

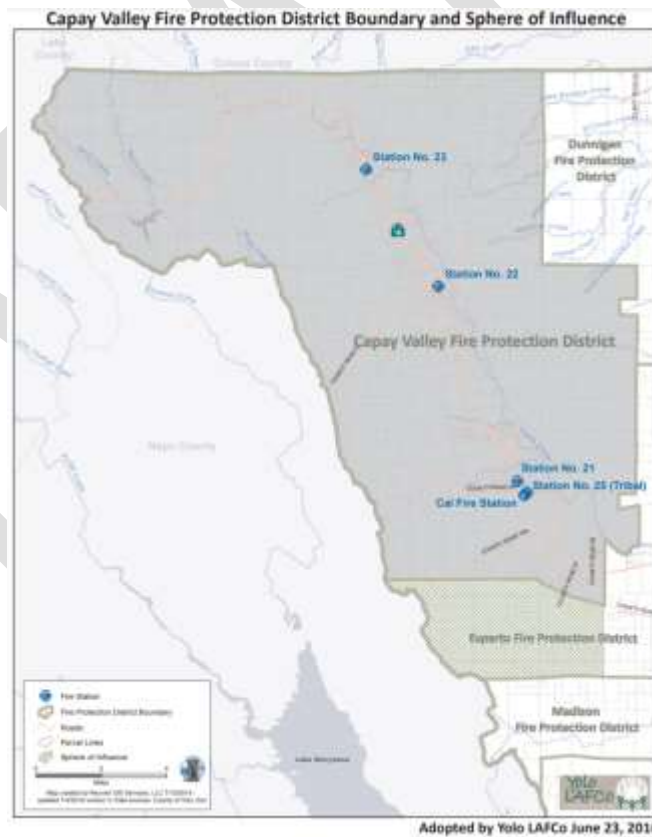
AGENCY PROFILE

The Capay Valley Fire Protection District (Capay Valley FPD) was formed in 1927 and is authorized to provide fire protection and emergency response services. It was formed as a dependent district to Yolo County, which delegated its decision making to a local Fire Commission with five members, each appointed by the Board of Supervisors to serve four-year terms.

The Capay Valley FPD is 110,345 acres in size and serves the unincorporated communities of Brooks, Guinda, Rumsey, and the surrounding rural area. The entire Capay Valley FPD territory is located within state and federal responsibility areas. CAL FIRE has a legal responsibility to provide fire protection on all State Responsibility Area (SRA) lands, which are defined based on land ownership, population density and land use. CAL FIRE does not have responsibility for densely populated areas, incorporated cities, agricultural lands, or lands administered by the federal government.

Capay Valley FPD contains 452 residential and 23 commercial addresses and its residential population is estimated to be 1,130 residents¹. The Capay Valley FPD has three stations: Station 21 located at 13635 Highway 16 in Brooks; Station 22 located at 7447 Highway 16 in Guinda; and Station 23 located at 3794 Highway 16 in Rumsey. The District has 7 apparatus has 1 part-time paid staff, 0 reserves and 18 volunteers (19 firefighters total). It also shares a full-time firefighter employed by Esparto FPD, which Capay Valley FPD uses 3 days per week.

The Capay Valley FPD boundary and sphere of influence (SOI) is shown below. The SOI area was adopted by LAFCo in 2016 to accommodate a territory swap with Esparto FPD to facilitate more efficient response.



¹ Population estimate is based on addresses assigned in 2021 in the FPD territory with a Yolo County average of 2.5 persons per household.

MUNICIPAL SERVICE REVIEW

POTENTIALLY SIGNIFICANT MSR DETERMINATIONS

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

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

LAFCO MUNICIPAL SERVICE REVIEW:

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

| 1. GROWTH AND POPULATION | | | |
|--|--------------------------|--------------------------|-------------------------------------|
| Growth and population projections for the affected area. | YES | MAYBE | NO |
| a) <i>Will development and/or population projections over the next 5-10 years impact the subject agency’s service needs and demands?</i> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) <i>Do changes in service demand suggest a change in the agency’s services?</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?*

No. The population for Capay Valley FPD is currently estimated to be 1,130. The unincorporated towns of Brooks-Tancred has a population of 120, Guinda has a population of 245, and Rumsey has a population of 91 per the 2020 Census. None of these towns have municipal water or sewer systems, and therefore, cannot support significant growth.

However, according to data from the Yolo Emergency Communications Agency (YECA), Capay Valley FPD calls have increased. Over the last three fiscal years, total calls that resulted in dispatched apparatus/responders were 144 in FY 18/19, 188 in FY 19/20 and 194 in FY 20/21, a 35% increase in only three years.

b) *Do changes in service demand suggest a change in the agency's services?*

No. In the 2016 MSR, a boundary swap was recommended with Esparto FPD to provide a more efficient response time, however, both FPDs have entered into a Joint Operations Agreement (JOA) and are working together and coordinating operations. Also, Yolo Emergency Communications Agency (YECA) dispatch response matrixes can be changed anytime regardless of boundaries. Therefore, boundary changes are no longer necessary.

Growth and Population MSR Determination

The population for Capay Valley FPD is currently estimated to be 1,130. The unincorporated towns do not have municipal water or sewer systems, and therefore, cannot support significant growth. However, according to data from the Yolo Emergency Communications Agency (YECA), Capay Valley FPD calls have increased. Over the last three fiscal years, total calls that resulted in dispatched apparatus/responders were 144 in FY 18/19, 188 in FY 19/20 and 194 in FY 20/21, a 35% increase in only three years. Capay Valley FPD has entered into a JOA with Esparto FPD, therefore a boundary swap recommended in the 2016 MSR is no longer needed. Changes in service demand does not suggest a change in the District's services.

2. DISADVANTAGED UNINCORPORATED COMMUNITIES

The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

| | YES | MAYBE | NO |
|---|--------------------------|--------------------------|-------------------------------------|
| a) <i>If the subject agency provides services related to sewers, municipal and industrial water, or structural fire protection, are there any "inhabited unincorporated communities" (per adopted Commission policy) within or adjacent to the subject agency's sphere of influence that are considered "disadvantaged" (80% or less of the statewide median household income) that do not already have access to public water, sewer and structural fire protection?</i> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) <i>If "yes" to a), it is feasible for the agency to be reorganized such that it can extend service to the disadvantaged unincorporated community? If "no" to a), this question is marked "no" because it is either not needed or not applicable.</i> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Discussion:

a) *If the subject agency provides services related to sewers, municipal and industrial water, or structural fire protection, are there any "inhabited unincorporated communities" (per adopted Commission policy) within or adjacent to the subject agency's sphere of influence that are considered "disadvantaged" (80% or less of the statewide median household income) that do not already have access to public water, sewer and structural fire protection?*

No. The Capay Valley FPD territory is not disadvantaged² and all "inhabited unincorporated communities" countywide receive structural fire protection services.

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.*

² CALAFCO Disadvantaged Unincorporated Communities for State, RSG Inc. GIS Layer, dated December 10, 2021

Not applicable.

Disadvantaged Unincorporated Communities MSR Determination

The Capay Valley FPD territory is not disadvantaged per the 2020 Census and all “inhabited unincorporated communities” countywide receive structural fire protection services. Therefore, there is no concern that Capay Valley is either not receiving fire protection services or not receiving similar services due to disadvantaged economic issues in the Capay Valley FPD community.

3. CAPACITY AND ADEQUACY OF PUBLIC FACILITIES AND SERVICES

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

| | YES | MAYBE | NO |
|--|--------------------------|-------------------------------------|-------------------------------------|
| a) <i>Are there any deficiencies in the infrastructure, equipment, and capacity of agency facilities 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)?</i> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b) <i>Are there any deficiencies in the adequacy of services to meet <u>existing</u> service needs for which the agency does not have a plan in place to resolve? Also note how services are provided (i.e., number of staff and/or contracts).</i> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) <i>Are there any issues regarding the agency’s capacity and ability to meet the service demand of reasonably foreseeable <u>future</u> growth?</i> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d) <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"/> |
| e) <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 the **infrastructure, equipment, and capacity of agency facilities** 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)?*

Maybe.

Fire Station

Station 21 (Brooks) was built in the early 1970s, Station 22 (Guinda) was built in 1940, and Station 23 (Rumsey) was built in 2003. Station 22 in Guinda is the primary station used by the District. Since the station is 80 years old, it needs improvements. Capay Valley FPD is seeking a DWR grant for a new transfer pump for its water storage tanks. The leach lines for the septic system were recently found to be non-functional due to tree root infiltration which will require either replacement or extensive repair. Also, new concrete work is needed in the station, which is estimated to cost approximately \$120,000. It is also seeking FEMA funds for an exhaust source capture system for diesel exhaust and hopes to build personnel sleeping quarters in the station to facilitate 24-hour staffing in the future.

Station 21 (Brooks) has a water tender housed there. Capay Valley FPD is assessing the best location for additional apparatus in Brooks given the location of firefighters’ residences and most common types

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of emergency calls in the area. Station 23 (Rumsey) is also a less-frequently used volunteer station. Capay Valley FPD also has an auto aid agreement with the Yocha Dehe Fire Department.

Station 22 in Guinda is shown below.



Apparatus:

The table below lists the CVFCD apparatus.

| Use | Apparatus | Type | Age | Reserve? |
|------------------------|-----------|------------|-----|----------|
| Structure Fires | Engine 22 | 1 | 7 | No |
| | Engine 23 | 2 | 26 | No |
| Wildlands Fires | Brush 222 | 3 | 1 | No |
| | Brush 22 | 6 | 5 | No |
| | Brush 21 | 3 | 20 | Yes |
| Water Tenders | Water 222 | Tactical 1 | 0 | No |
| | Water-22 | Tactical 1 | 21 | No |
| | Water 21 | Tactical 1 | 30 | Yes |
| Command/Utility | None | | | |
| Other Apparatus | None | | | |

One of Capay Valley FPD’s apparatus exceeds the recommended 25-year life span. However, it is located at the volunteer station, is scheduled to be the next replacement vehicle, and the Chief reports it is completely reliable at this time.

All Capay Valley FPD apparatus receive annual service, regularly scheduled rig checks, and annual pump testing. Hoses and ladders are currently not tested regularly. Capay Valley FPD currently supplies all responding members with appropriate, up-to-date personal protective equipment (PPE). PPE is regularly inspected and follows a PPE replacement schedule. All self-contained breathing apparatus (SCBA) receive annual flow testing and all bottles are current in hydro date. Capay Valley FPD operates adequate communications equipment including radios with current programming that

meets the needs for incident response. All apparatus seats have a dedicated radio which are older but are serviceable and compatible with CAL FIRE.

ISO Rating

The Insurance Services Office, Inc. (ISO) evaluates fire departments for the purpose of establishing insurance premiums, called "ISO ratings". An ISO fire rating is a score from 1 to 10 that indicates how well-protected a community is by the fire department and will affect insurance rates. Capay Valley FPD's ISO rating is 8. In the ISO rating scale, a lower number is better: 1 is the best possible rating, while a 10 means the fire department did not meet ISO's minimum requirements. ISO generally assigns Class 10 to properties beyond 5 road miles of a fire station.

- b) *Are there any deficiencies in the **adequacy of services** to meet existing service needs for which the agency does not have a plan in place to resolve? Also note how services are provided (i.e., number of staff and/or contracts).*

No.

Staff, Coverage and Training

The Capay Valley FPD 1 paid staff, 0 reserves and 18 volunteers (19 firefighters total). Its part-time paid firefighter staffs Guinda Station 22 3 days a week during the daytime hours. The station is also staffed by a volunteer firefighter an additional 3-4 days a week during daytime hours to provide 6-7 day a week coverage for the Capay Valley. All volunteers respond on-call 24/7 when available.

All new staff members are provided a handbook that documents and ensures all members are getting base level minimum training to respond to incidents adequately and safely. Incident Command System (ICS) basic training is a requirement before responders can respond to incidents, and it is included in new staff member handbooks. Capay Valley FPD participates in the Yolo County Firefighters Association Training Program. Responding firefighters are fit tested on an annual basis.

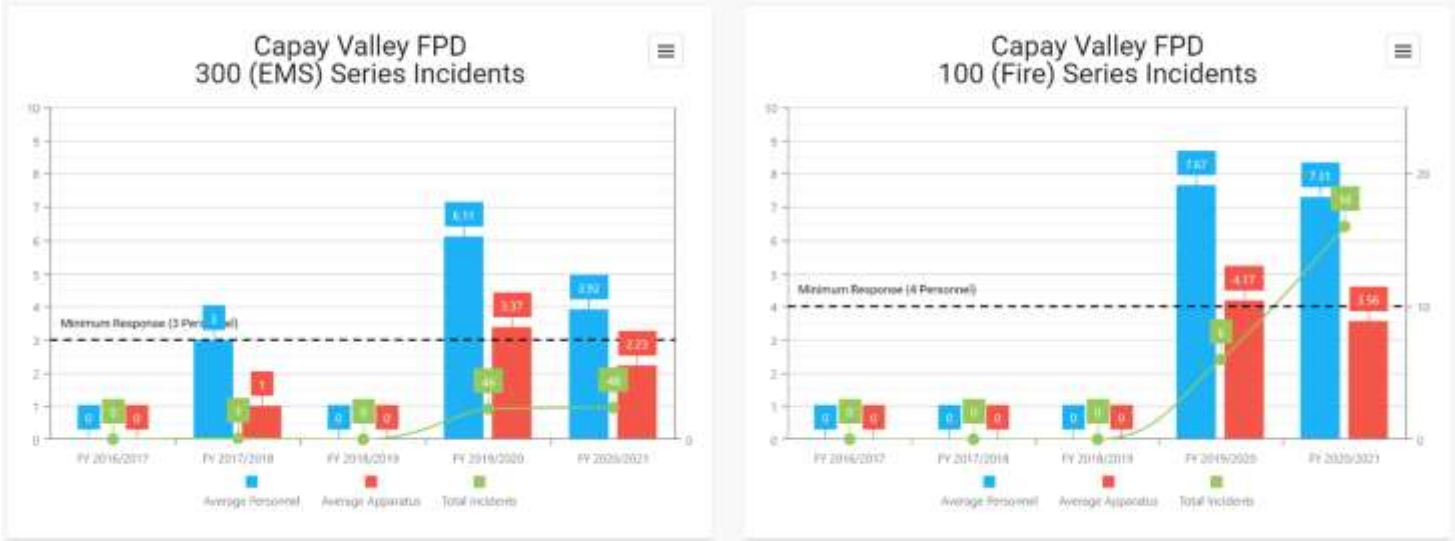
Capay Valley FPD has written operating policies and guidelines for its staff. Esparto and Capay Valley FPDs are working toward standardizing written operating policies and guidelines due to the two districts entering into a JOA.

Incident Reporting

Capay Valley FPD utilizes Emergency Reporting web-based program for reporting and documentation. National Fire Incident Reporting System (NFIRS) reports are exported monthly, although staff indicated the data is not complete until the last two fiscal years. Jennifer Bowman at Cal Stats (California Incident Data and Statistics Program) confirmed for the Chief that Capay Valley FPD's call information since 2006 was properly submitted and is in the State database, but it did not make it into NFIRS for some reason. The Chief will ask for it to be updated manually, but it will not be timely enough to be included in this report.

Capay Valley FPD has had 5 missed calls in the last three FYs and has exceeded the benchmarks determined by the Fire Chiefs MSR Subcommittee for average number of personnel and apparatus every year for the past 5 FYs.

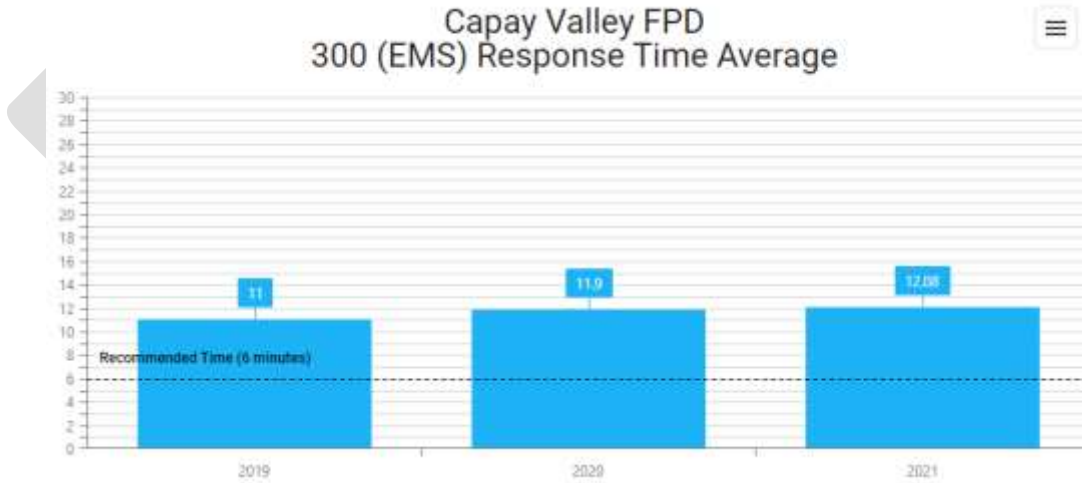
Below is Capay Valley FPD's NFIRS response data for the last five FYs:



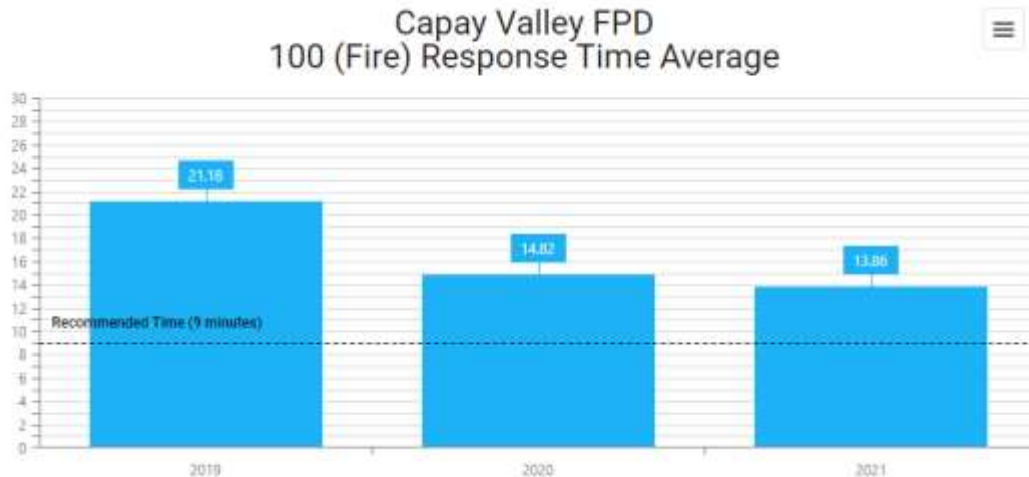
As noted above, the graphs above only show NFIRS data for the last two fiscal years. However for the years provided, Capay Valley FPD exceeds recommended personnel and apparatus response for both rescue/EMS and fire calls.

Response Time and Missed Calls

The MSR Subcommittee developed response time goals for rescue/emergency medical service (EMS) calls (6 minutes) and fire calls (9 minutes) for the first responding unit to arrive on scene. LAFCo recognizes it may be more difficult for volunteer and/or more rural FPDs to meet this goal, however as the MSR Subcommittee indicated, it represents a goal to focus on. FPD response time averages³ for the 2019 – 2021 calendar years are shown below.



³ Based on YECA data. For a list of the data outliers omitted, please reference the methodology discussion on page 1-10 of this MSR/SOI.



According to YECA data, Capay Valley FPD has 2 missed calls (or 2.1%) in FY 18/19, 2 missed calls (or 1.4%) in FY 19/20, and 1 missed call (or 0.7%) in FY 20/21.

Annual Performance Evaluation

NFPA requires FPDs to evaluate its level of service, deployment, and response time objectives on an annual basis. Although Capay Valley FPD may discuss levels of service and performance verbally at fire commission meetings, it would be a good practice to provide a written evaluation of the Capay Valley FPD’s level of service, deployment, and response time objectives on an annual basis.

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

No. Please see the response to 1a.

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

No. The Capay Valley FPD borders the Coastal Range and is included in the State Responsibility Area. Fires in 2020 significantly impacted the valley and Capay Valley FPD was the first line of defense before CalFire came on scene. There has been a significant wildfire every season in recent years except 2021. That said, Capay Valley FPD has included this high fire risk in its assessment of infrastructure and service needs. It has the apparatus and hose length to address significant wildfire risk. Most of the Capay Valley FPD ranges from medium to very high fire hazard severity zones.

Capay Valley FPD’s goal in its 5-year plan is to increase staffing and improve preparedness in the community. The Capay Valley Emergency Response Auxiliary (CVERA) operates under the Capay Valley FPD umbrella to help ready and educate the community regarding defensible space, go bags, etc. Capay Valley FPD is also working with the Yolo County Fire Safe Council.

- 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. Not applicable. Please see the response to 2a.

Capacity and Adequacy of Public Facilities and Services MSR Determination

Capay Valley FPD has some potential deficiencies in needed station improvements, especially to its Guinda Station 22 and has one apparatus that exceed the recommended 25 years of age limit (at 26 years of age but is still reliable). However, there are no deficiencies in agency service. NFIRS data provided indicate Capay Valley FPD exceeds recommended personnel and apparatus response for both rescue/EMS and

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fire calls. It has missed 5 calls in the last 3 fiscal years. Response time issues are somewhat understandable considering the geography of the District. Yocha Dehe Fire Department also responds to calls when it can via an auto aid agreement with Capay Valley FPD. There are no growth issues in the community that are anticipated to increase demand, although call volume is going up despite population remaining relatively constant or even going down. Climate adaptation is significantly affecting the Capay Valley FPD's service needs but it is planning, responding, and adapting to these changes. There are no deficiencies related to disadvantaged unincorporated communities.

Capacity and Adequacy of Public Facilities and Services MSR Recommendation(s)

- The Capay Valley FPD should consider scheduling station improvements, replacing any apparatus that exceed the recommended 25-year life span, and including these needs in a CIP.
- Capay Valley FPD should provide written evaluations of its level of service, deployment, and response time objectives on an annual basis at a Fire Commission meeting.

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? Is revenue growth not keeping pace with increased costs?</i> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) <i>Can the subject agency improve its use of generally accepted accounting principles including: summaries of all fund balances, summaries of revenues and expenditures, general status of reserves, and any un-funded obligations (i.e. pension/retiree benefits)? Does the agency need accounting and/or financial policies that guide the agency in how financial transactions are recorded and presented?</i> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) <i>Does the agency staff need to review financial data on a regular basis and are discrepancies identified, investigated and corrective action taken in a timely manner? The review may include reconciliations of various accounts, comparing budgets-to-actual, analyzing budget variances, comparing revenue and expense balances to the prior year, etc. If the agency uses Yolo County's financial system and the County Treasury, does the agency review monthly the transactions in the County system to transactions the agency submitted to the County for processing?</i> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| d) <i>Does the agency board need to receive regular financial reports (quarterly or mid-year at a minimum) that provide a clear and complete picture of the agency's assets and liabilities, fully disclosing both positive and negative financial information to the public and financial institutions?</i> | <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 revenue 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 checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

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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?*

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 debt management policy, if applicable?*

DRAFT

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**CAPAY VALLEY FIRE PROTECTION DISTRICT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES**

| | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|-------------------|-------------------|---------------------|---------------------|---------------------|
| Revenue | | | | | |
| Property taxes, in-lieu taxes and HOPTR | \$ 153,406 | \$ 157,224 | \$ 169,834 | \$ 179,036 | \$ 184,901 |
| Development impact fees | 16,905 | 10,017 | 11,837 | 15,134 | 33,265 |
| Interest | 4,493 | 11,135 | 28,683 | 34,373 | 1,369 |
| Intergovernmental grants | - | - | - | - | 14,000 |
| County tribal mitigation | 100,000 | 30,000 | 30,000 | 30,000 | 30,000 |
| Yocha Dehe Wintun Nation funding | 6,667 | - | - | 199,431 | 18,333 |
| CA Fire | 55,919 | - | 10,296 | 13,970 | 62,918 |
| Other revenue | - | 60,000 | - | - | 268 |
| Total Revenue | 337,390 | 268,376 | 250,650 | 471,944 | 345,054 |
| Expenditures | | | | | |
| Salaries and benefits | 50,945 | 29,662 | 34,014 | 36,835 | 70,982 |
| Services and supplies | 131,726 | 30,978 | 55,536 | 60,867 | 91,137 |
| Contributions to volunteers | 14,000 | 14,000 | 14,000 | 14,000 | 14,000 |
| Capital Assets: | | | | | |
| Buildings and improvements | - | - | - | - | 14,000 |
| Equipment | - | - | - | 392,241 | - |
| Total Expenditures | 196,671 | 74,640 | 103,550 | 503,943 | 190,119 |
| Net income (loss) | 140,719 | 193,736 | 147,100 | (31,999) | 154,935 |
| Beginning Fund Balance | 615,635 | 756,354 | 950,090 | 1,097,190 | 1,065,191 |
| Ending Fund Balances | \$ 756,354 | \$ 950,090 | \$ 1,097,190 | \$ 1,065,191 | \$ 1,220,126 |
| Fund Balances | | | | | |
| Restricted - Development impact fees | \$ 51,633 | \$ 59,668 | \$ 67,557 | \$ 83,197 | \$ 117,561 |
| Assigned - Capital asset replacement | 273,412 | 367,842 | 72,165 | 103,334 | 434,417 |
| Assigned - General reserve | 56,269 | 56,269 | 56,269 | 56,269 | 106,269 |
| Unassigned | 375,040 | 466,311 | 901,199 | 822,391 | 561,879 |
| Total Fund Balances | \$ 756,354 | \$ 950,090 | \$ 1,097,190 | \$ 1,065,191 | \$ 1,220,126 |
| Y-T-Y Change in total Fund Balances | | | | | |
| Amount Increase (Decrease) | \$ 140,719 | \$ 193,736 | \$ 147,100 | \$ (31,999) | \$ 154,935 |
| Percentage Increase (Decrease) | 22.86% | 25.61% | 15.48% | -2.92% | 14.55% |
| Property Tax Analysis | | | | | |
| a. Assessed Value (AV) | \$ 201,924,046 | \$ 210,112,318 | \$ 220,443,515 | \$ 233,335,507 | \$ 241,013,568 |
| b. Y-T-Y Percentage change in AV | 3.13% | 4.06% | 4.92% | 5.85% | 3.29% |
| c. Current secured, unsecured and HOP | \$ 149,767 | \$ 155,222 | \$ 167,828 | \$ 177,347 | \$ 183,346 |
| d. District share of general 1% levy (c/a) | 7.4170% | 7.3876% | 7.6132% | 7.6005% | 7.6073% |

Discussion:

- a) *Is the subject agency in an unstable financial position, i.e. does the 5-year trend analysis indicate any issues? Is revenue growth not keeping pace with increased costs?*

No. The Capay Valley FPD's core annual revenues (property taxes, and tribal mitigation) have remained stable and total fund balance has steadily increased over the past five years. The increased operating expenditures in 2017 and 2021 were due to participating in strike teams. Expenditures relating to strike teams are reimbursed by the State. Total fund balance has increased from \$615,635 to \$1,220,126 of that \$1,102,565 can be used by the District for any purpose. The remaining \$117,561 is unexpended development impact fees that can only be expended on equipment and facilities that the District requires to provide services to new development within its service area.

Revenue

Capay Valley FPD's revenue consists of property taxes, development impact fees, interest, tribal mitigation funds from the County, grants from Yocha Dehe Wintun Nation and other miscellaneous revenue. Like other rural fire districts, Capay Valley FPD relies primarily on a share of the general 1% property tax levy for the majority of its revenue. In fiscal year 2021, property taxes of \$184,901 comprised 54% of total revenues. The District's share of property taxes within its boundaries is approximately 7.6%, while the average for all FPDs in the county is 6.2%. The District has not yet levied a special assessment. Since 2006 the District has been receiving development impact fees (DIF) which can only be used by the District to acquire equipment and facilities to service new development. Since inception of adopting development impact fees, the Capay Valley FPD has collected \$242,478 through FY 2021. Over the past 5 years the District has collected \$87,158 of DIF. The District is one of the five FPDs that since 2004 receives tribal mitigation funding from the County annually. Over the past five years the District has received \$220,000 of \$220,000 it was entitled to receive. According to administrative procedures adopted by the County Administrator's Office, the funds are to be used to purchase "equipment and capital assets". In addition, over the past 5 years the Capay Valley FPD has received State OES funding of \$14,000, grants from the Yocha Dehe Wintun Nation totaling \$224,431, strike team reimbursements of \$143,103 and other revenue totaling \$60,268.

Expenditures

District expenditures, excluding capital expenditures increased little from 2017 through 2021, with the exception of increased operating expenditures in 2017 and 2021 due to participating in strike teams.

Capital expenditures

2020: \$392,241 Type 3 Freightliner Engine

Currently annual District revenues have exceeded expenditures by, on average, about \$120,000 per year.

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

No. The Capay Valley FPD maintains all funds in the County Treasury and uses the County's financial system to maintain its accounting records. Since the Capay Valley FPD is a dependent district, it is subject to the same accounting and financial policies of the County. Accounting and budget data including all cash receipts and disbursements are reviewed by County finance staff before they are posted.

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

Maybe. During fiscal year 2018 the County incorrectly recorded tribal fund revenue of \$8,185.80 that was intended for another district. This error was not detected by the District or County DFS. Also, in fiscal year 2021 the District's PSPS grant was not recognized as revenue (removed from unearned income) and a vehicle purchased in 2020 was not removed from CIP. If needed, the District should be trained in understanding how to read the County financial reports. These errors were detected during the MSR process.

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

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No. District staff creates and presents financial reports based on best available information since the County has often closed out periods late. When the County has closed a fiscal period and distributed final reports to CVFPD staff emails them to the Board.

- 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. Revenues are reliable, with the majority coming from property taxes and county apportioned revenues such as interest and tribal mitigation funds.

- f) *Is the organization's revenue 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)?*

Yes. Capay Valley FPD's revenue does not provide for sufficient funding for capital asset replacement. See 4g below.

- 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?*

Yes. The CVFPD has a total fund balance of \$1,220,126 as of June 30, 2021, which is \$493,874 below the recommended total fund balance of \$1,714,000. The recommended fund balance is the total of 3 components as follows:

- Capital asset replacement. Using estimated apparatus replacement costs, this estimate divides this cost by the recommended life of each apparatus and assumes a straight-line projection and contribution to a capital asset replacement sinking fund.
- General reserve. This is the total of 50% of current secured taxes and 50% of special assessments to maintain liquidity from July through December each year when no tax/assessment revenue is received.
- Unassigned fund balance. GFOA recommendation of 15% of operating expenditures to mitigate revenue shortages and/or unanticipated expenditures.

The June 30, 2021 actual and estimated recommended fund balances amounts are as follows:

| | 6/30/2021 Actual Balance | 6/30/2021 Recommended Balance | Excess/ (Shortage) |
|--------------------------------|---|--|-------------------------------|
| Apparatus Replacement | | | |
| Development impact fees | 434,417 | | |
| Other funds | 117,561 | | |
| | <u>551,978</u> | 1,610,000 | (1,058,022) |
| General reserve | 106,269 | 87,000 | 19,269 |
| Unassigned | 561,879 | 17,000 | 544,879 |
| Total Recommended Fund Balance | <u>\$ 1,220,126</u> | <u>\$ 1,714,000</u> | <u>\$ (493,874)</u> |

In addition, CVFPD does not have formal reserves policies. The District's 5-year plan does not quantify in dollar amounts the District's current or future needs.

- 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 debt management policy, if applicable?*

No. The District does not have any debt, nor does it provide any post-retirement benefits to employees.

Financial Ability MSR Determination

Due to conservative budget practices Capay Valley FPD is currently financial stable. The District's core annual revenues (property taxes, interest, and tribal mitigation) have remained stable and total fund balance has steadily increased over the past five years. Annual District revenues have exceeded expenditures by, on average, about \$120,000 per year. The CVFPD has a total fund balance of \$1,220,126 as of June 30, 2021, which is \$493,874 below the recommended total fund balance of \$1,714,000.

Recently, Capay Valley FPD staff have begun to review financial data on a regular basis for any discrepancies. In addition, the Capay Valley FPD fire commission should receive regular financial reports (quarterly or mid-year at a minimum). The District has facility and equipment needs that could negatively impact services if not taken care of in the near future. Although the District has a healthy fund balance as of June 30, 2021, the District has current facility and equipment needs that may be in excess of the current fund balance. The 5-year plan does not quantify in dollar amounts the District's current or future needs. The District does not have formal reserves policies. Additional funding may be required to fund these needs and maintain adequate reserve balances.

Financial Ability MSR Recommendation(s)

- Districts that collect an AB 1600 Development Impact Fees should, every five years, make the findings required by Government Code Section 66001(d) to help ensure that fees collected from new development are spent solely on the equipment, apparatus and facilities indicated in the latest study.
- The Capay Valley FPD Fire Commission should 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.
- The Capay Valley FPD should consider developing a formal capital improvement plan to make sure it can fund needed station improvements and apparatus replacement.
- Capay Valley FPD should consider adoption of a special assessment to increase revenues to provide funding for current staffing, facilities and equipment needs.

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

Maybe. Capay Valley FPD and Esparto FPD have entered into a JOA and are working towards standardizing written operating policies and guidelines. It also has mutual/auto aid agreements with surrounding fire departments.

The goal for coordinated/joint operations is to achieve a similar service standard, efficient use of resources, consistent training/testing/reporting, standardization, and improved coordination during incident response. Additional things that should be included as a required element of the JOA is:

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- Apparatus/equipment standardization,
- Shared reserve apparatus, and
- Cooperative purchasing

Shared Services MSR Determination

Capay Valley FPD and Esparto FPD have entered into a JOA and are working towards standardizing written operating policies and guidelines. It also has mutual/auto aid agreements with surrounding fire departments. The goal for coordinated/joint operations is to achieve a similar service standard, efficient use of resources, consistent training/testing/reporting, standardization, and improved coordination during incident response.

Shared Services MSR Determination Recommendation

- Additional items that should be included as a required element of the JOA are apparatus/equipment standardization, shared reserve apparatus, and cooperative purchasing. These efficiencies are currently either optional or not included in the JOA.

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 checked="" type="checkbox"/> | <input type="checkbox"/> |
| b) <i>Are there any issues with filling board vacancies and maintaining board members? Is there a lack of board member training regarding the organization's program requirements and financial management?</i> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) <i>Are there any issues with staff capacity and/or turnover? Is there a lack of staff member training regarding the organization's program requirements and financial management?</i> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d) <i>Does the agency need adequate policies (as applicable) relating to personnel/payroll, general and administrative, board member and meetings, and segregating financial and accounting duties among staff and/or board to minimize risk of error or misconduct (see suggested policies list)?</i> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| e) <i>Are any agency officials and designated staff <u>not</u> current in making their Statement of Economic Interests (Form 700) disclosures?</i> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| f) <i>Does the agency need to secure independent audits of financial reports that meet California State Controller requirements? Are the same auditors used for more than six years? Are audit results <u>not</u> reviewed in an open meeting?</i> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| g) <i>If the agency is not audited annually, does the agency need to have a qualified external person review agency finances each year (at a minimum), comparing budgets to actuals, comparing actuals to prior years, analyzing significant differences or changes, and determining if the reports appear reasonable?</i> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| h) <i>Does the organization need to improve its public transparency via a website (see https://www.yololaftco.org/yolo-local-government-website-transparency-scorecards)?</i> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Discussion:

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

Maybe. Capay Valley FPD has already entered into a JOA with Esparto FPD designed to improve operations and efficiencies. The recommendation below is to ensure Capay Valley FPD continues to maintain standing in good faith to achieve JOA goals.

- 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. The Capay Valley community is engaged in FPD activities and the fire commission is relatively stable. Four of the five fire commission seats are filled and LAFCo staff’s understanding is there an appointment in process. There does not appear to be an issue with maintaining fire commission members.

| Name / Title | Start | End |
|-------------------|------------|------------|
| Mark Burns / | 09/24/2019 | 07/01/2023 |
| Dawnmarie Eason / | 06/29/2021 | 03/01/2024 |
| Wyatt Cline / | 12/15/2020 | 01/01/2025 |
| Judith Redmond / | 09/28/2021 | 09/01/2025 |
| Vacant Seat #1 / | | 04/01/2026 |

- 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 longtime chief of the Capay Valley FPD retired in May 2022 and the commission has promoted existing personnel into the chief position. The Capay Valley FPD has a strong group of volunteers that live and work locally and are available to respond to calls. The chief reports that it’s difficult to find volunteers that do not commute outside the valley and it’s sometimes hard to find weekend staffing from April-October.

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

Yes. The District has some employee related policies and commission bylaws. Since Capay Valley FPD is a dependent district, it also must comply with the County’s accounting policies. However, it still needs more comprehensive policies. LAFCo can provide samples/templates of policies that every district “should have”.

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

No. Capay Valley FPD complies with Conflict-of-Interest Code requirements and is current with commission and staff Statement of Economic Interests (Form 700) disclosures.

- 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 dependent FPD’s (including Capay Valley FPD) are included in the annual audit of the County’s Annual Comprehensive Financial Report (ACFR). The Capay Valley FPD is reported as a discretely presented component unit. According to the State Controller’s Office, the County’s audited ACFR meets the general audit requirements and the ACFR satisfies the requirements of Government 26909⁴.

⁴ Per email dated July 6, 2021 from Sandeep Singh, Manager, Local Government Policy Section Office of State Controller, Local Government Programs and Services Division

- 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?*

Maybe. Capay Valley FPD is audited annually as part of the County's ACFR but it does not include individual review of the dependent FPDs, just the aggregate total balance of all dependent FPDs (so review is at a high level and not detailed). Yolo County should review agency finances with each dependent FPD each year, comparing budgets to actuals, comparing actuals to prior years, analyzing significant differences or changes, and determining if the reports appear reasonable.

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

Maybe. Websites are not legally required for dependent districts, but highly encouraged. The Capay Valley FPD received a 47% best practices transparency score in 2021. Please see the report posted on the LAFCo website for where improvements are needed.

Accountability, Structure and Efficiencies MSR Determination

There are no recommended changes to Capay Valley FPD's governmental structure or operations that will increase accountability and efficiency. Capay Valley FPD has already entered into a JOA with Esparto FPD designed to improve operations and efficiencies. The recommendation below is to ensure Capay Valley FPD continues to maintain standing in good faith to achieve JOA goals. Capay Valley FPD is effective in its current structure operating with a mostly volunteer model. There are no issues with maintaining fire commissioners and staff. Commissioners and key staff are trained regarding the organization's program requirements and financial management. Capay Valley FPD has some basic policies but should consider adopting additional policies regarding meeting attendance, conduct, responsibilities of officers, personnel, and accounting/financial procedures. CVPFD is current in making its Statement of Economic Interests (Form 700) disclosures and as a dependent FPD Yolo County performs its audits. Although it's not legally required, Capay Valley FPD should consider establishing a website presence for transparency purposes.

Accountability, Structure and Efficiencies MSR Recommendation(s)

- Capay Valley, Esparto and Madison FPDs should provide for a coordinated and more uniform level of service and operation through either: (1) a Joint Operation Agreement (JOA); or (2) agency merger/consolidation. The goal for coordinated/joint operations in each Area is to achieve a similar service standard, efficient use of resources, consistent training/testing/reporting, standardization, and improved coordination during incident response. If any of these agencies enter into a JOA and fail to make reasonable efforts in good faith to promote these goals, a LAFCo reorganization to combine FPDs should be initiated if its determined consolidation would promote better service to the public and be a more efficient and effective utilization of resources.
- Capay Valley FPD has some basic employee related policies and bylaws, however, it needs more comprehensive policies. LAFCo can provide samples/templates of policies that every district "should have".
- Yolo County should review agency finances with each dependent FPD each year to review agency finances, comparing budgets to actuals, comparing actuals to prior years, analyzing significant differences or changes, and determining if the reports appear reasonable.
- Dependent special districts are not legally required to maintain a website. The Capay Valley FPD has a website but received a 47% transparency score for best practices in 2021. Please see the report at <https://www.yololafo.org/yolo-local-government-website-transparency-scorecards> for where improvements are needed.

7. BROADBAND ACCESS

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

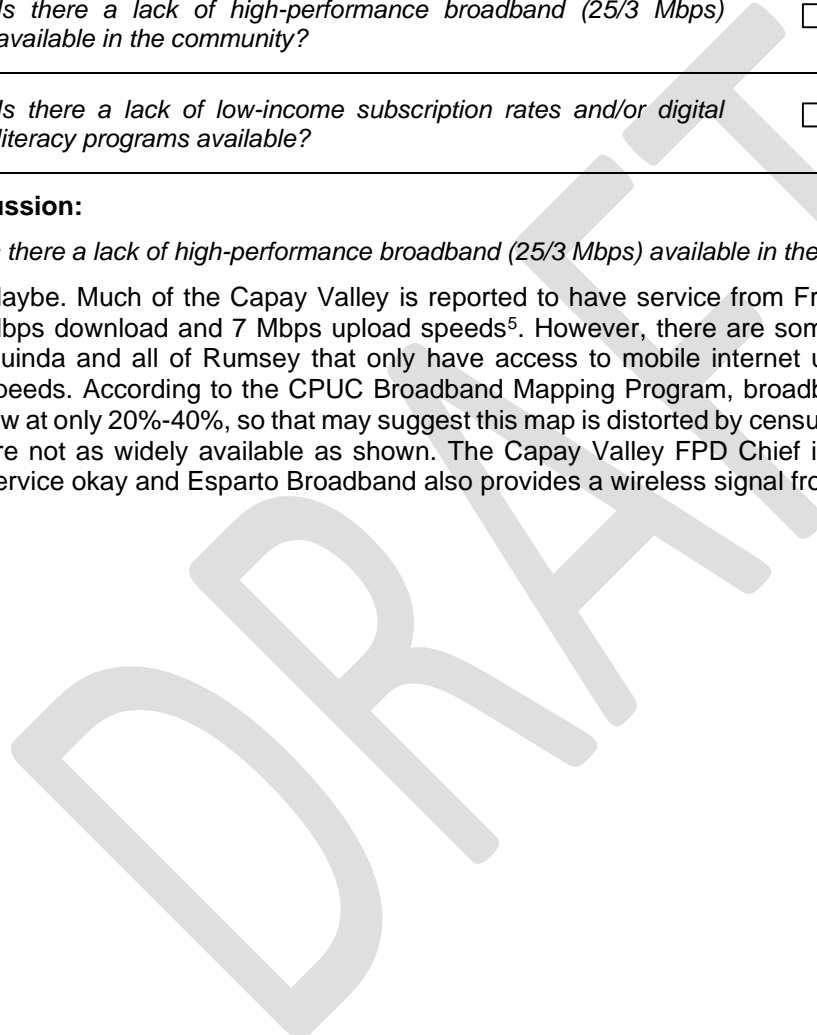
Per Yolo LAFCo Project Policy 6.2 “it is the intent of Yolo LAFCo to comprehensively review broadband access in MSRs of local agencies that either serve communities and/or provide emergency services where broadband connection is critical (i.e. cities, CSDs, CSAs, FPDs and RDs).”

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

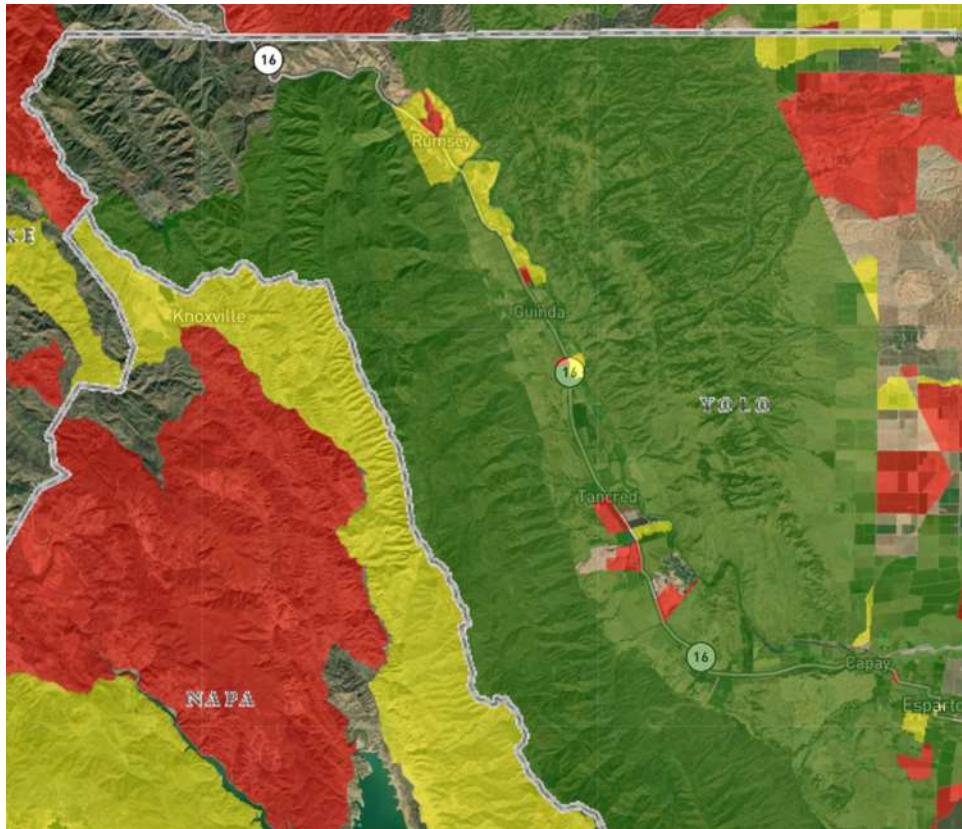
Discussion:

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

Maybe. Much of the Capay Valley is reported to have service from Frontier Communications at 115 Mbps download and 7 Mbps upload speeds⁵. However, there are some pockets in valley in Brooks, Guinda and all of Rumsey that only have access to mobile internet up to 9.7/2.8 download/upload speeds. According to the CPUC Broadband Mapping Program, broadband adoption at 25/3 Mbps is low at only 20%-40%, so that may suggest this map is distorted by census tracts and broadband speeds are not as widely available as shown. The Capay Valley FPD Chief indicates residents can call for service okay and Esparto Broadband also provides a wireless signal from Bald Mountain.



⁵ CPUC Broadband Mapping Program data as of December 31, 2019. Speeds provided are maximum advertised speeds and not necessarily typical speeds experienced by the subscriber.



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

No. Frontier Communications offers a low-income subscription rate of \$9.25 per month. Yolo County Library staff provide one-on-one computer assistance, with even with basic functions like setting up an email account⁶ and generally help troubleshoot technology challenges. Information and instruction about basic computer/tablet/smartphone use is offered in ESL conversation clubs, classes and in Yolo Reads Adult and Family Literacy program. The library also provides hotspots and Chromebooks for those that need these items. The library does not have a formalized technology curriculum, although there have been discussions regarding adding it as a service.

Broadband Access MSR Determination

According to the CPUC Broadband Mapping Program, much of the Capay Valley is reported to have service from Frontier Communications at 115 Mbps download and 7 Mbps upload speeds. Frontier Communications offers a low-income subscription rate of \$9.25 per month. However, there are some pockets in valley in Brooks, Guinda and all of Rumsey that only have access to mobile internet up to 9.7/2.8 download/upload speeds. And more significantly, broadband adoption at 25/3 Mbps is low at only 20%-40%, suggesting the CPUC data is either distorted by census tracts or inaccurate and broadband speeds are not as widely available as shown. The Capay Valley FPD Chief indicates residents can call for service sufficiently and Esparto Broadband also provides a wireless signal from Bald Mountain.

Broadband Access MSR Determination Recommendation

- Yolo County should consider the lack of broadband service in the Capay Valley area as it addresses rural access issues.

⁶ Email from Mark Fink, Yolo County Librarian on May 26, 2021

8. STATUS OF PREVIOUS MSR RECOMMENDATIONS

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

Discussion:

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

Yes.

2016 MSR Recommendations Specific to the Capay Valley FPD and Status

1. All of the districts (except Clarksburg, Dunnigan, West Plainfield, and Yolo FPDs with existing fiscal policies and/or capital renewal/replacement plans) should develop and adopt written fiscal policies addressing budgeting, procurement, reserve funds, fiscal audits, and capital renewal/replacement planning in conformance with recognized industry best fiscal practices.

Status: Capay Valley FPD policies have not been adopted. Please see the response to item 6d.

Status of Previous Recommendations MSR Determination

The 2016 LAFCo MSR included only one recommendation specific to Capay Valley FPD. It pointed out the need for the District to adopt fiscal policies. This has not yet occurred but should be resolved via the JOA's efforts to adopt consistent and comprehensive policies. A recommendation to adopt polices has been reiterated in the Financial Ability section.

SPHERE OF INFLUENCE STUDY

On the basis of the Municipal Service Review:

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

DRAFT