



CITY OF WHEATLAND

CITY COUNCIL MEETING STAFF REPORT

October 26, 2021

SUBJECT: Council Discussion and Direction to Staff Regarding
Proposed Reclamation District 2103 and 817 Assessments

PREPARED BY: Jim Goodwin, City Manager

Recommendation

Discuss proposed assessments and provide direction to staff regarding bringing a resolution to the City Council at the next meeting to either support or oppose the proposed assessments.

Background/Discussion

Properties in and around Wheatland have potential flood risk from the Bear River, Dry Creek, and the San Joaquin Drainage Canal. Levees along these waterways provide the only line of defense against flooding during storm and high-water events. To prevent levees from failing, they must be kept free from erosion, cracking, large vegetation, and rodent infestation, among other things.

Operations and maintenance of levees is subject to strict state and federal standards and regulations. Failure to comply with these regulations results in loss of eligibility for federal assistance for levee repairs following a storm event, as well as FEMA levee accreditation. Currently FEMA has accredited the Bear River levee east of Oakley Lane. There are additional projects identified for Dry Creek and the downstream portions of the Bear River to meet FEMA requirements for the remainder of the basin. FEMA accreditation results in significant cost savings for flood insurance as well as relief from strict building restrictions in the floodplain. Lastly, failure to comply with state and federal regulations may result in the state taking over operations and maintenance activities. When that happens, the state imposes annual assessments to cover its costs. Property owners do not get to vote on the assessments in that case.

Reclamation District 2103 currently maintains levees along the Bear River, Dry Creek, and San Joaquin Drain east of Oakley Lane. Its neighbor, Reclamation District 817, maintains the levees

along Bear River and Dry Creek west of Oakley Lane. Since their service areas overlap and properties within each district benefit from the quality of operations and maintenance in the other, RD 2103 is proposing to annex RD 817 properties south of Dry Creek. According to the district, the annexation will provide long-term cost savings, make services more efficient, and ensure consistency with state and federal regulations. Representatives of the two districts state the proposed annexation is expected to save more than \$62,000 in the first year alone.

The districts report that even with the anticipated savings, the revenues generated by existing property assessments (RD 2103) and ad valorem taxes (RD 817) are not adequate for the districts to maintain levees to strict state and federal standards and regulations. The difference between existing and required revenues is approximately \$110,000 per year. RD 2013 is proposing a new property assessment to adequately fund required services. If approved by property owners, the new assessment will replace RD 2103's two existing assessments. RD 817 properties south of Dry Creek will be annexed into RD 2103 and pay the new assessment. The proposed assessment will reduce annual assessments for some properties, as is the case with several owned by the City of Wheatland.

The City of Wheatland owns 30 parcels that are subject to the proposed assessment. Collectively, the City would save \$8,741.57 in FY 21/22 if the assessment is approved by property owners.

Current assessments	\$9,795.74
Proposed assessment	\$1,054.17

Property assessments differ for each property based on the benefit received from reduced flood risk. All properties within the proposed assessment district benefit, some more than others (e.g. prevention of direct flooding v. prevention of flooding of utilities and property access roads). In general, benefit is calculated by flood risk (location), potential flood depths, land use type and lot size (acreage). The lower the risk, the lower the annual assessment. The proposed services, method of assessment, and RD 2103 budget are detailed in the Preliminary Draft Engineer's Report.

The balloting process is subject to Proposition 218 law. Ballots were sent to property owners on October 2, 2021. Balloting will remain open until the close of the official public hearing, which is scheduled for 6:30 p.m., Thursday, November 18, at the Wheatland Community Center. If the assessment is approved by property owners, it will take effect in fall 2021. District representatives state that if the assessment is not approved, the existing assessments will remain in place and levee maintenance service levels will be reduced to account for insufficient funding.

Staff is seeking direction from the City Council regarding voting on the assessments. Based on direction provided at this meeting, the appropriate resolution will be drafted and brought back to the City Council for consideration on November 9.

Representatives of Districts 2103 and 817 will attend the meeting to provide a presentation on the assessments and answer any questions you may have regarding the proposal.

Alternatives

The Council may choose not to provide direction, in which case staff would not return ballots related to city properties.

Fiscal Impact

Potential annual savings to the city of \$8,741.

Attachments

[Include as necessary – please number]

1. Sample Assessment Ballot

SAMPLE ASSESSMENT BALLOT

Who May Complete This Official Assessment Ballot

1. If the property is owned by an individual, the individual may sign.
2. If a property is owned by more than one person, any one owner may sign for all.
3. If the property is owned by a corporation, the assessment ballot may be signed for the corporation by an officer or officers authorized to make contracts or by resolution of the corporation's Board of Trustees.
4. If the property is owned by another legal entity, the assessment ballot may be signed by any person authorized by law to make contracts for the entity.
5. If the property is owned by a public agency, the assessment ballot may be signed by any person authorized by law to make contracts for the agency or by resolution of the agency's Governing Board.

Steps for Completing the Official Assessment Ballot

1. Verify that the owner name, address, and parcel number(s) listed on the ballot are correct. If they are not correct, please call (530) 870-4353.
2. Fill in or clearly mark the oval next to the word "YES" or "NO" to approve or disapprove of the proposed assessment. You may use a pencil or pen.
3. Sign and date the assessment ballot. Only official ballots which are signed and marked with the property owner's support or opposition will be counted. **After marking your vote, simply FOLD the ballot so that your vote is on the inside of the fold. Then place the ballot in the return envelope provided.** No postage is necessary to mail back your assessment ballot.
4. If you make a mistake in completing your assessment ballot or wish to change or withdraw your assessment ballot, please call (530) 870-4353.
(See enclosed notice for further information)

Please see other side to complete this assessment ballot.



WHEATLAND CITY OF
111 C ST
WHEATLAND CA 95692

Parcel Number(s):	Total Proposed Assessment:
015204013000	\$ 233.45
015211002000	\$ 116.72

← **FOLD HERE** (this side should be on outside after fold)

OFFICIAL ASSESSMENT BALLOT
RECLAMATION DISTRICT 2103
LEVEE AND FACILITIES ASSESSMENT

- YES**, I approve the proposed yearly assessment for levee and facilities for operations, maintenance, repair, rehabilitation, and replacement obligations.*
- NO**, I do not approve the proposed assessment for levee and facilities for operations, maintenance, repair, rehabilitation, and replacement obligations.*

Signed _____ **Date** _____
Signature of Record Property Owner, or Authorized Representative

Print Name _____
I hereby declare, under penalty of perjury, that I am the property owner or owner's authorized representative of the parcel(s) identified on this official assessment ballot.

**(The proposed assessment amount is printed on the back of this ballot)*

INSTRUCTIONS FOR THE COMPLETION AND RETURN OF OFFICIAL ASSESSMENT BALLOTS

This assessment ballot may be completed by the persons or firms owning the property or properties identified by parcel number on this ballot. An explanation of who may complete the assessment ballot on behalf of the recorded property owner and additional instructions are provided on the other side of this Official Assessment Ballot.

To be tabulated, assessment ballots **MUST** be received before the end of the public input portion of the public hearing scheduled for **Thursday, November 18, 2021 at 6:30 p.m. at the Wheatland Community Center, 101 C Street, Wheatland, California**. You are invited to attend the public hearing. You may return your assessment ballot in the following ways:

- 1) Mail your assessment ballot to the address shown on the enclosed return envelope so that it is **received** on or before **Thursday, November 18, 2021**.
- 2) Deliver it in person at the public hearing on **Thursday, November 18, 2021**.

FOLD SO THAT THIS SIDE IS ON THE INSIDE OF THE FOLD BEFORE PLACING THIS ASSESSMENT BALLOT IN THE RETURN ENVELOPE



Official Notice and Ballot Information Guide

LEVEE AND FACILITIES ASSESSMENT

Why a proposed assessment?

Properties located within the boundaries of Reclamation District No. 2103 ("RD 2103") and Reclamation District 817 ("RD 817") have a potential flood risk from the Bear River, Dry Creek and San Joaquin Drainage Canal. RD 2103 currently maintains levees along the Bear River, Dry Creek, and San Joaquin Drain east of Oakley Lane and RD 817 maintains the levees along Bear River and Dry Creek west of Oakley Lane. The levees are the only line of defense to prevent flooding during storm and high-water events. Because they are critical for public safety, the maintenance, operations repair and rehabilitation of the levees and canal is subject to strict State and Federal standards and regulations. Since their service areas overlap, RD 2103 is proposing to annex some properties in RD 817 (south of Dry Creek) to maximize long-term cost savings, make services more efficient and ensure consistency with State and Federal regulations. The proposed annexation is expected to save more than \$62,000 in the first year alone.

Even with the anticipated savings, the revenues generated by existing property assessments (RD 2103) and ad valorem taxes (RD 817) are not adequate for the districts to maintain levees to increasingly strict State and Federal standards and regulations. The annexation will not be finalized unless RD 2103 can prove it has adequate funding to maintain the levees to State and Federal standards. As such, RD 2103 is proposing a new property assessment to adequately fund required services. If approved by property owners, the new assessment will REPLACE RD 2103's two existing assessments. RD 817 properties south of Dry Creek will be annexed into RD 2103 and be subject to the new assessment.

Your property is within the boundaries of the proposed, new district [see map]. The enclosed ballot includes the proposed assessment for your property. Please read the following information and instructions for completing your ballot.

"Yes" or "No," what happens?

YES

If approved by property owners, RD 2103 will annex properties within RD 817 (south of Dry Creek). The new assessment will REPLACE the two existing RD 2103 assessments and appear on property tax bills starting in October 2022. RD 2103 would also be granted a small portion of property tax revenue currently distributed to RD 817 by the County known as ad valorem tax.

Benefits will include:

- **Decreased risk of flooding and flood-related damages** due to improved levee maintenance, to include repairs that have been deferred due to lack of funding.
- **Increased eligibility for State and Federal funding** for emergency levee repairs following any major storm event.
- **Consistency in how operations and maintenance services are performed** on levees, strengthening flood protection for all properties within the assessment district and providing efficiencies in operations and maintenance activities.

NO

If the proposed assessment is not approved by property owners, RD 2103 will not annex RD 817 properties south of Dry Creek. RD 2103's two existing assessments will remain in place.

Consequences may include:

- **Status quo levels of services** provided by each district with continued inefficiencies in operations and maintenance activities.
- **Increased risk of flooding and flood-related damages** due to current and future deferred maintenance, like erosion control along levees.
- **Increased risk of flooding** due to inconsistent maintenance practices for levees along Bear River and Dry Creek.
- **Limited or no eligibility for State and Federal funding** for emergency levee repairs following any major storm event.
- **Potential for the State to take over** the operations and maintenance of the levees and impose assessments, without a vote, to cover the cost of services.

About Reclamation District 2103

RD 2103, established in 1964, is responsible for maintaining approximately 10.8 miles of levees, including 5 miles of the northern Bear River levee, 4.75 miles of the southern Dry Creek levee, and a portion of the San Joaquin drainage canal. These levees and the canal reduce flood risk for approximately 1,550 properties representing 6,000 acres in and around Wheatland. Most of the District is within Yuba County with small portions crossing over in to Placer and Sutter Counties. Services are funded by assessments on properties within the District. RD 2103 is governed by an elected 3-member Board of Trustees. Meetings are held every other month.

About Reclamation District 817

RD 817 maintains 3.8 miles of levees along the south banks of Dry Creek and 3.9 miles of levees along the north bank of the Bear River west of Oakley Lane. RD 817 also maintains 1.25 miles of levee along the north bank of Dry Creek near 40 Mile Road, but that levee is in a separate basin and will not be subject to this annexation or the new assessment. According to engineering studies funded by the State of California and supplemented by an additional study funded by the Yuba Water Agency, approximately 1,550 properties south of Dry Creek will be better served by a single district, specifically RD 2103. Properties north of Dry Creek will continue to be served by RD 817, if the proposed assessment is approved and annexation can be finalized.

How much is the proposed assessment?

The total proposed assessment for your property for fiscal year 2022-23 is printed on the enclosed Official Ballot. The proposed rates for fiscal year 2022-23 are summarized below:

Vacant	\$9.52 each parcel
Single Family Residence	\$70.40 each parcel <1 acre
Multi-Family Duplex or Triplex	\$45.63 each parcel <1 acre
Multi-Family 4 or more Units	\$76.61 each parcel <1 acre
Mobile Home	\$44.15 each parcel <1 acre
Mobile Home Park	\$44.15 each mobile home
Agricultural	\$6.96 per acre
Undeveloped / Access / Rangeland, etc.	\$1.50 per acre
Commercial Industrial	\$116.73 per acre
Commercial Office	\$102.04 per acre

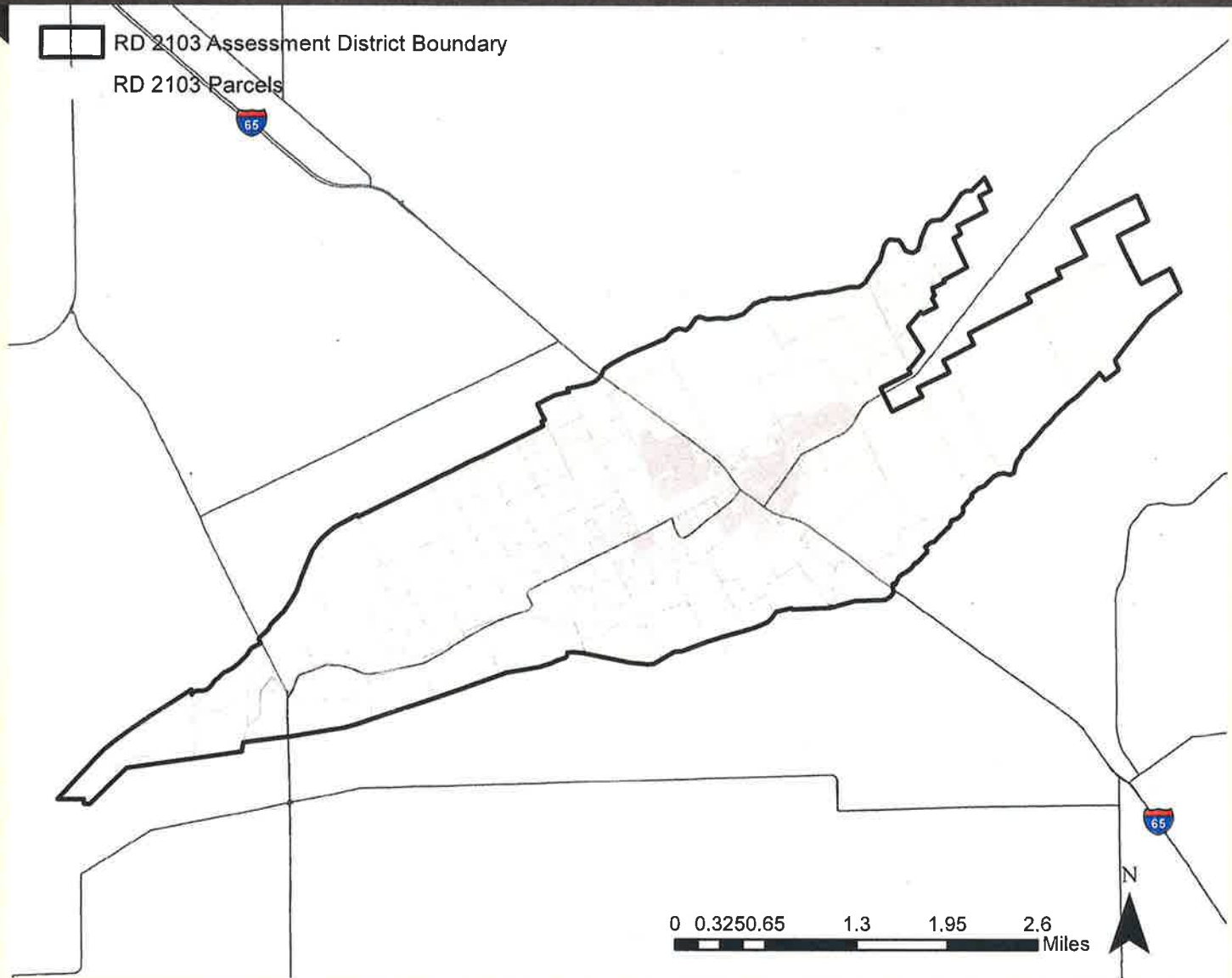
If the proposed assessment is approved, the total amount that would be raised for fiscal year 2022-23 is approximately \$218,000. Some parcels within RD 2103 have some combination of agricultural, residential, or commercial/industrial land use types. Please contact the District for more information regarding the calculation of assessments on your parcels or to appeal the calculation of your assessments.



**Please complete your ballot
and mail it back promptly!**

**All ballots must be received by
November 18, 2021 to be counted.**

Reclamation District 2103 Levee and Facilities Assessment District (Operations, maintenance, repair, rehabilitation, and replacement)



Note: Reference is hereby made to the maps and deeds of record in the office of the assessor of Yuba County for a detailed description of the lines and dimensions of any parcels shown herein. Those maps shall govern for all details concerning the lines and dimensions of such parcels. Each parcel is identified in said maps by its distinctive assessor's parcel number.

Prepared by SCI Consulting Group
4745 Mangels Blvd.
Fairfield, CA 94534
(707) 430-4300

How assessments are calculated

The total annual cost of the services to be funded by the assessment is allocated to each property based on the estimated special benefit received. The benefit to each property is primarily based on flood risk, land use type, and lot size (acreage). The proposed services, method of assessment, budgets, lifespan of the assessment, and the proposed assessment for each parcel is detailed in the Engineer's Report, which is available for review by request. If you would like to receive a copy of the report, please call the Assessment District Hotline at (530) 870-4353.

If approved, will the assessment increase each year?

If the assessment is approved by property owners, it can only be increased in future years by the consumer price index, not to exceed 4%. The annual adjustment would be based on the U.S. Department of Labor's Consumer Price Index for Northern California (San Francisco Bay Area) and would be reviewed and subject to a vote by the Board each year at a public meeting held in July.

Completing your ballot

- All ballots must be received by the close of the public hearing that begins at **6:30 PM, Thursday, November 18, 2021 at the Wheatland Community Center, 101 C Street.** Ballots received after the close of the public hearing cannot be accepted as per State law.
- If you lose your ballot, need a replacement ballot, or wish to change your vote, please call the RD 2103 Assessment Hotline at (530) 870-4353.
- Joint owners of property may split their ballot. This means they can cast their votes in proportion to their ownership percentage, based on the total weighted vote for their property. If you would like to split your ballot, please request replacement ballots by calling the RD 2103 Assessment Hotline at (530) 870-4353. Written documentation of property ownership shares will be required.

Please complete your ballot and mail it back promptly!

All ballots must be received by November 18, 2021 to be counted.

Instructions

1. **Mark an "X"** in the box next to "Yes" or "No"
2. **PRINT** your name
3. **SIGN** your name
4. **DATE** your ballot
5. **PLACE** the ballot in the postage-paid security envelope
6. **RETURN** your ballot
 - a. **By mail.** Ballots must be in the provided postage-paid security envelope, mailed and RECEIVED prior to the close of the public hearing. Postmarks cannot be accepted.
 - b. **By hand delivery** at the public hearing.

Only official ballots that are signed and marked with the property owner's support or opposition and are received before the end of the public input portion of the public hearing will be counted.

Tabulation for the returned ballots will commence after the close of the public input portion of the hearing. The results of the tabulation are expected to be announced at the public hearing on Thursday, November 18, 2021.

Public accountability safeguards

If approved by property owners, the funds from this assessment can only be used for levee and flood control improvements that benefit properties in the assessment area. The funds cannot be used for other purposes. The revenues and expenditures will be regularly audited by an independent auditor and the results presented annually at a public meeting.

Important dates

Community Meeting

**6:30 p.m.
Wednesday, Oct.13**

Zoom URL: <https://bit.ly/RD-2103-2>
Meeting ID: 856 7788 8776
Passcode: 590313
By phone: (669) 900-6833
Passcode: 590313#

Public Hearing

**6:30 p.m.
Thursday, Nov.18**

Wheatland Community Center
101 C Street, Wheatland

Questions? Contact Us

RD 2103 Assessment Hotline: (530) 870-4353