

YOLO LOCAL AGENCY FORMATION COMMISSION

Regular Meeting AGENDA

March 25, 2021 - 9:00 a.m.

COMMISSIONERS

OLIN WOODS, CHAIR (PUBLIC MEMBER)
DON SAYLOR, VICE CHAIR (COUNTY MEMBER)
NORMA ALCALA (CITY MEMBER)
GARY SANDY (COUNTY MEMBER)
TOM STALLARD (CITY MEMBER)

ALTERNATE COMMISSIONERS

ANGEL BARAJAS (COUNTY MEMBER)
WADE COWAN (CITY MEMBER)
RICHARD DELIBERTY (PUBLIC MEMBER)

This meeting will be conducted utilizing teleconferencing and electronic means to allow the Commission, staff and the public to participate in the meeting pursuant to the provisions of the Governor's Executive Order N-29-20 (March 17, 2020), available at the following [link](#).

Teleconference Options to join Zoom meeting:
By PC: <https://yolocounty.zoom.us/j/94657093415>

or

By Phone: (408) 638-0968
Webinar ID: 946 5709 3415

Further instructions on how to electronically participate and submit your public comment can be found in the PUBLIC PARTICIPATION instructions at the end of this agenda. In the rare event of a widespread internet disruption where Zoom is not available either at the beginning or during the meeting, the meeting will be conducted utilizing the following teleconference call dial in number (605) 475-6006 using Access Code 680-0491.

CHRISTINE CRAWFORD
EXECUTIVE OFFICER

ERIC MAY
COMMISSION COUNSEL

NOTICE:

This agenda has been posted at least five (5) calendar days prior to the meeting in a location freely accessible to members of the public, in accordance with the Brown Act and the Cortese Knox Hertzberg Act. The public may subscribe to receive emailed agendas, notices and other updates by contacting staff at lafco@yolocounty.org.

All persons are invited to testify and submit written comments to the Commission. If you challenge a LAFCo action in court, you may be limited to issues raised at the public hearing or submitted as written comments prior to the close of the public hearing. If you wish to submit written material at the hearing, please supply 8 copies.

FPPC - Notice to All Parties and Participants in LAFCo Proceedings

All parties and participants on a matter to be heard by the Commission that have made campaign contributions totaling \$250 or more to any Commissioner in the past 12 months must disclose this fact, either orally or in writing, for the official record as required by Government Code Section 84308.

Contributions and expenditures for political purposes related to any proposal or proceedings before LAFCo are subject to the reporting requirements of the Political Reform Act and the regulations of the Fair Political Practices Commission, and must be disclosed to the Commission prior to the hearing on the matter.

PLEASE NOTE - The numerical order of items on this agenda is for convenience of reference. Items may be taken out of order upon request of the Chair or Commission members.

CALL TO ORDER

1. Pledge of Allegiance
2. Roll Call
3. Public Comment: This is an opportunity for members of the public to address the Commission on subjects relating to LAFCo purview but not relative to items on this Agenda. The Commission reserves the right to impose a reasonable time limit on any topic or on any individual speaker.

CONSENT AGENDA

4. Approve the LAFCo Meeting Minutes of January 28, 2021
5. Correspondence

PUBLIC HEARINGS

6. Consider and adopt the proposed LAFCo Budget for fiscal year (FY) 2021/22 and set May 27, 2021 as the public hearing date to approve the final budget

REGULAR AGENDA

7. Consider the Municipal Service Review (MSR)/Sphere of Influence (SOI) Initial Study for the City of Davis (LAFCo No. 21-01) and determine a comprehensive MSR/SOI Update is not needed for this five-year review cycle per Government Code §56425(g)

8. Approve an amendment to Yolo LAFCo Project Policies to: (1) Amend Policy 6.2 "Criteria – Municipal Services Review (MSR)" to indicate Yolo LAFCo will likely conduct MSRs on special districts to provide additional oversight even if a Sphere of Influence (SOI) Update is not needed; and (2) Amend title of Policy 6.3 "Criteria - Spheres of Influence (SOI)" to better distinguish the title
9. Consider and adopt the LAFCo Annual Work Plan for Fiscal Year 2021/22

EXECUTIVE OFFICER'S REPORT

10. A report by the Executive Officer on recent events relevant to the Commission and an update of staff activity for the month. The Commission or any individual Commissioner may request that action be taken on any item listed.
 - a. Long Range Planning Calendar
 - b. EO Activity Report - January 25 through March 19, 2021

COMMISSIONER REPORTS

11. Action items and reports from members of the Commission, including announcements, questions to be referred to staff, future agenda items, and reports on meetings and information which would be of interest to the Commission or the public.

ADJOURNMENT

Adjourn to the next Regular LAFCo Meeting

I declare under penalty of perjury that the foregoing agenda was posted by 5:00 p.m. on Friday, March 19, 2021, at the following places:

- On the bulletin board outside the east entrance of the Erwin W. Meier County Administration Building, 625 Court Street, Woodland, CA;
- On the LAFCo website at: www.yololafco.org.

ATTEST:
Terri Tuck, Clerk
Yolo LAFCo

If requested, this agenda can be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 and the Federal Rules and Regulations adopted in implementation thereof. Persons seeking an alternative format should contact the Commission Clerk for further information. In addition, a person with a disability who requires a modification or accommodation, including auxiliary aids or services, in order to participate in a public meeting should contact the Commission Clerk as soon as possible and at least 24 hours prior to the meeting. The Commission Clerk may be reached at (530) 666-8048 or at the following address:

PUBLIC PARTICIPATION INSTRUCTIONS:

Based on guidance from the California Department of Public Health and the California Governor's Office, in order to minimize the spread of COVID-19, please consider the following:

Join the Yolo LAFCo meeting at <https://yolocounty.zoom.us/j/96677067504>, or by phone via 1-408-638-0968, Webinar ID: 966 7706 7504.

1. Submit live comment by joining the meeting and press the "raise a hand" button or if joining by phone only, press *9 to indicate a desire to make a comment. The chair will call you by name or phone number when it is your turn to comment. The Commission reserves the right to impose a reasonable limit on time afforded to any topic or to any individual speaker.

* If you are joining by zoom and phone, still use the zoom raise a hand button as *9 will not work.

2. Submit written comment on any matter within the Commission's subject matter jurisdiction, regardless of whether it is on the agenda for Commission consideration or action. Submit your comment, limited to 250 words or less, via email to <https://www.yololafco.org>, or by U.S. mail to Yolo LAFCo at 625 Court Street, Suite 107, Woodland, CA, 95695, by 1 p.m. on the Wednesday prior to the Commission meeting. Your comment will be read at the meeting.

3. Submit verbal comment by calling (530) 666-8048; state and spell your name, mention the agenda item number you are calling about and leave your comment. Verbal comments must be received no later than 1 p.m. on the Wednesday prior to the Commission meeting. Your comment will be read at the meeting by the Commission Clerk; limited to 3 minutes per item.

Consent 4.

LAFCO

Meeting Date: 03/25/2021

Information

SUBJECT

Approve the LAFCo Meeting Minutes of January 28, 2021

RECOMMENDED ACTION

Approve the LAFCo Meeting Minutes of January 28, 2021.

Attachments

ATT-LAFCo Minutes 01.28.21

Form Review

Form Started By: Terri Tuck
Final Approval Date: 03/15/2021

Started On: 03/15/2021 11:58 AM

YOLO LOCAL AGENCY FORMATION COMMISSION

MEETING MINUTES

January 28, 2021

The Yolo Local Agency Formation Commission met on the 28th day of January 2021, at 9:00 a.m. via teleconference. Voting members present were Chair and Public Member Olin Woods, County Member Don Saylor, and City Members Tom Stallard and Norma Alcalá. Voting members absent were Gary Sandy. Others present were Executive Officer Christine Crawford, Clerk Terri Tuck, Analyst Mark Krummenacker, and Counsel Eric May.

CALL TO ORDER

Chair Woods called the Meeting to order at 9:10 a.m.

Item № 1 Pledge

Norma Alcalá led the Pledge of Allegiance.

Item № 2 Roll Call

PRESENT: Alcalá, Saylor, Stallard, Woods ABSENT: Sandy

Item № 3 Public Comments

None.

Item № 4 Oath of Office

City Member Norma Alcalá and County Member Alternate Angel Barajas

CONSENT

Item № 5 Approve the LAFCo Meeting Minutes of December 3, 2020

Item № 6 Review and file Fiscal Year 2020/21 Second Quarter Financial Update

Item № 7 Confirmation the Yolo LAFCo approved Resolution 2004-03 to be bound by the Yolo County Public Risk Management Insurance Authority (YCPARMIA) Joint Powers Agreement and Bylaws, and agreed to participate in YCPARMIA as an Associate Member pursuant to the YCPARMIA Joint Powers Agreement and Bylaws on March 22, 2004

Item № 8 Correspondence

Minute Order 2021-01: The recommended action was approved.

Approved by the following vote:

MOTION: Saylor SECOND: Stallard

AYES: Alcala, Saylor, Stallard, Woods
NOES: None
ABSENT: Sandy

PUBLIC HEARINGS

Item № 9 Continued Public Hearing to consider Resolution 2020-10, adopting the Municipal Service Review and approving a Sphere of Influence Update for the Yolo County Flood Control and Water Conservation District (LAFCo No. S-056)

After an overview report by staff, the Chair opened the Public Hearing. Comments were made by Kristen Sicke, Assistant General Manager for the Yolo County Flood Control and Water Conservation District (YCFCWCD). The Public Hearing was closed.

Minute Order 2021-02: The recommended action was approved, adopting **Resolution 2020-10** approving the Municipal Service Review and Sphere of Influence Update for the YCFCWCD.

Approved by the following vote:

MOTION: Saylor SECOND: Stallard
AYES: Alcala, Saylor, Stallard, Woods
NOES: None
ABSENT: Sandy

Item № 10 Public Hearing to consider Resolution 2021-02 adopting the Municipal Service Reviews (MSRs) for the Community Services Districts (CSDs) of Cacheville, Esparto, Knights Landing and Madison and the Sphere of Influence (SOI) Update for the Esparto CSD (LAFCo No. S-054)

After an overview report by staff, the Chair opened the Public Hearing. Comments were made by Steve Knightley, General Manager for the Esparto CSD. The Public Hearing was closed.

Minute Order 2021-03: The recommended action was approved, adopting **Resolution 2021-02** approving the Municipal Service Reviews for the Community Services Districts (CSDs) of Cacheville, Esparto, Knights Landing and Madison and the Sphere of Influence (SOI) Update for the Esparto CSD. Additionally, staff was directed to bring back a status update on the Districts in six months.

Approved by the following vote:

MOTION: Saylor SECOND: Stallard
AYES: Alcala, Saylor, Stallard, Woods
NOES: None
ABSENT: Sandy

REGULAR

Item № 11 Receive and file the 2020 Website Transparency Scorecard and direct staff to make any adjustments to the scorecard, if desired

Minute Order 2021-04: The recommended action was approved.

Approved by the following vote:

MOTION: Alcalá SECOND: Saylor
AYES: Alcalá, Saylor, Stallard, Woods
NOES: None
ABSENT: Sandy

Item № 12 **Elect a new Vice Chair to serve the rest of a one-year term, which ends May 1, 2021**

Minute Order 2021-05: Commissioner Saylor was elected to serve the rest of a one-year term, ending May 2021.

Approved by the following vote:

MOTION: Stallard SECOND: Alcalá
AYES: Alcalá, Saylor, Stallard, Woods
NOES: None
ABSENT: Sandy

Item № 13 **Executive Officer's Report**

The Commission was given written reports of the Executive Officer's activities for the period of November 30, 2020 through January 22, 2021, and was verbally updated on recent events relevant to the Commission, including the Long Range Planning Calendar.

Staff highlighted the attached marketing flyer, *Revitalizing Our Communities*, recently created by CALAFCO for each LAFCo to use as a tool for outreach to agencies within its purview that staff is always available to help. Staff asked for input from the Commission regarding outreach to agencies that LAFCo is here to help, given that we have been available to assist when needed.

Staff noted that the February 25th meeting would be cancelled.

Item № 14 **Commissioner Reports**

Commissioner Stallard stated that the City of Woodland will be bringing a number of annexations to the Commission in the upcoming months.

Commissioner Alcalá thanked everyone, stating that this has been a great opportunity for her to learn more about LAFCo and that she is happy to be serving on the Commission.

Commissioner Woods remarked that in May 2020, when the new Fee Schedule was adopted, there was a split vote on the Commission. The adopted fee schedule included a change from time and materials fees to a flat fee. Chair Woods proposed the subject be brought back for discussion within the next few months, after staff has had time to explore options.

Staff acknowledged that the subject has been slated to be on the April 22nd meeting agenda.

Item № 15 Adjournment

Minute Order 2021-06: By order of the Chair, the meeting was adjourned at 10:32 a.m. to the next Regular LAFCo Meeting.

Olin Woods, Chair
Local Agency Formation Commission
County of Yolo, State of California

ATTEST:

Terri Tuck
Clerk to the Commission

Consent 5.

LAFCO

Meeting Date: 03/25/2021

Information

SUBJECT

Correspondence

RECOMMENDED ACTION

Review and file the following correspondence:

- A. ATT A - CALAFCO Member LAFCo Dues FY 2021-22
 - B. ATT B - CALAFCO Quarterly-Feb2021
 - C. ATT C - CALAFCO 2020 Annual Report
 - D. ATT D - CHW Newsletter-Winter 2021
-

Attachments

ATT A-CALAFCO Member LAFCo Dues FY 2021/22
ATT B-CALAFCO Quarterly-Feb2021
ATT C-CALAFCO 2020 Annual Report
ATT D-CHW Newsletter-Winter 2021

Form Review

Form Started By: Terri Tuck
Final Approval Date: 03/15/2021

Started On: 03/15/2021 12:00 PM



February 9, 2021

TO: Member LAFCoS
SUBJECT: Adopted dues structure for FY 2021-22

Dear Member LAFCoS:

As you know, the membership voted to approve a new dues structure on October 31, 2019 at the Annual Business meeting. After hearing feedback from member LAFCoS during the meeting and receiving an alternate proposal from a member LAFCo for consideration, the CALAFCO Board formed an ad hoc dues committee on July 24, 2020.

The committee met twice in meetings that were open to member LAFCoS and heard additional comments from numerous LAFCoS. The matter was again taken up for consideration by the Board at their January 21, 2021 strategic planning workshop after having received a report from the ad hoc committee. The ad hoc committee's report included all of the various dues models they considered over the course of their two meetings (16 in total).

The new dues structure contains several variables that are, pursuant to adopted Bylaws, required to be considered by the Board annually as they set the dues for the following fiscal year. Those variables include a required update to population estimates provided by the CA Dept. of Finance (DOF), base dues amount, population cap, and the per capita rate. The baseline for the variables is the estimated total operational costs of the annual budget. During their deliberations on January 21, the Board considered one more model that contained the updated population estimates that became available in December 2020 (after the committee completed its work). This model used the updated population figures along with existing variables. In total, 17 options were considered. (All the Board strategic planning session and subsequent meeting documents are located on the CALAFCO website and accessible to all members.)

After a lengthy discussion and careful consideration, the Board unanimously adopted the FY 2021-22 member LAFCo dues the following day during their regular Board meeting, which are included as an attachment. The bottom-line budget amount of \$300,000, base rate of \$1,000, and population cap of 700,000 remain the same as in FY 2020-21.

The updated population numbers demonstrate an overall reduction in population (from the prior year's numbers) by 766,973. With a reduction in population and the use of the \$300,000 bottom line budget amount, the per capita rate automatically adjusts upward from 0.013803 to 0.013943. The per capita rate increase of \$0.014 per 100 persons is because of the population decrease. Some LAFCoS whose population decreased might have had an overall increase in their dues because the decrease in dues due to the change in population was less than the increase due to the change in the pro rata rate formula.

Further, the Board's adoption of the FY 2021-22 dues does *not* include a CPI increase (estimated at 3% by the DOF).

We and the rest of the Board are available to answer any questions you may have. You are encouraged to seek out the feedback of your regional Board members.

On behalf of the CALAFCO Board of Directors,

A handwritten signature in blue ink that reads "Michael Kelley".

Michael Kelley
 Chair of the Board

A handwritten signature in blue ink that reads "Pamela Miller".

Pamela Miller
 Executive Director

Cc: CALAFCO Board of Directors
 attachment

CALAFCO Member LAFCo Dues for FY 2021-22
As adopted by the CALAFCO Board of Directors on January 22, 2021

Counties	58	Base Dues	1,000
CALAFCO Budget	300,000	Population Threshold	700,000
CA Population	39,782,419	Per Capita Rate	0.0139
Population for Dues	17,356,427	Budget from Base Dues	58,000
		Budget from Per Capita	242,000

County	Updated Population Estimate 2020	Population Estimate for FY 20-21 Dues	Population difference	Population For Dues Calculation	Base Dues	Per Capita Dues	Base + Per Capita Dues FY 21-22	Total Per Capita Rate	Diff FY 20-21 to 21-22
ALAMEDA	1,671,855	1,703,660	-31,805	700,000	1,000	9,760	10,760	0.0064	98
ALPINE	1,115	1,107	8	1,115	1,000	16	1,016	0.9108	1
AMADOR	37,577	37,560	17	37,577	1,000	524	1,524	0.0406	6
BUTTE	206,362	230,701	-24,339	206,362	1,000	2,877	3,877	0.0188	-307
CALAVERAS	44,286	44,953	-667	44,286	1,000	617	1,617	0.0365	-3
COLUSA	22,075	23,144	-1,069	22,075	1,000	308	1,308	0.0592	-11
CONTRA COSTA	1,149,800	1,178,639	-28,839	700,000	1,000	9,760	10,760	0.0094	98
DEL NORTE	27,193	26,997	196	27,193	1,000	379	1,379	0.0507	6
ELDORADO	192,012	189,576	2,436	192,012	1,000	2,677	3,677	0.0192	60
FRESNO	1,026,358	1,033,095	-6,737	700,000	1,000	9,760	10,760	0.0105	98
GLENN	29,507	29,691	-184	29,507	1,000	411	1,411	0.0478	1
HUMBOLDT	132,706	137,711	-5,005	132,706	1,000	1,850	2,850	0.0215	-51
IMPERIAL	188,090	195,814	-7,724	188,090	1,000	2,623	3,623	0.0193	-80
INYO	18,429	18,724	-295	18,429	1,000	257	1,257	0.0682	-1
KERN	912,975	930,885	-17,910	700,000	1,000	9,760	10,760	0.0118	98
KINGS	154,745	154,549	196	154,745	1,000	2,158	3,158	0.0204	25
LAKE	63,771	65,302	-1,531	63,771	1,000	889	1,889	0.0296	-12
LASSEN	28,872	30,626	-1,754	28,872	1,000	403	1,403	0.0486	-20
LOS ANGELES	10,171,593	10,435,036	-263,443	700,000	1,000	9,760	10,760	0.0011	98
MADERA	158,794	162,990	-4,196	158,794	1,000	2,214	3,214	0.0202	-36
MARIN	258,956	265,152	-6,196	258,956	1,000	3,611	4,611	0.0178	-49
MARIPOSA	17,778	18,031	-253	17,778	1,000	248	1,248	0.0702	-1
MENDOCINO	87,491	90,175	-2,684	87,491	1,000	1,220	2,220	0.0254	-25
MERCED	284,761	286,746	-1,985	284,761	1,000	3,970	4,970	0.0175	12
MODOC	9,416	9,422	-6	9,416	1,000	131	1,131	0.1201	1
MONO	13,447	13,986	-539	13,447	1,000	187	1,187	0.0883	-6
MONTEREY	441,290	454,599	-13,309	441,290	1,000	6,153	7,153	0.0162	-121
NAPA	138,711	143,800	-5,089	138,711	1,000	1,934	2,934	0.0212	-51
NEVADA	97,439	99,548	-2,109	97,439	1,000	1,359	2,359	0.0242	-15
ORANGE	3,190,832	3,260,012	-69,180	700,000	1,000	9,760	10,760	0.0034	98
PLACER	397,469	397,368	101	397,469	1,000	5,542	6,542	0.0165	57
PLUMAS	18,246	19,374	-1,128	18,246	1,000	254	1,254	0.0687	-13
RIVERSIDE	2,449,299	2,500,975	-51,676	700,000	1,000	9,760	10,760	0.0044	98
SACRAMENTO	1,562,242	1,572,886	-10,644	700,000	1,000	9,760	10,760	0.0069	98
SAN BENITO	62,789	60,067	2,722	62,789	1,000	875	1,875	0.0299	46
SAN BERNARDINO	2,184,112	2,230,602	-46,490	700,000	1,000	9,760	10,760	0.0049	98
SAN DIEGO	3,352,145	3,398,672	-46,527	700,000	1,000	9,760	10,760	0.0032	98
SAN FRANCISCO	899,891	905,637	-5,746	700,000	1,000	9,760	10,760	0.0120	98
SAN JOAQUIN	776,068	782,662	-6,594	700,000	1,000	9,760	10,760	0.0139	98
SAN LUIS OBISPO	276,151	284,126	-7,975	276,151	1,000	3,850	4,850	0.0176	-72
SAN MATEO	775,132	792,271	-17,139	700,000	1,000	9,760	10,760	0.0139	98
SANTA BARBARA	451,329	460,444	-9,115	451,329	1,000	6,293	7,293	0.0162	-62
SANTA CLARA	1,962,251	2,011,436	-49,185	700,000	1,000	9,760	10,760	0.0055	98
SANTA CRUZ	270,067	282,627	-12,560	270,067	1,000	3,766	4,766	0.0176	-135
SHASTA	177,692	180,198	-2,506	177,692	1,000	2,478	3,478	0.0196	-9
SIERRA	3,117	3,129	-12	3,117	1,000	43	1,043	0.3348	0
SISKIYOU	43,792	44,186	-394	43,792	1,000	611	1,611	0.0368	1
SOLANO	440,198	453,784	-13,586	440,198	1,000	6,138	7,138	0.0162	-125
SONOMA	491,134	515,486	-24,352	491,134	1,000	6,848	7,848	0.0160	-267
STANISLAUS	555,955	572,000	-16,045	555,955	1,000	7,752	8,752	0.0157	-143
SUTTER	101,160	101,418	-258	101,160	1,000	1,410	2,410	0.0238	10
TEHEMA	65,266	65,119	147	65,266	1,000	910	1,910	0.0293	11
TRINITY	13,291	13,389	-98	13,291	1,000	185	1,185	0.0892	0
TULARE	480,788	487,733	-6,945	480,788	1,000	6,704	7,704	0.0160	-28
TUOLUMNE	52,353	53,976	-1,623	52,353	1,000	730	1,730	0.0330	-15
VENTURA	841,439	869,486	-28,047	700,000	1,000	9,760	10,760	0.0128	98
YOLO	221,718	229,023	-7,305	221,718	1,000	3,091	4,091	0.0185	-70
YUBA	<u>79,089</u>	<u>79,087</u>	<u>2</u>	<u>79,089</u>	<u>1,000</u>	<u>1,103</u>	<u>2,103</u>	<u>0.0266</u>	<u>11</u>
	39,782,419			17,356,427	58,000	242,000	300,000		



News from the Board of Directors

CALAFCO QUARTERLY

February 2021

A
message
from the
Executive
Director

Greetings from your CALAFCO Board of Directors and Executive Director. It seems that our collective hope for an uneventful start to 2021 was met with laughter and resistance from the universe. However, we remain undaunted and resolute to move forward in partnership with our members to make great things happen in 2021.

This Quarterly Report will begin by highlighting the good news in our CALAFCO family first, followed by Association updates. Happy reading!

LAFCOs in the News

Santa Clara LAFCo Receives State APA Award for Communication and Outreach Plan

After receiving the American Planning Association - California Northern Chapter's "Award of Excellence - Communication Initiative", ***Santa Clara LAFCo***'s project then received the State Chapter's 2020 Award of Excellence.

San Bernardino and San Diego LAFCos Awarded Sustainable Agricultural Lands Conservation (SALC) Grants

San Bernardino LAFCo, in partnership with the Inland Empire Resource Conservation District (IERCD), were awarded a SALC planning grant for \$220,475. The planning grant project aims to create a local tool for the preservation of agriculture lands, which does not currently exist in San Bernardino County. The goals of this project would be to encourage the long-term preservation of agricultural lands within San Bernardino County and develop local mitigation tools to provide a way for municipalities to preserve agricultural lands while continuing to address housing and growth needs.

San Diego LAFCo, in partnership with the Resource Conservation District (RCD) of Greater San Diego, the San Diego County Farm Bureau, the County of San Diego, and San Diego Association of Governments (SANDAG) were also awarded a SALC planning grant for \$250,000. The purpose for the funding is to develop a community vision and strategic plan to increase and preserve San Diego region's agricultural lands and preserve its economic viability in semi-rural and rural communities. The plan of action is to identify and monitor agricultural lands and uses to inform future preservation and enhancement opportunities.

The Strategic Growth Council (SGC) added LAFCos to the list of eligible entities to apply for SALC grants in January 2019 after many years of CALAFCO trying to get LAFCos eligible for state-level grant funding. Since then, ***San Bernardino*** and

San Diego LAFCos are the first two LAFCos to initiate a grant application.

CALAFCO congratulates ***Santa Clara, San Bernardino and San Diego LAFCos*** on their achievements!



Welcome to Our Newest Associate Member

CALAFCO welcomes our newest Silver Associate Member, ***Holly Owen***, Certified Planner. Holly's services include Municipal Service Reviews and planning and feasibility studies. To contact Holly, you can email her at holly.owen@gmail.com.

CALAFCO BOARD OF DIRECTORS

CALAFCO BOARD CHANGES

The Board recently welcomed three new Board members. In late October, two new members were elected to the Board. Representing the Coastal region county seat is ***Christopher Lopez, Monterey LAFCo*** Commissioner and County Supervisor. The central region county seat also has a new representative, ***Merced LAFCo*** Commissioner and County Supervisor ***Daron McDaniel***. In January, the Board appointed a new member to fill the unexpired term of recently re-elected Board member Cheryl Brothers (who unfortunately lost her home election). Filling that unexpired term for the southern region city seat is ***San Bernardino LAFCo*** Commissioner and City of Fontana Mayor ***Acquanetta Warren***.



The Board also gratefully acknowledges the outgoing Board members whose dedicated service to CALAFCO had a great impact: former ***Monterey LAFCo*** Commissioner ***Jane Parker*** (coastal region county rep); former ***El Dorado LAFCo*** Commissioner ***Shiva Frentzen*** (central region county rep); and former ***Orange LAFCo*** Commissioner ***Cheryl Brothers*** (southern region city rep).

News from the Board of Directors

CALAFCO QUARTERLY

February 2021
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In November, the officers of the Board for 2020-21 were seated as follows:

Chair – *Michael Kelley*, Imperial LAFCo (southern)
Vice Chair – *Anita Paque*, Calaveras LAFCo (central)
Secretary – *Bill Connelly*, Butte LAFCo (northern)
Treasurer – *Margie Mohler*, Napa LAFCo (coastal)
Immediate Past Chair – *Michael McGill*, Contra Costa LAFCo (coastal)

During their November meeting, the Board made the following Committee appointments:

Legislative Committee

Bill Connelly (North)
Gay Jones (At-Large)
Jo MacKenzie (South)
Mike McGill (Coastal)
Anita Paque (Central)
Michael Kelley (a) (South)
Chris Lopez (a) (Coastal)
Daron McDaniel (a) (Central)
Tom Murray (a) (At-Large)
Josh Susman (a) (North)

Elections Committee

Blake Inscore
Gay Jones (Chair)
Chris Lopez
David West

Awards Committee

Daron McDaniel
Jo MacKenzie
Margie Mohler
Anita Paque (Chair)
Josh Susman

2021 Annual Conference

David Couch
Tom Murray
Daniel Parra
David West (Chair)

The CALAFCO Board met virtually for their biennial strategic planning session on January 21, followed by a regular Board meeting the next day on January 22 (also virtual). The full meeting packet for both sessions is located on the CALAFCO website (and accessible to all CALAFCO members). During the strategic planning session the Board discussed several topics of critical importance to the Association, including the current dues structure and population cap used, the ongoing practice of using 15% net profit from the Annual Conference to balance the budget, and the issue of extension of services as it relates to local agencies not always seeking LAFCo authorization of exemption or approval to extend services.

After spending time connecting as a group, the strategic planning session began with a dashboard review of the Association's work in 2020. Highlights included the cancellation of both the Staff Workshop and Conference (and the fiscal impact to the Association as a result of the Conference cancellation due to the reliance of the 15% net profit to balance the budget); the creation and delivery of a series of webinars offered at no cost to CALAFCO members; a new section on the CALAFCO website that houses these

webinars for on-demand viewing; updates to the CALAFCO website; and the legislative year that wasn't. Additional work accomplished that was not part of the strategic plan for 2020 included a successful transition of the two primary contractors to employees and the retention of the Executive Director (originally set to retire in the fall of 2020). The full 2020 dashboard review can be found on the CALAFCO website.

The Board spent a great deal of time discussing the member LAFCo dues issue after receiving a full report from the dues ad hoc committee. After reviewing the various models considered by the ad hoc committee (16 in total), the Board received one additional model that had updated population figures from the Department of Finance (using the existing FY 2020-21 model as the base). Again, after much discussion, the Board gave unanimous consent to maintaining all of the existing variables in the FY 2020-21 dues model, using the required updated population estimates and not adding the CPI increase (estimated at 3%) for the FY 2021-22 dues. This decision was formally ratified with unanimous approval during the Board meeting on January 22. An announcement regarding the FY 2021-22 dues was distributed February 9, and you can find the dues on the CALAFCO website.

The Board then discussed the ongoing structural deficit and dangerous fiscal practice of using an unreliable educational event net profit to balance the budget. They gave unanimous consensus to no longer using any net profit from any education event to balance the budget. Underscored this year without a Conference, the loss of that budgeted net profit created a structural deficit. That decision was also formally ratified with unanimous approval during their Board meeting on January 22.

Later that afternoon there was a discussion about the problem of local agencies not seeking LAFCo authorization to extend services. The Board brainstormed non-legislative ideas for consideration this year as an interim solution to a legislative fix in 2022. The day ended with a brief conversation about SMGA and the relationship between LAFCo and investor-owned utilities.

The Board will consider adopting the next two-year strategic plan (for 2021-22) at their April 30 meeting.

During their January 22 meeting, in addition to ratifying the decisions noted above, the Board received the second quarter financial reports and directed the Executive Director to create a rolling two-year budget going forward (beginning with the draft FY 2021-22 budget) and adopted the 2021 legislative policies with the recommended amendment of the Legislative Committee.





CALAFCO EDUCATIONAL EVENTS

2021 STAFF WORKSHOP AND ANNUAL CONFERENCE

Staff Workshop

Due to the COVID-19 pandemic, CALAFCO's Staff Workshop was once again cancelled. The workshop was scheduled for March 17-19 in Newport Beach.

CALAFCO staff successfully negotiated a revision in the facility contract for 2022 at the same rates as 2021. We are still working with the mobile workshop vendors to try and roll over the deposits for that event and will keep you posted.

We wish to thank our Workshop hosts, *Imperial* and *Orange LAFCos* who have graciously agreed to host in 2022 - third time is a charm they say!

CALAFCO is currently polling LAFCo staff on their desire to have something offered for staff only in a virtual format. Watch for updates soon. *If your LAFCo staff have not provided us that feedback, please do so by the deadline of February 12.*

Mark your calendars for the Staff Workshop on March 23 - 25, 2022.

Annual Conference

The Annual Conference, hosted by CALAFCO, is currently scheduled for **October 6 - 8** at the *Hyatt Regency Newport Beach John Wayne Airport*. We are hopeful by that time we will be able to safely meet in person, and the Conference planning committee will begin their work very soon. Watch for a call for program planning volunteers.

CALAFCO UNIVERSITY

We were pleased to offer six virtual sessions in 2020 between August and December. This year, CALAFCO is planning several virtual CALAFCO U sessions for the first half of the year. Once again, these sessions will be offered to our members at no cost to you. *Watch for save-the-date announcements coming very soon.* As a teaser, we are planning for a three-part session on Fire and EMS Agency reorganizations in March and another session on Hiring Best Practices in May.



CALAFCO ADMINISTRATIVE UPDATE

CALAFCO staff are working on the annual updates of the Membership Directory. It's requested you respond to the request for updates when you receive them from us.



CALAFCO LEGISLATIVE UPDATE



The new two-year legislative session is in full swing and it is anticipated to be another interesting year. As the deadline to introduce legislation nears (Feb. 19), we are seeing a large number of bills relating to COVID-19 response, wildfire prevention, education, healthcare and bridging the equity divide.

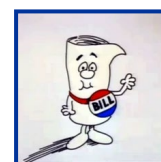
CALAFCO is sponsoring the 2021 Assembly Local Government Committee (ALGC) Omnibus bill and continues the work of the Protest Provision Rewrite Working Group as legislative priorities for 2021. The Working Group, consisting of 18 members (CALAFCO, CSDA, League, CSAC and reps from both local government committees) reconvened and has approved the submission of several obsolete special provisions relating to protests into the Omnibus bill. The group is also working on drafting language to consolidate all existing protest language into one section within CKH, and the subcommittee that is looking at the protest percentage threshold variances is reconvening.

CALAFCO has also been working closely since last fall with Senator Caballero's staff and the sponsors of SB 414 (2019-20) on a redo of that bill. Our conversations have included offering amendments to write LAFCos back into the formation process of the new water authorities. Although the new bill has not yet been introduced (as of the writing of this Report), it is expected before the 2/19 deadline.

The 2020 CKH Guide is now available to download from the CALAFCO website. We are also accepting orders for the hard copy version. Visit the CALAFCO website for details.

Full 2020 legislative reports from the ALGC and Senate Governance & Finance Committees are also available on the CALAFCO website.

All bills being tracked by CALAFCO can be found on the CALAFCO website inside the Legislation section of the site (log in with your member id first to access this section). The CALAFCO Legislative Committee meets regularly and all meeting materials are located in the Legislation section of the CALAFCO website.





CALAFCO ASSOCIATE MEMBERS' CORNER



This section is dedicated to highlighting our Associate Members. The information below is provided to CALAFCO by the Associate member upon joining the Association. All Associate member information can be found in the CALAFCO Member Directory.

City of Rancho Mirage

The **City of Rancho Mirage** has been a Silver Associate Member since July 2010. With a population of just over 18,000, the **City of Rancho Mirage** is located in the County of Riverside. The City offers an abundant amount of sunshine, great climate, and related resort-style living. For more information about the City, contact the Director of Development Services, **Jeremy Gleim**, at jeremyg@ranchomirageca.gov, or at 760-328-2266. Learn more about the City on their website at www.ranchomirageca.gov.



County Sanitation Districts of Los Angeles County

The County Sanitation Districts of Los Angeles County has been a Silver Associate Member since July 2005. They are a public agency focused on converting waste into resources like recycled water, energy and recycled materials. The agency consists of 24 independent special districts serving about 5.6 million people in Los Angeles County. The service areas cover approximately 850 square miles and encompass 78 cities and unincorporated areas in the county. For more information on the Districts, contact **Donna Curry** at dcurry@lacsdc.org, or visit their website at www.lacsdc.org.



Rancho Mission Viejo

Rancho Mission Viejo has been a Silver Associate Member since June 2005. They are responsible for the development and management of a governance structure for a 23,000-acre, 14,000 home planned community. For more information, visit them at www.ranchomissionviejo.com or contact Michael Balsamo at mbalsamo@ranchomv.com.



QK

A Silver Associate Member since September 2010, **QK** (formerly Quad Knopf) provides planning, engineering, biology, environmental and survey services to public and private clients. Their planners have previous experience working for public agencies, including serving as LAFCo Analysts and Executive Officers. They specialize in the San Joaquin and Sacramento Valley regions. For more information on **QK**, visit their website at www.qkinc.com, or contact **Jerome Keene** at jerome.keene@qkinc.com.



CALAFCO wishes to thank all of our Associate Members for your ongoing support and partnership. We look forward to continuing to highlighting you in future Quarterly Reports.

Did You Know??

CALAFCO 2020 Survey

Did you know we recently published the **2020 survey of member LAFCos relating to COVID?** The survey included questions about current and future operations, staffing models, commission meeting methods, and budget impacts.



Meeting Documents Online

Did you know that all **CALAFCO Board of Directors and Legislative Committee meeting documents are online?** Visit the Boards & Committees pages in the Members Section of the site. Board documents date back to 2008 and Legislative Committee documents back to 2007.

CALAFCO Courses Archived

Did you know that all **CALAFCO University course materials are now archived on the CALAFCO website?** Visit the CALAFCO website in the CALAFCO U Course Material Archive section.

Mark Your Calendars For These Upcoming CALAFCO Events

- ❖ CALAFCO Legislative Committee virtual meeting - 2/19
- ❖ CALAFCO Legislative Committee virtual meeting - 3/26
- ❖ CALAFCO Board of Directors virtual meeting - 4/30



The **CALAFCO 2021 Calendar of Events** can be found on the CALAFCO website.

As we continue to face both known and unknown challenges, your CALAFCO Board and Staff wish all of you to stay safe and be healthy. We thank you for your continued dedicated service to the communities you serve. Be well.

CALIFORNIA ASSOCIATION OF LOCAL AGENCY FORMATION COMMISSIONS



CALAFCO MISSION

Provide educational, information sharing and technical support for our members by serving as a resource for, and by collaborating with, the public, the legislative and executive branches of state government and other organizations for the purpose of discouraging urban sprawl, preserving open-space and prime agricultural lands, and encouraging orderly growth and development of local agencies.

2020 ANNUAL REPORT

California Association of Local Agency Formation Commissions

Email: info@calafco.org

Website: www.calafco.org

1020 12th Street, Ste. 222

Sacramento, CA 95814

Tel: 916-442-6536





FROM THE CALAFCO EXECUTIVE DIRECTOR

For just about all of us, 2020 was quite a challenge. During the year, the California Association of Local Agency Formation Commissions (CALAFCO) dedicated itself to meet the new and evolving needs of our members. As they reinvented the way they work and deliver services, so did we.

Although we were unable to gather in person in March for our annual Staff Workshop or in October for our Annual Conference, we stayed connected with virtual meetings and virtual educational events. We learned from each other as we supported one another through a historic time. CALAFCO stood in support of our member LAFCoS by shifting the way we provide supportive services and adjusted priorities to meet their changing needs.

2020 will be remembered as the year we would all like to forget. But doing so means we also forget the many things we learned - about ourselves as strong, capable, and resilient beings, and about the power of collective support, collaborative and innovative problem solving, and about our ability to generate hope for systemic and sustainable change.

Without missing a beat, LAFCoS throughout the state continued to provide the necessary leadership in fulfilling their missions, and in supporting their respective local agencies and the communities they serve. I would like to take this opportunity to thank all of our member LAFCoS for their dedicated, focused and steadfast commitment to the work they do and the people they serve.

I also want to thank the CALAFCO regional staff for their support and contributions to the Association. A special thank you to our Associate member partners for their generous support of CALAFCO. Last but certainly not least, I want to express my gratitude to the CALAFCO Board of Directors, all of whom worked tirelessly throughout the year in support of the ideals and mission of CALAFCO and all LAFCoS. Through their leadership, vision and tenacity, the Association met the challenges of the year.

I'm proud to represent the Association and all 58 LAFCoS as well as our Associate Members, and present the 2020 Annual Report, which highlights the collective work of the past year and many of the achievements we realized. We hope you enjoy this new format of the Annual Report. I look forward to what we can accomplish together in 2021.

A handwritten signature in blue ink, which appears to read "Pamela Miller". The signature is fluid and cursive.

Pamela Miller
Executive Director
CA Association of Local Agency Formation Commissions

FROM THE 2019-2020 CALAFCO CHAIR OF THE BOARD



We are living in interesting times!

Every time I think it can't get worse; it does. At the time I wrote this article, we were plagued by record heat and fires. Often past chairs have written something like, "...it was a challenging but rewarding year". I will say it was a challenging year; I don't think I can call it rewarding, but I have been proud to see how CALAFCO rose to the challenge and pivoted to address the impacts thrown on us by this pandemic. We moved to virtual meetings, made Zoom available to our member LAFCoS, held regular meetings with our member LAFCo Executive Officers/Clerks and made a series of virtual CALAFCO U classes and on demand webinars available free to our members; we continue to focus on "value added" to our members. Much of the credit for this, and its success, is due to efforts by our Executive Director, Pamela Miller, who we were fortunate to retain, as an employee, after she announced her retirement; we are indebted to her. Of course many others pitched in to make this possible and the CALAFCO Board provided needed support.

We were forced to cancel our Annual Conference. Many LAFCoS were directly impacted as were many government agencies. Many have died, the economy was rocked and many individuals struggle to meet basic needs; essential workers continue to provide service and others are forced to work out of economic necessity-risking their, and their family, health and lives.

My father, the youngest of four, was born in 1927. As I grew up, his parents from time to time, talked about the influenza pandemic of 1918. I used to find those stories surreal; people confined to their homes, a red notice nailed to the door and many deaths. My grandparents not only endured this pandemic but, in their lifetime, faced WWI, the Great Depression and WWII. Much of this is now delegated to "just history". My grandparents came thru it and someday 2020 will also be delegated to history.

I'm proud that CALAFCO more than survived this challenge. Our dues change let us avoid a structural deficit and a loss for the year even with the cancellation of the Annual Conference. Our prudent reserves may allow us to cover unexpected costs, especially legal costs as we navigated AB 5, converting Pamela and Jeni to employees.

We continue to proudly serve our member LAFCoS and remain a viable and respected voice in Sacramento.
Thanks to all of you.

A handwritten signature in blue ink, which appears to read "Michael R. McGill". The signature is fluid and cursive.

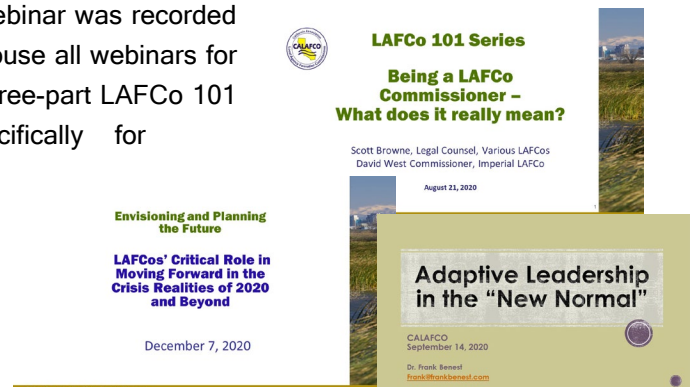
Michael R. McGill, P.E.
Chair of the Board, 2019-2020
CA Association of Local Agency Formation Commissions

In 2019, CALAFCO began a two-year strategic plan to define the Association’s priorities and guide the work. There were three main strategic areas each with actionable goals for each of the two years. This report highlights the achievements of the work in 2020 towards those goals.

1. Serve as an educational resource to member LAFCo Commissioners, LAFCo staff, Associate Members, and stakeholders.
2. Focus efforts on Association member development and communication.
3. Serve as an information resource to all Association members, work as a legislative and policy advocate for LAFCo issues and provide information to the Legislature and other stakeholders.

1. Serve as an educational resource

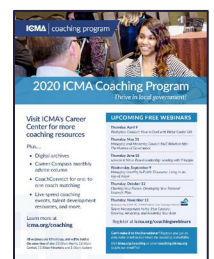
Given the COVID-19 pandemic, in-person training and educational opportunities were impossible from mid-March through the end of 2020. This meant the cancellation of our annual Staff Workshop and Annual Conference. However, in early summer, CALAFCO staff began looking at how to deliver short educational sessions virtually – something CALAFCO had never done before. From August through December, six webinars were successfully delivered at no cost to our members. Additionally, each webinar was recorded and a new section created on the CALAFCO website to house all webinars for member on-demand viewing. Webinar topics included a three-part LAFCo 101 series (including a newly designed session specifically for Clerks/Analysts and another for LAFCo Commissioners), adaptive leadership, and two sessions on LAFCos role in this “new/now normal” world of ours. In total, 274 LAFCo staff, commissioners and Associate Members attended these free educational offerings.



Early in January CALAFCO hosted a CALAFCO University session in Orange County focusing on legacy costs associated with reorganizations.

We are proud to continue to offer our members AICP credits when applicable for any educational session we host.

CALAFCO remains a coaching partner with Cal-ICMA and through this partnership all of our members receive free access to professional development webinars, one-to-one coaching and other professional development resources.



2. Focus efforts on Association member development and communication

In response to our members, CALAFCO developed a short series of News Bulletins and distributed them to the membership during the first three months of the State's shutdown. The Bulletins advised members of the latest Executive Orders and other noteworthy news items that impacted LAFcos and other local agencies.

Beginning mid-March, we hosted weekly meetings for LAFco Executive Officers and another for LAFco Clerks to allow for collaboration and information sharing. These meetings transitioned to virtual meetings and continue as monthly meetings into 2021, with as many as 32 Executive Officers attending the monthly meeting.

Knowing many of our members struggled to find effective ways for their Commissions to meet while maintaining transparency and public participation, CALAFCO purchased two Zoom licenses and provided the use of one of those licenses to our member LAFcos, along with our toll-free conference calling system, at no cost, as a way for our members to continue conducting business transparently.

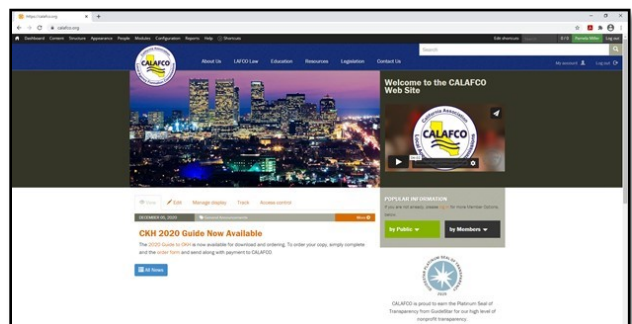


The events of 2020 were uncharted territory for many, and the fiscal aftermath will long be felt by all local agencies across the state. CALAFCO recognized this as a unique time for LAFcos to champion the support of local agencies and help rebuild communities. In partnership with several Executive officers and one of our Associate Member partners, CALAFCO created a series of messaging materials to assist our member LAFcos in their facilitation of local discussions on the

revitalization of their respective communities. These resources were introduced and distributed in December.

In addition to our normal communication tools of Quarterly Reports and list serves, we also hosted virtual regional roundtables in December for our member LAFcos (as a replacement for our in-person roundtables at the Annual Conference) as well as a LAFco Legal Counsel roundtable in October. With so many of our members meeting virtually, our Executive Director was able to attend sixteen (16) different LAFco meetings the second half of the year.

In response to the membership survey in 2019, CALAFCO staff spent time this year updating several of the most frequently used sections of the CALAFCO website. In addition to the creation of the new webinar archive, the CALAFCO University archives was updated, along with several sections within the LAFco Law section. Other sections were completely reorganized and updated for easier member access to resource information and materials. CALAFCO is proud to continue earning the GuideStar Platinum Seal of Transparency for high level of nonprofit transparency.



3. Serve as an information resource and legislative and policy advocate

In addition to the work of enhancing the CALAFCO website as an informational resource, CALAFCO continued to participate in the Department of Water Resources' County Drought Advisory Group and lead the efforts of the 18-member Protest Provisions Stakeholder Working Group (Working Group).

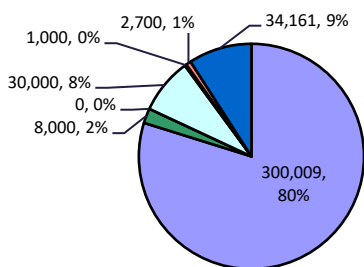
The 2020 legislative year turned out to be unlike any other and the pandemic turned legislation inside-out. The focus of the Legislature quickly turned to COVID response as well as responding to a historic year of wildfires and calls for social and racial justice and equity. At the direction of the CALAFCO Board, we ended our efforts to obtain state-level grant funding for LAFCoS through sponsored legislation and did not sponsor an Omnibus bill in 2020. Instead, the Board made the proposal to make changes to statute pertaining to extension of services the legislative priority, along with the ongoing efforts of the Working Group. After seeking feedback and consensus from Executive Officers as directed by the Board, in late January the Executive Committee approved moving forward with seeking legislation. Given the late timing, the Association was unsuccessful in securing an author. As a result, CALAFCO did not sponsor any bills in 2020. It is uncertain if any bills (other than Omnibus) would have successfully passed through the Legislature given the shift in their focus mid-year. CALAFCO continued to support our membership through legislative action where appropriate and fiercely guarded LAFCo authority when necessary, tracking 32 bills and taking positions on 7 bills.

Other 2020 highlights

There were several other highlights in 2020 that were not part of the two-year strategic plan. First, we successfully transitioned our two primary part-time contractors (Executive Director and Administrator) to part-time employees effective September 1 in compliance with AB 5. Additionally, for the first time, CALAFCO conducted a virtual election for the Board of Directors.

CALAFCO Financials 2020

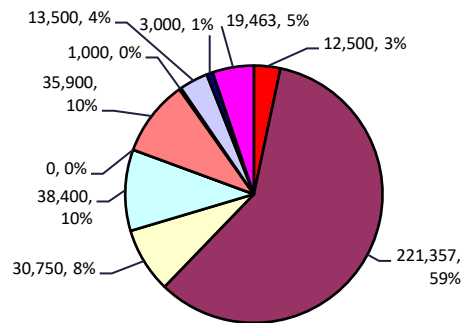
FY 2020-21 REVENUE BY CATEGORY AND % OF TOTAL BUDGET



Member LAFCo Dues	Assoc Member Dues
Conference	Workshop
CALAFCO U	Misc. Revenue
Carry over	

In July, the Board of Directors adopted a revised budget without any Conference revenue/expenses, with new estimated employer costs and the retention of the Executive Director. The lack of the planned 15% Conference net profit created a structural deficit that can be covered by the net balance carryover into FY 2020-21, which ended up

FY 2020-21 EXPENSES BY CATEGORY AND % OF TOTAL BUDGET



Board	Personnel
Professional Services	Office
Conference	Workshop
CALAFCO U	Legislative

larger than expected at the end of FY 2019-20 due to cost savings in other budget areas. By the end of 2020 it appeared savings into FY 2020-21 was continuing in many areas that will help the Association's financial outlook going into another uncertain fiscal year.

Looking ahead to 2021

Our LAFcos are strong and resilient and led with remarkable courage during 2020. CALAFCO remains committed to continue building a resilient and sustainable Association that supports our members in their work. To focus resources on our members' highest priorities in 2021, the CALAFCO Board of Directors' biennial strategic planning workshop in January will create the foundation for the Association's next two-year strategic plan. As we move into our 50th year, CALAFCO remains committed to:

- **Serve as an educational resource to member LAFCo Commissioners, LAFCo staff, Associate Members, and stakeholders.**
- **Focus efforts on Association member relations, development, recognition and communication.**
- **Continue development of a strong and sustainable Association.**
- **Serve as an information resource to all Association members, work as a legislative and policy advocate for LAFCo issues and provide information to the Legislature and other stakeholders.**

CALAFCO 2019-2020 BOARD OF DIRECTORS AND STAFF

OFFICERS (Oct 2019 – Oct 2020)

CHAIR - *Michael McGill*, Contra Costa LAFCo, District Member (Coastal)

VICE CHAIR - *Michael Kelley*, Imperial LAFCo, County Member (Southern)

SECRETARY - *Anita Paque*, Calaveras LAFCo, Public Member (Central)

TREASURER - *Bill Connelly*, Butte LAFCo, County Member (Northern)

IMMEDIATE PAST CHAIR - *Josh Susman*, Nevada LAFCo, Public Member (Northern)

MEMBERS (Oct 2019 – Oct 2020)

Cheryl Brothers, Orange LAFCo, City Member (Southern)

David Couch, Humboldt LAFCo, City Member (Northern)

Shiva Frentzen, El Dorado LAFCo, County Member (Central)

Blake Inscore, Del Norte LAFCo, City Member (Northern)

Gay Jones, Sacramento LAFCo, District Member (Central)

Jo MacKenzie, San Diego LAFCo, District Member (Southern)

Margie Mohler, Napa LAFCo, City Member (Coastal)

Tom Murray, San Luis Obispo LAFCo, Public Member (Coastal)

Jane Parker, Monterey LAFCo, County Member (Coastal)

Daniel Parra, Fresno LAFCo, City Member (Central)

David West, Imperial LAFCo, Public Member (Southern)

STAFF

EXECUTIVE DIRECTOR - *Pamela Miller*

ADMINISTRATOR - *Jeni Tickler*

LEGAL COUNSEL - *Clark Alsop*, Best Best & Krieger

CPA - *James Gladfelter*, Alta Mesa Group

EXECUTIVE OFFICER - *Stephen Lucas*, Butte LAFCo (Northern)

DEPUTY EXECUTIVE OFFICERS - *Christine Crawford*, Yolo LAFCo (Central); *Martha Poyatos*, San Mateo LAFCo (Coastal); and *Gary Thompson*, Riverside LAFCo (Southern)

A SNAPSHOT LOOK AT 2020 by the numbers

MEMBERSHIP

58 Member LAFCoS

26 Associate Members

4 Regions

16 Member Board of Directors

Over 750 Commissioners & Staff supported



EDUCATION

300 Total attendees

7 Events

6 Webinars

1 CALAFCO U

LEGISLATION

32 Bills monitored, tracked, engaged and positions taken



ADMINISTRATION

8 List serves with **286** subscribers

58,843 Webpage views(www.calafco.org)

Over 60 meetings hosted for Member LAFCoS

2 P/T Staff + **2** P/T Consultants + **4** Regional Staff

COLANTUONO, HIGHSMITH & WHATLEY PC

GRASS VALLEY | PASADENA
SACRAMENTO
SOLANO BEACH | SONOMACOLANTUONO
HIGHSMITH
WHATLEY, PC

Newsletter | Winter 2021

Update on Public Law

CHW Grows!

CHW had a growth spurt in 2021, opening three new offices and adding lawyers and cities to our team.

On February 1st, the municipal lawyers of Walter & Pistole joined CHW, bringing the cities of Martinez, Novato, and Sonoma into the CHW family. **Jeffrey A. Walter** is the City Attorney of the three and joins CHW as a shareholder and brings 45 years' legal experience. W&P's Sonoma office is now CHW's **North SF Bay** office. Jeff previously served Benicia, Corte Madera, and Cotati as City Attorney, is special counsel to the Sonoma County Civil Service Commission, and has served other districts and agencies as general counsel. He has an AV Preeminent rating from Martindale-Hubbell and was honored as a Northern California Super Lawyer in 2010. Jeff's practice focuses on all aspects of municipal law, including land use, taxation, development fees, elections, initiatives, and referenda.

Also joining our North SF Bay team is **John A. Abaci**, a 27-year lawyer who handles both advisory and litigation matters. John has been a litigator since 1994, initially as a deputy DA handling consumer protection and insurance fraud prosecutions and, since 1998, for municipal clients. He has litigated a variety of cases, including personal injury, inverse condemnation, nuisance abatement, disability, and civil rights. He also advises public agencies on a wide range of matters including government claims, law enforcement, personnel, public records, and public works. John's current cases include an arbitration with PG&E over the reopening of Richmond's franchise agreement and police liability defense matters for the City of Vallejo. He joins us as Senior Counsel.

Others on the North SF Bay team are land use lawyer **David L. Zaltsman**, with 36 years' experience, and labor and employment lawyer **Jennifer M. Vuilletmet**, with 25 years' experience. They join us Of Counsel.

(Continued on page 3)

Where to find us:

GRASS VALLEY

420 Sierra College Drive, Suite 140
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Phone (213) 542-5700

SACRAMENTO

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Sacramento, CA 95825
Phone TBD

SOLANA BEACH

440 Stevens Avenue, Suite 200
Solana Beach, CA 92075
Phone (858) 682-3665

SONOMA

670 West Napa Street, Suite F
Sonoma, CA 95476
Phone (707) 996-9690

www.chwlaw.us

Blog:

www.californiapubliclawreport.com

Good News on Local Tax Authority

By Michael G. Colantuono

Recent court decisions provide good news for local taxing authority. *Howard Jarvis Taxpayers Association v. City and County of San Francisco* is the latest of three decisions — from appellate courts in San Francisco and Fresno — concluding that special taxes proposed by initiative may be approved by a simple majority of voters. Special taxes are those the proceeds of which are legally restricted to a particular purpose, like public safety. Before the California Supreme Court's 2017 decision in *California Cannabis Coalition v. City of Upland*, the law had required two-thirds voter approval of special taxes whether proposed by local government officials or by initiative petition. Citing that case, the Court of Appeal concluded in 2020 that San Francisco's Proposition C was validly approved by a simple majority of voters because it was proposed by initiative. This year's Fresno decision closely followed the reasoning of that earlier case. This latest San Francisco case adds one more point — the fact that a San Francisco Supervisor was an initiative proponent, using his City Hall address, did not change the result. There are strict rules against using public resources to urge a "yes" or a "no" vote once a measure is on the ballot, however.

The Howard Jarvis Taxpayers Association sought rehearing in the latest San Francisco case and can be expected to seek review in the California Supreme Court, as it did in the Fresno case. The Supreme Court has until March 29 to act on its Fresno petition. Given that the Supreme Court denied review in the first San Francisco case, it may not take up the issue. If so, *Upland's* suggestion has become the holding of these three cases and settled law.

Wyatt v. City of Sacramento is the latest chapter in ample litigation of transfers from utility funds to cities' and counties' general funds under 1996's Proposition 218 and 2010's Proposition 26. Some of those cases led to settlements by which cities agreed to seek voter approval of general fund transfers

(GFTs) as taxes. Sacramento obtained voter approval of its GFT in 1998 — just two years after Proposition 218 and without pressure of a suit. The trial court concluded decades later the measure violated Proposition 218's requirement that utility rate proceeds be spent only on utility services. On January 29, 2021, the Sacramento Court of Appeal gave Sacramento and CHW a win, concluding Proposition 218 did not limit voters' power to approve utility users taxes. This is an important victory, not only for cities which have voter-approved GFTs, but for the 104 cities and counties which have utility users taxes, as the logic of the trial court (and of a similar ruling against Long Beach) could undermine all such taxes. *Wyatt* will likely seek review in the California Supreme Court and the Long Beach case is pending in the LA Court of Appeal, but this is very good news for local governments and those who depend on their services.

For more information, contact Michael at MColantuono@chwlaw.us or (530) 432-7359.

We've Got Webinars!

CH&W offers webinars on a variety of public law topics including mandatory policies on water-meter shutoffs; new and proposed housing statutes; personnel, public works, and management issues under COVID-19; and police personnel records.

Current topics are listed on our website under "Resources." Our webinars provide advice and Q&A for public agency counsel and staff in an attorney-client-privileged setting for \$1,000 per agency.

To schedule a webinar, contact Bill Weech at BWeech@chwlaw.us or (213) 542-5700.

FAIR MAPS Redistricting Bootcamp

By Holly O. Whatley and Pamela K. Graham

The redistricting cycle following the 2020 Census will be unique. All local governments with districts must comply with the recently enacted FAIR MAPS Act's demanding procedural and substantive criteria.

The clock is ticking. Census data are typically available by April 1, but COVID-19 has delayed release to September 30 (with another 30 days needed for State prisoner reallocations).

2020's Assembly Bill 1276 (Bonta, D-Alameda) extended deadlines to these:

- Cities and counties with regular elections between January 1 and July 1, 2022 must draw districts not later than 174 days before that election. For cities and counties with June 7, 2022 elections, the deadline is December 15, 2021.
- Cities and counties with the next regular election occurring on or after July 1, 2022 must adopt district boundaries not later than 205 days before that election. For municipalities with November 8, 2022 elections, the deadline is April 17, 2022.
- Charter city deadlines are the same unless a different deadline is adopted by ordinance or charter provision before October 1, 2021.

Substantively, district boundaries must comply with the U.S. and California Constitutions and the federal Voting Rights Act, and must be "substantially equal" in population, with only minor deviations permitted. The FAIR MAPS Act also requires districts be geographically contiguous; respect local neighborhoods and communities of interest; be easily identifiable; accomplish geographic compactness; and neither favor nor discriminate against political parties.

Procedurally, cities must hold at least four public hearings — at least one before drawing a map and at least two after. To increase public participation,

those public hearings require five days' notice, with draft maps published at least seven days before adoption, and public access to demographic and mapping data, among other requirements. For communities which must act by December 15, 2021, these must begin before Census data is released on September 30, 2021 — perhaps relying on state Department of Finance and other data which give a sense of what the Census data will show.

Local jurisdictions should begin to prepare now. Hire the necessary demographer. Decide whether to use a citizens' commission. Start developing your website and calendar.

Our redistricting team is here to help you through this process.

For more information, contact Holly at HWhatley@chwlaw.us or (213) 542-5704 or Pamela at PGraham@chwlaw.us or (213) 542-5702.

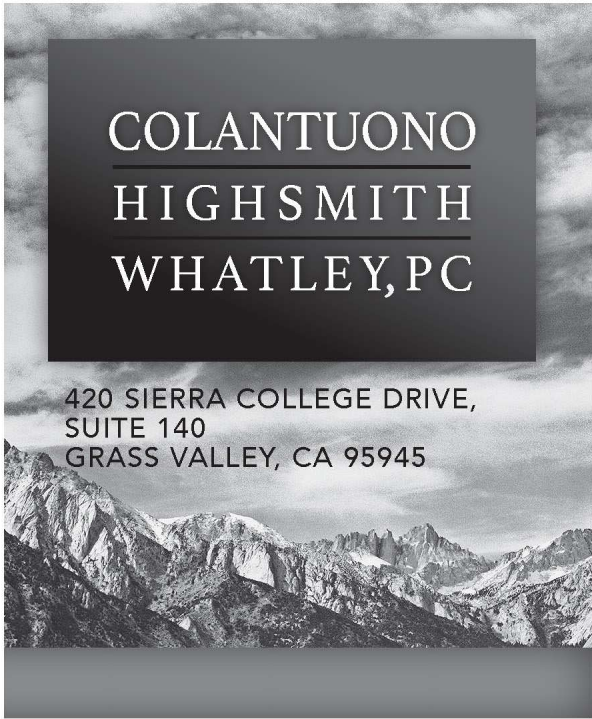
CHW Grows!

(cont. from page 1)

On January 4th, **Alena Shamos** joined us as the anchor of our new **San Diego County** office in Solana Beach. In her 20th year of practice, Alena is a litigator with a wide range of experience serving local governments in San Diego County. Her current cases include election, marijuana, post-redevelopment, and land use matters, including two petitions for review pending in the California Supreme Court in land use and inverse condemnation disputes. She joins us as Senior Counsel.

Finally, we have opened an office in **Sacramento** to be anchored by shareholder **Gary B. Bell**, City Attorney of Auburn and Town Attorney of Yountville and **Ryan A. Reed**, Assistant City Attorney of Auburn and Grass Valley and Assistant Town Attorney of Yountville. Gary and Ryan serve a number of our special district clients, too.

An exciting time of growth for CHW!



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The contents of this newsletter do not constitute legal advice. You should seek the opinion of qualified counsel regarding your specific situation before acting on the information provided here.

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LAFCO

Meeting Date: 03/25/2021

Information

SUBJECT

Consider and adopt the proposed LAFCo Budget for fiscal year (FY) 2021/22 and set May 27, 2021 as the public hearing date to approve the final budget

RECOMMENDED ACTION

1. Receive staff presentation and public comments on the Draft LAFCo Budget for FY 2021/22;
2. Close the public hearing and provide staff direction as desired; and
3. Set May 27, 2021 as the public hearing to consider approval of the LAFCo FY 2021/22 Final Budget.

FISCAL IMPACT

The attached LAFCo budget (Attachment A) includes proposed revenues, expenditures and projected fund balance for LAFCo for the next fiscal year. This proposed budget maintains adequate support for the Commission to meet its responsibilities under the Cortese-Knox-Hertzberg (CKH) Act and the shared services priorities identified in the LAFCo Annual Work Plan.

REASONS FOR RECOMMENDED ACTION

Yolo County LAFCo adopts an annual budget with notice to the four cities and Yolo County. In accordance with the CKH Act, a proposed budget must be adopted by May 1 and final budget by June 15 of each year. Following approval of the final budget and no later than July 1, the County Auditor requests payment from each agency. In order to meet these time lines, the final budget is scheduled to be adopted at the May 27, 2021 LAFCo Commission meeting and invoices will go out thereafter.

In accordance with the CKH Act, the cities and County split the cost of LAFCo funding 50/50. A formula for the split of the cities' share is outlined in Government Code Section 56381 (b)(1); which would be in proportion to a city's tax revenue or an alternative method approved by a majority of the cities. Beginning in FY 2007-08, the cities developed an alternative formula to apportion their 50% of LAFCo funding by averaging a city's general tax revenue and population.

A more detailed table showing the formula for agency apportionment is attached for review (Attachment B). In summary, the breakdown of agency apportionment of the LAFCo budget for FY 2021/22 is as follows:

City of Davis 16.73%

City of West Sacramento 17.48%
 City of Winters 1.51%
 City of Woodland 14.29%
 County of Yolo 50.00%

BACKGROUND

The draft budget shows an overall appropriation increase of 6% compared to last year with a total appropriation of \$531,231. In addition, \$5,900 would be transferred into reserves. Therefore, the total uses of both would be \$537,131.

Salaries and Benefits costs are only going up 2% overall, while the Services and Supplies appropriation is increasing 29%. This is largely due to budgeting for the required audit of the last three fiscal years with an estimated cost of \$15,000 (although \$10,000 of funds have been set aside for this in previous years). There is also a new \$5,724 building charge from the County to allocate water costs, sewer costs and HVAC debt (Account #501264).

Even though the total apportionment increases, there is more estimated fund balance as compared to last year. Therefore, total agency cost actually goes down slightly by 2%. The following itemizes the draft budget cost for each agency (and net decrease as compared to the previous fiscal year).

City of Davis \$63,929 (decrease of \$1,351)
 City of West Sacramento \$66,799 (decrease of \$1,411)
 City of Winters \$5,761 (decrease of \$122)
 City of Woodland \$54,594 (decrease of \$1,153)
 County of Yolo \$191,084 (decrease of \$4,037)

Following Commission direction on the draft budget, staff will make any changes as directed by the Commission and send the proposed budget to the city/county managers for review and comment. Staff will report on all feedback received and any changes during the final budget hearing on May 27, 2021.

Attachments

ATT A-Draft LAFCo 2021-22 Budget
 ATT B-Agency Cost Apportionment LAFCo 2021-22 Budget

Form Review

Inbox	Reviewed By	Date
Christine Crawford (Originator)	Christine Crawford	03/17/2021 02:57 PM
Form Started By: Christine Crawford		Started On: 03/02/2021 11:52 AM
Final Approval Date: 03/17/2021		

**YOLO LAFCO BUDGET - ADOPTED:
FINANCING SOURCES - SCHEDULE A**

**Item 6-ATT A
FISCAL YEAR 2021/22
ACCOUNTING UNIT: 6940522981**

Account #	Account Name	FY 20/21 Revenue Budgeted	FY 21/22 Revenue Budgeted	Net Change	Agency Apportionment / Comments / Variance Explanation from FY 20/21
REVENUES					
AGENCIES SHARE:					
402010	OTHER GOVT AGENCY-COUNTY	\$ 195,121	\$ 191,084	\$ (4,037)	50.00%
402030	OTHER GOVT AGENCY-WEST SACRAMENTO	68,210	66,799	(1,411)	17.48%
402040	OTHER GOVT AGENCY-WOODLAND	55,747	54,594	(1,153)	14.29%
402050	OTHER GOVT AGENCY-WINTERS	5,883	5,761	(122)	1.51%
402060	OTHER GOVT AGENCY-DAVIS	65,280	63,929	(1,351)	16.73%
	TOTAL AGENCIES SHARE	390,241	382,167	(8,074)	
OTHER REVENUE:					
400700	INVESTMENT EARNINGS-POOL	3,000	5,000	2,000	
403460	CHARGES FOR SERVICES - LAFCO	4,000	4,000	-	CALAFCO stipend for Deputy EO (offsets travel costs)
	TOTAL OTHER REVENUE	7,000	9,000	2,000	
	TOTAL REVENUE	397,241	391,167	(6,074)	
USE OF FUND BALANCE					
300999-0	UNASSIGNED	102,041	135,964	33,923	Projected "surplus" FB to balance budget/offset costs
300600-0	ASSIGNED - AUDIT RESERVE	-	10,000	10,000	Drawing from reserve to fund audit costs
300600-1	ASSIGNED - CAPITAL ASSET REPLACEMENT	-	-	-	
300600-3	ASSIGNED - CONTINGENCY	-	-	-	
	TOTAL USE OF FUND BALANCE	102,041	145,964	43,923	
TOTAL FINANCING SOURCES		\$ 499,282	\$ 537,131	\$ 37,849	

FINAL LAFCO BUDGET - FINANCING USES - SCHEDULE B

FISCAL YEAR 2021/22

Account #	Account Name	FY 20/21 Expenditures	FY 21/22 Expenditures	Net Change	Comments/Variance Variance Explanation from FY 20/21
EXPENDITURES					
SALARIES AND BENEFITS:					
500100	REGULAR EMPLOYEES	\$ 221,466	\$ 225,884	\$ 4,418	2% COLA increase
500110	EXTRA HELP	20,000	20,000	-	
500310	RETIREMENT (CALPERS)	68,353	72,057	3,704	
500320	OASDI	14,573	14,661	88	
500330	FICA/MEDICARE TAX	3,837	3,902	65	
500340	HEALTH INSURANCE (EAP)	72	72	-	
500360	OPEB - RETIREE HEALTH INSURANCE	19,489	17,393	(2,096)	
500380	UNEMPLOYMENT INSURANCE	303	831	528	County charge: COVID unemployment skyrocketing
500390	WORKERS' COMPENSATION INSURANCE	500	500	-	YCPARMIA
500400	OTHER EMPLOYEE BENEFITS	45,480	45,480	-	
	TOTAL SALARY & BENEFITS	394,073	400,780	6,707	
SERVICES AND SUPPLIES:					
501020/501021	COMMUNICATIONS	1,859	2,217	358	County charge: courier and telecom
501030	FOOD	400	400	-	
501051	INSURANCE-PUBLIC LIABILITY	500	500	-	YCPARMIA
501070	MAINTENANCE-EQUIPMENT	600	600	-	
501071	MAINTENANCE-BLDG IMPROVEMENT	500	500	-	
501090	MEMBERSHIPS	5,000	6,500	1,500	Joined CA Special Districts Association
501100	MISCELLANEOUS EXPENSE	250	250	-	
501110	OFFICE EXPENSE	1,250	1,250	-	
501111	OFFICE EXP-POSTAGE	300	300	-	
501125	IT SERVICES-DPT SYS MAINT (Dept System Maint.)	2,000	2,000	-	County charge: network charges
501126	IT SERVICES-ERP (Enterprise/Resource/Planning)	3,359	3,985	626	County charge: network charges
501127	IT SERVICES-CONNECTIVITY	4,729	5,564	835	County charge: network charges
501151	PROF & SPEC SVC-AUDITG & ACCTG	5,000	15,000	10,000	Tri-annual audit this FY, funded from reserves
501152	PROF & SPEC SVC-INFO TECH SVC	1,200	1,200	-	
501156	PROF & SPEC SVC-LEGAL SVC	7,000	12,000	5,000	LAFCo Counsel
501165	PROF & SPEC SVC-OTHER	15,000	20,000	5,000	
501165	PROF & SPEC SVC-OTHER (Shared Services) (6992)	10,000	10,000	-	
501180	PUBLICATIONS AND LEGAL NOTICES	1,000	1,000	-	
501190	RENTS AND LEASES - EQUIPMENT	2,800	2,800	-	
501192	RENTS & LEASES-RECRDS STRGE (Archives)	1,112	1,411	299	Records storage charges per County
501205	TRAINING	5,000	5,000	-	
501210	MINOR EQUIPMENT (COMPUTERS)	5,600	-	(5,600)	Purchased computers last FY
501250	TRANSPORTATION AND TRAVEL	7,000	7,000	-	Conference/Staff Workshop both in SoCal this FY
501264	INTERNAL CHARGES (water, sewer, Trane debt.)	-	5,724	5,724	New County building charge
	TOTAL SERVICES & SUPPLIES	81,459	105,201	23,742	

FINAL LAFCO BUDGET - FINANCING USES - SCHEDULE B (continued)

Y

Account #	Account Name	FY 20/21 Expenditures Budgeted	FY 21/22 Expenditures Budgeted	Net Change	Comments / Variance Explanation from FY 20/21
EXPENDITURES					
APPROPRIATION FOR CONTINGENCY:					
503300	APPROP FOR CONTINGENCY	23,750	25,250	1,500	20% total = 5% appropriated (+15% in Fund Balance)
	TOTAL APPROPRIATION FOR CONTINGENCY	23,750	25,250	1,500	
	TOTAL APPROPRIATIONS	499,282	531,231	31,949	
PROVISIONS FOR RESERVES					
300600-0000	FD BAL-ASSIGNED-AUDIT	-	-	-	
300600-0001	FD BAL-ASSIGNED-CAP ASSET REPL	-	1,400	-	
300600-0003	FD BAL-ASSIGNED-CONTINGENCY	-	4,500	-	
	TOTAL PROVISIONS FOR RESERVES	-	5,900	5,900	Transfer into Fund Balance reserves
	TOTAL USES	\$ 499,282	\$ 537,131	\$ 37,849	

BUDGETED ENDING FUND BALANCES AS OF	6/30/21	6/30/22	Net Change	
ASSIGNED - AUDIT RESERVE	\$ 10,000	\$ -	(10,000)	Drawing reseve to fund audit (every 3 yrs)
ASSIGNED - COMPUTER REPLACEMENT	0	1,400	1,400	Replace every 4 yrs per County IT
ASSIGNED - CONTINGENCY RESERVE	71,250	75,750	4,500	20% total = 15% in Fund Balance (+ 5% appropriated)
UNASSIGNED		-		
TOTAL BUDGETED ENDING FUND BALANCES 6/30/22		<u>\$ 77,150</u>		

Agency	Tax Revenue	% of Total Tax Revenue 2019	City Population DOF 2020	% of Total City Pop	Average % of Revenue and Population	LAFCo Apportionment	Agency Share
Davis	\$ 56,269,654	31%	69,183	36%	33.46%	16.73%	\$ 63,929.00
West Sacramento	\$ 75,931,739	42%	54,328	28%	34.96%	17.48%	66,799.00
Winters	\$ 4,074,731	2%	7,279	4%	3.02%	1.51%	5,761.00
Woodland	\$ 46,467,219	25%	60,742	32%	28.57%	14.29%	54,594.00
Yolo County						50.00%	191,084.00
Total	\$ 182,743,343	100%	191,532	100%	100%	100.00%	<u>382,167.00</u>

	From Budget
Total Appropriations	537,131.00
Less: Other revenue	(9,000.00)
Less: Use of FB	(145,964.00)
Agency Share	<u>382,167.00</u>

Regular 7.

LAFCO

Meeting Date: 03/25/2021

Information

SUBJECT

Consider the Municipal Service Review (MSR)/Sphere of Influence (SOI) Initial Study for the City of Davis (LAFCo No. 21-01) and determine a comprehensive MSR/SOI Update is not needed for this five-year review cycle per Government Code §56425(g)

RECOMMENDED ACTION

On the basis of the initial evaluation contained in the attached Municipal Service Review (MSR)/Sphere of Influence (SOI) Initial Study for the City of Davis (LAFCo No. 21-01), staff recommends LAFCo determine the following:

1. The required MSR determinations would likely not be significant;
2. An SOI Update is not warranted or requested by the City; and
3. Therefore, an MSR/SOI Update is not needed and the City will be reviewed again in five years per Government Code Section 56425(g).

FISCAL IMPACT

None.

REASONS FOR RECOMMENDED ACTION

An MSR/SOI was last adopted for the City of Davis on July 28, 2016 and it is due for review again, as required every five-years. Per the Cortese Knox Hertzberg (CKH) Act §56430, MSRs are only required when LAFCo intends to update an agency's SOI. Although for our special districts, Yolo LAFCo has frequently opted to perform MSRs notwithstanding an SOI Update in order to review and provide oversight of our smaller agencies that tend to be more rural and volunteer in nature. In the case of a city, where there is inherently much more scrutiny, accountability and transparency (including comprehensive annual audits), staff evaluates whether LAFCo's report would provide valuable information on a case by case basis.

In a recent meeting, City staff indicated the City of Davis is not seeking a change to its SOI at this time. It is planning to embark on a comprehensive General Plan Update process in 2022 and wants the General Plan to inform any potential updates to its SOI. LAFCo staff agrees with this approach. In addition, during the City of Davis' 2016 MSR/SOI review, the process did not uncover any new issues the City was not already aware of.

Staff has utilized the MSR checklist template as an initial study screening tool to evaluate whether the MSR determinations would be significant (see attached). Staff recommends that based on the initial study checklist prepared that an MSR/SOI Update for the City of Davis is not

needed this cycle and LAFCo will consider it again in five years (fiscal year 2025/26). LAFCo has tended to make this determination for cities when an SOI Update is not needed or desired.

Attachments

ATT A-MSR/SOI Initial Study for City of Davis 02.17.2021

Form Review

Inbox

Christine Crawford (Originator)
Form Started By: Christine Crawford
Final Approval Date: 03/15/2021

Reviewed By

Christine Crawford

Date

03/15/2021 12:24 PM
Started On: 03/02/2021 11:01 AM

Municipal Service Review and Sphere of Influence Initial Study

(Finding MSR/SOI Update Not Needed)
for the

City of Davis
LAFCo No. 21-01



Draft February 17, 2021



Municipal Service Review and Sphere of Influence Initial Study for the City of Davis (LAFCo No. 21-01)

SUBJECT AGENCY:

City of Davis
23 Russell Blvd.
Davis, CA 95616

<https://www.cityofdavis.org/>

Date last MSR/SOI adopted: July 28, 2016

City Council Members:

Gloria Partida
Mayor
Elected "At large"
(resides [District 4](#))
Term Ends: 2022

Lucas Frerichs
Vice Mayor
[City Council District 3](#)
Term Ends: 2024

Will Arnold
Councilmember
[City Council District 2](#)
Term Ends: 2024

Dan Carson
Councilmember
Elected "At large"
(resides [District 1](#))
Term Ends: 2022

Josh Chapman
Councilmember
[City Council District 5](#)
Term Ends: 2024

Staff Contact(s):

Mike Webb, City Manager
Kelly Stachowicz, Assistant City Manager
Ash Feeney, Assistant City Manager

CONDUCTED BY:

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Angel Barajas, County Member
Wade Cowan, City Member

Staff:

Christine Crawford, Executive Officer
Terri Tuck, Admin Specialist/Commission Clerk
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Eric May, Counsel

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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; and

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

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

PURPOSE OF A SPHERE OF INFLUENCE

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

The role of SOIs in guiding the State’s growth and development was validated and strengthened in 2000 when the Legislature passed Assembly Bill (“AB”) 2838 (Chapter 761, Statutes of 2000), which was the result of two years of labor by the Commission on Local Governance for the 21st Century, which traveled up and down the State taking testimony from a variety of local government stakeholders and assembled an extensive set of recommendations to the Legislature to strengthen the powers and tools of LAFCoS to promote logical and orderly growth and development, and the efficient, cost-effective, and reliable delivery of public services to California’s residents, businesses, landowners, and visitors. The requirement for LAFCoS to conduct MSR 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 MSR (§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.

AFFECTED AGENCIES

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

The affected local agencies for this MSR/SOI are:

County/Cities:

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

K-12 School Districts:

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

Community College Districts:

- Delta
- Los Rios
- Solano
- Yuba

Special Districts:

- Cemetery District – Capay, Cottonwood, **Davis**, Knight’s Landing, Mary’s, Winters
- Community Service District – Cacheville, Esparto, Knights Landing, Madison
- County Service Area - Dunnigan, **El Macero**, Garcia Bend, North Davis Meadows, Snowball, Wild Wings, **Willowbank**
- Fire Protection District – Capay, Clarksburg, Dunnigan, **East Davis**, Elkhorn, Esparto, Knights Landing, Madison, No Man’s Land, **Springlake**, West Plainfield, Willow Oak, Winters, Yolo, Zamora
- Sacramento-Yolo Port District
- Reclamation District – 150, 307, 537, 730, 765, 787, 900, 999, 1600, 2035
- Yolo Resource Conservation District
- Water District – Dunnigan, Knight’s Landing Ridge Drainage, **Yolo County Flood Control & Water Conservation**

Multi-County Districts:

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

AGENCY PROFILE¹

Cities are “local” governments, voluntarily formed by and for their citizens, to provide for local self-determination of community issues. The City of Davis is a municipal corporation operating under the general laws of the State of California. It endeavors to create a livable community with a high quality of life through land-use policies and service provision that balance the need for housing, jobs, open space, and essential services. The City is a legally separate and fiscally independent agency. It can issue debt, set and modify budgets, collect fees for services, and sue or be sued.

Davis operates under the Council-Manager form of government with a five-member council, elected at large by city residents. The City Manager serves as the administrative head of city government overseeing the departments of Fire, Police, Parks and Community Services, Administrative Services, Community Development and Sustainability, Public Works Engineering and Transportation, and Public Works Utilities and Operations.

The primary government of the City of Davis includes the activities of the City as well as the Public Facilities Financing Authority. The Public Facilities Financing Authority was established solely to assist in the issuance of certain bonds for a series of Community Facilities Districts for the construction of infrastructure and improvements under the State Mello-Roos Act. The authority is controlled by and financially dependent on the City. Its financial activities are included in the capital projects and fiduciary funds of the City, and are reported as part of the City's budget.

The City previously operated the Davis Redevelopment Agency. In 2012, the State of California dissolved all local redevelopment agencies. Since then, the Redevelopment Agency has been winding down operations, overseen by the Davis Redevelopment Successor Agency Oversight Board.

Dedicated to citizen participation, the City has fourteen council-appointed commissions that are devoted to various aspects of community life including such elements as planning, recreation, finance and budget and economic development, natural resources and university student relations. In addition, the City Council periodically creates committees to address specific projects or concerns, and participates in regular "2x2" meetings with other agencies and organizations, such as the Davis Joint Unified School District Board of Education and the Yolo County Board of Supervisors.

As a “general-purpose” city, Davis provides essential frontline municipal services. The City funds these activities through a variety of locally enacted revenues (parcel taxes, user and license fees, etc.) and with state shared revenues (property tax, sales tax, and motor vehicle license fees). Municipal services provided by the City and reviewed in this MSR include:

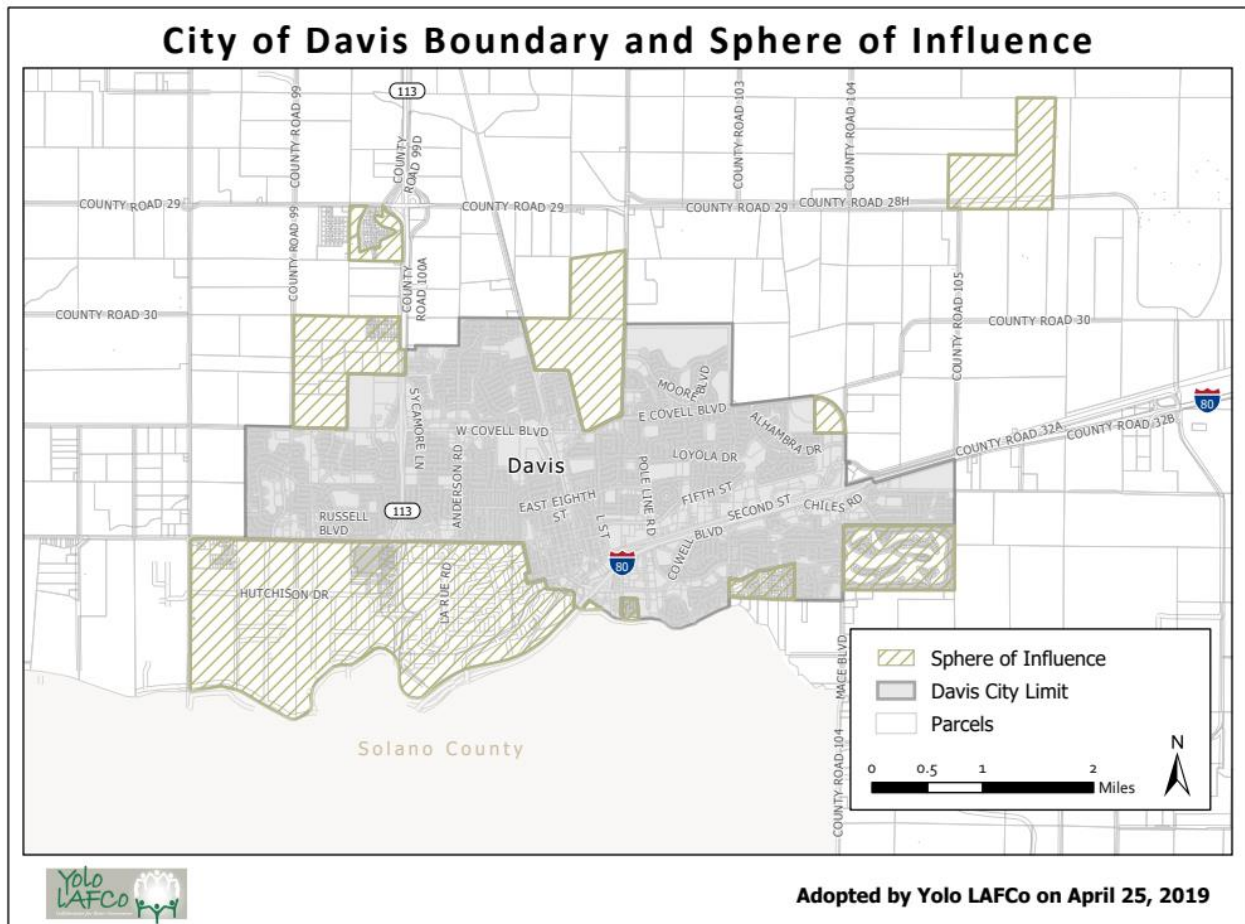
- Law enforcement;
- Fire;
- Parks and community services;
- Public transit, transportation and streets;
- Water;
- Wastewater;
- Storm sewer; and
- Solid waste.

The City provides some services outside of its boundary area. Some services were extended to areas outside of the City prior to the requirement for LAFCo approval. Davis provides water and wastewater services to El Macero County Service Area (CSA), water service to Willowbank CSA, and wastewater service to North Davis Meadows CSA and a few individual customers in Willowbank CSA, as well as contractual water system maintenance to North Davis Meadows. Davis also provides contractual water and

¹ <https://www.cityofdavis.org/about-davis/government> and MSR/SOI for City of Davis, July 28, 2016

wastewater services to Royal Oak Mobile Home Park. All of these communities, with the exception of North Davis Meadows, are located within the City's sphere of influence.

Additionally, the City of Davis Fire Department provides fire services on a contractual basis to three neighboring fire protection districts (FPDs), including East Davis County FPD, No Man's Land FPD, and a portion of Springlake FPD.



MUNICIPAL SERVICE REVIEW

POTENTIALLY SIGNIFICANT MSR DETERMINATIONS

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

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

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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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?*

City/County Population Estimates with Annual Percent Change²

State/County/City	Total Population 1/1/2019	Total Population 1/1/2020	Percent Change
Yolo County	220,896	221,705	+0.4
City of Davis	69,179	69,183	+0.0

No. The City of Davis population estimates are currently flat with little change from 2019 to 2020. Development and/or population projections over the next 5-10 years are not anticipated to significantly impact the subject agency’s service needs and demands.

- 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)?*

No. There is ample land in the City’s existing SOI to accommodate growth, including the Regional Housing Needs Analysis (RHNA) numbers issued by the Sacramento Area Council of Governments (SACOG).

Growth and Population MSR Determination

The City of Davis population growth is currently flat with little change from 2019 to 2020 estimates. There is ample land in the City’s existing SOI to accommodate growth, including the Regional Housing Needs Analysis (RHNA) numbers issued by the Sacramento Area Council of Governments (SACOG). Development and/or population projections over the next 5-10 years are not anticipated to significantly impact the subject agency’s service needs and demands.

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*

² State of California Department of Finance E-1 Population Estimates for Cities, Counties, and the State — January 1, 2019 and 2020

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. The Davis Creek Mobile Home Park is surrounded on three sides by the City of Davis, yet remains unincorporated. No demographic data is readily available for this specific unincorporated island, however, it is likely considered disadvantaged. However, this community already has access to City water, sewer and structural fire protection (fire via contract services for the East Davis Fire Protection District).



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.

No. Although the City should annex this unincorporated island as a matter of good public policy, it is not legally required because this community already has access to essential City services.

Disadvantaged Unincorporated Communities MSR Determination

The Davis Creek Mobile Home Park is surrounded on three sides by the City of Davis, yet remains unincorporated. No demographic data is readily available for this specific unincorporated island, however, it is likely considered disadvantaged. Although the City should annex this unincorporated island as a matter of good public policy, it is not legally required because this community already has access to essential City services.

3. CAPACITY AND ADEQUACY OF PUBLIC FACILITIES AND SERVICES

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

	YES	MAYBE	NO
a) Are there any deficiencies in agency capacity to meet <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).	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Are there any issues regarding the agency's capacity to meet the service demand of reasonably foreseeable <u>future</u> growth?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

c) <i>Is the agency needing to consider climate adaptation in its assessment of infrastructure/service needs?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) <i>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?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

- 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. LAFCo is not aware of any deficiencies in agency capacity to meet existing service needs for which the agency does not have a plan in place to resolve.

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

No. The City is anticipated to be able to meet service demands of foreseeable growth with project infrastructure improvements and other mitigation measures. City staff indicated a comprehensive General Plan Update process will begin in 2022³ which will more comprehensively address any potential issues.

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

No. The City has an adopted Climate Action and Adaptation Plan (CAAP)⁴ developed and adopted following significant community engagement and input in 2010, when California climate action plans were in their infancy. This plan identifies a vision for City of Davis carbon neutrality, sustainability and climate actions. Since that time, many sustainability milestones have been reached, including significant city measures and climate actions implemented in the last year.

- 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?*

No. Please see the response to 2c.

Capacity and Adequacy of Public Facilities and Services MSR Determination

LAFCo is not aware of any deficiencies in agency capacity to meet existing service needs for which the agency does not have a plan in place to resolve. The City is anticipated to be able to meet service demands of foreseeable growth with project infrastructure improvements and other mitigation measures. City staff stated a comprehensive General Plan Update process will begin in 2022 which will more comprehensively address any potential capacity and adequacy issues. The City has an adopted Climate Action and Adaptation Plan (CAAP) developed and adopted following significant community engagement and input in 2010, when California climate action plans were in their infancy.

³ Meeting with Ash Feeny, Assistant City Manager on February 9, 2021.

⁴ www.cityofdavis.org/city-hall/community-development-and-sustainability/sustainability-program/climate-change

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 checked="" type="checkbox"/>	<input type="checkbox"/>
b) <i>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?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) <i>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?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) <i>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?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

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

Maybe. The California State Auditor has a risk indicator for the fiscal health of California cities⁵. The City of Davis has a score of 60.33 out of 100 points (higher is better) and on a rating scale of “low”, “moderate”, and “high” risk, the City of Davis is classified as “moderate” risk as illustrated by the key indicators below. Pension and OPEB funding, and future costs, are the key City finance issues. The City is well aware of these financial liabilities and a comprehensive MSR is unlikely to contribute additional valuable information.

Davis

General Fund Reserves	Pension Funding
Debt Burden	Pension Costs
Liquidity	Future Pension Costs
Revenue Trends	OPEB Obligations
Pension Obligations	OPEB Funding

Review of the City’s Comprehensive Annual Financial Reports (CAFRs) does not indicate the City is in an unstable financial position. The table below is from the latest City CAFR posted on its website.

City of Davis Statement of Net Position for the Years Ended June 30, 2019 and 2018 (in millions)⁶

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Cash and investments	\$ 90.319	\$ 87.638	\$ 67.216	\$ 68.651	\$ 157.535	\$ 156.289
Other assets	46.530	47.856	7.753	7.994	54.283	55.850
Capital assets	256.188	245.050	359.683	367.641	615.871	612.691
Total Assets	<u>393.037</u>	<u>380.544</u>	<u>434.652</u>	<u>444.286</u>	<u>827.689</u>	<u>824.830</u>
Deferred outflows of resources	22.275	28.474	7.100	7.297	29.375	35.771
Other liabilities	15.529	15.194	9.762	8.826	25.291	24.020
Long-term debt outstanding	154.168	151.772	154.296	162.366	308.464	314.138
Total Liabilities	<u>169.697</u>	<u>166.966</u>	<u>164.058</u>	<u>171.192</u>	<u>333.755</u>	<u>338.158</u>
Deferred inflows of resources	3.042	2.443		1.650	3.042	4.093
Net position:						
Net investment in capital assets	253.773	242.447	237.928	239.731	491.701	482.178
Restricted	69.075	68.793			69.075	68.793
Unrestricted	<u>(80.275)</u>	<u>(71.631)</u>	<u>38.033</u>	<u>39.010</u>	<u>(42.242)</u>	<u>(32.621)</u>
Total Net Position	<u>\$ 242.573</u>	<u>\$ 239.609</u>	<u>\$ 275.961</u>	<u>\$ 278.741</u>	<u>\$ 518.534</u>	<u>\$ 518.350</u>

- 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?*

⁵ https://www.auditor.ca.gov/local_high_risk/dashboard-csa

⁶ City of Davis Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2019

No. The City maintains extensive budgetary controls to ensure compliance with legal provisions embodied in the appropriated budget approved by the City Council. Budgetary control is established at the fund level. The City also maintains an encumbrance accounting system as one technique for accomplishing budgetary control. Budgets are prepared and expenditures recorded at the object of expenditure level. Accounting records are maintained using either the accrual basis of accounting or modified accrual basis, as appropriate.

- 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. The City has a Finance Division tasked with these financial responsibilities. The City maintains an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements. The legal level of budgetary control is at the fund level. The statements and schedules provided in the CAFR demonstrate that the City is meeting its responsibility for sound financial management.

- 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. The City Council receives a Treasurer's Report on a quarterly basis.

- 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 City's governmental activities rely on several sources of revenue to finance ongoing operations. Taxes (\$46.3 million), Charges for Services (\$17.9 million), Capital Grants and Contributions (\$7.7 million), and Operating Grants & Contributions (\$7.6 million) comprise the largest sources of revenue. Property tax and sales tax are approximately 60% of tax revenues, with the remainder coming from municipal services, park maintenance, construction, open space, franchise, and transient occupancy. Charges for Services are revenues that arise from charges to customers who purchase, use, or directly benefit from goods or services. Examples of these services include building permits, business licenses, and park and recreation fees. Some of these sources are less reliable as evidenced by the current pandemic related recession, such as sales tax or transient occupancy tax, but the City is diversified as has the ability to make adjustments as needed.

Revenues in the Governmental Funds for the Year Ended June 30, 2019 and 2018⁷

	Governmental Funds			General Fund *		
	2019	2018	\$ Change	2019	2018	\$ Change
Property Tax	\$15,627,636	\$15,546,565	81,071	\$15,025,653	\$15,546,565	(\$520,912)
Sales tax	16,504,386	15,603,649	900,737	16,504,386	15,603,649	900,737
Real Property Transfer	303,135	387,230	(84,095)	303,135	387,230	(84,095)
Municipal Services	3,138,065	3,031,057	107,008	3,138,065	3,031,057	107,008
Business License	2,577,091	2,012,568	564,523	2,577,091	2,012,568	564,523
Construction Tax	2,063,309	952,455	1,110,854	2,063,309	952,455	1,110,854
Franchise	1,818,388	1,708,183	110,205	1,818,388	1,281,105	537,283
Transient Occupancy	2,220,142	2,146,184	73,958	2,220,142	2,146,184	73,958
Motor Vehicle in-lieu	6,762,017	6,414,751	347,266	6,762,017	6,414,751	347,266
Park Maintenance	1,412,582	1,387,984	24,598			
Public Safety Tax	544,084	522,465	21,619			
Open Space Protection	671,714	652,422	19,292			
Fines and forfeitures	331,642	466,574	(134,932)	331,642	466,574	(134,932)
Use of money and property	2,919,644	1,970,695	948,949	1,928,056	1,530,941	397,115
Intergovernmental	10,234,310	5,124,979	5,109,331	573,060	425,263	147,797
Charges for current services	12,932,840	11,855,798	1,077,042	10,070,051	8,967,426	1,102,625
Development fees	3,643,599	3,293,794	349,805		849,743	(849,743)
Administrative fees	2,038,686	1,798,636	240,050	2,038,686	1,798,636	240,050
Other	2,952,002	2,109,611	842,391	2,938,206	1,991,513	946,693
Totals	\$88,695,272	\$76,985,600	\$11,709,672	\$68,291,887	\$63,405,660	\$4,886,227

* The General Fund is a subset of the Governmental funds

- 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)?*

No. The City's enterprise funds are described below as stated in the City's 2019 CAFR. The funds are either sufficient or the City is already conducting a rate study.

Water Fund. The operating revenues for this fund, which are charges for water service to the residents of Davis and some residents in Yolo County, totaled \$25.3 million. The revenues increased due to both increases in rates and growth. The base water rates increased 7.1% in January 2019. Metered rate also went up by .40/ccf for single-family residences. Operating expenses for the Water fund totaled \$19.4 million, an increase of \$1.2 million, which is primarily the result of increased water usage.

Sanitation Fund. This fund had operating revenues of \$12.0 million, an increase of \$0.6 million over the prior year. Primary expenses are for waste removal, solid waste management, and street sweeping remains steady at \$12.1 million. Total operating expenses increased \$0.4 million from the prior year. Overall, the net assets for the Sanitation fund decreased \$0.9 million. In February 2019, City Council approved annual rate increases that went into effect in March 2019, and will continue through 2023.

Sewer Fund. Operating revenues in the Sewer Fund were \$15.0 million for the current fiscal year, an increase of \$1.6 million over the prior year. Sewer charges are based on the average consumption of water for November through February, and with the increase in water usage, the corresponding revenues increased. The primary operating expenses for the Sewer Fund are sewage collection and treatment, totaling \$16.1 million. The increase was due to removing expenditures for a project study

⁷ City of Davis Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2019

from work in progress that had been capitalized in a prior year. The Sewer Fund ended the year with a change in net position of \$4.7 million.

Storm Sewer Fund. The operating revenues totaled \$1.8 million with minimal changes over the prior year. Primary operating expenses are for maintenance of the storm drainage system totaling \$1.6 million. Total operating expenses were \$4.0 million, an increase of \$0.3 million over the prior year. The Storm Sewer Fund ended the year with a net loss of \$2.0 million. The Public Works Department is currently doing a rate study, due to go to council in 2020-21.

Public Transit Fund. The revenues in this fund consist primarily of operating grants and contributions from the Federal Transit Administration totaling approximately \$5.0 million. The City has a pass through agreement with the University of California-Davis to provide partial funding for fixed-route public transportation services (Unitrans). The City directly provides the associated paratransit services. Grants and contributions had minimal changes over the prior year. Operating expenses, which include the provision of public and special transportation services, total \$5.1 million. This reflects a decrease in expenses of \$0.6 million from the prior year. The fund net position was \$1.2 million.

- g) *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?*

No. The City has established reserves and a reserve policy. The City of Davis establishes its General Fund Reserve Policy as additional insurance against disasters, emergencies and unforeseen expenditures. The City Council establishes the following minimum General Fund reserve targets: a) The City shall strive to maintain a General Fund reserve equal to 15% of General Fund expenditures, with up to 5% allocated to special capital projects for roads/paths, facilities and parks; b) The appropriate level of General Fund reserves shall be reviewed annually. The unallocated reserve funds are set-aside to address potential needs in the following areas: a) A Reserve for Economic Uncertainty – funds designated to mitigate periodic revenue shortfalls due to downturn in economic cycles, thereby avoiding the need for service level reductions within the fiscal year; b) An Emergency Reserve – funds designated to mitigate costs of unforeseeable emergencies and natural disasters.

- h) *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. Funds for all operating, special revenue, debt service, and capital improvement activities of the City are appropriated in the annual budget.

Financial Ability MSR Determination

The California State Auditor has a risk indicator for the fiscal health of California cities. The City of Davis has a score of 60.33 out of 100 points (higher is better) and on a rating scale of “low”, “moderate”, and “high” risk, the City of Davis is classified as “moderate” as illustrated by the key indicators below. Pension and OPEB funding, and future costs, are the key City finance issues.

The City conducts annual audits and has a finance division among its staff. Therefore, the City has ample financial oversight and the ability to provide services. The City continues to seek new revenue sources and looking for opportunities to cost share projects with other government partners. Cannabis revenues are stabilizing and the City had a sales tax measure approved on the March 2020 ballot. The City continues to grapple with maintaining current levels of services as costs continue to rise. The City will be pursuing solutions to increasing liabilities, such as deferred maintenance for infrastructure and post-employment benefits. This City Council and staff are dedicated to prudent fiscal management to ensure the continued financial health of the City. The City is well aware of these financial liabilities and a comprehensive MSR is unlikely to contribute additional valuable information.

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?*

The City of Davis partners with other organizations to share project costs and services with other governments. It shares services through being a member of the following joint powers agencies/authorities:

- Davis Public Facilities Financing Authority
- SACOG
- Valley Clean Energy Alliance
- Woodland-Davis Clean Water Agency
- Yolo Animal Services Planning Agency
- Yolo County Public Agency Risk Management Insurance Authority
- Yolo Habitat Conservancy
- Yolo Subbasin Groundwater Agency
- Yolo-Solano AQMD

In addition, it also shares extended water and sewer services with individual parcels and communities in the unincorporated territory of Yolo County, with approval of LAFCo of course.

Shared Services MSR Determination

The City of Davis partners with other organizations to share project costs and services with other governments. It shares services through being a member of numerous joint powers agencies/authorities. It also shares its water and sewer utilities with unincorporated parcels and communities outside its jurisdictional boundary in Yolo County. LAFCo is not aware of any other opportunities that are not being utilized.

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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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) 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?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Does the agency have 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)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Are any agency officials and designated staff <u>not</u> current in making their Statement of Economic Interests (Form 700) disclosures?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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 <u>not</u> reviewed in an open meeting?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h) Does the organization need to improve its public transparency via a website (see https://www.yololafco.org/yolo-local-government-website-transparency-scorecards)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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)?
- No. There are no recommended changes to the organization's governmental structure or operations that will increase accountability and efficiency.
- 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. City Council members are elected and provided training in the City's program requirements and financial management. In 2020, the City Council representation established districts instead of being elected at large.
- 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. The City has ample staff with subject matter capacity. The City complies with all required training.
- d) Does the agency need 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. The City has comprehensive policies regarding: 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.
- e) Are any agency officials and designated staff not current in making their Statement of Economic Interests (Form 700) disclosures?

No. City officials and designated staff are current on all required disclosures⁸.

- 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 City performs annual independent audits, changes auditors as required and audits are reviewed at a City Council meeting.

- 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?*

Not applicable.

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

No. The City received a 97% score in the 2020 Yolo Local Agency Website Transparency Scorecard.

Accountability, Structure and Efficiencies MSR Determination

There are no recommended changes to the organization's governmental structure or operations that will increase accountability and efficiency. City Council members are elected and provided training in the City's program requirements and financial management. In 2020, the City Council representation established districts instead of being elected at large. The City has ample staff with subject matter capacity. The City has comprehensive policies regarding: 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. The City performs annual independent audits, changes auditors as required and audits are reviewed at a City Council meeting. The City received a 97% score in the 2020 Yolo Local Agency Website Transparency Scorecard.

7. OTHER ISSUES

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

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

Discussion:

- a) *Are there any recommendations from the agency's previous MSR that have not been implemented?*

2016 Recommendations

1. Continue to search for additional stable revenue sources and ways to improve efficiency of operations to better achieve service expectation levels of City constituents as well as be better prepared for economic challenges. **Ongoing**
2. Continue City efforts to increase park and recreation acreage to meet its adopted level of service standard. The City should also improve signage, safety, and visibility in its parks as deemed necessary. **Ongoing**

⁸ <https://www.cityofdavis.org/city-hall/transparency-portal/personal-financial-disclosures>

3. Consider contracting with Yolo Emergency Communications Agency (YECA) for Fire Department dispatch services or upgrading the City dispatch service in order to receive emergency medical dispatch, pre-arrival dispatch, and priority dispatch of units based on incident severity, which the City does not offer. **City comprehensively evaluated and rejected recommendation**
4. Explore additional possibilities for its Police Department to share more resources and contract for services with other agencies and actively apply for grants, such as regionalization of or contracting for crime scene response, evidence processing and handling, SWAT, and identity theft response services. **Ongoing**
5. Research and institute enhanced resource sharing between Davis PD, and UC Davis, perhaps through contract services or shared management. **Ongoing**
6. Complete a formal multi-year capital improvement plan to address the City's deferred improvement challenges. **Completed**
7. Maintain roadway and bike path repair as a City priority to avoid greater future costs associated with infrastructure replacement. **Ongoing**
8. The Davis Stormwater Management Plan is currently out of date and should be updated. **Not completed**
9. The City of Davis should complete a storm water rate study to determine appropriate rates to cover the cost of system operations, maintenance, and depreciation. **In process**
10. The City should work with the El Macero CSA to update their water and wastewater agreements in order to facilitate direct billing of customers. **Yolo County has not initiated process**
11. Institute direct billing of North Davis Meadows CSA as part of contract negotiations for the water system consolidation. **Ongoing**

Maybe. This is a quick summary of the previous 2016 LAFCo MSR recommendations and status as either known or readily apparent on the City's website. This initial evaluation is not a comprehensive MSR. The City will be reviewed again in five years.

Other Issues MSR Determination

A summary of the previous 2016 LAFCo MSR recommendations and status has been provided as either known or readily apparent on the City's website. This initial evaluation is not a comprehensive MSR. The City will be reviewed again in five years.

SPHERE OF INFLUENCE STUDY

City of Davis staff have indicated that the City does not wish to change its SOI at this time⁹. On July 7, 2020, the Davis City Council took final action on the Davis Innovation and Sustainability Campus (DISC) which would have required expansion of the City's SOI to accommodate the project. However, the project was rejected by voters at the November 3, 2020 election. In addition, City staff indicate that the City will embark on a comprehensive General Plan Update process beginning in 2022 which will inform the City's SOI.

Therefore, based on consultation with the subject agency and 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.

⁹ Meeting with Ash Feeney, Assistant City Manager on February 9, 2021.

Regular 8.

LAFCO

Meeting Date: 03/25/2021

Information

SUBJECT

Approve an amendment to Yolo LAFCo Project Policies to: (1) Amend Policy 6.2 "Criteria – Municipal Services Review (MSR)" to indicate Yolo LAFCo will likely conduct MSRs on special districts to provide additional oversight even if a Sphere of Influence (SOI) Update is not needed; and (2) Amend title of Policy 6.3 "Criteria - Spheres of Influence (SOI)" to better distinguish the title

RECOMMENDED ACTION

Approve the recommended amendments to Yolo LAFCo Project Policies 6.2 and 6.3 to reflect local practice that Yolo LAFCo will likely conduct MSRs on special districts even if a Sphere of Influence (SOI) Update is not needed or requested to provide additional oversight.

FISCAL IMPACT

None. MSR/SOI Updates are included in LAFCo's Annual Budget.

REASONS FOR RECOMMENDED ACTION

As noted in the previous item, per the strict interpretation of the Cortese Knox Hertzberg (CKH) Act, MSRs are only required when LAFCo intends to update an agency's SOI. Although for our special districts, Yolo LAFCo has periodically performed MSRs notwithstanding an SOI Update in order to review and provide oversight of our smaller agencies that tend to be more rural and volunteer in nature. In the case of a city, where there is inherently much more scrutiny, accountability and transparency (including comprehensive annual audits), staff evaluates whether LAFCo's report would provide valuable information on a case by case basis.

BACKGROUND

Staff suggests Yolo LAFCo reflect this approach to MSR/SOI Updates in our local policy. The recommended language with the additional sentence noted is as follows:

6.2 CRITERIA - MUNICIPAL SERVICES REVIEW (MSR) / SPHERE OF INFLUENCE (SOI)

LAFCo may combine the MSRs for cities and/or special districts by the services provided or geography for the purposes of MSR/SOI analysis. A checklist template has been developed by LAFCo staff (see appendices) to streamline the review or can also be used to determine if a service review and/or sphere of influence update is needed. Although MSRs are technically required only when updating agency SOIs per Government Code §56430. Yolo LAFCo will typically conduct MSRs on local special districts even if an SOI Update is not needed because, unlike cities, Yolo County's special districts tend to be volunteer-run and rural in nature, and

there is less oversight to ensure operational adequacy and fiscal sustainability.

For each MSR, LAFCo shall prepare a written statement of the required determinations under Government Code §56430.

6.3 CRITERIA - DETERMINING THE SPHERE OF INFLUENCE (SOI)

(Changes to the title only - policy content remains the same.)

Attachments

No file(s) attached.

Form Review

Inbox

Eric May

Christine Crawford (Originator)

Form Started By: Christine Crawford

Final Approval Date: 03/15/2021

Reviewed By

Eric May

Christine Crawford

Date

03/15/2021 10:47 AM

03/15/2021 12:24 PM

Started On: 03/02/2021 12:05 PM

LAFCO

Meeting Date: 03/25/2021

Information

SUBJECT

Consider and adopt the LAFCo Annual Work Plan for Fiscal Year 2021/22

RECOMMENDED ACTION

Consider and adopt the LAFCo Annual Work Plan for Fiscal Year 2021/22.

FISCAL IMPACT

The cost for undertaking the Annual Work Plan will be incorporated into LAFCo's budget.

REASONS FOR RECOMMENDED ACTION

This information is provided to the Commission in order to obtain feedback and direction on work priorities for the upcoming fiscal year (FY). Staff work plan recommendations are included in the draft budget and any changes to implement Commission direction can be factored into the final budget, which will be presented at the May 27, 2021 meeting.

BACKGROUND

The Work Management Plan for the upcoming fiscal year is listed below. Please provide staff with any direction as desired.

MSR/SOI Updates and Joint Powers Agency (JPA) Service Reviews for FY 2021/22

The following agencies are slated for review this next fiscal year. The entire five-year update schedule is attached for review (see Attachment A). The City of Winters recently adopted a voter-approved growth boundary in November 2020, so an SOI Update may not be needed/requested this cycle (to be determined). However, the combined MSR for all the 15 fire protection districts (FPDs) will be very involved, similar to the significant recommendations and politics as we saw for the reclamation districts' MSR completed in 2015.

1. City of Winters
2. Yolo Emergency Communications Agency (YECA) JPA
3. Countywide FPDs (15 MSR/SOIs combined in one report)
 - Capay
 - Clarksburg
 - Dunnigan
 - East Davis
 - Elkhorn
 - Esparto

- Knights Landing
- Madison
- No Man's Land
- Springlake
- West Plainfield
- Willow Oak
- Winters
- Yolo
- Zamora

Proposal Applications

Applications listed below are anticipated in FY 2021/22:

City of Woodland:

- Woodland Research and Technology Park annexation (NE corner of SR 113/CR 25A)
- Barnard Court annexation (SE corner of I-5/West Street) and other City-owned properties
- Woodland Commerce Center annexation (in the industrial area)

Yolo County Flood Control & Water Conservation District:

- Annexation of various parcels to obtain agricultural irrigation water

Agency Accountability

The website transparency scorecard review and reporting process is completed towards the end of each calendar year. Agency scoring occurs in the last quarter of the calendar year (i.e. October - December) and a report will be presented to LAFCo in January 2022. Staff is continuing to reach out and support independent special districts that do not already have a website, promoting resources and scholarships available. State law requires all independent special districts to maintain a website or adopt a resolution stating a hardship each year. The following agencies are included in the scorecard (70 agencies in total):

- Cities/County (5)
- Special Districts (47)
- Joint Powers Authorities (18 local)

Other Shared Services/Collaboration Items

Other shared services and/or collaborative activities include:

- YED-Talks - Resume coordinating in-person YED summits this fall, which typically occur two times per year. Coordination includes working with the planning team (to develop topics, agendas, lining up speakers, etc.) and managing the actual event.
- Attend 2x2 meetings whenever agenda items are applicable to LAFCo
- Facilitate broadband coordination as needed (becoming less so as cities/County take more of a lead and local service provider options become increasingly available)

LAFCo Administration

- Work with audit firm (to be hired this spring) to complete LAFCo's audit of the last three fiscal years ending 2019-2021
- Prepare and manage the budget
- Provide the Commission and the public with quarterly financial reports

CALAFCO

The Executive Officer continues to serve as the Deputy Executive Officer (DEO) to CALAFCO representing the Central Region. Primary DEO responsibilities include chairing the Annual

Conference Program Committee and preparing verbatim minutes of all CALAFCO Board meetings, in addition to supporting the Executive Director as requested.

Attachments

ATT A-FY2021/22 MSR-SOI Update Work Plan

Form Review

Inbox

Christine Crawford (Originator)
Form Started By: Christine Crawford
Final Approval Date: 03/15/2021

Reviewed By

Christine Crawford

Date

03/15/2021 12:24 PM
Started On: 03/02/2021 09:46 AM

FY 2021/22 MSR/SOI Update Schedule					
FY Scheduled	City/District/JPA	Last MSR Adopted	FY Next MSR Due (every 5 yrs)		
2021/22	Capay Fire Protection District	4/28/2016	2020/21		
	Clarksburg Fire Protection District				
	Dunnigan Fire Protection District				
	East Davis Fire Protection District				
	Elkhorn Fire Protection District				
	Esparto Fire Protection District				
	Knights Landing Fire Protection District				
	Madison Fire Protection District				
	No Man's Land Fire Protection District				
	Springlake Fire Protection District				
	West Plainfield Fire Protection District				
	Willow Oak Fire Protection District				
	Winters Fire Protection District				
	Yolo Fire Protection District				
Zamora Fire Protection District					
City of Winters	3/24/2016	2020/21			
Yolo Emergency Communications Agency ("YECA") JPA	4/25/2019	2023/24			
2022/23	Capay Cemetery District	7/27/2017	2021/22		
	Cottonwood Cemetery District				
	Knights Landing Cemetery District				
	Mary's Cemetery District				
	Winters Cemetery District				
	Davis Cemetery District				
	City of Woodland			12/6/2018	2022/23
	Yolo County Resource Conservation District			2/26/2015	2019/20
YC Public Agency Risk Mgmt. Insurance Authority ("YC PARMIA") JPA	2018/19 TBD				
Woodland-Davis Clean Water Agency JPA	n/a				
2023/24	Knights Landing Ridge Drainage District	2/22/2018	2022/23		
	Snowball County Service Area (repeat)				
	Reclamation District 108 (Colusa)				
	Reclamation District 150				
	Reclamation District 307				
	Reclamation District 537				
	Reclamation District 730				
	Reclamation District 765				
	Reclamation District 787				
	Reclamation District 900				
	Reclamation District 999				
	Reclamation District 1600				
	Reclamation District 2035				
	Reclamation District 2068 (Solano)				
Reclamation District 2093 (Solano)					
City of West Sacramento	3/23/2017	2021/22			
Sacramento - Yolo Port District	2018/19 TBD	2023/24			
WS Area Flood Control Agency ("West SAFCA") JPA	n/a				
2024/25	Cacheville Community Services District	1/28/2021	2024/25		
	Knights Landing Community Services District				
	Esparto Community Services District				
	Madison Community Services District				
	Dunnigan Water District			10/29/2020	
	Yolo County Flood Control & Water Conservation District			1/28/2021	
Yolo Subbasin Groundwater Authority JPA	1/28/2021				
2025/26	Wild Wings County Service Area	Est. 6/24/2021	2025/26		
	El Macero County Service Area				
	Willowbank County Service Area				
	North Davis Meadows County Service Area				
	Garcia Bend County Service Area				
	Dunnigan County Service Area				
	Snowball County Service Area				
	City of Davis			Est. 3/25/2021	
	Valley Clean Energy Alliance JPA			Est. 4/22/2021	
Yolo Habitat Conservancy JPA	Est. 5/27/2021				

Executive Officer Report 10.

LAFCO

Meeting Date: 03/25/2021

Information

SUBJECT

A report by the Executive Officer on recent events relevant to the Commission and an update of staff activity for the month. The Commission or any individual Commissioner may request that action be taken on any item listed.

- a. Long Range Planning Calendar
 - b. EO Activity Report - January 25 through March 19, 2021
-

Attachments

ATT a-March 25, 2021 Long Range Planning Calendar
ATT b-EO Activity Report Jan25-Mar19

Form Review

Form Started By: Terri Tuck
Final Approval Date: 03/15/2021

Started On: 03/15/2021 11:39 AM

Long Range Meeting Calendar – Tentative Items

March 25, 2021 LAFCo Meeting

Meeting Date	Tentative Agenda Items
Apr 22, 2021	<ul style="list-style-type: none"> • JPA Service Review for the Valley Clean Energy Alliance (LAFCo No. 21-02) • Revisit LAFCo Proposal Application Fee/Deposit Schedule • FY 20/21 Q3 Financial Update • Elect LAFCo Chair and Vice Chair • (Re)appoint Alternate Public Member
May 27, 2021	<ul style="list-style-type: none"> • Final LAFCo FY 2021/22 Budget • JPA Service Review for the Yolo Habitat Conservancy (LAFCo No. 21-03)
Jun 24, 2021	<ul style="list-style-type: none"> • MSR/SOI for the County Service Areas (CSAs) (LAFCo No. 21-04) • Contract Approval for LAFCo Auditor for last three FYs • Executive Officer Annual Performance Evaluation
Jul 22, 2021	<ul style="list-style-type: none"> • Status update of MSR recommendations for Community Service Districts (CSDs) (Commission requested 6-month status report)

New Proposals Received Since Last Meeting

Date Received	Proposal
	None

LAFCo EO Activity Report

January 25 through March 19, 2021

Date	Meeting/Milestone	Comments
01/25/2021	Meeting w/Aaron Laurel (City Manager, West Sacramento)	West Sacramento legislation to change RD 900 Board of Trustees
01/25/2021	Staff Meeting	Weekly Zoom meetings
01/25/2021	Meeting w/Kimberly Villa & Patricia Valenzuela (Dept. of Community Services)	MSR/SOI for CSAs
01/26/2021	Meeting w/Ron Hofhenke (Neko Industries, Inc.)	Digitization of LAFCo files w/OnBase
01/28/2021	Meeting w/Ron Hofhenke (Neko Industries, Inc.) and County Library staff	Digitization of LAFCo files w/OnBase & County Library Archives/Records Center
02/01/2021	Staff Meeting	Weekly Zoom meetings
02/03/2021	County/City of Woodland 2x2	Attended
02/08/2021	Fire Protection Sustainability Ad Hoc Committee Meeting	Participated
02/09/2021	Meeting w/ Ash Feeney and Sherri Metzker, City of Davis	City of Davis MSR/SOI
02/10/2021	Staff Meeting	Weekly Zoom meetings
02/12/2021	Meeting w/Mitch Sears (GM, VCE)	Valley Clean Energy JPA Service Review
02/16/2021	Staff Meeting	Weekly Zoom meetings
02/18/2021	Meeting w/EI Macero CSA Advisory Committee	MSR/SOI for CSAs
02/22/2021	Staff Meeting	Weekly Zoom meetings
02/22/2021	CALAFCO Staff Meeting	Participated
02/24/2021	Meeting w/Ken Hiatt & Brent Meyer (City of Woodland Staff)	Woodland Tech Park
02/25/2021	Webinar by CA Forward: Regions Build Together	Attended
03/01/2021	Staff Meeting	Weekly Zoom meetings
03/04/2021	Meeting w/Elisa Sabatini (CAO staff)	LAFCo Consolidation/Dissolution Process
03/05/2021	API Webinar: Initial Program Draft Pre-Meeting (#1 of 2 mtgs)	Participated
03/08/2021	Staff Meeting	Weekly Zoom meetings
03/10/2021	API Webinar Event: Planning Meeting (#2 of 2 mtgs)	Participated
03/12/2021	Meeting w/Olin Woods	LAFCo Agenda Review
03/15/2021	Staff Meeting	Weekly Zoom meetings
03/15/2021	Meeting w/Eric May	Woodland Tech Park Detention Basin - §56133 Issue

Date	Meeting/Milestone	Comments
03/16/2021	Meeting w/Willowbank CSA Advisory Committee	MSRSOI for CSAs
03/17/2021	Webinar by ICMA: Response to Emergencies That Impact All Citizens: Rights of the Individual vs Health and Welfare of Community	Attended