

**Yolo County Flood Control &  
Water Conservation District**

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**Board Meeting  
34274 State Highway 16  
Woodland, CA 95695  
Tuesday, May 2, 2023  
7:00 P.M.**

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Public documents relating to any open session item listed on this agenda that are distributed to all or a majority of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection by scheduling an appointment with Christina Cobey at (530) 662-0265, ext. 100 or [ccobey@ycfcwcd.org](mailto:ccobey@ycfcwcd.org).

In compliance with the Americans with Disabilities Act, if you have a disability and need a disability-related modification or accommodation to participate in this meeting please contact Christina Cobey. Requests should be made as early as possible, and at least one full business day before the start of the meeting.

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**AGENDA**

- 7:00 1. [Consideration](#): Adoption of the April 4, 2023 Regular Board Meeting Minutes
- 7:02 2. [Open forum \(Limited to five minutes\)](#): Guest introductions, unscheduled appearances, opportunity for public comment on non-agenda items
- 7:03 3. [Consideration](#): Adding Items to the Posted Agenda  
In order to add an item to the agenda, it must fit one of the following categories:  
a) A majority determination that an emergency (as defined by the Brown Act) exists; or  
b) A 4/5ths determination that the need to take action that arose subsequent to the agenda being posted.
- 7:05 4. [Public Hearing](#): Adoption of Resolution 23.08 Adopting Agricultural Water Rates for 2023 to 2027
- 7:30 5. [Consideration](#): Adoption of Drought Reserve Policy
- 7:45 6. [Consideration](#): Adoption of the Fiscal Year 2023/2024 District Budget
- 7:55 7. [Consideration](#): January 2023 Storm Events Emergency Canal Repairs

- 8:00 8. Director's Report: Report on meetings and conferences attended during the prior month on behalf of the District
- 8:05 9. Attorney's Report: Report on legal matters of concern to the District
- 8:10 10. General Manager's Report: Report regarding current general activities and projects of the District
- a) Operations, Maintenance, and Water Conditions
  - b) Financial Report
  - c) Capital Improvement Program
  - d) YSGA Update
  - e) General Activities
  - f) Upcoming Events
- 8:20 11. General Discussion: Opportunity for clarification or additional information request
- 8:25 12. Consideration: Consider Approval and Payment of Bills
- 8:27 13. Consideration: Announce Designation of District Labor Negotiation Representatives
- 8:33 14. Closed Session: Public Employee Performance Evaluation (Government Code § 54954.5(e) and 54957)  
Title: General Manager
- 8:40 15. Closed Session: Labor Negotiations (Government Code § 54957.6)  
District Representative(s): To be designated at meeting.  
Unrepresented Employee: General Manager
- 8:50 16. Closed Session: Bay-Delta  
Closed session conference with legal counsel for existing administrative proceeding and anticipated litigation/significant exposure to litigation pursuant to Government Code §54956.9, subsections (d)(1) and (d)(2) – State Water Resources Control Board Bay/Delta Plan update proceeding.
- 9:00 17. Adjourn

The public may address the Board concerning an agenda item either before or during the Board's consideration of that agenda item. Public comment on items within the Board's jurisdiction is welcome, subject to reasonable time limits for each speaker. Upon request, agenda items may be moved up to accommodate those in attendance wishing to address that item. Times listed for consideration of agenda items are approximate only. The Board may consider any agenda item at any time during the Board meeting.

I declare that the foregoing agenda was posted at the office of the Yolo County Flood Control & Water Conservation District, 34274 State Highway 16, Woodland, CA on April 28, 2023.

By: \_\_\_\_\_  
Christina Cobey, Administrative Assistant

YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT

AGENDA REPORT

MEETING DATE: May 2, 2023

ITEM #: 1

SUBJECT: Consideration: Adoption of the April 4, 2023 Regular Board Meeting Minutes

INITIATED OR  BOARD  
REQUESTED BY:  STAFF  
 OTHER \_\_\_\_\_

COORDINATED OR  
APPROVED BY: Kristin Sicke

ATTACHMENT  YES  NO  
 DIRECTION

INFORMATION  
 ACTION:  MOTION  
 RESOLUTION

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**BACKGROUND:**

Pursuant to Section 54957.5 of the Brown Act, copies of the draft minutes are available to the public on the District's website and at the District office prior to their approval.

In advance of the Board meeting, staff request the Directors notify staff if a correction is needed in the draft minutes to clarify a substantial point or to correct content. Staff will make the appropriate change(s) and submit the revised draft for review to the Board and the public at the meeting.

**RECOMMENDATION:**

District staff recommend the adoption of the attached minutes with any corrections.



Y O L O C O U N T Y

FLOOD CONTROL &  
WATER CONSERVATION  
DISTRICT

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**BOARD MEETING MINUTES**  
**Tuesday, April 4, 2023, 7:00 PM**

**YCFC&WCD Offices**  
**34274 State Highway 16**  
**Woodland, CA 95695**

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The regular meeting of the Board of Directors of the Yolo County Flood Control & Water Conservation District (District) was held at 7:00 p.m. on Tuesday, April 4, 2023 at its regular place of business, 34274 State Highway 16, Woodland, California. Chair Barth convened the meeting. The following people were in attendance:

District Board

Tom Barth  
Mary Kimball  
Jim Mayer  
Shane Tucker  
Erik Vink

District Staff

Kristin Sicke, General Manager  
Ryan Bezerra, Legal Counsel

Members of the Public

Jim Barrett  
Nick Edsall  
Rod Scheaffer

**1. CONSIDERATION: Approval of Minutes**

M/S/C approved the minutes of the March 7 Regular and March 14, 2023 Special Board meetings.

Ayes: Directors Barth, Kimball, Mayer, Tucker, and Vink

Noes: None

Absent: None

Abstain: None

## **2. OPEN FORUM**

There were no comments.

## **3. CONSIDERATION: Adding Items to the Posted Agenda**

There were no changes made to the agenda.

## **4. PRESENTATION: Rate Setting Framework and Guiding Principles**

General Manager Sicke provided a brief presentation on the District's Revenue Stabilization Program, which consists of three phases:

1. Special Benefit Assessment – fixed revenue to fund capital improvement projects
2. Updated Agricultural Water Rate – revenue to fund operational expenses
3. Future Groundwater Charge – revenue to fund operational expenses and offset the agricultural water rate (to be determined in 2026)

The District's Special Benefit Assessment is estimated to provide ~\$950,000 annually to fund capital improvement projects that are approved by the Board of Directors throughout the year. The updated Agricultural Water Rate consists of three components: 1) a **base rate** to cover net direct expenses in all non-allocated years at minimal expected sales of 110,000 acre-feet (AF); 2) a **drought reserve fee** to build reserves for funding two years of net direct expenses during allocated/dry years; and 3) a **short-term capital recovery charge** to eliminate the recent accrued cash deficit of ~\$1M from prior insufficient revenues. The Board of Directors will consider adopting the proposed Agricultural Water Rate at the May 2, 2023 Board meeting where they will hold a public hearing. The proposed rate is \$56.30/AF and the corresponding rate components are \$39/AF (base rate), \$15.50/AF (drought reserve fee), and \$1.80/AF (short-term capital recovery charge).

Sicke reviewed the guiding principles for developing a short-term capital recovery target and drought reserve target to ensure the accumulation of those funds are tracked severally and those components of the water rate are reduced or not imposed once the target is achieved. The short-term capital recovery target and drought reserve target assume minimal expected sales of 110,000 AF over a 5-year unallocated period, and both components of the water rate will be accounted for in the District's annual and monthly financial statements. The initial drought reserve target will be established based on the projected operational expenses for agricultural water in the Fiscal Year 2023/2024 Budget, which is considered the "pro forma". However, this target may need to be revised by the Board in subsequent years to consider any alterations to the pro forma.

The annual budget setting process will also report on the status of the drought reserve funds and the anticipated annual budget set-aside or reserve usage, along with any risks or opportunities for the year. Risks or opportunities may include considering water year type and potential impact on water sales, economic factors, or unexpected hazards or emergencies. Sicke briefly ran through a few scenarios to illustrate the process of accumulating and drawing down drought reserve funds.

Director Mayer commented on the District providing value to the customers by being predictable, and he suggested reviewing the California Special Districts Association's model reserve policy to ensure we develop a comprehensive and easily understood policy.

Director Vink stressed the importance of being transparent as best as we can.

Director Kimball echoed those thoughts and suggested having an ongoing conversation, requesting the General Manager's Report provide an update on the accumulation and drawdown of funds.

Director Tucker requested the District's General Manager and Board of Directors focus next on developing a formal capital improvement plan so that the District is deliberate and transparent about prioritizing and funding infrastructure improvements.

## **5. DIRECTOR'S REPORT**

Director Mayer reported on his activities related to NCWA and the work that NCWA is doing to craft new statute provisions for recharging groundwater with surplus flows.

Director Barth reported on participating in the YSGA's March Board of Directors meeting.

## **6. ATTORNEY'S REPORT**

Legal Counsel Ryan Bezerra provided a brief overview of proposed water legislation that BKS is tracking. An updated report will be provided at a later Board meeting with a report on new bills introduced and the status of bills of interest to the District.

## **7. GENERAL MANAGER'S REPORT**

General Manager Sicke provided reports on the following:

- a) Operations, Maintenance, and Water Conditions
- b) Financial Report Summary – Highlights from the March 31, 2023 Financial Statements Report were reviewed, and the actual FY 2022/2023 Budget was compared to the projected FY 2022/2023 Budget.
- c) Capital Improvement Program – An update on the planning activities related to capital projects was provided.
- d) YSGA Update – An update on Yolo Subbasin Groundwater Agency's *2022 Yolo Subbasin Groundwater Sustainability Plan* implementation activities was provided.
- e) General Activities – A list of outreach activities and projects (in-house and coordinated with other agencies) was reviewed.
- f) The following upcoming events were announced:
  1. YSGA: Yolo County Supervisor Sandy and Concerned Landowners Meeting (April 5)
  2. YSGA / YCFB Coordination Meeting (April 5)
  3. BEF / Business for Water Stewardship Opportunity (April 6)
  4. Westside Sacramento Valley Flood MAR – TNC (April 6)
  5. YSGA: Meeting with Yolo County Supervisor Frerichs (April 6)
  6. YSGA: Meeting with Yolo County Supervisor Provenza (April 7)
  7. NCWA Manager's Meeting (April 10)
  8. NCWA Bay-Delta Working Group Meeting (April 10)
  9. YSGA: Executive Committee Meeting (April 10)

10. Yolo County BOS Meeting: Drought Update (April 18)
11. ACWA SGMA Implementation Committee (April 18)
12. DWR's Spring 2023 GSA Summit (April 19)
13. California Water Commission Meeting: Recharge Panel (April 19)
14. District BOD Meeting: Public Hearing for Updated Agricultural Water Rates (May 2)
15. ACWA Spring Conference (May 9-11)
16. Yolo County Water Awareness Forum (May 16)
17. GRA/ACWA GSA Summit (June 7-8)

**8. GENERAL DISCUSSION**

There was no general discussion.

**9. CONSIDERATION: Payment of Bills**

M/S/C approved the following claims for payment – Yolo County Flood Control & Water Conservation District Checks # 62138-62148.

Ayes: Directors Barth, Kimball, Mayer, Tucker, and Vink

Noes: None

Absent: None

Abstain: None

**10. CLOSED SESSION**

Closed Session conference with legal counsel for existing administrative proceeding and anticipated litigation/significant exposure to litigation pursuant to Government Code 54956.9, subsections (d)(1) and (d)(2) – State Water Resources Control Board Bay-Delta Plan update proceeding.

*Closed Session Report:* Chair Barth reported that the Directors, General Manager Sicke, and Legal Counsel Bezerra participated in the closed session item and that there was nothing to report.

**11. ADJOURNMENT**

There being no further business to come before the Board, the meeting was adjourned.

\_\_\_\_\_  
Tom Barth, Chair

ATTEST:

\_\_\_\_\_  
Kristin Sicke, Secretary

YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT  
AGENDA REPORT

MEETING DATE: May 2, 2023

ITEM #: 4

SUBJECT: Public Hearing: Adoption of Resolution 23.08 Adopting Agricultural Water Rates for 2023 to 2027

INITIATED OR  BOARD  
REQUESTED BY:  STAFF  
 OTHER \_\_\_\_\_

COORDINATED OR  
PREPARED BY: Kristin Sicke  
APPROVED BY: Kristin Sicke

ATTACHMENT  YES  NO  
 DIRECTION

INFORMATION  
 ACTION:  MOTION  
 RESOLUTION

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**BACKGROUND:**

The District's existing revenue structure depends on agricultural water sales, which are unreliable, and the current rate structure is not sustainable. The District needs to update agricultural water rates to meet current and future service levels and prepare reserve funds for use during drought periods and recover from existing District cash deficits. The District manages critical surface water delivery systems, which includes timely maintenance and upgrades to aging infrastructure.

As discussed at the District's March 14, 2023 Special Board meeting, consistent with Proposition 218, the District accepted and approved the preliminary cost-of-service study and set a public hearing for May 2, 2023 to officially adopt the updated agricultural water rate. A notice was mailed to water customers on March 16, 2023 announcing the proposed agricultural water rate components: 1) Base Rate = \$39/AF; 2) Drought Reserve Fee = \$15.50/AF; and 3) Short-Term Capital Recovery Charge = \$1.80/AF

At the April 4, 2023 Board meeting, there was a presentation on the overall water rate structure and on the framework and guiding principles for developing a drought reserve policy. The Chair will announce a public hearing, staff will provide a presentation on the water rate structure proposed for adoption, and there will be an opportunity for formal public comment.

**RECOMMENDATION:**

Staff recommend adoption of Resolution 23.08 Adopting Agricultural Water Rates for 2023 to 2027.



**RESOLUTION NO. 23.08**

**OF THE BOARD OF DIRECTORS OF THE  
YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT  
ADOPTING AGRICULTURAL WATER RATES FOR 2023 TO 2027**

**WHEREAS**, the Yolo County Flood Control and Water Conservation District (“District”) Board of Directors has reviewed, accepted, and approved the *Cost-of-Service Analysis and Agricultural Water Rate Study*, dated March 10, 2023 (Study) prepared by Larsen Wurzel & Associates, Inc. for the District;

**WHEREAS**, on March 16, 2023, the District mailed a Notice of Public Hearing on proposed adjustments to agricultural water service rates and charges to landowners and tenants of properties receiving water service within the District’s territory in compliance with section 6(a) of Article XIII D of the California Constitution for a public hearing to be held on May 2, 2023;

**WHEREAS**, the Study identified the need for, and benefits of, implementing various adjustments to the District’s agricultural water service rates and charges, so that customers pay their proportionate share of the costs incurred to provide water service to them;

**WHEREAS**, the proposed adjustments to the District’s agricultural water service rates and charges will help ensure that the District’s financial and water service obligations can be met with reduced risk and uncertainty;

**WHEREAS**, the Study demonstrates that the revenues derived from the proposed adjustments to the District’s agricultural water service rates and charges will not exceed the funds required to provide water service to the affected parcels;

**WHEREAS**, as set forth in the Study, the amount of the proposed agricultural water service rates and charges imposed on each affected parcel will not exceed the proportional cost of the water service attributable to the parcel in compliance with California law, including section 6(b)(3) of Article XIII D of the California Constitution and *Griffith v. Pajaro Valley Water Management District* ((2013) 220 Cal.App.4th 586, 601) and other relevant case law;

**WHEREAS**, as a result of the proposed adjustments to the District’s agricultural water service rates and charges, the District’s customers will benefit from improved financial stability and certainty, thereby providing for more reliable water service;

**WHEREAS**, the District Board of Directors received presentations and public comment on the proposed adjustments to the District’s agricultural water service rates and charges at noticed public meetings on March 7, March 14, and April 4, 2023;

**WHEREAS**, the District Board of Directors held a public hearing on this May 2, 2023, during which it received oral and written comments, and written protests, regarding the proposed increases in the District’s agricultural water service rates and charges for 2023 through 2027;

**WHEREAS**, at the close of the public hearing, the District Board of Directors received less than a majority of written protests from the affected parcels, as defined by section 6(a)(2) of Article XIII D of the California Constitution; and

**WHEREAS**, the District Board of Directors has considered the comments received, as well as the number of valid written protests, and has decided to adopt and implement the proposed increases in the District's agricultural water service rates and charges as more fully described in the Study, for providing water service to the District's landowners and water users.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the Yolo County Flood Control and Water Conservation District finds, determines and orders as follows:

1. The above recitals are true and are hereby made findings of the District Board of Directors and are incorporated in full herein.
2. The Board accepts the Study as final and directs the General Manager to file it as part of the record of these proceedings.
3. The Yolo County Flood Control and Water Conservation District agricultural water service rates and charges, as shown in the tables attached hereto as Exhibit "A" and incorporated herein by this reference, are hereby adopted and shall become effective immediately. These adopted rates and charges are necessary to cover the ongoing and increasing costs of providing water service, including operation and maintenance costs, and water system replacement, rehabilitation, repair and upgrade needs. These costs include labor costs; water supply and distribution costs; regulatory costs; administrative and customer service costs; and costs related to replacement, rehabilitation, repair and upgrade of the District's water system facilities. Revenues derived from the adopted rates and charges shall be used only for purposes related to the District's water system.
4. To the extent that the terms and provisions of this resolution may be inconsistent or in conflict with the terms or conditions of any prior ordinance, resolution, rule, or regulation governing rates and charges for the District's water service area, the terms of this resolution shall prevail and any such inconsistent and conflicting provisions of prior ordinances, resolutions, rules or regulations are hereby repealed.
5. If any provision of this resolution or application thereof to any person or circumstance is held invalid, no other lawful provision of this resolution shall be affected thereby.
6. The adjustments to the District's agricultural water service rates and charges are, among other things, for the purpose of continuing to provide funds to meet the costs of operating, maintaining and upgrading the District's water system facilities. The District Board of Directors therefore finds that the adoption of this resolution is exempt from application of the California Environmental Quality Act under section 21080(b)(8) of the California Public Resources Code.

7. The agricultural water service rates and charges approved in this resolution and more specifically described in Exhibit A are not discriminatory or excessive, and will be sufficient and comply with all applicable laws.

The foregoing resolution was duly passed and adopted by the Board of Directors of the Yolo County Flood Control and Water Conservation District at a regular Board meeting held on May 2, 2023 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Signed by me after its passage this 2<sup>nd</sup> day of May 2023.

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Tom Barth, Chair

ATTEST:

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Kristin Sicke, Secretary

## EXHIBIT A

### 2023-2027 AGRICULTURAL WATER SERVICE RATES AND CHARGES

**Base Water Rate = \$39/AF**  
**Drought Reserve Rate = \$15.50/AF**  
**Short-Term Capital Recovery Rate = \$1.80/AF**

**Table 6**  
**YCFCWCD Cost-of-Service Study**  
**Agricultural Water Sales Rate Setting**

Flow of Funds - Ag Water	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28
Ag Water Operating Expenses	\$ (5,918,323)	\$ (6,095,873)	\$ (6,278,749)	\$ (6,467,111)	\$ (6,661,125)
Ag Water Special Benefit Assessment [1]	\$ 952,135	\$ 980,699	\$ 1,010,120	\$ 1,040,424	\$ 1,071,636
Total Non-Operating Rev Avail to Offset Ag Water Expenses - from Table 5	\$ 1,026,775	\$ 1,015,243	\$ 1,003,042	\$ 990,147	\$ 976,529
<b>Net Ag Water Expense</b>	<b>\$ (3,939,413)</b>	<b>\$ (4,099,931)</b>	<b>\$ (4,265,587)</b>	<b>\$ (4,436,541)</b>	<b>\$ (4,612,959)</b>
Assumed Annual Water Sales (AF) [2]	110,000	110,000	110,000	110,000	110,000
Base Water Rate (per AF)	\$ 35.8	\$ 37.3	\$ 38.8	\$ 40.3	\$ 41.9
<b>Base Water Rate, averaged (per AF) [3]</b>	<b>\$ 39.0</b>				
<i>Drought Reserve</i>					
Drought Reserve Expense [4]	\$ (1,575,765)	\$ (1,639,972)	\$ (1,706,235)	\$ (1,774,616)	\$ (1,845,184)
Drought Reserve Rate (per AF)	\$ (14.3)	\$ (14.9)	\$ (15.5)	\$ (16.1)	\$ (16.8)
<b>Drought Reserve Rate, averaged (per AF) [3]</b>	<b>\$ 15.5</b>				
<i>Short-Term Capital Recovery Charge</i>					
STCR Expense [5]	\$ (200,000)	\$ (200,000)	\$ (200,000)	\$ (200,000)	\$ (200,000)
STCR Expense Rate (per AF)	\$ (1.8)	\$ (1.8)	\$ (1.8)	\$ (1.8)	\$ (1.8)
<b>STCR Rate, averaged (per AF) [3]</b>	<b>\$ 1.8</b>				
<b>Total Water Rate (per AF) [3]</b>	<b>\$ 56.30</b>				

[1] Special Benefit Assessment revenues is for capital improvements as adopted by the Board of Directors at the March 7, 2023 Meeting.

[2] Based on minimum quantity of water sold in unallocated years: 110,000 AF.

[3] To avoid rates changing each year, assume a rate change in year 1 only based on a five-year average; base rate rounded up to nearest dollar.

[4] Drought Reserve Expense based on collecting revenue to cover two years of net ag water expenses; collected over an assumed 5-years of unallocated sales (i.e. for FY23/24 \$4Mx2/5 years); Expenses reserved in each year increases per escalation assumptions.

[5] Short term capital recovery charge is based on the Districts current cash balance of (\$1.0M) based on estimated FY22/23 year end cash less loan debt, with recovery through rate revenue over five years (i.e. \$1.0M/5 years)

YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT  
AGENDA REPORT

MEETING DATE: May 2, 2023

ITEM #: 5

SUBJECT: Consideration: Adoption of Drought Reserve Policy

INITIATED OR  BOARD  
REQUESTED BY:  STAFF  
 OTHER \_\_\_\_\_

COORDINATED OR  
PREPARED BY: Kristin Sicke  
APPROVED BY: Kristin Sicke

ATTACHMENT  YES  NO  
 DIRECTION

INFORMATION  
 ACTION:  MOTION  
 RESOLUTION

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**BACKGROUND:**

Over the last twenty years, the District has experienced less than full water supply six times (four allocated years and two dry years). The frequency of limited availability is similar throughout the entire 48-year record but has worsened in the recent past. In fact, over the last seven years, the District has had a zero and near-zero water allocation years; and the preceding seven-year period experienced a zero and two near-zero water allocation years. Based on these historical records, the basis for the drought reserve is that the District expects to experience two out of seven years of zero water allocation.

The accumulation of the drought reserve component of the water rate assumes minimal sales of 110,000 acre-feet over a five-year period to achieve a target reserve for funding two dry years. This drought reserve would allow for on-going operations in drought years or across consecutive allocated years to ensure no disruptions in infrastructure improvements and system maintenance.

As discussed at the District's April 4, 2023 Board meeting, the Board of Directors have considered a draft drought reserve policy for setting the drought reserve component of the water rate on an annual basis. Staff will provide a presentation on the District's draft Drought Reserve Policy for the Board's consideration.

**RECOMMENDATION:**

Staff recommend adoption of the Drought Reserve Policy.

## ***DRAFT Drought Reserve Policy (as of April 28, 2023)***

For consideration of adoption by the Board of Directors at the May 2, 2023 Board meeting

By acceptance of this policy, the Yolo County Flood Control & Water Conservation District establishes a Drought Reserve to ensure uninterrupted operations and maintenance and capital improvements on its agricultural surface water delivery system. This reserve will aggregate over time and will be utilized when annual water sales are insufficient to offset annual net agricultural water costs.

The Board recognizes that a Drought Reserve can only be created over time, as agricultural water sales allow. The Board seeks to create a reserve that is both responsible yet conservative. In doing so, the Board recognizes the water sales uncertainty from year-to-year and will adhere to various principles when building and keeping this reserve.

- The Drought Reserve is intended to cover two years of agricultural water operating and capital expenses and will be set in accordance with and upon acceptance of the FY 23/24 annual agricultural water rates.
- The Drought Reserve is calculated as 100% of the total revenue required for agricultural water expenses (based off of the FY 23/24 budget), less non-operating revenue available to offset agricultural water expenses.

Drought Reserve Target = \$8,578,000

2 Years of Agricultural Water Expenses (based on proposed FY 23/24 Budget)

- Total projected agricultural water expenses = \$6,300,000
  - Less Non-Operating Revenue Available to Offset Agricultural Water Expenses = \$1,066,000
  - Less Special Property Benefit Assessment for Capital Infrastructure Projects = \$945,000
  - Net Annual Agricultural Water Expense = \$4,289,000
- When agricultural water supplies allow, the District will contribute the drought reserve component of the water rate (\$15.50/AF of total water sold) annually to the Drought Reserve until the Drought Reserve Target is achieved.
  - Once the District reaches the Drought Reserve Target, the District may commensurately lower the annual drought reserve component of the agricultural water rate for the subsequent fiscal year, unless the fund is utilized in a preceding fiscal year or is anticipated to be used in the upcoming fiscal year.
  - The District may change the Drought Reserve Target amount (increase or decrease) in a given fiscal year, to account for changed assumptions or conditions.
  - The Drought Reserve will be accounted for in the District's monthly and annual financial statements, and the status of the Drought Reserve will be reviewed during the General Manager's report to the Board of Directors, at least every quarter, if not monthly. The reports will provide an update of Drought Reserve funds relative to Drought Reserve Target and a general description of activities involved in the drawdown of funds.
  - During its annual budget setting processes, the District will report annually on its Drought Reserve total, anticipated annual budget set-aside or reserve usage, and risks and opportunities associated with the upcoming fiscal year. There is potential during allocated seasons for the Drought Reserve component of the water rate to be collected, while also drawing down Drought Reserve funds for operational expenses.

YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT  
AGENDA REPORT

MEETING DATE: May 2, 2023

ITEM #: 6

SUBJECT: Consideration: Adoption of the Fiscal Year 2023/2024 District Budget

INITIATED OR  BOARD  
REQUESTED BY:  STAFF  
 OTHER \_\_\_\_\_

COORDINATED OR  
PREPARED BY: Kristin Sicke  
APPROVED BY: Kristin Sicke

ATTACHMENT  YES  NO  
 DIRECTION

INFORMATION  
 ACTION:  MOTION  
 RESOLUTION

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**BACKGROUND:**

Attached is the proposed Budget for Fiscal Year (FY) 2023/2024, which staff prepared in coordination with the Finance Committee. FY 2023/2024 revenues are projected to be \$10,998,471 while expenses are projected to be \$7,641,880. Assumptions for the FY 2023/2024 Budget such as projected waters sales, personnel adjustments, and capital projects are provided as an attachment to this report on page 17.

The FY 2023/2024 Budget projects a positive cash balance of \$3,356,591 at the end of the Fiscal Year. Of this positive cash balance, approximately \$1,720,500 will be transferred to the Drought Reserve Fund and \$1,144,800 will be transferred to the Capital Improvement Fund under the projected agricultural water rate revenue assumptions. The remaining positive cash balance is estimated at \$491,291. The Budget projects a cash reserve balance of \$6,910,136 at the end of the fiscal year considering set-aside drought reserve funding and an additional investment in infrastructure projects (in excess of estimated depreciation).

Staff will review the proposed Budget, including a year-end summary of FY 2022/2023 actuals, the key drivers and assumptions used in developing the proposed budget, and a prioritization of Capital and Non-Capital Projects.

**RECOMMENDATION:**

The Finance Committee and staff recommend adoption of the proposed Operations and Maintenance and Capital Budgets for FY 2023/2024.

YOLO COUNTY FLOOD CONTROL AND  
WATER CONSERVATION DISTRICT  
34274 State Highway 16  
Woodland, California 95695-9371



PROPOSED BUDGET

FOR THE FISCAL YEAR  
5/1/2023 THRU 4/30/2024

Operating Budget



## Assumptions for YCFC&WCD's FY 23/24 Budget

### Water Sales Revenue

Based on irrigation season sales in 2017 and 2019, which is considered a similar water year  
Assumed Sales = 111,000 AF

*Base Rate Revenue (\$39/AF) = \$4,329,000*

*Drought Reserve Fee Revenue (\$15.50/AF) = \$1,720,500*

*Short-Term Capital Recovery Fee Revenue (\$1.80/AF) = \$199,800*

### Personnel Expense Adjustments

Current Positions at end of Fiscal Year 22/23: 23 staff

Positions in FY 23/24 Budget: 26 staff

Net Positions Added 3 Full-Time Equivalents: AGM, Lake County O&M Worker, and Yolo County Irrigations O&M Worker

COLA: 6% (FY 21/22 = 0%, FY 22/23 = 0%)

### Capital Projects (Expense Assumptions and Revenue Mechanism)

*Depreciation Estimate for Capital Expenses = \$1.135M*

*Property Assessment Capital Funds Revenue = ~\$945k*

#### *Small Capital Projects (~\$775k)*

1. Three ½ ton pickups (\$105k)
2. Tractor with side mower (\$200k)
3. SCADA Integration and Automation at West Adams Canal (Gates 1 and 2) (\$50k)
4. Irrigation System Improvements (New or Replacement)
  - a. County Road Culvert Improvements (\$300k)
  - b. Pump Turnouts (\$50k)
  - c. Almondale Flume Repairs (\$50k)
  - d. Bank Mitigation (\$20k)

#### *Large Capital Projects for Consideration (~\$1.975M)*

1. Capay Diversion Dam Bladder Replacement (\$1.0-\$1.5M)
2. FERC Part12D Compliance - Indian Valley Reservoir (\$475k)
  - a. 60 HJV Repairs
  - b. Spillway Spall Repairs

Yolo County Flood Control and Water Conservation District

PROPOSED OPERATING BUDGET

May 1, 2023 - April 30, 2024

	Proposed Budget Fiscal Year 2023-2024	Prior Year Budget Fiscal Year 2022-2023	Difference	% of Change
<b>OPERATING REVENUE</b>				
41110 WATER - AG - MEASURED - BASE FEE	4,329,000	0	4,329,000	#DIV/0!
41111 WATER - AG - MEASURED - DROUGHT RESERVE FEE	1,720,500	0	1,720,500	#DIV/0!
41112 WATER - AG - MEASURED - SHORT TERM CAPITAL RECOVERY FEE	199,800	0	199,800	#DIV/0!
41115 WATER - AG - MEASURED - PUMPED WELL WATER	0	70,000	(70,000)	-100%
41130 WATER - AG - RIPARIAN	12,800	0	12,800	#DIV/0!
41140 WATER - AG - APPROPRIATED	0	14,500	(14,500)	-100%
41210 WATER - NON-AG - M&I	298,500	323,500	(25,000)	-8%
41230 WATER - NON-AG - GOLF COURSE / TRUCKS / INDUSTRIAL	44,300	0	44,300	#DIV/0!
41240 WATER - NON-AG - APPROPRIATED	485	10,700	(10,215)	-95%
42300 CANAL MAINTENANCE CHARGES (stopped 12/31/22 per K Slicke)	0	0	0	#DIV/0!
42400 WATER WHEELING CHARGE	0	46,000	(46,000)	-100%
44200 HYDROELECTRIC REVENUES - INDIAN VALLEY	350,000	0	350,000	#DIV/0!
44400 RECREATION INCOME	12,000	0	12,000	#DIV/0!
44800 YSGA CONTRACT REVENUES	250,000	275,000	(25,000)	-9%
44700 FLOODSAFE YOLO 2.0 REVENUES	0	0	0	#DIV/0!
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 7,217,385</b>	<b>\$ 739,700</b>	<b>\$ 6,477,685</b>	<b>876%</b>
<b>NON-OPERATING REVENUE</b>				
48008 GRANT REVENUE - USBR WATER SMART GRANT	0	75,000	(75,000)	-100%
48200 FEMA / OES REVENUE (STORM EVENTS RECOVERY 2023)	759,479	0	759,479	#DIV/0!
48400 REVENUE FROM SHARED SERVICES / PRIVATE JOBS	315,200	300,000	15,200	5%
48600 CONTRIBUTIONS TO CAPITAL	0	0	0	#DIV/0!
49100 RENTAL AND LEASE INCOME	0	0	0	#DIV/0!
49200 INTEREST REVENUES	120,000	20,000	100,000	500%
49300 YOLO COUNTY GENERAL FUND PROPERTY TAXES	1,570,000	1,570,000	0	0%
49321 YOLO COUNTY MERCOSA TAXES (per Chad Rinde w/Yolo Co)	54,000	54,000	0	0%
49360 YOLO COUNTY RPTTF RESIDUAL - PRIOR YEAR CORRECTIONS	17,407	33,600	(16,193)	-48%
49370 SPECIAL PROPERTY TAX ASSESSMENT	945,000	0	945,000	#DIV/0!
49400 ANNEXATION FEES	0	0	0	#DIV/0!
49450 REVENUE FROM ENCROACHMENT PERMITS	0	0	0	#DIV/0!
49520 COVID-19 RELIEF FUNDS FROM STATE CONTROLLER	0	0	0	#DIV/0!
49720 GAIN ON SALE OF EQUIPMENT	0	0	0	#DIV/0!
49880 REVENUES FROM PRIOR YEARS	0	0	0	#DIV/0!
49890 MISCELLANEOUS NON-OPERATING	0	0	0	#DIV/0!
<b>TOTAL NON-OPERATING REVENUE</b>	<b>3,781,086</b>	<b>\$ 2,052,600</b>	<b>1,728,486</b>	<b>84%</b>
<b>TOTAL REVENUE</b>	<b>\$ 10,998,471</b>	<b>\$ 2,792,300</b>	<b>\$ 8,206,171</b>	<b>294%</b>
<b>OPERATING EXPENSES</b>				
<b>BUDGETED PAYROLL EXPENSE (for information only)</b>	<b>2,273,327</b>	<b>1,897,021</b>	<b>376,306</b>	<b>20%</b>
<i>Employee Cash-out Benefits</i>				
<i>(Health, Retire, FICA, Work Comp)</i>	<i>1,113,549</i>	<i>901,017</i>	<i>212,532</i>	<i>24%</i>
<i>Allocation of Payroll &amp; Benefits to Capital Jobs &amp; Shared Services - Estimate</i>	<i>(328,717)</i>	<i>(291,312)</i>	<i>(37,405)</i>	<i>13%</i>
<i>Allocation of Payroll &amp; Benefits to General Expense Accounts</i>	<i>(3,058,159)</i>	<i>(2,506,728)</i>	<i>(551,433)</i>	<i>22%</i>
	0	0	0	0
<b>SOURCE OF SUPPLY</b>				
51100 SCS - CACHE CREEK DAM	153,990	93,465	60,525	65%
51200 SCS - INDIAN VALLEY DAM & RESERVOIR	900,348	455,641	444,707	98%
51300 SCS - I.V. WATER TREATMENT PLANT	17,540	14,104	3,436	24%
51400 SCS - I.V. RECREATION	15,640	14,523	1,117	8%
51500 SCS - GROUND WATER REPLENISHMENT	0	0	0	#DIV/0!
<b>Total</b>	<b>1,087,518</b>	<b>577,733</b>	<b>509,785</b>	<b>88%</b>
<b>HYDROELECTRIC EXPENSE</b>				
52100 CACHE CREEK DAM HYDRO EXPENSES	4,890	4,890	0	0%
52200 INDIAN VALLEY HYDRO EXPENSES	148,688	43,019	105,669	246%
<b>Total</b>	<b>153,578</b>	<b>47,909</b>	<b>105,669</b>	<b>221%</b>
<b>WATER RESOURCES</b>				
53100 GROUNDWATER LEVEL MONITORING	23,615	10,350	13,265	128%
53200 GROUNDWATER QUALITY MONITORING	30,000	0	30,000	#DIV/0!
53300 WATER FLOW MEASUREMENTS	54,044	43,715	10,329	24%
53400 SURFACE WTR QUALITY MONITORING	13,243	10,780	2,463	23%
56071 YSGA (YOLO SUBBASIN GROUNDWATER AGENCY)	250,000	261,067	(11,067)	-4%
56713 SCADA	200,693	180,464	20,229	11%
<b>Total</b>	<b>571,595</b>	<b>506,376</b>	<b>65,219</b>	<b>13%</b>

Yolo County Flood Control and Water Conservation District

PROPOSED OPERATING BUDGET

May 1, 2023 - April 30, 2024

	Proposed Budget Fiscal Year 2023-2024	Prior Year Budget Fiscal Year 2022-2023	Difference	% of Change
55000 <u>ENVIRONMENTAL RESOURCES</u>	4,600	7,000	(2,400)	-34%
<u>TRANSMISSION / DISTRIBUTION</u>				
54100 T & D OPERATIONS	387,128	103,376	283,752	274%
54200 T & D MAINTENANCE	935,966	956,798	(20,832)	-2%
54280 T & D FLOODING / STORM EVENTS	20,000	0	20,000	#DIV/0!
Total	1,343,094	1,060,174	282,920	27%
54500 <u>MERCSA ACTIVITIES</u>	50,051	47,218	2,833	6%
54470 <u>FLOODSAFE YOLO 2.0 ACTIVITIES &amp; FLOOD CONTROL</u>	-	0	0	#DIV/0!
<u>ADMINISTRATIVE &amp; GENERAL</u>				
56100 ADMINISTRATIVE SALARIES & BENEFITS	809,042	568,626	240,416	42%
56200 OFFICE EXPENSE	13,000	13,000	0	0%
56300 INSURANCE EXPENSE	111,500	83,410	28,090	34%
56400 EMPLOYEE BENEFITS	658,895	455,564	203,331	45%
56500 INFORMATION TECHNOLOGY SYSTEMS	106,000	71,800	34,200	48%
56720 COMMUNICATIONS & UTILITIES	54,000	52,000	2,000	4%
56810 ACCOUNTING AND AUDIT	16,800	16,500	300	2%
56820 LEGAL EXPENSE	49,156	55,000	(5,844)	-11%
56830 ENGINEERING	210,018	130,435	79,583	61%
56840 FERC	105,798	5,000	100,798	2016%
56910 RENTALS AND LEASES	45,000	47,000	(2,000)	-4%
56920 BAD DEBT EXPENSE	0	0	0	#DIV/0!
56950 PUBLIC EDUCATION	2,000	2,000	0	0%
56960 MEMBERSHIPS & DUES	245,000	241,000	4,000	2%
56980 SYSTEM PLANNING & ADMIN	5,000	7,000	(2,000)	-29%
56990 OTHER GENERAL & ADMIN EXPENSE	6,500	500	6,000	1200%
Total	2,437,709	1,748,835	688,874	39%
<u>GENERAL PLANT / FACILITIES MAINTENANCE</u>				
56730 GP - TRANSPORTATION EQUIPMENT	142,723	135,616	7,107	5%
56740 GP - CONSTRUCTION EQUIPMENT	94,654	92,019	2,635	3%
56750 GP - SHOP / YARD / BUILDING MAINTENANCE	171,767	151,435	20,332	13%
Total	409,144	379,070	30,074	8%
<u>OTHER OPERATING EXPENSES</u>				
59100 DEPRECIATION AND AMORTIZATION	1,135,000	1,155,300	(20,300)	-2%
59200 REAL ESTATE TAXES (LAKE COUNTY)	271,000	268,500	2,500	1%
59210 YOLO COUNTY TAXES / ASSESSMENTS	100	100	0	0%
59300 OTHER OPERATING EXPENSES	500	1,000	(500)	-50%
59400 EXPENSE CREDITS (Incl Labor Burden, Equipment, Overhead & GW Reprints)	(252,823)	(248,765)	(4,058)	2%
Total	1,153,777	1,176,135	(22,358)	-2%
<b>TOTAL OPERATING EXPENSES</b>	<b>7,211,066</b>	<b>5,550,450</b>	<b>1,660,616</b>	<b>30%</b>
<u>NON-OPERATING EXPENSES</u>				
61000 INTEREST ON LONG-TERM DEBT	125,514	131,015	(5,502)	-4%
61500 OTHER INTEREST EXPENSE	100	500	(400)	-80%
61900 LOAN FEES (COST OF FINANCING)	0	0	0	#DIV/0!
62000 LOSS ON DISPOSAL FIXED ASSETS	0	0	0	#DIV/0!
63000 PRIOR PERIODS' EXPENSE	0	0	0	#DIV/0!
64000 COUNTY ADMINISTRATION CHARGE	15,000	13,000	2,000	15%
65000 COST OF SHARED SERVICES (cost of labor, benefits, equip, overhead on jobs)	290,200	145,786	144,414	99%
69000 MISCELLANEOUS NON-OPERATING EXPENSE	0	0	0	#DIV/0!
75400 DROUGHT MITIGATION (GAP)	25,000	0	25,000	#DIV/0!
<b>TOTAL NON-OPERATING EXPENSES</b>	<b>430,814</b>	<b>290,301</b>	<b>140,513</b>	<b>48%</b>
<b>TOTAL EXPENSES</b>	<b>\$ 7,641,880</b>	<b>\$ 5,840,751</b>	<b>\$ 1,801,129</b>	<b>31%</b>
<b>INCOME / (LOSS)</b>	<b>\$ 3,356,591</b>	<b>\$ (3,048,451)</b>	<b>\$ 6,405,041</b>	<b>-210%</b>
TRANSFER OF FUNDS TO DROUGHT RESERVE FUND	\$ (1,720,500)			
TRANSFER OF FUNDS TO SHORT-TERM CAPITAL RECOVERY FUND	\$ (199,800)			
TRANSFER OF SPECIAL ASSESSMENT TO CAPITAL IMPROVEMENT FUND	\$ (945,000)			
<b>NET INCOME / (LOSS)</b>	<b>\$ 491,291</b>			

YOLO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

**ESTIMATED EFFECT OF BUDGET ON CASH**  
FOR PERIOD 5/1/2023 TO 4/30/2024

	YFCF OPERATING FUNDS <i>Beginning funds &gt;</i>	CAPITAL IMPROVEMENT FUNDS <i>(3,610,070.83)</i>	DROUGHT RESERVE FUNDS	TOTAL
<b>Estimated Cash and Investments, April 30, 2023*</b>	<b>\$ 2,261,852</b>	<b>\$ 3,168,093</b>	<b>\$ -</b>	<b>\$ 5,429,945</b>
<b>Fiscal Year 2023/2024 Cash Flow</b>				
<b>NET INCOME/(LOSS) FROM OPERATING BUDGET</b>	<b>\$ 3,356,591</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,356,591</b>
Depreciation (Non-Cash item) included in budget	\$ 1,135,000	\$ -	\$ -	1,135,000
	<b>\$ 4,491,591</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,491,591</b>
<b>CASH IN (OTHER) - not included in Operating Budget:</b>				
Accounts Receivable from April 30, 2023 (Estimated)	\$ 250,227	\$ -	\$ -	250,227
Less Accounts Receivable from April 2024 (Estimated)	\$ (250,227)			
2024 Customer Water Deposits (estimated)	\$ 400,000	\$ -	\$ -	400,000
Less 2023 Customer Water Deposits (included in water sales revenue)	\$ (496,856)			
	<b>\$ (96,856)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 650,227</b>
<b>CASH OUT (OTHER):</b>				
Accounts Payable due as of April 30, 2023 (estimated)	\$ (9,540)	\$ (577,471)	\$ -	(587,011)
Capital Projects and Purchases	\$ -	\$ (2,750,000)	\$ -	(2,750,000)
CA Bank & Trust (Zion Bancorp) Loan Principal Payments (Interest is included in budget)	\$ (247,562)	\$ -	\$ -	(247,562)
	<b>\$ (257,102)</b>	<b>\$ (3,327,471)</b>	<b>\$ -</b>	<b>\$ (3,584,573)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>\$ 4,137,633</b>	<b>\$ (3,327,471)</b>	<b>\$ -</b>	<b>\$ 1,557,245</b>
<b>FUND TRANSFERS:</b>				
Transfer of FEMA Funds to Capital Improvement Funds	\$ (759,479)	\$ 759,479	\$ -	-
Transfer to Drought Reserve Funds	\$ (1,720,500)	\$ -	\$ 1,720,500	-
Transfer to Capital Improvement Funds	\$ (199,800)	\$ 199,800	\$ -	-
Transfer Special Assessment to Capital Improvement Funds	\$ (945,000)	\$ 945,000	\$ -	-
<b>Total Transfers</b>	<b>\$ (3,624,779)</b>	<b>\$ 1,904,279</b>	<b>\$ 1,720,500</b>	<b>\$ -</b>
<b>ESTIMATED Cash and Investments, April 30, 2024</b>	<b>\$ 2,774,706</b>	<b>\$ 1,744,901</b>	<b>\$ 1,720,500</b>	<b>\$ 6,987,190</b>

\*Outstanding loan debt as of April 30, 2023 and April 30, 2024 = \$5,615,254 and \$5,367,692, respectively.

YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT  
AGENDA REPORT

MEETING DATE: May 2, 2023

ITEM #: 7

SUBJECT: Consideration: January 2023 Storm Events Emergency Canal Repairs

INITIATED OR  BOARD  
REQUESTED BY:  STAFF  
 OTHER \_\_\_\_\_

COORDINATED OR  
PREPARED BY: Kristin Sicke  
APPROVED BY: Kristin Sicke

ATTACHMENT  YES  NO  
 DIRECTION

INFORMATION  
 ACTION:  MOTION  
 RESOLUTION

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**BACKGROUND:**

At the March 7, 2023 Board meeting, the Board adopted Resolution No. 23.05 Declaring Emergency Conditions from the December 2022 and January 2023 Storm Events. Since March, District staff have met with FEMA inspectors, and initiated jobs for completing repairs to the canal system and impacted infrastructure.

District staff will provide an update on emergency repair projects and the Cal OES/FEMA reimbursement process.

**RECOMMENDATION:**

District staff recommend the Board declare continuation of the emergency conditions related to the 2023 Storm Events and Emergency Canal Repairs projects, which is intended to cover April and May 2023.