

Note to the public: At the June 24, 2021 LAFCo meeting, staff was directed to prioritize the Municipal Services Review (MSR) for the Fire Protection Districts (FPDs) ahead of the MSR for the County Service Areas (CSAs). Since staff was close to completing the draft MSR for the El Macero CSA it has been made available for public review. There are a few items outstanding as noted in blue highlighted text. LAFCo staff will amend this draft report and provide ample additional time for public review prior to LAFCo consideration and adoption.

Initial draft MSR is dated 9/28/2021.

2nd draft MSR dated 10/7/21 provides additional information for item 6b) (highlighted text only).

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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, 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;
7. Broadband access; and
8. Status of any previous MSR recommendations.

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.

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, Yolo 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.

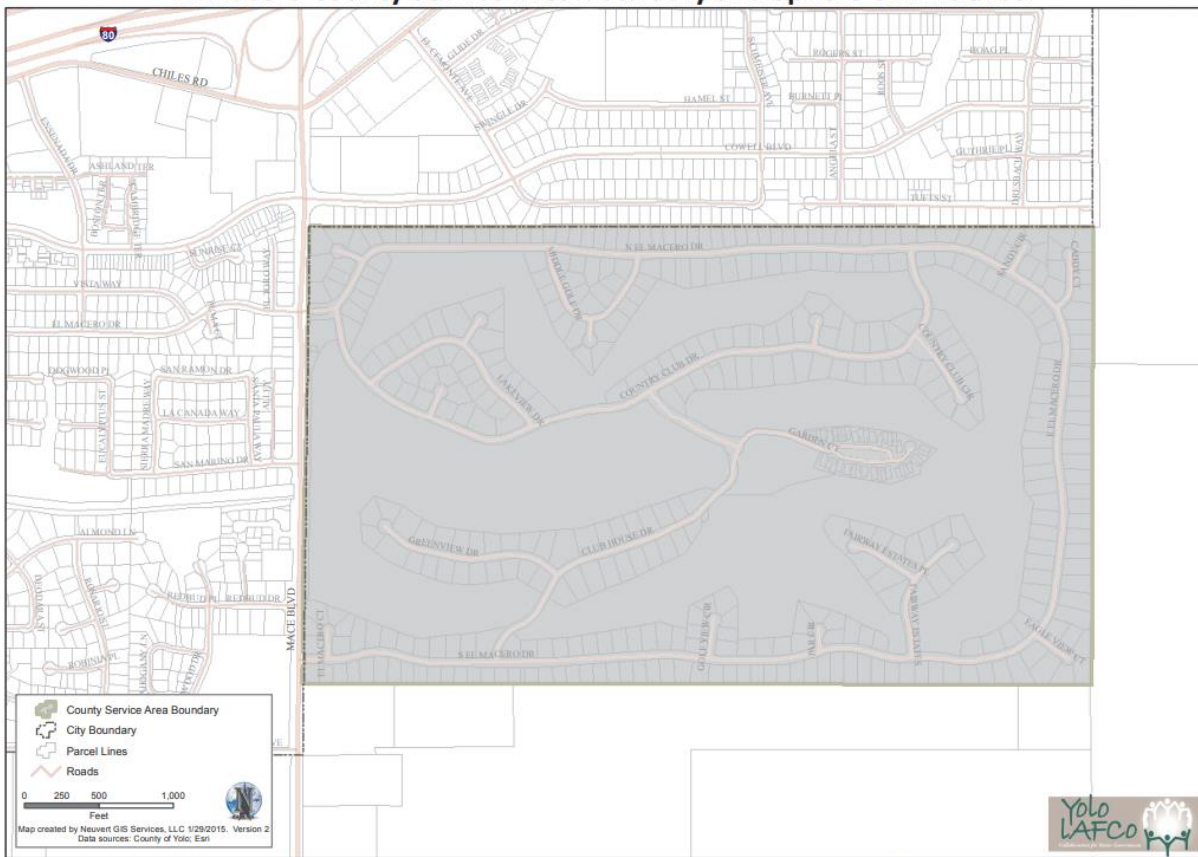
AGENCY PROFILE

El Macero CSA was established on February 16, 1969 in order to provide extended services to the El Macero unincorporated community. The CSA was formed as a replacement to the El Macero Sewer Maintenance District that provided wastewater services and the El Macero Unit #1 Maintenance District that provided water services. The nature of services offered has evolved over time. At formation, the CSA was authorized to provide water, wastewater, and storm drainage services that it had assumed from the former maintenance districts. In 1971, the Board authorized street sweeping and street lighting services. In 1994, the Board approved the addition of street improvements/maintenance and street right of way landscaping work.

El Macero County Service Area (CSA) is located just southeast of the City of Davis, and immediately abuts the City's boundaries. The CSA is bounded to the north by the back property lines of residential properties lying north of North El Macero Drive, Sandy Circle, and Caddy Court and is coterminous with the City of Davis city limits. To the east the CSA abuts the back property lines of residential properties lying east of Caddy Court East El Macero Drive, and Eagle View Court, and to the south the CSA is bounded by the back property lines of residential and County-owned properties lying south of Eagle View Court and South El Macero Drive. To the west, the CSA's bounds are the centerline of Mace Boulevard and the City of Davis city limits. The CSA's sphere of influence (SOI) is coterminous with its boundaries.

The CSA includes 410 parcels zoned for single family homes, 53 parcels zoned for multi-family residences along with their associated common areas, the El Macero Country Club and three County-owned parcels.

El Macero County Service Area Boundary and Sphere of Influence*



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El Macero CSA is governed by the Yolo County Board of Supervisors (BOS) as a dependent special district of the County. The Board is advised as to the maintenance and operation of the CSA by a five-member advisory committee comprised of local El Macero residents who are appointed to the committee by the BOS. The advisory committee meets on a regular basis to discuss the ongoing issues pertinent to the El Macero CSA. As directed by California Government Code Section 25212.4, the advisory committee’s role is to provide advice to the BOS regarding the services and facilities of the CSA, but it is not within the authority of the advisory committee to make decisions, manage, or direct the delivery of services and facilities.

The CSA is currently staffed and managed by the County’s Department of Community Services. The CSA is billed for the staff time of the CSA administrative support team, the County finance staff, and County legal counsel, when such services are utilized.

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.

- | | |
|--|--|
| <input checked="" type="checkbox"/> Growth and Population | <input type="checkbox"/> Shared Services |
| <input type="checkbox"/> Disadvantaged Unincorporated Communities | <input checked="" type="checkbox"/> Accountability |
| <input type="checkbox"/> Capacity, Adequacy & Infrastructure to Provide Services | <input type="checkbox"/> Broadband Access |
| <input type="checkbox"/> Financial Ability | <input checked="" type="checkbox"/> Status of Previous MSR Recommendations |

LAFCo MUNICIPAL SERVICE REVIEW:

- On the basis of this initial evaluation, the required determinations are not significant and staff recommends that an MSR is NOT NECESSARY. The subject agency will be reviewed again in five years per Government Code Section 56425(g).
- The subject agency has potentially significant determinations and staff recommends that a comprehensive MSR IS NECESSARY and has been conducted via this checklist.

1. GROWTH AND POPULATION			
Growth and population projections for the affected area.	YES	MAYBE	NO
a) <i>Will development and/or population projections over the next 5-10 years impact the subject agency’s service needs and demands?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) <i>Will population and/or service changes require a change in the agency’s services and/or sphere of influence boundary (a “yes” response will likely trigger an SOI Update)?</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Discussion:

- a) *Will development and/or population projections over the next 5-10 years impact the subject agency's service needs and demands?*

No. The CSA is considered built out and significant population change that would impact the agency's service needs and demands is not anticipated.

- b) *Will population and/or service changes require a change in the agency's services and/or sphere of influence boundary (a "yes" response will likely trigger an SOI Update)?*

Yes. There are two service changes requiring a change in the CSA's sphere of influence and boundary:

- 1) In 2020, LAFCo approved an extension of water and sewer services to 27384 Eagle View Court (APN 033-011-024) due to health and safety reasons. This parcel has also enjoyed access to the El Macero CSA roads via a private easement for many years, but has not paid additional assessments for street improvements/maintenance and landscaping work since the CSA added these services in 1994. The landowner has agreed to annex into the CSA accordingly and the SOI boundary needs to be amended either through an application proposal or this SOI Update, whichever occurs first.
- 2) In 2015, the County approved a 16-unit townhome development on previous El Macero Country Club corporation yard area. These homes do not utilize CSA services even though the land was historically included in the CSA boundary. Therefore, the County should detach The Villas at El Macero from the CSA boundary.

Growth and Population MSR Determination

Significant population change is not anticipated that would impact the CSA's service needs and demands. In 2020, LAFCo approved an extension of water and sewer services to 27384 Eagle View Court (APN 033-011-024) due to health and safety reasons. This parcel has also enjoyed access to the El Macero CSA roads via a private easement for many years, but has not paid additional assessments for street improvements/maintenance and landscaping work since the CSA added these services in 1994. The landowner has agreed to annex into the CSA accordingly and the SOI boundary needs to be amended either through an application proposal or this SOI Update, whichever occurs first. In addition, The Villas at El Macero do not utilize CSA services, even though the land was historically included in the CSA, and should be detached from the CSA boundary.

Growth and Population MSR Recommendation

- Yolo County should submit an application to LAFCo to detach The Villas at El Macero from the EMCSA boundary.

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) <i>If the subject agency provides services related to sewers, municipal and industrial water, or structural fire protection, 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) that do not already have access to public water, sewer and structural fire protection?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) <i>If “yes” to a), it is feasible for the agency to be reorganized such that it can extend service to the disadvantaged unincorporated community? If “no” to a), this question is marked “no” because it is either not needed or not applicable.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

a) *If the subject agency provides services related to sewers, municipal and industrial water, or structural fire protection, 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) that do not already have access to public water, sewer and structural fire protection?*

No. There are no “inhabited unincorporated communities” per adopted Commission policy within or adjacent to the subject CSA’s sphere of influence that are considered “disadvantaged”.

b) *If “yes” to a), it is feasible for the agency to be reorganized such that it can extend service to the disadvantaged unincorporated community? If “no” to a), this question is marked “no” because it is either not needed or not applicable.*

Not applicable.

Disadvantaged Unincorporated Communities MSR Determination

There are no “inhabited unincorporated communities” per adopted Commission policy within or adjacent to the subject CSA’s sphere of influence that are considered “disadvantaged”.

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) <i>Are there any deficiencies in agency capacity to meet <u>existing</u> service needs for which the agency does not have a plan in place to resolve (including deficiencies created by new state regulations)? Also note how services are provided (i.e. number of staff and/or contracts).</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) <i>Are there any issues regarding the agency’s capacity to meet the service demand of reasonably foreseeable <u>future</u> growth?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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c) *Is the agency needing to consider climate adaptation in its assessment of infrastructure/service needs?*

d) *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?*

Discussion:

El Macero CSA was formed in 1969 as a replacement to the El Macero Sewer Maintenance District and the El Macero Unit #1 Maintenance District that provided water services. Storm drainage services provided by the City of Davis was included in the CSA formation. In 1971, the Board authorized street sweeping and street lighting services. In 1994, the Board approved the addition of street improvements/maintenance and landscaping work.

Existing CSA Services Authorized/Provided	Service Provider
Municipal Water	City of Davis
Sewer/Wastewater	City of Davis
Street Lighting	PG&E
Streets: landscaping, drainage, maintenance, sweeping, and paving	Yolo County
Drainage (outflow from the EMCSA)	City of Davis

a) *Are there any deficiencies in agency capacity to meet existing service needs for which the agency does not have a plan in place to resolve (including deficiencies created by new state regulations)? Also note how services are provided (i.e. number of staff and/or contracts).*

No.

Water

El Macero CSA provides water to its residents through a contract with the City of Davis for operations and maintenance of the CSA-owned system. The County, on behalf of El Macero CSA (formerly the El Macero Unit No. 1 Maintenance District), initially entered into an agreement with the City for maintenance and operations of the CSA's water system in November 1966. A new agreement was signed in 1977. According to the agreement the City is responsible for furnishing all power, labor, equipment, materials and supplies necessary to operate and maintain the water distribution and supply facilities in the CSA. In return, the CSA pays compensation to the City in the form of water rates that are consistent with city residents. El Macero CSA retains ownership of the water distribution system. However, the City is responsible for replacement of the existing system should there be wear or a failure. CSA residents have in the past paid for significant infrastructure needs to serve the area (i.e., construction of a new well).

Since the 2016 MSR, the Woodland-Davis Clean Water Agency completed its regional surface water supply project to bring surface water from the Sacramento River to the area to eliminate reliance on well water. Through the CSA's interties with the City, the surface water is also provided to El Macero. Since project completion, the CSA-owned well (EM3) was no longer be used by the City and was transferred to the El Macero Country Club for golf course irrigation. Even with the current drought conditions, the City indicates it has adequate capacity to serve its existing connections.

Sewer/Wastewater

El Macero CSA provides wastewater to its residents through a contract with the City of Davis for operations and maintenance of the CSA-owned collection system. The County, on behalf of El Macero CSA (formerly the El Macero Sewer Maintenance District), entered into an agreement with the City for

maintenance and operations of the CSA's wastewater system in November 1966. According to the agreement, the City is responsible for furnishing all power, labor, equipment, materials and supplies necessary to operate and maintain the wastewater collection facilities in the CSA. In return, the CSA pays compensation to the City of the aggregate of service charges for all water service connections. The CSA retains ownership of the collection system within its boundaries, while the City is responsible for replacement of the existing system in the event of failure. As part of the agreement with the City, the CSA assisted with the financing of the City's wastewater treatment plant.

The City provides operation and maintenance of the CSA's wastewater collection system. Effluent is then transported to the City's Water Pollution Control Plant for treatment and disposal. The CSA's collection system was originally constructed in the 1960s during the development of the community. There are no concerns regarding capacity of the wastewater system at this time. There are no flow meters to track the amount of effluent flow produced within the CSA, however, given the low number of sewer system overflows, it can be determined that there is sufficient wastewater capacity to serve existing demand in the El Macero CSA.

Street Maintenance, Drainage, Sweeping and Landscaping

The CSA finances certain road maintenance and improvements and other services related to the streets, including street sweeping, street lighting, and median landscaping. Road maintenance services up to the level of other County roads are financed by the County. Road maintenance services beyond the County level of services are financed by the CSA. The County Department of Community Services staff provides standard maintenance services. Specialty services and large improvement projects are put out to bid for completion. The County inspects and maintains El Macero's storm drain system (pipe network) when blockage problems are apparent. Median landscaping services are provided by a private contractor. Street sweeping services are provided by a private contractor that has a contract with the County. Street light maintenance and electricity is provided by PG&E.

The EMCSA has paid for a higher condition level of its streets as compared to other County residential roads. The CSA advisory committee has subcommittees that focus on issues related to each of the services provided. However, a recent Prop 218 election to increase road fees failed, therefore the assessment from 1994 will continue to be charged. The revenue collected will continue to fund the street sweeping, landscape and street lighting services. The street fund will no longer be able to accumulate the necessary funds to maintain the roadway at the higher level. Therefore, the streets will be considered by Yolo County Public Works for any future maintenance in accordance with all other county maintained roadways.

Drainage Outflow

There is a drainage channel that runs along the boundary of the CSA, into which drainage flows from the surrounding City and County areas, as well as from within the CSA. The City of Davis maintains the El Macero Drainage Channel and pump station by agreement with the County and the Yolo County Flood Control and Water Conservation District (YFCWCD). Fees for the EMCSA's contribution was historically paid out of the street fund as an outflow of street drainage. However, as years went by lands changed ownership, and split parcels which caused disruptions in the percentage each jurisdiction was responsible for. Per a 2009 letter, YFCWCD was not collecting all of the assessments to pay its share and opted to terminate the drainage agreement, which ended in 2010. Because the agreement was terminated, the City of Davis stopped billing the EMCSA.

In 2018, the City of Davis approached the County to charge EMCSA drainage fees again, and the County indicated a willingness to pay for the drainage it contributes. The City of Davis began a drainage study to determine the contribution percentage, however, the study was put on hold due to COVID and the drought. Currently, the drainage study has not continued or completed, and so no drainage fees have been paid by the EMCSA since 2010.

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b) *Are there any issues regarding the agency's capacity to meet the service demand of reasonably foreseeable future growth?*

No. See item 1a. Significant growth of the CSA is not anticipated.

c) *Is the agency needing to consider climate adaptation in its assessment of infrastructure/service needs?*

No. Water, wastewater and storm drainage outflow are provided by the City of Davis, which has a 2020 Climate Action and Adaptation Plan (CAAP) to assess greenhouse gas (GHG) reduction progress, identify physical and social vulnerabilities, establish and prioritize climate action and carbon reduction policies toward carbon neutrality, and bring the City into compliance with current state legislation. The CAAP includes waste and water efficiency. For more information follow this link: <https://www.cityofdavis.org/sustainability/2020-climate-action-and-adaptation-plan-caap#resources>. The PG&E street lighting is LED technology and the electricity is provided by Valley Clean Energy, which utilized more sustainable energy sources.

d) *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?*

Not applicable. Please see the response to 2c.

Capacity and Adequacy of Public Facilities and Services MSR Determination

There are no significant capacity and adequacy issues identified for the EMCSA. The CSA advisory committee has subcommittees that focus on issues related to each of the services provided. The Woodland-Davis Clean Water Agency completed its regional surface water supply project to bring surface water from the Sacramento River to the area to eliminate reliance on well water, although with the current extreme drought conditions increased groundwater pumping may have reduced perceived water quality. The City provides operation and maintenance of the CSA's wastewater collection system. Effluent is then transported to the City's Water Pollution Control Plant for treatment and disposal. There are no concerns regarding capacity of the wastewater system at this time. The EMCSA has paid for a higher condition level of its streets as compared to other County residential roads, however, a recent Prop 218 election to increase road fees failed so higher road standards may need to be reduced in line with available funding. Drainage charges for the outfall provided by the City of Davis have been on hold pending a new City drainage study to determine EMCSA's contribution.

Water, wastewater and storm drainage are provided by the City of Davis, which has a 2020 Climate Action and Adaptation Plan (CAAP) to assess greenhouse gas (GHG) reduction progress, identify physical and social vulnerabilities, establish and prioritize climate action and carbon reduction policies toward carbon neutrality, and bring the City into compliance with current state legislation. The CAAP includes waste and water efficiency. The PG&E street lighting is LED technology and the electricity is provided by Valley Clean Energy, which utilized more sustainable energy sources. EMCSA is generally built out and therefore, there are no issues regarding the agency's capacity to meet the service demand of reasonably foreseeable future growth.

4. FINANCIAL ABILITY

Financial ability of agencies to provide services.

	YES	MAYBE	NO
a) <i>Is the subject agency in an unstable financial position, i.e. does the 5-year trend analysis indicate any issues?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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<p>b) <i>Can the subject agency improve its use of generally accepted accounting principles including: summaries of all fund balances, summaries of revenues and expenditures, general status of reserves, and any un-funded obligations (i.e. pension/retiree benefits)? Does the agency need accounting and/or financial policies that guide the agency in how financial transactions are recorded and presented?</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p>c) <i>Does the agency staff need to review financial data on a regular basis and are discrepancies identified, investigated and corrective action taken in a timely manner? The review may include reconciliations of various accounts, comparing budgets-to-actual, analyzing budget variances, comparing revenue and expense balances to the prior year, etc. If the agency uses Yolo County's financial system and the County Treasury, does the agency review monthly the transactions in the County system to transactions the agency submitted to the County for processing?</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p>d) <i>Does the agency board need to receive regular financial reports (quarterly or mid-year at a minimum) that provide a clear and complete picture of the agency's assets and liabilities, fully disclosing both positive and negative financial information to the public and financial institutions?</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p>e) <i>Is there an issue with the organization's revenue sources being reliable? For example, is a large percentage of revenue coming from grants or one-time/short-term sources?</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p>f) <i>Is the organization's rate/fee schedule insufficient to fund an adequate level of service, necessary infrastructure maintenance, replacement and/or any needed expansion? Is the fee inconsistent with the schedules of similar local agencies? Does the rate/fee schedule include a specific amount identified for capital asset replacement (tied to a capital improvement plan with implementation policies)?</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p>g) <i>Is the organization needing additional reserves to protect against unexpected events or upcoming significant costs (excluding capital asset replacement, see 4f)? Has the agency identified and quantified what the possible significant risks and costs of infrastructure or equipment failure? Does the agency have a reserve policy?</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p>h) <i>Does the agency have any debt, and if so, is the organization's debt at an unmanageable level? Does the agency need a clear debt management policy, if applicable?</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

YOLO LAFCo MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

Note to the public: LAFCo will amend this draft report to add 2021 financial information to the 5-year trend below once other priorities are completed.

**EL MACERO COUNTY SERVICE AREA
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES**

	2016	2017	2018	2019	2020
Revenue					
Service charges	\$ 830,378	\$ 906,178	\$1,020,410	\$1,213,638	\$1,268,111
Property taxes (AB8)	83,642	90,480	96,681	101,180	105,215
Interest	26,313	18,360	36,316	46,591	48,746
Intergovernmental	690	681	684	706	701
	-	-	-	-	-
Total Revenue	941,023	1,015,699	1,154,091	1,362,115	1,422,773
Expenditures					
Administration					
County	25,292	11,433	18,770	31,817	34,831
Legal	2,877	3,781	7,013	13,633	72,782
Accounting	2,192	2,192	2,429	2,338	2,331
Other	2,796	2,097	4,579	2,100	-
Total Administration	33,157	19,503	32,791	49,888	109,944
Streets					
Landscaping contract(s)	15,930	16,685	18,110	24,393	16,127
Electric	847	975	928	1,002	864
Other repairs	1,950	-	5,404	4,500	51,970
Street sweeping	5,200	6,732	4,555	12,121	8,781
Paving/other	-	-	779,864	122,087	3,003
	23,927	24,392	808,861	164,103	80,745
Water	529,717	639,887	828,638	930,001	1,081,125
Sewer	249,077	198,502	200,523	201,191	219,202
Total Expenditures	835,878	882,284	1,870,813	1,345,183	1,491,016
Net income (loss)	105,145	133,415	(716,722)	16,932	(68,243)
Beginning Fund Balance	1,677,378	1,782,523	1,915,938	1,199,216	1,216,148
Ending Fund Balances	\$1,782,523	\$1,915,938	\$1,199,216	\$1,216,148	\$1,147,905
Fund Balances					
Assigned:					
Water	\$ 383,715	\$ 562,631	\$ 569,664	\$ 503,123	\$ 188,449
Sewer	-	-	-	229,984	313,745
Streets	1,089,296	1,278,243	574,601	482,783	480,888
Unassigned	309,512	75,064	54,951	258	164,823
Total Fund Balances	\$1,782,523	\$1,915,938	\$1,199,216	\$1,216,148	\$1,147,905
Y-T-Y Change in total Fund Balances					
Amount Increase (Decrease)	105,145	133,415	(716,722)	16,932	(68,243)
Percentage Increase (Decrease)	5.90%	7.48%	-37.41%	1.41%	-5.61%
Total administrative expenditures as percentage of total expenditures					
	3.97%	2.21%	1.75%	3.71%	7.37%

Discussion:

Financial Background

The El Macero CSA revenue currently consists of property taxes (AB 8), service charges that are subject to Prop 218 proceedings and enrolled on the property tax bills, interest, and a small amount from intergovernmental subventions. For fiscal year ending June 30, 2020 service charges comprised 89.1% of total revenues, property taxes, 7.4%, interest 3.43% and intergovernmental revenue .05%.

Prior to the passage of Proposition 13 in 1979, the CSA services were funded primarily from property taxes. At that time local governments, special districts and CSA's were able to set their own property tax rates to fund their operations. However, Proposition 13 limited government agencies' tax raising abilities by capping the tax rate on real estate to 1% of the full cash value. The proposition decreased property taxes by assessing values at their 1976 value and restricted annual increases of assessed value to an inflation factor, not to exceed 2% per year. This limited the amount of property taxes that could be raised by the CSA, thus as the growth of expenditures exceeded the growth of property taxes the CSA had to start charging service fees. The property tax revenue has in affect over the years reduced the amount required from service charges. Service charges now account for over 89% of revenue in fiscal year 2020. Future service charge increases are subject to the provisions of Proposition 218 which require proper notification to affected citizens and voter approval.

Interest income is earned on all funds deposited with the County Treasury which operates like a mutual fund. The County, CSA's, and most special districts and schools are all participants in the County Treasury. Each quarter, the County Treasurer allocates investment earnings (interest income and gains and losses on investments) based on a fund's average daily balance during the quarter. Prior to 2016 the quarterly allocation of investment earnings included "unrealized" gains/losses and "accrued" interest, which were amounts not actually received by the Treasury. This allocation was based on adjusting cash and investments to fair market value (FMV). Subsequent to 2016, the quarterly investment earnings allocation only includes the actual gains/losses realized and interest received by the County Treasury. The FMV adjustment, which is required by Government Accounting Standards Board Statement No. 31, "*Accounting and Financial Reporting for Certain Investments and for External Investment Pools*". This statement requires that cash and investments in the County Treasury, and at the fund level, be adjusted to fair market value for financial statement reporting purposes. Since this FMV adjustment includes unrealized gains/losses and accrued interest, the Department of Financial Services has advised pool participants to not include this balance as available funds for budgetary purposes. The FMV of investments is recalculated at the end of each fiscal year. These adjustments are reordered in a separate cash account and investment earnings revenue account for analysis purposes.

Intergovernmental revenues are reimbursements from the State for the homeowners' property tax exemption.

Prior to FY 2020, El Macero CSA accounting transactions were recorded in a single fund. Beginning in FY 2020 four new funds were established to segregate revenues and expenditures by activity: Administration, Streets, Water and Sewer. This change in accounting was done to provide more transparency and to simplify the reporting to the residents of El Macero.

a) *Is the subject agency in an unstable financial position, i.e. does the 5-year trend analysis indicate any issues?*

No. The CSA is financially sound. Although total fund balance decreased by \$529,473 from 2015 to 2020, the overall financial trend is good. The decrease in fund balance was due to expending \$921,951 for street improvements. Revenues have generally kept pace with on-going operational expenditures. Excluding water usage fees, ongoing expenditures have remained relatively flat. The cost of residential water provided by the City of Davis has increased an average of 20% each fiscal year. The residents are billed one year in arears when the actual expenditure amount and usage data becomes available from the City of Davis. In each of the last three years, there have been additional expenditures for street improvements (\$921,951) and common area landscaping (\$56,470). In addition, over the past two years the cost of County administration and legal costs have increased, from \$3,000 in 2016 to over \$72,000 in 2020, due to citizen Public Records Act requests and costs defending a lawsuit.

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- b) *Does the subject agency fail to use generally accepted accounting principles including: summaries of all fund balances, summaries of revenues and expenditures, general status of reserves, and any un-funded obligations (i.e. pension/retiree benefits)? Does the agency have accounting and/or financial policies that guide the agency in how financial transactions are recorded and presented?*

No. As a dependent district of the County, all accounting records are processed and maintained by the County's Department of Financial Services (DFS). All transactions are subject to the policies and procedures of the County, which comply with the Government Accounting Standards Board, the accounting standards setting body for governments. In addition, the accounting and financial reporting of the CSA is also in compliance with the California State Controller's Office.

However, due to delayed billings by the City of Davis and other service providers, expenditures reported on the County's accounting system through 2019 may not reflect the actual cost of service for any particular year. For example, as allowed by general accepted accounting principles, estimates of expenses owed at year end were recorded instead of the actual cost due to delayed billings by service providers. The accruals were reversed at the beginning of the following fiscal year, as required by accounting practice, so that only the amounts actually billed and paid by the CSA would be recorded in the ledgers. The County and City of Davis have worked together to resolve this lag in invoicing.

- c) *Does the agency staff fail to review financial data on a regular basis and are discrepancies identified, investigated and corrective action taken in a timely manner? The review may include reconciliations of various accounts, comparing budgets-to-actual, analyzing budget variances, comparing revenue and expense balances to the prior year, etc. If the agency uses Yolo County's financial system and the County Treasury, does the agency review monthly the transactions in the County system to transactions the agency submitted to the County for processing?*

No. County staff provides financial reports to the advisory committee at least quarterly. As part of this process, detailed general ledger reports are generated showing all transactions posted to each account, which are then reviewed by County staff. All discrepancies are referred to DFS staff for investigation and if necessary is corrected.

- d) *Does the agency board fail to receive regular financial reports (quarterly or mid-year at a minimum) that provide a clear and complete picture of the agency's assets and liabilities, fully disclosing both positive and negative financial information to the public and financial institutions?*

No. Financial reports are generated for each advisory committee public meeting. The report includes expenditure and revenue for each line-item by quarter and year-to-date totals with comparison to the budget.

- e) *Is there an issue with the organization's revenue sources being reliable? For example, is a large percentage of revenue coming from grants or one-time/short-term sources?*

No. The CSA revenues are from very reliable sources. The bulk of the revenue, property taxes, service charges and interest are all collected through the County. However, increases in service charges are subject to voter approval as described above. The following is a listing of Prop 218 proceedings, over the past 5 years, and the results:

- 7/28/2015 – Water rates, passed.
- 7/09/2019 – Water and sewer rates, passed
- 1/12/2021 – Streets rates, did not pass

- f) *Is the organization's rate/fee schedule insufficient to fund an adequate level of service, necessary infrastructure maintenance, replacement and/or any needed expansion? Is the fee inconsistent with the schedules of similar local agencies? Does the rate/fee schedule include a specific amount identified for capital asset replacement (tied to a capital improvement plan with implementation policies)?*

xx. The rate/fee is sufficient to fund an adequate level of service (see 3g for infrastructure maintenance and replacement). The water and sewer rates include an amount for system maintenance and

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replacement as needed. *Note to the public: LAFCo will add information regarding rate consistency question after the other CSA checklists are done.*

- g) *Is the organization needing additional reserves to protect against unexpected events or upcoming significant costs (excluding capital asset replacement, see 4f)? Does the agency need to identify and quantify what the possible significant risks and costs of infrastructure or equipment failure? Does the agency need a reserve policy?*

No. Per Agreement No. 77-90 for water and Agreement 75-97 for sewer, the City of Davis operates and maintains the water and wastewater systems within the CSA, including replacing any portion of the system which wears out or fails. Therefore, no additional CSA reserve is needed to protect against unexpected water and sewer system costs.

- i) *Does the agency have any debt, and if so, is the organization's debt at an unmanageable level? Does the agency need a clear capital financing and debt management policy, if applicable?*

No. The CSA does not have any debt.

Financial Ability MSR Determination

The CSA is financially sound. The 5-year trend indicates revenues and expenditures are in balance and the fund balance is increasing. There are concerns from a few residents about the propriety of the accounting of the CSA funds. However, LAFCo's five-year review of transactions confirmed that all revenues deposited to the CSA were solely used for CSA purposes and that all unexpended fund(s) at year-end remained in the CSA fund(s) to be available for future years. Prior to FY 2020, El Macero CSA accounting transactions were recorded in a single fund. Beginning in FY 2020, four new funds were established to segregate revenues and expenditures by activity: Administration, Streets, Water and Sewer. This change in accounting was done to provide more transparency and to simplify the reporting to the residents of El Macero.

Revenues have generally kept pace with on-going operational expenditures. The rate/fee is sufficient to fund an adequate level of service. The water and sewer rates include an amount for system maintenance and replacement as needed. Excluding water usage fees, ongoing expenditures have remained relatively flat. The cost of residential water provided by the City of Davis has increased an average of 20% each fiscal year. In each of the last three years, there have been additional expenditures for street improvements (\$921,951) and common area landscaping (\$56,470). In addition, over the past two years the cost of County administration and legal costs have increased, from \$3,000 in 2016 to over \$72,000 in 2020, due to multiple citizen Public Records Act requests and costs defending a law suit.

5. SHARED SERVICES AND FACILITIES

Status of, and opportunities for, shared facilities.

	YES	MAYBE	NO
a) <i>Are there any opportunities for the organization to share services or facilities with neighboring, overlapping or other organizations that are not currently being utilized?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

- a) *Are there any opportunities for the organization to share services or facilities with neighboring, overlapping or other organizations that are not currently being utilized?*

No. The CSA already obtains shared water and sewer services provided by the City of Davis and street lighting service from PG&E (with energy provided by Valley Clean Energy). Street

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improvements/maintenance is contracted out on a per project basis by the Yolo County Department of Community Services and uses pooled purchasing wherever possible.

Shared Services MSR Determination

The CSA already obtains shared water and sewer services provided by the City of Davis and street lighting service from PG&E (with energy provided by Valley Clean Energy). Street improvements/maintenance is contracted out on a per project basis by the Yolo County Department of Community Services and uses pooled purchasing wherever possible.

6. ACCOUNTABILITY, STRUCTURE AND EFFICIENCIES			
Accountability for community service needs, including governmental structure and operational efficiencies.			
	YES	MAYBE	NO
a) <i>Are there any recommended changes to the organization's governmental structure or operations that will increase accountability and efficiency (i.e. overlapping boundaries that confuse the public, service inefficiencies, and/or higher costs/rates)?</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) <i>Are there any issues with filling board vacancies and maintaining board members? Is there a lack of board member training regarding the organization's program requirements and financial management?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) <i>Are there any issues with staff capacity and/or turnover? Is there a lack of staff member training regarding the organization's program requirements and financial management?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) <i>Does the agency need adequate policies (as applicable) relating to personnel/payroll, general and administrative, board member and meetings, and segregating financial and accounting duties among staff and/or board to minimize risk of error or misconduct (see suggested policies list)?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) <i>Are any agency officials and designated staff <u>not</u> current in making their Statement of Economic Interests (Form 700) disclosures?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) <i>Does the agency need to secure independent audits of financial reports that meet California State Controller requirements? Are the same auditors used for more than six years? Are audit results <u>not</u> reviewed in an open meeting?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) <i>If the agency is not audited annually, does the agency need to have a qualified external person review agency finances each year (at a minimum), comparing budgets to actuals, comparing actuals to prior years, analyzing significant differences or changes, and determining if the reports appear reasonable?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h) <i>Does the organization need to improve its public transparency via a website (see https://www.yololafco.org/yolo-local-government-website-transparency-scorecards)?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Discussion:

- a) *Are there any recommended changes to the organization's governmental structure or operations that will increase accountability and efficiency (i.e. overlapping boundaries that confuse the public, service inefficiencies, and/or higher costs/rates)?*

Yes. In two areas:

Direct Billing of City Services

Changes to the EMCSA's operations to provide for direct City billing for water and sewer services would improve accountability and efficiency. Water fees are especially complicated because water is charged based on usage, where sewer is a flat fee calculated annually. And the water pass through is always one year in arrears. Within a fiscal year, City of Davis is collecting water usage amounts and then in July each year, the EMCSA is sent one amount due for the entire community. The EMCSA pays the water charges to the City in advance of collecting the amounts from the residents, for example in fiscal year 2018-19 the CSA collected the water charges for 2017-18 but paid the City for usage for fiscal year 2018-19, thus creating a structural deficit each year. The CSA Manager calculates the annual water charge for each property, and then provides these amounts to the Department of Financial Services to add this amount to the next year's property tax roll.

The current method of paying for water service has several issues and inefficiencies:

- The CSA Manager estimates it requires 4-5 hours of time to consolidate monthly billings, verify accuracy and prepare the tax roll.
- When a property is sold, the new resident ends up paying for the water usage of the previous resident(s) through the remainder of the fiscal year, which may not be fair depending on the difference in usage.
- This method does not lend itself well to water conservation efforts, because fees are not necessarily noticed (with monthly fluctuations) as directly by the homeowner. Residents are able to access the City's Aquahawk data to see their usage, however it requires diligence on the resident's part.
- The EMCSA pays the water charges to the City in advance of collecting the amounts from the residents, creating a structural deficit each year. Cash flow from the operations fund is used to float during these timing differences to alleviate the need to borrow funds.

LAFCo recommends the City bill EMCSA residents directly for water and sewer fees.

Detach The Villas at El Macero from the CSA

In 2015, the County approved a 16-unit townhome development on previous El Macero Country Club corporation yard area. These homes do not utilize CSA services even though the land was historically included in the CSA boundary, which has created some confusion. And since the El Macero CSA does receive a portion of property tax revenue, ongoing revenue generated by The Villas at El Macero should not be directed to the CSA. Therefore, the County should detach The Villas at El Macero from the CSA boundary.

- b) *Are there any issues with filling board vacancies and maintaining board members? Is there a lack of board member training regarding the organization's program requirements and financial management?*

No. This is not an issue for CSAs as they are governed by the Board of Supervisors (BOS). However, there are issues with the advisory committee term limits.

Advisory Committee Term Limits

The Board of Supervisors (BOS) governs CSAs and is advised by a committee of five residents. In response to LAFCo's previous MSR which called out term limits as an issue, the BOS amended its advisory committee policies on July 21, 2020 to add flexibility as follows:

Unless the Board specifically determines otherwise for good cause, in its sole discretion, no member may serve more than two (2) consecutive terms on an advisory committee without at

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least a one (1) year break in service before becoming eligible for reappointment to that same committee.

The BOS staff report recommending flexibility to exceed term limits stated the justification was to allow for situations where there are no available replacement members. However, two committee members have been reappointed since this amended policy was adopted and the BOS appointment staff reports do not address specific good cause. Therefore, LAFCo recommends the BOS appoint advisory committee members consistent with its two term limit policy and either make an effort to rotate committee members, justify good cause for reappointment or amend the policy to remove term limits altogether. *Note to the public: a copy of the 12/15/20 memo providing the good cause determination was provided to LAFCo on 10/6/21 by the nominating Supervisor.* The number of terms served for each current advisory committee member is as follows:

Advisory Committee Members	No. Consecutive Terms
Cronan	4
Lien	6
Lynch	3
McDonough	2
Uhrhammer	5

- c) *Are there any issues with staff capacity and/or turnover? Is there a lack of staff member training regarding the organization's program requirements and financial management?*

No. There have been four CSA managers in the past five years and the program has moved from the Department of Community Services to the County Administrator's Office and back again. Despite these changes, CSA operations have improved with the evolutions of program operations and current staff are well-trained and very knowledgeable.

- d) *Does the agency need adequate policies (as applicable) relating to personnel/payroll, general and administrative, board member and meetings, and segregating financial and accounting duties among staff and/or board to minimize risk of error or misconduct?*

No. Not applicable for dependent districts. CSA operation falls under Yolo County policies, which are comprehensive.

- e) *Are any agency officials and designated staff not current in making their Statement of Economic Interests (Form 700) disclosures?*

No. Agency officials and designated staff are required to stay current on Statement of Economic Interest disclosures and are filing with the County Clerk Recorder's Office.

- f) *Does the agency need to secure independent audits of financial reports that meet California State Controller requirements? Are the same auditors used for more than six years? Are audit results not reviewed in an open meeting?*

No. The audit of the CSA is included in the annual audit of the County's Comprehensive Financial Report (CAFR). The CSA is reported as a blended component unit and accounted for as a special revenue fund. According to the State Controller's Office, the County's audited CAFR meets general audit requirements and the CAFR satisfies the requirements of Government Code 25214(c) and 26909¹.

- g) *If the agency is not audited annually, does the agency need to have a qualified external person review agency finances each year (at a minimum), comparing budgets to actuals, comparing actuals to prior years, analyzing significant differences or changes, and determining if the reports appear reasonable?*

¹ Per email dated July 6, 2021 from Sandeep Singh, Manager, Local Government Policy Section Office of State Controller, Local Government Programs and Services Division

No. Not applicable.

- h) *Does the organization need to improve its public transparency via a website (see <https://www.yololafco.org/yolo-local-government-website-transparency-scorecards>)?*

Maybe. The EMCSA received an 87% transparency score in 2020. Please see the report posted on the LAFCo website for where improvements are needed.

Accountability, Structure and Efficiencies MSR Determination

The CSA is covered by County governance, policies, and included in the County's annual audit. Although CSA operations have had four managers in the past five years and under two departments, CSA operations have improved with the evolutions of program operations and current staff are well-trained and very knowledgeable. Term limits for four of the five advisory committee members have been exceeded (up to six terms) and the BOS appointment staff reports do not address specific good cause.

Changes to the EMCAS's operations to provide for direct City billing for water and sewer services would improve accountability and efficiency. The EMCSA pays the water charges to the City in advance of collecting the amounts from the residents, creating a structural deficit each year. Cash flow from the operations fund is used to float during these timing differences to alleviate the need to borrow funds. This practice is inefficient and leaves the EMCSA somewhat at risk financially. In addition, new homeowners end up paying for the water usage of previous residents, which is inequitable. And paying water charges annually on a property tax bill undermines water conservation efforts. For all these reasons, LAFCo again recommends the City bill EMCSA residents directly for water and sewer fees. A new issue since the last MSR is the development of The Villas at El Macero project, a 16-unit townhome development that does not utilize CSA services even though the land was historically included in the CSA boundary, which has created some confusion. And since the El Macero CSA does receive a portion of the property tax revenue, ongoing revenue generated by The Villas at El Macero should not be directed to the CSA. Therefore, the County should detach The Villas at El Macero from the CSA boundary.

Accountability, Structure and Efficiencies MSR Recommendation(s)

- Amend the current contracts to provide for direct billing for services by the City of Davis to El Macero residents.
- Yolo County should submit an application to detach The Villas at El Macero from the EMCSA boundary.
- Appoint advisory committee members consistent with the County's two term limit policy and either make an effort to rotate committee members, justify good cause for reappointment or amend the policy removing term limits altogether. Cite the number of terms of members proposed for reappointment in the BOS staff report. *The County Clerk confirmed that beginning 2/23/21, the BOS practice changed and since that date this justification will be included so it is publicly-available online. Therefore, the County has already complied with LAFCo's draft recommendation.*
- The El Macero CSA received an 87% transparency score in 2020. Please see the report at <https://www.yololafco.org/yolo-local-government-website-transparency-scorecards> for where improvements are needed.

7. BROADBAND ACCESS

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

Per Yolo LAFCo Project Policy 6.2 “it is the intent of Yolo LAFCo to comprehensively review broadband access in MSRs of local agencies that either serve communities and/or provide emergency services where broadband connection is critical (i.e. cities, CSDs, CSAs, FPDs and RDs).”

	YES	MAYBE	NO
a) <i>Is there a lack of high-performance broadband (25/3 Mbps) available in the community?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) <i>Is there a lack of low-income subscription rates and/or digital literacy programs available?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

a) *Is there a lack of high-performance broadband (25/3 Mbps) available in the community?*

No. Addresses in EI Macero have the following broadband providers, technology and speeds available²:

Comcast	
Maximum Advertised Downstream Speed (Mbps):	986.5
Maximum Advertised Upstream Speed (Mbps):	35
Technology Type:	Cable Modem DOCSIS 3.1
Contact:	http://www.comcast.com
AT&T Service, Inc.	
Maximum Advertised Downstream Speed (Mbps):	100
Maximum Advertised Upstream Speed (Mbps):	20
Technology Type:	VDSL
Contact:	http://www.att.com
AT&T Service, Inc.	
Maximum Advertised Downstream Speed (Mbps):	18
Maximum Advertised Upstream Speed (Mbps):	0.768
Technology Type:	ADSL2, ADSL2+
Contact:	http://www.att.com
AT&T Service, Inc.	
Maximum Advertised Downstream Speed (Mbps):	0.768
Maximum Advertised Upstream Speed (Mbps):	0.128
Technology Type:	Asymmetric xDSL
Contact:	http://www.att.com

b) *Is there a lack of low-income subscription rates and/or digital literacy programs available?*

No. According to the CPUC Broadband Mapping Program, broadband adoption is greater than 80% (the highest category) for households in EI Macero.

Comcast currently offers the Internet Essentials program for low-income households that may qualify if a subscriber is eligible for public assistance programs like the National School Lunch Program, Housing Assistance, Medicaid, SNAP, SSI and others. The program includes 50/5 Mbps internet service for \$9.95 a month plus tax, no activation/equipment rental fees, an option to purchase a computer for just

² CPUC Broadband Mapping Program data as of December 31, 2019

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\$149.99 plus tax, access to free Internet training online, in print and in person, a Wireless Gateway in-home WiFi at no additional cost, and access to Xfinity WiFi Hotspots.

AT&T offers a similar program for low-income households that includes 25 Mbps download speeds for \$10.00 per month with free installation, in-home Wi-Fi®, no deposit and no annual contract.

Yolo County Library staff provide one-on-one computer assistance, with even with basic functions like setting up an email account³ and generally help troubleshoot technology challenges. Information and instruction about basic computer/tablet/smartphone use is offered in ESL conversation clubs, classes and in Yolo Reads Adult and Family Literacy program. The library also provides hotspots and Chromebooks for those that need these items. The library does not have a formalized technology curriculum, although there have been discussions regarding adding it as a service.

Broadband Access MSR Determination

Comcast provides internet speeds up to 1,000 Mbps (i.e. 1 gig) download and 35 Mbps upload speeds. AT&T is an alternate provider with up to 100 Mbps download and 20 Mbps upload speeds. Both providers offer low-income subscription rates and Comcast offers free internet training online. The Yolo County Library system also offers computer and technology assistance to patrons. It also provides hotspots and Chromebooks to those that need them. Therefore, broadband access in EMCSA is not an issue.

8. STATUS OF PREVIOUS MSR RECOMMENDATIONS			
	YES	MAYBE	NO
a) <i>Are there any recommendations from the agency's previous MSR that have not been implemented?</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Discussion:

c) a) *Are there any recommendations from the agency's previous MSR that have not been implemented?*
2016 MSR EI Macero CSA-Specific Recommendations and Status

- The County, in consultation with the CSA advisory committee, should to develop options for future maintenance and improvements to roads, including a feasibility and cost/benefit analysis of potentially privatizing the EI Macero road system for maintenance by the HOA. The analysis should review the potential for any unintended consequences to this change in service structure, in particular with respect to homeowner costs, public safety enforcement and solid waste collection.

Status: This was reviewed by the CSA Advisory Committee and determined that HOA street maintenance would be very difficult and create negative consequences by requiring roads be privatized. Therefore, this recommendation was not pursued and LAFCo is in agreement and no longer supports this recommendation.

- LAFCo recommends that County staff compile a long term capital improvement plan for the CSA with a focus on anticipated street needs over the next few decades to ensure that the assessment being charged is sufficient to finance projected costs.

Status: CSA staff prepared a scope of work for this CIP in 2018 per LAFCo's recommendation. However, as noted under item 3a) the Prop 218 to support these efforts failed such that the CSA

³ Email from Mark Fink, Yolo County Librarian on May 26, 2021

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will no longer be able to fund a higher level of street improvements. Therefore, this recommendation is no longer applicable.

3. The reserve level of El Macero CSA should be reviewed to determine if it is appropriate to the needs of the CSA and the service structure after a capital improvement plan is developed to determine all capital needs of the CSA.

Status: Considering the Prop 218 for street improvements failed and water/sewer system maintenance is handled by the City of Davis and included in the fee structure, a reserve study is no longer necessary.

4. In order to enhance transparency, it is recommended that the County develop a worksheet or bill that can be distributed to the residents at the same time as the property tax bill to clearly demonstrate how the charges are determined.

Status: The County has made efforts to enhance transparency, however, this item was apparently missed due to CSA Manager turnover. The current CSA Manager will re-evaluate this recommendation.

5. The County, in consultation with the CSA Advisory Committee, should consider amending the County-City contract to provide for direct billing for services by the City of Davis to El Macero residents to further enhance efficiency and transparency and save the CSA in administration fees to the County for billing. This recommendation assumes the existing sewer rate that has already been agreed upon by the City and the County would be retained for the duration of the existing term of agreement and future rates would continue to be negotiated between the CSA and the City of Davis, as necessary.

Status: This recommendation has not been implemented. LAFCo has reiterated this recommendation again in this MSR.

Status of Previous Recommendations MSR Determination

Of the five recommendations from the 2016 MSR, three are no longer needed or applicable. The current CSA Manager will revisit the previous recommendation to develop a worksheet or bill that can be distributed to the residents at the same time as the property tax bill to clearly demonstrate how the charges are determined for transparency purposes. And the final recommendation regarding the City of Davis directly billing residents for water and sewer fees has been restated in this MSR.

Status of Previous Recommendations MSR Recommendation

- In order to enhance transparency, it is recommended that the County develop a worksheet or bill that can be distributed to the residents at the same time as the property tax bill to clearly demonstrate how the charges are determined.
- Amend the current contracts to provide for direct billing for services by the City of Davis to El Macero residents.

SPHERE OF INFLUENCE STUDY

On the basis of the Municipal Service Review (see MSR Checklist item 1b):

- 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.

SPHERE OF INFLUENCE MAP(S)

Insert Figure(s) of existing SOI (and proposed SOI if applicable)

Note to the public: LAFCo will amend this draft report to complete the SOI study once other priorities are completed. The EMCSA SOI boundary is proposed for amendment to include 27384 Eagle View Court (APN 033-011-024) as discussed under MSR item 1b).

DRAFT