

2014

MUNICIPAL SERVICE REVIEW AND
SPHERE OF INFLUENCE STUDY
FOR THE

Cacheville Service District



LOCAL AGENCY FORMATION COMMISSION OF YOLO COUNTY

Resolution № 2014-05

**A Resolution Approving the Municipal Service Review for the Cacheville Service District and Finding that No Sphere of Influence Update is Necessary
LAFCo Proceeding S-040**

WHEREAS, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 set forth in Government Code Sections 56000 et seq. governs the organization and reorganization of cities and special districts by local agency formation commissions established in each county, as defined and specified in Government Code Sections 56000 et seq. (unless otherwise indicated all statutory references are to the Government Code); and,

WHEREAS, Section 56425 et seq. provides that the local agency formation commission in each county 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 spheres of influence, as more fully specified in Sections 56425 et seq.; and,

WHEREAS, Section 56430 requires that local agency formation commissions conduct a municipal service review (MSR) prior to, or in conjunction with, consideration of actions to establish or update a sphere of influence (SOI) in accordance with Sections 56076 and 56425; and,

WHEREAS, in 2013, the Yolo County Local Agency Formation Commission (LAFCo) undertook to conduct a review of the municipal services and sphere of influence of the Cacheville Service District; and,

WHEREAS, based on the results of the MSR staff has determined that an SOI update for the Cacheville Service District is not necessary in this review, as staff is not aware of any development proposals or requests by adjacent landowners to connect to the municipal services of the District for any health or safety issues, and the District's Board of Directors has expressed that they are not interested in altering their SOI boundaries at this time; and,

WHEREAS, staff has reviewed the Municipal Service Review pursuant to the California Environmental Quality Act (CEQA) and determined that the MSR is exempt from environmental review per CEQA Guidelines Section 15262 which indicates that adopting planning studies that do not commit the agency to future actions are exempt from CEQA; and, based thereon, the Executive Officer prepared a Notice of Exemption; and,

WHEREAS, the Executive Officer set a public hearing for July 24, 2014 for consideration of the environmental review and the draft Municipal Service Review and

caused notice thereof to be posted, published and mailed at the times and in the manner required by law at least twenty-one (21) days in advance of the date; and,

WHEREAS, on July 24, 2014, the draft Municipal Service Review came on regularly for hearing before LAFCo, at the time and place specified in the Notice; and,

WHEREAS, at said hearing, LAFCo reviewed and considered the Notice of Exemption, the draft Municipal Service Review, and the Executive Officer's Report and Recommendations; each of the policies, priorities and factors set forth in Government Code Sections 56430; LAFCo's Guidelines and Methodology for the Preparation and Determination of Municipal Service Reviews and Spheres of Influence; and all other matters presented as prescribed by law; and,

WHEREAS, at that time, an opportunity was given to all interested persons, organizations, and agencies to present oral or written testimony and other information concerning the proposal and all related matters; and,

WHEREAS, the Commission received, heard, discussed, and considered all oral and written testimony related to the sphere update, including but not limited to protests and objections, the Executive Officer's report and recommendations, the environmental documents and determinations and the service review.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED that the Yolo County Local Agency Formation Commission hereby:

1. States that each of the foregoing recitals is true and correct.
2. Determines that the project is exempt from CEQA pursuant to Section 15262 which indicates that adopting planning studies that do not commit the agency to future actions are exempt from CEQA; and directs the Executive Officer to prepare and file a Notice of Exemption with the County Recorder.
3. Adopts Resolution 2014-05 approving the Municipal Service Review for the Cacheville Service District as set forth in Exhibit A attached hereto and incorporated herein by this reference, and finds that no Sphere of Influence Update is necessary, subject to the following findings and recommendations:

FINDINGS

1. **Finding:** The Project is exempt from CEQA in accordance with CEQA Guidelines Section 15262, which indicates that adopting planning studies that do not commit the agency to future actions are exempt from CEQA. A Notice of Exemption will be filed with the County Recorder.

Evidence: The project includes adoption of a Municipal Services Review, but finds that no Sphere of Influence Update is necessary at this time. This study is simply a review of municipal services, the adoption of which will not commit the

District, County or LAFCo to changes in land use, construction or other improvements.

2. **Finding:** Approval of the Municipal Service Review and finding that no Sphere of Influence Update is necessary is consistent with all applicable state laws and local LAFCo policies.

Evidence: The project was prepared consistent with the requirements in the Cortese-Knox-Hertzberg Act for a MSR/SOI and all applicable Yolo LAFCo policies and adopted Standards for Evaluation. The MSR includes written determinations as required by Section 56430 of the Cortese Knox Hertzberg Local Government Act.

RECOMMENDATIONS

1. LAFCo encourages the District to implement the suggested improvements in the Yolo County 2011 Final Facility Master Plan (including upsizing the pipeline diameters throughout the system, upsizing the water pump, and purchasing a backup power source) as funding allows.
2. LAFCo encourages the District to pursue potential grant opportunities, as well as to continue building its reserve, and to conduct the recommended system improvements (including upsizing the pipeline diameters throughout the system, upsizing the water pump, and purchasing a backup power source) as funding becomes available.
3. The District's Board of Directors should consider adopting formal financial policies that reflect its strong financial management practices, to ensure its continued financial stability in the event of staff turnover.
4. LAFCo encourages the District to considering establishing a website to enhance public outreach when the District is in a financial position to do so. Should a website be established, LAFCo also encourages the District to post budgets and audits on the site to increase ease of access for residents.

PASSED AND ADOPTED by the Local Agency Formation Commission, County of Yolo, State of California, this 24th day of July, 2014, by the following vote:

Ayes: Aguiar-Curry, Kristoff, Rexroad, Saylor, Woods

Noes:

Abstentions:

Absent:



Olin Woods, Chair
Yolo County Local Agency Formation Commission

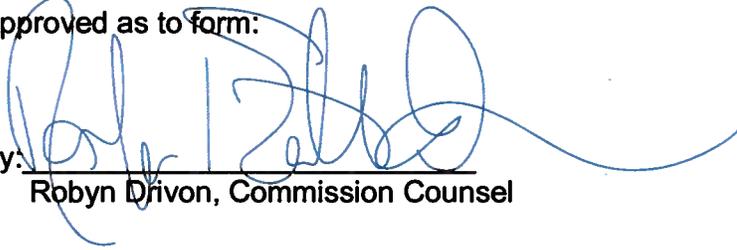
Attest:



Christine Crawford, Executive Officer
Yolo County Local Agency Formation Commission



Approved as to form:



By: Robyn Drivon, Commission Counsel



Project Name: MSR/SOI for Cacheville Service District

LAFCo Project No. S-040

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

Date: July 24, 2014

Subject Agency: Cacheville Service District

Agency Address: P.O. Box 268
Yolo, CA 95698

Agency Contact Person: Jim Nolan (Secretary)

Phone Number: (530) 662-0587

**Date of Last MSR/SOI
Adopted by LAFCo** October 23, 2006

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MSR/SOI BACKGROUND

ROLE AND RESPONSIBILITY OF LAFCO

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, as amended (“CKH Act”) (California Government Code §§56000 et seq.), is LAFCo’s governing law and outlines the requirements for preparing Municipal Service Reviews (MSRs) for periodic Sphere of Influence (SOI) updates. MSRs and SOIs are tools created to empower LAFCo to satisfy its legislative charge of “discouraging urban sprawl, preserving open-space and prime agricultural lands, efficiently providing government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances (§56301). CKH Act Section 56301 further establishes that “one of the objects of the commission is to make studies and to obtain and furnish information which will contribute to the logical and reasonable development of local agencies in each county and to shape the development of local agencies so as to advantageously provide for the present and future needs of each county and its communities.”

Based on that legislative charge, LAFCo serves as an arm of the State; preparing and reviewing studies and analyzing independent data to make informed, quasi-legislative decisions that guide the physical and economic development of the state (including agricultural uses) and the efficient, cost-effective, and reliable delivery of services to residents, landowners, and businesses. While SOIs are required to be updated every five years, they are not time-bound as planning tools by the statute, but are meant to address the “probable physical boundaries and service area of a local agency” (§56076). SOIs therefore guide both the near-term and long-term physical and economic development of local agencies their broader county area, and MSRs provide the near-term and long-term time-relevant data to inform LAFCo’s SOI determinations.

PURPOSE OF A MUNICIPAL SERVICE REVIEW

As described above, MSRs are designed to equip LAFCo with relevant information and data necessary for the Commission to make informed decisions on SOIs. The CKH Act, however, gives LAFCo broad discretion in deciding how to conduct MSRs, including geographic focus, scope of study, and the identification of alternatives for improving the efficiency, cost-effectiveness, accountability, and reliability of public services. The purpose of a Municipal Services Review (MSR) in general is to provide a comprehensive inventory and analysis of the services provided by local municipalities, service areas, and special districts. A MSR evaluates the structure and operation of the local municipalities, service areas, and special districts and discusses possible areas for improvement and coordination. The MSR is intended to provide information and analysis to support a sphere of influence update. A written statement of the study’s determinations must be made in the following areas:

1. Growth and population projections for the affected area;
2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence;
3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial

water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence;

4. Financial ability of agencies to provide services;
5. Status of, and opportunities for, shared facilities;
6. Accountability for community service needs, including governmental structure and operational efficiencies; and
7. Any other matter related to effective or efficient service delivery, as required by commission policy.

The MSR is organized according to these determinations listed above. Information regarding each of the above issue areas is provided in this document.

PURPOSE OF A SPHERE OF INFLUENCE

In 1972, LAFcos were given the power to establish SOIs for all local agencies under their jurisdiction. As defined by the CKH Act, "sphere of influence" means a plan for the probable physical boundaries and service area of a local agency, as determined by the commission" (§56076). SOIs are designed to both proactively guide and respond to the need for the extension of infrastructure and delivery of municipal services to areas of emerging growth and development. Likewise, they are also designed to discourage urban sprawl and the premature conversion of agricultural and open space resources to urbanized uses.

The role of SOIs in guiding the State's growth and development was validated and strengthened in 2000 when the Legislature passed Assembly Bill ("AB") 2838 (Chapter 761, Statutes of 2000), which was the result of two years of labor by the Commission on Local Governance for the 21st Century, which traveled up and down the State taking testimony from a variety of local government stakeholders and assembled an extensive set of recommendations to the Legislature to strengthen the powers and tools of LAFcos to promote logical and orderly growth and development, and the efficient, cost-effective, and reliable delivery of public services to California's residents, businesses, landowners, and visitors. The requirement for LAFcos to conduct MSRs was established by AB 2838 as an acknowledgment of the importance of SOIs and recognition that regular periodic updates of SOIs should be conducted on a five-year basis (§56425(g)) with the benefit of better information and data through MSRs (§56430(a)).

Pursuant to Yolo County LAFCO policy an SOI includes an area adjacent to a jurisdiction where development might be reasonably expected to occur in the next 20 years. A MSR is conducted prior to, or in conjunction with, the update of a SOI and provides the foundation for updating it. In Yolo County, a SOI generally has two planning lines. One is the 10-year boundary which includes the area that may likely be annexed within 10 years, while the 20-year boundary is anticipated to accommodate boundary expansions over a 20-year horizon.

LAFCo is required to make five written determinations when establishing, amending, or updating an SOI for any local agency that address the following (§56425(c)):

1. The present and planned land uses in the area, including agricultural and open-space lands.
2. The present and probable need for public facilities and services in the area.
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

4. The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.
5. For an update of an SOI of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

DISADVANTAGED UNINCORPORATED COMMUNITIES

SB 244 (Chapter 513, Statutes of 2011) made changes to the CKH Act related to “disadvantaged unincorporated communities,” including the addition of SOI determination #5 listed above. Disadvantaged unincorporated communities, or “DUCs,” are inhabited territories (containing 12 or more registered voters) where the annual median household income is less than 80 percent of the statewide annual median household income.

On March 26, 2012, LAFCo adopted a “Policy for the Definition of ‘Inhabited Territory’ for the Implementation of SB 244 Regarding Disadvantaged Unincorporated Communities”, which identified 21 inhabited unincorporated communities for purposes of implementing SB 244.

CKH Act Section 56375(a)(8)(A) prohibits LAFCo from approving a city annexation of more than 10 acres if a DUC is contiguous to the annexation territory but not included in the proposal, unless an application to annex the DUC has been filed with LAFCo. The legislative intent is to prohibit “cherry picking” by cities of tax-generating land uses while leaving out under-served, inhabited areas with infrastructure deficiencies and lack of access to reliable potable water and wastewater services. DUCs are recognized as social and economic communities of interest for purposes of recommending SOI determinations pursuant to Section 56425(c).

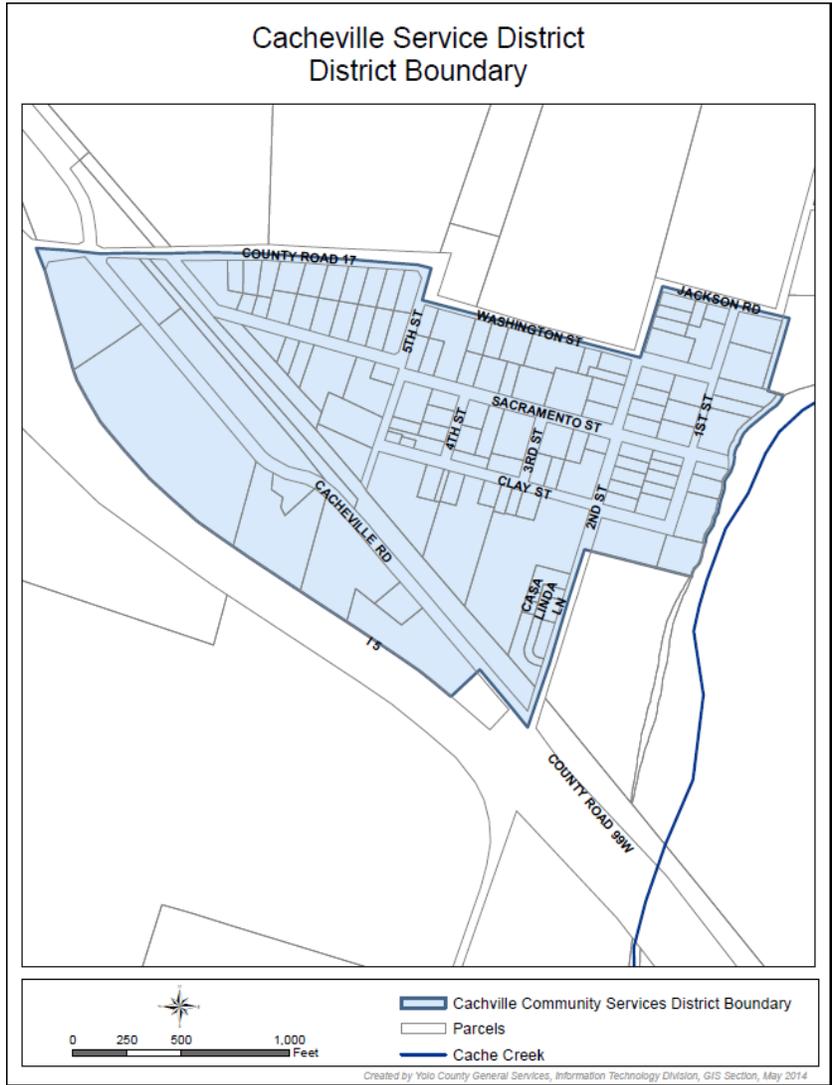
ORGANIZATION OF MSR/SOI STUDY

This report has been organized in a checklist format to focus the information and discussion on key issues that may be particularly relevant to the subject agency while providing required LAFCo’s MSR and SOI determinations. The checklist questions are based on the Cortese-Knox-Hertzberg Act, the LAFCo MSR Guidelines prepared by the Governor’s Office of Planning and Research and adopted Yolo LAFCo local policies and procedures. This report provides the following:

- Provides a description of the subject agency;
- Provides any new information since the last MSR and a determination regarding the need to update the SOI;
- Provides MSR and SOI draft determinations for public and Commission review; and
- Identifies any other issues that the Commission should consider in the MSR/SOI.

AGENCY PROFILE

Cacheville Community Services District (CSD) provides domestic water and street lighting services to the town of Yolo, which is approximately 89 acres in size, and located four miles north of the City of Woodland. The town of Yolo is located along County Road 99W and the Union Pacific Railroad, south of County Road 17 and Washington Street, west of Cache Creek and County Road 98, and north of County Road 97B and Interstate 5. The town was originally a small farming community known as Cacheville.



Municipal Services

The Cacheville CSD was formed on September 8, 1970, and was originally given the ability to provide water and wastewater services to the town of Yolo. However, the District never utilized its power to provide wastewater services, as the community uses private septic tanks for wastewater disposal in the area. The District added street lighting services in 1978, and acts as a pass through agency with Pacific Gas and Electric Company (PG&E) for street lighting. Currently, the District provides street lighting services as well as domestic water supply for 165 housing units (US Census, 2010).

Boundaries

The District's sphere of influence is coterminous with the District's boundaries (see map), and there have been no annexations or changes to the District's boundaries since its formation.

Structure and Governance

The District is governed by a five member Board of Directors that meets the first Wednesday of every month at 6:00 pm at the Yolo Community Center. The District employs one part-time Clerk who provides bookkeeping and billing services, and one part-time Water Distribution Operator (the part-time position is shared between two people). The District also contracts for legal services with the law firm Gardner, Janes, Nakken, Hugo & Nolan.

AFFECTED AGENCIES

Per Government Code Section 56427, a public hearing is required to adopt, amend, or revise a sphere of influence. Notice shall be provided at least 21 days in advance and mailed notice shall be provided to each affected local agency or affected County, and to any interested party who has filed a written request for notice with the executive officer. Per Government Code Section 56014, an affected local agency means any local agency that overlaps with any portion of the subject agency boundary or SOI (included proposed changes to the SOI).

The affected local agencies for this MSR/SOI are:

County/Cities:

- City of Davis
- City of West Sacramento
- City of Winters
- City of Woodland
- County of Yolo

County Service Areas (CSAs)

- Dunnigan, El Macero, Garcia Bend, Madison-Esparto Regional CSA (MERCSA), North Davis Meadows, Snowball, Wild Wings, and Willowbank

School Districts:

- Davis Joint Unified.
- Esparto Unified
- River Delta Unified
- Washington Unified
- Winters Joint Unified
- Woodland Joint Unified

Special Districts:

- Mary's Cemetery District
- Cacheville Service District
- Yolo Fire Protection District
- Sacramento-Yolo Port District
- Reclamation District – 150, 307, 537, 730, 765, 785, 787, 827, 900, 999, 1600, 2035, 2076, 2120
- Yolo County Resource Conservation District
- Water District – Dunnigan, Knight's Landing Ridge Drainage, YCFCWCD

Multi-County Districts:

- Reclamation District – 108 (Colusa), 2068 (Solano), 2093 (Solano)
- Water District – Colusa Basin Drainage
- Sacramento-Yolo Mosquito Vector Control District

MUNICIPAL SERVICE REVIEW

POTENTIALLY SIGNIFICANT MSR DETERMINATIONS

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

- Growth and Population
- Disadvantaged Unincorporated Communities
- Capacity, Adequacy & Infrastructure to Provide Services
- Financial Ability
- Shared Services
- Accountability
- Other

1. GROWTH AND POPULATION

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

Discussion:

- a-b) According to the U.S. Census Bureau (2010) the town of Yolo had a population of 452 in 2010, with a total of 165 housing units. The California Department of Finance (2013) projects that the unincorporated areas of Yolo County will see a population growth of only 1.04 percent between 2010 and 2015, with an additional 1.06 percent between 2015 and 2020. The town of Yolo is expected to experience only a small level of population growth that is unlikely to significantly impact the District’s boundaries or ability to provide services. No significant development is currently anticipated in Yolo.
- c) The 2030 Countywide General Plan for the town of Yolo allows for infill development only, which is land that has been designated for development since the County’s 1983 General Plan. However, according to Land Use Figure LU-1F, there is land designated for future development that is currently outside of the District boundaries. Should development occur in these areas outside the District boundary, annexation to the District would likely be required. However, there are no current development plans for the area, and it is unlikely that this will change before the next MSR, to be

completed in five years. This MSR assumes no development that would require a change in boundaries for the District in the foreseeable future.

Growth and Population MSR Determination

At this time the town of Yolo is not projected to experience any significant development or population growth that might impact the District’s ability to deliver water or street lighting services. The County of Yolo 2030 Countywide General Plan does currently designate land for potential development outside of the District’s existing territory, but there are no development plans at this time, and this MSR assumes no development in the foreseeable future.

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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Are there any “inhabited unincorporated communities” (per adopted Commission policy) within or adjacent to the subject agency’s sphere of influence that are considered “disadvantaged” (80% or less of the statewide median household income)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) If “yes” to both a) and b), it is feasible for the agency to be reorganized such that it can extend service to the disadvantaged unincorporated community (if “no” to either a) or b), this question may be skipped)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

- a) The Cacheville Service District provides municipal water services to the town of Yolo, which is a service that may trigger the provisions of SB 244.
- b) The term “Inhabited Unincorporated Communities” is defined per Commission adopted policy as those areas on the County of Yolo 2030 General Plan Land Use Map (see Figures LU-1B through LU-1H) that contain land use designations that are categorized as Residential by Table LU-6. The communities of Rumsey and West Kentucky are also included in this definition (even though the current land use designations are Agriculture (AG) and Commercial Local (CL) respectively) because their existing uses are residential. These communities are as follows:

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

Willowbank
Yolo

Zamora

Cacheville Service District serves the town of Yolo, which is considered an inhabited unincorporated community according to the list above. According to the US Census Bureau (2012), Yolo has a median household income of \$32,167, which is only 52 percent of the statewide household income of \$61,400. Therefore, the town of Yolo is considered a disadvantaged unincorporated community (DUC) according to the requirements of SB 244.

- c) The town of Yolo is nearly fully served with municipal services despite its DUC status. The community receives water and street lighting services from Cacheville CSD, fire protection services from Yolo Fire Protection District, cemetery services from Mary's Cemetery District, education services from Woodland Unified School District, mosquito abatement services from Sacramento-Yolo Mosquito Vector Control District, and storm water and drainage services from the Yolo County Department of Planning and Public Works.

Wastewater is the only municipal service that the town of Yolo does not receive through a public agency. Instead, the community uses private septic tanks. The community has not been passed over for this service due to its status as a DUC, but rather, utilizes private septic tanks because no nearby infrastructure is available to provide public sewage services. Yolo County Environmental Health Services has indicated there are no concerns regarding septic systems failing in Yolo. Cacheville CSD might take on responsibility for wastewater service if necessary or desired by the community, but putting the necessary infrastructure into place would be very expensive, and does not appear to be feasible at this time. Additionally, the District's Board of Directors has expressed that they are not interested in providing wastewater service.

Disadvantaged Unincorporated Communities MSR Determination

The Cacheville Service District provides municipal water service to the inhabited unincorporated town of Yolo, which is considered a disadvantaged unincorporated community (DUC). The community is served with municipal water and fire protection services, but does not currently receive wastewater services. Instead, the community relies on private septic tanks for its wastewater needs. Yolo County Environmental Health Services has indicated there are no concerns regarding septic systems failing in Yolo. There is no adjacent or nearby agency that provides sewer service (the City of Woodland is closest at approximately four miles away) and the town of Yolo is not being passed over due to its DUC status.

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 concerns regarding public services provided by the agency being considered adequate?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) 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"/>
c) Are there any significant infrastructure needs or deficiencies to be addressed?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Are there any issues regarding the agency's capacity to meet the service demand of reasonably foreseeable future growth?	<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-c) Cacheville Service District provides two municipal services (domestic water and street lighting) as described below, with varying levels of capacity and adequacy.

WATER: The Cacheville Service District provides domestic water services to residents in the town of Yolo. According to the Final Facility Master Plan (2011), the District owns and operates a community groundwater system that was constructed in the 1970s. The water systems infrastructure includes:

- Two (2) wells- the Washington Well (Well 1) and the Sacramento Street Well (Well 2)
- 4-inch and 6-inch diameter pipes
- 100hp pump
- Two (2) 5,000 gallon hydropneumatic tanks

The Washington Well serves as the primary water source for the Yolo community, and the Sacramento Street Well serves as a backup well.

The water system is operated by two certified Water Distribution System Operators who share a single part-time position. The recent addition of these two members of the staff have resulted in a more efficient and effective operation of the water system, as they are able to respond to problems

promptly, and draw on the shared expertise of two experienced individuals in addressing issues that arise.

Water Adequacy: The 2011 Final Facility Master Plan reports that both of the District's wells receive chlorination treatments at the well head, and the water system performs satisfactorily. Yolo County Environmental Health confirmed that they currently have no concerns about the adequacy of the community water system in the town of Yolo.

Water Capacity: The 2011 Final Facility Master Plan reports that the District's water system has the capacity to meet current domestic water demands. The primary well (Washington Well) has a capacity of approximately 1,000 gpm, and the backup well (Sacramento Street Well) has a capacity of 100 gpm, for a combined total capacity of 1,100 gpm.

While the District's existing system meets current domestic water demands, the 2011 Final Facility Master Plan did identify several concerns and recommended improvements to be considered by the District as funding becomes available.

First, the combined pumping capacity of the system (1,100 gpm) is not adequate to meet either residential (1,500 gpm) or commercial (2,500 gpm) fire flow requirements. Increasing the water pressure so that the system can meet fire flow requirements would require upsizing the pipeline diameters throughout the system. The Final Facility Master Plan estimates this cost at approximately \$730,000, which the District has stated is beyond its financial capacity at this time.

The report also identifies two near-term improvements that would improve the capacity and reliability of the existing system, including (1) upsizing the water pump to improve flow through the system, and (2) purchasing a backup power source to improve the reliability of the system during power outages, for an estimated cost of \$200,000. The District has stated that its first priority would be to purchase an emergency gasoline-powered generator to meet one of the suggested improvements, but this has an expected cost of \$50,000, and the District would also need to obtain a shipping container of storage facility to store the generator when not in use. The District has stated that this is beyond the financial capacity of the District at this time.

STREET LIGHTING: The Cacheville Service District contracts with Pacific Gas and Electric (PG&E) for streetlight services, including installation and maintenance services. The District largely functions as a pass through agency, collecting a flat fee from the Yolo residents to pay the PG&E bills.

Street Lighting Adequacy and Capacity: LAFCo is not aware of any concerns with capacity or adequacy of services.

- d) While the existing water system is capable of meeting current domestic water demands, it would require a significant number of additional facilities to provide water services for even a small amount of development in the area. This is not currently a problem as significant development is not reasonably foreseeable, but given that the 2030 Countywide General Plan projects development in the town of Yolo over the 2030 horizon, this could become an issue in the future. Numerous improvements are recommended in the 2011 Final Facility Master Plan in order for the District's water system to meet the needs of future build-out, including adding a transmission main, replacing the existing wells, adding a new well, and adding a new water storage tank. The system meets current demands and significant growth is not currently anticipated. Any infrastructure improvements to

address future growth would be addressed in the conditions of approval for any development projects in Yolo.

- e) LAFCo staff is not aware of any changes in State legislation on the horizon that will significantly impact the District's water or street lighting services.
- f) As determined in Section 2 of this report, the town of Yolo is considered a disadvantaged unincorporated community. The community currently receives adequate structural fire protection and domestic water services, but does not receive wastewater services at this time. Instead, the residents rely on a system of private septic tanks for sewage collection and disposal, and developing a community wastewater system would be too expensive of an undertaking for the Yolo residents at this time. The private septic tanks appear to be adequately serving Yolo residents, and staff at Yolo County Environmental Health have expressed that they have no concerns regarding the safety or effectiveness of the existing system. Therefore, although Yolo is considered a DUC, there are no identified service needs or deficiencies.

According to the Final Facility Master Plan any future development projects in the community would require the construction of a community wastewater system in order to comply with County requirements. Yolo County Code Section 6-8.1111 (c) requires that development of five or more homes in a subdivision connect to a community wastewater system.

Capacity and Adequacy of Public Facilities and Services MSR Determination

LAFCo currently has no concerns regarding the Cacheville Service District's present or future capacity to offer street lighting services, nor does LAFCo have concerns about the adequacy of street lighting or domestic water services offered by the District at this time.

The existing water system has the ability to meet the current supply needs, but falls short of meeting fire flow requirements, and requires additional infrastructure to ensure its capacity and reliability. Suggested improvements for the system include upsizing the pipeline diameters throughout the system to resolve fire flow issues, upsizing the water pump to improve flow through the system, and purchasing a backup power source to improve reliability during power outages. These recommended improvements are all very costly, and are currently not within the financial capacity of the District. The water system will also require significant improvements to meet future growth needs, should a development plan for the town of Yolo be approved.

Recommendations:

- LAFCo encourages the District to implement the suggested improvements in the Yolo County 2011 Final Facility Master Plan (including upsizing the pipeline diameters throughout the system, upsizing the water pump, and purchasing a backup power source) as funding allows.

4. FINANCIAL ABILITY

Financial ability of agencies to provide services.

	YES	MAYBE	NO
a) Does the organization routinely engage in budgeting practices that may indicate poor financial management, such as overspending its revenues, failing to commission independent audits, or adopting its budget late?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Is the organization lacking adequate reserve to protect against unexpected events or upcoming significant costs?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Is the organization's rate/fee schedule insufficient to fund an adequate level of service, and/or is the fee inconsistent with the schedules of similar service organizations?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Is the organization unable to fund necessary infrastructure maintenance, replacement and/or any needed expansion?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Is the organization lacking financial policies that ensure its continued financial accountability and stability?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f) Is the organization's debt at an unmanageable level?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

- a) The Cacheville Service District routinely adopts and operates an annual budget with a budget cycle of July 1 through June 30. The district sub-contracts with its engineering firm, Laugenour & Meikle, to prepare a draft budget for the Board's consideration.

The table below provides a summary of the District's budgets from Fiscal Year (FY) 07/08 to 12/13. The District's major revenue sources include taxes, investment earnings, intergovernmental payments, and charges for services. As demonstrated in the table, the District's investment earnings have significantly decreased over the previous 6 years while the revenues from charges for services have significantly increased due to a successful Proposition 218 election that allowed the District to raise its rates. This is a positive change, as charges for services are a much more stable source of income than investment earnings. Tax incomes remain relatively consistent, and intergovernmental payments constitute only a very small portion of the agency's total revenues. Total revenues have steadily increased between FY 2007-08 and the present.

The District's major expenditure categories include salary/benefits and services/supplies. In FY 07/08 the salary and benefits expenditures totaled only \$341. However, in the following years salary and benefits have remained relatively stable. The cost of services and supplies have varied drastically in the past six years, swinging from a low of \$35,000 to a high of \$99,000, depending largely on the unpredictable costs of maintenance, professional services, and utilities.

The District has maintained budgets with a positive net balance every FY since the previous MSR/SOI, with the exception of FY 07/08, in which the District overspent its revenues by \$47,000. These increased costs were due to several unexpected costs, including pump repairs and the hiring of two part-time water system operators.

Cacheville Community Services District Budgets						
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Revenues:						
Taxes	3,868.73	4,030.08	3,981.48	3,919.98	3,876.25	3,978.03
Investment Earnings	21,560.61	12,209.58	4,677.17	3,016.55	2,586.33	1,404.54
Intergovernmental	85.16	223.39	303.04	165.81	150.41	152.24
Charges for Services	35,360.00	65,417.00	90,908.00	103,543.00	111,639.00	113,599.00
Other	0	0	0	0	50	227.00
TOTAL REVENUES	60,874.50	81,880.05	99,869.69	110,645.34	118,301.99	119,360.81
Expenditures:						
Salary and Benefits	341.18	33,914.65	35,496.68	39,746.21	36,740.24	37,176.24
Services and Supplies	99,519.32	35,803.13	47,618.33	60,073.68	43,228.40	43,729.01
Other (Depreciation)	8,180.00	7,043.00	5,596.00	6,316.00	5,956.00	5,956.00
Provisions for Contingencies	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL EXPENDITURES	108,040.50	76,760.78	88,711.01	106,135.89	85,924.64	86,861.25
REVENUES LESS EXPENDITURES	(47,166.00)	5,119.27	11,158.68	4,509.45	32,377.35	32,499.56

SOURCE: County of Yolo Budget and Revenue Status Reports

- b) The District reports that as of February 28, 2014 it had a restricted cash account totaling \$294,206.39 on deposit with the County of Yolo. The District has designated these funds as its facility replacement reserve fund in the event it needs to drill a new well or replace substantial facilities.
- c) The District’s rate/fee schedule for the past six years is shown in the table below. Since the previous MSR the District successfully underwent a Proposition 218 election that allowed it to raise its rates to better reflect the cost of providing the service. The election allowed the District the discretion to increase the rates on an annual basis (not to exceed a small percentage) without another election. This has allowed the District flexibility in meeting its budgetary needs, as well as allowing it to build a healthy reserve for future infrastructure needs.

Cacheville Service District Fee Schedule		
Fiscal Year	Cost per Month	Annual Cost
2007-2008	\$15.00	\$180
2008-2009	\$35.00	\$420
2009-2010	\$45.00	\$540
2010-2011	\$50.00	\$600
2011-2012	\$55.00	\$660
2012-2013	\$55.00	\$660
<i>*All charges are based on a flat rate</i>		

The District’s current fee structure appears to be very reasonable. As a comparison, the Wild Wings County Service Area (CSA) currently charges an annual base rate of \$893 (as well as a water usage

charge for residents that exceed 250,000 gallons), which is much higher than the District's annual cost of \$660.

- d) The Cacheville Service District does not maintain a specific capital improvement plan or infrastructure replacement schedule. However, it does have a restricted cash account dedicated to infrastructure maintenance and replacement, with a balance of \$294,206.39.

The District has identified several costly infrastructure upgrades and replacements that are desirable, including upsizing the water pipes to improve fire flows, upsizing the water tanks to improve system flow, and purchasing a backup power source to increase reliability during power outages. These replacements are not currently necessary for the day-to-day operations of the system, but would help to ensure the overall reliability and effectiveness of the system. Each of these repairs would be very costly, and are beyond the current financial capacity of the District. The District might spend its reserve to conduct some of these upgrades, but would then be in a less stable financial position if the need for an unexpected repair or replacement presents itself. The District has stated that it hopes to apply for grant money to fund any major infrastructure maintenance or replacements such as the proposed improvements listed above. LAFCo encourages the District to pursue potential grant opportunities, as well as to continue building its reserve, and to conduct the recommended improvements as funding becomes available.

- e) The Cacheville Service District has stated that it does not have any financial policies other than guidelines for its budget development process. The District appears to be financially stable and to engage in sound financial management practices, and LAFCo is not currently concerned about its lack of financial policies. However, in preparation for future growth or staff turnover the District's Board of Directors may wish to consider adopting formal financial policies to ensure its continued financial stability.
- f) The District does not currently have any debt.

Financial Ability MSR Determination

The Cacheville Service District engages in sound financial management practices, including adopting an annual budget each year, operating within its revenues, and developing a healthy reserve for unexpected infrastructure maintenance or replacement needs. The District charges a reasonable monthly rate, does not have any debt, and appears to maintain appropriate budget practices despite its lack of financial policies. The District does not have any financial policies other than guidelines for its budget development process. While LAFCo is not currently concerned about the lack of financial policies given the strong financial management practices of the District, the District's Board of Directors may wish to consider adopting formal policies to ensure its continued financial stability.

The greatest financial hurdle that the District currently faces is the need for upgraded infrastructure to improve its fire flows and ensure reliability during power outages. These improvements are very costly, and the District has expressed that it is not in a financial position to undertake these improvements at this time.

Recommendations:

- LAFCo encourages the District to pursue potential grant opportunities, as well as to continue building its reserve, and to conduct the recommended system improvements (including upsizing the pipeline diameters throughout the system, upsizing the water pump, and purchasing a backup power source) as funding becomes available.

- The District’s Board of Directors should consider adopting formal financial policies that reflect its strong financial management practices, to ensure its continued financial stability in the event of staff turnover.

5. SHARED SERVICES AND FACILITIES

Status of, and opportunities for, shared facilities.

	YES	MAYBE	NO
a) Is the agency currently sharing services or facilities with other organizations? If so, describe the status of such efforts.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Are there any opportunities for the organization to share services or facilities with neighboring or overlapping organizations that are not currently being utilized?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Are there any governance options that may produce economies of scale and/or improve buying power in order to reduce costs?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Are there governance options to allow appropriate facilities and/or resources to be shared, or making excess capacity available to others, and avoid construction of extra or unnecessary infrastructure or eliminate duplicative resources?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

- a) The Cacheville Service District currently shares minimal services with the County of Yolo, most significantly using the County to collect and hold its funds. The District has stated that it also calls upon the County Department of Planning and Public Works occasionally to repair potholes or sweep the streets in the town of Yolo.
- b) The District overlaps with several local agencies, including the Woodland Joint Unified School District, Mary’s Cemetery District, Yolo Fire Protection District, and Sacramento-Yolo Mosquito and Vector Control District. The Yolo County Library has a branch in Yolo, and the County’s Department of Planning and Public Works provides storm drainage services in the area. All of these organizations serve areas much greater than the service area for the Cacheville Service District, and provide different services. LAFCo is not aware of any opportunities to share services with these overlapping organizations at this time.
- c-d) LAFCo is not aware of any alternate governance options or overlapping boundaries that can be considered in this MSR.

Shared Services MSR Determination

LAFCo staff is not aware of any opportunities for shared services or alternate governance options for the Cacheville Service District that might reduce costs, increase efficiencies, make excess capacity available to others, or avoid duplicative efforts.

6. ACCOUNTABILITY, STRUCTURE AND EFFICIENCIES

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

	YES	MAYBE	NO
a) Are there any issues with meetings being accessible and well publicized? Any failures to comply with disclosure laws and the Brown Act?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Are there any issues with filling board vacancies and maintaining board members?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Are there any issues with staff turnover or operational efficiencies?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Is there a lack of regular audits, adopted budgets and public access to these documents?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Are there any recommended changes to the organization's governance structure that will increase accountability and efficiency?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Are there any governance restructure options to enhance services and/or eliminate deficiencies or redundancies?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Are there any opportunities to eliminate overlapping boundaries that confuse the public, cause service inefficiencies, unnecessarily increase the cost of infrastructure, exacerbate rate issues and/or undermine good planning practices?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

- a-b) The Cacheville CSD is governed by a five-member Board of Directors, which meets on the first Wednesday of every month at 6pm in the Yolo Community Center. The District complies with all Brown Act requirements in publicly noticing its meetings. The District has been able to recruit members for its Board of Directors without difficulty, and has not had any difficulty reaching a quorum for meetings.
- c) The District employs one part-time Clerk who provides bookkeeping and billing services, and one part-time Water Distribution Operator (the part-time position is shared between two people). The District contracts for legal services with the law firm Gardner, Janes, Nakken, Hugo & Nolan. The District contracts for engineering services with the firm Laugenour & Meikle, who also prepares the District's annual budget. The District is fully staffed, has not had any issues with staff turnover or other operational efficiencies that can be resolved in this MSR.
- d) The Cacheville Service District complies with all laws regarding regular audits and adopted budgets. If requested residents can gain access to these documents from District staff, as well as attending Board

of Directors meeting in which these items are discussed. The District has stated that it is considering establishing a website to enhance public outreach, which LAFCo encourages, when the District is in a financial position to do so. Should a website be established, LAFCo would encourage the District to post budgets and audits on the site to increase ease of access for residents.

- e-f) LAFCo currently is not aware of any possible changes to the governance structure that would increase accountability, enhance services, or eliminate redundancies.
- g) LAFCo is not aware of any overlapping boundary issues that confuse the public, cause service inefficiencies, unnecessarily increase the cost of infrastructure, exacerbate rate issues and/or undermine good planning practices. The Cacheville Service District does have overlapping boundaries with several other special districts, but none offer similar services that would cause potential confusion or conflict.

Accountability, Structure and Efficiencies MSR Determination

The Cacheville Service District has frequent, publicly accessible meetings that are well publicized in accordance with the Brown Act. There appear to be no issues with filling Board of Directors vacancies. The District adopts annual budgets and completes annual audit reports. There are no recommended changes to the organizations structure that would enhance services or eliminate deficiencies or redundancies in services. There are no overlapping boundaries that confuse the public and cause service inefficiencies.

Recommendations:

- LAFCo encourages the District to considering establishing a website to enhance public outreach when the District is in a financial position to do so. Should a website be established, LAFCo also encourages the District to post budgets and audits on the site to increase ease of access for residents.

7. OTHER ISSUES

Any other matter related to effective or efficient service delivery, as required by commission policy.

	YES	MAYBE	NO
a) Are there any other service delivery issues that can be resolved by the MSR/SOI process?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

- a) LAFCo staff did not identify additional service delivery issues that need to be resolved in this MSR, which conducting research or outreach with District staff.

Other Issues MSR Determination

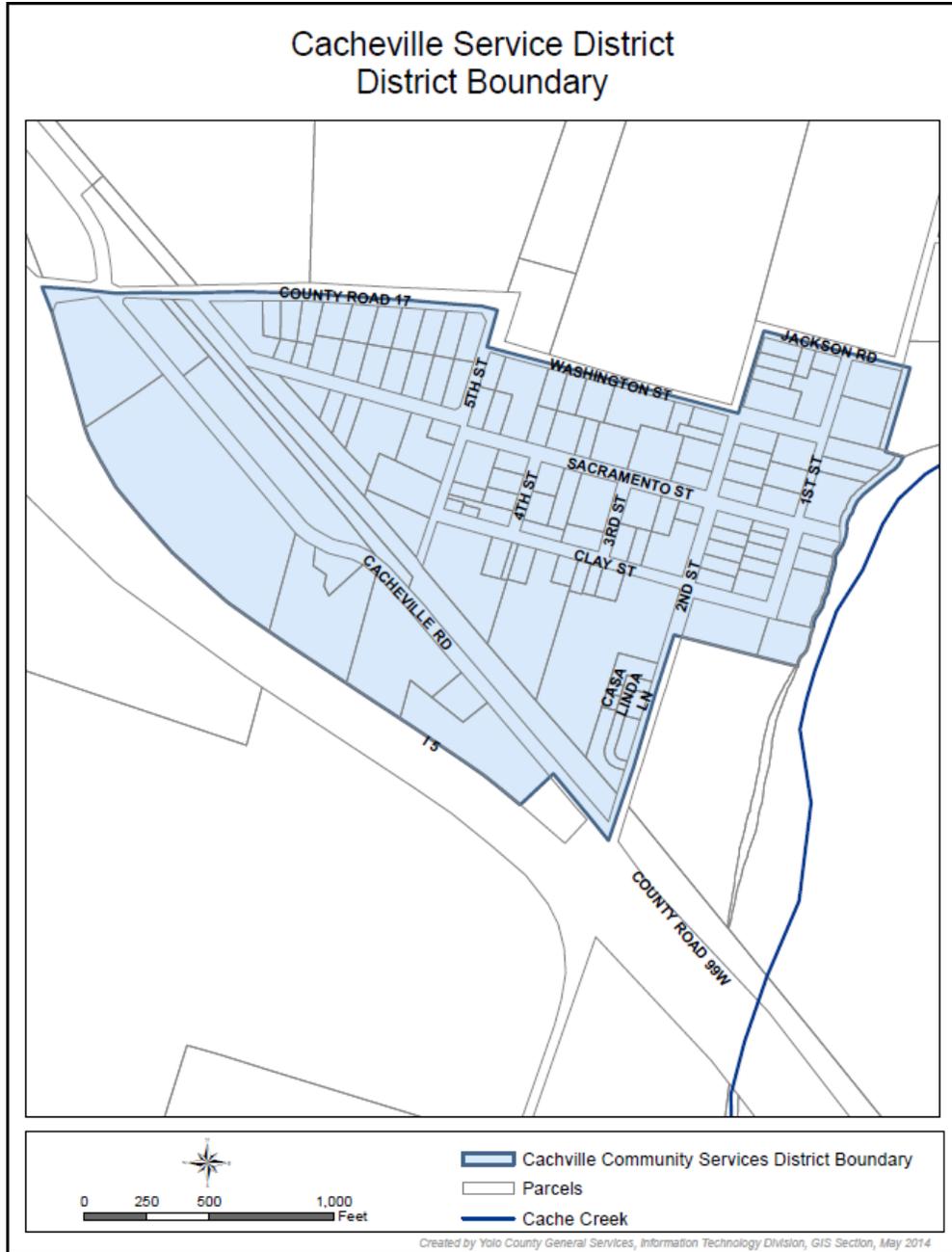
LAFCo has not identified any additional issues related to effective or efficient service delivery that might be resolved in this MSR.

SPHERE OF INFLUENCE STUDY

Existing Boundary and Sphere of Influence

The current boundaries for the Cacheville Service District are as reflected in the map below. The current SOI is coterminous with the boundaries.

LAFCo is not aware of any development proposals in the foreseeable future, or requests by adjacent landowners to connect to the municipal services of the Cacheville Service District for any health and safety issues. Therefore, no SOI is recommended with this review.



On the basis of the Municipal Service Review:

- Staff has reviewed the agency's Sphere of Influence and recommends that a SOI Update is NOT NECESSARY in accordance with Government Code Section 56425(g). Therefore, NO CHANGE to the agency's SOI is recommended and SOI determinations HAVE NOT been made.
- Staff has reviewed the agency's Sphere of Influence and recommends that a SOI Update IS NECESSARY in accordance with Government Code Section 56425(g). Therefore, A CHANGE to the agency's SOI is recommended and SOI determinations HAVE been made and are included in this MSR/SOI study.

REFERENCES

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