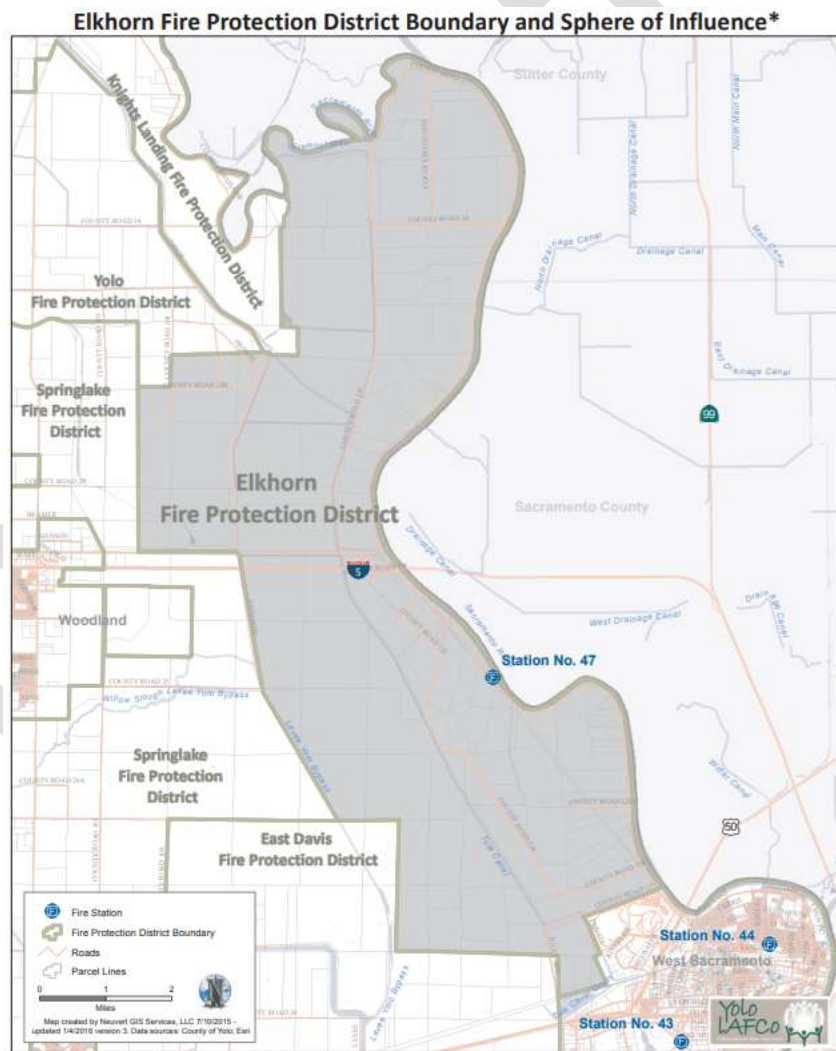


AGENCY PROFILE

The Elkhorn Fire Protection District (Elkhorn FPD) was formed in 1965 and is authorized to provide fire protection and emergency response services. It was formed as an independent district with a five-member board, each appointed by the Board of Supervisors to serve four-year terms.

The District is 30,703 acres in size and does not serve any unincorporated towns. The District contains 51 residential and 2 commercial addresses and its population is estimated to be 128 residents¹. However, the FPD estimates the population is closer to 80-90 residents. Elkhorn FPD also has several high-volume traffic corridors through its territory, the I-5 bridge over the Sacramento River and Old River Road. The Elkhorn FPD Station 47 is located at 19756 Old River Road, northeast of West Sacramento, which houses 5 apparatus and has 0 paid staff, 0 reserves and 10 volunteer firefighters.

The FPD boundary and sphere of influence (SOI) is shown below. The SOI is coterminous with the district boundary.



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

MUNICIPAL SERVICE REVIEW

POTENTIALLY SIGNIFICANT MSR DETERMINATIONS

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

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

LAFCO MUNICIPAL SERVICE REVIEW:

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

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

Discussion:

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

Yes. The population for Elkhorn FPD is currently estimated to be 80-90 people. The FPD territory has limited development and growth opportunities. Except for the Elkhorn Station, it is entirely zoned for agricultural use. However, according to data from the Yolo Emergency Communications Agency (YECA), Elkhorn FPD calls have increased significantly. Over the last three fiscal years, total dispatched calls were 95 in 2018/19, 114 in 2019/20 and 168 in 2020/21, which is a 77% increase in dispatch volume. Increased demand for emergency services is attributable to growth outside of the District along I-5 and Old River Road traffic corridors through the District. Population growth and corresponding demand for services from that population within the District is expected to be minimal. But continued traffic growth will impact the District's demands.

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

Yes. As discussed in the Capacity and Adequacy of Public Facilities and Services Section (Items 3a and 3b), Elkhorn FPD is not adequately responding to its current demand and should cede its services to the cities of Woodland and West Sacramento. The Accountability, Structure and Efficiencies Section (Item 6a) recommends the Elkhorn FPD should be dissolved and its territory annexed into districts already served by these cities.

Growth and Population MSR Determination

The population for Elkhorn FPD is currently estimated to be 80-90 and has limited development and growth opportunities. According to data from the Yolo Emergency Communications Agency (YECA), Elkhorn FPD demand for service/call volume has increased significantly. Over the last three fiscal years, total dispatched calls were 95 in 2018/19, 114 in 2019/20 and 168 in 2020/21, which is a 77% increase in dispatch volume. Most of dispatches are responding to traffic accidents passing through the District. As discussed in the Capacity and Adequacy of Services section, Elkhorn FPD is not adequately responding to its current demand and should cede its services to the cities of Woodland and West Sacramento. The Elkhorn FPD should be dissolved and its territory annexed into districts already served by these cities.

2. DISADVANTAGED UNINCORPORATED COMMUNITIES

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

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

Discussion:

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

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

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

² CALAFCO Statewide DUC Map using American Community Survey 5-Year Data (2015-19) Updated March 2022

Not applicable.

Disadvantaged Unincorporated Communities MSR Determination

The Elkhorn FPD territory is not disadvantaged and all “inhabited unincorporated communities” countywide receive structural fire protection services.

3. CAPACITY AND ADEQUACY OF PUBLIC FACILITIES AND SERVICES

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

	YES	MAYBE	NO
a) <i>Are there any deficiencies in the infrastructure, equipment, and capacity of agency facilities to meet <u>existing</u> service needs for which the agency does not have a plan in place to resolve (including deficiencies created by new state regulations)?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) <i>Are there any deficiencies in the adequacy of services to meet <u>existing</u> service needs for which the agency does not have a plan in place to resolve? Also note how services are provided (i.e., number of staff and/or contracts).</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) <i>Are there any issues regarding the agency’s capacity and ability to meet the service demand of reasonably foreseeable <u>future</u> growth?</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) <i>Is the agency needing to consider climate adaptation in its assessment of infrastructure/service needs?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) <i>Are there any service needs or deficiencies for disadvantaged unincorporated communities related to sewers, municipal and industrial water, and structural fire protection within or contiguous to the agency’s sphere of influence?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

- a) *Are there any deficiencies in the **infrastructure, equipment, and capacity of agency facilities** to meet existing service needs for which the agency does not have a plan in place to resolve (including deficiencies created by new state regulations)?*

Maybe. One of Elkhorn FPD’s apparatus exceeds the recommended 25-year lifespan.

Fire Station

The Elkhorn FPD Station 47 was built in 1999 and is located at 19756 Old River Road. The Station includes an office space, sleeping facilities, a bathroom including a shower, and a kitchen. There are no major capital improvements planned or needed for the fire station



Apparatus:

EFPD has five apparatus as listed below.

Use	Apparatus	Type	Age (yrs)	Reserve?
Structure Fires	Engine-47	1	20	No
Wildlands Fires	Grass – 47*	3	0	No
	Squad-47	6	3	No
	Squad-247	7	32	Yes
Water Tenders	Water-47	Tender	43	No
Command/Utility	None			
Other Apparatus	None			

* Delivery of new grass rig delayed until summer 2022.

A new grass rig was ordered and is expected June 2022. However, the Elkhorn FPD still has a water tender that is 43 years old and the FPD indicates it plans to replace it in the next year or two. The Chief indicates the water tender has minimal hours and is mechanically sound. This is the next truck planned for replacement. Therefore, one of the four key apparatus exceed the recommended 25-year lifespan and should be scheduled for replacement as funding allows. According to the Chief, all Elkhorn FPD apparatus receive quarterly checks and scheduled maintenance service. Hoses and ladders are tested regularly and are usually tested during training.

Elkhorn FPD currently supplies all responding members with appropriate, in-date personal protective equipment (PPE). SCBAs receive annual flow testing and all SCBA bottles are within required hydro testing requirement. Personnel are fit tested on an annual basis.

Elkhorn FPD operates adequate communications equipment including radios in each apparatus with current programming that meets the needs for incident response. All apparatus have one portable radio on board and extras are charged and available at the station. All volunteers have their own portable devices.

ISO Rating

The Insurance Services Office, Inc. (ISO) evaluates fire departments for the purpose of establishing insurance premiums, called "ISO ratings". An ISO fire rating is a score from 1 to 10 that indicates how well-protected a community is by the fire department and will affect insurance rates. The first number refers to the classification of properties within 5 road miles of a fire station and within 1,000 feet of water supply. The second number applies to properties within 5 road miles of a fire station but beyond 1,000 feet of water supply. In the ISO rating scale, a lower number is better: 1 is the best possible rating, while a 10 means the fire department did not meet ISO's minimum requirements. ISO generally assigns Class 10 to properties beyond 5 road miles of a fire station. Elkhorn FPD is not rated.

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

Yes. As discussed below, personnel and apparatus response are significantly below recommended levels and Elkhorn FPD has also had a significant number of missed calls.

Staff, Coverage and Training

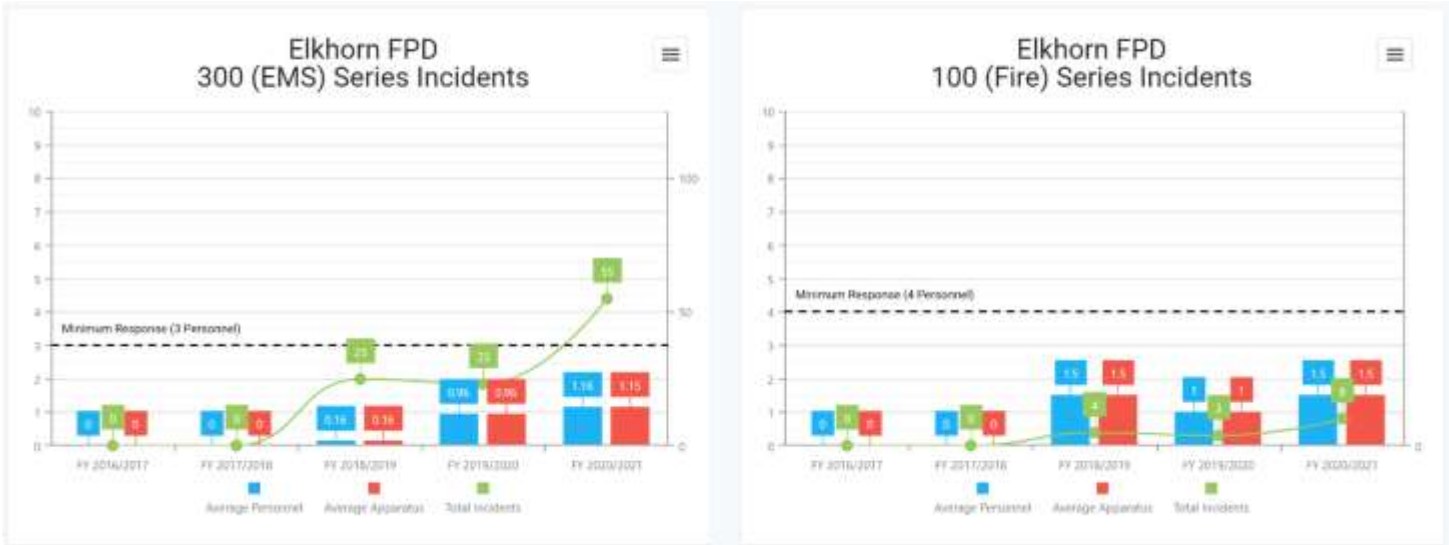
The Elkhorn FPD has 10 volunteers and its station is not staffed regularly. Elkhorn FPD signed an auto aid agreement with the cities of Sacramento, West Sacramento and Woodland that have been in effect since 2015. Elkhorn FPD has written operating policies and guidelines for its staff. All response personnel receive base level minimum training to respond to incidents adequately and safely. Incident Command System (ICS) basic training is a requirement before responders can respond to incidents. Elkhorn FPD volunteers participate in the Yolo County Firefighters Association (YCFA) Training Program when available. Responding personnel are fit tested on an annual basis.

Incident Reporting and Adequacy of Services

Elkhorn FPD utilizes Emergency Reporting web-based program for reporting and documentation to the National Fire Incident Reporting System (NFIRS). Regarding the adequacy of response, standards for the number of personnel and apparatus were determined by the YCFA MSR Subcommittee for fire and rescue/ EMS calls³.

Below is Elkhorn FPD's NFIRS response data for the last five fiscal years:

³ By consensus of the Yolo County Firefighters Association MSR Subcommittee, it was determined the minimum adequate response for a fire call is 4 personnel and 2 apparatus, and for a rescue/EMS call is 3 personnel and 1 apparatus.

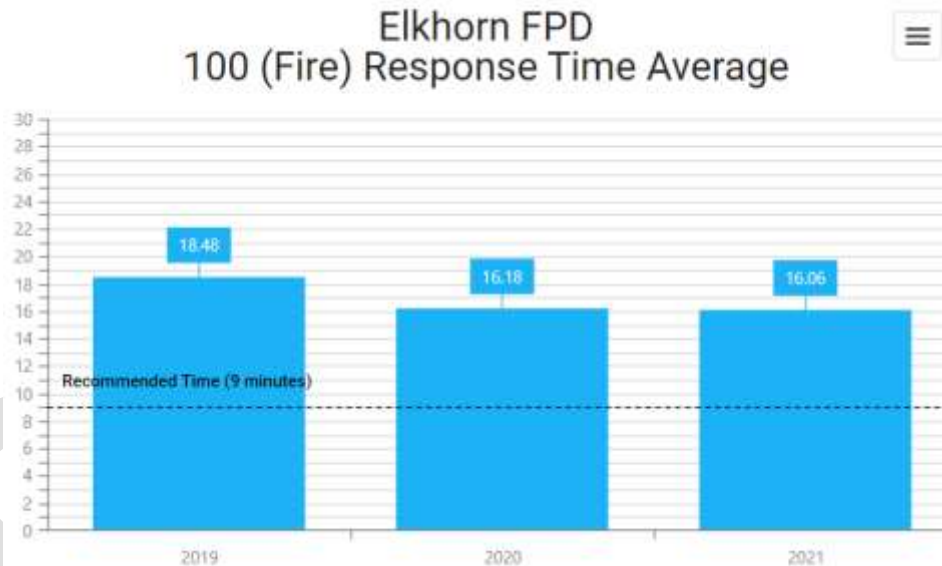
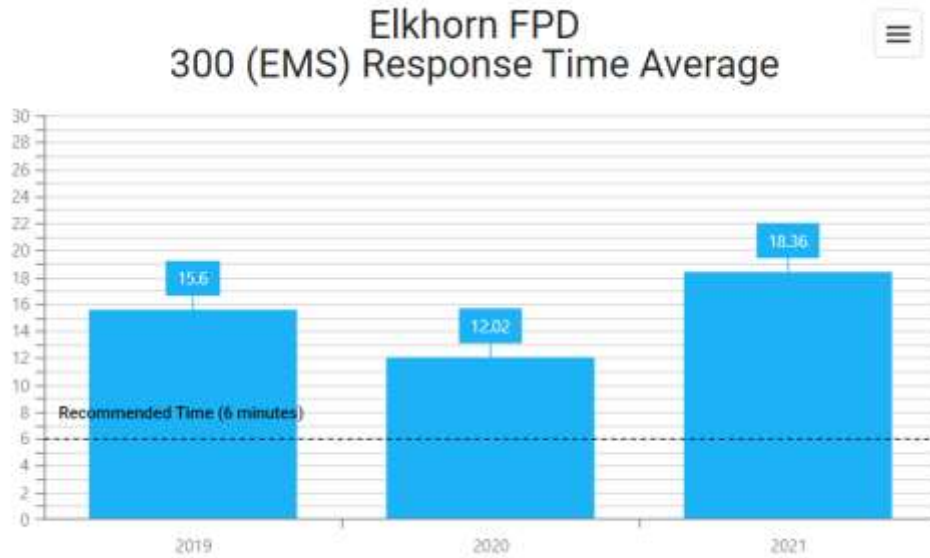


The data Elkhorn FPD reported to NFIRS is for the last three fiscal years only and it indicates Elkhorn FPD is not able to respond to rescue/EMS or fire calls with adequate personnel and apparatus on scene. It shows a significant uptick in rescue/EMS calls which correlates to anecdotal reports that traffic accidents on I-5 and Old River Road are increasing significantly. The District lost 4 volunteer firefighters in 2018 and is rebuilding its staff. Rescue/EMS calls outnumber fire calls by nearly 7:1. Elkhorn FPD officials have expressed the challenge to access calls on I-5 quickly (after Caltrans installed a continuous center median divider) and respond with sufficient trained personnel to be safe on the accident scene. However, the District in recent years has added 4 volunteers to the department. It has also been able to staff the department during red flag warning days, and extreme weather days during the winter.

Response Time and Missed Calls

The MSR Subcommittee developed response time goals for rescue/emergency medical service (EMS) calls (6 minutes) and fire calls (9 minutes) for the first responding unit to arrive on scene. LAFCo recognizes it may be more difficult for volunteer and/or more rural FPDs to meet this goal, however as the MSR Subcommittee indicated, it represents a goal to focus on. FPD response time averages⁴ for the 2019 – 2021 calendar years are shown below.

⁴ Based on YECA data. For a list of the data outliers omitted, please reference the methodology discussion on page 1-10 of this MSR/SOI.



According to YECA data, Elkhorn FPD has had 48 missed calls over the last three FYs as reported by YECA (24 or 27% of calls in FY 18/19, 14 or 13.1% of calls in FY 19/20, and 10 or 6.7% of calls in FY 20/21).

FPD Level of Service Evaluation

NFPA 1720 requires FPDs to evaluate its level of service, deployment, and response time objectives on an annual basis. Elkhorn FPD should provide a written evaluation of the FPD's level of service, deployment, and response time objectives on an annual basis, ideally as an agenda item at a board meeting.

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

Yes. Please see the response to 1(a). Elkhorn FPD is not adequately responding to its current demand as discussed above. An increase in future call volume may exacerbate poor level of service.

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

No. The FPDs collectively report that climate change is not a factor in the valley and is only an issue for those FPDs that border the Coastal Range.

e) *Are there any service needs or deficiencies for disadvantaged unincorporated communities related to sewers, municipal and industrial water, and structural fire protection within or contiguous to the agency's sphere of influence?*

No. Not applicable.

Capacity and Adequacy of Public Facilities and Services MSR Determination

The nature of emergency response has changed significantly since the Elkhorn FPD was formed in 1965. Development outside the FPD territory has occurred generating increased traffic on I-5 and modern navigation software directs trips down Old River Road to bypass it. Elkhorn FPD officials have expressed the challenge to access calls on I-5 quickly (after Caltrans installed a continuous center median divider) and respond with sufficient trained personnel to be safe on the accident scene. In 2015, Elkhorn FPD signed an auto aid agreement with the cities of Sacramento, West Sacramento, and Woodland.

The Elkhorn FPD has five apparatus total, one of which is a reserve apparatus. Its grass rig was replaced in 2022 but still has a water tender that exceeds the recommended 25-year lifespan. Elkhorn FPD is not ISO rated.

The Elkhorn FPD has 10 volunteers and the station is not staffed regularly, but it does cover the station during projected extreme weather forecasts (e.g., heavy winds and rain during the winter and red flag days of high winds and extreme fire danger in the summer). YECA reports a 77% increase in dispatches for the FPD in just the last three fiscal years. The NFIRS data also shows a significant uptick in rescue/EMS calls which now outnumber fire calls by nearly 7:1. Elkhorn FPD reported NFIRS data indicates it is not able to respond to rescue/EMS or fire calls with adequate personnel and apparatus on scene. Elkhorn FPD has missed 14% of its calls (within jurisdiction) over the last three FYs as reported by YECA.

Elkhorn FPD has a relatively low number of volunteers and without much resident population to draw from, the next step to adequately respond to calls would be a stipended reserve program, which would require an increase in the FPD's assessment to pay for it (and needed replacement apparatus). However, the increased service demand is being generated primarily from traffic accidents from vehicles originating outside the FPD passing through the District. The cities of West Sacramento and Woodland are already covering Elkhorn FPD's calls under its auto aid agreement such that the Elkhorn FPD service is now redundant and inferior to the cities' service. Elkhorn FPD has done a remarkable job with its limited resources for decades, but it can't keep up with changing conditions and increasing service demand (as evidenced by the 2016 LAFCo recommendation that it should contract for services from nearby cities). Therefore, LAFCo recommends service would be better provided by the cities of Woodland and West Sacramento.

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

- Elkhorn FPD's facilities and services should be provided by the cities of West Sacramento and Woodland, divided geographically to minimize response times.

4. FINANCIAL ABILITY

Financial ability of agencies to provide services.

	YES	MAYBE	NO
a) <i>Is the subject agency in an unstable financial position, i.e. does the 5-year trend analysis indicate any issues? Does revenue growth not keep pace with increased costs?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) <i>Can the subject agency improve its use of generally accepted accounting principles including: summaries of all fund balances, summaries of revenues and expenditures, general status of reserves, and any un-funded obligations (i.e. pension/retiree benefits)? Does the agency need accounting and/or financial policies that guide the agency in how financial transactions are recorded and presented?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) <i>Does the agency staff need to review financial data on a regular basis and are discrepancies identified, investigated and corrective action taken in a timely manner? The review may include reconciliations of various accounts, comparing budgets-to-actual, analyzing budget variances, comparing revenue and expense balances to the prior year, etc. If the agency uses Yolo County's financial system and the County Treasury, does the agency review monthly the transactions in the County system to transactions the agency submitted to the County for processing?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) <i>Does the agency board need to receive regular financial reports (quarterly or mid-year at a minimum) that provide a clear and complete picture of the agency's assets and liabilities, fully disclosing both positive and negative financial information to the public and financial institutions?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) <i>Is there an issue with the organization's revenue sources being reliable? For example, is a large percentage of revenue coming from grants or one-time/short-term sources?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) <i>Is the organization's revenue insufficient to fund an adequate level of service, necessary infrastructure maintenance, replacement and/or any needed expansion? Is the fee inconsistent with the schedules of similar local agencies? Does the rate/fee schedule include a specific amount identified for capital asset replacement (tied to a capital improvement plan with implementation policies)?</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g) <i>Is the organization needing additional reserves to protect against unexpected events or upcoming significant costs (excluding capital asset replacement, see 4f)? Has the agency identified and quantified what the possible significant risks and costs of infrastructure or equipment failure? Does the agency have a reserve policy?</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h) <i>Does the agency have any debt, and if so, is the organization's debt at an unmanageable level? Does the agency need a clear debt management policy, if applicable?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

Financial Background

ELKHORN FIRE PROTECTION DISTRICT					
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES					
	2017	2018	2019	2020	2021
Revenue					
Property taxes, in-lieu taxes, HOPTR	\$ 47,993	\$ 49,968	\$ 48,759	\$ 46,416	\$ 48,134
Interest	1,307	3,705	9,694	8,722	583
Intergovernmental grants	67,157	-	-	-	-
Special assessment	68,409	67,364	67,368	67,368	63,719
Other revenue	1,048	-	-	1,500	-
New debt	-	-	118,214	-	-
Total Revenue	185,914	121,037	244,035	124,006	112,436
Expenditures					
Salaries and benefits (insurance only)	2,920	2,411	2,415	2,452	2,440
Services and supplies	25,039	21,007	28,870	39,384	42,056
Debt service (principal and interest)	-	-	42,913	85,828	-
Contributions to volunteers	-	-	-	440	4,960
Capital Assets:					
Equipment	74,619	-	171,409	40,000	-
Total Expenditures	102,578	23,418	245,607	168,104	49,456
Net income (loss)	83,336	97,619	(1,572)	(44,098)	62,980
Beginning Fund Balance	167,109	250,445	348,064	346,492	302,394
Ending Fund Balances	\$ 250,445	\$ 348,064	\$ 346,492	\$ 302,394	\$ 365,374
Fund Balances					
Unassigned	\$ 250,445	\$ 348,064	\$ 346,492	\$ 302,394	\$ 365,374
Total Fund Balances	\$ 250,445	\$ 348,064	\$ 346,492	\$ 302,394	\$ 365,374
Y-T-Y Change in total Fund Balances					
Amount Increase (Decrease)	\$ 83,336	\$ 97,619	\$ (1,572)	\$ (44,098)	\$ 62,980
Percentage Increase (Decrease)	49.87%	38.98%	-0.45%	-12.73%	20.83%
Property Tax Analysis					
a. Assessed Value (AV)	\$ 157,006,973	\$ 166,721,325	\$ 152,447,122	\$ 145,506,183	\$ 150,192,450
b. Y-T-Y Percentage change in AV	-2.41%	6.19%	-8.56%	-4.55%	3.22%
c. Current secured, unsecured and HOPTR	\$ 48,182	\$ 50,258	\$ 48,599	\$ 46,401	\$ 47,972
d. District share of general 1% levy (c/a)	3.0688%	3.0145%	3.1879%	3.1889%	3.1940%

Discussion:

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

Maybe. The District's is currently financially stable in that total revenues exceed expenses each year. However, total core revenues (property taxes and special assessments) have **decreased** slightly on average 0.79% a year. Generally, it is expected that there would be at least a modest increase in core revenues since property taxes generally increase year over year, however most of the Elkhorn FPD territory is under Williamson Act contracts. In addition, operating expenditures, excluding debt service

YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

and capital expenditures have increased on average 14% per year. Although the 5-year trend shows the District has operated in the black and fund balance has increased by \$198,265, expenditures for services and supplies are increasing and may slowly erode annual gains and eventually decrease the fund balance. Total fund balance as of June 30, 2021 is \$365,374 of which all can be used for any purpose (unrestricted).

Revenue

Elkhorn FPD's revenue consists of property taxes, special assessments, interest, a grant in 2017, and other miscellaneous revenue. Like other rural fire districts, Elkhorn FPD relies primarily on a share of the general 1% property tax levy for the majority of its revenue. In fiscal year 2021, property taxes of \$48,134 comprised 43% of total revenues. The District's share of property taxes within its boundaries is approximately 3.2%, while the average for all rural FPDs in the county is 6.2%. The District has levied a special assessment since 2016. In 2021, special assessment revenue was \$63,719 which accounted for 57% of total revenue. However, special assessment revenue has declined from \$68,409 in 2017 to \$63,719 in 2021. Other revenues over the past 5 years include a federal grant that the City of West Sacramento applied for on behalf of multiple departments in the amount of \$67,157, and other revenue totaling \$2,548.

Expenditures

District operating expenditures (i.e., services and supplies), increased an average of 14% a year.

Capital expenditures

2017	\$ 74,619	(10) SCBA units (90% funded from grant)
2019	\$171,409	Ford F-550 Type 6 Squad 47
2020	\$ 40,000	2001 Type 1 Engine 47

The District mostly relies partly on the acquisition of used apparatus.

District revenue is not keeping pace with increasing operating costs and capital asset replacement.

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

No. The District relies on the County's Department of Financial Services to record transactions in accordance to generally accepted accounting principles. Beginning in March 2022, the District hired an external accountant to process accounts payable. The financial transactions processed by the external accountant will be forwarded to the County to be recorded in the County's financial system which will still be the official books of the District. The responsibilities of the external accountant, the County and the District should be set forth in a Memorandum of Understanding.

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

Maybe. Elkhorn FPD recently hired an accountant to process accounts payable. Information is given to the County to record in the County's financial system. Staff still needs to review the County's financial reports for the items noted above. The FPD indicates it is in the process of generating standard procedures and policies relating to this issue.

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

No. The Fire Chief emails reports provided by the County to the board as they become available. The reports include a current year budget to actual comparison (Infor GL293), trial balance (Infor GL291),

YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY

General Ledger (Infor GL290) and balance sheet (Infor GL292). The receipt and review of the financial reports by the District's board is not noted in the minutes.

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

No. Revenues are reliable with the majority coming from property taxes, special assessments, and interest that are all collected and allocated by the County. However, revenue is decreasing.

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

Yes. The District's core revenues have decreased slightly over the past 5 years while expenditures have increased on average 14% per year. In addition, revenues have not been sufficient to accumulate funds to replace apparatus within the recommended life of the apparatus. Fund balance as of June 30, 2021 of \$365,374 is approximately \$965,000 below the minimum recommended amount.

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

Yes. The District does not have a reserve policy nor a capital improvement plan (CIP). The District is working with outside counsel and its accountant to create a reserve policy. Total fund balance of \$365,374 is approximately \$965,000 below the minimum recommended amount. The minimum recommended fund balance is the total of 3 components as follows:

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

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

	6/30/2021 Actual Balance	6/30/2021 Recommended Balance	Excess/ (Shortage)
Apparatus Replacement			
Development impact fees	-		
Other funds	-		
	-	1,269,000	(1,269,000)
General reserve	-	55,000	(55,000)
Unassigned	365,374	7,000	358,374
Total Recommended Fund Balance	\$ 365,374	\$ 1,331,000	\$ (965,626)

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

No. The District does not have any debt, including pension and OPEB liabilities.

Financial Ability MSR Determination

The District currently is not generating sufficient revenue to fund increasing operating expenditures and apparatus replacement in the long-term. Core revenues have declined slightly over the past 5 years while operating expenditures have increased on average 14% per year. Total fund balance has increased by \$198,265 from \$167,109 to \$365,374. However, total fund balance is approximately \$965,000 below a recommended best practice amount which includes funds that should be set aside for apparatus replacement, liquidity needs, and for unanticipated expenditures or decrease in revenue. Additional revenue will be required to replace apparatus as recommended and to hire staff for station coverage appropriately to improve call performance. The District has recently hired an external accountant to process accounts payable but will continue using the County’s financial system as the official accounting records. The District board receives financial reports, but it is not noted in the minutes.

Financial Ability MSR Recommendation(s)

- Should the Elkhorn FPD not be dissolved, it should review financial data on a regular basis and are discrepancies identified, investigated and corrective action taken in a timely manner.
- Should the Elkhorn FPD not be dissolved, it should create a CIP to determine how much funding needs to be set aside each year and determine whether current revenues are adequate to fund the program. The District should develop reserve policies to fund increased services, the CIP, and maintain an adequate fund balance.
- Should the Elkhorn FPD not be dissolved, it should consider increasing Elkhorn FPD’s special assessment to provide funding for staffing to improve personnel/apparatus response and timely apparatus/equipment replacement. However, LAFCo suggests raising assessments for District landowners may not be reasonable considering much of the increased demand is being generated outside the FPD.

5. SHARED SERVICES AND FACILITIES

Status of, and opportunities for, shared facilities.

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

Discussion:

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

Yes. The cities of West Sacramento and Woodland are already assisting in covering Elkhorn FPD’s calls under its 2015 auto aid agreement and the Elkhorn FPD service is now redundant and inferior to the cities’ service. Therefore, LAFCo recommends service would be better provided by the cities of Woodland and West Sacramento.

Shared Services MSR Determination

The cities of West Sacramento and Woodland are already responding to calls in Elkhorn FPD’s service area under the 2015 auto aid agreement and the Elkhorn FPD service is now redundant and inferior to the cities’ service. Therefore, LAFCo recommends service would be better provided by the cities of Woodland and West Sacramento.

Shared Services MSR Recommendation

- Elkhorn FPD’s facilities and services should be provided by the cities of West Sacramento and Woodland, divided geographically to minimize response times.

6. ACCOUNTABILITY, STRUCTURE AND EFFICIENCIES

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

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

Discussion:

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

Yes. The cities of West Sacramento and Woodland are already covering Elkhorn FPD's calls under its 2015 auto aid agreement and the Elkhorn FPD service is now redundant and inferior to the cities' service. Therefore, LAFCo recommends service would be better provided by the cities of Woodland and West Sacramento. This would result in the City of Woodland providing service outside its jurisdictional boundary to portions of both the Springlake and Elkhorn FPDs and the City of West Sacramento providing service to a portion of the Elkhorn FPD and the Garcia Bend County Service Area (CSA) 9. The simplest governmental structure to be accountable and provide for community service needs in an efficient manner would be to consolidate service territory served by each city under one district. Such a structure would be more uniformly accountable for community service needs and

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efficient. Therefore, LAFCo recommends the Elkhorn FPD be dissolved and its service territory be annexed into Springlake FPD (for the City of Woodland service area) and CSA 9 (for the City of West Sacramento service area), dividing up the territory geographically to minimize response times.

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

No. All the FPD board seats are filled. The Fire Chief recently left the FPD board because there was concern the position of fire chief might be incompatible with membership on the district board (see 84 Cal. Op. Att’y Gen. 94 (2001); 66 Ops. Cal. Atty. Gen. 176 (1983); but see 76 Ops. Cal. Atty. Gen. 38 (1993)).”

Name / Title	Start	End
Gary McLaughlin /	01/28/2020	03/01/2024
Brent Noble /	01/28/2020	03/01/2024
William Mattos /	05/19/2020	06/01/2024
Paul Berg /	02/22/2022	01/01/2026
Thomas Kane /	05/10/2022	05/01/2026

If the Elkhorn FPD were dissolved and annexed into other districts, Elkhorn FPD board members may be eligible to serve on the Springlake FPD Fire Commission.

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

Maybe. The District’s volunteer Chief has served in this role for decades and provides financial management and accountability. However, there is an issue with not having enough volunteer personnel (see Capacity section).

In addition, the Elkhorn FPD’s previous legal counsel, which kept the Elkhorn FPD records, has been slow to respond to the Chief’s numerous requests for records to provide to LAFCo. Elkhorn FPD files were finally returned to the Chief and the meeting minutes are incomplete. Minutes were missing for any meetings in FY 18/19, FY 19/20, and only one set of minutes for FY 20/21. However, the District has new counsel, and is in the process of a general governance update and clean up in response to these issues.

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

Yes. The Chief has indicated the Elkhorn FPD does not have any such policies, but with new legal counsel it is working on them.

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

No. Elkhorn FPD has been exempted from needing to file Statements of Economic Interests.

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

No. The most recent audit provided by the Elkhorn FPD is for fiscal years 2014 through 2018. The Elkhorn FPD is required to conduct an audit every five years. The same auditors were used for the last two audit cycles covering 10 years.

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

No. Elkhorn FPD has hired an outside accountant to evaluate and manage FPD finances and verify the County Department of Financial Services (DFS) accounting coding is accurate. The District contracts with an audit firm to prepare and submit the annual State Controller's Financial Transactions Report, however there is not a discussion of the District's financial condition between the report preparer and the District.

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

No. The Elkhorn FPD does not have a website, but it has adopted resolutions of hardship each year, so it remains in compliance with state law.

Accountability, Structure and Efficiencies MSR Determination

Fire protection and emergency response services in Elkhorn FPD's service territory would be better provided by the cities of Woodland and West Sacramento. This would result in the City of Woodland providing service outside its jurisdictional boundary to portions of both the Springlake and Elkhorn FPDs and the City of West Sacramento providing service to a portion of the Elkhorn FPD and the Garcia Bend County Service Area (CSA) 9. The simplest governmental structure to be accountable and provide for community service needs in an efficient manner would be to consolidate service territory served by each city under one district. Such a structure would be more uniformly accountable for community service needs and efficient.

All the FPD board seats are filled and if the Elkhorn FPD were dissolved and annexed into other districts, Elkhorn FPD board members may be eligible to serve on the Springlake FPD Fire Commission to represent the territory's interests. The Elkhorn FPD's Chief has served this role for decades and provides financial management and accountability, however, there is an issue with not having a sufficient number of volunteer personnel although the District is apparently working on it. Accountability is also hampered by the slow responsiveness of Elkhorn FPD's prior legal counsel and the lack of minutes for meetings in FY 18/19, FY 19/20, and only one set of minutes for FY 20/21.

The Elkhorn FPD is required to conduct its audits on a five-year cycle and is current in its audits, last completed through 2018. The Elkhorn FPD does not have a website, but it has adopted resolutions of hardship each year, so it remains in compliance with state law.

Accountability, Structure and Efficiencies MSR Recommendation(s)

- Elkhorn FPD should be dissolved and its territory annexed into Springlake FPD (for the City of Woodland service area) and CSA 9 (for the City of West Sacramento service area), dividing up the territory geographically to minimize response times.
- Should the Elkhorn FPD not be dissolved, it should adopt policies relating to personnel/payroll, general and administrative, board member and meetings, and segregating financial and accounting duties as soon as possible.
- Should the Elkhorn FPD not be dissolved, it should ensure the District's records are maintained in a complete manner and accessible to its staff.

7. BROADBAND ACCESS

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

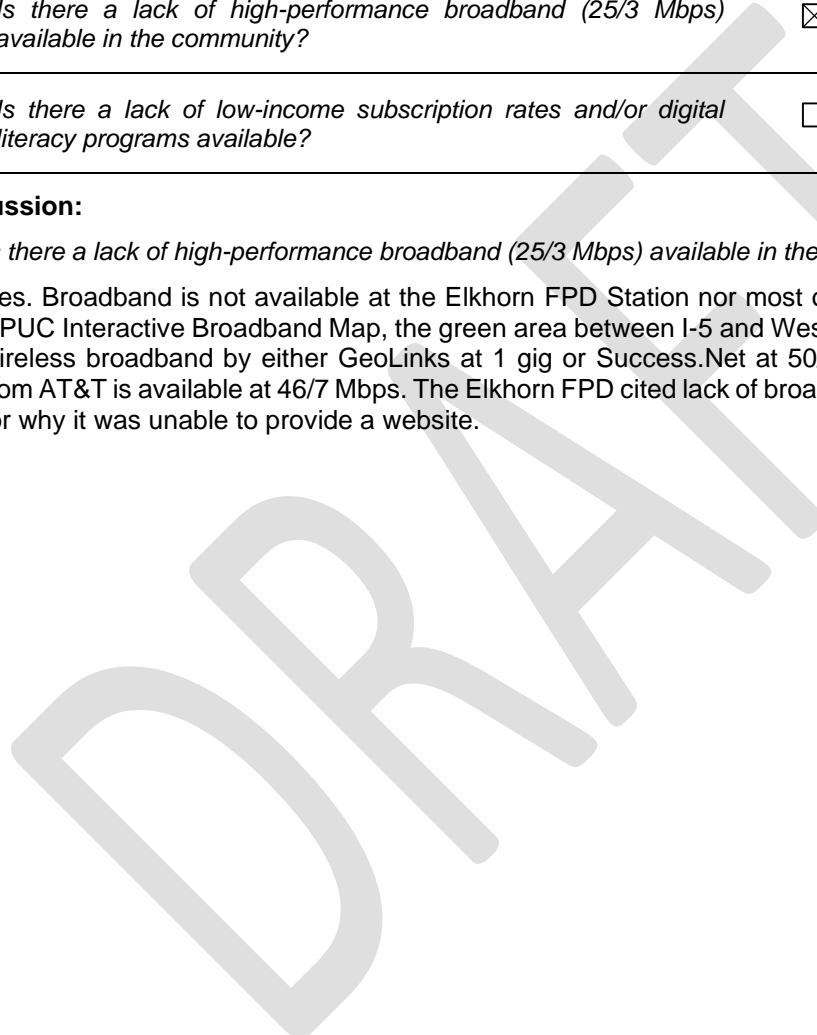
Per Yolo LAFCo Project Policy 6.2 “it is the intent of Yolo LAFCo to comprehensively review broadband access in MSRs of local agencies that either serve communities and/or provide emergency services where broadband connection is critical (i.e. cities, CSDs, CSAs, FPDs and RDs).”

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

Discussion:

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

Yes. Broadband is not available at the Elkhorn FPD Station nor most of its territory. According to the CPUC Interactive Broadband Map, the green area between I-5 and West Sacramento is provided fixed wireless broadband by either GeoLinks at 1 gig or Success.Net at 50/10 Mbps. Mobile/cellular data from AT&T is available at 46/7 Mbps. The Elkhorn FPD cited lack of broadband in its hardship resolution for why it was unable to provide a website.





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

Maybe. GeoLinks does not provide service cost information on its website. AT&T offers an Affordable Connectivity Program that allows qualified households to lower their wireless costs by \$30 per month. According to the CPUC Broadband Mapping Program, broadband adoption is between 60% to 80% for the Elkhorn FPD territory.

Yolo County Library staff provide one-on-one computer assistance, with even with basic functions like setting up an email account⁵ and generally help troubleshoot technology challenges. Information and instruction about basic computer/tablet/smartphone use is offered in ESL conversation clubs, classes and in Yolo Reads Adult and Family Literacy program. The library also provides hotspots and Chromebooks for those that need these items. The library does not have a formalized technology curriculum, although there have been discussions regarding adding it as a service. However, the closest libraries are 10 miles away in either West Sacramento or Woodland.

Broadband Access MSR Determination

Broadband is not available at the Elkhorn FPD Station nor most of its territory. According to the CPUC Interactive Broadband Map, the green area between I-5 and West Sacramento is provided fixed wireless broadband by either GeoLinks at 1 gig or Success.Net at 50/10 Mbps. Mobile/cellular data from AT&T is available at 46/7 Mbps. Costs for GeoLinks is not available, Succeed.net is \$80/month for a broadband speed plan, and AT&T offers a \$30 reduction in its mobile plan for low-income households. The Elkhorn FPD cited lack of broadband in its hardship resolution for why it was unable to provide a website.

Broadband Access MSR Recommendation

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

⁵ Email from Mark Fink, Yolo County Librarian on May 26, 2021

8. STATUS OF PREVIOUS MSR RECOMMENDATIONS

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

Discussion:

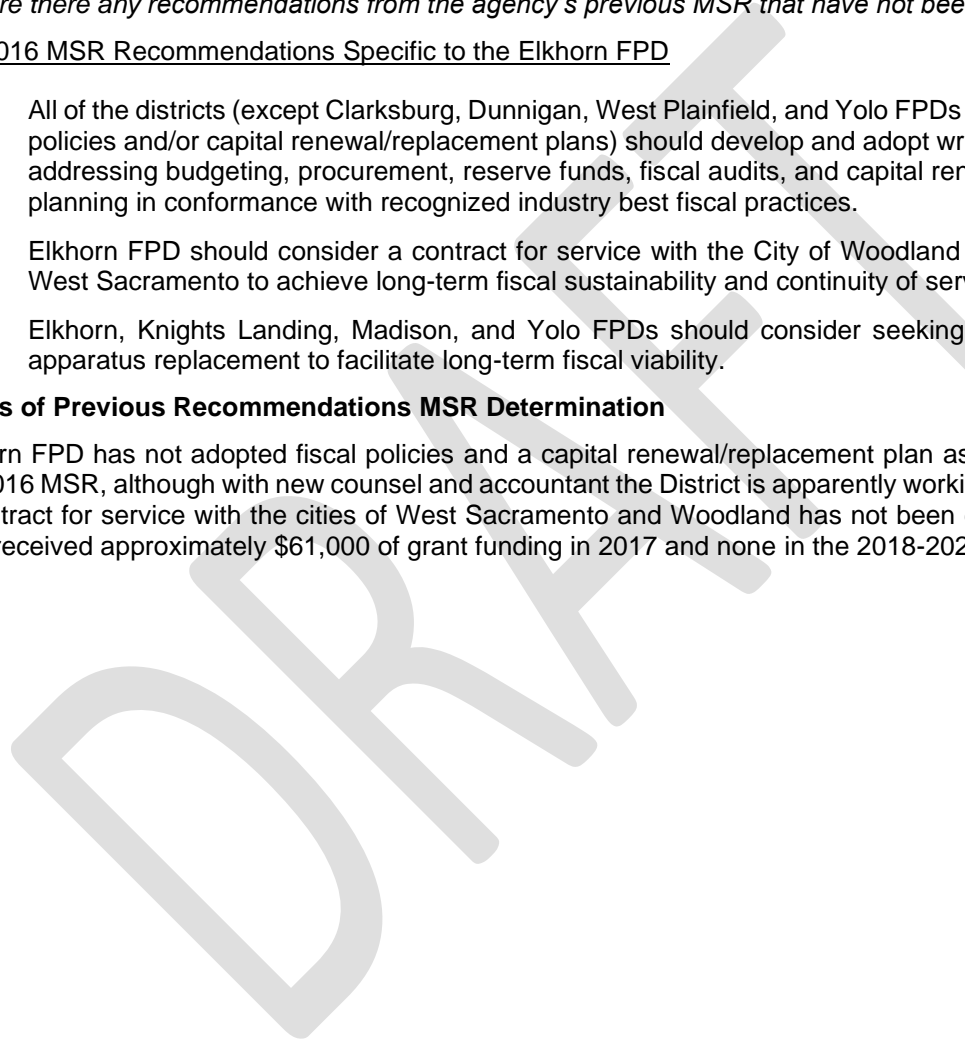
a) *Are there any recommendations from the agency's previous MSR that have not been implemented?*

2016 MSR Recommendations Specific to the Elkhorn FPD

- All of the districts (except Clarksburg, Dunnigan, West Plainfield, and Yolo FPDs with existing fiscal policies and/or capital renewal/replacement plans) should develop and adopt written fiscal policies addressing budgeting, procurement, reserve funds, fiscal audits, and capital renewal/replacement planning in conformance with recognized industry best fiscal practices.
- Elkhorn FPD should consider a contract for service with the City of Woodland and/or the City of West Sacramento to achieve long-term fiscal sustainability and continuity of services.
- Elkhorn, Knights Landing, Madison, and Yolo FPDs should consider seeking grant funding for apparatus replacement to facilitate long-term fiscal viability.

Status of Previous Recommendations MSR Determination

Elkhorn FPD has not adopted fiscal policies and a capital renewal/replacement plan as recommended in the 2016 MSR, although with new counsel and accountant the District is apparently working on these items. A contract for service with the cities of West Sacramento and Woodland has not been executed. Elkhorn FPD received approximately \$61,000 of grant funding in 2017 and none in the 2018-2021 fiscal years.



SPHERE OF INFLUENCE STUDY

On the basis of the Municipal Service Review:

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

DRAFT