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August 13, 2008 (Agenda)

Contra Costa Local Agency Formation Commission
651 Pine Street, Sixth Floor
Martinez, CA 94553

**Preliminary Draft Municipal Services Review/Sphere of Influence Updates
East County Sub-Regional**

Dear Commissioners:

BACKGROUND

What are Municipal Service Reviews

Municipal Service Reviews (MSRs) provide an assessment of the ability of local government agencies (i.e., county, cities, special districts) to effectively and efficiently provide services to residents and users. The form and content of the MSR is provided for in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act).

The purpose of MSRs is to provide information to the Commission to use in updating the sphere of influence (SOI) and considering future boundary changes for each local agency. LAFCO is not required to initiate boundary or sphere changes as part of service reviews. LAFCO, local agencies or the public may subsequently use the service reviews together with additional studies, where necessary, to pursue changes in jurisdictional boundaries, including annexations, reorganizations, district formations, etc. LAFCO may also use the information in this report in reviewing future proposals related to changes of organization or reorganizations.

Government Code §56375(a) gives LAFCO the power to initiate certain types of boundary changes consistent with service reviews and SOI studies. These boundary changes include:

- Consolidation of districts (joining two or more districts into a single successor district)
- Dissolution (termination of a district and its corporate powers)
- Merger (termination of a district by merging that district with a city)
- Establishment of a subsidiary district (where a city council becomes the board of directors of a district)
- Formation of a new district or districts
- A reorganization that includes any of the above

LAFCO may also use the information presented in the MSR to review proposals for extension of service beyond an agency's jurisdictional boundaries, or for other boundary changes.

State Law Requirements

The CKH Act requires LAFCO to update the SOI for each local agency under its jurisdiction every five years. The CKH Act further requires that a service review be conducted prior to or in conjunction with the SOI update.

Government Code §56430 requires that service reviews include an analysis and written statement of determinations with respect to various factors, including growth and population; present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies; financial ability of agencies to provide services, opportunities for shared facilities, government and operational efficiencies, and other factors related to service delivery.

MSRs/SOI Updates in Contra Costa County

In February 2006, the Commission approved an MSR/SOI workplan and timeline. The workplan provides for a phased approach to complete the MSRs/SOI updates for the 19 cities and approximately 30 special districts using a team of consultants and LAFCO staff. The approach involves conducting *countywide* MSRs/SOI updates for water, wastewater and health care services. These reviews are complete or nearing completion. A second component involves *sub-regional* (East, West and Central County) MSRs/SOI updates for the city general services and a number of special districts, along with a few individual agency reviews as needed.

At this time, we are pleased to present the Preliminary Draft East County Sub-Regional MSR/SOI Updates. This MSR was prepared with assistance from Graichen Consulting (Bruce Baracco) and Braitman & Associates. The report has been reviewed by LAFCO staff and County, city and district staff. A copy of the preliminary report was provided to the Commission for review.

DISCUSSION

The East County Sub-Regional MSR focuses on the services provided by agencies under LAFCO's purview, including the following: cities of Antioch, Brentwood, Oakley and Pittsburg, County Service Area (CSA) RD-4, Bethel Island Municipal Improvement District (BIMID), and Town of Knightsen Community Services District (KCSD).

The report focuses on the local agencies and their ability to provide municipal and community services (excluding water and wastewater services). The preliminary report includes the State-required determinations, along with preliminary SOI options and recommendations.

At the workshop on August 13, the MSR project team will present an overview of the preliminary determinations and SOI options and recommendations.

The Commission is requested to review the report and provide direction to the project team at the workshop. The project team will make appropriate modifications to the draft report based on comments received, and prepare the Public Review Draft report for circulation and final consideration by the Commission in October 2008.

RECOMMENDATIONS

1. Receive the preliminary East County Sub-Regional MSR and staff report,
2. Provide comments to the project team,
3. Direct the project team to prepare and circulate the Public Review Draft, and
4. Schedule a public hearing for October 8, 2008 to consider the East County Sub-Regional Public Review Draft MSR/SOI Update.

Respectfully submitted,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

c: Distribution