

TO: Olin Woods, Chair, and Members of the
Local Agency Formation Commission

FROM: Elizabeth Castro Kemper, Executive Officer
Elisa Carvalho, Senior Management Analyst

DATE: May 12, 2008

RE: Public Hearing to Adopt the Draft Yolo County Resource Conservation District
Municipal Service Review and Sphere of Influence Study as Final

RECOMMENDED ACTION

1. Hold the Public Hearing to receive comments on the draft Yolo County Resource Conservation District Municipal Service Review and Sphere of Influence Study
2. Adopt the General Exemption as the appropriate environmental review for the draft Yolo County Resource Conservation District Municipal Service Review and Sphere of Influence Study
3. Approve the draft Yolo County Resource Conservation District Municipal Service Review and Sphere of Influence Study as final establishing the Sphere of Influence as all of the property outside of the District boundaries and in Yolo County, excluding the Dixon RCD area
4. Direct staff to continue working to confirm the definite District boundaries and report back to the Commission when the final district map is confirmed.

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 Mariko Yamada ★

STAFF

*★ Executive Officer Elizabeth Castro Kemper ★ Senior Management Analyst Elisa Carvalho ★
★ Commission Counsel Stephen Nocita ★ Commission Clerk Terri Tuck ★*

REASON FOR RECOMMENDED ACTION

The Municipal Services Review and Sphere of Influence Study are required by State law to serve as guidance documents for any boundary changes to the Yolo County Resource Conservation District (RCD). This document was distributed to the Yolo County RCD Executive Director and Board of Directors. All comments have been incorporated into the document.

BUDGET IMPACT

The Yolo County RCD Municipal Service Review and Sphere of Influence Study was prepared in-house.

SUMMARY

The MSR/SOI was prepared to meet the requirements and standards of the Cortese-Knox-Hertzberg (CKH) Local Government Reorganization Act of 2000. The Service Review was prepared using the Service Review Guidelines prepared by the Governor's Office of Planning and Research.

The fundamental role of the Local Agency Formation Commission (LAFCO) is to implement the CKH Act (found in Government Code 56000, et seq.) consistent with local conditions and circumstances. The CKH Act guides LAFCO's decisions. This MSR/SOI will assist the Commission and its staff when considering actions that will affect the Yolo County RCD.

This Municipal Service Review (MSR) and Sphere of Influence (SOI) Study was prepared for the Yolo County RCD. The combination of the two studies analyzes the District's ability to provide existing and future residents services that improve land for agricultural purposes through a variety of means including: the prevention or control of soil erosion; the development and distribution of water; dissemination of information relating to soil and water conservation; the protection of water quality and reclamation of water; and assistance in planning irrigation systems, wildlife habitats, and livestock watering facilities.

Financial resources affect a District's ability to provide quality, reliable service. The District receives, and is successful in acquiring, most its funding through State and Federal grants. The District's revenue has been over half a million dollars consistently since fiscal year 2004-05. The District provides the level of services and programs that grant funding allows. The District could accomplish more with additional funding, which would require additional work, time, and staff to find, apply for, and administer additional grants.

Currently, there is no perceived gap in services. The District has adequate vehicles, equipment, and facilities to provide services. The need for services and facilities could increase if additional lands were annexed into the District or more landowners applied to the District's programs for service; however, under current conditions, the need for facilities and on-site agricultural programs and services will decrease with urban

development. Conversely, the need for education and outreach in urban areas and communities could increase with additional development.

The District's services and capabilities have been evaluated in the draft MSR/SOI Study, which is complete, with the exception of the final map. The staff is still working to confirm the definite District boundaries. Staff has been working with the Office of the Auditor Controller and Assessor and the Information Technology (IT) Department to identify the exact parcels and lines that define the District boundaries. Some discrepancies in data have occurred, primarily along the District's eastern boundary, along the Colusa Basin Drain. Staff will report back to the Commission on the final District map, when it is confirmed.

OTHER AGENCY INVOLVEMENT

Staff worked with the Yolo County RCD Executive Director to obtain information for this Study. Information was also obtained from the County Auditor's Office, the Information Technology Division, and the District's website.

Attachment A: Yolo County Resource Conservation District Municipal Service Review and Sphere of Influence Study with maps

Draft

Yolo County Resource Conservation District
Municipal Services Review and
Sphere of Influence

Yolo County Local Agency Formation Commission

May 12, 2008

YOLO COUNTY

LOCAL AGENCY FORMATION COMMISSION

COMMISSIONERS

Olin Woods, Chair, Public Member

Matt Rexroad, Vice-Chair, County Member

Stephen Souza, City Member

Tom McMasters-Stone, City Member

Helen Thomson, County Member

ALTERNATE MEMBERS

Mariko Yamada, County Member

Robert Ramming, Public Member

Skip Davies, City Member

STAFF

Elizabeth Castro Kemper, Executive Officer

Elisa Carvalho, Senior Management Analyst

Stephen Nocita, Commission Counsel

Terri Tuck, Commission Clerk

TABLE OF CONTENTS

Introduction..... 5

 Sphere of Influence Update Process..... 6

 Sphere of Influence Update Process Outline 6

 Municipal Service Review Factors..... 7

 Sphere of Influence Guidelines 8

Areas of Interest..... 10

 Background..... 10

 Powers..... 10

 Topography and Demographic Features 11

 Sphere of Influence History..... 12

Municipal Services..... 13

 Present and Probable Capacity and Need 13

 Infrastructure Needs and Deficiencies..... 13

 Staff..... 13

MSR and SOI Analysis..... 14

 Growth and Population..... 14

MSR and SOI Factors 15

 Financing Constraints and Opportunities 15

 Revenue Sources..... 15

 District Budget 16

 Table A – District Revenues and Expenditures (Actual) 16

 Analysis..... 16

 Cost-Avoidance Opportunities 16

 Opportunities for Rate Restructuring 17

 Opportunities for Shared Facilities..... 17

 Government Structure Options..... 18

 Management Efficiencies and Local Accountability..... 18

Agricultural Lands..... 20

 Written Determinations – Municipal Service Review 20

Statement of Intent..... 20

Sphere of Influence Recommendations 21

 Written Determinations - Sphere of Influence..... 22

Environmental Review..... 23

References..... 24

Map 1 – Yolo County Resource Conservation District 25

Map 2 – 1987 Resource Conservation District Sphere of Influence..... 26

Map 3 – Recommended Yolo County Resource Conservation District Sphere of Influence 27

INTRODUCTION

This Municipal Service Review (MSR) and Sphere of Influence (SOI) Update is prepared for the Yolo County Resource Conservation District. The combination of the two documents analyzes the District's ability to serve existing and future residents. The SOI and Service Review were prepared to meet the requirements and standards of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH). The Service Review was prepared using the Service Review Guidelines prepared by the Governor's Office of Planning and Research.

The fundamental role of the Local Agency Formation Commission (LAFCO) is to implement the CKH Act (found at Government Code §56000, et seq.), consistent with local conditions and circumstances. The CKH Act guides LAFCO's decisions. The major goals of LAFCO as established by the CKH Act include:

- ▶▶ To encourage orderly growth and development, which are essential to the social, fiscal, and economic well being of the state;
- ▶▶ To promote orderly development by encouraging the logical formation and determination of boundaries and working to provide housing for families of all incomes;
- ▶▶ To discourage urban sprawl;
- ▶▶ To preserve open-space and prime agricultural lands by guiding development in a manner that minimizes resource loss;
- ▶▶ To exercise its authority to ensure that affected populations receive efficient governmental services;
- ▶▶ To promote logical formation and boundary modifications that direct the burdens and benefits of additional growth to those local agencies that are best suited to provide necessary services and housing;
- ▶▶ To make studies and obtain and furnish information which will contribute to the logical and reasonable development of local agencies and to shape their development so as to advantageously provide for the present and future needs of each county and its communities;
- ▶▶ To establish priorities by assessing and balancing total community services needs with financial resources available to secure and provide community services and to encourage government structures that reflect local circumstances, conditions, and financial resources;
- ▶▶ To determine whether new or existing agencies can feasibly provide needed services in a more efficient or accountable manner and, where deemed necessary, consider reorganization with other single purpose agencies that provide related services;

To conduct a review of all municipal services by county, jurisdiction, region, sub-region or other geographic area prior to, or in conjunction with, SOI updates or the creation of new SOIs; and

- ▶▶ Effective January 2001, to update SOIs as necessary but not less than every five years.

To carry out State policies, LAFCO has the power to conduct studies, approve or disapprove proposals, modify boundaries, and impose terms and conditions on approval of proposals. Existing law does not provide LAFCO with direct land use authority, although some of LAFCO's discretionary actions indirectly affect land use. LAFCO is expected to weigh, balance, deliberate, and set forth the facts and determinations of a specific action when considering a proposal.

Sphere of Influence Update Process

An important tool utilized in implementing the CKH Act is the adoption of a sphere of influence (SOI) for a jurisdiction. A SOI is defined by Government Code 56425 as "...a plan for the probable physical boundary and service area of a local agency or municipality..." 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. The Act further requires that a municipal service review (MSR) be conducted prior to or, in conjunction with, the update of a sphere of influence.

In addition, the Commission's methodology for sphere preparation is an essential part of updating the sphere of influence. In Yolo County, an SOI generally has two planning lines. One is considered a 20-year growth boundary, while the other is a 10-year, for immediate growth and projected service extension. 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.

The CKH Act requires LAFCO to update the spheres of influence for all applicable jurisdictions in the County within five years or by January 1, 2008. The MSR/SOI document provides the basis for updating the Yolo County Resource Conservation District Sphere of Influence, which shall be updated every five years.

For rural special districts that do not have municipal level services to review, such as the Yolo County Resource Conservation District, MSRs will be used to determine where the district is expected to provide services and the extent to which it is actually able to do so.

For these special districts, the spheres will delineate the service capability and expansion capacity of the agency. The ten-year line will represent the ability of the district to provide services within ten years. The twenty-year line will show the long-term expectations of influence, impact, and control. The sphere may have only one line depending on the projections for the District and the ability to provide services.

The process of preparing sphere of influence documents has several steps, as shown:

SPHERE OF INFLUENCE UPDATE PROCESS OUTLINE

1. Concurrent preparation of a draft municipal services review and a draft sphere of influence update.
2. Completion of the environmental review process consistent with the California Environmental Quality Act (CEQA).

3. Public review of the municipal service review, sphere of influence, and environmental review documents.
4. Approval of the municipal service review, sphere of influence study, and acceptance of the appropriate environmental document.

The CKH Act further requires that a municipal service review (MSR) be conducted prior to or, in conjunction with, the update of a sphere of influence.

In order to update a sphere of influence, the CKH Act calls for LAFCO to prepare and consider written determinations for each of the following:

- ▶ Present and planned land uses in the area, including agriculture, and open space lands;
- ▶ Present and probable need for public facilities and services in the area;
- ▶ Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide; and
- ▶ Existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.

MUNICIPAL SERVICE REVIEW FACTORS

This Municipal Service Review has been prepared in accordance with Government Code Section 56430 as a means of identifying and evaluating public services provided by the Yolo County RCD and possible changes to the District's Sphere of Influence. The Service Review Guidelines prepared by the State Office of Planning and Research were used to develop information, perform analysis, and organize this study.

The legislative authority for conducting service reviews is provided in the CKH Act. The Act states, "[i]n order to prepare and update sphere of influences in accordance with Section 56425, LAFCOs are required to conduct a review of the municipal services provided in the county or other appropriate designated areas..." (CKH Act, Section 56430). A service review must have written determinations that address the following factors in order to update a sphere of influence:

Factors to be addressed:

- Infrastructure Needs and Deficiencies
- Growth and Population
- Financing Constraints and Opportunities
- Cost-Avoidance Opportunities
- Opportunities for Rate Restructuring
- Opportunities for Shared Facilities

- Government Structure Options
- Evaluation of Management Efficiencies
- Local Accountability and Governance

Information regarding each of the above issue areas is provided in this document. Written determinations for each factor have also been prepared for the Commission's consideration. The service review will analyze the District's services consistent with the State's guidelines for preparing such a study.

Sphere of Influence Guidelines

The Sphere of Influence guidelines adopted by Yolo County LAFCO provide direction in updating the Yolo County RCD Sphere of Influence. Each of the following guidelines has been addressed in either the Sphere of Influence Update or the Municipal Service Review for the District.

1. LAFCO will designate a sphere of influence line for each local agency that represents the agency's probable physical boundary and includes territory eligible for annexation and the extension or withdrawal of that agency's services within a twenty-year period.
2. The sphere of influence may delineate a ten-year line that represents more immediate service area coverage needs and a twenty-year line that projects necessary service coverage by a particular agency.
3. LAFCO shall consider the following factors in determining an agency's sphere of influence.
 - a. Present and future need for agency services and the service levels specified for the subject area in applicable general plans, growth management plans, annexation policies, resource management plans, and any other plans or policies related to an agency's ultimate boundary and service area.
 - b. Capability of the local agency to provide needed services, taking into account evidence of resource capacity sufficient to provide for internal needs and urban expansion.
 - c. The existence of agricultural preserves, agricultural lands and open space lands in the area, and the effect that inclusion within a sphere of influence shall have on the physical and economic integrity of maintaining the land in non-urban use.
 - d. Present and future cost and adequacy of services anticipated to be extended within the sphere of influence.
 - e. Present and projected population growth, population densities, land uses, land area, ownership patterns, assessed valuations, and proximity to other populated areas.

- f. The agency's capital improvement or other plans that delineate planned facility expansions and the timing of that expansion.
 - g. Social or economic communities of interest in the area.
4. LAFCO may adopt a sphere of influence that excludes territory currently within that agency's boundaries. This occurs where LAFCO determines that the territory consists of agricultural lands, open space lands, or agricultural preserves whose preservation would be jeopardized by inclusion within an agency's sphere of influence, when another agency can provide similar services better than the existing service agency, or where exclusion is deemed appropriate for other sound policy reasons exclusion of these areas from an agency's sphere of influence indicates that detachment is appropriate.
 6. Where an area could be assigned to the sphere of influence of more than one agency providing a particular needed service, the following hierarchy shall apply dependent upon ability to provide service.
 - a. Inclusion within a city sphere of influence.
 - b. Inclusion within a multi-purpose district sphere of influence.
 - c. Inclusion within a single-purpose district sphere of influence.

In deciding which of two or more equally-ranked agencies shall include an area within its sphere of influence, LAFCO shall consider the agencies' service and financial capabilities, social and economic interdependencies, topographic factors, and the effect that eventual service extension will have on adjacent agencies.

7. Sphere of influence boundaries shall not create islands or corridors unless it can be demonstrated that the irregular boundaries represent the most logical and orderly service area of an agency.
8. Non-adjacent, publicly-owned properties and facilities used for urban purposes may be included within that public agency's sphere of influence if eventual annexation would provide an overall benefit to agency residents.
9. LAFCO shall review sphere of influence determinations every five years or when deemed necessary by the Commission. If a local agency or the county desires amendment or revision of an adopted sphere of influence, the local agency by resolution may file such a request with the Executive Officer. Any local agency or county making such a request shall reimburse the Commission based on the adopted fee schedule. The Commission may waive such reimbursement if it finds that the request may be considered as part of its periodic review of spheres of influence.
10. LAFCO shall adopt, amend or revise sphere of influence determinations following the procedural steps set forth in the Cortese-Knox-Hertzberg Act, Government Code Section 56000 et seq.

The Yolo County RCD Municipal Service Review and Sphere of Influence Update documents have been compiled using information from a variety of sources including the Yolo County RCD

Survey and Questionnaire, the Yolo County RCD website, the County of Yolo, and other governmental agencies.

AREAS OF INTEREST

Background

Powers

The Yolo County RCD was formed pursuant to Division 9, Chapter 3, of the California Public Resources Code. The purposes and powers of the district are directed towards improvement of land for agricultural purposes through a variety of means including: the prevention or control of soil erosion; the development and distribution of water; dissemination of information relating to soil and water conservation; the protection of water quality and reclamation of water; and assistance in planning irrigation systems, wildlife habitats, and livestock watering facilities.

History

Conservation districts emerged during the 1930s as a way to prevent the soil erosion problems of the Dust Bowl from recurring. Formed as independent local liaisons between the USDA Natural Resources Conservation Service (NRCS) and landowners, conservation districts have always worked closely with their federal counterparts. The NRCS aids the Yolo County Resource Conservation District in providing technical and financial assistance to help land owners and managers conserve soil, water, and other natural resources.

Before 1972, Resource Conservation Districts were known as Soil Conservation Districts (SCDs). The Yolo County Resource Conservation District (RCD) was formed in 1977 by the consolidation of three separate SCDs. The Capay Valley, Western Yolo, and Northern Yolo SCDs covered approximately 530,447 acres in Yolo and a portion of Colusa County. A portion of what was once the Capay Valley SCD extended into Colusa County. This area was detached from the Yolo County RCD and annexed to the Colusa County RCD in 1985. This change, known as the Reorganization of the Colusa County and Stonyford Resource Conservation Districts, was accomplished through the actions of the Colusa County Local Agency Formation Commission, which left the Yolo County RCD with approximately 505,000 acres.

In addition, part of the Dixon RCD, which is principally a Solano County District, lies in Yolo County. This area is in the Yolo Bypass, south of County Road 35, west of the Sacramento Deep Water Channel, and north and east of Solano County (see Map 1).

In the 1987 Yolo County Resource Conservation District Sphere of Influence Study, Yolo County LAFCO included detachment of land from the RCD automatically upon annexation into one of the four cities in Yolo County. The 1987 sphere study asserted, since the district did not provide services useful to an urban landowner the annexed areas should be detached from the RCD.

In July 1995, LAFCO received a petition for the Wildhorse Reorganization to the City of Davis, which proposed to annex 425 acres to the City of Davis and concurrently detach them from the

RCD. In response to the proposal for reorganization, the RCD wrote a letter to LAFCO expressing concern with, and requesting that LAFCO end, automatic detachments. The RCD emphasized that the District provided services to, and programs that benefitted, urban areas.

On December 11, 1995, the Commission approved the Wildhorse Reorganization without detaching the RCD from the project site. The Commission determined that detachment would not result in logical service boundaries. Detachment of the RCD would result in split parcels and discontinuous boundaries for the Wildhorse reorganization as well as the property southwest of the Wildhorse project. Therefore, while the proposal area represented an orderly, logical and justifiable change of city boundaries, the proposed detachment from the RCD was not conducive to logical service boundaries.

The LAFCO Commission approved the Wildhorse proposal subject to renegotiation of a property tax exchange between the City and County for the RCD. The City and County signed an initial revenue sharing and property tax exchange agreement for the Wildhorse Annexation on October 17, 1995 that excluded the RCD from an ongoing property tax share. The City and County signed an amendment to their property tax resolutions in June 1996, maintaining the Yolo County Resources Conservation District portion of property taxes.

The Commission's action to exclude the Yolo County RCD from the Wildhorse Reorganization set a precedent that excluded future, automatic detachments of the RCD from cities. Detaching the RCD from areas in the City, which are already in the RCD, would result in discontinuous and illogical service boundaries.

Topography and Demographic Features

The Yolo County Resource Conservation District (RCD) covers approximately 505,000 acres in Yolo County. The District is generally bounded by Napa County to the west, Colusa County to the north; the Colusa Basin Drain, the City of Woodland, Sacramento County, and the City of West Sacramento on the east; and Solano County to the south. Major thoroughfares in the District include Highways 16, 128, 45, and 113; Interstates 80, 5, and 505; and US 50.

Neighboring Resource Conservation Districts include the East Lake and Napa County Resource Conservation Districts (RCDs) to the west, the Colusa County RCD to the north, and the Dixon and Solano County RCDs to the south and west (in the panhandle). The Dixon RCD boundary also encompasses the western portion of the panhandle in Yolo County, west of the deep water channel.

The eastern portion of the District contains nearly level alluvial fans and flat plains, while the western portion consists of the rolling terraces and steep uplands of California's Coastal Range. The District has soils ranging from class one to class seven, excluding class five. Prime soils, categorized as Class I and II soils, have few restrictions in their use for agriculture. Important crops include tomatoes, alfalfa hay, grapes for wine, almonds, seed crops, rice, and walnuts.

Approximately 90% of land in the District is subject to Williamson Act contracts. The California Land Conservation (Williamson) Act authorizes local governments and property owners to (voluntarily) enter into contracts to commit land to agricultural or other open space uses for ten or more years. Once restricted, the land is valued as open space land pursuant to open space valuation laws (California Constitution, Article 13, Section 8, Revenue & Taxation Code

Sections 421 et seq.), which usually results in lower assessed values and, therefore, lower assessed property taxes.

Sphere Of Influence History

The last (revised) Sphere of Influence Study for the Yolo County RCD was completed in 1987. At that time, Yolo County LAFCO recommended and approved that the sphere of influence boundary include all [un]incorporated areas in the [C]ounty, except other existing RCD's, and exclude areas within incorporated sphere of influence boundaries (see Map 2).

At this time, LAFCO is being asked to consider the following actions as a part of this Sphere of Influence Update:

- Consider the Municipal Service Review for the Yolo County RCD;
- Approve and adopt the Yolo County RCD Sphere of Influence Update; and
- Accept the General Exemption (CEQA Guidelines section 15061(b)(3)) as the appropriate environmental determination pursuant to CEQA.

LAFCO has generated the following analysis to evaluate issues and address the factors unique to LAFCO's role and decision-making authority pursuant to the CKH Act.

MUNICIPAL SERVICES

Present And Probable Capacity and Need

The following is key information completed for the Yolo County Resource Conservation District. Each of the nine factors that are required to be addressed by the CKH Act for a municipal service review (MSR) is covered in this section as well as factors required for a Sphere of Influence (SOI).

Infrastructure Needs and Deficiencies

Land and Facilities

The Yolo County Resources Conservation District (RCD) leases office space in Woodland from the NRCS and has a small storage area at the Yolo County Flood Control and Water Conservation District (YCFCWCD). The RCD office is located in Woodland at 221 West Court Street #1.

The District utilizes a small space at the YCFCWCD for storage of vehicles and equipment. The YCFCWCD houses an equipment storage and mini-yard for the RCD at their facility on Hwy 16. In a fenced off, secured corner of the equipment yard, the RCD stores an old truck container, with an ATV and moisture-sensitive items. Next to the container, the RCD also stores a couple of trailers and an array of plants (awaiting planting projects). In exchange for use of the space in the yard, the RCD paid for improvements to the fence. Otherwise, the RCD pays no rent.

Staff

The RCD has its own program employees and utilizes the skills and expertise of the Natural Resources Conservation Service (NRCS). The District has nine employees (1 executive, 5 management/professional, 2 administrative, and 1 field/technician) that serve the District in a variety of capacities. The District employs one *Executive Director*, Senior Program Manager, Water Lab Manager, Revegetation Specialist, Revegetation Assistant, Vegetation Management Specialist/Watershed Coordinator, Bookkeeper, Technical Writer, and Administrative Assistant.

The Yolo County Resource Conservation District works closely with the NRCS, which is located in Yolo County in the RCD offices. The NRCS appointed District Conservationist Phil Hogan to act as a liaison between District-level and federal NRCS programs. In addition to Mr. Hogan, the NRCS employs a Soil Conservationist, Agricultural Engineer, and Rangeland Management Specialist at the Woodland office who provide additional technical expertise to the RCD.

Vehicles and Equipment

The District has 3 pickup trucks, 1 all terrain vehicle (ATV), and 1 water tank trailer as specified below:

- Ford F-150, 2001
- Ford F-350 (~1995) (donated)
- Ford F-250, 2006
- Honda 4-trax, 2001 Honda ATV #620
- Tank Trailer, 2006

Maintenance is not provided in-house. It is provided at dealer-prescribed intervals, either at the Ford dealership or by a local shop.

MSR AND SOI ANALYSIS

Growth and Population

The District boundaries encompass nearly all of Yolo County. According to the Department of Finance, the estimated 2007 Yolo County population was 193,183. Eighty-five percent of the County's population lives in the four incorporated cities: Davis, West Sacramento, Woodland, and Winters. The County contains several unincorporated communities, including Brooks, Capay, Clarksburg, Dunnigan, Esparto, Guinda, Knights Landing, Madison, Monument Hills, Rumsey, Wildwings, Yolo, and Zamora. The remaining land in the County is primarily used for agriculture and open space.

Yolo County General Plan Update

The County is currently updating the Yolo County General Plan. Yolo County General Plan Update alternatives focus much of the proposed growth in the unincorporated communities in Yolo County. Growth and development in the County does not result in detachment of property from the District; however, it will result in the removal of land from agricultural use.

Removal of land from agricultural use does not eliminate the need for RCD services; however, it may change the benefits and affect the types of services and programs that are provided. In addition to on farm agricultural services and programs, the District provides education and outreach to schools and the community as well as programs that address resource conservation and water quality management.

MSR AND SOI FACTORS

Financing Constraints and Opportunities

Revenue Sources

The District's primary revenue source is Federal and State competitive grants and contracts, with a smaller portion from property taxes and publication sales.

- **Property Taxes** – Although steady and collected annually, the relative value of property taxes decreases slowly over time because they do not automatically increase with inflation or with increases in property values.

In California, the maximum property tax assessed on any land is generally 1% of the property's value. Of that 1%, the District receives an average \$0.00035 for every property tax dollar collected or \$3 for every \$10,000 collected. The District's Assessed Value in fiscal year 2005-06 was \$2,955,125,178, one percent of which is \$29,551,251.78. The District's property tax increment of .00035 amounts to approximately \$10,000 in property taxes.

The District's property taxes are negligible compared to the District's overall income. The District has received an average \$586,630 in overall revenue over the last four fiscal years. Property taxes account for less than 2 percent of the District's average income.

- **Publication Sales** – The RCD staff publishes some of its own manuals and handbooks, which can be ordered through the RCD. The RCD's revenue from the sale of these educational materials accounts for less than .02% of the District's total income.
- **Grants/Contracts** – The District receives most of its revenue from state and federal funds, which are largely generated through grants and contracts.

The District applies for appropriate grant programs as they become available. The grant process occurs in two stages: approval and authorization. Approval means the District will be awarded the grant; authorization secures the funds. The District develops a grant-related budget for the District after the grant is approved. The District receives funding after the grant contract is authorized (a process that usually takes another 3-18 months, depending on the agency). If grant approval occurs mid-fiscal year and the District anticipates authorization before the end of the fiscal year, the Executive Director will request Board approval to add that revenue and expense to the existing budget for that fiscal year. The District must reflect revenue in the same year the funds are spent, regardless of when funds are received. If funds are not expended in the same year they must be encumbered and accounted for in the following year.

- **Fundraisers/Donations** – Each year the District has a silent auction as part of their Annual Dinner to fund scholarships for high school students to attend the 'California Range and Natural Resources Camp'. Unilever Corporation provided a \$10,000 donation to fund a summer internship for a farm water management program in 2004.

District Budget

The District’s operating budget is one indicator of its fiscal health. Table A below presents the revenues and expenditures for the District during the last four fiscal years. The numbers reflect actual dollars, not budgeted amounts.

TABLE A – DISTRICT REVENUES AND EXPENDITURES (ACTUAL)

Budget Year	Revenues	Expenditures	Net Amounts
2003-04	483,276	481,116	2,160
2004-05	507,552	525,458	-17,906
2005-06	769,231	581,589	187,642
2006-07	586,462	566,516	19,946

The District exceeded operating revenue once in the last four years. In fiscal year 2005-06, District revenue exceeded expenditures by nearly \$190,000. The increased revenue is a result of funds that were either left over after grants had been administered or that had not been expended for programs. In fiscal year 2004-05, District expenditures exceeded operating revenues by nearly \$18,000. The District had not received reimbursement for all program funds that had been expended in that year.

The District typically bills for authorized grant funds on a quarterly basis; therefore, the District should maintain reserves that are adequate to cover the delay between grant expenditures and reimbursement. A reserve, which is a part of the total fund balance, is set aside for cash flow and economic uncertainties and is not available for current expenditures. The District has a reserve of \$68,962. Besides a reserve, the District can utilize other available funds to help cover costs, such as the available fund balance (\$238,920).

Analysis

The District’s principal revenue comes from state and federal grants and contracts. This income does not represent a stable, predictable, ongoing revenue stream. Unlike property taxes, the District must apply for funds through grants and wait for authorization of payment after approval. The District usually receives reimbursement after grant funds are expended. The District should continue to maintain reserves that can provide a temporary revenue source to cover grant reimbursement delays.

Cost-Avoidance Opportunities

The Executive Director formulates a budget each year and recommends it to the Board of Directors. Staff can spend up to \$250 without Board approval. Most of the District’s expenditures are set forth in the adopted budget. Any request above that amount for moving monies from allocated funds or for funding in excess of the adopted budget must be approved by the District Board.

The District uses cost-saving procedures, such as competitive bidding, for projects that are not linked to a sole-source contract. The District solicits and reviews a minimum of three bids before selecting a contractor or consultant. The District considers quality of prior work and relative cost of proposals.

Opportunities for Rate Restructuring

The District's revenue includes property taxes, grants, and contracts. The District has considered different means of increasing revenue in the District, such as applying for more grants and contracts or charging a fee for services. According to Executive Director Paul Robins, the District applies for the appropriate grants as they become available and the District has obtained a steady stream of grants over the past seven years. The District can apply for more grants or provide additional contract work to local and state agencies to increase revenue; however, increase in grant funding would also require additional staff time and resources.

The District has considered charging a fee for services; however, there is little incentive for payment. Though many farmers see programs, such as wildlife habitat, as a benefit, they are costly projects that provide no income. . Additionally, there is little interest in fees since grant funds are made available through the RCD or NRCS.

Opportunities for Shared Facilities

When considering annexation of new lands into a district, LAFCO can evaluate whether services or facilities can be provided in a more efficient manner if service providers develop strategies for sharing resources.

The District regularly works and shares expertise and information with private individuals such as farmers, public organizations, and other RCDs. The RCD primarily works with Yolo County farmers, ranchers, and rural landowners to install and refine cost-effective, innovative model practices that enhance agricultural operations and watershed resources. According to Mr. Robins, the RCD provides technical services where grant resources enable them to, including areas outside the District and County and always in cooperation with the associated RCDs.

The RCD also works with Federal, State, County, City, and Non-profit partners in government, environmentalism, education, and advocacy who share the goals of agricultural resource conservation and restoration.

In addition to services and information, the District shares facilities and infrastructure with the NRCS and the YCFCWCD. As previously mentioned, the Yolo County Flood Control and Water Conservation District houses an equipment storage and mini-yard for the District at their facility on Hwy 16. The RCD also shares an office facility with NRCS on West Court Street.

The RCD and the USDA have a Memorandum of Understanding (MOU) that establishes a partnership and defines roles between the District and Department. The MOU, which added state level conservation agencies to the agreement, was updated in 1994.

Government Structure Options

The RCD is governed by a five-member Board of Directors that consists of local farmers and landowners within the District. Board members are elected at large to four-year terms by the voters of the District and they often serve consecutive terms. The District is able to establish a quorum at each meeting.

The District provides additional opportunities for Board participation and involvement through non-voting Associate Directors. Associate Directors provide additional information and expertise to the Board of Directors and attend functions on the District's behalf. Individuals can apply to serve as non-voting 'Associate' Directors, and must be approved by a quorum of Directors at a regular meeting. The District has three associate members.

District Board meetings are held on the second Wednesday of every month at 5pm at the RCD office in Woodland. All meeting agendas are posted and the Board conducts meetings, pursuant to the Brown Act. Public participation is low.

Board members do not receive compensation but are reimbursed for travel costs associated with mandatory meetings and training important to District functions.

Board members are not involved in the day-to-day business of the District. Elected officials do not perform or provide administrative, management, or personnel functions or responsibilities other than hiring, terminations, and annual review of the Executive Director.

Management Efficiencies and Local Accountability

The District's finances, management, and practices demonstrate that the District is accountable and effective. Recent audits demonstrate sound financial records and reporting. Employee and District policies and objectives are outlined in the District's 2005 Personnel Manual and its 1995 Policy Statement. The District conducts regular, ongoing planning to establish priorities, goals, and objectives. The District also promotes and provides information about services and programs through education and outreach. Additionally, the District and its employees have received recognition and awards for their conservation efforts, achievements, and programs.

Financing

The District's finances are held in the County Treasury and are audited annually. The most recent audit was performed for the year ending June 30, 2006 in accordance with generally accepted auditing principals and practices. The independent auditors report, issued on April 15, 2007, revealed no instances of noncompliance, which are required to be reported under Government Auditing Standards and no material weakness in the internal control over financial reporting and its operation.

Policies

The District Board adopted a Policy Statement in 1995 to establish and guide District objectives and activities. The Policy promotes outreach and education as a way to further farmland

preservation goals, commits to helping Yolo County develop farmland evaluation tools and procedures to encourage appropriate land-use planning, and establishes criteria by which land-use proposals should be reviewed.

The District also has a Personnel Manual in place that addresses matters such as hours, benefits, leave, terminations, conduct and safety, etc. The manual was adopted in April 2005.

Planning

The District performs strategic five year planning. The strategic plan establishes priorities and goals for, and related five-year objectives that address, farmland protection, water resources, habitat restoration, non-native invasive species, air quality, education, and district operations. The District develops its strategic plan with input from District Board Members, personnel, and the community.

Outreach

The District promotes the importance of farmland preservation and protection to the public, civic groups, and governmental agencies through news articles, newsletters, workshops, and presentations. The District also maintains a website and publishes Conservation Quarterly, a quarterly newsletter that profiles farmers, provides information about conservation and/or farming projects, practices, and opportunities, as well as information about events.

Awards

California Chapter Recognition Award from Soil and Water Conservation Society, 2003

California Association of Resource Conservation Districts Programs Award, 1997

California Water Policy VI Conference for “those who have developed policies, technologies or other creative ways to use our limited water resources more effectively”, 1996

CARCD Soil Stewardship Award, 1980 and 1982

The District has also received awards for individual staff members (e.g. California RCD employee of the year; special service recognition from professional associations, etc.).

Agricultural Lands

The final mandatory factor to address is the District's impact on agricultural land. The land within the Yolo County Resource Conservation District boundaries is primarily agricultural and open space land. The services provided by the District do not induce urban growth or the premature conversion of agricultural land to urban uses. The District's services protect, improve, and sustain farmland and the agricultural economy.

WRITTEN DETERMINATIONS – MUNICIPAL SERVICE REVIEW

Staff recommends the following findings:

1. The Yolo County Resource Conservation District is in compliance with all State laws and regulations.
2. The District has adequate facilities, equipment, and personnel.
3. The RCD applies for and maintains appropriate grants and funding.
4. The District is financially solvent, but should maintain reserves that are adequate to cover the delay between grant expenditures and reimbursement.
5. The District should continue monitoring its fiscal status and remain responsive to future financial opportunities, such as contracts.
6. The District performs strategic planning, which helps it better organize to meet goals and objectives.

STATEMENT OF INTENT

- 1) LAFCO intends that its Municipal Service Review and Sphere of Influence determinations will serve as a guide for the future organization of local governments within Yolo County.
- 2) Spheres of influence shall be used to discourage urban sprawl and the unnecessary proliferation of local governmental agencies, to encourage efficiency, economy, and orderly changes in local government, and to prevent the premature conversion of agricultural land.
- 3) The adopted spheres of influence shall reflect the appropriate general plans, growth management policies, annexation policies, resource management policies, and any other policies related to ultimate boundary and service areas of an affected agency unless those plans or policies conflict with the legislative intent of the Cortese-Knox-Hertzberg (Government Code §56000 et seq.).
- 4) Where inconsistencies exist between plans or policies (or both), LAFCO shall rely upon that plan or policy which most closely follows the Legislature's directive to discourage urban sprawl, direct development away from prime agricultural land and open-space lands, and encourage the orderly formation and development of local governmental agencies based upon local conditions and circumstances.

- 5) The sphere of influence lines are a declaration of policy to guide LAFCO in considering proposals within its jurisdiction.
- 6) LAFCO decisions shall be consistent with the spheres of influence of the affected agencies.
- 7) No proposal that is inconsistent with an agency's sphere of influence shall be approved unless LAFCO, at a noticed public hearing, has considered and approved a corresponding amendment or revision to that agency's sphere of influence.

SPHERE OF INFLUENCE RECOMMENDATIONS

Government Code §56425 of the Cortese-Knox-Hertzberg Act states:

(a) In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies so as to advantageously provide for the present and future needs of the county and its communities, the commission 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 sphere.

It further states that:

(e) In determining the sphere of influence of each local agency, the commission shall consider and prepare a written statement of its determinations with respect to each of the following:

- (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.

WRITTEN DETERMINATIONS - SPHERE OF INFLUENCE

The Commission, in establishing the Sphere of Influence for the Yolo County Resource Conservation District, has considered the following.

- 1) The present and planned land uses in the area, including agricultural and open-space lands.

The District boundaries encompass most of Yolo County, which includes 661,760 acres of land. Eighty-five percent of the County's population lives in the four incorporated cities: Davis, West Sacramento, Woodland, and Winters. The County contains several unincorporated communities, including Brooks, Capay, Clarksburg, Dunnigan, Esparto, Guinda, Knights Landing, Madison, Monument Hills, Rumsey, Wildwings, Yolo, and Zamora. The remaining land in the County is primarily used for agriculture and open space.

The County is currently updating the Yolo County General Plan. Yolo County General Plan Update alternatives focus much of the proposed growth in the unincorporated communities in Yolo County. Growth and development does not result in detachment of property from the District; however, it will result in the removal of land from agricultural use.

- 2) The present and probable need for public facilities and services in the area.

Currently, there is no perceived gap in services. The District has adequate vehicles, equipment, and facilities to provide services.

The need for services and facilities could increase if additional lands were annexed into the District or more landowners applied to the District's programs for service; however, under current conditions, the need for facilities and on-site agricultural programs and services will decrease with urban development. Conversely, the need for education and outreach in urban areas and communities could increase with additional development.

- 3) The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

The District provides the level of services and programs that grant funding allows. The District could accomplish more with additional funding. Additional funding would require additional work, time, and staff to find, apply for, and administer additional grants.

- 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.

The District's service area encompasses nearly all of Yolo County. The farmers and ranchers, for whom the District provides agricultural conservation services, constitute a social and economic community of interest. In contrast, the cities and other developed areas in the county also constitute a community of interest. The District provides education and outreach to schools and the community. Additionally, programs that address resource conservation and water quality management ultimately benefit developed areas.

Based upon the information contained in this document, it is recommended that the 10- and 20-year lines for Yolo County Resource Conservation District Sphere of Influence include all of the

property outside of the District boundaries and in Yolo County, excluding the Dixon RCD area (see Map 3).

ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) requires that an environmental review be undertaken and completed for the Commission's Municipal Services Review and Sphere of Influence (MSR/SOI) Study. This MSR/SOI qualifies for a General Exemption from further CEQA review based upon CEQA Regulation §15061(b)(3), which states:

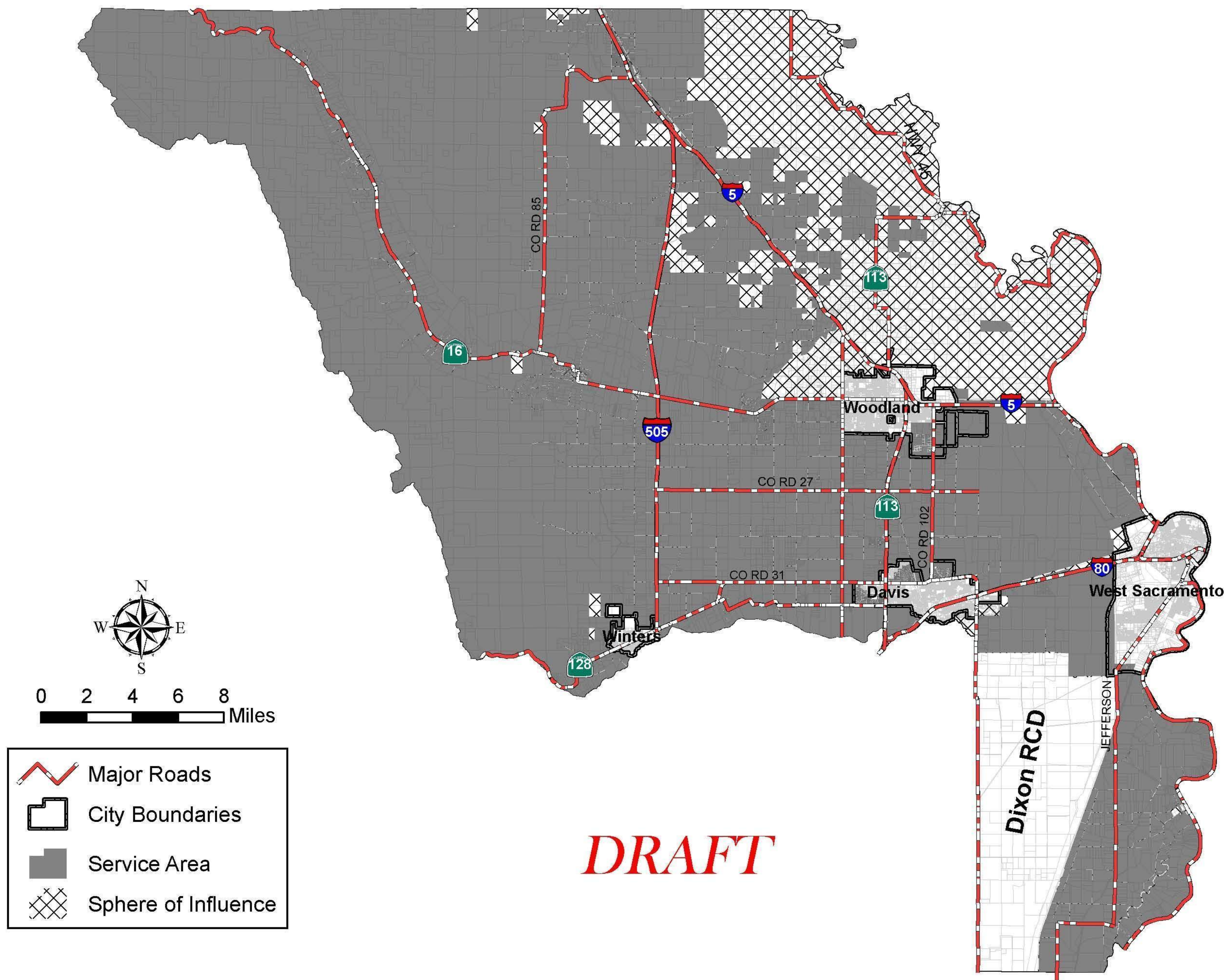
The activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

Since there are no land use changes or environmental impacts due to this MSR/SOI, a Notice of Exemption is the appropriate environmental document.

REFERENCES

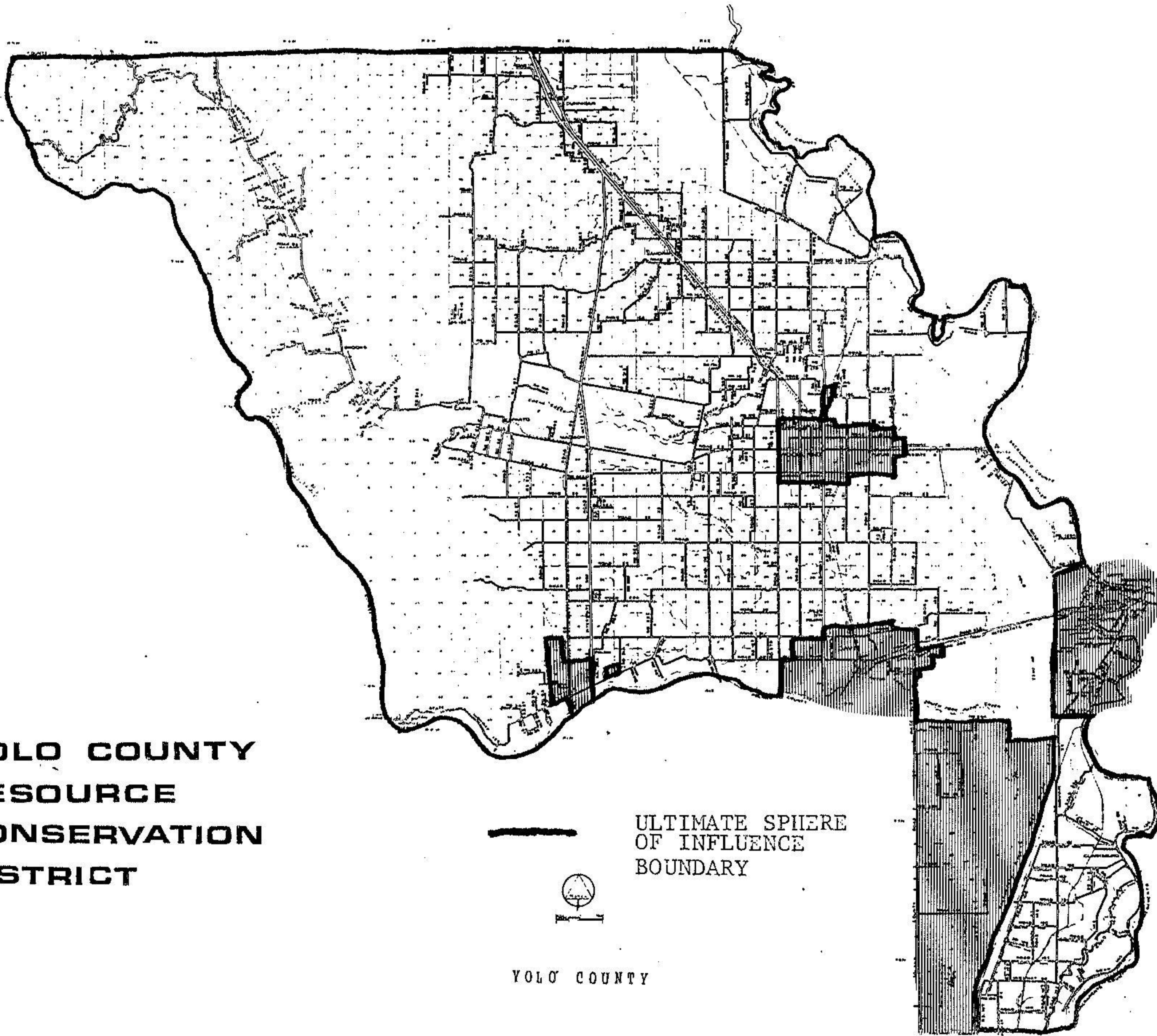
1. Yolo County Resources Conservation District Sphere of Influence, 1987, Yolo County LAFCO staff
2. Yolo County Office of the Auditor-Controller
3. Yolo County Department of Planning and Public Works
4. U. S Census Bureau, 2000 Census information
5. Yolo County Resource Conservation District Website: <http://www.yolorcd.org/>
6. Krummenacker, Mark. "Special Districts Financial Transactions Report," prepared for the Yolo County Resources Conservation District, 2007
7. Yolo County General Plan Update, About Yolo County, General Description. Website: http://www.yolocountygeneralplan.org/About_YoloCo.html, accessed on January 7, 2007, February 12, 2008
8. Yolo County Resource Conservation District Financial Statements and Independent Auditor's Reports for the Year Ended June 30, 2006
9. Yolo County RCD Board, "Policy Statement, Yolo County RCD Agricultural Land Preservation and Protection Policy", July 19, 1995
10. Yolo County Fun Facts, Yolo County 2006 Crop Report, Yolo County Agricultural Department, <http://www.yolocounty.org/org/AG/acr06/Fun%20Facts.pdf>, accessed February 8, 2008
11. California Associations of Conservation Districts website, <http://www.carcd.org/About/about.html>, accessed March 25, 2008.

Yolo County Resource Conservation District



DRAFT

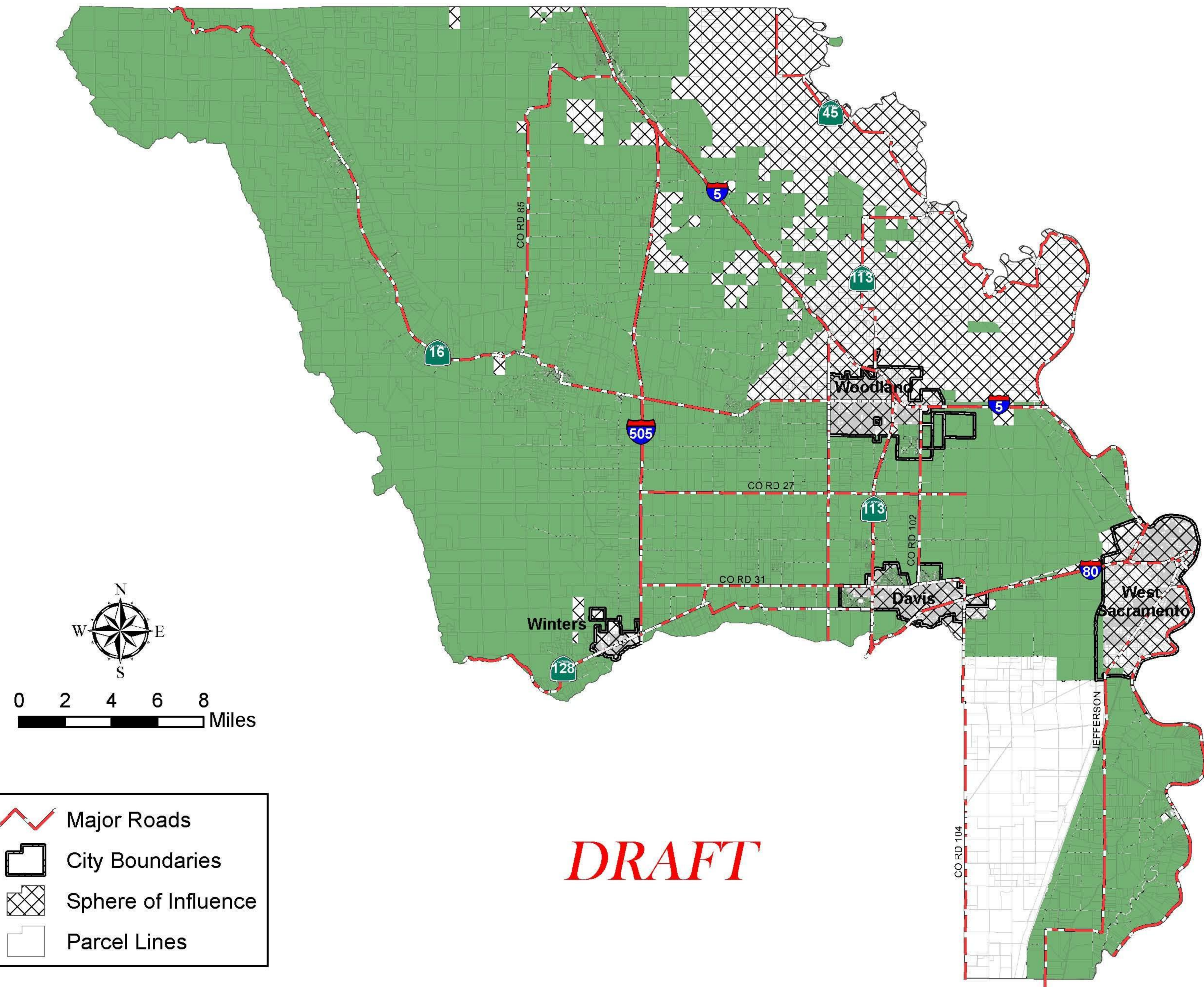
**YOLO COUNTY
RESOURCE
CONSERVATION
DISTRICT**






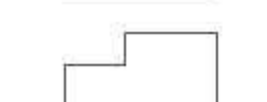
ULTIMATE SPHERE
OF INFLUENCE
BOUNDARY

YOLO COUNTY

Yolo County Resource Conservation District: Recommended Sphere of Influence



DRAFT

-  Major Roads
-  City Boundaries
-  Sphere of Influence
-  Parcel Lines