

Municipal Service Review (MSR) and Sphere of Influence (SOI) Update

for the

County Service Areas (CSAs) LAFCo No. 21-04

Dunnigan CSA
El Macero CSA
North Davis Meadows CSA
Wild Wings CSA
Willowbank CSA

Yolo Local Agency Formation Commission



Public Review Draft November 9, 2022

SUBJECT AGENCIES:

This MSR/SOI includes the following CSAs:

- Dunnigan CSA
- El Macero CSA
- North Davis Meadows CSA
- Wild Wings CSA
- Willowbank CSA

Garcia Bend CSA has been bundled with like services in the Fire Protection Agencies MSR/SOI adopted July 2022. Snowball CSA has been bundled with like flood protection services in the Reclamation Districts and Local Maintaining Agencies MSR/SOI adopted February 2018.

County Service Areas (CSAs) are governed by the Yolo County Board of Supervisors and managed by the Community Services Department. Contact information provided below will reach staff assigned to manage CSAs.

Administrative Support Team
292 West Beamer St.
Woodland, CA 95695

Phone: (530) 666-8431
Fax: (530) 668-4029
E-mail: YoloCSA@yolocounty.org

Staff:

Kimberly Villa, CSA Manager
Kimberly Hood, CSA Counsel

CONDUCTED BY:

Yolo Local Agency Formation Commission
625 Court Street, Suite 107
Woodland, CA 95695
(530) 666-8048
www.yololafco.org

Commissioners:

Olin Woods, Chair, Public Member
Norma Alcala, Vice Chair, City Member
Wade Cowan, City Member
Don Saylor, County Member
Gary Sandy, County Member

Commissioner Alternates:

Richard DeLiberty, Public Member
Angel Barajas, County Member
Gloria Partida, City Member

Staff:

Christine Crawford, Executive Officer
Terri Tuck, Administrative Specialist/Commission Clerk
Mark Krummenacker, Financial Analyst (until July 15, 2022)
Eric May, Commission Counsel

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MSR/SOI Background and Context

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, encouraging the efficient provision of 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 “[o]ne 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.”

Purpose of a Municipal Service Review (MSR)

The CKH Act gives LAFCo broad discretion in deciding how to conduct MSRs. The commission shall decide in the area designated for service review the county, the region, the subregion, or any other geographic area as is appropriate for an analysis of the service or services to be reviewed. The commission may assess various alternatives for improving efficiency and affordability of infrastructure and service delivery within and contiguous to the sphere of influence, including, but not limited to, the consolidation of governmental agencies.

The purpose of a MSR in general is to provide a comprehensive inventory and analysis of the services provided by local municipalities, service areas, and special districts and evaluate the structure and operation of the local municipalities, service areas, and special districts and suggest ways to improve efficiency and affordability of infrastructure and service delivery. A written statement of the study’s determinations must be made in the following areas:

1. Growth and population projections for the affected area.
2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.
3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.
4. Financial ability of agencies to provide services.
5. Status of, and opportunities for, shared facilities.
6. Accountability for community service needs, including governmental structure and operational efficiencies.
7. Any other matter related to effective or efficient service delivery, as required by commission policy.
 - a. Local policy requires the MSR to address broadband availability; and
 - b. The status of past MSR recommendations.

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

Purpose of a Sphere of Influence (SOI)

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. Regular periodic updates of SOIs should be conducted every five years (§56425(g)) with the benefit of better information and data through MSRs (§56430(a)).

Pursuant to Yolo County LAFCo policy, an SOI includes an area adjacent to a jurisdiction where development might be reasonably expected to occur in the next 10-20 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.

COUNTY SERVICE AREAS (CSA)

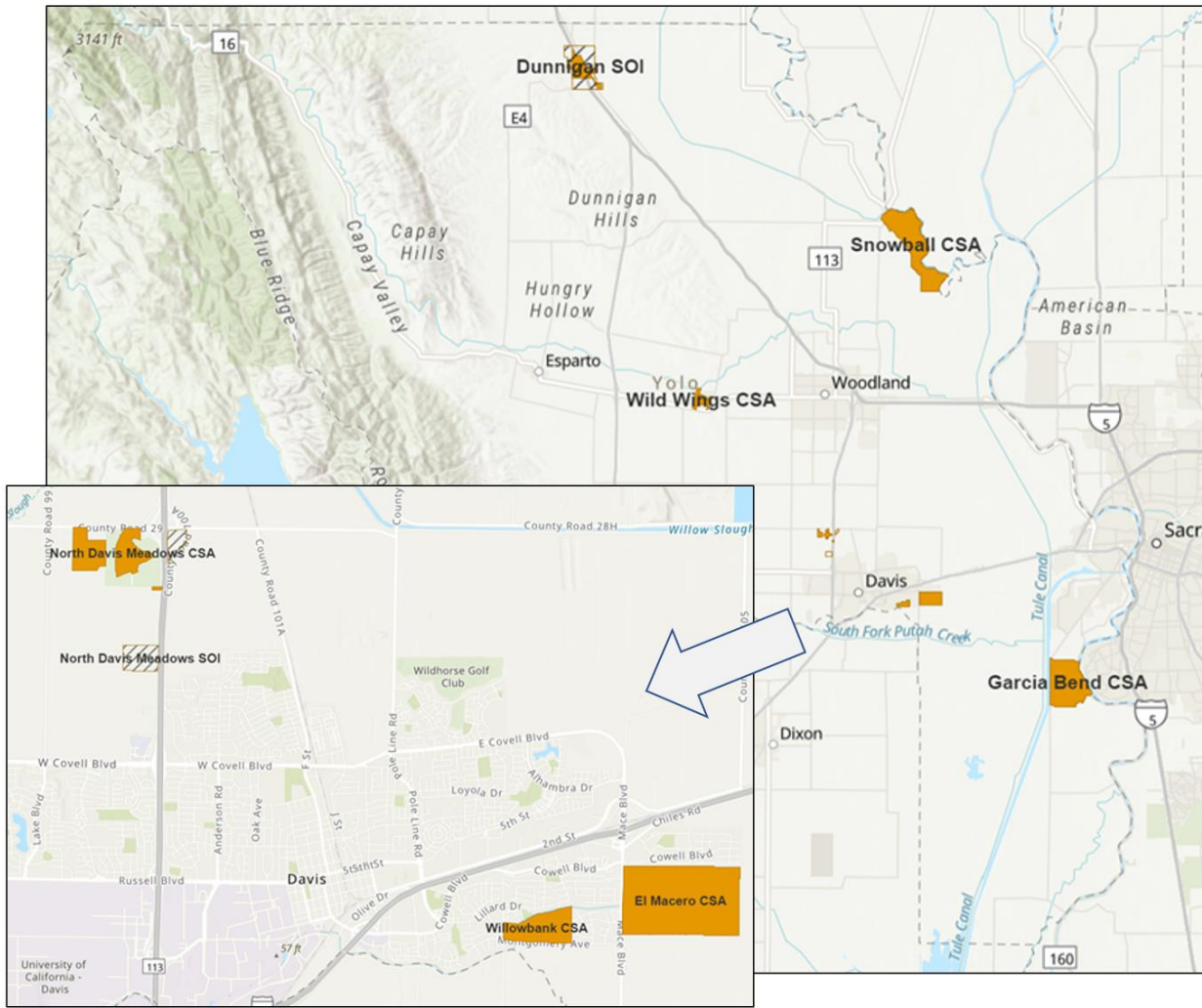
Yolo County has utilized County Service Areas (CSAs) for over 50 years to provide services to the residents of some unincorporated areas. The basic premise of a CSA is for communities or a designated area to self-fund a service (or multiple services) by charging a direct assessment or property-related fee for services such as water and/or sewer service, road and/or drainage maintenance, street lighting, fire protection, flood protection, and/or landscaping. As the name implies, a CSA is administered by County staff under the direction of the County Board of Supervisors (BOS).

A CSA may be established to provide many types of extended municipal services within an unincorporated area which the County is authorized by law to perform, and which the County does not also perform to the same extent on a countywide basis. State Law Governing County Service Areas (Sections 25210.1-25338, Government Code).

Existing CSAs and Services Provided

The following map includes all the seven (7) CSAs in Yolo County, five (5) of which are included in this MSR/SOI. Because the purpose of an MSR is to review all the agencies that provide certain service or services within a given area and to assess various alternatives for improving efficiency and affordability of infrastructure and service delivery, two of the CSAs were combined with the review of other districts that provide like services. Garcia Bend CSA was included in the Fire Protection Agencies MSR/SOI and Snowball CSA was included in the Reclamation Districts and Local Maintaining Agencies MSR/SOI.

County Service Areas Location



CSAs, Authorized Services, and Applicable MSR/SOI

CSA	Authorized Services	MSR/SOI
Dunnigan	Street lighting	Included
El Macero	Water Sewer Street (maintenance & ROW landscaping) Drainage	Included
Garcia Bend	Fire protection	Fire Protection Agencies (LAFCo 21-05)
North Davis Meadows	Water Sewer Landscaping Street lighting Drainage	Included

CSA	Authorized Services	MSR/SOI
Snowball	Flood control	Reclamation Districts and Local Maintaining Agencies February 22, 2018
Wild Wings	Water Wastewater Recreation (golf course)	Included
Willowbank	Water (service inactive)	Included

CSA Common Fees Comparison

The table below compares the single-family residential fees for common services across those CSAs that provide multiple services. El Macero CSA also has a condominium rate charged to 37 parcels but it's not included here because they are unique to El Macero (additional detail can be found in each CSAs MSR). The costs for infrastructure and services vary widely and are based on the necessities of development and geography. The water and sewer rates include an amount for system maintenance and replacement as needed.

FY 2022/23 CSA Single Family Residential Rates for Common Services¹

	El Macero (403)*	N. Davis Meadows (95)	Wild Wings (339)
Water	\$47 (base fee) + actual use on annual property tax bill	\$2,071 (not metered) +\$4,157 (City connection project loan repayment)	\$1,073 (up to 250k gal/yr) +\$241 for arsenic treatment
Sewer	\$568	\$2,044	\$3,011
Landscaping/ Recreation	incl. in \$180 street fee	\$486	\$1,768 (golf course)

* Number of single-family residential parcels charged for each CSA to give a sense of economies of scale

CSA fee structures have evolved independently and may benefit from a more consistent fee structure. Charging monthly would even be better to give more immediate resident feedback regarding actual water usage. El Macero CSA pays City water rates based on usage, but it's charged through the CSA on an annual basis (direct billing from City is recommended in its MSR). North Davis Meadows is in the process of connecting to City water and will pay City of Davis water rates monthly based on usage. Wild Wings CSA water is provided by its own wells and the CSA Manager is planning to update the rate structure to be a more tiered rate. Willowbank CSA is not shown because residents are already direct billed and pay City of Davis water rates based on usage.

El Macero CSA has a much lower sewer charge than the North Davis Meadows and Wild Wings CSAs, however, El Macero negotiated a special rate per a 2015 amendment to Agreement No. 75-97 settling a City-County billing dispute. North Davis Meadows CSA sewer is processed by the City of Davis, but sewer has not been included thus far in agreements for direct billing (only water). Some CSA fee for sewer would need to continue because North Davis Meadows utilizes individual grinder pumps at each individual connection to ensure effluent blockages do not occur flowing the approximately 1.5 miles south to Davis for treatment. Wild Wings CSA will continue to utilize its own wastewater treatment plant which needs significant upgrades.

Comparing landscape fees is not "apples to apples" as the area and level of maintenance varies widely. However, one thing that stands out is how much lower the El Macero CSA street fee is (which includes

¹ County of Yolo Resolution No. 22-61 regarding charges on the 2022-23 tax roll for CSAs

paving, sweeping, and right of way landscaping/lighting) for its much larger community as compared to the North Davis Meadows CSA landscape fee. El Macero CSA’s street fee hasn’t been updated since 1994 (a recent attempt failed by a narrow margin) and is unable to maintain intended services at this outdated funding level.

CSA Advisory Committees

Government Code Section 25212.4 states the BOS may appoint one or more advisory committees to give advice regarding a county service area’s services and facilities. The board may provide for the appointment, qualifications, terms, procedures, meetings, and ethical conduct of the members of an advisory committee. Any comments by an advisory committee are wholly advisory and it is not the responsibility or within the authority of an advisory committee to make decisions, manage, or direct the delivery of services and facilities.

The BOS has formed advisory committees for the following CSAs:

CSA	Status	No. of Members
Dunnigan	Not active	5 members
El Macero	Active	5 members
Garcia Bend	None	NA
North Davis Meadows	Active	5 members
Snowball	None	NA
Wild Wings	Active	5 members ²
Willowbank	Active	7 members

Overall CSA Governance/Management LAFCo Observations

Of the 7 total CSAs in Yolo County, 4 provide only one service (two of which are not included in this MSR, bundled instead with like services as noted previously). Dunnigan’s street lighting services currently organized as a CSA is probably an excessive form of government for what could be more simply managed with a lighting district, however additional services for Dunnigan have been considered in the past and are currently being considered again through the Yolo County Dunnigan Community Plan update in process. Therefore, any decisions regarding changing the governance of this CSA should wait for the outcome of this infrastructure feasibility study and municipal service analysis. The Willowbank CSA (water service) hasn’t provided water service itself since 1999 and LAFCo recommends it should be dissolved altogether.

For the remaining 3 CSAs that provide multiple services (El Macero, North Davis Meadows and Wild Wings), El Macero and North Davis Meadows CSAs are either already connected, or in the process of connecting, to City of Davis water and/or sewer services and sharing services with other agencies to the greatest extent feasible. Other than implementing direct City billing, no additional government efficiencies are currently seen.

Wild Wings CSA must operate more standalone due to its location and currently requires significant attention. Its wastewater treatment plant (WWTP) experienced a catastrophic failure in 2018 and the recent drought beginning in 2019 has put water reliability at significant risk. The Wild Wings CSA is already considering options for needed improvements to its WWTP, working on drilling a new well, and studying the long-term feasibility of connecting to a municipal water system at either Esparto CSD, Madison CSD, or the City of Woodland. Yolo County is actively working on feasibility studies and infrastructure upgrades

² Temporarily has 6 members per a recent settlement agreement and will drop back down to 5 members with attrition. See Wild Wings CSA MSR for more information.

but needs to provide better support to the CSA Manager to focus on resolving these significant long-term infrastructure sustainability issues.

Overarching CSA Recommendations for Yolo County

During this MSR/SOI process, several issues came up that span many or all the CSAs and/or the following overarching recommendations are recommended:

CSA Sustainability

- Continue to focus Yolo County staff time and resources on resolving the significant long-term municipal water and sewer service sustainability issues for the Wild Wings CSA as noted in the MSR.

CSA Governance

- Initiate a LAFCo application to dissolve the Willowbank CSA and the BOS should form a Willowbank Community Advisory Committee in its place, with the BOS District 4 Office as liaison. Consider a 5-member committee instead of the current 7 members, which is a legacy of the original CSA representation reflecting consolidation of three neighborhood water systems.
- For the Davis-area CSAs (El Macero and North Davis Meadows), continue to pursue shared services with the City of Davis as much as possible including exploring options with the City of Davis for direct billing of City water and sewer services reflective of agreed-upon rate structures and ensuring that any direct billing methodologies are efficient, legally defensible, and administration is financially viable.
- Allow the Dunnigan Community Plan Update process currently underway by the Department of Community Services to run its course considering the feasibility of adding water and/or sewer municipal services. If additional services ultimately do not work out such that the CSA would continue to operate only as a pass-through for PG&E street lighting charges, consider the cost/benefit of dissolving the Dunnigan CSA and forming a lighting district in its place.
- Formally disband the Dunnigan CSA Advisory Committee. It is not currently active and is not needed for the CSA's sole existing service as a PG&E pass through district. The advisory committee can be reformed if additional services are added to the CSA in the future.

CSA Staff Support

- Direct Human Resources to perform a desk audit of what's referred to as the "CSA Manager" position and create a class specification and salary range for it. There has been high turnover in this position since the last MSR and the "CSA Manager" is required to exercise much greater responsibility and decision-making than the current Community Services Analyst classification/salary being used for this role. In addition, this position would benefit from more financial and administrative staff support so it can perform at a higher level and more goals can be accomplished overall.

ORGANIZATION OF THIS 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. There is one section per district. 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 Yolo LAFCo's local policies and procedures.

AGENCY PROFILE

Dunnigan County Service Area (CSA) #11 was formed on January 8, 1991, as a single function special district responsible for managing a contract with PG&E for street lighting services in the town of Dunnigan. At the time of its formation, the CSA was also given latent power to provide all services allowable for CSAs by California law, which it may activate by seeking approval of the LAFCo Commission.

The LAFCo formation documents¹ indicate the Dunnigan CSA was formed because there was an existing street lighting system the residents wished to improve and maintain, and there was a need for a governmental entity to provide a structure for the service. County Environmental Health was also concerned about inadequate sewage disposal in the community and it was thought a CSA could help resolve the issue. In addition, there was community development pressure and the County’s Growth Management Plan designated the Dunnigan area for possible growth. For all these reasons, a CSA was formed.

Dunnigan CSA is governed by the County Board of Supervisors (BOS) and is treated as a special district under the LAFCo Law. The Board of Supervisors has appointed a five-member advisory committee, but it has been inactive for several years. As directed by California Government Code Section 25212.4, an advisory committee’s role is to provide advice to the Board regarding the services and facilities of the CSA, but it is not within the authority of the advisory committee to make decisions, manage, or direct the delivery of services and facilities.

Dunnigan CSA Boundary and Sphere of Influence Map



Adopted by LAFCo on June 26, 2014

¹ Executive Officer’s Report Formation of the Dunnigan CSA LAFCo Proceeding No. 839, October 17, 1990.

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The CSA covers over 600 acres of land in northern Yolo County, and its service area comprises most of the inhabited and commercial areas in the town of Dunnigan. It is bounded by County Road 6 on the south, County Road 2 on the north, Southern Pacific railroad tracks to the east, and County Road 88 to the west. The CSAs sphere of influence was coterminous with its service boundaries, and both remained the same since the time of its formation until June 26, 2014 when LAFCo approved a sphere of influence (see map above) due to advisory committee interest to potentially expand the CSA’s lighting network.

The CSA contracts with Pacific Gas and Electric (PG&E) to supply electricity for its public lighting system, as well as to install, maintain, and service the light poles across much of the developed area in the community of Dunnigan. Consequently, the CSA does not own or operate any equipment, although it is financially responsible for all one-time and ongoing costs associated with the street lighting network. The CSA largely functions as a pass-through agency, collecting funds from the Dunnigan residents to pay the PG&E bills for the public street lighting service. The CSA is funded by collecting fees for this service which are charged on an annual basis and added to the property tax bill. The charge for street lighting services in the Dunnigan CSA for each parcel is \$19 per year.

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

MUNICIPAL SERVICE REVIEW

POTENTIALLY SIGNIFICANT MSR DETERMINATIONS

The MSR determinations checked below are potentially significant, as indicated by 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
- Broadband Access
- 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.

YOLO LAFCo MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

1. Growth and Population

Growth and population projections for the affected area.

	Significant Issue	Potentially Significant	No Issue
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 demand suggest a change in the agency's services?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

There are no new large growth areas designated or anticipated by the County that would impact street lighting service levels. The existing Dunnigan CSA boundaries include the historic town and all the land zoned for residential and commercial uses along I-5 between County Road (CR) 2 and CR 5². There is some land zoned Highway Service Commercial between CR 5 and CR 6 that is not in the current CSA boundaries, but it is within the CSA's SOI and could be annexed if desired.

Yolo County is embarking on a process to update its Dunnigan Community Plan which is not anticipated to designate any new large growth areas but may suggest needed municipal services to the community.

Growth and Population MSR Determination:

Significant population growth is not anticipated for the Dunnigan community and the CSA has an SOI that was approved in 2014 that already allows for expansion if needed. Yolo County is embarking on a process to update its Dunnigan Community Plan which is not anticipated to designate any new growth areas but may suggest municipal water and sewer services. Any changes could be incorporated into the next MSR/SOI Update cycle in fiscal year 2027/28 or sooner if needed.

Recommendation(s):

None.

2. Disadvantaged Unincorporated Communities

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

	Significant Issue	Potentially Significant	No Issue
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"/>

² Yolo County Zoning Open Data GIS Layer, updated: February 3, 2021

Disadvantaged Unincorporated Communities MSR Determination:

The portion of the CSA east of I-5 is classified as a disadvantaged unincorporated community³. However, the CSA does not provide sewer, municipal and industrial water, or structural fire protection services. Disadvantaged communities are not being denied access to street light services.

Recommendation(s):

None.

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.

	Significant Issue	Potentially Significant	No Issue
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 type="checkbox"/>	<input checked="" type="checkbox"/>
b) <i>Are there any issues regarding the agency's capacity and ability to meet the service demand of reasonably foreseeable <u>future</u> needs?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) <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"/>
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"/>

Discussion:

Dunnigan CSA was formed in 1991 to provide street light services. The CSA operates as a pass-through district to pay PG&E service bills. Pacific Gas and Electric (PG&E) to supplies electricity, installs, maintains, and services the light poles. The CSA does not own or operate any equipment. The light poles utilize LED lighting technology.

Existing CSA Services Authorized/Provided	Service Provider
Street Lighting	PG&E

In a Draft Dunnigan CSA Lighting Plan dated March 2014, the advisory committee identified the following six priorities for additional lighting due to public safety concerns:

1. Road 5 at Road 88A (road is narrow and dangerous)
2. Road 5 at 88B (road is narrow and dangerous)
3. Road 4 at Highway 99W (dangerous corner with poor visibility)
4. Road 89, south of its split from Highway 99 (fast moving traffic in both directions)

³ CALAFCO Statewide DUCs Refined GIS Layer, RSG, Inc. December 10, 2021

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- 5. North of the post office parking lot, on the west side of Highway 99
- 6. West of I-5 on the south side of Road 4, between Road 88A and Road 88B

LAFCo amended the CSA’s sphere of influence in 2014 to accommodate future annexation of these areas should additional lighting be funded and installed. However, the 2014 Lighting Plan has not been implemented.

The Yolo County Planning Division is currently working on an update to its Dunnigan Community Plan and have hired consultants to conduct an infrastructure feasibility study for providing water and wastewater services⁴. They are studying the feasibility of obtaining water from the Tehama canal and/or Cal-American Water to extend service from CR 8. The Infrastructure Feasibility Study (IFS) conducted by EPS and Cunningham Engineering and the report is expected by the end of 2022. The Community Plan update began in July and is expected to wrap up in the Spring of 2023. The updated Community Plan may have significant implications for the Dunnigan CSA and if feasible, may require the CSA to add municipal services and potentially modify boundaries. If water and/or sewer services prove feasible, it will take additional years to develop a financing and implementation plan. Any changes could be incorporated into the next MSR/SOI Update cycle in fiscal year 2027/28 or sooner if needed.

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

Capacity and Adequacy MSR Determination:

PG&E provides the CSA’s street lighting services and has capacity to provide adequate services. The CSA currently operates only as a financing mechanism to collect funds to pay the PG&E bills. However, the Yolo County Planning Division is currently working on an update to its Dunnigan Community Plan and have hired consultants to conduct an infrastructure feasibility study for providing water and wastewater services. The updated Community Plan may have significant implications for the Dunnigan CSA and, if feasible, may require LAFCo to add CSA latent powers and modify boundaries. Any changes could be incorporated into the next MSR/SOI Update cycle in fiscal year 2027/28 or sooner if needed.

Recommendation(s):

None.

4. Financial Ability			
Financial ability of agencies to provide services.			
	Significant Issue	Potentially Significant	No Issue
a) <i>Is the subject agency in a stable financial position, i.e. does the 5-year trend analysis indicate any issues?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) <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"/>
c) <i>Is the organization’s revenue sufficient 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</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

⁴ Email from JD Trebec, Yolo County Senior Planner dated August 24, 2022

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- | | | | |
|--|--------------------------|--------------------------|-------------------------------------|
| d) <i>Does the subject agency have a capital improvement plan (CIP)? 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 to fund it?</i> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| e) <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"/> |
| f) <i>Is the agency insured or in a risk management pool to manage potential liabilities?</i> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| g) <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 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"/> |
| h) <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"/> |

Discussion:

The 2022/23 property-related fees, assessments and/or special taxes for the Dunnigan CSA⁵ is as shown the table below:

Dunnigan CSA	Annual Charge Per Parcel	No. of Parcels Charged
Street Lighting	\$19.00	343

The Dunnigan CSA does not own or operate any equipment, although it is financially responsible for all one-time and ongoing costs associated with the street lighting network. The CSA functions as a pass-through agency, collecting funds from the Dunnigan residents to pay the PG&E bills for the public street lighting service. The CSA is funded by collecting fees for this service which are charged on an annual basis and added to the property tax bill. The charge for street lighting services in the Dunnigan CSA for each parcel is \$19 per year.

The following table shows the 5-year financial trend for the Dunnigan CSA⁶:

⁵ County of Yolo Resolution No. 22-61 regarding charges on the 2022-23 tax roll for CSAs

⁶ Yolo County Financial Data INFOR reports

YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

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

	2018	2019	2020	2021	2022
Revenue					
Interest	\$ 618	\$ 1,318	\$ 1,476	\$ 18	\$ (1,262)
Special assessment	6,536	6,536	6,517	6,517	6,517
Total Revenue	7,154	7,854	7,993	6,535	5,255
Expenditures					
County administration	481	1,268	352	383	1,244
Services and supplies	799	748	616	343	343
Utilities	5,497	5,691	5,584	4,164	4,322
Total Expenditures	6,777	7,707	6,552	4,890	5,909
Net income (loss)	377	147	1,441	1,645	(654)
Beginning Fund Balance	45,619	45,996	46,143	47,584	49,229
Ending Fund Balances	\$ 45,996	\$ 46,143	\$ 47,584	\$ 49,229	\$ 48,575
Fund Balances					
Restricted - Unexpended grants	\$ 20,538	\$ 20,608	\$ 21,042	\$ 21,262	\$ -
Assigned - General reserve	192	-			
Unassigned	25,266	25,535	26,542	27,967	48,575
Total Fund Balances	\$ 45,996	\$ 46,143	\$ 47,584	\$ 49,229	\$ 48,575
Y-T-Y Change in total Fund Balances					
Amount Increase (Decrease)	\$ 377	\$ 147	\$ 1,441	\$ 1,645	\$ (654)
Percentage Increase (Decrease)	0.83%	0.32%	3.12%	3.46%	-1.33%

Financial Ability MSR Determination:

The CSA functions as a pass-through agency, collecting funds from the Dunnigan residents to pay the PG&E bills for the public street lighting service. Utilities costs went down in 2021 likely due to PG&E switching the streetlights to LED which uses less electricity. The CSA is collecting sufficient revenue to pay for PG&E services, but County administration and a negative interest adjustment resulted in a slight net loss in 2022. However, the CSA has a relatively large fund balance to absorb cost overages.

Recommendation(s):

None.

YOLO LAFCo MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

5. Shared Services and Facilities

Status of, and opportunities for, shared facilities.

	Significant Issue	Potentially Significant	No Issue
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:

None.

Shared Services MSR Determination:

PG&E is already providing CSA services. No additional opportunities to either share services or facilities exist.

Recommendation(s):

None.

6. Accountability, Structure, and Efficiencies

Accountability for community service needs, including governmental structure and operational efficiencies.

	Significant Issue	Potentially Significant	No Issue
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>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"/>
c) <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"/>
d) <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 checked="" type="checkbox"/>	<input type="checkbox"/>
e) <i>Does the organization need to improve its public transparency via a website (see https://www.yololafco.org/yolo-local-government-website-transparency-scorecards)?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

CSAs are dependent districts with the Board of Supervisors as the decision-making body and County staff providing services. Therefore, board capacity, policies and audits are not an issue as these are handled by Yolo County. There have been four CSA managers in the past five years and the program has moved from the Department of Community Services to the County Administrator's Office and back again. Despite these changes, CSA operations have improved with the evolutions of program operations and current staff are

well-trained and very knowledgeable. However, Yolo County should value this key position and take steps to retain employees and reduce turnover. This is a unique position, and it may warrant its own class specification and pay scale. A recommendation to address retaining CSA Manager employees is included in the Overview Section because it's related to management of all the CSAs as a whole and not this CSA in particular. The CSA received an 87% score in the 2021 Yolo Local Government Website Transparency Scorecard.

The Dunnigan CSA has a five-member advisory committee, but the terms have expired for its three members and it is not active. LAFCo recommends an advisory committee is not needed for a CSA that operates merely as a pass-through agency to pay PG&E bills.

Name / Title	Start	End
Erich Linse /	04/26/2016	01/31/2020
Anita Tatum /	01/28/2020	01/31/2022
Junior Guzman /	10/12/2021	01/31/2022
Vacant Seat #2 /		01/31/2024
Vacant Seat #1 /		01/31/2026

The 1991 LAFCo formation documents indicate a CSA was originally chosen as the form of governance to handle street lighting services because a municipal sewer and significant community growth were anticipated at the time, which would require a form of local government with more comprehensive powers. However, significant growth is no longer identified in the Yolo County General Plan and the Dunnigan Specific Plan was removed in 2017⁷.

However, Yolo County is currently embarking on a Dunnigan Community Plan update process and is studying the feasibility of adding water and wastewater services. The Dunnigan CSA may be an excessive form of government for just street lighting services (which could be more simply handled by a lighting assessment district), but if water and/or wastewater services are anticipated, a CSA agency structure makes sense. It's premature to make government structure decisions for this MSR/SOI until the feasibility of adding infrastructure and municipal services plays out and would be more appropriate for the next MSR/SOI Update cycle in five years.

Accountability, Structure, and Efficiencies MSR Determination:

Yolo County is the decision-making body for CSAs and provides staff and handles accountability issues such as policies, required filings and audits. The Dunnigan CSA is an excessive form of government for what operates as a pass-through district to pay PG&E street lighting bills. However, if water and/or wastewater services are anticipated, maintaining a CSA agency structure would be appropriate. Any decisions on governmental structure should be deferred until Yolo County has determined the feasibility of adding infrastructure and municipal services. Its advisory committee is currently inactive and should be disbanded (and can be reformed if additional services are added in the future).

Recommendation(s):

- Allow the Dunnigan Community Plan Update process currently underway by the Department of Community Services to run its course considering the feasibility of adding water and/or sewer municipal services. If additional services ultimately do not work out such that the CSA would continue to operate only as a pass-through for PG&E street lighting charges, consider the cost/benefit of dissolving the Dunnigan CSA and forming a lighting district in its place.
- Formally disband the Dunnigan CSA Advisory Committee. It is not currently active and is not needed for the CSA's sole existing service as a PG&E pass through district. The advisory committee can be reformed if additional services are added to the CSA in the future.

⁷ Yolo County 2030 Countywide General Plan

7a. Broadband Access

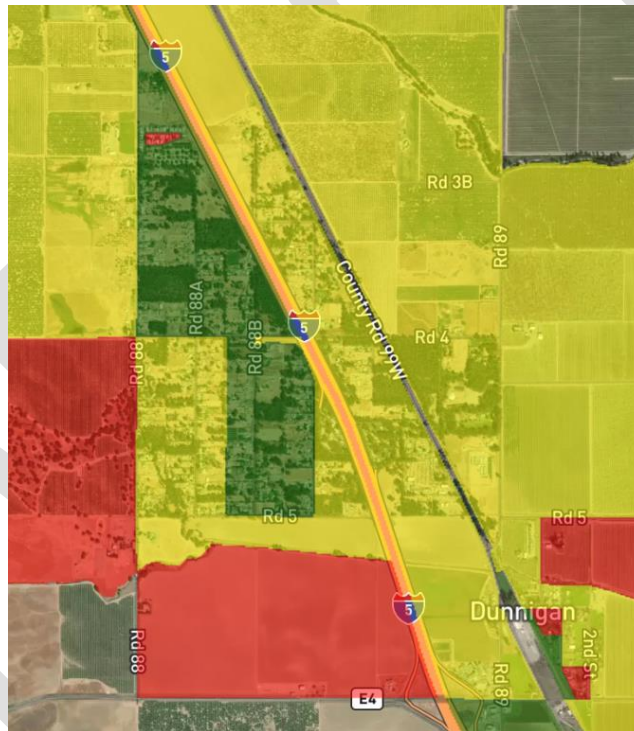
Any other matter related to effective or efficient service delivery, as required by commission policy.

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).”

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

Discussion:

Below is the 25/3 Mbps served status for the Dunnigan CSA⁸.



Asymmetric DSL service is provided by AT&T up to 25/3 in the green areas and 25/2 Mbps in the yellow areas. Some portions of the historic downtown are unserved, shown in red. Broadband adoption at 25/3 Mbps is between 20% - 40%. AT&T does provide low-income subscription rates; however, it is only eligible on one device and many users opt to use it on their smartphone.

⁸ California Interactive Broadband Map, December 31, 2019 data

Broadband Access MSR Determination:

The Dunnigan community is mostly underserved by AT&T and broadband adoption at 25/3 Mbps is only between 20% - 40%. Dunnigan is already included in Yolo County's list of priority communities identified for potential state/federal grant funding to improve broadband infrastructure.

Recommendation(s):

None.

7b. Status of Previous MSR Recommendations

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

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

Discussion:

2017 MSR Recommendations	Status
1. Prior to expanding the number of streetlights in the CSA, the County should determine if there is public support to pass a Proposition 218 election to increase revenues to finance them.	NA - streetlights not expanded.
2. If there is sufficient public support, conduct a rate study and a Proposition 218 process to increase funds.	NA
3. Process an application with LAFCo to annex into the CSA any new parcels that may be assessed if the Proposition 218 measure is successful.	NA
4. The CSA should consider means to reduce the CSA's professional services expenditures. The County may wish to consider whether an advisory committee is necessary to manage the street lighting contract with PG&E and/or consider transferring contract management to another local district to reduce administration costs.	Completed. Yolo County reduced professional services expenditures.
5. The CSA should assess definitively whether the existing cash in treasury provides sufficient reserve or if additional funds are needed. The CSA should establish a dedicated reserve for unexpected costs by placing some of the cash in treasury into a reserve. In addition, the County Department of Financial Services should move the \$20,000 intended for a CSA lighting plan into a restricted account.	Determined infrastructure replacement is PG&E's responsibility, not CSA's. Funds for CSA lighting plan was moved into restricted account but reverted to unassigned in 2022.
6. If the CSA chooses to move forward with expanding its lighting infrastructure, it will need to conduct Proposition 218 proceedings to increase its special assessment for street lighting but will first need to	NA

YOLO LAFCo MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

commission a rate study to determine the expected cost and appropriate rates for providing the service.	
7. Yolo County should apply its Budget and Financial Management policies to each CSA as a separate enterprise fund. Specifically, the Dunnigan CSA's structural deficits need to be addressed, a reserve needs to be established, and Capital Improvement Planning may need to occur, if necessary, depending on determination of the County's liability to replace streetlights.	Completed
8. County staff needs to prioritize its plan to provide quarterly financial reports for each CSA that clarify in detail the various funds, fund balances, sources of revenue for each fund, and a more detailed list of expenditures in each fund or for each service and provided to the Board of Supervisors and the advisory committees.	Completed. Advisory committee inactive.
9. The County should consider transferring the CSA's services to another local district and dissolve the Dunnigan CSA accordingly.	LAFCo explored this with the Dunnigan FPD but it was unwilling to take on services.
10. The County's CSA website should be updated to post all available information, including annual budgets and quarterly financial reports specific to the particular CSA, municipal service rates, advisory committee members, all minutes of advisory committee meetings, agendas, and announcements for the next meeting in a readily apparent location.	Completed

Status of Previous MSR Recommendations Determination:

The 2017 MSR found issues with the advisory committee and poor CSA management driving up staff administration costs. Yolo County has since addressed management issues and the lack of an advisory committee creating unnecessary staff work has also helped keep costs down. Many 2017 recommendations addressed the advisory committee's desire to expand the streetlight network which didn't come to fruition.

Recommendation(s):

None.

SPHERE OF INFLUENCE STUDY

A Sphere of Influence (SOI) is an area delineated on a map and approved by LAFCo that indicates where potential future agency annexations could be proposed. The Dunnigan CSA already has an SOI for potential expansion, and based on the MSR there is no need to update it.

On the basis of the Municipal Service Review:

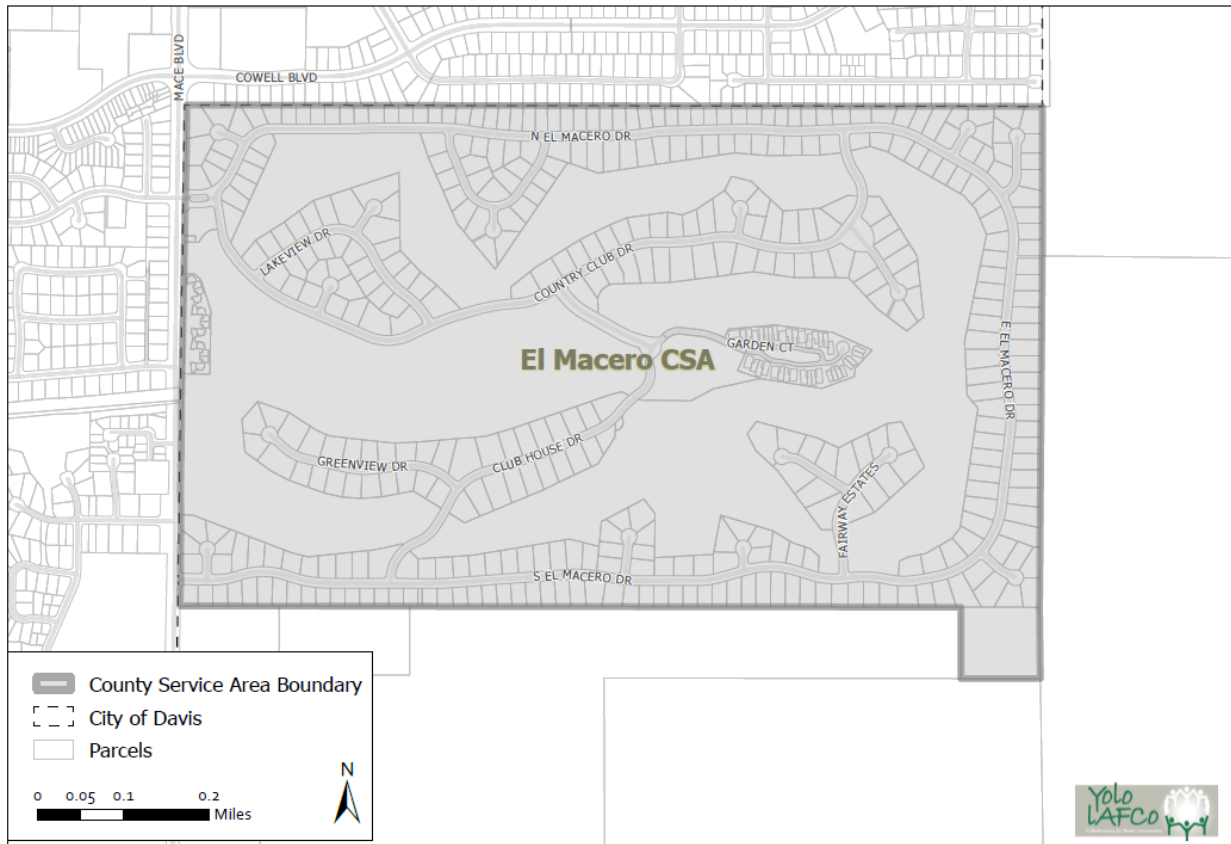
- Staff has reviewed the agency's Sphere of Influence and recommends that a SOI Update is NOT NECESSARY in accordance with Government Code Section 56425(g). Therefore, NO CHANGE to the agency's SOI is recommended and SOI determinations HAVE NOT been made.
- Staff has reviewed the agency's Sphere of Influence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

AGENCY PROFILE

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

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

El Macero County Service Area Boundary and Sphere of Influence*



* Note: Sphere of Influence is coterminous with boundary

Adopted by Yolo LAFCo on September 22, 2022

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

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In 2015, the County approved a 16-unit townhome development on previous El Macero Country Club corporation yard area that do not receive services through the CSA even though the land is included in the CSA boundary. In 2020, LAFCo approved an extension of water and sewer services to 27384 Eagle View Court (APN 033-011-024) due to health and safety reasons. On September 22, 2022 LAFCo approved a CSA SOI amendment and annexation of this parcel into the CSA.

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

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

MUNICIPAL SERVICE REVIEW

POTENTIALLY SIGNIFICANT MSR DETERMINATIONS

The MSR determinations checked below are potentially significant, as indicated by 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 type="checkbox"/> Shared Services |
| <input type="checkbox"/> Disadvantaged Unincorporated Communities | <input checked="" type="checkbox"/> Accountability, Structure, and Efficiencies |
| <input checked="" type="checkbox"/> Capacity, Adequacy & Infrastructure to Provide Services | <input 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.

YOLO LAFCo MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

1. Growth and Population

Growth and population projections for the affected area.

	Significant Issue	Potentially Significant	No Issue
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 demand suggest a change in the agency's services?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

None.

Growth and Population MSR Determination:

The El Macero CSA is considered built out and significant population change that would impact the agency's service needs and demands is not anticipated.

Recommendation(s):

None.

2. Disadvantaged Unincorporated Communities

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

	Significant Issue	Potentially Significant	No Issue
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:

None.

Disadvantaged Unincorporated Communities MSR Determination:

There are no disadvantaged unincorporated communities within or contiguous to the El Macero CSA¹.

Recommendation(s):

None.

¹ CALAFCo Statewide DUCs Refined GIS Layer, RSG, Inc. December 10, 2021

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.

	Significant Issue	Potentially Significant	No Issue
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 issues regarding the agency's capacity and ability to meet the service demand of reasonably foreseeable <u>future</u> needs?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) <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"/>
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"/>

Discussion:

El Macero CSA was formed in 1969 as a replacement to the El Macero Sewer Maintenance District and the El Macero Unit #1 Maintenance District that provided water services. Storm drainage services provided by the City of Davis was included in the CSA formation. In 1971, the BOS authorized street sweeping and street lighting services. In 1994, the BOS approved the addition of street improvements/maintenance and landscaping work. The following services (and corresponding funds) are provided by the CSA. The CSA advisory committee has subcommittees that focus on issues related to service areas.

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

Water

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

Since the 2016 MSR, the Woodland-Davis Clean Water Agency completed its regional surface water supply project to bring surface water from the Sacramento River to the area to eliminate reliance on well water. Through the CSA's interties with the City, the surface water is also provided to El Macero. Since project

completion and the CSA-owned well (EM3) was no longer being used by the City, well use was leased to the El Macero Country Club for golf course irrigation.

Sewer/Wastewater

El Macero CSA provides wastewater to its residents through a contract with the City of Davis for operations and maintenance of the CSA-owned collection system. The County, on behalf of El Macero CSA (formerly the El Macero Sewer Maintenance District), entered into an agreement with the City for maintenance and operations of the CSA's wastewater system in November 1966. According to the agreement, the City is responsible for furnishing all power, labor, equipment, materials, and supplies necessary to operate and maintain the wastewater collection facilities in the CSA. In return, the CSA pays compensation to the City of the aggregate of service charges for all water service connections. The CSA retains ownership of the collection system within its boundaries, while the City is responsible for replacement of the existing system in the event of failure. As part of the agreement with the City, the CSA assisted with the financing of the City's wastewater treatment plant.

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

Street Paving, Maintenance, Sweeping, and Landscaping/Lighting

The CSA finances road maintenance and improvements and other services related to the streets, including street sweeping, entrance lighting, and median landscaping. Large improvement projects are put out to bid for completion. Median landscaping services are provided by a private contractor. Street sweeping services are provided by a private contractor. Entrance lights are solar and are maintained by the landscape vendor.

The El Macero CSA has paid for a higher condition level of its streets as compared to other County residential roads. However, a recent Prop 218 election to increase road fees failed and services are being reduced to stay within available funding. The street fund will no longer be able to accumulate the necessary funds to maintain the streets and landscaping at the same higher level as before. Although street paving, maintenance, sweeping and landscape/lighting is not an essential municipal service, the El Macero CSA Advisory Committee needs to calibrate community expectations and recommend how these services should be prioritized going forward. Reduced street related services may become inadequate over time but it's not a capacity issue, it's a lack of funding issue (see also Financial Ability Section).

Drainage Outflow

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

In 2018, the City of Davis approached the County to charge EMCSA drainage fees again, and the County indicated a willingness to pay for the drainage it contributes. The City of Davis began a drainage study to determine the contribution percentage, but the study was put on hold due to COVID and the drought. The City is currently restarting the drainage study process, so drainage fees will likely be reinstated. But currently, no drainage fees have been paid by the EMCSA since 2010.

Capacity and Adequacy of Public Facilities and Services MSR Determination

There are no significant capacity and adequacy issues identified for the EMCSA. The CSA advisory committee has subcommittees that focus on issues related to each of the services provided. The City of Davis provides water services, and the Woodland-Davis Clean Water Agency completed its regional surface water supply project in 2016 to bring surface water from the Sacramento River to the area to eliminate reliance on well water, although with the current extreme drought conditions increased groundwater pumping may have reduced perceived water quality. The City provides operation and maintenance of the CSA’s wastewater collection system. Effluent is then transported to the City’s Water Pollution Control Plant for treatment and disposal. There are no concerns regarding capacity of the wastewater system at this time. The El Macero CSA has paid for a higher condition level of its streets as compared to other County residential roads; however, a recent Prop 218 election to increase road fees failed so street maintenance and right of way landscaping is being reduced in line with available funding such that services may become inadequate over time.

Recommendation(s):

- Although street paving, maintenance, sweeping and landscape/lighting is not an essential municipal service, the El Macero CSA Advisory Committee needs to calibrate community expectations and recommend how the limited \$180 annual street fee funding should be prioritized going forward. Services either need to be reduced to stay within available funding and/or potentially separate out the street fee into more specific components and attempt another Prop 218 increase.

4. Financial Ability			
Financial ability of agencies to provide services.			
	Significant Issue	Potentially Significant	No Issue
a) <i>Is the subject agency in a stable financial position, i.e. does the 5-year trend analysis indicate any issues?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) <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"/>
c) <i>Is the organization’s revenue sufficient 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</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) <i>Does the subject agency have a capital improvement plan (CIP)? 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 to fund it?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) <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"/>
f) <i>Is the agency insured or in a risk management pool to manage potential liabilities?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

YOLO LAFCo MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

g) *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 have accounting and/or financial policies that guide the agency in how financial transactions are recorded and presented?*

h) *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?*

Financial Background

The El Macero CSA revenue currently consists of property taxes (AB 8), service charges and assessments that are enrolled on the property tax bills, interest, and a small amount from intergovernmental subventions.

Prior to the passage of Proposition 13 in 1979, the CSA services were funded primarily from property taxes. At that, time local governments, special districts and CSAs were able to set their own property tax rates to fund their operations. However, Proposition 13 limited government agencies' tax raising abilities by capping the tax rate on real estate to 1% of the property's full cash value. The proposition decreased property taxes by assessing values at their 1976 value and restricted annual increases of assessed value to an inflation factor, not to exceed 2% per year. This limited the amount of property taxes that could be raised by the CSA, thus as the growth of expenditures exceeded the growth of property taxes the CSA had to start charging service fees. The property tax revenue has in affect over the years reduced the amount required from service charges. Service charges now account for over 96% of revenue in fiscal year 2022. Future service charge increases are subject to the provisions of Proposition 218 which require proper notification to affected citizens and voter approval.

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

Prior to 2017, El Macero CSA accounting transactions were recorded in a single fund. Since, the County's Department of Financial Services has created four funds to segregate revenues and expenditures by activity: Administration, Streets, Water, and Sewer. This change in accounting provides more transparency and to simplifies the reporting to the residents of El Macero.

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Discussion²:

The 2022/23 property-related fees, assessments and/or special taxes for the El Macero CSA³ is as shown the table below:

El Macero CSA Services	Service Provider	Annual Charge Per Parcel	No. of Parcels Charged
Water: <ul style="list-style-type: none"> • Single Family (base fee) • Condominium (base fee) • Vacant (base fee) • El Macero Country Club (base fee) • Passthrough (actual use) 	City of Davis	\$47.02 \$47.02 \$47.02 \$47.02 Varies	403 37 7 1 Varies
Sewer/Wastewater: <ul style="list-style-type: none"> • Single Family • Condominium • El Macero Country Club 	City of Davis	\$568.06 \$408.04 \$7,550.22	403 37 1
Street (maintenance, drainage, sweeping, and landscaping): <ul style="list-style-type: none"> • Residential • El Macero Country Club 	Yolo County	\$180.00 \$3,600.00	447 1
Drainage (outflow from the EMCSA)	City of Davis	NA	NA

Increases in service charges are subject to voter approval as described above. The following is a listing of Prop 218 proceedings, over the past 5 years, and the results:

- 7/28/2015 – Water rates (passed)
- 7/09/2019 – Water and sewer rates (passed)
- 1/12/2021 – Streets rates (failed)

² Yolo County Financial Data INFOR reports

³ County of Yolo Resolution No. 22-61 regarding charges on the 2022-23 tax roll for CSAs

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

	2018	2019	2020	2021	2022
Revenue					
Service charges	\$ 1,020,410	\$ 1,213,638	\$ 1,268,111	\$ 1,409,912	\$ 1,535,433
Property taxes (AB8)	96,681	101,180	105,215	109,320	118,222
Interest	36,316	46,591	48,746	(5,323)	(50,761)
Intergovernmental	684	706	701	714	712
	-	-	-	-	-
Total Revenue	1,154,091	1,362,115	1,422,773	1,514,623	1,603,606
Expenditures					
Administration					
County	18,770	31,817	34,831	23,024	29,844
Legal	7,013	13,633	72,782	38,637	29,238
Accounting	2,429	2,338	2,331	1,785	4,459
Other	4,579	2,100	-	654	1,046
Total Administration	32,791	49,888	109,944	64,100	64,587
Streets					
Landscaping	26,642	32,495	71,527	42,232	47,712
Street maintenance	4,555	12,121	9,218	9,553	14,349
Street paving	777,664	119,487	-	-	64,480
	808,861	164,103	80,745	51,785	126,541
Water	828,638	930,001	1,081,125	1,238,677	1,012,122
Sewer	200,523	201,191	219,202	220,006	237,539
Total Expenditures	1,870,813	1,345,183	1,491,016	1,574,568	1,440,789
Net income (loss)	(716,722)	16,932	(68,243)	(59,945)	162,817
Beginning Fund Balance	1,915,938	1,199,216	1,216,148	1,147,905	1,087,960
Ending Fund Balances	\$ 1,199,216	\$ 1,216,148	\$ 1,147,905	\$ 1,087,960	\$ 1,250,777
Fund Balances					
Assigned:					
Water	\$ 569,664	\$ 503,123	\$ 188,449	\$ 44,651	\$ 223,251
Sewer	-	229,984	313,745	326,133	312,343
Streets	574,601	482,783	480,888	494,285	428,885
Unassigned	54,951	258	164,823	222,891	286,298
Total Fund Balances	\$ 1,199,216	\$ 1,216,148	\$ 1,147,905	\$ 1,087,960	\$ 1,250,777
Y-T-Y Change in total Fund Balances					
Amount Increase (Decrease)	(716,722)	16,932	(68,243)	(59,945)	162,817
Percentage Increase (Decrease)	-37.41%	1.41%	-5.61%	-5.22%	14.97%
Administration exp percentage	1.75%	3.71%	7.37%	4.07%	4.48%

The El Macero CSA is financially sound. The total fund balance remained relatively flat from 2018 to 2022, increasing by \$51,561. Revenues have generally kept pace with on-going operational expenditures. The cost of residential water provided by the City of Davis has increased an average of 12% each fiscal year from 2018 to 2021, but then went down by 18% in 2022. The residents are billed one year in arrears when

the actual expenditure amount and usage data becomes available from the City of Davis. Over 2018-2022, 66% of total expenditures are water related, 16% streets (maintenance, landscaping, and sweeping), 14% wastewater, and 4% administration.

As a dependent district of the County, all accounting records are processed and maintained by the County's Department of Financial Services (DFS). All transactions are subject to the policies and procedures of the County, which comply with the Government Accounting Standards Board, the accounting standards setting body for governments. In addition, the accounting and financial reporting of the CSA is also in compliance with the California State Controller's Office. However, due to delayed billings by the City of Davis and other service providers, expenditures reported on the County's accounting system through 2019 may not reflect the actual cost of service for any particular year. For example, as allowed by general accepted accounting principles, estimates of expenses owed at year end were recorded instead of the actual cost due to delayed billings by service providers. The accruals were reversed at the beginning of the following fiscal year, as required by accounting practice, so that only the amounts actually billed and paid by the CSA would be recorded in the ledgers. The County and City of Davis have worked together to resolve this lag in invoicing.

County staff provides financial reports to the advisory committee at least quarterly. As part of this process, detailed general ledger reports are generated showing all transactions posted to each account, which are then reviewed by County staff. All discrepancies are referred to DFS staff for investigation and if necessary is corrected.

Yolo County has been sued by Richard Lauckhart (or the El Macero Owners for Fair Taxes created by him), and he continues to allege there is \$4 million of property taxes (AB 8 funds) missing and there are "295 invoices" (which include all transactions, they are not all invoices) charged to the CSA account that should not be. LAFCo staff has reviewed all information provided by Richard Lauckhart. Underlying these allegations is a misunderstanding about the CSA's use of property tax revenue, which is used each year to pay for CSA costs that are not otherwise paid for by other assessments and fees. Therefore, a portion of or all these funds are spent each year and have not built up into some reserve that was misappropriated by the County. Based on LAFCo's review of the CSA's finances, all revenues paid by residents for the CSA were solely used for CSA purposes and all unexpended fund(s) at year-end remained in the CSA fund(s) to be available for future years. Regarding CSA invoices, LAFCo staff reviewed over 50% of all invoices and backup (more than typical auditor review for quality control) as well as 100% of the City of Davis invoices, and confirmed that all were appropriate. There are ample internal controls and segregation of duties in approving El Macero CSA transactions. The cost of legal services to the El Macero CSA responding to these allegations continues to be significant due to citizen Public Records Act requests and costs defending lawsuits but are expected to decrease in the current fiscal year.

Per Agreement No. 77-90 for water and Agreement 75-97 for sewer, the City of Davis operates and maintains the water and wastewater systems within the CSA, including replacing any portion of the system which wears out or fails. Therefore, no additional CSA reserve is needed to protect against unexpected water and sewer system costs. However, the CSA needs to carry an ongoing cash balance to cover the water and sewer costs paid to the City while the costs are collected from property owners through the property tax bills, which can result in a delay of several months before the CSA is reimbursed. The CSA does not have any debt.

The El Macero CSA has paid for a higher condition level of its streets as compared to other County residential roads. However, a recent Prop 218 election to increase road fees failed and the \$180 assessment from 1994 will continue to be charged. The street fund will no longer be able to accumulate the necessary funds to maintain the streets and landscaping at the same higher level as before. Although street paving, maintenance, sweeping and landscape/lighting is not an essential municipal service, the El Macero CSA Advisory Committee should recommend how the limited \$180 annual street fee funding should be prioritized going forward. Services either need to be reduced to stay within available funding and/or potentially separate out the street fee into more specific components and attempt another Prop 218 increase. As a comparison, the North Davis Meadows CSA has a much higher landscaping fee (\$486 per year) that solely funds landscaping and does not also include street improvements.

Financial Ability MSR Determination:

The CSA is financially sound. The 5-year trend indicates revenues and expenditures are in balance and the fund balance is increasing slightly. There are concerns from a few residents about the propriety of the accounting of the CSA funds. However, LAFCo’s five-year review of transactions confirmed that all revenues deposited to the CSA were solely used for CSA purposes and that all unexpended fund(s) at year-end remained in the CSA fund(s) to be available for future years. Prior to 2017, El Macero CSA accounting transactions were recorded in a single fund. Currently, four funds are used to segregate revenues and expenditures by activity: Administration, Streets, Water, and Sewer. This change in accounting provides more transparency and to simplify the reporting to the residents of El Macero. Drainage charges for the outfall provided by the City of Davis have been on hold pending a new City drainage study to determine EMCSA’s contribution.

Revenues have generally kept pace with on-going operational expenditures. The rate/fee is sufficient to fund an adequate level of service except for the street paving, maintenance, sweeping, and landscaping/lighting fee of \$180 per year approved in 1994 (a recent Prop 218 election to increase this fee failed). The water and sewer rates include an amount for system maintenance and replacement as needed. Excluding water usage fees, ongoing expenditures have remained relatively flat. The cost of residential water provided by the City of Davis has increased 2018 – 2021, but then went down in 2022 (keeping in mind water is currently paid one year in arrears). Over 2018-2022, 66% of total expenditures are water related, 16% streets (maintenance, landscaping, and sweeping), 14% wastewater, and 4% administration. The cost of legal services is significant due to citizen Public Records Act requests and costs defending a lawsuit but are expected to decrease in the current fiscal year.

Recommendation(s):

- Although street paving, maintenance, sweeping and landscape/lighting is not an essential municipal service, the El Macero CSA Advisory Committee needs to calibrate community expectations and recommend how the limited \$180 annual street fee funding should be prioritized going forward. Services either need to be reduced to stay within available funding and/or potentially separate out the street fee into more specific components and attempt another Prop 218 increase.

5. Shared Services and Facilities

Status of, and opportunities for, shared facilities.

	Significant Issue	Potentially Significant	No Issue
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:

None.

Shared Services MSR Determination:

The El Macero CSA already obtains shared water and sewer services provided by the City of Davis. Street improvements/maintenance and landscaping services is contracted out on a per project basis by the Yolo County Department of Community Services and uses pooled purchasing wherever possible.

Recommendation(s):

None.

6. Accountability, Structure, and Efficiencies

Accountability for community service needs, including governmental structure and operational efficiencies.

	Significant Issue	Potentially Significant	No Issue
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>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"/>
c) <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"/>
d) <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 checked="" type="checkbox"/>	<input type="checkbox"/>
e) <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 type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion⁴:

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

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

- When a property is sold, the new resident is responsible for paying for the water usage of the previous resident(s) through the remainder of the fiscal year, which may not be fair depending on the difference in usage.
- This delayed method of collecting fees annually from residents on the property tax bill does not lend itself to water conservation efforts, because fees are not necessarily noticed (with monthly fluctuations) as directly by the homeowner. Residents can access the City’s Aquahawk data to see their usage, but this requires diligence on the resident’s part.
- The EI Macero CSA pays the water charges to the City in advance of collecting the amounts from the residents, creating a structural deficit each year. Cash reserves from the operations fund is used to float during these timing differences to alleviate the need to borrow funds.

⁴ County Service Areas Government Code Sections 25210 – 25217.4

- The CSA Manager estimates it requires 4-5 hours of time per year to consolidate monthly billings, verify accuracy, and prepare the tax roll, with this administrative cost being passed on to the residents.

LAFCo therefore recommends the City bill El Macero CSA residents directly for water and sewer fees. The sewer charges should reflect the 2015 amendment to Agreement No. 75-97 settling the billing dispute.

The CSA has a five-member advisory committee to advise the BOS regarding CSA services and facilities. Per Government Code Section 25212.4 the BOS may appoint one or more advisory committees to give advice to the BOS regarding a county service area's services and facilities and may provide for the appointment, qualifications, terms, procedures, meetings, and ethical conduct of the members of an advisory committee. Therefore, it's within the purview of the BOS to decide if and how it provides for these items. There have been resident complaints about the advisory committee and term limits. LAFCo staff believe CSA advisory committee member institutional memory is valuable and don't necessarily see a need for term limits, but the BOS should adhere to its policy whatever it is. In February 2021 the BOS Clerk amended the appointment process to ensure justification to exceed the two-term limit be publicly available prior to BOS action to appoint advisory committee members. All advisory committee seats are currently filled⁵.

Name / Title	Start	End
Steve Lynch /	01/29/2019	01/31/2023
John McDonough /	01/29/2019	01/31/2023
Diane Cronan /	01/28/2020	01/31/2024
Sandra Uhrhammer /	12/15/2020	01/30/2025
Kristin Kelleher Wong /	09/27/2022	01/31/2025

There have been four CSA managers in the past five years and the program has moved from the Department of Community Services to the County Administrator's Office and back again. Despite these changes, CSA operations have improved with the evolutions of program operations and current staff are well-trained and very knowledgeable. However, Yolo County should value this key position and take steps to retain employees and reduce turnover. This is a unique position, and it may warrant its own class specification and pay scale. A recommendation to address retaining CSA Manager employees is included in the Overview Section because it's related to management of all the CSAs as a whole and not this CSA in particular.

The El Macero CSA is included in the annual audit of the County's Annual Comprehensive Financial Report (ACFR). The CSA is reported as a blended component unit and accounted for as a special revenue fund. According to the State Controller's Office, the County's audited ACFR meets general audit requirements and the ACFR satisfies the requirements of Government Code 25214(c) and 26909⁶. In June 2021, the El Macero Owners for Fair Taxes filed a complaint in Yolo County Superior Court alleging Yolo County is required to audit the EM CSA separately, rather than as a blended component of the County's audit (the Court denied the petition). The EMCSA received an 94% website transparency score in 2021⁷.

Accountability, Structure, and Efficiencies MSR Determination

The CSA is covered by County governance and policies and is included in the County's annual audit. Although CSA operations have had four managers in the past five years and under two departments, CSA operations have improved with the evolutions of program operations and current staff are well-trained and very knowledgeable. There have been complaints from a few residents regarding the advisory committee

⁵ County of Yolo Agenda Quick Term Tracker module 10/27/2022

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

⁷ <https://www.yololafco.org/yolo-local-government-website-transparency-scorecards>

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and term limits, however it's within the purview of the BOS to decide if and how it provides for appointment, qualifications, terms, procedures, meetings, and ethical conduct of the members.

Changes to the EMCAS's operations to provide for direct City billing for water and sewer services would improve accountability and efficiency. The El Macero CSA pays the water charges to the City in advance of collecting the amounts from the residents, creating a structural deficit each year. Cash reserves from the operations fund is used to float during these timing differences to alleviate the need to borrow funds. This practice is inefficient and leaves the EMCSA somewhat at risk financially. In addition, new homeowners end up paying for the water usage of previous residents, which is inequitable. And paying water charges annually on a property tax bill undermines water conservation efforts. For all these reasons, LAFCo again recommends the City bill El Macero CSA residents directly for water and sewer fees, rather than through the CSA.

Accountability, Structure and Efficiencies MSR Recommendation(s)

- For the Davis-area CSAs (El Macero and North Davis Meadows), continue to pursue shared services with the City of Davis as much as possible including exploring options with the City of Davis for direct billing of City water and sewer services reflective of agreed-upon rate structures and ensuring that any direct billing methodologies are efficient, legally defensible, and administration is financially viable.

7a. 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)."*

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

Discussion⁸:

Below is the 25/3 Mbps served status for the El Macero CSA. The green color indicates areas served by at least 25/3 Mbps download/upload speeds.



Broadband Access MSR Determination:

The CPUC map indicates cable modem DOCSIS technology is available from Comcast at speeds up to 1,000/35 Mbps (download/upload speeds). Broadband adoption at 25/3 Mbps is reported to be greater than 80% (the highest category).

Recommendation(s):

None.

7b. Status of Previous MSR Recommendations

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

	Significant Issue	Potentially Significant	No Issue
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:

The 2016 MSR had several recommendations and most of them have been implemented.

2016 MSR Recommendations	2022 Status
1. The County, in consultation with the CSA advisory committee, should develop options for future maintenance and improvements to roads, including a feasibility and cost/benefit analysis of potentially privatizing the El Macero road system for maintenance by the HOA. The analysis should review the potential for any unintended	Privatizing roads was considered by the CSA Advisory Committee and it recommended that HOA street maintenance would be more difficult and create negative consequences. Therefore, this recommendation was

⁸ California Interactive Broadband Map, December 31, 2019 data

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2016 MSR Recommendations	2022 Status
consequences to this change in service structure, in particular with respect to homeowner costs, public safety enforcement and solid waste collection.	not pursued and LAFCo accepts this outcome.
2. LAFCo recommends that County staff compile a long-term capital improvement plan for the CSA with a focus on anticipated street needs over the next few decades to ensure that the assessment being charged is sufficient to finance projected costs.	CSA staff prepared a scope of work for this CIP in 2018 per LAFCo's recommendation. However, as noted under Capacity and Adequacy of Public Facilities Section the Prop 218 to support these efforts failed such that the CSA will not be able to fund it. See new recommendations in Capacity and Adequacy of Public Facilities Section.
3. The reserve level of El Macero CSA should be reviewed to determine if it is appropriate to the needs of the CSA and the service structure after a capital improvement plan is developed to determine all capital needs of the CSA.	See status for #2. Considering the Prop 218 for street improvements failed and water/sewer system maintenance is handled by the City of Davis and included in the fee structure, a reserve study is not currently needed.
4. In order to enhance transparency, it is recommended that the County develop a worksheet or bill that can be distributed to the residents at the same time as the property tax bill to clearly demonstrate how the charges are determined.	Done. The intent of this recommendation was addressed by property tax bills showing separate charges.
5. The County, in consultation with the CSA Advisory Committee, should consider amending the County-City contract to provide for direct billing for services by the City of Davis to El Macero residents to further enhance efficiency and transparency and save the CSA in administration fees to the County for billing. This recommendation assumes the existing sewer rate that has already been agreed upon by the City and the County would be retained for the duration of the existing term of agreement and future rates would continue to be negotiated between the CSA and the City of Davis, as necessary.	This recommendation has not been implemented. LAFCo has reiterated this recommendation again in this MSR.

Status of Previous MSR Recommendations Determination:

Of the five recommendations from the 2016 MSR, four are no longer needed or are inapplicable. The one outstanding recommendation regarding the City of Davis directly billing residents for water and sewer fees has been restated in this MSR.

Status of Previous Recommendations MSR Recommendation

See Capacity and Adequacy of Public Facilities and Accountability, Structure and Efficiencies MSR Recommendations.

SPHERE OF INFLUENCE STUDY

A Sphere of Influence (SOI) is an area delineated on a map and approved by LAFCo that indicates where potential future agency annexations could be proposed. El Macero CSA's SOI is currently coterminous with its jurisdictional boundary, meaning no future annexations are anticipated or allowed unless LAFCo changes the SOI.

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

AGENCY PROFILE

North Davis Meadows County Service Area (CSA) #10 was established on May 12, 1987 to provide water, sewer, stormwater, landscaping, and street lighting services. The original CSA boundary included Unit I of the subdivision with 56 single family residential (SFR) lots. In 1995 LAFCo annexed Unit II with 39 additional SFR lots and a two-acre California Department of Fish and Wildlife habitat parcel which runs along the western boundary of the Unit II. In addition to Unit II, three additional parcels were annexed at the landowner request because they might benefit from CSA services in the future (but have yet to connect): The Newton, Nicholas Farms (Korte), and Dugger parcels. The Davis Municipal Golf Course surrounds the North Davis Meadows I subdivision, and the golf course is adjacent to the North Davis Meadows II subdivision; however, the golf course is not within the CSA's boundaries.

North Davis Meadows County Service Area Boundary and Sphere of Influence



Adopted by Yolo LAFCo on January 23, 1996

North Davis Meadows CSA is governed by the County Board of Supervisors (BOS) and is treated as a special district under the LAFCo Law. The Board of Supervisors is advised as to the maintenance and operation of the CSA by a five-member advisory committee. This advisory committee meets three times a year to discuss the ongoing issues pertinent to the CSA. As directed by California Government Code Section 25212.4, the advisory committee's role is to provide advice to the Board regarding the services and facilities of the CSA, but it is not within the authority of the advisory committee to make decisions, manage, or direct the delivery of services and facilities.

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

MUNICIPAL SERVICE REVIEW

POTENTIALLY SIGNIFICANT MSR DETERMINATIONS

The MSR determinations checked below are potentially significant, as indicated by 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, Structure, and Efficiencies
- Broadband Access
- 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	Significant Issue	Potentially Significant	No Issue
Growth and population projections for the affected area.			
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 demand suggest a change in the agency’s services?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

None.

Growth and Population MSR Determination:

The North Davis Meadows CSA has little opportunity for new development or growth. Only one of the north Davis Meadows lots has yet to be built on. There are no changes in service demand that would suggest a change in the agency’s services.

Recommendation(s):

None.

2. Disadvantaged Unincorporated Communities

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

	Significant Issue	Potentially Significant	No Issue
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:

None.

Disadvantaged Unincorporated Communities MSR Determination:

There are no disadvantaged unincorporated communities within or contiguous to the North Davis Meadows CSA¹.

Recommendation(s):

None.

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.

	Significant Issue	Potentially Significant	No Issue
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 type="checkbox"/>	<input checked="" type="checkbox"/>
b) <i>Are there any issues regarding the agency’s capacity and ability to meet the service demand of reasonably foreseeable <u>future</u> needs?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

¹ CALAFCO Statewide DUCs Refined GIS Layer, RSG, Inc. December 10, 2021

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c) *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?*

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

Discussion:

North Davis Meadows County Service Area (CSA) provides water, sewer, stormwater, landscaping, and street lighting services as noted below.

Existing CSA Services Authorized/Provided	Service Provider
Municipal Water	City of Davis
Sewer/Wastewater	CSA/City of Davis
Stormwater/Drainage	YCFCWCD
Landscaping	CSA
Street Lighting	PG&E

Water

The North Davis Meadows CSA provides water service to the North Davis Meadows I and the North Davis Meadows II subdivisions through a March 22, 1988 agreement with the City of Davis. The City of Davis maintains the CSA's water distribution and well system, including fire hydrants. The Korte, Newton, and Moore parcels are connected to private well systems. The CSA wells and water system are maintained and operated by the City of Davis in a manner similar to and in accordance with standards of wells in the City of Davis. North Davis Meadows' SFR water connections are not currently metered.

The North Davis Meadows water supply exceeds the MCL for nitrates and hexavalent chromium. A stricter primary drinking water standard was enacted for hexavalent chromium in 2014, and since that time, the system has been in violation of the standard as the wells consistently test higher than the MCL. In order to resolve water quality issues, Yolo County has been pursuing a connection with the City of Davis water system.

The project will connect the North Davis Meadows community water system to the City of Davis' water distribution system. The proposed improvements will include construction of a six-inch diameter pipeline in John Jones Road/County Road 99D to connect CSA homes to the existing city water distribution system. The connection is to be sized to meet only the North Davis Meadows community needs with no capacity available for other properties. This pipeline would connect homes to the existing 14-inch diameter pipe in John Jones Road near the entrance road to the City's west tank area.

Litigation from three landowners challenging the fees needed to connect to City water supply has delayed the connection for years. Yolo County prevailed in the lawsuit and the subsequent appeal (*Wolstoncroft v. County of Yolo*, 68 Cal.App.5th 327 (2021)), and the project is moving forward. The CSA Manager applied for and was awarded \$7.6 million of State Revolving Fund grant funding and is working with state to finish financial agreement. A loan will still be required to complete the project because the 2018 construction estimate was \$8.25 million, which has increased considering inflation and increased construction costs. The construction plans are completed and waiting to go out for bid. The estimated construction timeline is July – December 2023. Connections will be metered and have an added backflow device. The City will bill residences directly for water service.

Sewer

The City of Davis agreed to accept wastewater flows from the North Davis Meadows CSA on May 19, 1998.² Within the CSA, only the North Davis Meadows I and the North Davis Meadows II subdivisions receive wastewater service from the CSA wastewater collection system. Of the homes in the two subdivisions, 82 are connected to the sewage collection system and also have individual grinder pumps; the remaining homes have individual septic systems. The agreement with the City sets the maximum number of connections at 95. The CSA also allowed the Teichert properties to connect to the sewer main for sewer collection services. Teichert paid a connection fee and pays annual charge to the CSA based on the amount of flow (LAFCo authorized extended services in 2006 to the Teichert property, which is within the CSA's SOI but not its current boundaries).

The CSA is responsible for the operation and maintenance of the infrastructure on each residential lot in the CSA that receives wastewater service. Each lot that receives service contains a wastewater grinder pump and wastewater service line. The grinder pump system minimizes the likelihood of obstructions in the existing line. The line extends to the main wastewater line on which the parcel fronts or accesses. Maintenance of the grinder pumps is provided by private companies by contract. The CSA has instituted a grinder replacement program to replace up to 17 grinders annually as needed.

The wastewater system consists of collection and transmission facilities that collect effluent and transmit the effluent to a point of collection with an existing transmission main of the City of Davis. A four-inch low pressure sewer pipeline generally extends from the CSA properties south along County Road 99D to an existing City of Davis sewer manhole located just north of the intersection of County Road 31 with County Road 99D. The effluent enters the existing sewer system of the City and is conveyed to treatment and disposal facilities of the City. There are no concerns regarding capacity and adequacy of the wastewater system currently.

Stormwater

The North Davis Meadows CSA is in a flood prone area. The CSA manages drainage through the use of natural gravity flow, drainage ditches, swales (shallow ditches), the golf course, and holding ponds. The CSA provides for the spraying, excavating, and clearing of perimeter ditches in both subdivisions and partners with the City of Davis Golf Course to provide ditch maintenance in the North Davis Meadows I area. The CSA maintains a cement culvert along County Road 29. The CSA is also responsible for drainage extending outside the CSA through a 1986 drainage facilities agreement between the former Barlo Farms parcel and the Davis Golf Course Estates (North Davis Meadows CSA). The agreement splits maintenance costs 50% each between the CSA and the Barlo property. The Barlo property is located at the southwest corner of County Road 29 and 101-A. Surface water from the CSA and the Davis Municipal Golf Course drains through the County-maintained roadside ditches along County Road 29, then through the "Barlo" ditches, along the westerly boundary of the Barlo property to approximately the midpoint of and east through the Barlo property to County Road 101 A. The CSA contracts with the Yolo County Flood Protection and Water Conservation District (YCFCWCD) to maintain the Barlo drainage ditches.

Landscaping

The CSA provides for the maintenance of open space and median strips throughout and around the North Davis Meadows subdivisions through landscaping activities, which include mowing, trimming, spraying, etc. These areas include median strips along the main roads Silverado Drive and Fairway Drive, the golf course, space between home lots and the golf course, along roads, around the drainage pond, and in the habitat buffer west of North Davis Meadows II. The CSA provides the service via contract with private landscaping

² Agreement No. 98-87.

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services. The CSA will need to consider options to redesign its common landscape areas and street medians to be drought resistant and the current assessments will not cover the new City water rates.

Street Lighting

The CSA contracts with Pacific Gas and Electric (PG&E) to supply electricity for its public lighting system, as well as to install, maintain, and service the light poles in the community. The light poles utilize LED lighting technology. The CSA does not own or operate any equipment, although it is financially responsible for all one-time and ongoing costs associated with the street lighting network. The CSA functions as a pass-through agency, collecting funds from the North Davis Meadows residents to pay the PG&E bills for the public street lighting service. The PG&E street lighting is LED technology and the electricity is provided by Valley Clean Energy, which utilized more sustainable energy sources.

Capacity and Adequacy MSR Determination:

The North Davis Meadows water supply exceeds the MCL for nitrates and hexavalent chromium enacted in 2014, and since that time, the system has been in violation of the standard as the wells consistently test higher than the MCL. To resolve water quality issues, Yolo County has been pursuing a connection with the City of Davis water system, which has been delayed due to landowner litigation but is moving forward and expected to be completed by the end of 2023. However, the City of Davis is currently indicating individual service agreements with each landowner will be required, which will be time consuming to get signed, notarized, recorded for each parcel. For the wastewater system, the CSA maintains grinder pumps on individual parcel connections, but the effluent is treated by the City of Davis and there are no concerns about capacity and adequacy. The CSA contracts with the Yolo County Flood Protection and Water Conservation District (YCFWCWD) to maintain the CSA's stormwater runoff through the Barlo drainage ditches. The CSA provides the service via contract with private landscaping services. The CSA will need to consider options to redesign its common landscape areas and street medians to be drought resistant and the current assessments will not cover the new City water rates. The PG&E street lighting is LED technology and the electricity is provided by Valley Clean Energy, which utilized more sustainable energy sources.

Recommendation(s):

- The North Davis Meadows CSA will need to consider options to redesign its common landscape areas and street medians to be drought tolerant because the current assessments will not cover the new City water rates.

4. Financial Ability

Financial ability of agencies to provide services.

	Significant Issue	Potentially Significant	No Issue
a) <i>Is the subject agency in a stable financial position, i.e. does the 5-year trend analysis indicate any issues?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) <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"/>
c) <i>Is the organization's revenue sufficient 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</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) <i>Does the subject agency have a capital improvement plan (CIP)? 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 to fund it?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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- e) *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?*
- f) *Is the agency insured or in a risk management pool to manage potential liabilities?*
- g) *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?*

Discussion³:

The 2022/23 property-related fees, assessments and/or special taxes for the North Davis Meadows CSA⁴ is as shown the table below:

North Davis Meadows CSA	Annual Charge Per Parcel	No. of Parcels Charged
Water	\$2,070.64	95
Water Project Loan Repayment	\$4,157.00	94
Water Project Loan Repayment (vacant parcel)	\$3,339.00	1
Sewer	\$2,043.96	82
Stormwater	\$158.18	95
Landscaping	\$486.30	95
Street Lighting	\$130.38	95

³ Yolo County Financial Data INFOR reports

⁴ County of Yolo Resolution No. 22-61 regarding charges on the 2022-23 tax roll for CSAs

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**NORTH DAVIS MEADOWS CSA NO. 10 - TOTAL
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES**

	2018	2019	2020	2021	2022
Revenue					
Special assessment	\$ 357,481	\$ 336,078	\$ 411,490	\$ 1,603,214	\$ 820,399
Interest	2,411	6,615	27,509	(1,446)	(23,691)
County funding	-	-	-	-	-
Other revenue	5,580	3,624	(1,811)	-	-
Total Revenue	365,472	346,317	437,188	1,601,768	796,708
Expenditures					
County staff support	44,186	40,824	16,637	18,007	32,883
Services and supplies	67,375	128,466	138,167	104,037	99,909
City of Davis Services	217,928	214,120	190,677	131,154	117,576
Other utilities	39,075	36,308	38,998	31,492	54,275
Debt service	5,722	13,551	16,675	7,997	972
Equipment & system improvements	290,396	31,999	-	-	125,832
	-	-	-	-	-
	-	-	-	-	-
Total Expenditures	664,682	465,268	401,154	292,687	431,447
Net income (loss)	(299,210)	(118,951)	36,034	1,309,081	365,261
Beginning Fund Balance	(249,310)	(548,520)	(667,471)	(631,437)	677,644
Ending Fund Balances	\$ (548,520)	\$ (667,471)	\$ (631,437)	\$ 677,644	\$ 1,042,905
Fund Balances					
Water	\$ (482,798)	\$ (652,076)	\$ (674,170)	\$ 576,131	\$ 879,642
Sewer	(65,722)	(15,395)	35,614	79,717	130,156
Drainage	-	-	(1,349)	2,504	5,157
Lighting	-	-	1,776	5,988	9,887
Landscaping	-	-	6,692	13,304	18,063
Total Fund Balances	\$ (548,520)	\$ (667,471)	\$ (631,437)	\$ 677,644	\$ 1,042,905
Y-T-Y Change in total Fund Balances					
Amount Increase (Decrease)	\$ (299,210)	\$ (118,951)	\$ 36,034	\$ 1,309,081	\$ 365,261
Percentage Increase (Decrease)	120.02%	21.69%	-5.40%	-207.32%	53.90%

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**NORTH DAVIS MEADOWS CSA NO. 10 - BY ACTIVITY
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES**

	2018	2019	2020	2021	2022
<u>Water</u>					
Revenue:					
Special assessment	139,238	112,114	182,047	1,368,594	582,819
Interest	2,077	3,820	22,738	(1,235)	(19,065)
Total revenue	141,315	115,934	204,785	1,367,359	563,754
Expenditures:					
County staff support	39,494	25,797	6,913	8,445	24,235
Services and supplies	14,742	84,156	79,629	40,713	40,241
City of Davis Services	122,165	118,357	94,914	35,391	21,813
Other utilities	30,874	28,055	30,674	25,155	47,150
Debt service	5,722	10,253	14,749	7,354	972
Equipment & system improvements	290,396	31,999	-	-	125,832
Total expenditures	503,393	298,617	226,879	117,058	260,243
Net Income (Loss)	(362,078)	(182,683)	(22,094)	1,250,301	303,511
<u>Sewer</u>					
Revenue:					
Special assessment	155,226	158,998	162,468	165,745	167,605
Interest	334	2,795	5,105	(681)	(3,583)
Total revenue	155,560	161,793	167,573	165,064	164,022
Expenditures:					
County staff support	2,390	2,257	2,500	5,447	2,795
Services and supplies	25,305	10,148	16,375	19,108	15,025
City of Davis Services	95,763	95,763	95,763	95,763	95,763
Debt service	-	3,298	1,926	643	-
Total expenditures	123,458	111,466	116,564	120,961	113,583
Net Income (Loss)	32,102	50,327	51,009	44,103	50,439
<u>Drainage</u>					
Revenue:					
Special assessment	12,872	13,270	13,680	14,060	14,284
Interest	-	-	(115)	127	(153)
Other revenue	5,580	3,624	(1,811)	-	-
Total revenue	18,452	16,894	11,754	14,187	14,131
Expenditures:					
County staff support	2,302	3,306	1,441	755	553
Services and supplies	11,257	12,102	11,662	9,579	10,925
Total expenditures	13,559	15,408	13,103	10,334	11,478
Net Income (Loss)	4,893	1,486	(1,349)	3,853	2,653

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	2018	2019	2020	2021	2022
<u>Lighting</u>					
Revenue:					
Special assessment	10,637	10,966	11,305	11,590	11,774
Interest	-	-	(66)	128	(333)
Total revenue	10,637	10,966	11,239	11,718	11,441
Expenditures:					
County staff support	-	2,708	1,165	1,186	421
Services and supplies	-	2,320	95	95	95
Other utilities	8,081	8,132	8,203	6,225	7,026
Total expenditures	8,081	13,160	9,463	7,506	7,542
Net Income (Loss)	2,556	(2,194)	1,776	4,212	3,899
<u>Landscaping</u>					
Revenue:					
Special assessment	39,508	40,730	41,990	43,225	43,917
Interest	-	-	(153)	215	(557)
Total revenue	39,508	40,730	41,837	43,440	43,360
Expenditures:					
County staff support	-	6,756	4,618	2,174	4,879
Services and supplies	16,071	19,740	30,406	34,542	33,623
Other utilities	120	121	121	112	99
Total expenditures	16,191	26,617	35,145	36,828	38,601
Net Income (Loss)	23,317	14,113	6,692	6,612	4,759

Water rates were increased significantly in 2021 to pay for project costs to connect to the City of Davis and there was a bump in 2021 to repay a 2017 County loan to front these costs. The CSA Manager applied for and was awarded \$7.6 million of State Revolving Fund grant funding to help fund the water connection project and is working with the State to finish the financial agreement. A loan will still be required to complete the project because the 2018 construction estimate was \$8.25 million considering inflation and increased construction costs. The City will bill residences directly for water service. The sewer, drainage, lighting, and landscaping accounts all appear stable.

Financial Ability MSR Determination:

The North Davis Meadows CSA is in a stable financial position and the 5-year trend does not indicate any issues. Revenues are sufficient to fund an adequate level of service and necessary infrastructure. Although the CSA was awarded a \$7.6 million loan from the State Revolving Fund, a loan will be necessary to bridge the gap to construct the water project connecting to the City of Davis. The amount of the loan needed has not been determined yet because the project has not yet gone out for bid, but the loan amount is expected to be manageable. With the City of Davis maintaining the water (once connected) and sewer system, a substantial CIP is not needed.

Recommendation(s):

None.

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5. Shared Services and Facilities

Status of, and opportunities for, shared facilities.

	Significant Issue	Potentially Significant	No Issue
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:

None.

Shared Services MSR Determination:

The CSA is already sharing services as feasible. The City of Davis will be providing water service once the water project is completed) and treating the community’s wastewater. YCFCWCD is maintaining the drainage system. For landscaping, the CSA either performs some of the work in-house from other County Departments, contracts with private landscaping services, or contracts with the City of Davis for work around the golf course. Pacific Gas and Electric (PG&E) provides electricity for its public lighting system, as well as to install, maintain, and service the light poles in the community. There are no known additional opportunities to share services.

Recommendation(s):

None.

6. Accountability, Structure, and Efficiencies

Accountability for community service needs, including governmental structure and operational efficiencies.

	Significant Issue	Potentially Significant	No Issue
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 checked="" type="checkbox"/>	<input type="checkbox"/>
d) <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"/>
e) <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 type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion⁵:

The North Davis Meadows CSA is in the process of connecting to City of Davis water and residents will be direct billed. The CSA should pursue potentially direct billing also for City sewer, which is already connected/provided.

The CSA has a five-member advisory committee to advise the BOS regarding CSA services and facilities. All seats are currently filled⁶.

Name / Title	Start	End
Tera Pitman /	07/07/2020	01/31/2024
Joe Connolly /	09/13/2022	01/31/2024
Francisca Johnson /	11/23/2021	01/31/2026
Kathy Greenhalgh /	11/23/2021	01/31/2026
Clara Nability /	01/11/2022	01/31/2026

The CSA is staffed and managed by the County’s Department of Community Services. The CSA is billed for the staff time of the CSA administrative support team, County finance staff, and County legal counsel, when such services are utilized. There have been four CSA managers in the past five years and the program has moved from the Department of Community Services to the County Administrator’s Office and back again. Despite these changes, CSA operations have improved with the evolutions of program operations and current staff are well-trained and very knowledgeable. However, Yolo County should value this key position and take steps to retain employees and reduce turnover. This is a unique position, and it may warrant its own class specification and pay scale. A recommendation to address retaining CSA Manager employees is included in the Overview Section because it’s related to management of all the CSAs as a whole and not this CSA in particular.

Accountability, Structure, and Efficiencies MSR Determination:

There are no recommended changes to the organization’s governmental structure that will increase accountability and efficiency. Regarding operations, the North Davis Meadows CSA is in the process of connecting to City of Davis water and residents will be direct billed. The CSA should pursue potentially direct billing for City sewer also, which is already connected/provided. Board and staff capacity, and audits are not an issue as these are handled by Yolo County. A recommendation to address retaining CSA Manager employees is included in the Overview Section because it’s related to management of all the CSAs as a whole. Advisory committee seats are currently all filled. The CSA received a 94% score in the 2021 Yolo Local Government Website Transparency Scorecard.

Recommendation(s):

- For the Davis-area CSAs (El Macero and North Davis Meadows), continue to pursue shared services with the City of Davis as much as possible including exploring options with the City of Davis for direct billing of City water and sewer services reflective of agreed-upon rate structures and ensuring that any direct billing methodologies are efficient, legally defensible, and administration is financially viable.

⁵ County Service Areas Government Code Sections 25210 – 25217.4

⁶ County of Yolo Agenda Quick Term Tracker module 9/13/2022

7a. Broadband Access

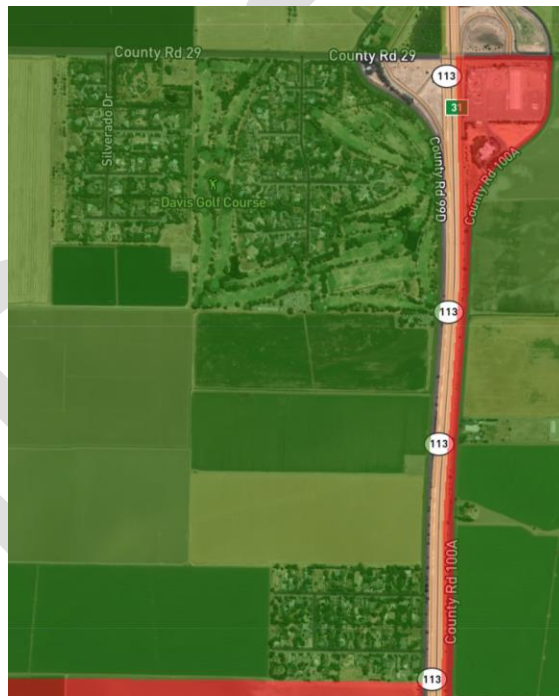
Any other matter related to effective or efficient service delivery, as required by commission policy.

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).”

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

Discussion⁷:

Below is the 25/3 Mbps served status for the North Davis Meadows CSA. The green color indicates areas served by at least 25/3 Mbps download/upload speeds.



Broadband Access MSR Determination:

The CPUC map indicates fixed wireless technology is available from Cal.net Inc. at speeds up to 25/3 Mbps (download/upload speeds), however, Om Networks a local internet service provider based in Davis installed a fiber project in the North Davis Meadows community that provides up to at least 1 gig speeds, and

⁷ California Interactive Broadband Map, December 31, 2019 data

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apparently this provider is not included in the CPUC data online. Broadband adoption at 25/3 Mbps is reported to be between 60% and 80%, but it's likely higher in the CSA due to its relative affluence.

Recommendation(s):

None.

7b. Status of Previous MSR Recommendations

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

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

Discussion:

The 2016 MSR had several recommendations and all of them have been implemented.

2016 MSR Recommendations	2022 Status
The County CSA Manager should conduct an analysis of the existing fee structure to ensure that fees continue to cover necessary costs of all services provided. In particular, there are no fees specific to the drainage, landscaping, and street lighting services. The cost of providing these services should be reviewed and fees set accordingly.	Done
Funding for the drainage, landscaping, and street lighting services should be tracked and accounted for separately in the North Davis Meadows CSA's financial reports.	Done
The County CSA Manager should develop an annual drainage maintenance plan. The plan should include a schedule and a map to identify current conditions, critical locations, and problems such as timing in regard to wildlife or other considerations, and establish a regular maintenance schedule to ensure adequate maintenance occurs on an ongoing basis.	Done
The potential for outsourcing or transferring drainage and flood control services to the Yolo County Flood Control and Water Conservation District should be evaluated by the CSA Manager, in consultation with the advisory committee.	Done
The County should account for the North Davis Meadows Assessment District as a separate entity from the North Davis Meadows CSA to accurately represent where liability for payment of the debt lies.	Done
The CSA Manager should pursue an agreement with the City to bill North Davis Meadows residents directly for water services.	Done

Status of Previous MSR Recommendations Determination:

Yolo County has implemented all of the 2016 MSR recommendations for the North Davis Meadows CSA.

SPHERE OF INFLUENCE STUDY

A Sphere of Influence (SOI) is an area delineated on a map and approved by LAFCo that indicates where potential future agency annexations could be proposed. The North Davis Meadows CSA has an SOI and based on the MSR there is no need to update it.

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.

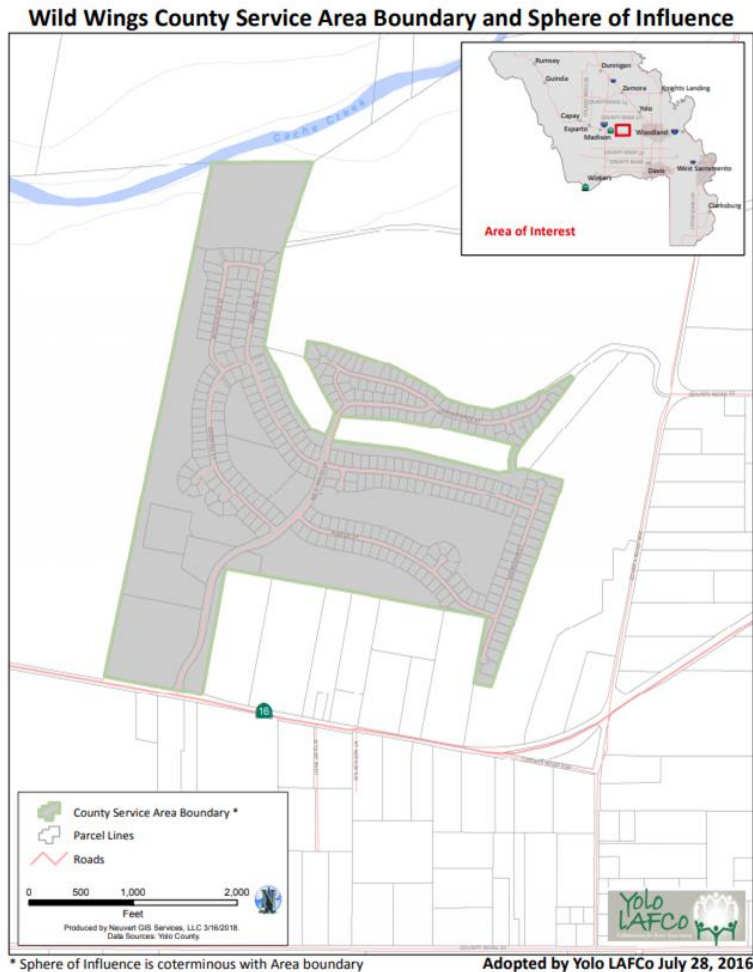
DRAFT

AGENCY PROFILE

The Wild Wings community subdivision is 5 miles west of the City of Woodland along Highway 16. It is immediately south of the Yolo Fliers Club and west of the Watts-Woodland Airport. The Wild Wings development is a planned community of single-family residential housing with a public nine-hole golf course. There are 338 single-family homes, a clubhouse, and several buildings related to wastewater treatment and water supply.

The Wild Wings County Service Area (CSA) #15 was formed May 25, 2004 to provide wastewater disposal and domestic water supply to the Wild Wings community. At the time of its formation, the CSA was also given latent powers to provide the same community services that are currently provided by the Wild Wings Owners Association, which include the following: road maintenance, streetlight maintenance, street sweeping and street cleaning, erosion/storm drainage, solid waste services and refuse removal, tree maintenance, and park and recreation. The CSA was provided these services as latent powers in case the CSA was required to assume any of them from the Owners Association. In accordance with California Government Code 25213.5, in order to activate a latent power, the CSA must seek approval from LAFCo.

In 2008 the CSA added park and recreation services, allowing the Wild Wings CSA to purchase and operate the Wild Wings Golf Course. The privately owned golf course was having financial trouble, and the owners proposed to sell the golf course to the CSA for \$1. The CSA acquired the golf course in early 2009, after Wild Wings residents approved a special tax to purchase and maintain the golf course. The CSA has contracted for the operation and management of the golf course since its acquisition in March 2009. The current jurisdictional boundaries are shown below.



YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

In January 2016 an island parcel within the Wild Wings community subdivision (i.e., a parcel not within the sphere of influence or the CSA boundary itself) was provided emergency extended water and wastewater services. On July 28, 2016, this parcel was annexed into the CSA. This has been the only annexation for the Wild Wings CSA since it was formed in 2004. In August 2019 the Wild Wings CSA was authorized by LAFCo to provide extended water services outside current jurisdictional boundaries to the adjacent Watts-Woodland Airport. An extended Sphere of Influence (SOI) to delineate this extended service area is recommended (see SOI Update section for Wild Wings page 5-19).

Wild Wings CSA is governed by the County Board of Supervisors (BOS) and is treated as a special district under the LAFCo Law. The BOS is advised by a five-member advisory committee¹ composed of local Wild Wings residents. The advisory committee has a recreation/golf subcommittee on golf course activities. As directed by California Government Code Section 25212.4, the advisory committee's role is to provide advice to the Board regarding the services and facilities of the CSA, but it is not within the authority of the advisory committee to make decisions, manage, or direct the delivery of services and facilities.

The CSA is currently staffed and managed by the County's Department of Community Services. The CSA is billed for the staff time of the CSA administrative support team, the County finance staff, and County legal counsel, when such services are utilized. The Wild Wings community has reached full build-out.

MUNICIPAL SERVICE REVIEW

POTENTIALLY SIGNIFICANT MSR DETERMINATIONS

The purpose of MSRs is to review the agency's services and assess various alternatives for improving efficiency and affordability of infrastructure and service delivery including, but not limited to, consolidation of governmental agencies.

The MSR determinations checked below are potentially significant, as indicated by 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 type="checkbox"/> Accountability, Structure, and Efficiencies |
| <input checked="" type="checkbox"/> Capacity, Adequacy & Infrastructure to Provide Services | <input 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 The advisory committee temporarily has 6 members per a recent settlement agreement and will drop back down to 5 members with attrition. See Accountability section for more information.

1. Growth and Population

Growth and population projections for the affected area.	Significant Issue	Potentially Significant	No Issue
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 demand suggest a change in the agency's services?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

None.

Growth and Population MSR Determination:

The Wild Wings development is comprised of 338 lots and none are vacant. Therefore, the CSA has little opportunity for new development or growth. There are no changes in demand that would suggest a change in the agency's services.

Recommendation(s):

None.

2. Disadvantaged Unincorporated Communities

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

	Significant Issue	Potentially Significant	No Issue
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:

None.

Disadvantaged Unincorporated Communities MSR Determination:

There are no disadvantaged unincorporated communities within or contiguous to the Wild Wings CSA².

² CALAFCO Statewide DUCs Refined GIS Layer, RSG, Inc. December 10, 2021.

Recommendation(s):

None.

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.

	Significant Issue	Potentially Significant	No Issue
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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) <i>Are there any issues regarding the agency's capacity and ability to meet the service demand of reasonably foreseeable <u>future</u> needs?</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) <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"/>
d) <i>Is the agency needing to consider climate adaptation in its assessment of infrastructure/service needs?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Discussion:

The Wild Wings CSA was formed May 25, 2004 to provide wastewater disposal and domestic water supply to the Wild Wings community. In 2008 the CSA added park and recreation services, allowing the Wild Wings CSA to purchase and operate the Wild Wings Golf Course.

Existing CSA Services Authorized/Provided	Service Provider
Municipal Water	SUSP
Sewer/Wastewater	SUSP
Golf Course	KemperSports
Drainage (new service needed)	YCFCWCD

Under supervision of Yolo County CSA staff, the current operator under contract with the CSA for maintenance and operation of the water and sewer facility is the California Rural Water Association Specialized Utilities Services Program (SUSP). Golf course management is currently provided by KemperSports; however, the CSA is considering making a change as discussed below.

Water

The Wild Wings CSA provides domestic water services to Wild Wings residents. The water system's primary well (Pintail Well) supplies water to the homes and the secondary well (Canvasback Well) irrigates the golf course and serves as an emergency backup well with restrictions. The Canvasback Well cannot be used due to a State Department of Public Health compliance order for arsenic. CSA staff have tried hiring a consultant in 2011 and adjusting the pump in 2019 and 2021 to no avail. In recent years, due to dropping water levels in the well, the CSA has stopped pumping the Canvasback Well in June each year to maintain a sufficient emergency supply for the community. The CSA also maintains the associated pumps, hydro-pneumatic tanks, 360,000-gallon storage tanks, and chlorination facilities for both wells. The CSA added a fee to cover the cost of treating arsenic levels in the water to address water quality issues.

The ongoing drought has affected the CSA's well water levels significantly. The Yolo County Board of Supervisors adopted a [Local Drought Emergency](#)³ resolution at the July 27, 2021 meeting for the unincorporated areas of the County and adopted a resolution urging a 25% voluntary reduction in water use within the Wild Wings CSA in response to the current drought emergency. The resolution also confirms the authority of the Director of Emergency Services to implement emergency orders and regulations imposing mandatory restrictions as necessitated by water supply conditions. Wild Wings residents have met or exceeded the water reduction levels since April 2022. However, the current rate structure for Wild Wings includes a flat rate for household use up to 250,000 gallons per year. Therefore, there is little financial incentive for residents to conserve water. The CSA is putting together an RFP for new rate study to revamp rates and fees to be based on consumption, which would better incentivize water conservation.

The CSA is currently working on addressing water supply and redundancy issues by constructing a new well (Wood Duck Well) which is out to bid, and the design work is in progress on the site planning, the pump station, and the arsenic treatment facility. It is estimated the Wood Duck Well will begin construction in December 2022 and take 9-12 months to complete and be online. The project is mostly grant funded and the grant expires December 29, 2023. It may also be possible to lower the pump in the Pintail Well; however, it will not be attempted until the Wood Duck Well is completed for redundancy.

All three wells will be interconnected with the arsenic treatment system which was included in the grant funding so the CSA will have \$1.7 million for a brand-new arsenic treatment facility. A consultant designed and pilot test the arsenic system and is finalizing the design and will be installed by December 2023.

The geology below Wild Wings is not conducive to groundwater reserves despite well redundancy. Therefore, Yolo County is also studying a potential connection with existing water systems at either the City of Woodland, Esparto CSD, or Madison CSD. With grant funding, an RFP has been issued for a feasibility study and the Office of Emergency Services (OES) has applied for additional grant funding to pay for the engineering to potentially connect Esparto CSD, Madison CSD, and Wild Wings CSA to the City of Woodland. The grant has not been awarded yet.

Therefore, while there are very significant water supply issues with the drought conditions and climate change, the CSA has a plan in place and is already working to address water supply redundancy issues by constructing an additional well in the short-term in addition to promoting water conservation efforts and studying the feasibility of potentially connecting to a nearby water system in the long-term.

Sewer

The Wild Wings CSA is responsible for providing wastewater collection and disposal for the Wild Wings community. The wastewater treatment facility (WWTP) facility is sited in a walled compound near the entrance to the Wild Wings development. The sewage treatment facilities consist of the collection system, a force main, two pump stations, and a 101,000 gallons per day (gpd) peak flow tertiary treatment plant. The WWTP currently processes about 55,000 gpd, on average, and up to 161,000 gpd during its highest measured peak flow, at which times the excess sewage is diverted to the emergency storage pond.

The WWTP has an existing 24-hour emergency storage pond which has a capacity of about 313,000 gallons. The pond is lined with 2 feet of compacted clay which is overlain by a High-Density Polyethylene (HDPE) liner. The WWTP is equipped with a standby emergency generator which comes on automatically whenever there is a power outage at the site.

Approximately 21 million gallons of recycled water are currently produced by the WWTP each year. The recycled water is delivered to the Wild Wings Golf Course where it is used to irrigate the turf. Recycled water makes up 38% of the water used by the golf course, the remaining amount typically in recent years comes from the Canvasback well, due to the increased levels of arsenic.

³ July 27, 2021 BOS Staff Report:

https://yoloagenda.yolocounty.org/agenda_publish.cfm?id=&mt=BOS&get_month=7&get_year=2021&dsp=agm&seq=11249&rev=0&ag=3353&ln=99636&nseq=&nrev=&pseq=&prev=#ReturnTo99636

The Wild Wings WWTP was constructed in 2004 and has been fraught with issues for years. In 2018 following the last MSR, there was a complete failure of the WWTP, and it was discovered that the project developer failed to install the permit-approved system with necessary redundancy and the CSA implemented short-term rehabilitation measures. The Wild Wings Owners Association filed a lawsuit against the County for mismanagement and improperly imposing fees. Yolo County accepted some responsibility and agreed to pay \$70,000 for a redundant plant which has since been completed. The lawsuit has been settled.

Since 2018, the County has been studying long-term options. A feasibility study was completed in November 2018 that outlined six options to increase the WWTP's reliability and meet State standards. Those options were as follows:

- Option 1 – Build a second wastewater treatment plant the same size as the existing
- Option 2 – Build additional emergency storage
- Option 3 – Provide a combination of redundant and standby equipment
- Option 4 – Build a second smaller wastewater treatment plant
- Option 5 – Connect to the City of Woodland's wastewater system
- Option 6 – Do nothing

Since 2019, the CSA advisory committee has discussed the presented options and have narrowed the choices down to two: Option 3 – Provide a combination of redundant and standby equipment or Option 4 – Build a second smaller WWTP.

Option 3 was estimated in 2018 to cost \$725,000 with annual operation and maintenance costs of \$75,000/year. Option 4 was estimated in 2018 to cost \$2,249,000 with annual operation and maintenance costs of \$83,000/year. The addition of a second smaller plant (Option 4) would allow the main plant to be taken offline for maintenance and there would be system redundancy. Option 3 adds a second filtration and disinfection unit but relies on being able to rent and assemble the needed tankage, pumps, and SCADA system to divert sewage into a temporary system when an emergency occurs. The ability to assemble the equipment in a short time frame is questionable and may result in the WWTP being unable to meet permit requirements, which could lead to fines and Notices of Violation from the state. The CSA Manager is finalizing a resident survey because it's critical there is community support to pass a Prop 218 to fund whichever project is selected. The CSA Manager will also be pursuing grant funding.

The CSA needs to decide quickly which option to construct and incorporate costs into a Prop 218 study. The sewer assessment to fund the recommended option will be considered along with the upcoming Prop 218. The WWTP permit with the State Water Resources Control Board (SWRCB) is up for renewal. This occurs about every 10 years for all wastewater facilities. SWRCB gave the CSA additional time to address WWTP issues due to the lawsuit mentioned above. However, the permit is up for renewal and must meet state requirements for reliability and redundancy, which it currently does not.

Therefore, while there are very significant WWTP issues with the current system, the CSA is actively working on a solution subject to additional Prop 218 funding.

Parks and Recreation (Golf Course)

The Wild Wings 9-hole golf course provides an important community function by operating as the WWTP discharge spray field. The golf course was originally owned and operated by a private company called Wild Wings, LLC. However, in 2008 Wild Wings, LLC determined it could no longer afford to operate the golf course and offered to sell it to the CSA for a \$1. The Yolo County Board of Supervisors voted to move forward with an approach to acquire and operate the Wild Wings Golf Course on October 21, 2008 based on resident feedback received during several public meetings. This vote activated the CSA's parks and recreation function, which was given to the CSA as a latent power at the time of its formation.

On March 10, 2009 the Wild Wings community passed Measure O (which was a special tax on Wild Wings residents for the acquisition, operation, maintenance, and improvement of the Wild Wings Golf Course) and the Yolo County Board of Supervisors approved a management agreement with KemperSports for the operation of the course. In recent years, the management of the golf course has been poor resulting in unclean facilities and damaged greens. The CSA is considering all its options for the future of the course.

As mentioned above, recycled water from the WWTP is delivered to irrigate the Wild Wings Golf Course, which is 38% of the total water used. The remaining water is typically provided by the Canvasback Well which is the community emergency backup well due to arsenic issues. During recent drought years however, non-potable water has been purchased from a nearby farmer who refills an onsite storage pond to irrigate the golf course. This water purchase was implemented due to insufficient water levels in the wells.

Regarding operational issues, the golf course has struggled financially and operationally for years. If the golf course continues to struggle to find an adequate operator and/or have financial issues, the CSA should consider whether continued golf course recreational services are warranted and consider scaling the golf course operation down to its essential function as a WWTP discharge spray field that can be used as community open space. The greenspace would need to regular maintenance of the irrigation lines and landscape services.

Flood Control and Drainage (New Service Need)

Onsite stormwater is handled via the street system and drainage runoff infrastructure maintained by the HOA, including a portion of drainage on the western side that flows into Cache Creek at a cost covered by HOA landscape fees. The eastern portion of Wild Wings contributes to storm water runoff that has drains to a channel north of the Watts Airport. Over the years, the channel has not been adequately maintained and therefore increased the backup of water on the airstrip during flood events. This is especially critical as Watts Airport has the contract to provide maintenance on emergency helicopters for the Yolo County Sheriff, CAL FIRE, etc. The CSA Manager has recently worked out an agreement where the CSA, Watts Airport, and the Yolo Fliers Club will all equally contribute to paying for the channel to be maintained by the Yolo County Flood Control and Water Conservation District (YFCWCWD). The YFCWCWD already maintains some ponds onsite, so it is efficient to simply add this to the scope of services. Since payments will be coming to the CSA to pay the agreement, the CSA should establish a separate fund and fee for transparency purposes.

Capacity and Adequacy MSR Determination:

The Wild Wings CSA is facing significant capacity and adequacy issues regarding all its municipal services, with the most critical being water and wastewater. The recent drought has significantly impacted water supply and the CSA is currently in the process of constructing an additional well and studying the feasibility of connecting to other municipal systems in the surrounding area. Regarding wastewater, the development was originally signed off with insufficient WWTP infrastructure inferior to what was required in the development agreement. Yolo County settled a lawsuit with the Wild Wings Owners Association and agreed to compensate the CSA for certain costs associated with applying for State funding to install a redundant system at the wastewater treatment plant. The golf course provides an essential service as a WWTP spray field and is having recreational facility adequacy issues due to poor management; however, the CSA is already looking at ending the current contract and finding a new operator.

Therefore, although there are significant deficiencies, the CSA has a plan in place and is moving forward on water supply and golf course solutions. However, more progress needs to be made regarding selecting an option to address the WWTP deficiencies. The permit is up for renewal and SWRCB has indicated it will take approximately one year but would not renew it without forward progress on a solution. The CSA Manager is hoping to address all these fee issues in one Prop 218 process.

Recommendation(s):

- Continue to focus Yolo County staff time and resources on resolving the significant long-term municipal water and sewer service sustainability issues for the Wild Wings CSA as noted in the MSR.
- Continue studying the feasibility of connecting to other municipal water systems in the surrounding area to improve water supply security/redundancy.
- The Wild Wings CSA WWTP discharge permit from SWRCB is up for renewal. The CSA needs to select and move forward with an option quickly to increase the WWTP's reliability and meet State standards.

YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

- If the golf course continues to struggle to find an adequate operator and/or have financial issues, the CSA should consider leasing out the golf course operations to an outside provider, so it is no longer a CSA day to day management responsibility.
- The Wild Wings CSA needs to provide a new flood control and drainage service and fund to be added (and LAFCo should consider adding flood control and drainage to the CSA's powers). Separating this new service and fee into its own fund would be more transparent.
- If any future requests for water or sewer service extensions outside Wild Wings CSA boundaries are submitted, the CSA should carefully consider its capacity to serve additional connections.

4. Financial Ability

Financial ability of agencies to provide services.

	Significant Issue	Potentially Significant	No Issue
a) <i>Is the subject agency in a stable 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>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"/>
c) <i>Is the organization's revenue sufficient 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</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) <i>Does the subject agency have a capital improvement plan (CIP)? 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 to fund it?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) <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"/>
f) <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 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"/>
g) <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"/>
h) <i>Is the agency insured or in a risk management pool to manage potential liabilities?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

Discussion⁴:

The Wild Wings CSA as a whole is currently financially stable. Overall, it operated at a loss during FYs 2018-2019, but in the last three years it has increased revenues and has been able to increase its total fund balances.

**WILD WINGS COUNTY SERVICE AREA - TOTAL
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES**

	2018	2019	2020	2021	2022
Revenue					
Charges for services	\$ 573,079	\$ 590,008	\$ 613,891	\$ 823,116	\$ 756,269
Special assessments	1,441,914	1,990,260	2,036,959	2,076,734	2,099,433
Interest	35,380	59,722	80,689	2,210	(89,993)
Ingergovernmental grants	-	-	-	-	244,298
Other County funding	-	-	-	-	30,000
Other revenue	-	-	77,745	7,425	104,725
Total Revenue	2,050,373	2,639,990	2,809,284	2,909,485	3,144,732
Expenditures					
County support	74,764	61,009	42,949	50,438	109,690
Contracted management	75,000	75,000	75,000	75,000	75,000
Operating costs	1,367,361	1,491,969	1,219,042	1,540,381	2,071,442
Utilities	318,343	343,838	385,439	344,647	412,649
Other expenditures	-	352	2,317	2,336	30,219
Debt service (principal and interest)	12,836	1,288	33,238	29,093	28,199
Capital Assets:					
Buildings and improvements	722,743	740,125	158,355	432,430	311,515
Equipment	-	-	66,480	55,894	16,395
Total Expenditures	2,571,047	2,713,581	1,982,820	2,530,219	3,055,109
Net income (loss)	(520,674)	(73,591)	826,464	379,266	89,623
Beginning Fund Balance	2,710,573	2,189,899	2,116,308	2,942,772	3,322,038
Ending Fund Balances	\$ 2,189,899	\$ 2,116,308	\$ 2,942,772	\$ 3,322,038	\$ 3,411,661
Fund Balances					
Nonspendable	\$ 29,648	\$ 23,200	\$ 19,050	\$ 22,151	\$ 17,597
Assigned - Capital asset replacement	1,383,923	1,570,949	1,988,685	2,421,012	2,716,032
Unassigned	776,328	522,159	935,037	878,875	678,032
Total Fund Balances	\$ 2,189,899	\$ 2,116,308	\$ 2,942,772	\$ 3,322,038	\$ 3,411,661

The 2022/23 property-related fees, assessments and/or special taxes for the Wild Wings CSA⁵ is as shown the table below. Sewer assessments for residents more than doubled over the last 5 years and infrastructure improvements to the WWTP are required that will necessitate another rate increase. Wild Wings CSA sewer assessments are already much higher as compared to El Macero and North Davis Meadows CSAs which can take advantage of economies of scale with the City of Davis WWTP.

⁴ Yolo County Financial Data INFOR reports

⁵ County of Yolo Resolution No. 22-61 regarding charges on the 2022-23 tax roll for CSAs

YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

Wild Wings CSA Rates	Annual Charge Per Parcel	No. of Parcels Charged
Water Base Rate (up to 250,000 gpy)	\$1,073.42	339
Water Overage (\$0.30 per 100 gallons)	varies	varies
Water Treatment (arsenic)	\$241.00	339
Sewer Base Rate	\$3,010.86	338
Sewer (water loan repayment)	\$256.60	338
Golf Course	\$1,768.00	338

The Wild Wings CSA has funds accounting for each of its three services: water, sewer, and the golf course. Five-year trends are shown for each service and an overall total for the CSA.

**WILD WINGS COUNTY SERVICE AREA - WATER
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES**

	2018	2019	2020	2021	2022
Revenue					
Charges for services	\$ 151,623	\$ 225,152	\$ 233,032	\$ 233,032	\$ 239,618
Special assessments	434,476	521,650	537,057	451,475	458,936
Interest	26,100	62,286	77,315	(4,831)	(54,933)
Intergovernmental grant	-	-	-	-	244,298
Other County funding	-	-	-	-	30,000
Other revenue	-	-	16,988	7,425	4,725
Total Revenue	612,199	809,088	864,392	687,101	922,644
Expenditures					
County support	27,865	21,218	18,207	27,018	68,513
Contracted management	-	-	-	-	-
Operating costs	204,229	269,455	169,406	297,662	907,330
Utilities	79,968	48,595	85,687	39,181	89,911
Other expenditures	-	352	2,317	2,336	6,436
Debt service (principal and interest)	-	-	-	-	-
Capital Assets:					
Buildings and improvements	185,590	180,393	134,709	336,861	254,770
Equipment	-	-	-	-	16,395
Total Expenditures	497,652	520,013	410,326	703,058	1,343,355
Net income (loss)	114,547	289,075	454,066	(15,957)	(420,711)
Beginning Fund Balance	1,942,018	2,056,565	2,345,640	2,799,706	2,783,749
Ending Fund Balances	\$ 2,056,565	\$ 2,345,640	\$ 2,799,706	\$ 2,783,749	\$ 2,363,038
Fund Balances					
Assigned - Capital asset replacement	\$ 1,383,923	\$ 1,570,949	\$ 1,988,685	\$ 2,421,012	\$ 2,716,032
Unassigned	672,642	774,691	811,021	362,737	(352,994)
Total Fund Balances	\$ 2,056,565	\$ 2,345,640	\$ 2,799,706	\$ 2,783,749	\$ 2,363,038

The water fund has increased its fund balance slightly over the five-year trend. Water expenditures have gone up significantly in 2021 and 2022 to address drought issues and drilling a new well. The CSA Manager

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indicates sufficient revenue is assessed for water, but she plans to conduct a Prop 218 to restructure water rates because the current rates are largely flat rate and could better reflect the cost of providing the service, with the added benefit of better incentivizing water conservation. In addition, the golf course is currently charged a potable water rate although it uses recycled and raw water.

**WILD WINGS COUNTY SERVICE AREA - SEWER
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES**

	2018	2019	2020	2021	2022
Revenue					
Charges for services	\$ 33,926	\$ 26,704	\$ 27,639	\$ 27,639	\$ 26,704
Special assessments	467,438	\$ 894,010	\$ 925,302	\$ 1,050,659	\$ 1,065,897
Interest	4,786	(11,148)	(5,021)	5,023	(21,118)
Other revenue	-	-	-	-	100,000
Total Revenue	506,150	909,566	947,920	1,083,321	1,171,483
Expenditures					
County support	41,291	25,161	9,811	6,849	14,626
Contracted management	-	-	-	-	-
Operating costs	601,216	639,758	460,418	592,065	507,256
Utilities	52,826	43,387	39,081	44,668	70,882
Other expenditures	-	-	-	-	23,783
Debt service (principal and interest)	-	-	16,988	7,425	4,725
Capital Assets:					
Buildings and improvements	537,153	559,732	22,285	3,565	-
Equipment	-	-	-	-	-
Total Expenditures	1,232,486	1,268,038	548,583	654,572	621,272
Net income (loss)	(726,336)	(358,472)	399,337	428,749	550,211
Beginning Fund Balance	582,346	(143,990)	(502,462)	(103,125)	325,624
Ending Fund Balances	\$ (143,990)	\$ (502,462)	\$ (103,125)	\$ 325,624	\$ 875,835
Fund Balances					
Unassigned	\$ (143,990)	\$ (502,462)	\$ (103,125)	\$ 325,624	\$ 875,835
Total Fund Balances	\$ (143,990)	\$ (502,462)	\$ (103,125)	\$ 325,624	\$ 875,835

In 2018, the WWTP had a catastrophic failure without reserves to pay for new equipment and additional operating costs. The sewer fund had to borrow from the water fund and is in the process of paying it back. As visible in the 5-year trend, sewer assessments have more than doubled. The CSA is now collecting adequate funds and the sewer fund balance is rebounding; however, as discussed in the Capacity Section, a long term WWTP redundancy solution needs to be determined, which will need to raise assessments even more with a corresponding Prop 218 election.

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**WILD WINGS COUNTY SERVICE AREA - GOLF COURSE
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES**

	2018	2019	2020	2021	2022
Revenue					
Charges for services	\$ 387,530	\$ 338,152	\$ 353,220	\$ 562,445	\$ 489,947
Special assessments	540,000	574,600	574,600	574,600	574,600
Interest	4,494	8,584	8,395	2,018	(13,942)
Other County funding	-	-	-	-	-
Other revenue	-	-	60,757	-	-
Total Revenue	932,024	921,336	996,972	1,139,063	1,050,605
Expenditures					
County support	5,608	14,630	14,931	16,571	26,551
Contracted management	75,000	75,000	75,000	75,000	75,000
Operating costs	561,916	582,756	589,218	650,654	656,856
Utilities	185,549	251,856	260,671	260,798	251,856
Other expenditures	-	-	-	-	-
Debt service (principal and interest)	12,836	1,288	16,250	21,668	23,474
Capital Assets:					
Buildings and improvements	-	-	1,361	92,004	56,745
Equipment	-	-	66,480	55,894	-
Total Expenditures	840,909	925,530	1,023,911	1,172,589	1,090,482
Net income (loss)	91,115	(4,194)	(26,939)	(33,526)	(39,877)
Beginning Fund Balance	186,209	277,324	273,130	246,191	212,665
Ending Fund Balances	\$ 277,324	\$ 273,130	\$ 246,191	\$ 212,665	\$ 172,788
Fund Balances					
Nonspendable	\$ 29,648	\$ 23,200	\$ 19,050	\$ 22,151	\$ 17,597
Unassigned	247,676	249,930	227,141	190,514	155,191
Total Fund Balances	\$ 277,324	\$ 273,130	\$ 246,191	\$ 212,665	\$ 172,788

The golf course fund had increased revenues during the pandemic; however, even with this significant increase in revenue, operating costs have exceeded revenues in the last 4 years. Expenses could be reduced if the golf course was charged a recycled water rate instead of a more expensive potable rate, but this would not change the economic outlook of the golf course. There is a small fund balance to cushion these increased expenses, but this trend cannot continue. As discussed in the Capacity Section, the County is in the process of negotiating the management contract with KemperSports and needs to find a new operator or consider leasing the golf course out altogether.

Financial Ability MSR Determination:

The Wild Wings CSA as a whole is currently financially stable. Overall, it operated at a loss during FYs 2018-2019, but in the last three years it has increased revenues and has been able to increase its fund balance. Sewer assessments for residents more than doubled over the last 5 years and infrastructure improvements to the WWTP are required that will necessitate another rate increase. The CSA Manager is currently working very hard to increase the resiliency of water and wastewater services and establish a sound reserve for capital improvements. Much of this resiliency has been funded through state grants via applications submitted by the CSA Manager but property fees will likely increase. A new water rate structure is needed, and a Prop 218 process is already planned which would better reflect actual water use and incentivize conservation practices. The golf course has operated at a loss since it was absorbed in 2009; however, the CSA is working on revising the operator agreement and looking at other options to stabilize

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this service and its costs. The advisory committee is actively involved and receives financial updates at each quarterly meeting.

Recommendation(s):

None.

5. Shared Services and Facilities

Status of, and opportunities for, shared facilities.

	Significant Issue	Potentially Significant	No Issue
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:

Wild Wings is located 5 miles east of Madison and 8 miles east of Esparto along SR 16. Both Madison and Esparto have municipal water, sewer, and parks/recreation services managed by independent community services districts (CSDs). Yolo County is studying the feasibility of connecting to water systems in the City of Woodland, Esparto CSD, or Madison CSD. It may also be possible to share water and sewer operations and maintenance services with these entities if the systems are connected.

Golf course management is a specialized service. The only other municipal golf course in the unincorporated area is outside of Davis, 13 miles away. The adjacent Yolo Fliers Club is a private 18-hole golf course and may an option to maintain the Wild Wings Golf Course, but such an arrangement would need to be approved by its members. It may be more efficient and financially feasible to manage 27-holes together, rather than 9-holes on its own.

Shared Services MSR Determination:

CSAs are already managed in a consolidated fashion by Yolo County. However, the County is studying the feasibility of consolidating Wild Wings CSA infrastructure by connecting to water systems in the City of Woodland, Esparto CSD, or Madison CSD. It may also be possible to share water and sewer operations and maintenance services with these entities if the systems are connected. The CSA Manager is also considering leasing out the golf course.

Recommendation(s):

See Capacity and Services Section.

6. Accountability, Structure, and Efficiencies

Accountability for community service needs, including governmental structure and operational efficiencies.

	Significant Issue	Potentially Significant	No Issue
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>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"/>
c) <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"/>
d) <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 checked="" type="checkbox"/>	<input type="checkbox"/>
e) <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 type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion⁶:

The Wild Wings CSA must operate more standalone due to its geographic isolation and is unable to take advantage of significant economies of scale (i.e., it has 339 connections to spread its significant water and WWTP costs). Therefore, parcels must bear relatively higher fees as compared to the El Macero and North Davis Meadows CSAs which share infrastructure with the City of Davis. But other than potentially connecting to another agency’s water system (hopefully with grant funding), LAFCo does not see organizational or structural options to reduce costs other than managing its services as efficiently as possible.

In 2015/16 the Yolo County Grand Jury issued a report titled, Wild Wings CSA Management and Service Concerns⁷ that found lack of transparency and accessibility of information regarding CSA operations and a need to ensure the CSA is fully funding reserve accounts. In 2021, Yolo County entered into a tentative settlement of a lawsuit with the Wild Wings Owners Association. Under the terms of the tentative settlement, the County explored the possibility of creating a Wild Wings Community Services District (CSD) as an independent agency to operate the CSA’s water, sewer, and park/recreational services, instead of being governed by the Board of Supervisors. The County created a Community Advisory Committee to consider and make recommendations to the Board of Supervisors regarding the formation of a CSD. The Committee met 7 times from June through August 2021 and ultimately, at the August 31, 2021 BOS meeting, based on resident surveys and committee recommendation, the BOS decided not to pursue formation of a CSD. This terminated the 2021 tentative settlement, and the County and Wild Wings Owners Association entered a final settlement in 2022.

⁶ County Service Areas Government Code Sections 25210 – 25217.4

⁷ <https://www.yolocounty.org/living/grand-jury/yolo-county-grand-jury-reports>

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The CSA has a five-member advisory committee to advise the Board of Supervisors regarding CSA services and facilities. No seats are currently vacant.⁸ As part of the 2022 settlement agreement between the County and the Wild Wings Owners Association, the Association is authorized to appoint a member to the committee. This temporarily increased the committee's membership to six members until the term of one of the other members ends in January 2024, at which point the committee would revert to five members.

Name / Title	Start	End
Rick Fenaroli /	08/05/2022	01/31/2024
Georgia Cochran /	02/11/2020	01/31/2024
Douglas Williams /	01/28/2020	01/31/2024
Scott Picanso /	11/23/2021	01/31/2026
Mark Ullrich /	11/23/2021	01/31/2026
Joan Kingery /	01/11/2022	01/31/2026

The CSA is currently staffed and managed by the County's Department of Community Services. The CSA is billed for the staff time of the CSA administrative support team, County finance staff, and County legal counsel, when such services are utilized. There have been four CSA managers in the past five years and the program has moved from the Department of Community Services to the County Administrator's Office and back again. Despite these changes, CSA operations have improved with the evolutions of program operations and current staff are well-trained and very knowledgeable. However, Yolo County should value this key position and take steps to retain employees and reduce turnover. This is a unique position, and it may warrant its own class specification and pay scale. A recommendation to address retaining CSA Manager employees is included in the Overview Section because it's related to management of all the CSAs as a whole and not this CSA in particular.

Accountability, Structure, and Efficiencies MSR Determination:

There are no recommended changes to the organization's governmental structure (i.e., a change from a CSA to some agency, such as a CSD) that will increase accountability and efficiency even though Wild Wings parcels must bear relatively higher fees as compared to the El Macero and North Davis Meadows CSAs. In 2021, Yolo County explored the possibility of creating a Wild Wings Community Services District (CSD) as an independent agency to operate the CSA's water, sewer, and park/recreational services instead of the County. Ultimately at the August 31, 2021 BOS meeting, based on resident surveys and committee recommendation, the BOS decided not to pursue formation of a CSD. LAFCo concurs that the Wild Wings community is not large enough to operate effectively as an independent CSD. LAFCo does not see organizational or structural options to reduce costs other than managing its services as efficiently as possible.

Board and staff capacity, filing Form 700s, policies, and audits are not an issue as these are handled by Yolo County. The CSA is staffed and managed by the County's Department of Community Services and turnover in the CSA Manager has been an issue since the last MSR. The CSA is billed for the staff time of the CSA administrative support team, County finance staff, and County legal counsel, when such services are utilized. The CSA received a 91% score in the 2021 Yolo Local Government Website Transparency Scorecard and will continue to be scored each year.

Recommendation(s):

None.

⁸ County of Yolo Agenda Quick Term Tracker module 9/13/2022

7a. 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 MSR 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).”

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

Discussion⁹:

Below is the 25/3 Mbps served status for the Wild Wings CSA. The green color indicates areas served by at least 25/3 Mbps download/upload speeds.



Broadband Access MSR Determination:

The CPUC map indicates asymmetric DSL technology is available from AT&T at speeds up to 75/20 Mbps (download/upload speeds), however there have been anecdotal reports of service connections being capped and actual service at lower speeds than reported. Fixed wireless is also available from Esparto Broadband Inc. at speeds up to 50/20 Mbps. Some residents also report using Starlink satellite services. According to the CPUC broadband data, adoption at 25/3 Mbps is reported to be between 20% and 40% in the area, but it’s likely higher in the CSA due to its relative affluence.

Recommendation(s):

None.

⁹ California Interactive Broadband Map, December 31, 2019 data

7b. Status of Previous MSR Recommendations

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

	Significant Issue	Potentially Significant	No Issue
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:

The 2014 MSR had several recommendations and most of them have been implemented.

2014 MSR Recommendations	2022 Status
1. LAFCo encourages the CSA to continue working with the Yolo-Solano Air Quality Management District (AQMD) to resolve odor issues at the wastewater treatment facility. Please notify LAFCo of any significant issues and/or milestones during the Notice of Violation process including any clearance notice from the AQMD that the case has been resolved and closed.	AQMD case resolved and closed.
2. The CSA should continue working with the California Department of Public Health to resolve its Compliance Order and should notify LAFCo of any significant issues and/or milestones during the process.	Compliance Order is in progress; the Canvas Back Well only operates as a standby well. A grant has been secured for an arsenic treatment system and additional well site which will be constructed in the next 15 months.
3. For each budget cycle, the CSA should provide an estimate of anticipated costs, and then adjust as needed, rather than leaving unknown costs out of the budget altogether thus requiring significant amendments mid-year.	Completed.
4. If allowable according to the CSA's recent Proposition 218 ballot initiative, the CSA should consider placing funds aside for maintenance or treatment at the wastewater facility.	Wild Wings CSA completed reserve study in 2021
5. When planning for future Proposition 218 initiatives, the CSA should consider the need for dedicated reserves for significant upcoming maintenance issues.	Completed. See #4.
6. The County should consider providing additional staff resources to the CSA or provide whatever support may be necessary to resolve internal and external customer service issues. The County should implement the recommendations in the 2013-14 Grand Jury report "Proposition 218 Protest Election Process: The Yolo Way" to improve its Proposition 218 protect election process.	Additional County staff resources have not been provided. Recommendations to improve Prop 218 process have been implemented.

Status of Previous MSR Recommendations Determination:

The 2014 MSR recommendations for the Wild Wings CSA have mostly been addressed; however, Yolo County has not dedicated additional staff resources to manage the CSAs.

Recommendation:

- The County should provide additional accounting and administrative staff support to the CSA Manager so this time can be better utilized to address CSAs significant infrastructure issues.

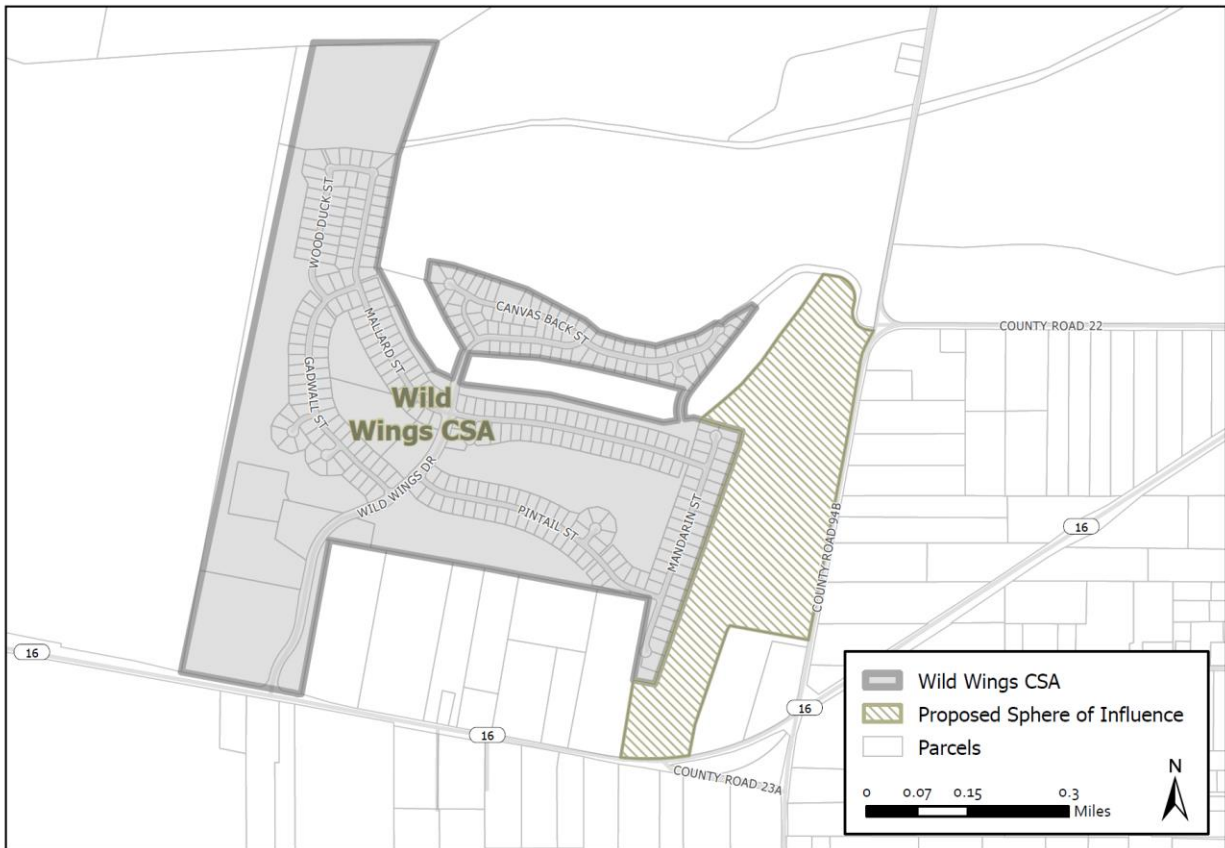
SPHERE OF INFLUENCE STUDY

A Sphere of Influence (SOI) is an area delineated on a map and approved by LAFCo that indicates where potential future agency annexations could be proposed. Wild Wings CSA's SOI is currently coterminous with its jurisdictional boundary, meaning no future annexations are anticipated or allowed unless LAFCo changes the SOI. However, in August 2019 the Wild Wings CSA was authorized by LAFCo to provide extended water services to the adjacent Watts-Woodland Airport. Therefore, the SOI should be updated to include the airport in the CSA's SOI to allow for future annexation.

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.

Wild Wings CSA and Proposed Sphere of Influence



POTENTIALLY SIGNIFICANT SOI DETERMINATIONS

The SOI determinations below are significant or potentially significant as indicated by the answers to the key policy questions in the checklist and corresponding discussion on the following pages.

YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

- Present and Planned Land Uses
- Need for Public Facilities and Services
- Capacity and Adequacy of Provide Services
- Social or Economic Communities of Interest
- Disadvantaged Unincorporated Communities

1. PRESENT AND PLANNED LAND USES

The present and planned land uses in the area, including agricultural and open-space lands.

	Significant Issue	Potentially Significant	No Issue
a) <i>Would the SOI conflict with planned, orderly and efficient patterns of urban development? Would the SOI impact the identity of any existing communities (e.g. community boundaries, postal zones, school, or other service boundaries)?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) <i>Would the SOI result in the loss of prime agricultural land or open space?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) <i>Would the SOI conflict with any natural or made-made boundaries that would impact where services can reasonably be extended?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) <i>Is there a conflict with the adopted SACOG Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS)?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

None.

Present and Planned Land Uses SOI Determination

The SOI Update reflects an extension of CSA water services approved in 2019 to the Watts-Woodland Airport. The territory is already developed, would not result in the loss of agricultural land or open space, and there is no conflict with SACOG's MTP/SCS.

2. NEED FOR PUBLIC FACILITIES AND SERVICES

The present and probable need for public facilities and services in the area.

	Significant Issue	Potentially Significant	No Issue
a) <i>Would the SOI conflict with the Commission's goal to increase efficiency and conservation of resources by providing essential services within a framework of controlled growth?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

- | | | | |
|--|--------------------------|--------------------------|-------------------------------------|
| b) <i>Would the SOI expand services that could be better provided by a city or another agency?</i> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) <i>Does the SOI represent premature inducement of growth or facilitate conversion of agriculture or open space lands?</i> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d) <i>Are there any areas that should be removed from the SOI because existing circumstances make development unlikely, there is not sufficient demand to support it?</i> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| e) <i>Have any agency commitments been predicated on expanding the agency's SOI such as roadway projects, shopping centers, educational facilities, economic development or acquisition of parks and open space?</i> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Discussion:

None.

Need for Public Facilities and Services SOI Determination

Water services were extended to the Watts-Woodland Airport following approval in 2019 to respond to health issues with the previously existing well. Services were best provided by the Wild Wings CSA and the territory was already developed, so it did not induce growth.

3. CAPACITY AND ADEQUACY OF PROVIDED SERVICES

The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

	Significant Issue	Potentially Significant	No Issue
a) <i>Are there any issues regarding the agency's capacity to provide adequate services in the proposed SOI territory and ability to extend services?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

None.

Capacity and Adequacy of Provided Services SOI Determination

Water services have already been extended to the territory. It is not anticipated that the airport would utilize any other services except drainage.

4. SOCIAL OR ECONOMIC COMMUNITIES OF INTEREST

The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

	Significant Issue	Potentially Significant	No Issue
a) <i>Are there any social or economic communities of interest in the area if the commission determines that they are relevant to the agency (see also MSR checklist question 2b)?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

None.

Social or Economic Communities of Interest SOI Determination

There are no social or economic communities of interest in the SOI area.

5. DISADVANTAGED UNINCORPORATED COMMUNITIES

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.

	Significant Issue	Potentially Significant	No Issue
a) <i>If the subject agency provides public services related to sewers, municipal and industrial water or structural fire protection (same as MSR checklist question 2a) does the proposed SOI exclude any disadvantaged unincorporated community (per MSR checklist question 2b) where it either may be feasible to extend services or required to be included under SB 244?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

None.

Disadvantaged Unincorporated Communities SOI Determination

There are no disadvantaged unincorporated communities in the SOI territory.

AGENCY PROFILE

Willowbank County Service Area (CSA), also known as CSA #12, is a 131-lot residential community located just outside the southeastern city limits of Davis. The CSA is surrounded by the city on three sides and lies between Putah Creek and Montgomery Avenue with its western border adjacent to Drummond Avenue and its eastern boundary between Meadowbrook Drive and Torrey Street. The CSA's SOI is coterminous with its boundaries.

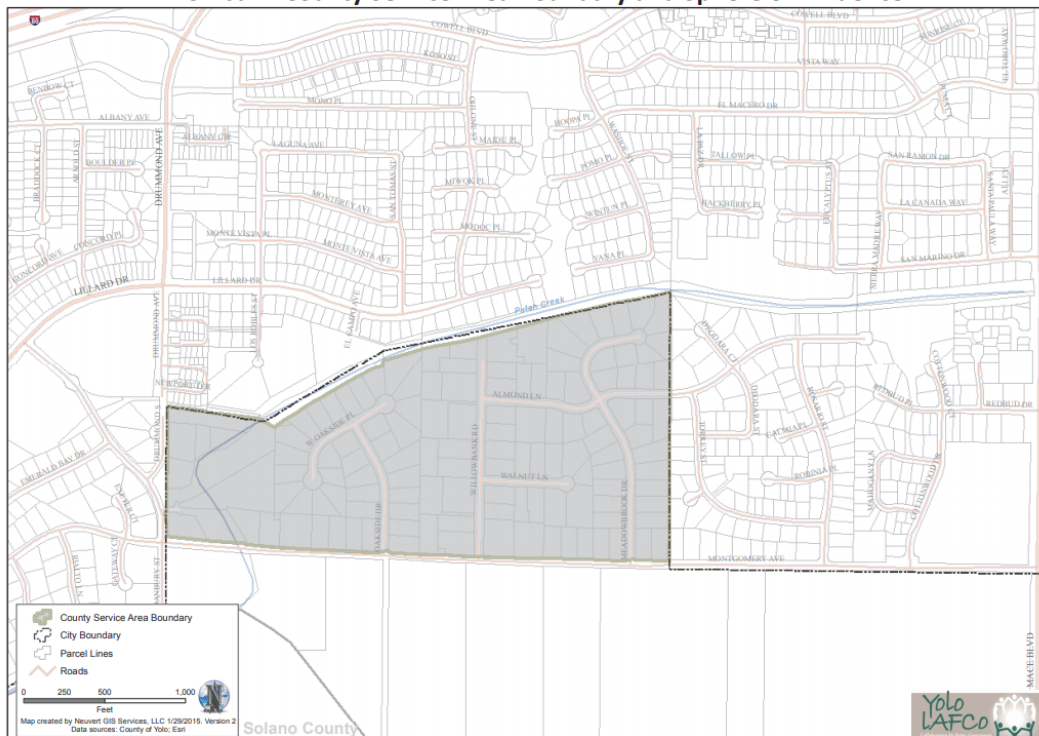
The CSA was established in December 1996 to provide water for domestic use and fire protection purposes, constructing a new water system to replace the Oaksdie, Meadowbrook, and Willowbank Mutual Water Companies, all of which were dissolved when the CSA was formed. However, in order to address ongoing water quality issues, the CSA connected to the City's water system in 1999. Authorization to provide any additional CSA services must be approved by LAFCo.

The City has separately extended wastewater services to three parcels within Willowbank CSA on or near Drummond Avenue with LAFCo approval. The agreement for these services is between the City and each homeowner and the CSA is not involved.

Willowbank CSA is governed by the County Board of Supervisors (BOS) and is treated as a special district under the LAFCo Law. The BOS is advised by an appointed seven-member advisory committee composed of local Willowbank residents. The advisory committee typically meets every other month. As directed by California Government Code Section 25212.4, the advisory committee's role is to provide advice to the BOS regarding the services and facilities of the CSA, but it is not within the authority of the advisory committee to make decisions, manage, or direct the delivery of services and facilities.

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

Willowbank County Service Area Boundary and Sphere of Influence*



* Note: Sphere of Influence is coterminous with boundary

Adopted by Yolo LAFCo July 28, 2016

MUNICIPAL SERVICE REVIEW

POTENTIALLY SIGNIFICANT MSR DETERMINATIONS

The MSR determinations checked below are potentially significant, as indicated by 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 type="checkbox"/> Shared Services |
| <input type="checkbox"/> Disadvantaged Unincorporated Communities | <input checked="" type="checkbox"/> Accountability, Structure, and Efficiencies |
| <input type="checkbox"/> Capacity, Adequacy & Infrastructure to Provide Services | <input type="checkbox"/> Broadband Access |
| <input type="checkbox"/> Financial Ability | <input checked="" type="checkbox"/> Status of Previous MSR Recommendations |

LAFCO MUNICIPAL SERVICE REVIEW:

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

1. Growth and Population			
Growth and population projections for the affected area.	Significant Issue	Potentially Significant	No Issue
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 demand suggest a change in the agency's services?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

The CSA is comprised of single-family residential dwellings on 131 lots. These properties are zoned Low Density Residential/ Planned Development No. 65 (R-L/ PD-65). Most of the lots have been built on, and there is little opportunity for new development or growth within the community.

Three years after CSA formation, the CSA began contracting with the City of Davis for water services. The City of Davis is best able to provide water services and no changes in CSA services are recommended.

Growth and Population MSR Determination:

Significant growth is not anticipated for the Willowbank CSA that would suggest increase for or a change in services.

Recommendation(s):

None.

2. Disadvantaged Unincorporated Communities

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

	Significant Issue	Potentially Significant	No Issue
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"/>

Disadvantaged Unincorporated Communities MSR Determination:

There are no disadvantaged unincorporated communities within or contiguous to the Willowbank CSA¹.

Recommendation(s):

None.

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.

	Significant Issue	Potentially Significant	No Issue
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 type="checkbox"/>	<input checked="" type="checkbox"/>
b) <i>Are there any issues regarding the agency’s capacity and ability to meet the service demand of reasonably foreseeable <u>future</u> needs?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) <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"/>
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"/>

¹ CALAFCO Statewide DUCs Refined GIS Layer, RSG, Inc. December 10, 2021

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Discussion:

The CSA was established in December 1996 to provide water for domestic use and fire protection purposes, constructing a new water system to replace the Oakside, Meadowbrook, and Willowbank Mutual Water Companies, all of which were dissolved when the CSA was formed. However, in order to address ongoing water quality issues, the CSA connected to the City's water system in 1999.

Existing CSA Services Authorized	Service Provider
Municipal Water	City of Davis

The Willowbank CSA ceased providing municipal water services when it began contracting with the City of Davis in 1999. During the 2016 MSR, the advisory committee was considering the feasibility of providing a separate non-potable irrigation system via an existing well, which would have become a CSA service. However, the idea was ultimately abandoned.

Capacity and Adequacy MSR Determination:

Water services have been provided by the City of Davis since 1999 per agreement between Yolo County and the City and municipal services are no longer provided via the Willowbank CSA. There are no current or anticipated issues with the City's capacity and adequacy of water services.

Recommendation(s):

None.

4. Financial Ability			
Financial ability of agencies to provide services.			
	Significant Issue	Potentially Significant	No Issue
a) <i>Is the subject agency in a stable financial position, i.e. does the 5-year trend analysis indicate any issues?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) <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"/>
c) <i>Is the organization's revenue sufficient 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?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) <i>Does the subject agency have a capital improvement plan (CIP)? 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 to fund it?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) <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"/>

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f) *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 have accounting and/or financial policies that guide the agency in how financial transactions are recorded and presented?*

g) *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?*

h) *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?*

Discussion:

The 2022/23 property-related fees, assessments and/or special taxes for the Willowbank CSA² is as shown the table below:

Willowbank CSA	Annual Charge Per Parcel	No. of Parcels Charged
Administration	\$35.00	131

Willowbank CSA's only revenue is \$35 assessed to each of its 131 parcels each year to fund CSA administration. The City of Davis bills parcels directly for water service and the CSA is not being used as a financial mechanism to fund services.

To finance new infrastructure necessary to connect to the City's water system, the Willowbank Water Assessment District was formed in 1999 to issue bonds and carry the debt, which was paid off in 2020.³ The Willowbank Water Assessment District was a separate entity from the CSA.⁴

Below is the five-year financial trend for the Willowbank CSA⁵. The CSA advisory committee receives regular financial reports.

² County of Yolo Resolution No. 22-61 regarding charges on the 2022-23 tax roll for CSAs

³ County of Yolo, Willowbank Water Assessment District Official Statement for Limited Obligation Improvement Bonds, Series 2000, May 10, 2000.

⁴ Yolo County Board of Supervisors, Resolution No. 00-17.

⁵ Yolo County Financial Data INFOR reports

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**WILLOWBANK COUNTY SERVICE AREA NO. 12
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES**

	2018	2019	2020	2021	2022
Revenue					
Interest	10	53	138	(14)	(223)
Special assessment	4,235	4,235	4,585	4,585	4,585
Total Revenue	4,245	4,288	4,723	4,571	4,362
Expenditures					
County administration	2,786	1,621	3,499	1,068	1,294
Services and supplies	576	810	725	423	131
Other expenditures	-	-	-	-	451
Total Expenditures	3,362	2,431	4,224	1,491	1,876
Net income (loss)	883	1,857	499	3,080	2,486
Beginning Fund Balance	67	950	2,807	3,306	6,386
Ending Fund Balances	\$ 950	\$ 2,807	\$ 3,306	\$ 6,386	\$ 8,872
Fund Balances					
Unassigned	\$ 950	\$ 2,807	\$ 3,306	\$ 6,386	\$ 8,872
Total Fund Balances	\$ 950	\$ 2,807	\$ 3,306	\$ 6,386	\$ 8,872
Y-T-Y Change in total Fund Balances					
Amount Increase (Decrease)	\$ 883	\$ 1,857	\$ 499	\$ 3,080	\$ 2,486
Percentage Increase (Decrease)	1317.91%	195.47%	17.78%	93.16%	38.93%

Financial Ability MSR Determination:

The Willowbank CSA is financially stable with no debt or CIP needed. The Willowbank CSA fund balances are very small relative to other CSAs, which reflects the absence of providing municipal services.

Recommendation(s):

None.

5. Shared Services and Facilities

Status of, and opportunities for, shared facilities.

	Significant Issue	Potentially Significant	No Issue
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:

None.

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Shared Services MSR Determination:

The City of Davis is already providing all CSA water services including operations and maintenance. No additional opportunities to share services or facilities exist.

Recommendation(s):

None.

6. Accountability, Structure, and Efficiencies

Accountability for community service needs, including governmental structure and operational efficiencies.

	Significant Issue	Potentially Significant	No Issue
a) <i>Are there any recommended changes to the organization's governmental structure or operations that will increase accountability and efficiency (i.e. overlapping boundaries that confuse the public, service inefficiencies, and/or higher costs/rates)?</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) <i>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"/>
c) <i>Is the agency insured or in a risk management pool to manage potential liabilities?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) <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"/>
e) <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 checked="" type="checkbox"/>	<input type="checkbox"/>
f) <i>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)?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) <i>Does the organization need to improve its public transparency via a website (see https://www.yololafco.org/yolo-local-government-website-transparency-scorecards)?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion⁶:

The CSA has not provided any municipal services since 1999 and it is inefficient to maintain the CSA government structure. When LAFCo recommended dissolution in 2016 there was concern the advisory committee would cease to operate which has been valuable and taken on additional responsibilities regarding community issues. However, a CSA is not required to justify an advisory committee and give it standing. Yolo County has administrative policies pertaining to advisory boards, commissions, committees, and councils and can establish one for any purpose it deems appropriate. Therefore, a community advisory

⁶ County Service Areas Government Code Sections 25210 – 25217.4

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committee could continue notwithstanding the CSA and would have the freedom to discuss more community wide issues and not be legally limited to discussing the CSA's water service only. The policies require a County department be identified as a liaison and LAFCo recommends the BOS Department (District 4 Office) should be identified as the responsible department and assigned liaison. The current oversight by the Department of Community Services is not needed because no municipal services are being provided, and the District 4 Office already provides effective oversight.

The CSA is currently staffed and managed by the County's Department of Community Services. The CSA is billed for the staff time of the CSA administrative support team, County finance staff, and County legal counsel, when such services are utilized. There have been four CSA managers in the past five years and the program has moved from the Department of Community Services to the County Administrator's Office and back again. Despite these changes, CSA operations have improved with the evolutions of program operations and current staff are well-trained and very knowledgeable. However, Yolo County should value this key position and take steps to retain employees and reduce turnover. This is a unique position, and it may warrant its own class specification and pay scale. A recommendation to address retaining CSA Manager employees is included in the Overview Section because it's related to management of all the CSAs as a whole and not this CSA in particular. Board capacity, filing Form 700s, policies and audits are not an issue as these are handled by Yolo County. The CSA received a 94% score in the 2021 Yolo Local Government Website Transparency Scorecard.

The CSA has an active seven-member advisory committee which can be retained notwithstanding the CSA for its primary purpose in recent decades of advising the District 4 Office on Willowbank community issues. Below is the seven-member advisory committee members and terms, which is seven members because of the CSA's history of combining the three previous Oakside, Meadowbrook, and Willowbank water companies (two members from each neighborhood, plus one member at large). Currently one seat is shown vacant⁷, although John Lindsey has also recently stepped down after relocating outside the CSA leaving two vacant positions.

Name / Title	Start	End
Elizabeth McCapes /	01/15/2019	01/31/2023
John Lindsey /	02/23/2021	01/31/2024
Olin Woods /	02/25/2020	01/31/2024
Brian Morrissey /	01/26/2021	01/31/2025
Vacant Seat #1 /		01/31/2025
Anne Todgham /	01/25/2022	01/31/2026
Arthur Lawyer /	02/22/2022	01/31/2026

Accountability, Structure, and Efficiencies MSR Determination:

The purpose of a CSA is to finance and provide needed municipal facilities and services. The Willowbank CSA ceased providing water service in 1999, which has since been provided by the City of Davis. The City bills residents directly for water service and the CSA is no longer needed or being used as a mechanism to finance and provide municipal services. The CSA has an active seven-member advisory committee which has been valuable to the community and BOS District 4 Office in taking on additional responsibilities. Yolo County has administrative policies pertaining to advisory boards, commissions, committees, and councils and can establish one for any purpose it deems appropriate. Therefore, a Willowbank Community Advisory Committee could continue notwithstanding the CSA if desired. The CSA legal framework to the existing advisory committee is constraining and inefficient because it adds unnecessary legal requirements such as: limiting agenda items to the CSA's municipal services; being audited as part of the County's Annual County Financial Report (ACFR), filing annual State Controller's Office reports; and LAFCo MSRs, among others. The BOS can establish a Willowbank Community Advisory Committee and should be identified as

⁷ County of Yolo Agenda Quick Term Tracker module 9/13/2022

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the responsible department and assigned liaison (District 4 office). The current oversight by the Department of Community Services is not needed because no municipal services are provided, and the District 4 Office already provides effective oversight. A CSA for Willowbank is an excessive and unnecessary governance structure for its remaining value sustaining a community advisory committee and is not an efficient use of County resources.

Recommendation(s):

- Initiate a LAFCo application to dissolve the Willowbank CSA and the BOS should form a Willowbank Community Advisory Committee in its place, with the BOS District 4 Office as liaison. Consider a 5-member committee instead of the current 7 members, which is a legacy of the original CSA representation reflecting consolidation of three neighborhood water systems.

7a. 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 MSR 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).”

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

Discussion⁸:

Below is the 25/3 Mbps served status for the Willowbank CSA. The green color indicates areas served by at least 25/3 Mbps download/upload speeds.



⁸ California Interactive Broadband Map, December 31, 2019 data

Broadband Access MSR Determination:

Cable Modem DOCSIS 3.1 technology is available from Comcast at speeds up to 1,000/35 Mbps (1 gig) download/upload speeds. Broadband adoption at 25/3 Mbps is greater than 80%, the highest category. Comcast offers low-income subscription rates.

Recommendation(s):

None.

7b. Status of Previous MSR Recommendations

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

	Significant Issue	Potentially Significant	No Issue
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:

The 2016 MSR found that unless long-term planning determined otherwise, the Willowbank CSA was no longer needed and dissolving it would promote efficient government services. A separate non-potable water irrigation system was being considered in 2016, but the potential service did prove feasible. The CSA has not added any additional services since its formation.

2016 MSR Recommendations	2022 Status
1. The County should consider a long-term plan for services and determine if there is a desire to add additional services to the Willowbank CSA in the future.	No services have been added.
2. LAFCo recommends that an advisory committee for the Willowbank CSA is warranted at this time to address whether a separate irrigation system is desired. However, once a decision has been reached regarding the irrigation system, the County should consider whether an advisory committee is still needed.	The idea for a separate irrigation system was abandoned.
3. If additional services are not anticipated, the County should consider dissolving the Willowbank CSA because it is no longer needed and would promote more efficient government services.	The CSA is still active.
4. If the County determines that the CSA will remain per the Accountability, Structure and Efficiencies section recommendations, review Willowbank CSA's assessment to ensure it is adequate to continue covering the CSA's administration costs. Simultaneously, Willowbank CSA's expenditures should be reviewed to ensure they are appropriate to the amount of work attributed to the CSA, and to determine whether an advisory committee is necessary given the amount of administrative costs to oversee its minimal functions.	The CSA is still active, and fees have not changed, although it's operations no longer exceed revenue.
5. Account for the Willowbank Water Assessment District as a separate entity from the Willowbank CSA to accurately represent where liability for payment of the debt lies.	Debt was paid off in 2020.

Status of Previous MSR Recommendations Determination:

Despite the 2016 recommendations, Willowbank CSA remains an active special district with its advisory committee and no municipal services have been added. A recommendation for Yolo County to initiate a LAFCo application to dissolve the Willowbank CSA and consider an advisory committee in its place is included in the Accountability, Structure, and Efficiencies section.

Recommendation(s):

See Accountability, Structure, and Efficiencies section.

SPHERE OF INFLUENCE STUDY

A Sphere of Influence (SOI) is an area delineated on a map and approved by LAFCo that indicates where potential future agency annexations could be proposed. Willowbank CSA's SOI is currently coterminous with its jurisdictional boundary, meaning no future annexations are anticipated or allowed unless LAFCo changes the SOI.

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.