

**Wild Wings CSD Formation Advisory Committee
Minutes of Meeting: July 6, 2021**

4:30 PM

Tour of Waste Treatment plant and Pintail well

Call to order: Meeting was called to order in the golf course parking lot at 4:30 PM. Fernando Saenz, Chief Plant Operator and Dan DeMoss Director from SUSPs provided an informative tour of the Waste Treatment and the Pintail well.

Attendees included: WWCSDFC committee members as well as several members of the Wild Wings community.

6:00 pm

Zoom Online Meeting

This is the third meeting

Committee: Carrie Scarlata committee Chair
Tom Hanagan committee Vice-Chair
Brenda Seabert committee Secretary
Dave DeKreek committee member
Scott Picanso committee member
Rick Fenaroli committee member

Others: Tricia Valenzuela Yolo county
Kim Villa Yolo County
Dotty Pritcher Deputy of Supervisor Sandy
Annett Lim Elections Department
Armando Saluda Elections Department
Public: Lachi Richards
Public: Chuck Maltese
Public: Georgia Cochran
Public: Mallory Fawn
Public: Luzanne Martin
Public: Mark Ullrich
Public: Shawn Schwarz
Public: Mary Beck
Public: Brenda Grooms
Public: Chris Milligan
Public: Bob R.
Public: Stephanie Young
Public: Mellissa S.
Public: Doug Wellman

Public: Kathy Salling
Public: Dotty Allen
Public: Stephanie Young-Birkle
Public: Carmel Dalton

Call to order: The meeting was called to order at 6:02 pm by Carrie Scarlata

Introductions: Committee members introduced themselves.

Approval of the June 21, 2021 Minutes: Scott Picanso moved to approved, seconded by Dave DeKreek. All approved.

Public Comment: No comments

Presentation on the Community Services District Election Process by Armando Salud, Deputy of Elections Department

Armando Salud, Deputy of Elections in Yolo County, has been with the county for 3 plus years and in elections administration since 2009. Also from the Elections department is Annette Lim Election Supervisor, candidate services, working with Community Service Districts. Working since 2008 in elections and with Yolo County for a couple years.

Candidates Service, of the Elections Department. The information is general information. Not for legal advice. This statement made as if we intend to move in the direction of a CDS, we will need to obtain legal counsel to assure we meet all the necessary requirements.

Gov. Code 61040, (a) A legislative body of five members known as the board of directors shall govern each district (b) No person shall be a candidate for the board of directors unless he or she is a voter of the district or the proposed district.

Gov. Code 61021, (b) the directors may be elected by one of the following methods: 1) At large, 2) By divisions. Only those within that district can vote.

Gov. Code 61022, (a) in the case of a proposed district which contains only unincorporated territory in a single count and less than 100 voters, the local agency formation commission may provide, as a term and condition of approving the formation of the district, that the county board of supervisors shall be the initial board of directors until conversion to an elected board of directors.

Election Code Commencing with 10500 (Uniform District Law Election (UDEL)) – Full details

Election Code 10505- even or odd years

(a) & (b) Odd or even year formation terms of office

(c) 3 board of directors will be reelected 4 years from the year of establishment, 2 board of directors will be reelected 2 years from the year of establishment.

3. Cost of Election – Stand-alone election (just your district) vs. consolidated election (with more districts). The building of an election takes the same amount of work as any other election. All elections have been on even years.

Election management system – CSD boundaries are sent to this system. It tells how many individuals are in the area, and who can vote and who can run.

Elections are costly. Example: Yolo Fire protection district was looking to have them run their election, would have cost them \$100,000 on an odd year. In even year costs, can be divided between other districts, lowering costs.

Problems with the board elections:

- Can't get people to reup
- Participation is low

Scott P. If we were to vote on the CSD – is it a protest vote? Is this like a 218 process?

Answer - It is a LAFCo vote. This vote does not go through the election office process. It's considered a negative vote. If you don't send your letter in, it's considered a yes vote. If you have less than 25% plus one protest, it would be approved. If between 25% - 49.9% protest vote, then it goes to an affirmative vote. Then it goes to the elected voters. It's more complicated than a prop 218 vote.

Carrie – How often do you find that they don't have candidates? Answer: smaller CSD's, every year they can't find candidates, always having vacancies in the smaller service districts.

Rick Fenaroli –During the initial voting cycle how is it decided who gets the 4 yr. term and who gets the 2 year terms? Answer: This would be determined when working with legal counsel to build the charter.

Discussion and Action Items (public comment will be considered for items A-D collectively)

A. Review Reports and Research Conducted by the Committee Members (List of documents is Attachment A-documents found on:

<https://www.yolocounty.org/home/showpublisheddocument/70027>

No questions about these documents.

B. Review the 5- year Financial Report and CSA Manager Expenses (Kimberly Villa)

Kimberly advised she was available to answer any questions.

Scott Picanso question regarding sewer financials: The insurance public liability is potentially \$137,263 has a lot of moving parts and is due to the law suit. This cost could potentially be an item for up to 8 years and should be considered when developing a pro forma budget. Rick, Dave and Kim have met twice already. Still researching this issue. It bears further investigations. Kim is working on coming up with an understanding of this cost and will provide additional information in the future.

Tom Hanagan questions on 5 year financials on Sewer: several items explained.

Measure O Golf: additional questions and explanations from Kim Villa.

WW water – there are a number of non-entries there are (-) what does that mean? Answer: It's a field where there was no money spent. She did not put zeros because it clutters the report.

Rick & Dave meeting with Kim and going line by line, to get an understanding of the dollars spent, etc.

Kim Villa explained the County Cost of services to the CSA and noted:

- In 2016 the CSA had a manager and an analyst.
- In 2017 the CSA management went from Dept. of community services to the CAO's office where they only had a manager.
- In 2018 & 19 they had an analysts and manager.
- In 2020 & 2021 they've only have the cost of an analysts.

Carrie, what's the difference between Manager and analyst? Kim advised, just the job title.

C. Review contracts related to Pintail and Canvas Back wells, including contracts to provide supplemental water to Wild Wings Golf Course and Wild Wings homes (Kimberly Villa)

Kim Villa advised, per the settlement agreement making notice to the CSDFAC, that they have opened a PO for the Rain for Rent, for the cost to move water from Cache creek to the recycle pond to continue watering of the fairway and greens of the golf course. WW water fund is paying for it. The golf course pays an annual fee for water.

Karla Hall –question what is the cost to pump the water from the creek? The PO is \$55,000; \$18,000 per month rent, plus set up and removal of the piping. Not a cost to the HOA. It comes out of the Wild Wings water fund. Will the county be adding a line item to our taxes? Per Kim Villa, not at this time.

Georgia Cochran: tagging on to this same issue stated it's all the same money, regardless of where it comes from. We are the owners. We furnish water to the golf course, but we couldn't do that with Canvas Back well down. CSA decided that without watering the golf course, it would suffer, including a potential loss of revenue. Scott P. from CSA: Georgia is correct. Decision was to protect the greens and not have serious repairs to contend with. We didn't do this to give the golf course a bonus. It's a zero sum gain.

Larry: What are we going to do when Cache creek goes dry? Scott Picanso replied. We believe we hit a spring where we're pumping from. It's pulling 1300 gallons a minute.

Lachi advised that historically, talking to the Water Conservation District, cache creek goes dry above and below us. In our area, we are pumping ground water not surface water. Historically it has run all summer. We are lucky having water there. The beavers built a dam right there so we have a nice pool.

D. Report out from SUSP and Kemper Sport meetings (Rick Fenaroli/Dave DeKreek)

They have not able to meet with SUSP yet. They have met with Kemper: Rick and Dave met with Matt Alan on current state of affairs, what he saw with issues of the golf course. He cautioned that the financial numbers look good now in 2021, but he does not expect those numbers to continue later on. Other topics, condition of equipment, opportunities, budgeting and how he budgets. They will circle back next week. They hope to see what a 1-3 years budget may look like. Matt has submitted an equipment replacement plan to Kim that they will review as well.

In addition they have met with county staff, Kim and Tricia, and have gone through 40 or so items, questions, comments or concerns. They expect one or two more meetings before they come back to the committee. They are concerned about the lack of reserves in sewer fund. Kim is working on a report on this that should be done soon.

Dave: There were a lot of great questions. Kim assured that she would get back on them with some answers. Would like to consider the possibility of restructuring some of the reports.

Tom – would like to see a little bit more of a breakout on the 5 year financials. This would help us better understand how the moneys are spent.

Scott – Understanding Tom’s point, the county reports are much better than they used to be.

Carrie - is there a more detail way for us to go through? Kim – we only have one account number, with no sub accounts.

E. Discuss development of a pro-forma 2022-2023 FY Community Services District budget

Are we ready for this? Do we need to hold off? In reality Dave and Rick need to spend another week etc. with SUSP, other vendors, and Kim. They will try to have something by the 19th but it is doubtful. Rick advised they are just trying to get their hands around costs. The CSA does have a budget. It is presented at the CSA budget committee. Kim will send a copy of the budget to Tom.

F. Discuss timeline for recommendation to Board of Supervisors, Straw Vote and Communication to the Board of Supervisors (Seabert)

Discussion on the timeline as presented initially to this committee, is that our recommendation about becoming a CSD or remain a CSA is due to the Board of Supervisors at their July 27th meeting. The County staff report that is submitted to the BOS is due on July 12. Any written report would need to be included by this date.

Carrie - In our initial meeting, we requested a two-month extension which has not been approved by the HOA or county, at this point. The HOA will have it in their agenda for the 21st. Based on this it appears we’ll have to proceed and make a recommendation well before that.

Brenda - Discussion on the timeline and ways that committee comments could be included or the BOS meeting on July 27th, if that was the intent for this committee.

Options include: 1) an ad hoc committee to write committee opinion prior to the July 19th meeting, it would then need to be voted on during that meeting, 2) a straw vote tonight could be included in the county staff report. What other way do we want to ensure the committee meets its commitment to the community and the BOS.

Tricia advised that anything can be submitted to the BOS up to the board meeting on the 27th, and during the public comments. If not included in the county staff report that is due July 12th, they would be presented orally, not in writing to the BOS. Information from our July 19 meeting would be presented orally. Any member of the community and committee can have input during public comment period at the BOS meeting.

Rick – the HOA when they signed the litigation believed that the 60 day period, allowed the BOS to make the recommendation that LAFCO explore the formation to make a CSD. There wasn't any expectation that this committee make any recommendation by that time. Really this committee was formed to help LAFCO do the investigation and determine if LAFCO thought a formation of a CSD was viable.

Carrie: The board would have acted without the committees input.

Rick: Yes that's the HOA's understanding of the agreement.

Reference the Settlement Agreement: see Section 3.

Further discussion from the committee: All agreed that additional time is needed for additional research of the issues, costs, risk analysis, etc., as well as additional meetings. The committee will provide information to the BOS and LAFCO at some future time. It was agreed that it is too early for a straw vote, as we need to learn and understand more about budgeting and capital expenditures, as well as other considerations, for example future capital improvements needed.

Georgia Cochran – if the costs are the same what we haven't seen is "risk management analysis". These are critical services. This is one of the things we have to consider. When we have a small nucleus we have no ability to lose a manager should they decided to quit. As a CSA having the County behind us there's always support available. We have to make sure the risk management analysis is considered.

Luzanne Martin – the HOA has gone through a lot of managers over the years. It doesn't concern me. When you have the county backing us there's someone who can help us out. Also what decision does the committee needs to make tonight.

Tricia advised that if the HOA does approve the extension during their July 21st meeting, then public hearing would be extended.

Discussion on what committee members need to consider before making a recommendation regarding converting from a CSA to a CSD.

- If we stay a CSA where's the fat that we can trim.
- Need increased oversight and increased input into the management of our services.
- The frustration on the HOA and some residence that we've had a revolving door of managers and gross negligence of the WTP.
- Financials is it more or less. Are there substantial differences.
- There's probably things we can over see more or differently in the CSA.
- Is it possible for a CSD to be able to provide two critically services to our community. Without the backing of the county, how that would happen.
- What are the real risks to a small community becoming a CSD?
- Probability to get 5 people that can give good management.
- How much is the county costing vs. how much would a professional manager cost.
- Accountability – County vs. CSD Manager
- County management has changed and is a moot point. We need to be focused on moving forward.
- With the county you get a full team. We don't get charged for all of that.

G. Schedule future meetings (Next meeting is July 19, 2021)

Golf Course Tour is scheduled for July 19, 2021 at 4:30PM.

Next meeting scheduled for July 19, 2021 at 6 pm.

Additional meeting scheduled for August 2, 2021 at 6 pm.

Call for future agenda items

For July 19 agenda:

- A review of capital expenditures and forward budgets from SUSP and Kemper.
- Dave and Rick make a report from their conversations
- Matt Alan from Kemper, presentation
- CSA committee response to the HOA letter to LAFCo. Suggest that we read
- Straw vote

Adjournment: at 7:39 hours by Carrie.