts – Cacheville, Esparto, Knight’s Landing, Madison
- Fire Protection Districts – 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

MUNICIPAL SERVICE REVIEW

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) According to the U.S. Census Bureau (2010) the projected population in Yolo County for 2013 was 204,593, of which 87.3% (178,578 residents) was projected to live within the County’s four incorporated cities. This leaves approximately 26,015 residents living in unincorporated Yolo County. The District’s territory is primarily within this unincorporated area.

When the Yolo County 2030 Countywide General Plan was written (in 2009), there existed 7,263 residential units in the unincorporated areas of Yolo County. The General Plan allows for significant growth in the area, permitting development of an additional 14,798 units over a 20 year period.

If/when significant development does occur in the future, the RCD has expressed that this will make their work more critical and challenging, as they conduct work in both rural and urban communities. Particularly, the RCD expects that increased development (especially of agricultural lands) may create more demand from farmers to engage in conservation programs that decrease costs (such as irrigation efficiency measures), increase production (such as pollinator hedgerows), or pay ecosystems services (such as NRCS's Agricultural Conservation Easement Program).

However, staff believes that achieving a significant level of development in the next 5-10 years is unlikely, given that the California Department of Finance (2013) projects a population growth of only 1.04 percent between 2010 and 2015 for unincorporated Yolo, with an additional 1.06 percent between 2015 and 2020. Therefore, staff does not expect that the RCD's territory will experience any significant population change or development over the next 5-10 years that will impact its service needs and demands.

Growth and Population MSR Determination

At this time the RCD's territory, which includes most of the unincorporated areas of Yolo County, is not projected to experience any significant development or population growth that might impact the District's ability to deliver resource conservation services. The most likely areas of near-term development in Yolo County will be contained to the incorporated cities, which are not currently within the RCDs boundaries.

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) The Yolo County Resource Conservation District provides resource conservation services to the majority of unincorporated Yolo County, as well as a few small urban areas. The District does not provide any other municipal services, and resource conservation is not a service that triggers the provisions of SB 244.
- b) The term "Inhabited Unincorporated Communities" is defined per Commission adopted policy as those areas on the County of Yolo 2030 General Plan Land Use Map (see Figures LU-1B through LU-1H) that contain land use designations that are categorized as Residential by Table LU-6. The communities of Rumsey and West Kentucky are also included in this definition (even though the current land use designations are Agriculture (AG) and Commercial Local (CL) respectively) because their existing uses are residential. These communities are as follows:

Binning Farms	Guinda	Rumsey
Capay	Knights Landing	West Kentucky
Clarksburg	Madison	West Plainfield
Dunnigan	Monument Hills	Willow Oak
El Macero	North Davis Meadows	Willowbank
El Rio Villa	Patwin Road	Yolo
Esparto	Royal Oak	Zamora

The RCD's boundary covers most of unincorporated Yolo County, which means that many of the inhabited unincorporated communities listed above are within its boundaries, and several of them are disadvantaged. However, given that the RCD does not provide water, sewer or structural fire protection services, the provisions of SB 244 do not apply.

Disadvantaged Unincorporated Communities MSR Determination

The RCD does not provide water, sewer or structural fire protection services, therefore the provisions of SB 244 do not apply and Disadvantaged Unincorporated Communities are not an issue.

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-b) LAFCo staff is not aware of any issues with the RCD's existing or future capacity to provide services. District staff reports that its current staffing level is adequate to keep up with its current projects, and the District is not experiencing a backlog of projects. The District operates much like a non-profit because it relies heavily on grant funding from local, state and federal agencies. This allows the District to easily adjust its staffing capacity to reflect its current funding level and need.
- c) LAFCo staff is not aware of any adequacy issues with the services provided by the RCD. The RCD does not have any violations or compliance issues with regulatory agencies. Additionally, the majority of the District's services are funded through grants or contracts, which generally include standards of service and reporting requirements. Grantors and contractors would have the option of terminating their relationship with the District if they were unhappy with the services provided.
- d) The District does not maintain any property, machinery or infrastructure, and does not have any needs related to these items. The District does own several vehicles (as listed below), but does not see any near-term need for replacements or upgrades.
 - o Ford F-150, 2001
 - o Ford F-250, 2006
 - o Honda Prius, 2000
 - o Honda #620, 4-trax, 2001
 - o Trailer, 2011
 - o Water tank trailer, 2006
- e) Staff is not aware of any state legislation on the horizon that will impact the District's ability to provide services.
- f) As discussed in the Disadvantaged Unincorporated Communities section (determination # 2), the RCD provides resource conservation services to the majority of unincorporated Yolo County. Many inhabited unincorporated communities lie within the boundaries of the RCD, of which some are disadvantaged. However, the RCD does not provide sewer, water or fire protection services, and is not involved in providing these municipal services for disadvantaged communities.

Capacity and Adequacy of Public Facilities and Services MSR Determination

The Resource Conservation District provides natural resource conservation services throughout Yolo County. LAFCo staff has no concerns regarding the District’s capacity to provide services, or the adequacy of its services. Additionally, the District has no near-term infrastructure or equipment needs that may impact its ability to provide services.

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 checked="" type="checkbox"/>	<input type="checkbox"/>
b) Is the organization lacking adequate reserve to protect against unexpected events or upcoming significant costs?	<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 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:

a) The Resource Conservation District routinely adopts and operates an annual budget with a budget cycle of July 1 through June 30. The annual budget is prepared by the Executive Director, and then presented to the Board of Directors for adoption. Mid-year adjustments to the budget or spending in excess of the budgeted amount must be approved by the Board of Directors. The District’s funds are held in the County Treasury.

The District receives annual independent audits, with the most recent audit being completed on October 2, 2014. The audit revealed no instances of non-compliance or material weakness in internal controls.

The table below provides a summary of the District’s budgets from fiscal year (FY) 09/10 to 13/14. The District maintained a positive balance in three of the previous five years. The District did overspend its

revenues in FY 10/11 and 12/13 due to unanticipated payroll and other expenses that were not covered by grant or fee-for-service revenues.

Resource Conservation District Budget Summary					
	2009-10	2010-11	2011-12	2012-13	2013-14
Revenues:					
Intergovernmental Transfers	1,007,866.89	811,400.08	978,572.67	455,228.51	663,361.13
Taxes	13,933.92	14,193.32	13,970.43	14,113.61	14,758.52
Other	28,271.86	45,714.51	30,087.06	8,269.40	12,411.07
TOTAL REVENUES	1,050,072.67	871,307.91	1,022,630.16	477,611.52	690,530.72
Expenditures:					
Salaries and Benefits	463,089.96	428,772.37	377,308.13	317,736.31	340,155.87
Services and Supplies	95,516.94	212,041.19	234,200.04	77,495.83	70,937.95
Other	211,247.90	488,974.31	197,922.37	126,948.65	218,997.15
TOTAL EXPENDITURES	769,854.80	1,129,787.87	809,430.54	522,180.79	630,090.97
<i>Revenues Less Expenditures</i>	<i>280,217.87</i>	<i>-258,479.96</i>	<i>213,199.62</i>	<i>-44,569.27</i>	<i>60,439.75</i>
SOURCE: County of Yolo Budget and Revenue Status Reports					

The District's revenues come primarily from grants or contracts with public agencies, which are labeled as intergovernmental transfers in the budget summary below. Grants and contracts are generally not very stable and reliable, which leaves the District with budgets that may fluctuate significantly from year to year. Additionally, grants and contracts generally come with very specific requirements regarding how the money can be spent, which means that the District has little flexibility in how and when it expends its budget. The District's only stable and general purpose funding sources is property taxes, of which it receives approximately \$14,000 annually. Having a lack of stable funding sources may cause difficulty in staying on track with adopted budgets, and may cause fluctuations in the District's ability to pay for staffing and administrative functions.

- b) The District currently has a reserve of \$70,614, which is approximately 11% of its budgeted costs for FY 13/14. Best practices regarding an appropriate level of reserve often vary based on the agency and services it provides, but generally range from 5-20% of total budget. The existing reserve amount may be sufficient for the District, given that it does not maintain any significant infrastructure.

However, the District may wish to consider that its budgets have decreased significantly in recent years, and if it is expecting to increase its revenues in the coming years it may also need to proportionally increase its reserve. Additionally, given that the majority of the District's revenues are relatively unstable, maintaining a strong reserve will improve the District's ability to maintain staff during years with fewer revenues. The District does not currently have a reserve policy to guide its practices on this issue, and may wish to adopt a formal reserve policy that consider the various scenarios in which it may need to rely on a reserve.

- c) The RCD does not have a traditional fee or rate structure, due to the nature of its work. Rather, when the RCD is asked to take on a project its staff develops an expected budget based on the direct and indirect costs of completing the project. The entity or person requesting the project is then

responsible for paying for the full costs of the project. This appears to be a fair rate system, as project funders are charged for the actual costs of completing the project.

The RCD also has a billable rate for each staff position, which gets incorporated into the project budgets as they are developed. The billable rates are updated at the beginning of each fiscal year, and the current rates are listed in the table below.

Position	Hourly Rate
Executive Director	\$90
Administrative Assistant	\$49
Financial Manager	\$64
Project Assistant	\$52
Senior Program Manager	\$83
Program Manager	\$60
Field Technician	\$37
Intern	\$32

- d) The District does not maintain any property, machinery or infrastructure, but does own several vehicles. The District staff has indicated that they do not have any significant near-term needs related to infrastructure or equipment. The District maintains a reserve that would be sufficient to replace one of its vehicles in the event of an unexpected breakdown or accident. However, the District does not maintain any replacement schedule for its vehicles, to aid with planning for the regular replacement of vehicles due to aging. The District should consider developing a vehicle replacement plan to ensure that adequate funding is available to replace its vehicles in a timely manner.
- e) The District has adopted three financial policies, including:
 - Policy for Contract and Invoice Approvals (2007)
 - Policy and Procedures for Reimbursement of Employee Expenses (2006)
 - Compensation Policy (2012)

It may be helpful for the District to expand its financial polices to cover additional topics, such as budget preparation process, reserve and contingency funds, and debt management practices. Financial policies help to ensure the financial stability of an organization, and the District should work towards documenting all of its financial management practices.

- f) According to District staff, the RCD has no debt.

Financial Ability MSR Determination

Overall, the Yolo County Resource Conservation District appears to engage in sound financial management practices, including adopting an annual budget, commissioning independent audits, maintaining a sufficient level of reserve, maintaining an appropriate level of debt, and charging a fair rate for its services. The District has struggled with overspending its revenues in two of the previous five fiscal years, which LAFCo staff suspects is a result of the relatively unstable nature of its revenues (which are mostly grants and contracts). This issue with unstable revenues is unlikely to change given the nature of its services, and the District can better equip itself to deal with fluctuations in revenues by implementing some of the recommendations below.

Recommendations:

- The District should consider developing a vehicle replacement plan to ensure that adequate funding is available to replace its vehicles in a timely manner.
- The District does not currently have a reserve policy, and may wish to adopt a formal reserve policy that consider the various scenarios in which it may need to rely on a reserve.
- The District should consider expanding its financial polices to cover additional topics, such as budget preparation process, reserve and contingency funds, and debt management practices.

5. SHARED SERVICES AND FACILITIES

Status of, and opportunities for, shared facilities.

	YES	MAYBE	NO
a) Is the agency currently sharing services or facilities with other organizations? If so, describe the status of such efforts.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) 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"/>
c) Are there any governance options that may produce economies of scale and/or improve buying power in order to reduce costs?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Are there governance options to allow appropriate facilities and/or resources to be shared, or making excess capacity available to others, and avoid construction of extra or unnecessary infrastructure or eliminate duplicative resources?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Discussion:

- a) The District maintains strong partnerships with a variety of private individuals, businesses, farmers, ranchers, non-profits and special districts. The District also works with public partners, including federal, state, county and city governments. The District works primarily within Yolo County, but also occasionally provides services in areas outside the District boundaries in cooperation with the associated special districts.
- In particular, the District maintains a strong partnership with the local service center of the USDA Natural Resource Conservation Service (NRCS), including a shared office space, partnerships on projects, and shared staff expertise. NRCS has a similar mission to the RCD, providing farmers and ranchers with financial and technical assistance to voluntarily engage in conservation practices.
 - The RCD has a small storage area at the Yolo County Flood Control and Water Conservation District (YCFCWC) for storage of vehicles and equipment. The area is a secured corner of the YCFCWCD equipment yard on Highway 16, which they use to store vehicles and moisture sensitive items. The RCD also uses the space to store a couple of trailers and an array of plants. In

exchange for use of the space the RCD paid for improvement to the fence in the storage yard. Otherwise, the RCD pays no rent.

- The RCD also has a shared service agreement with the YCFCWCD that allows them to share a part-time Project Manager.
- The District uses the County Treasury and payroll. Both of these services are provided by the County to special districts free of charge.

b) The District maintains strong partnerships with many local organizations, and is always pursuing new partnerships. The District might wish to consider the following opportunities for additional shared services, when appropriate:

- The District might benefit from expanding the use of shared staff positions with partner agencies when appropriate, much like its existing agreement to share a part-time Project Manager with the YCFCWCD. The District currently maintains several part-time positions, but it is often difficult to recruit and maintain employees in part-time positions. In circumstance where additional staff capacity is necessary, but the District cannot afford a full-time position, the District may wish to explore opportunities to share a position with another local agency or district.
- The District may also wish to explore the possibility of using the County's pooled purchasing services for future vehicle purchases, if it proves to be more cost effective than purchasing separately.

c-d) The RCD is the only special district providing resource conservation services in Yolo County. The District takes advantage of several opportunities to increase efficiencies and produce economies of scale through the use of shared workspace and resources with partner agencies, and LAFCo staff is not aware of any governance options that would increase efficiencies or opportunities for shared service.

Shared Services MSR Determination

The Yolo County Resource Conservation District currently maintains a multitude of partnerships (with private individuals, businesses, farmers, ranchers, non-profit organizations, special districts, and government agencies) in order to share services, facilities, resources and expertise as appropriate. LAFCo staff is not aware of any governance restructure options that will increase efficiencies, but has identified several additional opportunities for shared services.

Recommendations:

- The District might also benefit from sharing staff positions with partner agencies when appropriate. The District currently maintains several part-time positions, but it is often difficult to recruit and maintain employees in part-time positions. In circumstance where additional staff capacity is necessary, but the District cannot afford a full-time position, the District may wish to explore opportunities to share a position with another local agency or district.
- The District may also wish to explore the possibility of using the County's pooled purchasing services for future vehicle purchases, if it proves to be more cost effective than purchasing separately.

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?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Are there any issues with staff turnover or operational efficiencies?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Is there a lack of regular audits, adopted budgets and public access to these documents?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Are there any recommended changes to the organization's governance structure that will increase accountability and efficiency?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Are there any governance restructure options to enhance services and/or eliminate deficiencies or redundancies?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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) The Resource Conservation District is governed by a five member Board of Directors composed of local growers and landowners. The Board members are selected based on their experience as active conservation partners in the community, and are appointed to four-year terms by the Yolo County Board of Supervisors. Board composition is intended to represent a broad spectrum of conservation interests and expertise.

In addition to a five member Board, the District has seven non-voting Associate Directors to provide information and expertise to the Board and attend functions on the Board's behalf. When Board positions become available, the District generally recruits from its existing pool of Associate Directors.

The Board meets on the second Wednesday of every month at 5pm at the Resource Conservation District Office. The District complies with all Brown Act requirements in publicly noticing its meetings.

- b) The District has had difficulty in recent years with recruiting and maintaining Board members. In 2008 the RCD expanded its Board membership from 5 to 7 in order to expand the range of expertise available on the Board. However, some turnover occurred in the following years, and the District had difficulty recruiting new members. Recognizing the ongoing challenges with Board recruitment, in July 2013 the Board chose to reduce its membership from 7 back to 5, which was confirmed by the Board of Supervisors in October 2013.

At this time the five-member Board is full, and the District uses a promising recruitment strategy that involves recruiting for new Board members from its existing pool of Associate Directors. The District has not had any issues with establishing a quorum in the past year.

- c) District staff has indicated that they currently have an adequate staffing level to handle the workload, and would hire additional project managers if the need arose.

However, the District did indicate that they have previously experienced some challenges with maintaining a stable staffing level, given the fluid nature of their funding sources. Because much of the District's work and funding is project based, the need for administrative and project staff fluctuates frequently. Issues with staffing stability can impact an organization's ability to recruit and maintain qualified and dedicated staff, cause the loss of valuable expertise or institutional knowledge, and may be harmful to partner relationships. The District may wish to explore creative opportunities to maintain or share staff, such as the recommendation in Section 5 (above) to pursue opportunities to share staff with partner agencies. Additionally, the District may wish to build a reserve specifically to help the organization maintain staff during periods of funding and project fluctuation.

- d) The District works to maintain transparency by receiving annual independent audits, and producing annual adopted budgets. Many of the District's work products are made available on its website, and more information on the District can be requested through email, post, or in-person at the office. The District also produces monthly newsletters for interested parties, which provides additional information on District activities.

The District may also wish to consider expanding the content on its website to include adopted budgets and third party financial audits. This would make the District's financial information more accessible to interested parties, and increase its overall transparency.

- e-f) LAFCo staff is not aware of any possible changes to the RCD's governance structure that will increase accountability, enhance services or eliminate deficiencies. The RCD is the only special district providing resource conservation services within its boundaries.

- g) The RCD boundaries do not overlap with any other district's providing resource conservation services.

Accountability, Structure and Efficiencies MSR Determination

The RCD has frequent and publicly accessible meetings that are publicized in accordance with the Brown Act. The District adopts annual budgets, completes annual independent audits, and currently has a full and stable Board of Directors. LAFCo staff is not aware of any potential changes to the District's governance structure or boundaries that will increase accountability enhance services or eliminate deficiencies. However, LAFCo staff did identify several opportunities for the RCD to increase transparency, efficiency and organizational stability, as discussed in the recommendations below.

Recommendations:

- The District should consider building a reserve specifically to help the organization maintain staff during periods of funding fluctuation, in order to increase staffing stability.
- The District should consider expanding the content on its website to include adopted budgets and third party financial audits, to increase the district’s financial transparency.

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 checked="" type="checkbox"/>	<input type="checkbox"/>

Discussion:

- a) LAFCo staff conducted outreach to several RCD stakeholders while researching this MSR, including RCD staff, Clerk of the Board, the County Administrator’s Office, and all of the Board of Supervisor’s Offices. During the outreach process two additional issues were identified, that are not discussed in the previous 6 MSR determinations.

Annexation of Cities into RCD Boundaries: Prior to LAFCo beginning this MSR the RCD contacted LAFCo to explore the possibility of annexing Yolo’s four cities (Davis, West Sacramento, Winters and Woodland) into its boundaries. The cities are currently in the District’s sphere of influence, and the District frequently provides resource conservation services inside city boundaries, as well as in the rural areas.

Presently, the District receives \$0.00035 for every property tax dollar collected within its boundaries, which generally amounts to approximately \$14,000 per year. However, the RCD would receive a significant increase in property taxes if the cities were annexed into the RCD’s boundaries at a similar property tax rate as it currently receives in the unincorporated areas.

The table below provides a projection of the potential property tax shares the District could receive. The District will likely only receive approximately \$14,000 this year from its territory in the unincorporated county, while it would receive approximately \$76,000 if its boundaries covered all of Yolo County. These additional funds would be available to the RCD for general use, and would be very valuable to the RCD because it has very few flexible funding sources.

Projected Property Tax Shares for the RCD			
Community	Assessed Value	1% of Assessment	Potential RCD Share (\$0.00035/\$1)
Davis	6,916,245,900	69,162,459	\$24,207
Winters	454,959,237	459,592	\$1,592
Woodland	4,741,038,491	47,410,385	\$16,593
West Sacramento	5,653,302,904	56,533,029	\$19,786
Unincorporated Areas	4,050,554,446	40,505,544	\$14,176
Total County	21,818,600,599	218,186,006	\$76,365

Methodology: The calculations are based on the assumption that a rate of 1% (the maximum assessment rate in California) would be collected on all assessed value, and the RCD would receive the same share of property taxes (\$0.00035/\$1) in all areas that it currently receives in the unincorporated areas.

Source: County of Yolo (2014). Assessment Roll Summary.

While annexing the cities into the RCD boundaries would result in positive financial impacts, the RCD also acknowledged the difficulties associated with pursuing this annexation. Specifically, annexation would require extensive negotiations with each city to determine the tax share, which would be costly and time consuming. If the RCD and cities could not come to an agreement then the annexation could not proceed.

Due to the complexities of the annexation process, the RCD has chosen not to pursue annexation of the cities at this time. The RCD may choose to pursue this topic further at a later date.

Possible Transfer of Yolo Bypass area from Dixon RCD to Yolo RCD: There is a small area of land in Yolo County (the Yolo Bypass Wildlife Area) that is currently provided resource conservation services by the Dixon RCD, rather than the Yolo RCD. Dixon RCD has been serving the area for many years, and there has previously been no reason to transfer the lands. However, Dixon RCD recently approached the Yolo RCD and requested that Yolo take over the work Dixon is doing in Yolo County. If the RCDs reach an agreement on this issue, they may wish to change their boundaries to appropriately reflect this change at some point in the future. LAFCo encourages the District to continue pursuing this opportunity, and to approach LAFCo when it is prepared to annex the Yolo Bypass area. At that time, Yolo LAFCo would work with Solano LAFCo to detach the territory from the Dixon RCD and annex it into the Yolo RCD.

Other Issues MSR Determination

During the MSR process LAFCo staff identified only one potential issue that was not settled in a previous MSR determination. The RCD staff expressed some interest in annexing Yolo's four cities into its boundaries, in order to increase the RCD's share of property taxes. The RCD often provides services in Yolo's urban areas, but does not currently receive any property taxes to fund this work. Upon further exploration of this topic, the RCD chose not to pursue annexation at this time, given the cost and time demands of the annexation process.

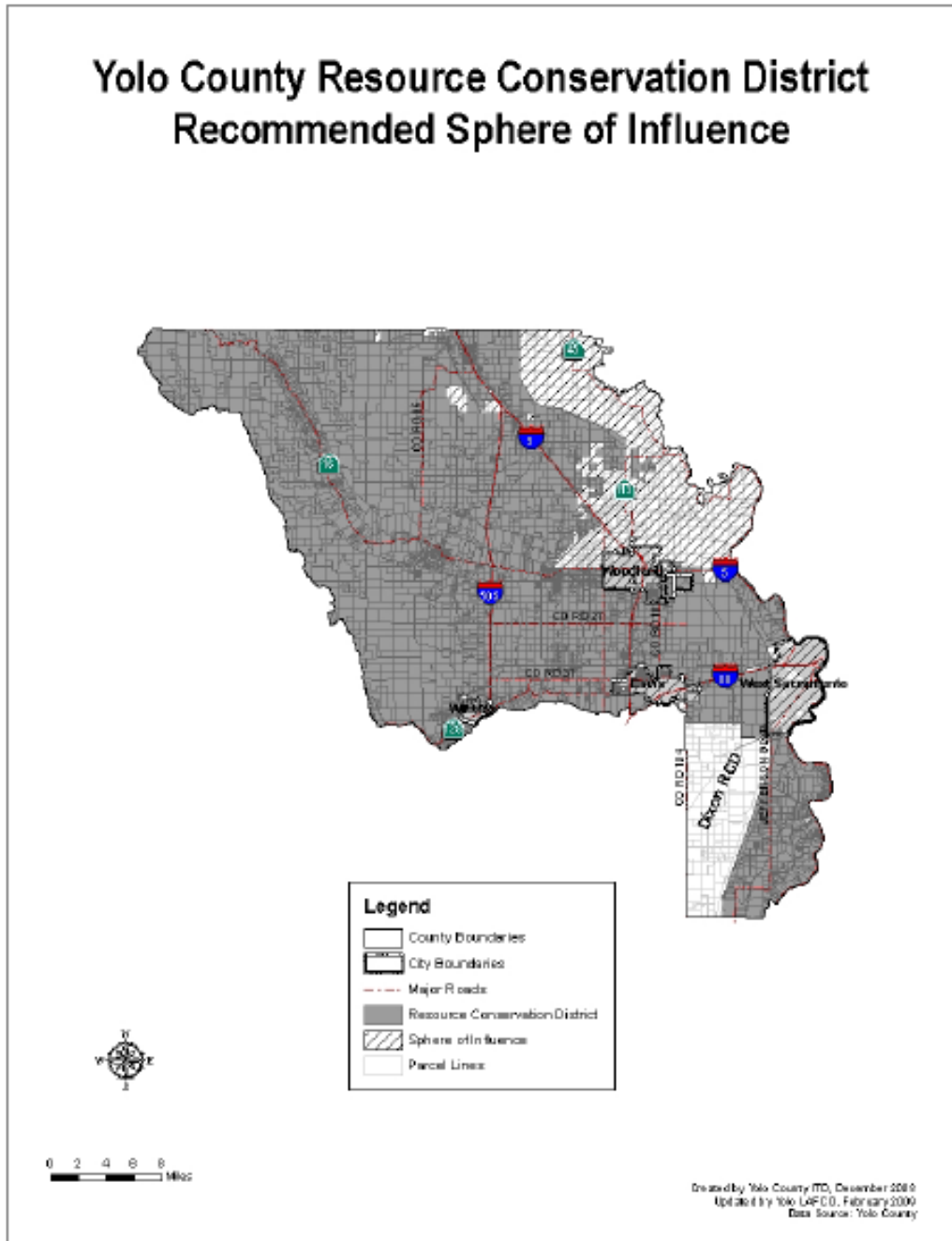
Recommendations:

- LAFCo encourages the District to continue discussions with the Dixon RCD regarding the possibility of transferring resource conservation work in the Yolo Bypass Wildlife Area from Dixon to Yolo, and to approach LAFCo if it would like to annex the territory at some point in the future.

SPHERE OF INFLUENCE STUDY

Existing Boundary and Sphere of Influence

The current boundary and sphere of influence for the Yolo County Resource Conservation District are as reflected in the map below. No sphere of influence update is recommended with this review. The District's sphere already covers all of Yolo County, with the exception of the small territory that is served by Dixon RCD.



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.

REFERENCES

- California Department of Finance. (2013). Report P-1 (County): State and County Total Population Projections, 2010-2060. <http://www.dof.ca.gov/research/demographic/reports/projections/P-1/>
- California Public Resources Code. *Division 9, Chapter 3*. <http://www.leginfo.ca.gov/cgi-bin/calawquery?codesection=prc>
- Dachtler, J. (2014). Clerk of the Board, County of Yolo. *Personal Communication*.
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- Yolo LAFCo. (2008). Yolo County Resource Conservation District Municipal Service Review and Sphere of Influence. <http://www.yolocounty.org/home/showdocument?id=8576>