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May 13, 2009 (Agenda)

May 13, 2009
 Agenda Item 8

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

**Preliminary Municipal Services Review/Sphere of Influence Updates
 Reclamation Services**

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).

The purpose of MSRs is to provide information to the Commission to use in updating spheres of influence (SOIs) and considering future boundary changes for each local agency. LAFCO is not required to initiate boundary or SOI changes as part of service reviews. LAFCO, local agencies or the public may subsequently use the MSRs together with additional studies, where necessary, to pursue changes in jurisdictional boundaries, including annexations, reorganizations, district formations, and in considering extension of municipal services outside an agency's jurisdictional boundaries.

Government Code section 56375(a) gives LAFCO the power to initiate certain types of boundary changes consistent with MSRs 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

State Law Requirements

The CKH requires LAFCO to update the SOI for each local agency under its jurisdiction every five years, as needed; and that an MSR be prepared prior to or in conjunction with the SOI update.

Government Code section 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 updated MSR/SOI workplan that provides for a phased approach in order to complete baseline MSRs/SOI updates for the 19 cities and remaining special districts using a team of consultants and LAFCO staff. The approach involves a combination of countywide, sub-regional, and agency specific reviews.

To date, LAFCO has completed baseline countywide healthcare and water/wastewater reviews, the first sub-regional MSR (East County), and individual MSRs for several districts. The Central and West County sub-regional MSRs are presently underway. On April 22, 2009, the Commission received the countywide Fire and Emergency Medical Service MSR report; corresponding SOI updates for the fire districts are pending.

The MSR covering reclamation services was initiated in October 2008. On May 13, the Commission will hold a workshop and receive a preliminary overview of the Reclamation MSR and SOI updates.

DISCUSSION

The Reclamation MSR covers the 13 reclamation districts (RDs) in Contra Costa County, including RDs 799, 800, 830, 2024, 2025, 2026, 2059, 2065, 2090, 2117, 2121, 2122 and 2137.

The MSR report focuses on the local agencies and their ability to provide services. The MSR report includes the State-required determinations, along with preliminary governance structure and SOI options and recommendations.

At the workshop on May 13, the MSR consultant will present an overview of the preliminary determinations and SOI options and recommendations. The Commission will be asked to provide initial comments and direct staff to release the Public Review Draft report for circulation and consideration by the Commission in July 2009.

RECOMMENDATIONS

1. Receive the staff report and consultant presentation,
2. Provide comments to the project team,
3. Direct the project team to release the Public Review Draft MSR report, and
4. Schedule a public hearing for July 8, 2009 to consider the Reclamation Services MSR/SOI Updates.

Respectfully submitted,

LOU ANN TEXEIRA
EXECUTIVE OFFICER