

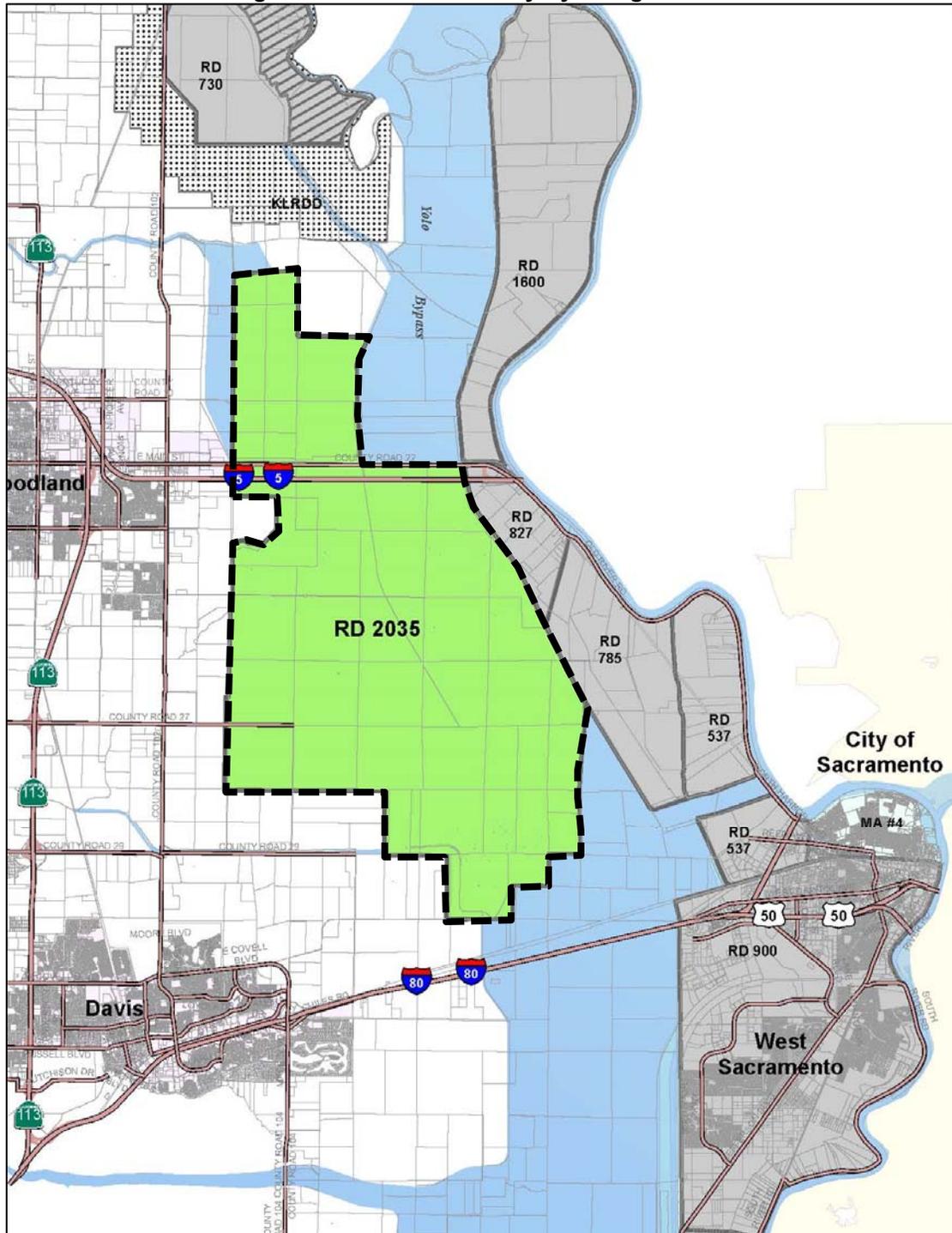
YOLO LAFCo MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY  
WOODLAND/CONAWAY HYDROLOGIC BASIN

## Woodland/Conaway Hydrologic Basin

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

- Reclamation District 2035: Conaway

Figure 1. Woodland/Conaway Hydrologic Basin



## RECLAMATION DISTRICT 2035: CONAWAY

### Agency Profile

Formed in 1919, Reclamation District (RD) 2035 provides levee maintenance for 12.1 miles of levee and operates and maintains agricultural water delivery systems and drainage facilities, protecting 20,500 acres of owned land. Conaway Ranch owns the majority of this land (86%), and the Cities of Davis and Woodland own 430 acres in the Yolo Bypass. District levees include the 2.01 miles of the right bank (relative to the view downstream) of the Cache Creek settling basin, 7.63 miles of the right bank of the Yolo Bypass, and 2.52 miles of the Willow Slough Bypass. The District is bounded by County Road 103 to the west, County Road 22 to the north, County Road 124 to the east, and various county roads to the south. The District lies adjacent to the eastern boundary of the City of Woodland. A portion of the Yolo Bypass is located within the District. I-5 also bisects the northern portion of the District. Current levee O&M is evaluated at the minimally acceptable level by the Department of Water Resources (DWR). RD 2035 participates as a members of the Water Resources Association of Yolo County (WRA), the Integrated Regional Water Management Plan (IRWMP), and the Westside Committee for the Regional Flood Management Plan. The annual budget for 2015/16 was approximately \$21 million dollars, which is generated from their assessment, enterprise water delivery, and state and federal funding. RD 2035 diverts water from the western side of the Sacramento River just north of the Vietnam Veterans Bridge on Interstate 5. Water is diverted to serve the cities of Woodland and Davis as part of the Davis Woodland Water Supply Project and agricultural users of Conaway Ranch, under appropriate and riparian water rights held by Conaway Ranch, and a settlement agreement between the U.S. Bureau of Reclamation and Conaway Ranch. Conaway Ranch sold water rights to the cities of Davis and Woodland for the Water Supply Project.

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

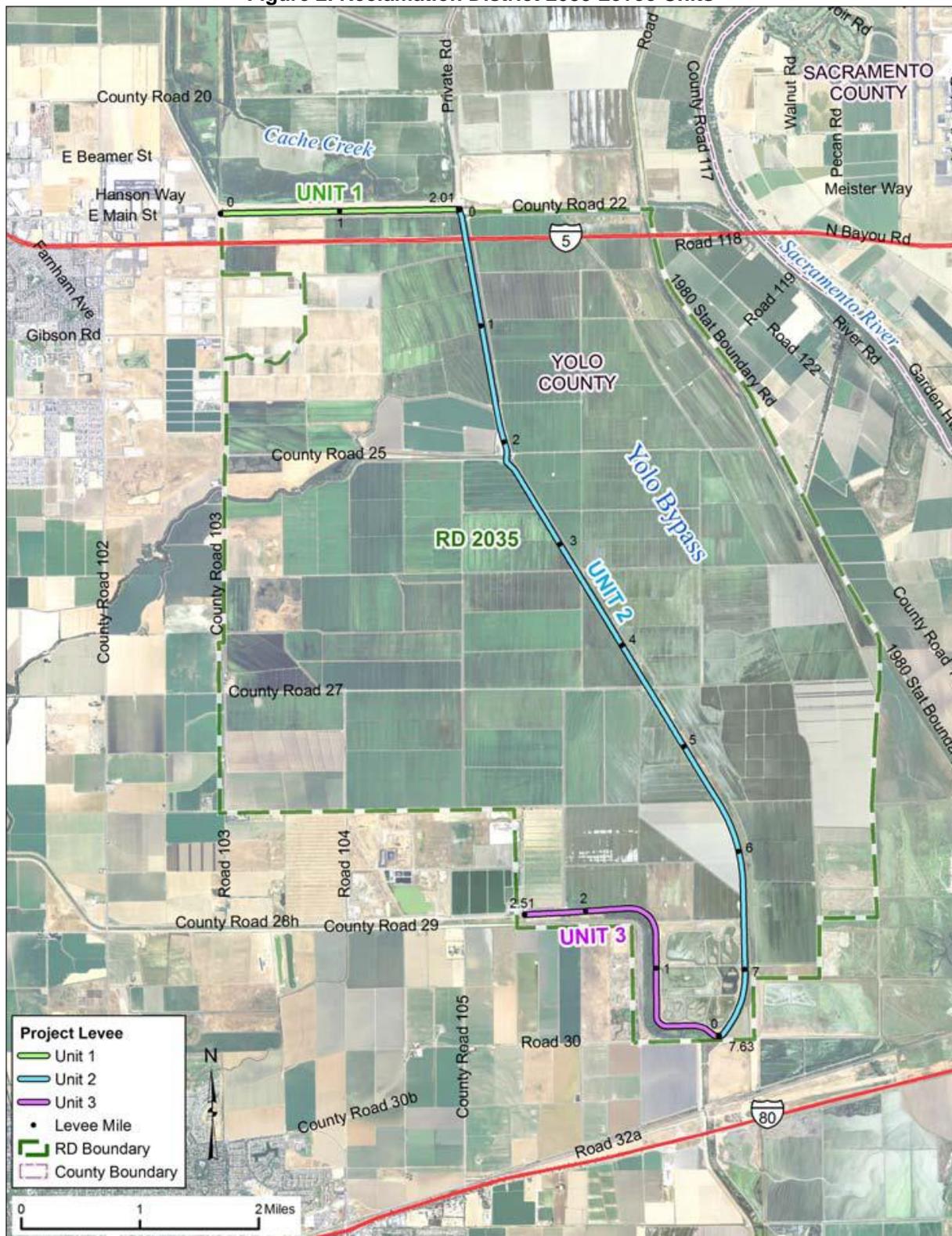
RD 2035 is an independent special district with a three-member board of trustees elected by the landowners within the District.

<b>Name of Member</b>	<b>Title</b>	<b>Term Expiration</b>	<b>Compensation</b>
Angelo Christie	Trustee	2021	\$0
Robert Thomas	Trustee	2021	\$0
Robert Baker	Trustee	2019	\$0

Meetings are held approximately four times per year at the District office located at 45332 County Road 25, Woodland, CA 95776. The District gives the public notice of meetings through posting at meeting location.



Figure 2. Reclamation District 2035 Levee Units



Department of Water Resources. "SACRAMENTO SYSTEM: Levee District No. 2035 Conaway." Map. Scale not given. "Appendix A - Sacramento River Individual Agency Summary Reports," A-156. (2016). Web. 18 Sep. 2017.

## Potentially Significant MSR Determinations

The MSR determinations checked below are potentially significant, as indicated by “yes” or “maybe” answers to the key policy questions in the checklist and corresponding discussion on the following pages. If most or all of the determinations are not significant, as indicated by “no” answers, the Commission may find that a MSR update is not warranted.

- |   |   |
|---|---|
| <input type="checkbox"/> Growth and Population  | <input checked="" type="checkbox"/> Shared Services |
| <input type="checkbox"/> Disadvantaged Unincorporated Communities                           | <input checked="" type="checkbox"/> Accountability  |
| <input checked="" type="checkbox"/> Capacity, Adequacy & Infrastructure to Provide Services | <input type="checkbox"/> Other                      |
| <input checked="" type="checkbox"/> Financial Ability                                       |   |

### 1. GROWTH AND POPULATION

Growth and population projections for the affected area.	YES	MAYBE	NO
a) Is the agency’s territory or surrounding area expected to experience any significant population change or development over the next 5-10 years?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
a) Will population changes have an impact on the subject agency’s service needs and demands?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
a) Will projected growth require a change in the agency’s service boundary?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

#### Discussion:

a-c) The State Department of Finance population projections<sup>1</sup> indicate that Yolo County had an estimated population in the unincorporated area of 26,995 as of January 1, 2015 and 28,419 as of January 1, 2016, a 5.3 percent overall increase. There is no significant development anticipated in the District that would result in a negative impact to the agency’s ability to provide services.

#### Growth and Population MSR Determination

There is no significant development anticipated in the District that would result in a negative impact to the agency’s ability to provide services.

<sup>1</sup> E-1 Population Estimates for Cities, Counties, and the State January 1, 2015 and 2016

## 2. DISADVANTAGED UNINCORPORATED COMMUNITIES

The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

	YES	MAYBE	NO
a) Does the subject agency provide public services related to sewers, municipal and industrial water, or structural fire protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Are there any "inhabited unincorporated communities" (per adopted Commission policy) within or adjacent to the subject agency's sphere of influence that are considered "disadvantaged" (80% or less of the statewide median household income)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) If "yes" to both a) and b), it is feasible for the agency to be reorganized such that it can extend service to the disadvantaged unincorporated community (if "no" to either a) or b), this question may be skipped)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Discussion:

a-c) The subject agency does not provide public services related to municipal water, sewer or structural fire protection and therefore, the provisions of Senate Bill (SB) 244 do not apply to this MSR. Additionally, there are no Disadvantaged Unincorporated Communities (DUCs) within or contiguous to the District.

### Disadvantaged Unincorporated Communities MSR Determination

The subject agency does not provide public services related to municipal water, sewer or structural fire protection and therefore, the provisions of SB 244 do not apply to this MSR. In addition, there are no Disadvantaged Unincorporated Communities (DUCs) within or contiguous to the District.

## 3. CAPACITY AND ADEQUACY OF PUBLIC FACILITIES AND SERVICES

Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.

	YES	MAYBE	NO
a) Are there any deficiencies in agency capacity to meet service needs of existing development within its existing territory?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Are there any issues regarding the agency's capacity to meet the service demand of reasonably foreseeable future growth?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Are there any concerns regarding public services provided by the agency being considered adequate?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

d) Are there any significant infrastructure needs or deficiencies to be addressed?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Are there changes in state regulations on the horizon that will require significant facility and/or infrastructure upgrades?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Are there any service needs or deficiencies for disadvantaged unincorporated communities related to sewers, municipal and industrial water, and structural fire protection within or contiguous to the agency's sphere of influence?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Discussion:**

a-d) The Department of Water Resources (DWR), under the authority of Water Code Sections 8360, 8370 and 8371, performs a verification inspection of the maintenance of the Sacramento River Flood Control Project (SRFCP) levees performed by the local responsible agencies, and reports to the United States Army Corps of Engineers (USACE) periodically regarding the status of levee maintenance. The State inspects and reports only on the status of maintenance practices and on observable levee conditions. The Fall 2016 DWR Inspection Report gave the LMA an overall rating of "Minimally Acceptable."

Local Maintaining Agency	Overall Rating					Total Levee Miles
	<i>A=Acceptable; M=Minimally Acceptable; U=Unacceptable</i>					
	2012	2013	2014	2015	2016	
RD 2035	M	M	M	M	M	12.15

*Source: California Department of Water Resources*

According to the DWR report, there is erosion in the area that should be monitored. The District should focus on repairing erosion sites. The District provided a summary of expenses and maintenance activities for all levee units. Expenses include costs of slope dragging, rodent baiting and trapping, and vegetation control. The reported total estimated cost for the current fiscal year is \$130,000. The levee sections damaged from this year's high water events including the waterside erosion are being addressed by the U.S. Army Corps of Engineers. Sites 1 through 7 have been repaired this year and site 8 (landside slip) and site 9 (water side toe erosion) will be addressed next year. Contingency plans are being developed, in coordination with the Department of Water Resources, for the sites that will not be repaired this year.

The Regional Flood Management Plan (RFMP) also details some specific levee problems in the District and summarizes the improvements, including estimated cost, design, permitting, and funding readiness, as well as benefits from the improvements. According to the RFMP, RD 2035's primary issues are related to maintenance activities like vegetation and rodent control, seepage control, bank protection/erosion control, access road maintenance, and encroachment repairs and modifications. The Willow Slough Bypass Stability Project would correct a serious stability issue in RD 2035 with a total length of 100 feet. The cost is estimated at \$58,013 and local funding has not been identified.

e) Senate Bill (SB) 5, the Central Valley Flood Protection Act, required the development of the Central Valley Flood Protection Plan (CVFPP) by mid-2012. The plan, authored by DWR and approved by the Central Valley Flood Protection Board (CVFPB), establishes a system-wide approach to improving State Plan of Flood Control (SPFC) facilities, and recommends both structural and governance methods of improving flood risk reduction and vulnerability. The California Department of Water Resources adopted the CVFPP in 2012. A five-year update was adopted in 2017. The CVFPP requires 200-year flood protection for all urban and urbanizing areas within the flood zone by 2025. The District is not located in an urban or urbanizing area so the 200-year standard is not required for district levees.

- f) There are no Disadvantaged Unincorporated Communities (DUCs) within or contiguous to the District's sphere of influence and the subject agency does not provide public services related to municipal water, sewer or structural fire protection.

**Capacity and Adequacy of Public Facilities and Services MSR Determination**

The District has ample capacity to meet service needs for the foreseeable future and its services appear to be adequate. The 2016 Department of Water Resources identified some erosion issues, but its rating concludes that the segment/system would perform as intended in a future flood event. The District provided a summary of expenses and maintenance activities for all levee units. Expenses include costs of slope dragging, rodent baiting and trapping, and vegetation control. The reported total estimated cost for the current fiscal year is \$130,000. The Willow Slough Bypass Stability Project would correct a serious stability issue in RD 2035 with a total length of 100 feet. The cost is estimated at \$58,013 and local funding has not been identified. The District has the resources to fund planned improvements. No changes in state law are anticipated that will require costly facility upgrades.

**Recommendations**

- The District should work to repair erosion sites, as detailed in the 2016 Department of Water Resources Inspection Report.
- The District should work to identify funding and complete the improvements detailed in the 2014 Regional Flood Management Plan and any future updates including the Willow Slough Bypass Stability Project.

**4. FINANCIAL ABILITY**

Financial ability of agencies to provide services.

	YES	MAYBE	NO
a) Does the organization engage in budgeting practices that may indicate poor financial management, such as overspending its revenues, using up its fund balance or reserve over time, or adopting its budget late?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Is there an issue with the organization's revenue sources being reliable? For example, is a large percentage of revenue coming from grants or one-time/short-term sources?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Is the organization's rate/fee schedule insufficient to fund an adequate level of service, and/or is the fee inconsistent with the schedules of similar service organizations?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Is the organization in need of written financial policies that ensure its continued financial accountability and stability?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Is the organization unable to fund necessary infrastructure maintenance, replacement and/or any needed expansion?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Is the organization needing additional reserve to protect against unexpected events or upcoming significant costs?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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

h) Does the agency have pension and/or other post-employment benefit (OPEB) liability? If so, what is it the liability and are there any concerns that it is unmanageable?

Reclamation District 2035 Operations Budget Summary (Combined Funds)					
	2011-12	2012-13	2013-14	2014-15	2015-16
<b>Revenues:</b>					
Total Taxes - Current	\$ -	\$ -	\$ -	\$ -	\$ -
Total Taxes - Prior	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, Permits & Franchises	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue Use of Money and Property	\$ 3,291.39	\$ 1,127.23	\$ 1,532.64	\$ 10,843.28	\$ 42,886.12
Total Intergovernment Revenue - State	\$ -	\$ -	\$ -	\$ -	\$ -
Total Intergovernment Revenue - Other	\$ -	\$ -	\$ -	\$ -	\$ -
Total Charges for Services	\$ 2,971.73	\$ 2,057.59	\$ 5,770.27	\$ -	\$ -
Total Misc	\$ 2,557,405.53	\$ 3,017,750.70	\$ 3,896,631.77	\$ 31,738,896.88	\$ 20,559,243.72
<b>TOTAL REVENUES</b>	<b>\$ 2,563,668.65</b>	<b>\$ 3,020,935.52</b>	<b>\$ 3,903,934.68</b>	<b>\$ 31,749,740.16</b>	<b>\$ 20,602,129.84</b>
<b>Expenditures:</b>					
Salaries and Benefits	\$ -	\$ -	\$ -	\$ -	\$ -
Services and Supplies	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Charges	\$ 2,486,499.48	\$ 2,801,203.09	\$ 4,108,812.55	\$ 29,335,446.48	\$ 21,356,219.38
Capital Assets - Equipment & Structures	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL EXPENDITURES</b>	<b>\$ 2,486,499.48</b>	<b>\$ 2,801,203.09</b>	<b>\$ 4,108,812.55</b>	<b>\$ 29,335,446.48</b>	<b>\$ 21,356,219.38</b>
<i>Revenues Less Expenditures</i>	\$ 77,169.17	\$ 219,732.43	\$ (204,877.87)	\$ 2,414,293.68	\$ (754,089.54)
<b>FUND BALANCE</b>	<b>\$ 293,012.79</b>	<b>\$ 512,745.22</b>	<b>\$ 307,867.35</b>	<b>\$ 2,722,161.03</b>	<b>\$ 1,968,071.49</b>

**Discussion:**

a) Budget:

The District's 5-year budget trend analysis above indicates that the District is generally operating within its available resources (i.e. it is not overspending its revenue). The annual budget for levee maintenance and water delivery in 2015/16 was approximately \$1.9 million dollars, which is generated from their assessment as well as from enterprise water delivery. The District's budget includes funding from the Department of Water Resources for the construction of the Joint Intake and Fish Screen Project, a \$44-million intake facility on the Sacramento River that provides water to irrigate approximately 15,000 acres of crops and serve the residents of cities of Davis and Woodland, as well as the campus of the University of California, Davis. In fiscal years 13/14 and 15/16, the District overspent its revenue due to construction of the Project; however, it is clear from the financial information that there were sufficient funds to accommodate the overage. The Reclamation District is independently audited annually in accordance with auditing standards generally accepted in the United States. The chart above also shows the District appears to have sufficient reserves to cover unexpected events or upcoming significant costs.

b-c) Revenue Sources:

The District budget comes from their own assessment as well as revenues from enterprise water delivery. Therefore, the agency's funding is stable and reliable. There are no additional fees for service.

d) Financial Policies:

The District has adopted policies and follows state law and reclamation law. The District has a Policy Handbook which includes personnel issues, operating procedures, fraud prevention, financial and fiscal procedures, etc.

e-f) Infrastructure Maintenance and Replacement/Reserves:

The District provided a summary to the Department of Water Resources of expenses and maintenance activities for all levee units. Expenses include costs of slope dragging, rodent baiting and trapping, and vegetation control. The reported total estimated cost for the current fiscal year is \$130,000. According to the Regional Flood Management Plan (RFMP), RD 2035's primary issues are related to maintenance activities like vegetation and rodent control, seepage control, bank protection/erosion control, access road maintenance, and encroachment repairs and modifications. The Willow Slough Bypass Stability Project would correct a serious stability issue in RD 2035 with a total length of 100 feet. The cost is estimated at \$58,013 and the RFMP indicates that a local funding has not been identified. However, the District appears to have adequate reserves.

g) Debt:

The District does not have any debt.

i) Post-Employment Liability:

The District does not have any post-employment liability.

**Financial Ability MSR Determination**

The District appears to generally operate within its financial means and appears to have adequate reserve to provide necessary maintenance. According to the Regional Flood Management Plan, local funding has not been identified for the Willow Slough Stability Project.. The District has adopted financial policies which includes personnel issues, operating procedures, fraud prevention, financial and fiscal procedures, etc.

**5. SHARED SERVICES AND FACILITIES**

Status of, and opportunities for, shared facilities.

	YES	MAYBE	NO
a) Are there any opportunities for the organization to share services or facilities with neighboring or overlapping organizations that are not currently being utilized?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Are there any recommendations to improve staffing efficiencies or other operational efficiencies to reduce costs?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Discussion:**

a-b)The District does not currently share any services of facilities with other districts. LAFCo is not aware of any opportunities for shared services that might improve staffing or other operational efficiencies to reduce costs.

**Shared Services MSR Determination**

The District does not currently share any services or facilities with other Districts. LAFCo is not aware of any opportunities for shared services that might improve staffing or other operational efficiencies to reduce costs.

**6. ACCOUNTABILITY, STRUCTURE AND EFFICIENCIES**

Accountability for community service needs, including governmental structure and operational efficiencies.

	YES	MAYBE	NO
a) Are there any issues with meetings being accessible and well publicized? Any failures to comply with disclosure laws and the Brown Act?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Are there any issues with filling board vacancies and maintaining board members? Is there a lack of board member training regarding the organization's program requirements and financial management?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Are there any issues with staff turnover or operational efficiencies? Is there a lack of staff member training regarding the organization's program requirements and financial management?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Are there any issues with independent audits being performed on a regular schedule? Are completed audits being provided to the State Controller's Office and County Director of Financial Services within 12 months of the end of the fiscal year(s) under examination? Are there any corrective action plans to follow up on?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Does the organization need to improve its public transparency via a website? [A website should contain at a minimum the following information: organization mission/description/boundary, board members, staff, meeting schedule/agendas/minutes, budget, revenue sources including fees for services (if applicable), and audit reports?]	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Are there any recommended changes to the organization's governance structure that will increase accountability and efficiency?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g) Are there any opportunities to eliminate overlapping boundaries that confuse the public, cause service inefficiencies, unnecessarily increase the cost of infrastructure, exacerbate rate issues and/or undermine good planning practices?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Discussion:**

- a) There are no issues with the board meetings being accessible and posted in accordance with the Brown Act. Meetings are held approximately four times per year at the District office located at 45332 County

Road 25, Woodland, CA 95776. The District gives the public notice of meetings through posting at meeting location.

- b) All of the board seats are currently filled, therefore, there do not appear to be chronic issues with filling board vacancies and maintaining board members.
- c) There do not appear to be issues with staff turnover or other operational efficiencies. The District has two full time employees, an Accounting Manager and one Laborer. The General Manager (GM) is employed by Conaway Preservation Group (largest landowner) and is the acting GM for the District. The District contracts out for some levee and ditch maintenance, all legal services, and engineering services.
- d) The Reclamation District is independently audited annually in accordance with auditing standards generally accepted in the United States. Audits are performed annually by Richardson & Company LLP. Audits are current through fiscal year 2016. The District's 2017 audit is currently in process.
- e) Regarding public accessibility of District records, the District does not have a website, so public access to District information is not easily accessible. The District should consider even a minimal website to provide information to the public regarding board members, meetings, financial information, audits, etc. District files are stored at the District office and maintained by District staff.

f-g) Central Valley Flood Protection Plan Context

Flood management in the Central Valley is affected by a complex framework of public agencies (over 300 in the Sacramento Basin and over 200 in the San Joaquin Basin). At the local level, governance is complicated by multiple small levee maintaining agencies (LMAs) with limited resources, including staff, revenues, and authorities. Flood management in Yolo County along the Sacramento River System is currently carried out by fifteen (15) separate local agencies including: twelve (12) reclamation districts (RDs); one (1) drainage district; one (1) levee district; and one (1) county service area. In addition, the California Department of Water Resources (DWR) has one Maintenance Area (MA #4) in the West Sacramento Basin and also maintains the Bypass and the Cache Creek levee system with the exception of the Huff's Corner reach, which is maintained by the County. The United States Army Corps of Engineers (USACE) also maintains the Navigation Levee constructed in association with the Deep Water Ship Channel.

Enhanced regional governance can empower groups of local agencies to more effectively pool and leverage funding and resources, enhance collaboration and coordination, coordinate political advocacy, and create shared ownership of the flood system. Regional planning and project implementation is greatly improved through enhanced regional governance. Regional governance not only improves collaboration among local agencies within a region, but also facilitates more effective partnering with State and federal governments, greatly helping to define and achieve a shared regional vision.

Strong regional governance and shared understanding of roles and responsibilities will support a shift toward system-scale, long-term, outcome-driven resource management that balances a broad array of public values and priorities. Dialogues should be fostered within a structured, transparent process that includes schedules, actionable recommendations, and stakeholder engagement.<sup>2</sup>

In an effort to improve statewide flood management, the State Department of Water Resources (DWR) funded a locally led Regional Flood Management Plan process in six Central Valley regions. The intent of the effort includes establishing a common vision among regional partners, articulating local and regional flood management needs and priorities, describing regional financing strategies, and establishing improved regional governance for implementation.

Through interaction with these regional groups, State DWR has advanced the idea of LMA consolidation. This concept, which arose in the aftermath of the Hurricane Katrina disaster, is founded

<sup>2</sup> Central Valley Flood Protection Plan 2017 Update, page 3-46